



Transilvania
Investments

Transilvania Investments Annual Report 2023



**REPORT OF THE EXECUTIVE BOARD
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2023**

The Annual Report drafted according to the Law No. 24/2017 *regarding the issuers of financial instruments and market operations*, the F.S.A. Regulation no. 5/2018 *regarding the issuers of financial instruments and market operations*, Law no. 74/2015 *on alternative investment fund managers*, Law no. 243/2019 *regulating alternative investment funds* and the F.S.A. regulations issued for the enforcement thereof, Regulation (EU) no. 231/2013, the Bucharest Stock Exchange Rule Book, Accounting Law no. 82/1991, republished as subsequently amended and supplemented, F.S.A. Regulation no. 39/2015, approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorised, regulated and supervised by the Financial Supervisory Authority from the Financial Instruments and Investments Sector.

Report date: 31.12.2023

| | |
|--|---|
| Company name | Transilvania Investments Alliance S.A. (<i>Transilvania Investments or the Company hereinafter</i>) |
| Registered Office | Brasov Municipality, 2 Nicolae Iorga Street, postal code 500057 |
| Branch Office | Bucharest, Ana Tower, Poligrafiei Boulevard 1A, Floor 1, Zone B, Sector 1 |
| Phone/ Fax | 0268 416 171 / 0268 473 215 |
| E-mail | investitori@transilvaniainvestments.ro |
| Website | www.transilvaniainvestments.ro |
| Sole Registration Code | 3047687 |
| Tax Registration Code | RO3047687 |
| Trade Register 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 lei |
| 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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- List of companies in which Transilvania Investments is the majority shareholder as at 31 December 2023 (Annex no. 1)
- List of companies in which Transilvania Investments has a significant influence as at 31 December 2023 (Annex no. 2)
- List of companies in bankruptcy, insolvency, voluntary winding-up and judicial reorganization as at 31 December 2023 (Annex no. 3)
- Statement of compliance with the provisions of the BSE Corporate Governance Code (CGC) (Annex no. 4)
- Statement regarding the application of the corporate governance principles, according to the F.S.A. Regulation no. 2/2016 (Annex no. 5)
- Remuneration Report of Transilvania Investments Alliance for the year 2023 (Annex no. 6)
- Annex on disputes 2023 (Annex no. 7)
- Statement of assets and liabilities as at 31 December 2023, prepared in accordance with Annex 10 to the FSA Regulation 7/2020
- Detailed statement of investment as at 31 December 2023, prepared in accordance with Annex 11 to the FSA Regulation 7/2020

1. PREAMBLE

Due to its specific scope of business, Transilvania Investments relates both to the Romanian economic and legislative context and also to the regional/global macroeconomic framework, a series of events recorded during 2023 having direct or indirect influences on the results and performance of the Company.

1.1 General macroeconomic context

The year 2023 is characterised by a mix of positive elements. However, several risks have increased, such as geopolitical ones, with the on-going Russian-Ukrainian military conflict, whereas tension escalated in the Middle East. At the same time, European economies have faced higher-than-expected levels of inflation and slowdowns in economic growth. In this climate, investors have shown optimism, as evidenced by the rise in stock market indices in the region. As regards Romania, the stock market had an excellent year, the BET index rising by 32% in 2023, and the merger and acquisition market has been buoyant, impact transactions taking place, such as: the takeover of Profi by Mega Image, the takeover of Enel by Public Power Corporation, the merger between Unicredit and Alpha Bank Romania, the purchase of First Bank by Intesa Sanpaolo.

While the budget deficit remained high, the current account deficit narrowed as the balance of goods deficit improved. The EUR-RON exchange rate remained on a stable line and inflation entered a downward curve. With the fiscal measures adopted, the government hopes to reduce the budget deficit, which is doubtful given that 2024 is an election year, with four sets of elections to be held.

In 2023, the GDP growth rate has been +2% (below the European Commission's estimate of economic growth of 2.2%).

Although the consumer price index declined in 2023, from 16.4% in December 2022 to 6.6% at the end of 2023, private consumption grew by only 0.9% at the end of the first three quarters, marking the erosion of household purchasing power. Industrial production did not have a good year in the given European context, dropping by 4.9% in 2023 compared to the previous year.

Although the budget deficit was 5.7% of the GDP in 2023, a positive aspect was generated by increased investment spending, which includes capital spending, as well as spending on development programmes financed from domestic and external sources, which was 38.8% higher in 2023 compared to the previous year.

As the budget deficit deepened, public debt increased in nominal terms (by 16% since the beginning of the year) and now stands at 49.7% of the GDP.

Direct foreign investment decreased by 34% from the previous year amid a significant decrease in intra-group lending.

The real estate market was down in 2023, with the number of transactions 10% lower than in the previous year, according to data published by the National Agency for Cadastre and Land Registration. At the same time, the number of building permits issued in 2023 was about 21% lower than in 2022.

After the NBR raised its policy rate from 6.75% to 7% in its January 2023 meeting, in subsequent meetings, including the most recent one in mid-February 2024, the NBR decided to keep it at 7%.

Lending slowed, with non-government credit down 0.2% year-on-year in real terms as compared to the previous year, while deposits increased, especially those in RON of residents who recorded a 11.5% real increase in balance. The non-performing loan rate remained stable this year at around 2.33% (in December 2023).

OMV Petrom, together with Romgaz, announced the final investment decision in the Neptun Deep project, amounting to EUR 4 billion (2024-2026). Production is planned to start in 2027.

1.2 Economic growth prospects

Four rounds of election will take place in 2024, and the election year will undoubtedly have an impact on the Romanian business environment. Expected increases in pensions and wages will support private consumption growth at the same time as accelerating government spending.

The energy price cap remains in place until March 2025, which should help private consumption.

The European Commission estimate for Romania's economic growth for 2024 is +2.9%, fuelled by real income growth and government spending.

Inflation, while expected to remain on a downward trend, will remain at high levels without reaching the NBR target, fuelled by consumption growth and high taxes, putting pressure on financing costs. Given that the budget deficit will remain at a high level of around 6% of the GDP, it will continue to be covered by the issuance of public debt, with government bonds having to bear interest rates that investors, especially institutional investors, will find attractive.

As an election year, the EUR-RON exchange rate is also not expected to fluctuate significantly.

In 2024 there will be pressure on financial institutions and oil and gas companies, which are subject to additional turnover tax, in addition to corporate tax.

1.3 Context of the Romanian capital market

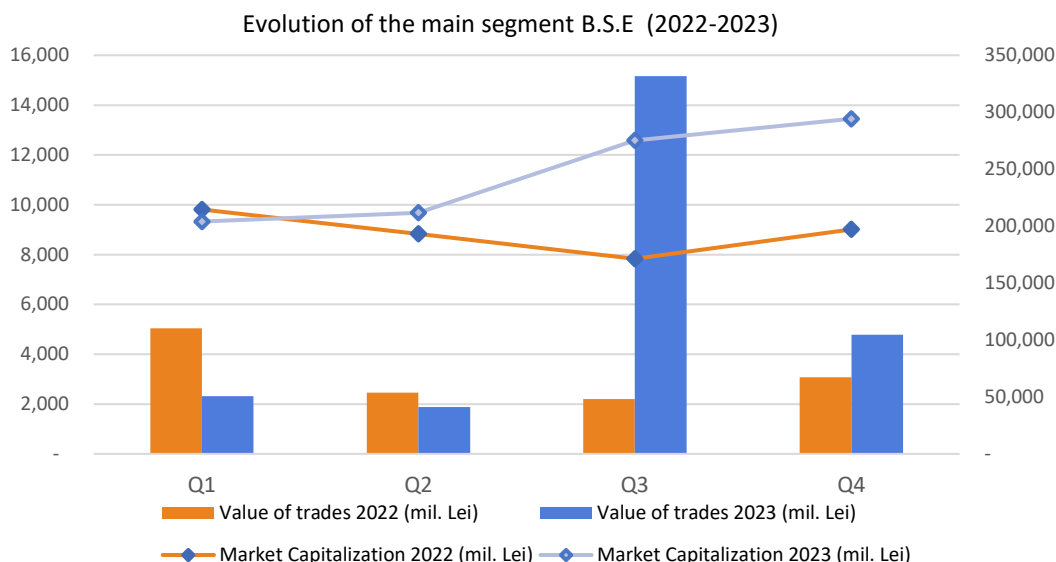
The Romanian capital market had a very good year, with the main BET index increasing by 32% and the BET-TR index by 40%, as compared to the previous year. The BET-TR index had the best performance in the region in 2023.

The total trading value recorded on all markets in the year 2023, with all kinds of financial instruments, has surpassed RON 38 billion, 58% higher than in the previous year.

One of the most important events on the Romanian capital market was the initial public offering for Hidroelectrica, the largest such offering ever made on the BSE. The offering for Hidroelectrica attracted a total of RON 9.3 billion. Hidroelectrica debuted on July 12, 2023 on the Regulated Market of the BSE and is the largest Romanian company listed on the BSE in terms of capitalization. Through 11 corporate bonds issued, the issuers brought EUR 1.6 billion, highlighting increased appetite for funding. The Ministry of Finance has also been active in the capital market, attracting EUR 1.9 billion through 20 Fidelis government bonds issued.

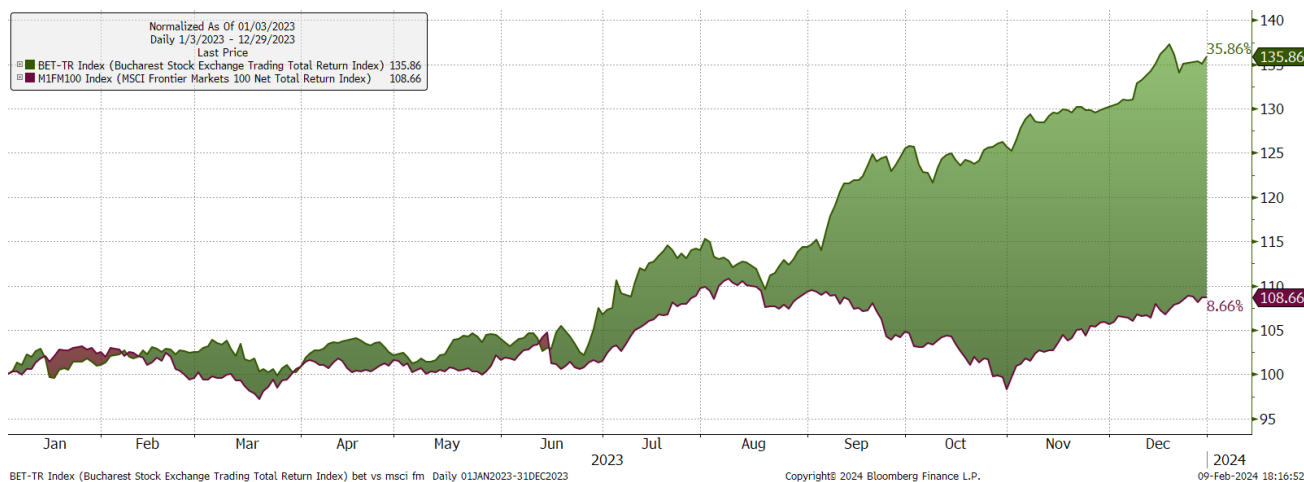
Throughout the year 2023, the evolution of shares listed on the regulated market compared to the previous financial year recorded the following significant aspects:

- as compared to the same period of the previous year, the value of transactions recorded in 2023 on the regulated segment of the B.S.E. recorded a higher aggregate level;
- at the end of the period under review, the market capitalisation of the regulated market was 50% higher than in the same period of the previous year (YoY change).



Source: Bucharest Stock Exchange

Throughout the year 2023, the evolution of the main regulated market index BET TOTAL RETURN (calculated in local currency, includes dividends) was positive, recording an increase of 36%. We note the widening gap between the evolution of the local index and the MSCI Frontier Markets evolution, resulting in an overperformance of the local market.



Source: Bloomberg

2. EVOLUTION OF THE TRANSILVANIA INVESTMENTS SHARES IN 2023

In 2023, **TRANSI** shares recorded an evolution characterized by the following trading milestones:

- ⇒ minimum closing price RON 0.2710/share
- ⇒ average price RON 0.2924/share
- RON 0.2914/share, provided that POF transactions are not considered
- ⇒ maximum closing price RON 0.3280/share
- ⇒ traded volume 66.46 million shares
- 64.22 million shares, provided that POF transactions are not considered

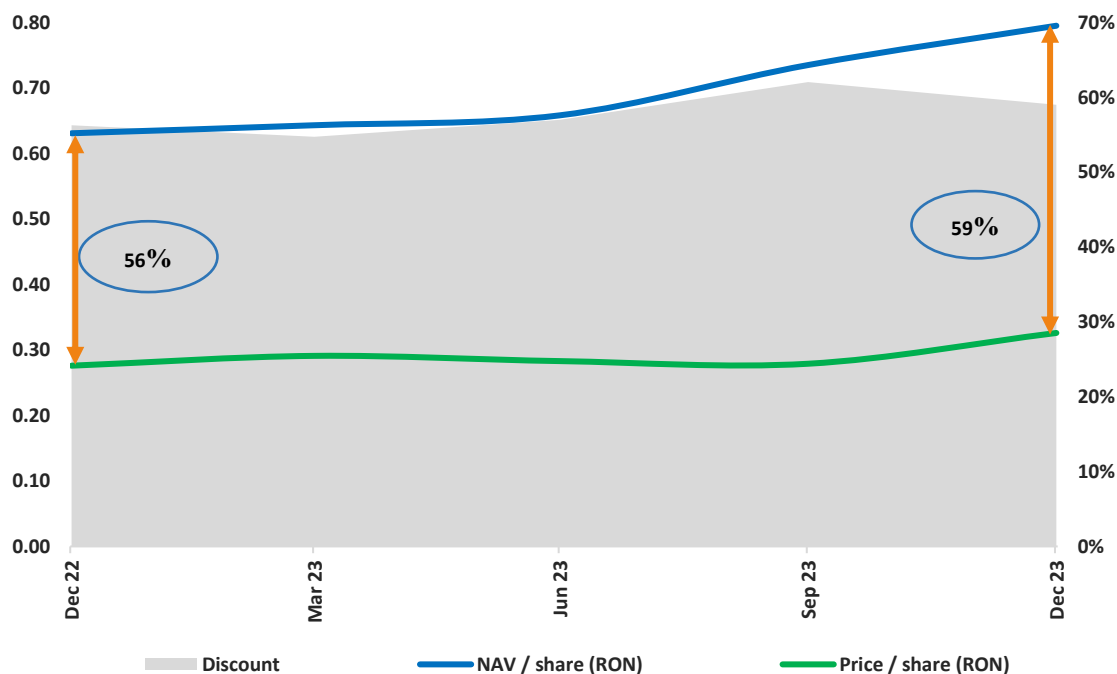
- ⇒ no. of trading sessions 248 sessions
- ⇒ daily average trading volume 0.27 million shares/session
0.26 million shares/meeting, provided that POF transactions are not considered

Note: During the period under review no DEAL transactions have been recorded.



In 2023, the TRANSI share price increased by 18.1% as compared to the previous year's closing price.

Evolution of TRANSI shares' trading discount in the last 12 months

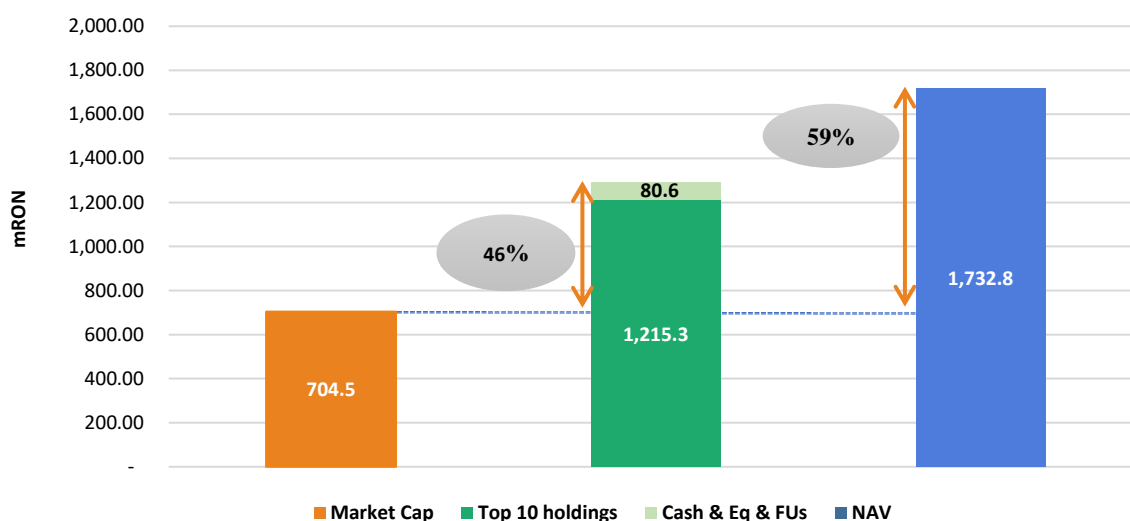


Source: Transilvania Investments

Over the past 12 months, we find both an improvement of the net asset unitary value (which increased from RON 0.6310/share, recorded in December 2022, to RON 0.8019/share, recorded at the end of December 2023), as well as the improvement of the TRANSI share price (increasing from RON 0.2760/share,

in December 2022, to RON 0.3260/share, at the end of December 2023). Although the net asset unitary value has increased, the trading discount increased from 56%, at the end of December 2022, to 59% at the end of the reviewed year.

Analysis of the TRANSI shares' trading discount as on 31 December 2023



Source: Transilvania Investments

Compared to the level of Net Assets reported for the reference date 31 December 2023, the price of TRANSI shares recorded a significant discount, namely 59%. By also considering the Top 10 holdings in the portfolio (including cash and cash equivalent), the price of TRANSI shares recorded a significant discount, namely 46%.

3. ANALYSIS OF THE COMPANY'S ACTIVITY

3.1 General framework

Transilvania Investments is authorized in the capacity of Alternative Investment Fund Manager (A.F.I.M.), by the F.S.A. (Authorisation no. 40/15 February 2018), operating according to the provisions of Law no. 74/2015 on alternative investment fund managers. Furthermore, the company is authorized as a Retail Investor Alternative Investment Fund (F.I.A.I.R.), of the closed, diversified type, set up as an investment company, self-managed, according to the Law no. 243/2019 on the Regulation of alternative Investment Funds, based upon the F.S.A. Authorization no. 150/9 July 2021.

Transilvania Investments is set-up as a joint-stock company and is listed at Bucharest Stock Exchange, on the Main segment, under the Premium category, with the TRANSI symbol, the trading of company issued shares being subject to the rules applicable to the regulated market and closed-end investment funds.

The company manages an investment portfolio mostly exposed on the Romanian capital market, mainly on listed shares of companies in the banks, travel and leisure, real estate and energy sectors. The Company also invests in equity securities of collective investment undertakings in securities, of alternative investment funds, in unlisted securities and money-market instruments. The structure of the aggregate portfolio managed by the Company complies with the investment limitations undertaken by the risk profile, respectively by the status of Retail Investor Alternative Investment Fund, and therefore remains focused on shares listed on the Romanian capital market.

The investment objective of Transilvania Investments is to maximise the aggregate returns obtained by current and potential shareholders through investments made by the company, in accordance with legislation and its own regulations in force. Moreover, Transilvania Investments aims to increase the value

of net assets through a performance management oriented towards the generation of added value, in conditions of active and prudent management of the assets held in the business lines (trading, travel and leisure, real estate, industrial and venture capital/private equity).

3.2. Investment entity

Transilvania Investments applies the IFRS standards as the accounting base, in compliance with the requirements of the F.S.A. Rule 39/2015 *on approving the Accounting regulations compliant with the International Financial Reporting Standards, applicable to the entities authorised, regulated and supervised by the Financial Supervisory Authority from the financial instruments and investments sector.*

I.F.R.S. 10.4 provides certain exceptions from the preparation of the consolidated financial statements, among which the exception applicable to the parent companies which are classified as “investment entities”. Transilvania Investments’s management, as a result of the carried-out analyses, has found that the company complies with the requirements of the definition of an “investment entity” in accordance with I.F.R.S. 10., namely:

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

Under these conditions, Transilvania Investments has prepared a single set of financial statements, namely separate financial statements in accordance with I.F.R.S.

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

Transilvania Investments directly provides services related to investment management for its investors, having as main scope exclusively the activities specific to the closed-end investment companies. Transilvania Investments does not provide consultancy services for investments and administrative services, whether directly or through a subsidiary, to third parties and/or its investors.

The company applies an exit strategy based on the permanent monitoring of the investments made and on the analysis of the current market situations, in view of obtaining higher yields and meeting the objectives established through the annual revenue and expenditure budgets.

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

The company was authorized by the Financial Supervisory Authority as a Retail Investor Alternative Investment Fund (F.I.A.I.R.). The operation of Transilvania Investments as a closed-end type, diversified F.I.A.I.R., set up as an investment company, self-managed, is based on a series of rules regarding the risk profile, investment exposure limits, valuation and reflection of portfolio financial assets in the company’s net assets, transparency and reporting obligations.

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

- i. publishes monthly the statement of assets and liabilities, respectively reports on the values of N.A.V. and N.A.V. per share, calculated by the company and certified by the depositary (Annex no. 10 according to F.S.A. Regulation no. 7/2020), together with the statement of assets for which valuation methods in accordance with international standards and the fair value principle were taken into account (Annex according to art. 38 paragraph (4) of Law no. 243/2019);
- ii. calculates, on a monthly basis, and publishes, quarterly, half-yearly and annually, within the deadline set forth by the applicable legislation in force for publication of the quarterly/half-yearly/annual reports, the detailed statement of investments (Annex no. 11 to the F.S.A. Regulation no. 7/2020).

3.3 Financial assets at fair value

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

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

Setting the materiality of the input data within the process of the fair value measurement in its aggregate requires the use of the professional rationale, considering the specific factors as a result of the complexity implied by the measurement of these investments and also of the reflection of the changes in the fair value in the financial statements. The process of the fair value measurement afferent to the financial instruments held by Transilvania Investments is carried out according to the asset valuation policy, the internal procedures and the related methodology, which consider the portfolio structure, specifics and characteristics.

Under the general concept and according to the rules defined at the level of the fund by its authorisation as a R.I.A.I.F., it was envisaged that stakes in issuers listed on an alternative/multilateral system in Romania would be assimilated to securities with a liquidity considered as irrelevant for applying the mark-to-market method, the option being that the shares of such companies to be valued on the basis of a valuation report in accordance with the valuation standards in force. For the companies listed on the main segment of Bucharest Stock Exchange, usually, the trading activity of the shares concerned is considered relevant to apply the mark-to-market method. In specific situations, which do not fall within the general coordinates mentioned above, a prudent judgement is considered with regard to quantitative and/or qualitative aspects of the market and trading activity of the issuer's securities.

In the context of the above and the provisions of art. 114 - (5) of the F.S.A. Regulation no. 9/2014, we mention the following aspects relating to the issuers in the portfolio held as at 31 December 2023 for which the valuation was not carried out on a mark-to-market basis:

- within the share portfolio held by Transilvania Investments as at 31 December 2023, for issuers whose shares are admitted to the multilateral trading system of the Bucharest Stock Exchange and traded within a 30 business days period prior to 31 December 2023, presented in the table below, the option of estimating the value on the basis of a valuation report has been maintained;
- the analysis of the information on company characteristics and the trading activity of the shares of the respective issuers resulted in a number of aspects and elements that could not be considered relevant for the use of the mark-to-market method;

- the summary data of trading indicators or parameters for a 12-month period prior to 2023 reflect: the dominant, control or significant position held by Transilvania Investments as shareholder in the companies, shareholding structures with a high degree of stake concentration which results in a generally low free-float, low number of trading sessions for those companies in the context of the annual trading programme of the B.S.E. or compared to issuers traded in the same segment for which the mark-to-market method was used, certain discontinuities in trading resulting from the existence of time intervals without transactions, low volumes traded compared to the total number of shares of the issuers and/or stakes of Transilvania Investments, low average number of trades in a trading session, lack of presence of the issuers in the composition of some stock indices etc.

| Company | Market | Symbol | TIA holding % | Free-float | Trading sessions | No. of trades | Average trades | Trades volume | Non-trading periods |
|---|------------|--------|---------------|------------|------------------|---------------|----------------|---------------|---------------------|
| Aro Palace S.A. | BVB - XRS1 | ARO | 85.7% | 4.0% | 57 | 117 | 2 | 0.07% | - |
| Casa Alba Independenta S.A. | BVB - XRS1 | CAIN | 53.3% | 24.8% | 20 | 51 | 2 | 0.08% | 5 months |
| Cocor S.A. | BVB - XRS1 | COCR | 10.2% | 36.9% | 15 | 46 | 3 | 0.72% | 5 months |
| Dorna Turism S.A. | BVB - XRS1 | DOIS | 32.0% | 18.0% | 7 | 8 | 1 | 0.02% | 5 months |
| Emailul S.A. | BVB - XRS1 | EMAI | 28.9% | 9.6% | 50 | 130 | 2 | 0.44% | - |
| Feper S.A. | BVB - XRS1 | FEP | 85.8% | 4.8% | 119 | 506 | 4 | 0.97% | - |
| Independenta S.A. | BVB - XRS1 | INTA | 53.3% | 24.9% | 28 | 75 | 2 | 0.08% | 4 months |
| Mecanica Codlea S.A. | BVB - XRS1 | MEOY | 81.1% | 7.9% | 63 | 174 | 2 | 1.55% | 1 month |
| Neptun-Olimp S.A. | BVB - XRS1 | NEOL | 41.2% | 6.6% | 80 | 210 | 2 | 0.31% | - |
| Romradiatoare S.A. | BVB - XRS1 | RRD | 76.5% | 7.0% | 18 | 52 | 2 | 0.05% | 7 months |
| Transilvania Leasing si Credit Ifn S.A. | BVB - XRS1 | TSLA | 95.2% | 4.8% | 161 | 913 | 5 | 4.15% | - |
| Turism Covasna S.A. | BVB - XRS1 | TUAA | 92.9% | 5.1% | 46 | 138 | 3 | 0.42% | 2 months |
| Tusnad S.A. | BVB - XRS1 | TSND | 82.9% | 17.1% | 49 | 127 | 2 | 0.68% | - |

By reference to the internal regulations of the company and the portfolio of managed assets whose values are classified on level 3 of the fair value hierarchy, in 2023, the valuation activity was performed internally and in collaboration with third parties, based on a services contract for drafting valuation reports, in the context of the legislative framework and the Valuation Standards in force. Transilvania Investments contracted the services of a nationally recognized entity- PricewaterhouseCoopers Management Consultants and Darian Drs, corporate members of ANEVAR and qualified providers of specialised valuation services that meet specific legislative requirements (independence, skills, experience, qualified staff, etc.) for the drafting of valuation reports for the purpose of estimating the fair value of certain stakes in the managed portfolio.

As at 31 December 2023, the Company held in its portfolio financial assets measured at fair value, classified on three levels of the fair value hierarchy, as follows:

| - RON - | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|-------------------|--------------------|--------------------|
| Financial assets measured at fair value through other comprehensive income | 787.568.913 | - | 87.505.682 | 875.074.595 |
| Shares, equity interests, preference rights | 787.568.913 | - | 17.252.913 | 804.821.826 |
| Equity holdings | - | - | 70.252.769 | 70.252.769 |
| Financial assets measured at fair value through profit or loss | 319.537.909 | 52.347.521 | 492.266.976 | 864.152.406 |
| Shares* | 319.537.909 | - | 471.885.874 | 791.423.783 |
| Bonds, government securities | - | 52.347.521 | 0 | 52.347.521 |

| | | | | | |
|--|----------------------|-------------------|--------------------|----------------------|------------|
| | Fund units | - | - | 20.381.102 | 20.381.102 |
| Total financial assets measured at fair value | 1.107.106.822 | 52.347.521 | 579.772.658 | 1.739.227.001 | |

* The holding in T.H.R. Marea Neagră S.A. was adjusted with the stake of 226,942,936 shares, transferred based on the partial asymmetric split-up project of the issuer, approved by the EGMS of December 2023. The effective adjustment of the stake held by Transilvania Investments in T.H.R. Marea Neagră will take place following the completion of the reduction of the share capital of T.H.R. Marea Neagră within its split-up process, after the registration date set by the EGMS of T.H.R. Marea Neagră (11.04.2024).

In the structure of the financial assets portfolio held by Transilvania Investments at 31 December 2023, the value of shares and equity interests amounts to 91.8% of the total portfolio. At the end of 2023, the share of financial assets classified as level 1 of the fair value hierarchy in the total value of Transilvania Investments' portfolio amounts to 63.7%.

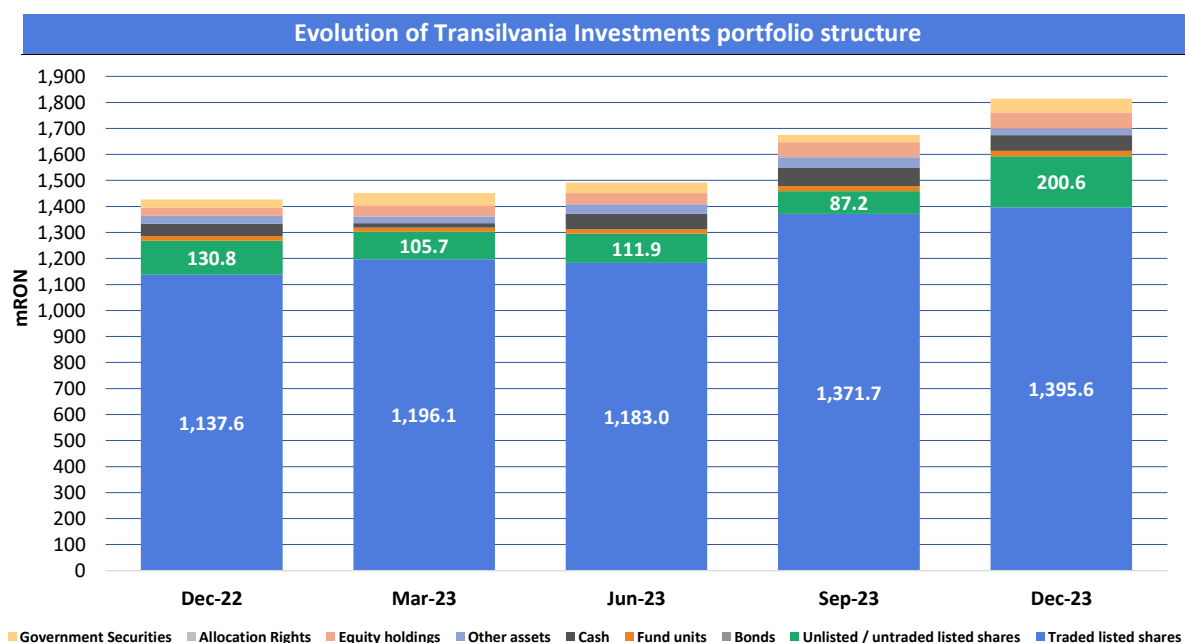
3.4 Main aspects of the financial instrument portfolio evolution in 2023

- ❖ 27.9% (YoY) increase in the value of total assets in the financial year 2023;
- ❖ the value of net assets followed a similar pattern, with an increase of 27.6% in the financial year 2023;

| Evolution and components of Transilvania Investments portfolio | | | | | | | | | | |
|--|---------|---------------------|---------|---------------------|---------|---------------------|----------|---------------------|---------|------------------------|
| - RON million - | Dec.-22 | Quarterly evolution | Mar.-23 | Quarterly evolution | June-23 | Quarterly evolution | Sept.-23 | Quarterly evolution | Dec.-23 | Year-to Date evolution |
| Total assets value | 1,426.1 | ↗ | 1,451.5 | ↗ | 1,492.1 | ↗ | 1,675.6 | ↗ | 1,824.0 | ↗ |
| Net asset value | 1,358.2 | ↗ | 1,382.5 | ↗ | 1,412.9 | ↗ | 1,585.5 | ↗ | 1,732.8 | ↗ |
| Total companies in portfolio | 86 | ↘ | 78 | ↘ | 77 | ↘ | 75 | ↘ | 72 | ↘ |
| Financial instruments portfolio (incl. cash)* | 1,394.7 | ↗ | 1,425.4 | ↗ | 1,454.8 | ↗ | 1,636.7 | ↗ | 1,799.4 | ↗ |
| Financial instruments portfolio * | 1,347.5 | ↗ | 1,408.2 | ↘ | 1,396.0 | ↗ | 1,564.3 | ↗ | 1,739.2 | ↗ |
| Cash & equivalent** | 47.2 | ↘ | 17.2 | ↗ | 58.8 | ↗ | 72.4 | ↘ | 60.2 | ↗ |

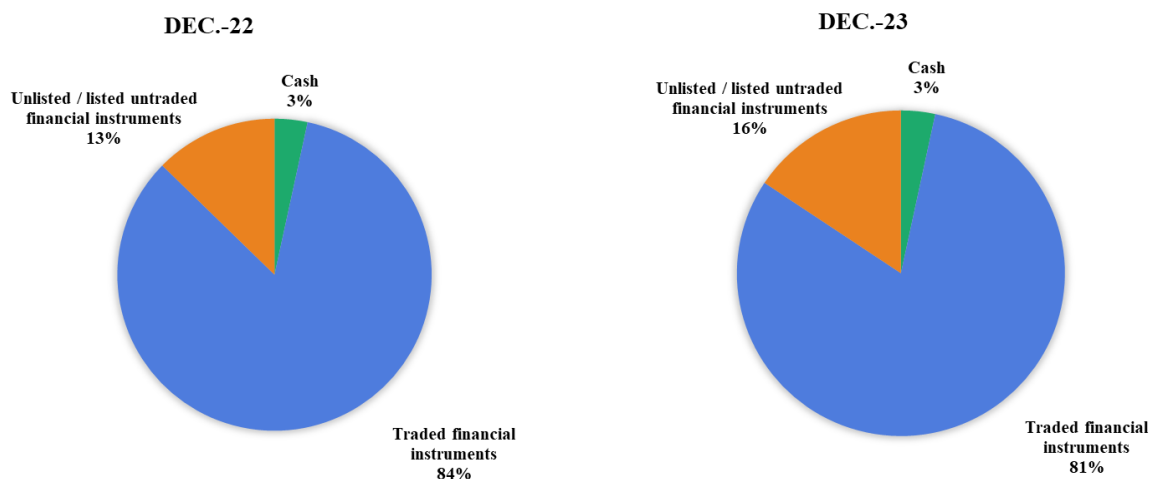
* The holding in T.H.R. Marea Neagră S.A. was adjusted with the stake of 226,942,936 shares, transferred based on the partial asymmetric split-up project of the issuer / ** excluding the drawn portion of the credit line

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



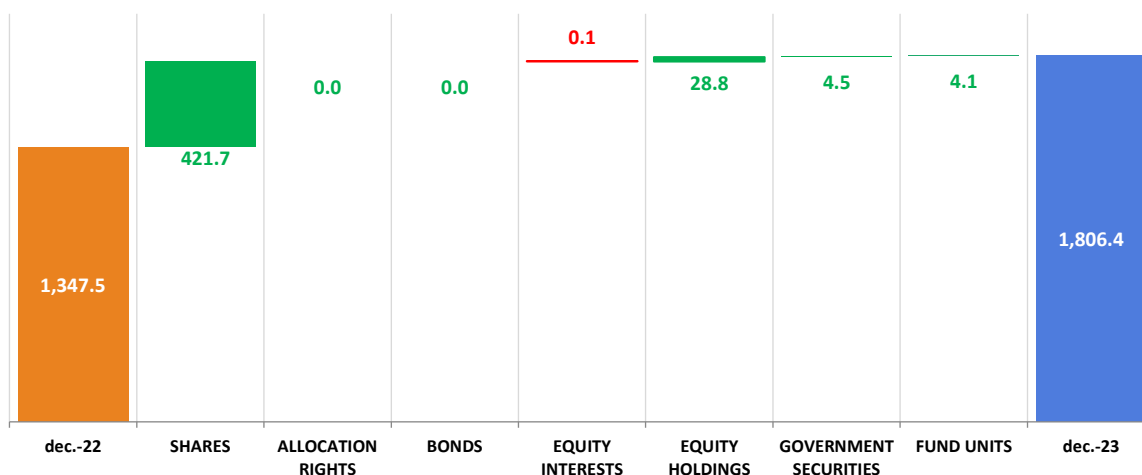
Source: Transilvania Investments, I.F.R.S. fair values, Annex no. 10 according to F.S.A. Regulation no. 7/2020, F.S.A. Regulation no. 9/2014

- ❖ at structural level, the share of cash in the total portfolio of financial instruments is maintained constant, and the share of the non-traded operational portfolio increases, with a decrease in the share of the traded operational portfolio compared to the reference period (December 2022);



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

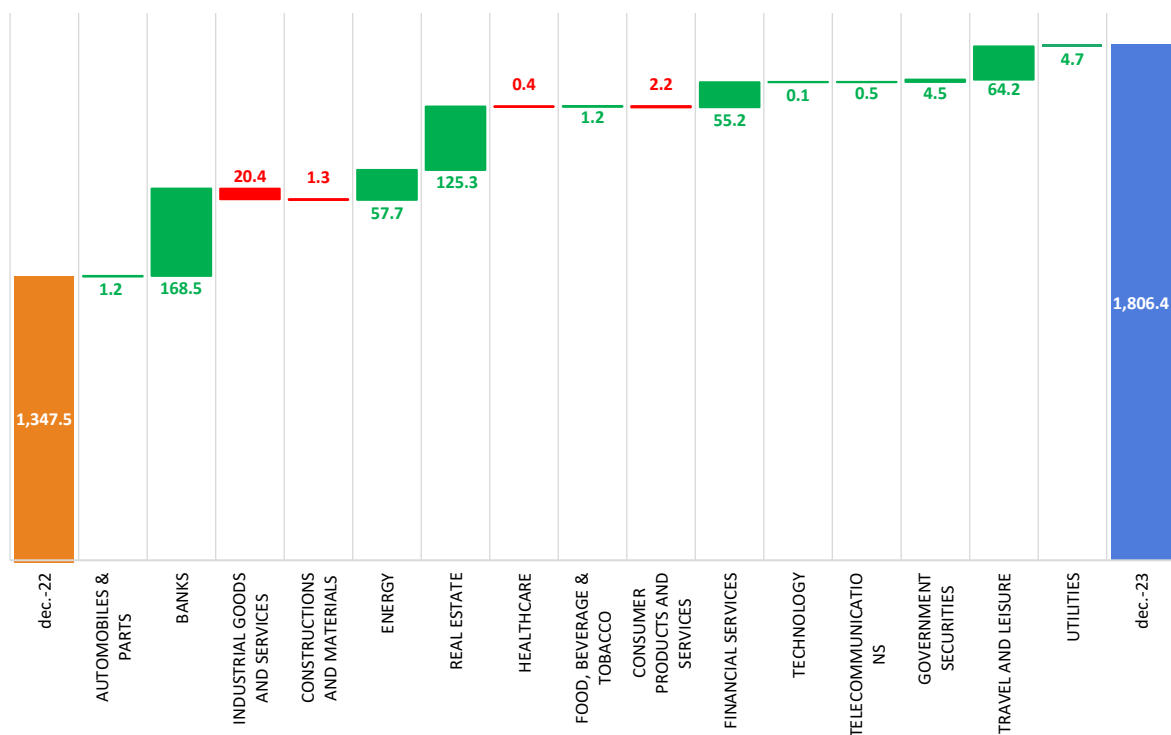
- ❖ analysis of variation in the financial instrument portfolio (fair value + cash generated + attached receivables deducted from fair value) — breakdown by financial instruments
 - the share sub-portfolio generated, at the level of the value of assets under management, a positive net cash impact amounting to RON 421.7 million;
 - the equity holdings sub-portfolio generated, at the level of the value of assets under management, a positive net cash impact amounting to RON 28.8 million;
 - the government bonds sub-portfolio generated, at the level of the value of assets under management, a positive net cash impact amounting to RON 4.5 million;
 - the impact calculation is based on the fair values recorded by the portfolio financial instruments at the reference date, the outcome of the transactions carried out with different financial instruments, the financial resources generated by these shareholdings (cash dividends, cash involved in sale/acquisition operations), attached receivables (dividends to be collected, deducted from the fair value of 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 (Dec-23) of the financial instruments portfolio is calculated by adding to the IFRS fair values the contribution of each financial instrument [cash generated /immobilized through sale/acquisition transactions, cashed dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

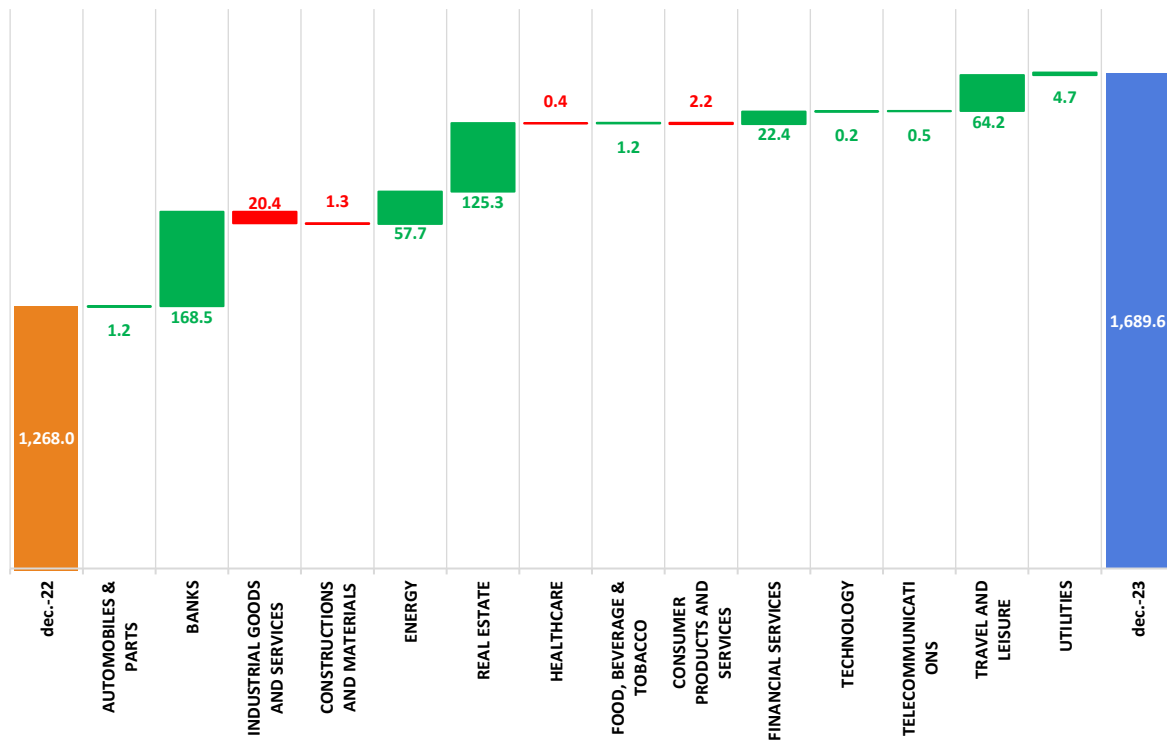
- ❖ analysis of variation in the financial instrument portfolio (fair value + cash generated + attached receivables deducted from fair value) — breakdown by sectors
 - the main supersectors showing positive adjustments are as follows: *Banks* (RON +168.5 million), *Real estate* (RON +125.3 million), *Travel and leisure* (RON +64.2 million), *Financial services* (RON +55.2 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 (Dec-23) of the financial instruments portfolio is calculated by adding to the IFRS fair values the contribution of each sector [cash generated /immobilized through sale/acquisition transactions, cashed dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

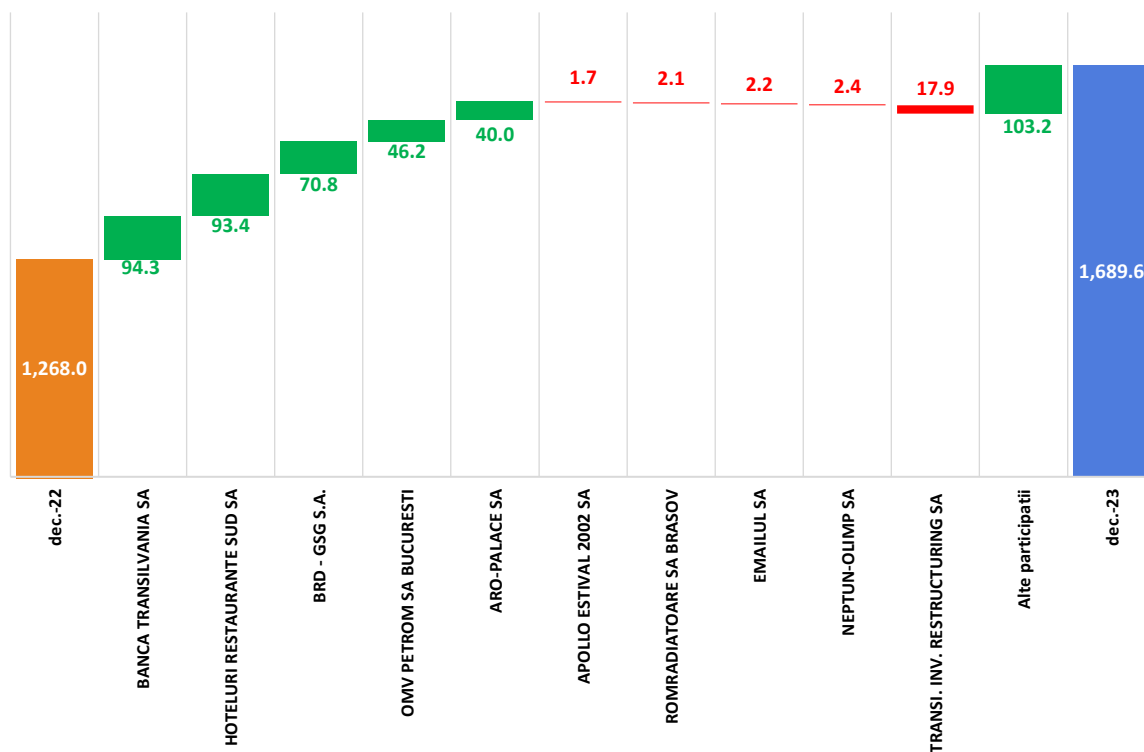
- ❖ analysis of variation in the share sub-portfolio (fair value + cash generated + attached receivables deducted from fair value) — breakdown by sectors



Source: Transilvania Investments

Obs.: The initial value (Dec 22) of the share sub-portfolio is calculated according to IFRS fair values. The final value (Dec-23) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each sector [generated cash/cash immobilized through sale/acquisition transactions, cashed dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

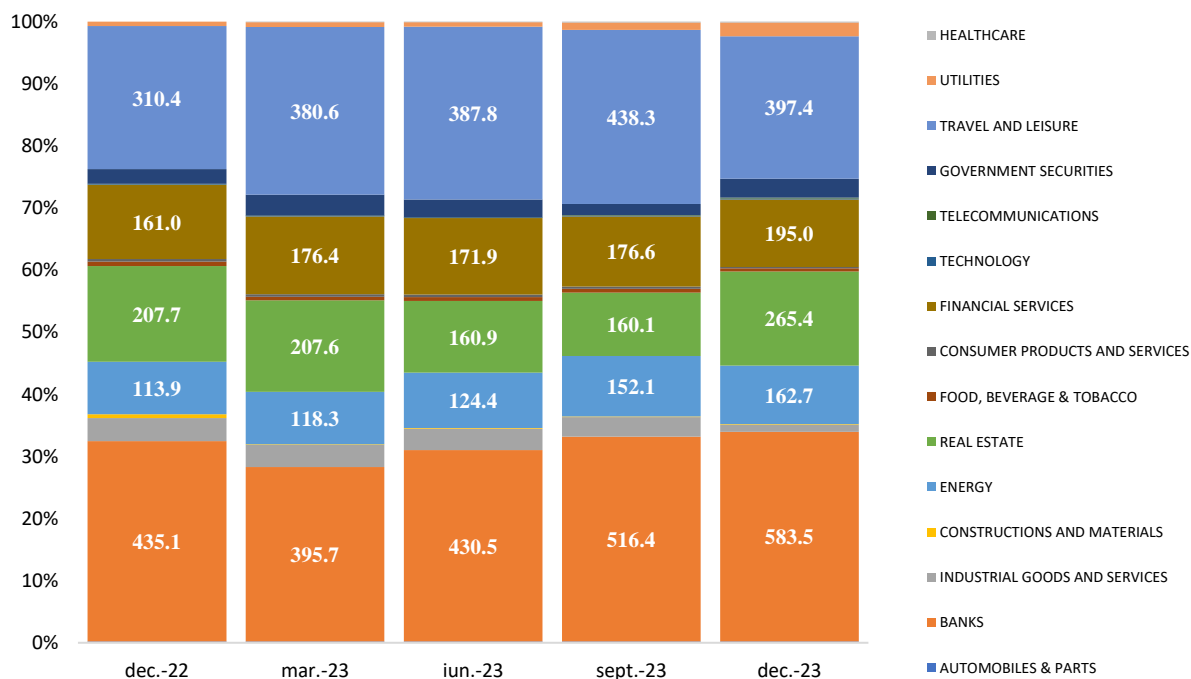
- ❖ analysis of variation in the share sub-portfolio (fair value + cash generated + attached receivables deducted from fair value) — top 5 positive/negative evolutions



Source: Transilvania Investments

Obs.: The initial value (Dec 22) of the share sub-portfolio is calculated according to IFRS fair values. The final value (Dec-23) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each issuer [generated cash/cash immobilized through sale/acquisition transactions, cashed dividends, cashed 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 a focus on sectors declared to be strategic in the Investment Policy Statement 2020-2024 and in the Company Strategy 2020-2024;



Source: Transilvania Investments

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

3.5 Management of the portfolio in 2023

In 2023, Transilvania Investments has continued to implement the measures provided in the Strategy 2020-2024, approved by the General Meeting of Shareholders as at 4 December 2020 and the Investment Policy Statement, as revised by the General Meeting of Shareholders of 28 April 2022, with regard to the management of the portfolio, namely:

- ⇒ monitoring and analysis of the activity of the portfolio companies based on the financial results reported upon closing the financial year 2022 and those related to quarters I-III of 2023;
- ⇒ substantiation of the voting options at the general meetings of shareholders, regarding the closing of the financial year 2022 (distribution of net profit), as well as other items on the agenda, based on the documents provided by the portfolio companies and by reference to the corporate interests of Transilvania Investments;
- ⇒ drafting proposals for amendments to Revenue and Expenditure Budgets for the year 2023, tailored to the perspectives of the sectors in which companies operate and in the context of positive macroeconomic developments;
- ⇒ approval within general meetings of shareholders of criteria and performance objectives for 2023, for each company, depending on the specificity of the activity, the value indicators set by the Revenue and Expenditure Budget and the Investment Programmes for 2023, in line with the Remuneration policy set for each company;
- ⇒ approval of Revenue and Expenditure Budget drafts for 2024, as well as the Investment Programmes for 2024 for part of the subsidiaries, during the General Meeting of Shareholders;
- ⇒ implementation of „*Policies to ensure effective management of the company*”, within companies for which Transilvania Investments is the majority shareholder, meant to:
 - strengthen the enforcement of transparency-oriented, objective performance evaluation and adequate risk management corporate governance principles;
 - optimize management systems and performance indicators, in line with the specifics of the field in which the issuer operates and the extent of its activity;
 - ensure the efficient use of the company's financial resources and the creation of shareholder value;
 - implement detailed policies and rules to avoid and manage conflicts of interest;
- ⇒ appointment of experienced and professionally qualified and acknowledged individuals in management and supervisory positions, on the basis of clearly defined criteria, and in accordance with the internal selection procedure, including independent directors;
- ⇒ identification and guidance of existing company synergies operating in the same supersector in order to improve operational efficiency;
- ⇒ continuing the process of restructuring and streamlining the portfolio managed by Transilvania Investments, based upon a programme approved by the Executive Board.

As at 31 December 2023, the Transilvania Investments portfolio included:

- **shares** in 71 issuers and **equity interests** in 1 issuer, of which:
 - 20 companies listed on the internal regulated market (BSE)
 - 25 companies listed on a multilateral trading system (AeRO)
 - 27 unlisted companies,
- **fund units** issued by 6 investment funds, of which:
 - 3 open-end investment funds
 - 3 closed-end investment funds
- **equity holdings**: 1 holding of this type

- **government bonds** denominated in RON, issued by the Ministry of Finance within 4 issuances.
- **preferential rights:** preferential rights held in a company

3.5.1 Evolution of the portfolio in respect to the number of issuers in portfolio

As at 31 December 2023, Transilvania Investments held in portfolio shares issued by 71 companies, equity interests issued by 1 issuer, fund units issued by 6 investment funds, equity holdings in 1 entity and preferential rights held in 1 entity. From this perspective, during the financial year 2023, the portfolio has evolved as follows:

| | |
|--|-----------|
| No. of companies in portfolio (shares and equity interests) at 31.12.2022 | 86 |
| Entries– total -, of which: | + 5 |
| Înregistrare participație la o societate rezultată din divizare | 1 |
| Cash contribution to the setting-up of a new company | 1 |
| Acquisitions on the capital market | 3 |
| Exits – total -, of which: | - 19 |
| Sales – operations on the capital market | 7 |
| Withdrawals and deregistrations | 12 |
| No. of companies in portfolio (shares and equity interests) at 31.12.2023 | 72 |
| No. of investment funds in portfolio at 31.12.2022 | 6 |
| Entries, exits | 0 |
| No. of investment funds in portfolio at 31.12.2023 | 6 |
| No. of equity holdings in portfolio at 31.12.2022 | 1 |
| Entries, exits | 0 |
| No. of equity holdings in portfolio at 31.12.2023 | 1 |
| No. of preference rights in portfolio at 31.12.2022 | 0 |
| Entries | 1 |
| No. of preference rights in portfolio at 31.12.2023 | 1 |
| Total number of issuers in portfolio at 31.12.2023 | 80 |

Please find below the evolution over the last 3 years of the number of issuers in the Transilvania Investments portfolio:



In line with the strategy for diversifying the portfolio and focusing on sectors with growth potential, efforts to restructure and streamline the portfolio have resulted in:

- capitalizing market opportunities and selling the shares held in Aquila Part Prod Com (admitted for trading on the regulated market), as well as in Concas S.A. Buzău, Arobs Transilvania Software (admitted for trading on the AeRO multilateral trading system);
- increasing exposure in case of strategic investments, through acquisitions made through transactions on the specific market of each company, such as Turism Felix S.A. Băile Felix;
- acquisitions on the capital market of shares issued by MedLife and Fondul Proprietatea;
- repositioning (reducing exposure) within issuers listed on the regulated market of the B.S.E., such as Banca Transilvania, OMV Petrom, Sphera Franchise Group, BRD Groupe Société Générale and Evergent Investments;
- partial sales of government bonds denominated in RON and EUR;
- sale of the stake held in Șantierul Naval Orșova S.A.;
- sale of the stakes held in unlisted companies Legume-Fructe S.A. Buzău and Irucom SA Miercurea Ciuc;
- acquisition of stakes in Grup Bianca Trans S.A. Brașov (unlisted) and Soft Aplicativ și Servicii S.A. Sibiu (unlisted);
- acquisition of shares in Tușnad S.A. Băile Tușnad, within the sales operation of the stake held by Infinity Investments, by 'special sale on order' on the market for offers and special operations administered by the BSE;
- acquisition of shares in Transilvania Leasing & Credit IFN S.A. Brașov;
- the sale of the entire stake held in COMCM S.A. Constanța (listed on the regulated market), within the Public Purchase Offering initiated by this company;
- delisting from the portfolio of issuers The Foundations Feeder, Romagribuz S.A. Râmnicu Sărat, Comsig S.A. Sighișoara, Terracotta Star S.A. Sfântu Gheorghe and Harghita S.A. Miercurea Ciuc, following the closure of dissolution/bankruptcy proceedings and their deregistration from the Trade Register, as well as of the issuer Transilvania Estival 2002, following the collection of the withdrawal price, under the provisions of the Law no. 151/2014;
- acquisition of government bonds denominated in RON and EUR issued by the Ministry of Finance (with maturities ranging from 1 to 10 years, with focus on maturities of 2, 4 and 10 years) and purchasing BET-FI Index Invest fund units;
- participation in share capital increase initiated by Transilvania Investments Alliance Restructuring S.A. (former SIF Project Management Company S.A.);
- participation in share capital increase initiated by Transilvania Investments Alliance Equity S.A.;
- completion of the transfer to Transilvania Investments Alliance Restructuring S.A. of the ownership on stakes held in Simec S.A. Sibiu, Energo S.A. Brașov, Sibarex S.A. Câmpineanca and Siretul S.A. Pașcani - unlisted companies, under bankruptcy and reorganization procedures, according to the Law no. 85/2014;
- registration in the portfolio of Transilvania Investments' holding in the new company- Hoteluri Restaurante Sud S.A. which was set-up as a result of the partial asymmetrical split-up of T.H.R. Marea Neagră S.A., based on the E.G.M.S. dated 12 December 2023;
- participation of Transilvania Investments Alliance S.A. with contribution in cash at the setting-up of the company Nova Tourism Consortium S.A.

In the same context, we note that the development efforts of companies in which Transilvania Investments Alliance holds the majority stake have also resulted in the launch of major development projects, namely:

- signing of the franchise agreement between the representatives of Accor Group and Aro-Palace S.A., which aims at strengthening and completely transforming Capitol Hotel in Brașov, its reopening being set for the end of 2025, under the denomination of Mercure Brașov Center;

- continuing rehabilitation works for the new Venus complex - a state-of-the-art aqua park in 1 Mai Resort (Bihor County), having a capacity of 2,000 visitors simultaneously, 7 adult pools, 2 children pools, restaurants and sports fields, managed by Turism Felix S.A.; the complex was partially handed over on 19 August 2023, completion of the investment being set for 1 May 2024.

As at 31 December 2023, the procedure of withdrawal from the companies Biroul de Turism pentru Tineret S.A. Bucharest and Prahova Estival 2002 S.A. Neptun (in bankruptcy), based on the Law no. 31/1990, was in progress, the disputes regarding the establishment of the withdrawal price or enforcement of their collection being on the dockets of the competent law courts.

On 31 December 2023, 11 companies were in insolvency, bankruptcy or judicial reorganisation. The total nominal value of the shares held by Transilvania Investments in these companies was of RON 24,800 thousand. Out of the 11 mentioned companies:

- 8 companies were bankrupt under the Law no. 85/2006 and Law no. 85/2014, the total value of Transilvania Investments shareholding being of RON 18,794 thousand;
- 3 companies were in judicial reorganisation, a procedure regulated by the Law no. 85/2006 or Law no. 85/2014, the total nominal value of the shares held being of RON 6,006 thousand.

The fair value of these shareholdings, recorded in the accounting records of Transilvania Investments, is 0 (zero), according to the valuation rules provided for by the Fund Rules.

The list of the companies in Transilvania Investments portfolio, undergoing bankruptcy, insolvency, judicial reorganization or voluntary winding-up proceedings, is presented in Annex no. 3 to this Report.

The aforementioned operations carried out for the restructuring, streamlining and optimizing of Transilvania Investments's portfolio structure fell within the limits provided by the Strategy for 2020-2024 approved by the Ordinary General Meeting of December 2020 and April 2022, and the decrease in number of portfolio companies continues to be an important goal.

3.5.2 Portfolio structure by types of financial instruments

The structure of Transilvania Investments portfolio on 31 December 2023, based on the types of financial instruments held, is as follows:

| Portfolio structure | Number of issuers | Fair value according to IFRS | |
|---|-------------------|------------------------------|---------------|
| | | RON thousand | % |
| Total financial instruments at 31.12.2022 | 94 | 1,347,502 | 100.00 |
| Total financial instruments at 31.12.2023, of which: | 81 | 1,739,227 | 100.00 |
| Shares listed on BSE *) | 20 | 1,095,749 | 63.00 |
| Shares listed on AeRO (SMT/SOT) | 25 | 324,918 | 18.68 |
| Unlisted shares and equity interests | 28 | 175,578 | 10.10 |
| Fund units | 6 | 20,381 | 1.17 |
| Equity holdings | 1 | 70,253 | 4.04 |
| Government securities | 1 | 52,348 | 3.01 |

Source: Transilvania Investments

*) The stake held in T.H.R. Marea Neagră S.A. was adjusted by 226,942,936 shares transferred based on the partial asymmetric split-up of the issuer.

3.5.3 Portfolio structure of the financial instruments by supersectors

The structure of the portfolio of financial instruments by supersectors, as at 31 December 2023, as compared to the structure as at 31 December 2022 is provided in the table below:

| Portfolio structure by supersectors | 31.12.20222 | | | 31.12.2023 | | |
|---|-------------|---------------------------|---------------|------------|---------------------------|---------------|
| | Number | Fair value (thousand RON) | % | Number | Fair value (thousand RON) | % |
| Cars and spare parts | 3 | 2,573 | 0.19 | 3 | 3,759 | 0.22 |
| Banks | 3 | 435,055 | 32.29 | 3 | 583,506 | 33.55 |
| Industrial goods and services | 10 | 49,518 | 3.67 | 7 | 19,941 | 1.15 |
| Construction and construction materials | 8 | 8,808 | 0.65 | 5 | 1,514 | 0.09 |
| Energy | 5 | 113,899 | 8.45 | 5 | 162,671 | 9.35 |
| Real estate | 18 | 207,701 | 15.41 | 16 | 265,398 | 15.26 |
| Health care | 0 | 0 | 0 | 1 | 2,508 | 0.14 |
| Food, beverages and tobacco | 7 | 9,157 | 0.68 | 5 | 8,988 | 0.52 |
| Discretionary products and services | 2 | 5,672 | 0.42 | 1 | 3,518 | 0.20 |
| Financial services ^{*)} | 15 | 160,988 | 11.95 | 14 | 195,017 | 11.21 |
| Technology | 3 | 1,887 | 0.14 | 2 | 1,972 | 0.11 |
| Telecommunication | 1 | 378 | 0.03 | 1 | 2,907 | 0.17 |
| Travel and leisure ^{**)} | 16 | 310,377 | 23.03 | 14 | 397,372 | 22.85 |
| Utilities | 2 | 9,836 | 0.73 | 3 | 37,808 | 2.17 |
| Government securities | 1 | 31,653 | 2.35 | 1 | 52,348 | 3.01 |
| TOTAL | 94 | 1,347,502 | 100.00 | 81 | 1,739,227 | 100.00 |

Source: Transilvania Investments

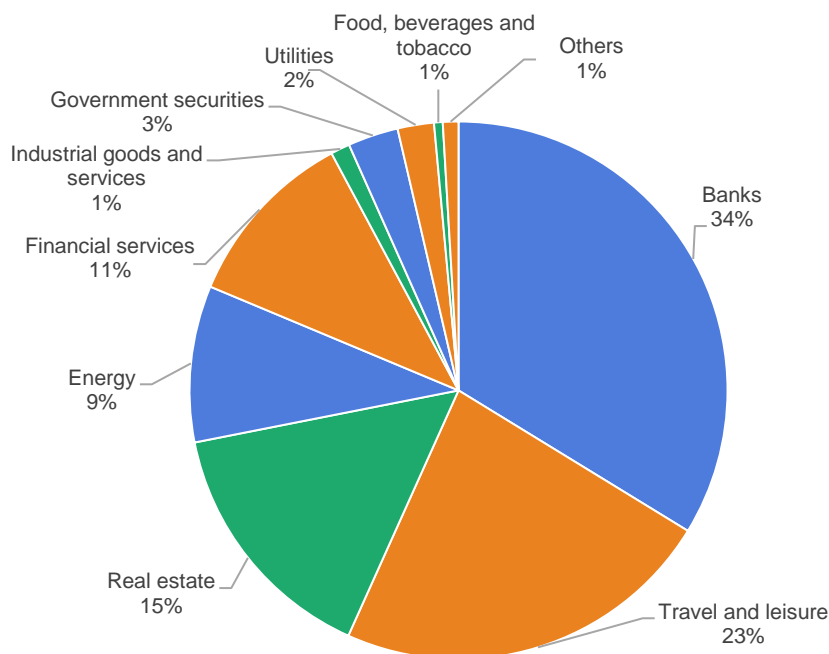
^{*)} including fund units, equity holdings / ^{**)} The holding in T.H.R. Marea Neagră S.A. was adjusted with the stake of 226,942,936 shares, transferred based on the asymmetric partial split-up project of the issuer.

As shown in the table above, the fair value of the portfolio of financial instruments held by Transilvania Investments as at 31 December 2023, registered an increase by RON 391,725 thousand compared to the value on 31 December 2022.

Throughout 2023, the following changes occurred in the portfolio structure, by supersectors:

- **Increase of the “Banks” supersector share** to 33.55%; in absolute value, there was an increase of RON 148,451 thousand in the supersector’s portfolio value, as a result of the increase in the shares prices.
- **Increase in fair value of the “Travel and leisure” supersector.** The fair value of holdings in this supersector recorded an increase of RON 86,995 thousand. The absolute value of the shareholdings has increased, particularly, as a result of acquisitions made in this supersector.
- **Increase of the “Energy” supersector share.** The fair value of holdings in this supersector recorded an increase of RON 48,772 thousand, and the supersector share in the total portfolio increased from 8.45% to 9.35%.

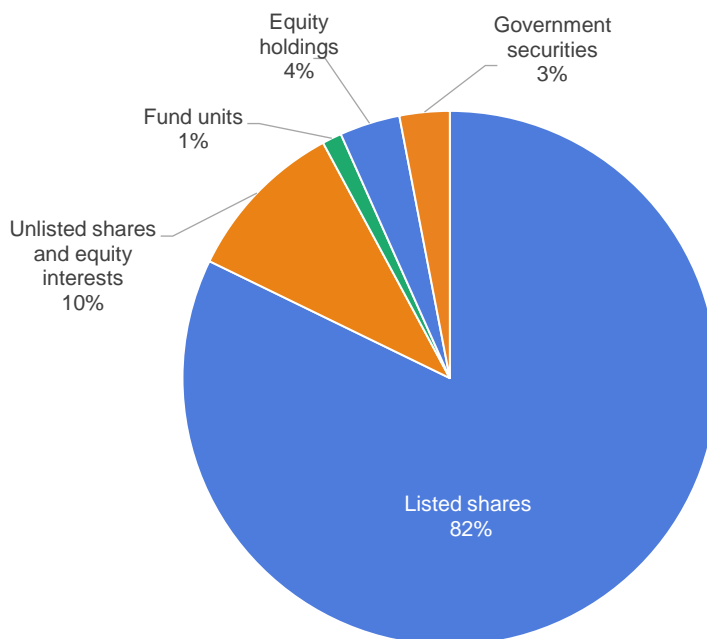
The portfolio structure by supersectors, as at 31 December 2023



Source: Transilvania Investments

Obs.: According to IFRS fair values

The portfolio structure of Transilvania Investments portfolio as at 31 December 2023, by types of financial instruments



Source: Transilvania Investments

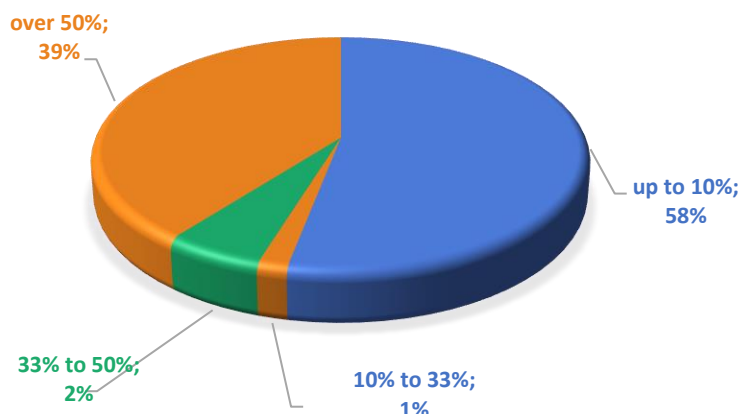
Obs.: According to IFRS fair values

Note: The percentages in the charts above represent the weight of the respective category in the value of the financial instrument portfolio.

3.5.4 Portfolio structure by the size of the stakes held in the share capital of the issuers/number of outstanding fund units as at 31 December 2023, as compared to the structure recorded on 31 December 2022, is as follows:

| % held in the share capital/number of fund units issued | No. of issuers in the portfolio | | Transilvania Investments portfolio | | | |
|---|---------------------------------|-----------|------------------------------------|------------------|---------------|---------------|
| | | | Fair value (thousand RON) | | % | |
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Up to 10.00% | 32 | 35 | 684,188 | 981,393 | 53.21 | 58.18 |
| 10.01% to 33.00% | 24 | 13 | 22,508 | 14,216 | 1.75 | 0.84 |
| 33.01% to 50.00% | 12 | 9 | 74,333 | 35,861 | 5.78 | 2.13 |
| Over 50.00% | 24 | 23 | 504,835 | 655,409 | 39.26 | 38.85 |
| TOTAL | 92 | 80 | 1,285,865 | 1,686,879 | 100.00 | 100.00 |

Portfolio structure depending on the share of the stakes held, at fair value, in the share capital of issuers/number of outstanding fund units, as at 31 December 2023



There is a concentration of the fair value of Transilvania Investments portfolio within the companies in which it holds minority stakes (particularly in the shares admitted to trading on a regulated market) and within the companies where it holds the majority stakes.

As it results from the situation above, as at 31 December 2023, Transilvania Investments is a **significant shareholder** (between 10% and 33%) in 13 companies, holds **stakes between 33% and 50%** in 9 companies and the **majority position** (over 50%) in 23 companies (of which 22 companies are operational). The list of companies in which Transilvania Investments holds the majority share package, as at 31 December 2023, is presented in Annex no. 1 to this report.

Top 10 holdings as at 31 December 2023

| No. | Name | % Holding | % of Total Assets ¹⁾ |
|-----|------------------------------------|-----------|---------------------------------|
| 1 | BANCA TRANSILVANIA SA | 1.57% | 16.69% |
| 2 | BRD - GROUPE SOCIETE GENERALE S.A. | 2.01% | 13.77% |
| 3 | TURISM FELIX SA | 93.03% | 7.52% |
| 4 | OMV PETROM SA BUCURESTI | 0.34% | 6.68% |
| 5 | HOTELURI RESTAURANTE SUD SA | 90.61% | 5.17% |

| | | | |
|----|---|--------|-------|
| 6 | TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA **) | 78.80% | 4.98% |
| 7 | ARO-PALACE SA | 85.74% | 3.75% |
| 8 | EVERGENT INVESTMENTS S.A. | 4.36% | 2.92% |
| 9 | FEPER SA | 85.80% | 2.87% |
| 10 | CASA ALBA INDEPENDENTA SIBIU | 53.35% | 2.28% |

| | |
|--|---------------|
| Top 10 Holdings | 66.63% |
| Total financial instruments portfolio | 95.35% |

Source: Transilvania Investments

^{*)} according to IFRS fair value reported for Dec.-23 / ^{**) The stake held in T.H.R. Marea Neagră S.A. was adjusted by 226,942,936 shares, transferred based on the partial asymmetric split-up project of the issuer.}

As at 31 December 2023, the value of the financial instruments portfolio amounts to RON 1,739,227,001, and the total amount of managed assets is RON 1,824,000,931.

3.5.5 Analysis of the share portfolio in terms of dividends

By analysing the shareholdings of Transilvania Investments in the portfolio companies by sectors, in terms of dividends due and collected during the financial year 2023 from the profits generated in the financial year 2022, the situation is as follows:

- RON thousand -

| Portfolio structure by supersectors | Fair value 31.12.2023 | Dividend value (profit 2022) | Weight of supersector dividends in total dividends (%) |
|---|-----------------------|------------------------------|--|
| Cars and spare parts | 3,759 | 7 | 0.01 |
| Banks | 583,506 | 15,093 | 15.33 |
| Industrial goods and services | 19,941 | 0 | 0 |
| Construction and construction materials | 1,514 | 0 | 0 |
| Energy | 162,671 | 16,930 | 17.19 |
| Real estate | 265,398 | 6,052 | 6.15 |
| Health care | 2,508 | 0 | 0 |
| Food, beverages and tobacco | 8,988 | 209 | 0.21 |
| Discretionary products and services | 3,518 | 0 | 0 |
| Financial services ^{*)} | 195,017 | 38,554 | 39.15 |
| Technology | 1,972 | 26 | 0.03 |
| Telecommunication | 2,907 | 41 | 0.04 |
| Travel and leisure | 397,372 | 20,763 | 21.08 |
| Utilities | 37,808 | 802 | 0.81 |
| TOTAL | 1,686,879 | 98,477 | 100.00 |

^{*)}including fund units, equity holdings

The main supersectors with a significant share in the income from dividends collected in 2023 from the portfolio companies are: Banks (15.33%) Energy (17.19%), Financial services (39.15%), Travel and leisure (21.08%) and Real estate (6.15%).

3.5.6 Dividends due/collected during the period 2015-2023

The statement of the dividends due and collected by Transilvania Investments during 2015-2023, resulted from distributions of the profits generated by the portfolio companies during the financial years 2014-2022 is as follows:

| Financial year | | Dividends (RON thousand) | |
|-------------------------------|-------------------------------------|--------------------------|-----------|
| when the profit was generated | when the dividends were distributed | Due | Collected |
| 2014 | 2015 | 15,755 | 15.755 |
| 2015 | 2016 | 25,612 | 25.602 |

| | | | |
|--------------|--------------------|----------------|----------------|
| 2016 | 2017 | 42,431 | 42.431 |
| 2017 | 2018 | 64,777 | 64.777 |
| 2018 | 2019 ^{*)} | 71,053 | 71.053 |
| 2019 | 2020 | 39,998 | 39.998 |
| 2020 | 2021 | 32,916 | 32.916 |
| 2021 | 2022 | 107,806 | 107.806 |
| 2022 | 2023 | 98,477 | 98.477 |
| TOTAL | | 498,825 | 498,815 |

^{*)} including 2019 quarterly dividends

The balance of due dividends, not collected as at 31 December 2023, is of RON 90 thousand, out of which RON 78 thousand represent outstanding dividends due by companies that are under bankruptcy/insolvency procedure (dividends afferent to the financial years prior to 2008) and EUR 2,275.00 represent dividend tax to be recovered from the German Tax Authority (the tax-reclaim procedure was initiated by means of the depositary BRD-Groupe Societe Generale S.A. Bucharest).

All the outstanding amounts due as dividends for the previous financial years that have not been entirely collected on 31 December 2023 were recorded in the statements of claims, submitted within the insolvency procedures.

The table below presents the statement of dividends resulted from profit distributions afferent to the financial years 2021 and 2022, recorded as income of Transilvania Investments in 2022 and 2023:

| Nr. crt. | Sector | Dividend income (RON thousand) | | | |
|--------------|--------------------------------------|--------------------------------|---------------|---------------|---------------|
| | | in 2022 | | in 2023 | |
| | | Due | % | Due | % |
| 1. | Cars and spare parts | 524 | 0.49 | 7 | 0.01 |
| 2. | Banks | 71,811 | 66.61 | 15,093 | 15.33 |
| 3. | Industrial goods and services | 3,059 | 2.84 | 0 | 0 |
| 4. | Constructions and building materials | 286 | 0.27 | 0 | 0 |
| 5. | Energy | 16,586 | 15.39 | 16,930 | 17.19 |
| 6. | Real estate | 3,609 | 3.35 | 6,052 | 6.15 |
| 7. | Health care | 0 | 0 | 0 | 0 |
| 8. | Food, beverages and tobacco | 194 | 0.18 | 209 | 0.21 |
| 9. | Discretionary products and services | 922 | 0.85 | 0 | 0 |
| 10. | Financial services ^{*)} | 6,314 | 5.86 | 38,554 | 39.15 |
| 11. | Technology | 12 | 0.01 | 26 | 0.03 |
| 12. | Telecommunication | 10 | 0.01 | 41 | 0.04 |
| 13. | Travel and leisure | 3,683 | 3.42 | 20,763 | 21.08 |
| 14. | Utilities | 795 | 0.74 | 802 | 0.81 |
| TOTAL | | 107,806 | 100.00 | 98,477 | 100.00 |

In 2023, dividend income decreased by RON 9,329 thousand compared to the previous year, mainly due to the decrease in dividends received from the "Banks" supersector (RON -56,718 thousand). Instead, a significant increase of dividends related to the supersectors „Financial services” (RON +32,240 thousand), „Travel and leisure” (+17,080) and „Real estate” (RON +2,443 thousand) was recorded.

3.5.7 Significant mergers, split-up or reorganizations of the company, its subsidiaries or controlled companies during the financial year 2023

Since its set-up to date, the company has not been subject to any merger, split-up or reorganization operations.

In the financial year 2023, the Extraordinary General Meeting of Shareholders of T.H.R Marea Neagră S.A. dated 12 December 2023 approved the asymmetrical split-up of this company.

3.5.8. The engagement policy of Transilvania Investments

Transilvania Investments drafted and published on its website the Company engagement policy that describes how the company is involved within the investee companies.

According to this policy, the engagement of Transilvania Investments means:

- ⇒ Monitoring the issuers in which the Company has invested (investee companies) on relevant matters (including strategy, financial and non-financial performance and risks, capital structure, social and environmental impact and corporate governance);
- ⇒ Conducting dialogues with investee companies;
- ⇒ Exercising voting rights and other rights attached to the shares, in order to capitalize on the rights deriving from the investment in the portfolio issuers;
- ⇒ Cooperating with other shareholders, communicating with relevant stakeholders of the investee companies;
- ⇒ Managing actual and potential conflicts of interest related to the engagement of Transilvania Investments.

The main actions carried out in 2023 by Transilvania Investments, according to its engagement policy, have been as follows:

On a quarterly basis, based on the financial reports publicly disseminated at the Bucharest Stock Exchange (BSE), the specialized departments in the company analysed the evolution of the financial indicators of the issuers in the portfolio, the fulfilment of the revenue and expenditure budgets, the implementation of the investment programs, as well as and the positioning of shareholdings in the managed portfolio. Furthermore, the current reports published by issuers at the BSE were constantly monitored, in order to determine the possible financial impact on the value of shares issued by these issuers and the current financial result.

Moreover, persons with specific responsibilities within Transilvania Investments Alliance participate in investor meetings, financial results conferences/teleconferences and other investor events organised by investee companies.

The specialized departments of Transilvania Investments, through their designated staff, participated in conference calls or physical events of the issuers whose shares are listed on the regulated market, in which the quarterly/half-yearly or annual financial results and issuer development strategy for the next period were presented (e.g. FP, TLV, BRD, BVB, DIGI, SNP, SNG, HAI etc).

Transilvania Investments also participated in Frontier Investor Days Conference, organized by Wood & Company, in September 2023, where they participated in presentations and discussions both with issuers from the portfolio, as well as with other issuers that might be of investment interest, such as: H2O, BRD, TLV, WINE, SNG, BVB, M, SNP, ONE, FP, DIGI, TRP etc.

Throughout 2023, Transilvania Investments actively exercised its voting right in a professional manner in the general meetings of the shareholders of the portfolio companies, for purposes of defending the company interests and of its shareholders in the investee companies.

Thus, based on the analyses performed by the specialised departments and approved by the company's Board, documents were issued for participation and exercise of voting rights for a number of 89 Ordinary General Meetings of Shareholders and 44 Extraordinary General Meetings of Shareholders. At the same time, it was decided not to issue participation/voting documents for 71 Ordinary and Extraordinary General Meetings of Shareholders, as the items on the agenda did not impact the corporate interests of Transilvania Investments.

Within the General Meetings of Shareholders of the companies in which it is the majority shareholders, Transilvania Investments has approved, inter alia, the performance criteria and objectives for 2023, based on the specificity of the investee company's activity, the indicators set by the Revenue and Expenditure Budget and the Investment Programmes for 2023, in line with the Remuneration policy set for each company, the revenue and expenditure budgets and investment programmes for the year 2024, a set of policies to ensure efficient management of these companies, the appointment of experienced and professionally recognised people to management and supervisory positions based on clearly predefined criteria etc.

Moreover, with regard to the portfolio companies in which it is the majority shareholder, Transilvania Investments has defined a new business strategy, with a focus on the travel and leisure sector, a sector that holds an important share of the portfolio managed by the company, which aims to develop plans to streamline the management of companies in this sector, so that the increased interest in domestic tourism is exploited to its full potential. Considering the contribution of partners specialised in this sector, new performance criteria have been defined for these companies, criteria that are directly implemented by Transilvania Investments at the time of establishing and preparing the voting options during the general meetings.

As regards companies with an industrial profile, options for restructuring and making their activity more efficient are considered, by adopting policies to create a sustainable framework for the activity of companies with such a typical profile, either by restructuring their production activity in order to reduce its impact, or by reconfiguring their activity to ensure the most efficient use of their resources to ensure the best use identified in the context in which they are placed.

Also, the options for accessing programmes financed from various sources, such as non-reimbursable funds, NRRP, grants, state aid schemes, PPP programmes etc. are constantly monitored by Transilvania Investments for the continuation of investment programmes targeting the companies in Transilvania Investments' portfolio.

In the case of employees of the company who are part of the Boards of Directors of the companies in the portfolio, in order to avoid conflicts of interest, they may not participate in the elaboration and signing of the analyses concerning such companies.

3.6 Investment strategy. Investment activity in 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 assets under management by maximising aggregate risk-adjusted returns and aims to: ensure the quality of the managed portfolio by continuing the process of accelerated portfolio restructuring, structurally balancing the portfolio, improving the aggregate liquidity of the portfolio and promoting efficient and attractive shareholder remuneration instruments and the appropriate management of the financial resources required by such instruments.

Transilvania Investments aims to maximise the potential offered by the **main business lines**, respectively travel and leisure, real estate, industry, active trading and venture capital/private equity, as follows:

- Travel and leisure → transformation of management and business models within the travel and leisure sub-portfolio;
- Real estate → efficient and centralised operation of real estate portfolios, including the assets of companies operating in the industrial sector, where the risk-adjusted return on industrial activity is lower than the expected efficiency of a real estate vehicle operation;
- Industry → transforming business models within the sub-portfolio operating in this sector, including through partnerships and exploring opportunities in the real estate line of business;

- Active trading → includes the strategy for 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 will target both short and longer investment horizons. Other OTC financial market instruments, such as fixed income or derivatives, will also be considered;
- Venture capital/private equity → developing and effectively exploiting the potential offered by the venture capital/private equity investment niche, both in new sectors and through a private equity approach for the assets in the existing portfolio.

The main investment objective of Transilvania Investments is to maximise the aggregate returns obtained by current and potential shareholders through investments made by the company, in accordance with legislation and its own regulations.

Moreover, the company aims to increase the value of net assets through a performance management ran by specialists, oriented towards the generation of added value, in conditions of active and prudent asset management in the business lines (trading, travel and leisure, real estate, industrial and venture capital/private equity).

The company's performance indicator (K.P.I.), established by the Strategy 2020 – 2024 and the Investment Policy Statement 2020-2024, approved by the shareholders, is represented by an increase of at least 30% in net asset value, calculated before the distribution of dividends and/or other forms of shareholder remuneration, the reference level being the net asset value afferent to the financial statements as at 30 June 2020 and it covers the period until 30 June 2024.

Investment activity in 2023

In 2023, entire trading activity on capital markets was aimed at generating profit under the conditions provided by the domestic market, as well on restructuring the portfolio by increasing the share of the financial assets with high liquidity degree and attractive dividend bearing.

Given that Transilvania Investments is an alternative investment fund manager, the company took all the necessary measures to apply the best execution principle, focusing on reducing costs and using services provided by intermediaries that have ensured minimum trading fees and have the capacity to execute trading orders. In this respect, the Company has collaborated with 7 financial investment service companies for trading shares and with 3 financial institutions for trading government bonds.

Throughout 2023, the trading activity was focused on the fields below:

- Transactions with shares listed on the regulated market of the Bucharest Stock Exchange;
- Transactions with shares listed on the multilateral trading system of the Bucharest Stock Exchange (SMT/AeRO);
- Transactions with government bonds issued by the Ministry of Finance, denominated in both RON and EUR;
- Transactions with fund units issued by investment funds;
- Transactions regarding equity holdings of private equity funds;

An important part among Transilvania Investments' concerns consisted in the efficient correlation between portfolio investments and speculative investments for purposes of maximizing the company profit.

The trading activity carried out throughout the year 2023 resulted in a total volume of **RON 453,562.14 thousand**, for the instruments denominated in RON, and **EUR 4,730.24 thousand**, for instruments denominated in EUR.

3.6.1 Investment activity

In 2023, investments in shares from the sectors/subsectors represented in the portfolio managed by Transilvania Investments were made, namely: Financial (Banca Transilvania - TLV, Transilvania Leasing and Credit IFN – TSLA), Energy (OMV Petrom - SNP, Hidroelectrica- H2O), Travel and leisure (Turism Felix S.A - TUFÉ). Moreover, the company invested in equity holdings within the CEECAT FUND II SCSp - a fund with exposure on companies from emergent Europe. Moreover, own shares have been purchased, according to the buy-back programmes approved by the Extraordinary General Meetings of Shareholders of 28 April 2022 and 24 April 2023.

The investment activity carried out throughout the year 2023 resulted in a total investment volume of **RON 229,244.40 thousand**, for instruments denominated in RON, and **EUR 3,523.62 thousand**, for instruments denominated in EUR.

Investments in shares

The investment activity was focused on shares which have proven good liquidity, provided an attractive dividend or had a growth potential over the market average. Investments in shares on the BSE's main market, totalling RON 157,167.12 thousand, were made. In 2023, the Company did not made investments in shares on external capital markets.

Investments in bonds

Throughout 2023, Transilvania Investments made investments in government bonds issued by the Ministry of Public Finance. Therefore, government bonds denominated both in local currency, were purchased on the OTC secondary market, amounting to RON 68,620.06 thousand, as well as government bonds denominated in EUR, amounting to EUR 694.95 thousand.

Investments in equity holdings

For the purpose of maximizing the profit and diversifying the portfolio, the Company invested in equity holdings within the private equity fund CEECAT FUND II SCSp. Thus, in 2023, equity holdings amounting to RON 2,828.66 thousand were purchased, representing payments made in the year 2023.

The fund CEECAT FUND II SCSp focuses on investments in emerging Europe, with a focus on small and medium-sized companies. Among the companies that the fund has in its portfolio, we list the following:

- Gomex d.o.o. - Serbia's leading retail chain with 200 units;
- Hermann Müller Medizintechnik GMBH - world leading manufacturer of sterilization containers and dental surgery machines, with exports to over 100 countries;
- Teda Pack EAD - the largest independent producer of thermoformed food packaging in south-eastern Europe;
- Evam Analytics Limited – the company provides real-time data analytics, enabling enterprises to take automated action and achieve business goals. Its platforms are mainly used in the banking and telecommunications industry, as well as in retail and transport;
- Modulo Decorative Solutions SRL, Modulo Stone SRL and Modulo SAS - European leader in wall cladding solutions using stone products;
- TURK Elektronik Para A.S. ('Param') and TURK Finansman A.S. ('Kredim') - Turkey's largest independent provider of non-banking payment services;
- EnduroSat S.a.r.l. ("EnduroSat") - starting as a hardware solutions provider, EnduroSat is today a supplier to the space industry, whose main goal is to make space data universally accessible;
- Telelink Business Services Group AD-Sofia ("TBS") – IT solutions and services provider with presence in 14 countries.

Description of own shares buy-back activities

Within the own shares buy-back programme, approved by the Extraordinary General Meeting of Shareholders as at 28 April 2022, which refers to redeeming a total number of 20,000,000 shares, in 2023, 10,000,000 own shares, amounting to RON 2,981.46 thousand, were purchased during the second stage of the programme, carried out by market acquisitions and by public acquisition offerings. Within the own shares buy-back programme, approved by the Extraordinary General Meeting of Shareholders as at 24 April 2023, until 31 December 2023, 1,498,000 shares were purchased, amounting to RON 475.74 thousand.

Considering all of the above, the financial investments made by Transilvania Investments in 2023 are as follows:

| Financial investments | Investment value RON | % of total financial investments (RON) |
|--|-------------------------|---|
| Total, of which: | 229,244,403 | 100.00% |
| Shares, total, of which: | 160,624,336 | 70.07% |
| Acquisitions on the BSE regulated market, including direct financial investments | 157,167,124 | 68.56% |
| Own shares | 3,457,212 | 1.51% |
| Government bonds, of which: | 68,620,067 | 29.93% |
| Acquisition of government bonds in RON | 68,620,067 | 29.93% |

| Financial investments | Investment value EUR | % of total financial investments (EUR) |
|--|-------------------------|---|
| Total, of which: | 3,523,621 | 100.00% |
| Government bonds, of which: | 694,959 | 19.72% |
| Acquisition of government bonds in EUR | 694,959 | 19.72% |
| Equity holdings, total, of which: | 2,828,662 | 80.28% |
| Acquisition of equity holdings in EUR | 2,828,662 | 80.28% |

Obs. The equity holdings are amounts paid throughout the year 2023 in the CEECAT FUND II SCSp fund's capital drawdowns.

3.6.2 Divestment activity

Throughout 2023, the divestments aimed at the acceleration of the portfolio restructuring (based on liquidity criteria), the marking of some speculative operations previously initiated and the sale of some listed shareholdings characterized by high liquidity, conditioned by market situation.

Therefore, the stakes held in COMCM S.A. Constanța (CMCM), Șantierul Naval Orșova S.A. (SNO), Concas S.A. Buzău (CONK), representing historical holdings from the company portfolio, were fully capitalized. Moreover, the Company carried out transactions with a view to marking profit in the case of issuers BRD-Groupe Société Générale (BRD), OMV Petrom S.A. (SNP) and Fondul Proprietatea (FP). In total, the share sales amounts to RON 155,078.44 thousand, of which RON 147,718.11 thousand represent sales on the main market of Bucharest Stock Exchange and RON 7,360.33 thousand – sales on the AeRO multilateral system.

Within the government bond portfolio, sales amounted to RON 69,239.29 thousand, respectively to EUR 1,206.62 thousand.

Also, throughout 2023, revenues amounting to RON 1,059.63 thousand were generated from sales of fund units, by redeeming the units in the intervals opened by the fund managers.

Thus, throughout 2023, shares, fund units and government bonds, with a total amount of RON 224,317.74 thousand were capitalized.

| Financial divestments | Sales value (RON) | % of the total sales (RON) |
|--|--------------------|----------------------------|
| Total, of which: | 224,317,743 | 100.00% |
| Shares, total, of which: | 155,078,449 | 69.13% |
| Sales on the BSE regulated market | 147,718,113 | 65.85% |
| Sales on the SMT/AeRO market | 7,360,336 | 3.28% |
| Government bonds, of which: | 69,239,294 | 30.87% |
| Sale of government bonds in RON | 69,239,294 | 30.87% |
| Fund units, total, of which: | 1,059,638 | 0.47% |
| Sales of fund units on the domestic market | 1,059,638 | 0.47% |

| Financial divestments | Sales value (EUR) | % of the total sales (EUR) |
|------------------------------------|-------------------|----------------------------|
| Total, of which: | 1,206,623 | 100.00% |
| Government bonds, of which: | 1,206,623 | 100.00% |
| Sale of government bonds in REUR | 1,206,623 | 100.00% |

3.7 Main results of the assessment of the Company's activity

According to the balance sheet as at 31 December 2023, the statement of assets, liabilities and shareholders' equity is as follows:

- RON thousand -

| Indicators | Balance at: | |
|------------------------------|-------------|------------|
| | 31.12.2023 | 31.12.2022 |
| Fixed assets - total | 1,708,136 | 1,345,895 |
| Current assets - total | 115,503 | 79,411 |
| Prepaid expenses | 361 | 787 |
| Liabilities - total | 90,821 | 65,825 |
| Provisions - total | 932 | 2,105 |
| Shareholders' equity - total | 1,732,766 | 1,358,163 |

A key indicator regarding the performance of an alternative investment fund is the net asset value (NAV), value which is calculated in accordance with the provisions of the F.S.A. Regulation no. 9/2014.

The statement of the Company's assets and liabilities, respectively the report on the values of N.A.V. and N.A.V. per share, 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 by the Company, certified by the depository company BRD — Groupe Societe Generale S.A. Bucharest and sent to the F.S.A. and Bucharest Stock Exchange, by the 15th of the following month, at the latest, and published on the company website.

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

The net asset value as at 31 December 2023, as compared to the similar period of the previous year, has performed as follows:

- RON-

| Indicators | Values as at | | Evolution (%) |
|--------------------------------------|--------------------------------|--------------------------------|---------------|
| | 31 December 2023 ^{*)} | 31 December 2022 ^{*)} | 2023 /2022 |
| Total assets – calculated value | 1,824,000,932 | 1,426,093,063 | 127.90 |
| Total liabilities - calculated value | 91,234,823 | 65,824,591 | 138.60 |
| Calculated net asset RON | 1,732,766,109 | 1,358,162,932 | 127.58 |
| RON/ share | 0.8019 | 0.6310 | 127.08 |

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

General valuation elements

Statement of profit and loss and degree of achievement of the revenue and expenditure budget

The structure of the revenues generated by the company from the current activities, by categories of activities, and the achievement of the objectives provided in the budget approved for the financial year 2023 are as follows:

- RON thousand -

| Indicators | REB 2023 | Results 2023 | Differences from REB 2023 | Achievement degree % |
|--|-----------------|-----------------|---------------------------|----------------------|
| Dividend income | 56,300 | 98,477 | +42,177 | 174.91% |
| Bank interest income/Government securities interest income | 3,500 | 4,598 | +1,098 | 131.37% |
| Net gain on the FVTPL portfolio measurement at fair value (including the trading activity) | 32,000 | 153,311 | +121,311 | 479.10% |
| Other operating income | 20,200 | 25,965 | +5,765 | 128.54% |
| Net operating income | 112,000 | 282,351 | +170,351 | 252.10% |
| Personnel expenses | (16,750) | (16,804) | (+54) | 100.3% |
| Stock Option Plan Expenses | (6,200) | (1,415) | (-4,785) | 22.82% |
| Commission expenses | (2,300) | (2,489) | (+189) | 108.21% |
| Other expenses | (16,000) | (9,873) | (-6,127) | 61.71% |
| Total expenses | (41,250) | (30,581) | (-10,669) | 74.13% |
| Profit before tax | 70,750 | 251,770 | +181,020 | 355.86% |

According to the data provided, the **net operating income** achieved in the financial year 2023 is by RON 170,35 million higher as compared to the one provided for in the revenue and expenditure budget for the entire year 2023.

The **operating expenses** as at 31 December 2023 totalize RON 30.58 million, being by RON 10.69 million lower than those provided for in the revenue and expenditure budget for 2023, of which:

- Personnel expenses = RON 16,804 thousand, representing 54.95% of the total (43.13% in 2022);
- Commission expenses, of which: = RON 2,489 thousand, representing 8.13% of the total (8.01% in 2022);
- *Trading commissions afferent to share sales* = RON 621 thousand, representing 2.03% of the total (1.16% in 2022);
- Taxes and duties = RON 487 thousand, representing 1.59% of the total (1.78% in 2022);
- Sponsorships and patronage = RON 458 thousand, representing 1.49% of the total (1.26% in 2022);

- Other operating expenses = RON 11,761 thousand, representing 38.45% of the total (37.04% in 2022);

During the financial year 2023, the cost/revenue ratio, i.e. the share of total expenses in the total revenues was 10.83 %, lower by 19.9 %, as compared to the share registered in the previous year (30.86%).

The **profit before tax** at 31 December 2023 is of RON 251.77 million, by RON 181.02 million higher than the one provided for in the revenue and expenditure budget afferent to the entire financial year.

The result per share (net profit/share) recorded in the financial year 2023 amounts to RON 0.1100, higher by RON 0.0804 as compared to the one achieved in the previous year.

Market share (%)

This indicator is not relevant for a retail investor alternative investment fund, whose main activities are portfolio management and risk management. Transilvania Investments acts on the financial market as a portfolio investor in financial instruments, instruments which may be either listed on a market or unlisted. The investment objective of Transilvania Investments is to maximise the aggregate returns obtained by current and potential shareholders through investments made by the company.

Cash and cash equivalents (amounts available in bank accounts, petty cash and other values)

Cash and cash equivalents (cash flows) in balance as at 31 December 2023 are worth RON 60,202 thousand, out of which:

- | | |
|---|------------|
| • Cash available in RON, in bank deposits | RON 56,929 |
| • Cash available in RON, in current bank accounts or petty cash | RON 1,310 |
| • Cash available in EUR and USD, in current bank accounts | RON 1,963 |

Assessment of the technical level of the Company

The Company has the appropriate technical equipment to fulfil its activity scope and it permanently cares for its renewal and maintenance to ensure the best operating conditions.

In 2023, Transilvania Investments has planned and started a process of IT infrastructure transformation, so that it improves service delivery and access to IT resources regardless of location, transparently and securely in line with ISO 27001.

Thus, in 2023, the company's existing equipment was installed in the two locations, Braşov and Bucharest, into a professional DataCenter, and an own IT&C system was implemented to increase the level of security and control of information and data managed by employees, partners and collaborators.

To this end, several solutions have been implemented to achieve these objectives, such as visualisation solutions from the DataCenter, storage, authentication and authorisation, anywhere-anywhere login, filesharing, antivirus/antispysware/antiransomware, patch & vulnerability management, New DataCenter backup, log centralization and event correlation and reporting.

At the same time, the Disaster Recovery Solution was implemented for Transilvania Investments, through which a replication is performed using specific technologies that transfer data stored at virtual machine level, according to specific RPO (Recovery Point Objective) parameters. The connection between the Main Datacenter and the Disaster Recovery site is made via a dedicated line, which replicates the virtual machines and also transfers the backups.

Also, to better organise technical support from an IT point of view, and in order to have a centralization and an accurate categorization of the problems occurred, a ticketing system was implemented.

Assessment of the technical-material supply activity (local sources, import sources)

For the proper running of its activity, the company has the adequate premises and equipment; the supply of consumables, inventory objects, energy, water, gas and other necessary material is performed through domestic companies (local sources).

The information regarding the acquisition of financial, tangible and intangible assets are presented at item 3.6.1 - Investment activity.

Assessment of the sale activity

Information on the sale/disposal of financial assets held in portfolio (disposed financial investments) is provided under item 3.6.2 - Divestment activity.

Perspective elements regarding the company's activity

After a difficult year 2022, marked by military turmoil and record global inflation for the last half century, 2023 was one of the most prolific years for capital markets. At the end of 2022, many analysts were anticipating a global recession in 2023. In the past, such rapid and significant increases in key interest rates, as we have seen in the last two years in the US and Europe, have caused an economic downturn. However, with the global economy remaining robust and therefore increasingly arguing against a recession, the „soft landing” scenario has become increasingly likely. The recent past has shown that businesses, consumers and, as a result, the economy have become far more resilient than the daily news would often suggest.

In 2023, Bucharest Stock Exchange recorded an exceptional performance of +40% (BET-TR); in addition, the long-awaited event took place, the listing of Hidroelectrica, which attracted new institutional and retail investors. The amounts invested by them in the Hidroelectrica IPO covered approximately RON 9.3 billion (EUR 1.9 billion), making this listing the largest offering in Europe and the third largest in the world in 2023. This event helped the Bucharest Stock Exchange become much more visible among investors, taking a step towards the much-desired emerging market status of Morgan Stanley Capital International (MSCI). The Romanian market is currently classified as a frontier market and places our country alongside Vietnam, Marocco, Iceland, Kazakhstan etc. A possible promotion would place us next to countries like Poland, Czech Republic, Turkey, Greece, Hungary etc., and the beneficial effects would be seen in an improved valuation of local companies with increased liquidity and new capital inflows.

Looking ahead, 2024 looks set to be a volatile year, marked by a multitude of elections, both domestic and foreign, which may influence the direction of financial markets. The central banks' efforts to fight inflation have been winning, with local inflation on a downward slope during 2023, but tax hikes have re-fueled the inflationary spike which may lead to a postponement of interest rate cuts. Inflation in both the US and the Euro area looks set to move into the Fed's and ECB's target range of 2%, and markets expect them to lower benchmark interest rates starting this year. Similarly, the National Bank of Romania has managed through a restrictive monetary policy to bring down inflation over the last 12 months and is in a similar position to the FED and ECB in reducing interest rates. These elements lean more towards a cautiously optimistic outlook, and as long as the image of a "soft landing" dominates the economy, equities could be more attractive than bonds.

Thus, the activity carried out by Transilvania Investments and, implicitly, the evolution of the portfolio managed remains connected to the internal, as well as the external macroeconomic context. This is also emphasized by the objectives set out in the Investment policy statement for 2020-2024, i.e. the goal of turning the managed portfolio into a proxy for the overall evolution of the local economy, by specifically taking advantage of the potential provided by a number of sectors considered strategic, such as the financial, tourism and real estate sectors.

The Government bonds from Transilvania Investments portfolio, purchased as a tool for expansion or protection against stock market declines, can provide an attractive yield should the Romanian economy suffer, and if inflation continues to rise, their yields can provide protection against capital erosion. The high

liquidity of these securities ensures a much faster freedom of movement by generating cash available to be used according to the opportunities that may arise in the market throughout the year.

Moreover, Transilvania Investments will actively manage the Company's liquidity conditions in the light of the general economic context and specific market situation, acting so that the main objectives provided in the Investment Policy Statement 2020-2024, the Strategy for 2020-2024 and the Revenue and expenditure budget for the year 2024 are met. Through the main action lines, the restructuring of the managed portfolio, the maintaining of the company's status as an investment entity which measures and evaluates the performance of its investments on a fair value basis and the strategy on shareholder remuneration will be carried on.

4. TANGIBLE ASSETS

At the end of 2023, the company owns tangible assets necessary for the performance of its activity under normal conditions, with a total accounting value (fair value) of RON 21,027 thousand, having the following structure:

- RON thousand -

| Group | Denomination | Fair value 31 December 2023 |
|-------|--|--------------------------------|
| 1 | Constructions | 13,304 |
| 2 | Technological equipment, means of transportation and measuring and control devices and equipment | 1,447 |
| 3 | Furniture, office equipment, human value protection systems etc. | 221 |
| 4 | Tangible assets in progress and advance payments | 1,651 |
| 5 | Lands | 4,404 |
| | TOTAL | 21,027 |

Tangible assets are recorded in the accounting books at historical cost adjusted with the differences resulted from the carried-out revaluations, by complying with the alternative valuation rules provided in the applicable Accounting Regulations. The latest revaluation was conducted on 31 December 2022, by a third party - an authorized independent appraiser, the results of the revaluation being included in the annual financial statements prepared and provided in the report for the financial year 2022.

The main tangible assets owned by the company are represented by constructions. The company owns two buildings, i.e. the main headquarters in Braşov and the Bucharest building, which are located as follows:

| | Address | Description |
|--------------------|-----------------------------------|--|
| Headquarters | Braşov, str. N. Iorga nr. 2 | Building: basement + ground-floor + 3 floors + attic |
| Bucharest building | Bucharest, str. M. Rosetti nr. 35 | Building: ground-floor + floor + attic |

Estimated useful life of the properties of the company

| Group | Denomination | Estimated useful life (years) |
|-------|---|-------------------------------|
| 1 | Constructions | 10-50 |
| 2 | Technological equipment, means of transportation and measuring and control devices and equipment, of which: | x |
| 2.1 | - technological equipment | 6-10 |
| 2.2 | - measuring, control and adjusting devices and equipment | 3-5 |
| 2.3 | - means of transportation | 4-6 |
| 3 | Furniture, office equipment, human value protection systems etc. | 3-10 |

Tangible assets are subject to linear depreciation during the useful life estimated by a technical commission, considering both their utility for the company and the provisions of the Government Decision no. 2139/2004 for the approval of the Catalogue regarding the classification and the normal period of operation of fixed assets. There are no issues related to the right of ownership over the tangible assets owned by the company. The company does not have any pledged or mortgaged assets.

5. MARKET OF THE SECURITIES ISSUED BY THE COMPANY

Market on which the company's issued shares are negotiated

As of 1 November 1999, the shares issued by the company are traded on the Bucharest Stock Exchange, in the PREMIUM Category. On 14 March 2022, the first trading session of the company's shares under the new symbol **TRANSI** (previous symbol SIF3) took place, as a result of the change in the company name and of conducting a rebranding process. Currently, the shares issued by Transilvania Investments Alliance are not traded on other markets.

According to the legal provisions, the record of Transilvania Investments Alliance shareholders and the shares held by them is kept, under a service agreement, by Depozitarul Central S.A., a company headquartered in Bucharest, Bulevardul Carol I nr. 34-36.

Description of own shares buy-back activities

The Extraordinary General Meeting of Shareholders of 28 April 2022 approved the carrying-out of a programme for the buy-back by the company of its own shares, in accordance with the applicable legal provisions, under the following terms:

- (i) *programme size* - maximum 20,000,000 shares with a nominal value of RON 0.10 per share, representing a maximum of 0.92487% of the share capital;
- (ii) *share acquisition price* - the minimum price will be equal to the market price of the company shares on the Bucharest Stock Exchange at the time of the acquisition, and the maximum price will be RON 0.49 per share;
- (iii) *validity of the program* - a period of maximum 18 months from the date of publication of the E.G.M.S. resolution in the Official Gazette of Romania, Part IV;
- (iv) *payment of bought-back shares* - from available reserves (excluding legal reserves) recorded in the last approved annual statements;
- (v) *scope of the programme* - distribution of bought-back shares, free of charge, to the members of the Supervisory Board, the Executive Board and identified staff, within a Stock Option Plan program, in accordance with the remuneration policy approved at company level.
- (vi) granting a mandate to the Executive Board to carry out this resolution.

Based on the afore-mentioned E.G.M.S. resolution, in 2023, the Company has carried out the following stages of the buy-back programme:

9 January 2023 – 21 August 2023 – Stage 2 of the buy-back programme - acquisitions through transactions at the BSE

Total number of shares bought-back: 7,762,839 shares, representing 0.36% of the share capital

Average price: RON 0.2918/share

The total value of bought-back shares: RON 2,265,571.90

Intermediary: BT Capital Partners

3 October 2023 – 16 October 2023 – Tender Offer (FSA decision no. 1006/26 September 2023 on approving the Tender Offer Document)

Total number of shares acquired: 2,237,161 shares, representing 0.1035% of the share capital

Acquisition price: RON 0.32/share

Intermediary: S.S.I.F. Estinvest S.A.

The first stage of the afore-mentioned buy-back programme was carried-out between 18 August 2022 - 6 December 2022, under which the Company bought-back 10,000,000 own shares, representing 0.4624% of the share capital, for an average price of RON 0.27864/share, totalling RON 2,786,400.01.

The Extraordinary General Meeting of Shareholders of 24 April 2023 approved the carrying-out of two buy-back programmes, in accordance with the applicable legal provisions, under the following terms:

(i) *size of the programmes* - maximum 20,000,000 shares with a nominal value of RON 0.10 per share, representing a maximum of 0.9248% of the share capital;

(ii) *share acquisition price* - the minimum price will be equal to the market price of the company shares on the Bucharest Stock Exchange at the time of the acquisition, and the maximum price will be RON 0.49 per share;

(iii) *validity of the programme* - a period of maximum 18 months from the date of publication of the E.G.M.S. resolution in the Official Gazette of Romania, Part IV;

(iv) *payment of bought-back shares* - from available reserves (excluding legal reserves) recorded in the last approved annual statements;

(v) *scope of the programme*, in this order:

I. maximum 12,000,000 shares, in order to reduce the share capital by cancelling the bought-back shares;

II. maximum 8,000,000 shares, for distribution free of charge to the members of the Supervisory Board, the Executive Board and identified staff, within a Stock Option Plan program, in accordance with the remuneration policy approved at company level.

(vi) granting a mandate to the Executive Board to carry out this resolution.

Based on the above-mentioned E.G.M.S. resolution, in 2023, the company initiated the first stage of the buy-back programme, which was completed on 6 February 2024, as follows:

8 December 2023 – 6 February 2024 – the first stage of the buy-back programme – acquisitions through transactions at the BSE, in order to reduce the share capital, by cancelling the bought-back shares;

Total number of shares bought-back: 4,000,000 shares, representing 0.1849% of the share capital

Average price: RON 0.3181 /shares

The total value of bought-back shares: RON 1,272,347.27

Agent: BT Capital Partners

Detailed information on the buy-back programmes run by the company is available on the website www.transilvaniainvestments.ro, under [Investor Relations/Buy-back notifications](#) section.

Shareholder structure

According to the data provided by Depozitarul Central S.A. Bucharest, on 31 December 2023, the shareholding of Transilvania Investments had the following structure:

| Shareholders | Number of shareholders | Number of shares held | % of share capital |
|---|------------------------|-----------------------|--------------------|
| Individuals, total, of whom: | 6,956,593 | 1,099,021,128 | 50.83 |
| Residents | 6,954,133 | 1,086,715,352 | 50.26 |
| Non-residents | 2,460 | 12,305,776 | 0.57 |
| Legal entities, total, of which: | 239 | 1,063,422,669 | 49.17 |
| Residents | 216 | 1,029,187,830 | 47.59 |
| Non-residents | 23 | 34,234,839 | 1.58 |
| Total shareholders, of which: | 6,956,832 | 2,162,443,797 | 100.00 |

| | | | |
|---------------|-----------|---------------|-------|
| Residents | 6,954,349 | 2,115,903,182 | 97.85 |
| Non-residents | 2,483 | 46,540,615 | 2.15 |

Indication of the number and nominal value of the shares issued by the company and held by subsidiaries

Considering the definitions provided in the Law no. 24/2017 on issuers of financial instruments and market operations, regarding the concept of 'subsidiaries', please note that, as at 31 December 2023, Transilvania Investments held in portfolio stakes representing 50% and over 50% of the share capital of 23 companies, as described in Annex no. 1 to this Report.

As at 31 December 2023, none of these subsidiaries held shares issued by the company (it is not shareholder of Transilvania Investments).

List of the persons affiliated to the company

The list of the company's management staff, respectively the members of the Executive Board and of the Supervisory Board and the detailed information regarding them, are presented at item 7.1. and item 7.2. in the Corporate Governance statement below.

The list of companies in which Transilvania Investments is the majority shareholder (subsidiaries) as at 31 December 2023 is presented in Annex no. 1 to this report.

The list of companies in which Transilvania Investments holds has a significant influence (associates) as at 31 December 2023 is presented in Annex no. 2 to this report.

Information on the issuance of bonds and/or other debt instruments, presentation of the way in which the company honours its obligations towards holders of such securities

The company has not issued bonds and/or other debt instruments, and, therefore, on 31 December 2023, no obligation of this nature is reflected into the annual financial statements.

6. FINANCIAL POSITION AND PERFORMANCE AS AT 31 DECEMBER 2023

As of 1 January 2015, by applying the amendments to IFRS 10, IFRS 12 and IAS 27, Transilvania Investments complies with the conditions provided by the definition of the *investment entity* and, consequently, the company does not have to consolidate its subsidiaries as of 1 January 2015.

Within the process of regular revaluation of the status of investment entity of the company, Transilvania Investments has analysed whether the terms for its classification as an investment entity are complied with also for 2023. Therefore, the key elements defining the company as an investment entity were reviewed (investment related services, purpose of the activity, analysis of the exit strategy and of the investment results, measurement at fair value), and also the extent to which the typical characteristics of an investment entity are complied with (it holds more than one investment, has more than one investor, non-affiliated investors – the shares issued by the company do not belong to the company's subsidiaries, it owns holdings in equity in the form of equity or similar interests). It was concluded that also for 2023, Transilvania Investments complies with the conditions of classification as an investment entity.

The statement of financial position as at 31 December 2023 is as follows:

RON

| Indicators | 31.12.2023 | 31.12.2022 | 31.12.2021 |
|---|-------------|-------------|-------------|
| Cash and cash equivalents | 60,202,503 | 47,173,996 | 47,862,487 |
| Financial assets at fair value through profit or loss | 811,804,885 | 646,510,745 | 706,841,055 |
| Government bonds at fair value through profit or loss | 52,347,521 | 31,653,276 | - |
| Financial assets at fair value through other comprehensive income | 875,074,595 | 669,338,157 | 711,396,334 |

| | | | |
|--|----------------------|----------------------|----------------------|
| Financial assets at amortized cost | 2,955,488 | 6,719,070 | 7,694,516 |
| Other assets | 569,634 | 951,713 | 1,605,185 |
| Intangible assets | 124,564 | 82,473 | 120,024 |
| Tangible assets | 20,018,840 | 18,029,683 | 12,734,077 |
| Investment property | - | 2,119,862 | 2,066,451 |
| Right-of-use assets under leases | 902,902 | 3,514,086 | 1,609,463 |
| Total assets | 1,824,000,932 | 1,426,093,062 | 1,491,929,592 |
| Financial liabilities | 15,071,538 | 26,908,594 | 40,878,905 |
| Leasing liabilities | 1,009,620 | 3,988,871 | 1,761,619 |
| Deferred tax liabilities | 57,027,539 | 30,129,459 | 49,473,069 |
| Current income tax liabilities | 15,055,236 | 3,650,349 | 14,587,916 |
| Other liabilities | 2,435,052 | 1,147,317 | 5,065,430 |
| Provisions for risks and expenses | 635,838 | 2,105,540 | - |
| Total liabilities | 91,234,823 | 67,930,130 | 111,766,939 |
| Share capital | 216,244,380 | 216,244,380 | 216,244,380 |
| Retained earnings | 390,300,023 | 206,004,942 | 206,411,822 |
| Revaluation reserve on financial assets at fair value through other comprehensive income | 292,981,541 | 133,897,466 | 254,484,622 |
| Tangible assets revaluation reserve | 15,421,454 | 15,602,907 | 11,979,484 |
| Other reserves | 815,626,279 | 784,291,364 | 691,314,508 |
| Own shares | (475,749) | (2,786,400) | (4,522,164) |
| Employee and management benefits in the form of equity instruments | 2,668,181 | 4,908,273 | 4,250,000 |
| Total equity | 1,732,766,109 | 1,358,162,932 | 1,380,162,653 |
| Total liabilities and equity | 1,824,000,932 | 1,426,093,062 | 1,491,929,592 |

Statement of profit or loss and other comprehensive income as at 31 December 2023 is as follows:

RON

| Indicators | 31.12.2023 | 31.12.2022 | 31.12.2021 |
|--|---------------------|---------------------|---------------------|
| Dividend income | 98,477,235 | 107,805,920 | 32,915,652 |
| Bank interest income | 2,684,194 | 1,259,682 | 648,723 |
| Interest income from government securities classified as financial assets at fair value through the profit or loss account | 1,913,399 | 638,889 | - |
| Net gain/(loss) from financial assets at fair value through profit or loss | 153,310,939 | (34,188,741) | 87,550,963 |
| Other operating income | 25,965,457 | 15,824,187 | 7,076,232 |
| Net operating income | 282,351,224 | 91,339,937 | 128,191,570 |
| Personnel expenses, total, of which: | (18,219,434) | (12,157,454) | (20,482,083) |
| <i>Personnel remuneration expenses</i> | <i>(16,804,273)</i> | <i>(14,565,223)</i> | <i>(11,982,083)</i> |
| <i>Stock Options Plan Expenses</i> | <i>(1,415,161)</i> | <i>(1,545,798)</i> | <i>(4,250,000)</i> |
| <i>Variable remuneration provision expenses</i> | - | - | <i>(4,250,000)</i> |
| <i>Income from the reversal of the provision for benefits to employees, members of the Executive Board and the Supervisory Board</i> | - | 3,953,567 | - |
| Commission expenses | (2,489,823) | (2,257,533) | (2,058,120) |
| (Loss)/Reversal of loss from assets impairment | 1,666,921 | 208,904 | (1,626,215) |
| Operating expenses | (12,706,597) | (11,294,501) | (7,623,130) |

| | | | |
|--|---------------------|---------------------|---------------------|
| Financing costs | (39,273) | (878,469) | (908,300) |
| (Loss)/Reversal of loss from provisions | 1,207,201 | (1,809,107) | - |
| Total expenses | (30,581,005) | (28,188,160) | (32,511,793) |
| Profit before tax | 251,770,219 | 63,151,777 | 95,493,723 |
| Income tax/(expense) | (14,728,512) | 569,961 | 1,117,772 |
| Net profit of the year | 237,041,707 | 63,721,738 | 96,611,495 |
| Other comprehensive income <i>Items that will not subsequently be classified to profit or loss</i> | | | |
| Net Gain (Loss) on deferred tax, on revaluation of financial assets at fair value through other comprehensive income | 169,769,794 | (88,134,703) | 113,360,157 |
| Increases/(Decreases) in the tangible asset revaluation reserve, net of deferred tax | 107,940 | 3,623,423 | 241,918 |
| Other comprehensive income of the year - total | 169,877,735 | (84,511,281) | 113,602,075 |
| Total comprehensive income of the year | 406,919,442 | (20,789,542) | 208,853,570 |

Regarding the Statement of profit or loss statement and other comprehensive income, please note that, as of 1 January 2015, Transilvania Investments classified its financial investments in subsidiaries and associated entities as financial instruments held at fair value through profit or loss and available for sale, classification that is also found in the financial results of 2023.

Cash flow

In 2023, the Company recorded a positive cash flow, the detailed results being available in the Statement of cash flows presented below.

RON

| Description | 31.12.2023 | 31.12.2022 | 31.12.2021 |
|--|---------------------|--------------------|---------------------|
| Cash flows from operating activities-total of which: | 36,601,010 | 11,155,871 | 22,298,736 |
| Proceeds from clients | 192,830 | 750,140 | 3,293 |
| Payments to suppliers and employees | (33,119,041) | (18,444,643) | (12,682,138) |
| Proceeds from government securities reaching maturity | 1,291,483 | - | - |
| Proceeds from the sale of holdings | 210,586,820 | 169,229,944 | 216,998,568 |
| Payments for the purchase of holdings | (228,643,356) | (226,392,487) | (208,923,986) |
| Profit tax paid | (5,971,887) | (16,549,026) | (404,133) |
| Collected interest | 3,194,694 | 2,267,719 | 648,722 |
| Dividends received (net of withholding tax) | 98,477,235 | 107,805,919 | 32,915,620 |
| Payments on contributions, taxes, duties due to the state budget | (7,410,703) | (6,204,218) | (5,159,628) |
| Other payments related to the Company functioning | (1,382,137) | (987,424) | (1,202,832) |
| Other investment-related payments (including sales brokerage fees) | (614,928) | (320,055) | 105,250 |
| Cash flows from investing activities-total, of which: | 468,288 | (1,947,643) | (402,705) |
| Payments for the purchase of tangible and intangible assets | (1,073,477) | (2,070,213) | (541,416) |
| Proceeds from the sale of tangible assets | 1,541,765 | 122,570 | 138,711 |
| Cash flows from financing activities-total, of which: | (24,040,791) | (9,896,719) | (44,542,774) |
| Dividends paid to shareholders (including dividend tax) | (19,498,891) | (963,988) | (3,400,934) |
| Short-term loans | - | (437,918) | (40,000,000) |
| Interest paid | - | (262,007) | (838,867) |
| Payments for leasing agreements | (1,154,423) | (924,230) | (302,973) |
| Payments for own shares redeemed | (3,387,477) | (7,308,577) | - |

| | | | |
|---|-------------------|-------------------|---------------------|
| Net (decrease)/ increase of cash and cash equivalents | 13,028,507 | (688,491) | (22,646,743) |
| Cash and cash equivalents at the beginning of the financial year | 47,173,996 | 47,862,487 | 70,509,230 |
| Cash and cash equivalents at the end of the financial year | 60,202,503 | 47,173,996 | 47,862,487 |

7. CORPORATE GOVERNANCE STATEMENT

Transilvania Investments ensures the implementation of the corporate governance principles provided by the Corporate Governance Code (C.G.C.) of Bucharest Stock Exchange (BSE). The company discloses, on a regular basis, its degree of compliance with the C.G.C. principles and recommendations, within the “Apply or Explain” Statement, which is included in its annual reports.

The statement of company’s compliance with the provisions of the C.G.C. as at 31 December 2023 is presented in Annex no. 4 to this Report. This corporate governance statement is supplemented by the 2023 Report of the Supervisory Board, which is presented to the shareholders together with the 2023 Activity Report prepared by the Executive Board.

In addition, the Activity report for the year 2023 includes explanations regarding the relevant events that took place in 2023 in relation with the application of the provisions of the F.S.A. Regulation no. 2/2016 *on the application of the corporate governance principles by the entities authorized, regulated and supervised by the Financial Supervisory Authority*, as further amended and supplemented and it is accompanied by the Statement regarding the application of the corporate governance principles as at 31 December 2023 (Annex no. 5), prepared in compliance with said Regulation.

7.1 Information on the Supervisory Board

According to the provisions of the Articles of Incorporation, Transilvania Investments is managed in a two-tier system by an Executive Board that carries out its activity under the control of a Supervisory Board. The Supervisory Board is composed of five members, individual persons, elected, by secret vote, by the Ordinary General Meeting of Shareholders for a four-year term.

The members of the Supervisory Board perform their activity based on the management contracts approved by the General Meeting of Shareholders, the Board Organisation and Operation Regulation and the Articles of Incorporation of the Company.

On 1 December 2023, the Supervisory Board of Transilvania Investments had the following members: Mr. Paul-George Prodan-Chairman, Mr. Radu Momanu - Deputy Chairman, Mr. Patrițiu Abrudan- member, Mr. Marius-Petre Nicoară - member and Mr. Constantin Frățilă - member.

In the meeting of 28 February 2023, the Supervisory Board of the company decided on appointing Mr. Patrițiu Abrudan as Chairman of the Supervisory Board and Mr. Marius-Petre Nicoară as Deputy Chairman of the Supervisory Board, as of 28 February 2023. The above-mentioned Resolution was adopted following the resignation of Mr. Paul-George Prodan and Mr. Radu Momanu as Chairman of the Supervisory Board and Deputy Chairman of the Supervisory Board respectively ([Current report no. 1393 /28 February 2023](#)).

As of 29 September 2023, the terms of office as members of the Supervisory Board of Mr. Paul-George Prodan and Mr. Radu Momanu ceased as a result of their unilateral relinquishment of their mandate ([Current report no. 6218/29 September 2023](#)).

Considering the afore-mentioned facts, as at 31 December 2023, the Supervisory Board of Transilvania Investments had the following members: Mr. Patrițiu Abrudan-Chairman, Mr. Marius-Petre Nicoară - Deputy Chairman and Mr. Constantin Frățilă - member.

The Supervisory Board members were elected by the Ordinary General Meeting of Shareholders of 4 December 2020, for a 4 years term, starting from the date when the Board members are authorised by the Financial Supervisory Authority. The members of the Supervisory Board were authorized by the F.S.A. based on Authorisations no. 69/19 April 2021 and no. 80/27 April 2021.

According to the provisions of the Company Law, all members of the Supervisory Board are non-executive members, since none of them hold an executive position within the company, the company being managed under a two-tier system.

Please note that, in the meetings of 22 November 2023, the Supervisory Board has decided to appoint Mr. Horia-Cătălin Bozgan and Vasile-Cosmin Turcu as provisional members of the Supervisory Board for a term comprising between the date of their approval by FSA and 30 April 2024 ([Current report no. 7330/22 November 2023](#)).

After the end of the reporting period, by the Authorisation no. 13/9 February 2024, the F.S.A. has authorised the new composition of the Company's Supervisory Board, as a result of appointing Mr. Vasile-Cosmin Turcu and Mr. Horia-Cătălin Bozgan as member of the Supervisory Board ([Current report no. 785/9 February 2024](#)).

Any agreement, understanding or family relationship between members of the Supervisory Board and another person due to whom that person has been appointed member of the Supervisory Board - not applicable.

The information on the members of the Supervisory Board, in the structure authorised through the F.S.A. Authorisation no. 13/9 February 2024, can be found in the table below.

The CVs of the Board members are available on the company website, at www.transilvaniainvestments.ro, in the Section [About us](#).

| Name, age, seniority | Qualification | Professional experience | Other professional commitments and obligations |
|---|---|--|---|
| Patrițiu ABRUDAN (69) Independent Chairman as of 28 February 2023 Since April 2021 | Economist – Faculty of Economic Sciences within Babes-Bolyai University of Cluj-Napoca Master's Degree – Banking and Capital Markets, Faculty of Economics and Business Management, Babes-Bolyai University of Cluj-Napoca | Experience in banking, as regional director Experience in finance-accounting, commercial and marketing | Banca Transilvania, Cluj Regional Manager (until June 2023) |
| Marius-Petre NICOARĂ (65) Independent Deputy Chairman as of 28 February 2023 Since April 2021 | Engineer – Faculty of Mechanics within the Technical University of Cluj-Napoca | Bank manager Financial management Marketing Public communication High official in the Romanian Senate Experience in local public administration | Member of the Board of Directors, FNGCMM |
| Constantin FRĂȚILĂ (63) Since April 2021 Supervisory Board Member in the periods: Jan. 2020 - Apr 2021 | Faculty of Mechanics within Transilvania University of Braşov | Management of companies admitted to trading on a regulated market Experience in the leasing activity Investments on capital market | Director of Global Building Investment S.A. Director of Kronstadt Papier Technik S.A. Director/CEO of Alcorex Building S.R.L. |

| | | | |
|---|---|--|---|
| Jul. 2017 - Sep. 2018 Apr. 2013 - Aug. 2014 | | | Chairman of the Association for Constructors and Investors of Dobrogea Member of the International Scuderia Ferrari Club of F1 |
| Horia-Cătălin BOZGAN (51) Independent Since February 2024 | Economist - Faculty of Domestic and International Commercial and Financial Banking Relations of the Romanian-American University of Bucharest Executive MBA - Maastricht School of Management – Netherlands/ Bucharest | Experience in banking and capital market BSE authorized accountant, BSE authorized trader | Regional Manager of Banca Transilvania, Braşov Branch |
| Vasile-Cosmin TURCU (53) Independent Since February 2024 | Engineer - Faculty of Chemistry and Chemical Engineering within Babeş-Bolyai University of Cluj-Napoca Certified Reliability Leader – American Association of Asset Management Professionals | Member in management boards and CEO of companies admitted to trading on the regulated market Experience in petro-chemical and pharmaceutical sectors, business partnership development, business process optimization, managerial cultural change | Member of the Board of Directors, Sinteza S.A. Member of the Board of Directors THR Marea Neagră S.A. Manager, PROMMENT SERVICES SRL, Constanţa |

In 2023, in order to meet the obligations on continuous professional training and development, established by the F.S.A. regulations, the members of the Supervisory Board participated in the program “*Continuous professional training and development for management positions 2023*”, organised by AS Financial Markets, during 28 September 2023 - 20 November 2023.

In order to assess the independence of its members, the Supervisory Board has adopted the criteria provided by the Corporate Governance Code of Bucharest Stock Exchange. By reference to these criteria, the Supervisory Board includes four independent members, as listed in the table above. Please note that, in accordance with the internal regulations of the company, each independent member of the Board must submit a statement at the time of nomination, election or re-election, and also when any change regarding their status occurs.

Transilvania Investments promotes and supports diversity within the management structure in terms of education and practical and professional experience, gender, age, geographic origin and ensures equal chances and fair treatment with respect to access to a position in the management structure. As presented in this chapter, the management structure (Supervisory Board and Executive Board) is diversified in terms of age, education and professional experience. We mention that the candidates nominated for the position of members of the Supervisory Board and Executive Board are assessed against criteria of competence and professional experience, integrity, reputation and governance, as provided by the legal regulations in force at the date of the nomination; the company does not require the candidates to meet any age or gender-related criteria.

Duties and activities of the Supervisory Board

The duties and responsibilities of the Board members are laid down by law and the Articles of incorporation of the Company and are detailed in the „*Internal regulations*”/„*Policies and procedures regarding the operation of Transilvania Investments Alliance S.A. as an A.F.I.M.*”.

The main duties of the Supervisory Board are as follows:

- appoints and dismisses the President and the other members of the Executive Board, establishes the powers and duties of the members of the Executive Board, the terms and conditions of each member's term, including the relevant criteria for monitoring and assessing the results of activity performed by the Executive Board and the company, and regularly evaluates the application and fulfilment of these criteria;
- continuously monitor the compliance of Supervisory Board members, Executive Board members, the compliance officer, the risk manager and the internal auditor with the assessment criteria on the basis of which they have been authorized by the F.S.A., respectively notified to the F.S.A., throughout the exercise of these functions;
- supervises and is responsible for the strategic management of the company and the fulfilment of the established objectives;
- endorses the Company's business plan and evaluates its financial position;
- endorses the annual financial statements of the company after reviewing the report of the Executive Board;
- verifies the compliance of the management operations carried out by the members of the Executive Board with the law, Articles of Incorporation and the resolutions of the General Meeting of Shareholders;
- supervises the application of corporate governance principles;
- approves, together with the Executive Board, the risk management policy, strategy and procedures;
- analyses the adequacy, effectiveness and updating of the risk management system for the effective management of the company's assets and the management of the related risks to which the company is exposed;
- prepares and reviews the remuneration policy of the Company, so that it is in line with business strategy, long-term goals and interests and includes measures to prevent conflicts of interest;
- approves the annual plan of the internal auditor and compliance officer;
- reviews the adequacy, effectiveness and updating of the internal control system so as to ensure its independence from the operational and support organisational structures within the company, which it controls and monitors;
- endorses, following the opinion of the Audit Committee, any transaction of the Company with any of the companies with which it has close relations, the value of which is equal to or higher than 5% of the net assets of the Company, according to the last financial report;
- endorses the completion of any operations with a value higher than the equivalent in RON of EUR 5,000,000/operation, upon the Executive Board's request;
- endorses the decision of the Executive Board on voting at the general meeting of shareholders of portfolio companies in which Transilvania Investments holds a controlling position, whereby acts of disposition are submitted to shareholders for approval (sale, purchase or rental of real estate and investments) with a value exceeding EUR 5,000,000, in RON equivalent at the date of approval;
- together with the Executive Board, performs a semi-annual valuation of the business continuity and emergency plans;
- reports to the General Meeting of Shareholders, at least annually, with regards to the supervisory activity carried out.

The Supervisory Board is supported in its activity by a secretary, who also holds the position of secretary of the committees of the Board. The secretary is mainly in charge of facilitating the communication between the Supervisory Board and its committees and between the Supervisory Board and the Executive Board and for summoning and organizing the Supervisory Board meetings.

In 2023, the Supervisory Board carefully analysed the position and prospects of the Company and fulfilled its assigned powers in accordance with the legislation in force, the Company's Articles of incorporation, the applicable Corporate Governance Code, the F.S.A. Regulation no. 2/2016 and the relevant internal regulations. Details regarding the activity carried out in 2023 by the Supervisory Board, the number of meetings and the participation of each member are provided in the **2023 Report of the Supervisory Board**.

Participation of members of the Supervisory Board to the Company's share capital

On 31 December 2023, the members of the Supervisory Board held together 6,106,399 shares issued by the company, representing 0.2824% of the share capital of Transilvania Investments, the individual shareholdings being as follows: Mr. Patrițiu Abrudan – 1,754,111 shares, (0.0811% of the share capital), Mr. Marius-Petre Nicoară – 1,753,043 shares (0.0811% of the share capital and Mr. Constantin Frățilă – 2,599,245 shares (0.1202% of the share capital).

The shareholdings of the new members of the Supervisory Board, authorised by the F.S.A. Authorisation no. 13/9 February 2024, were as follows: Mr. Vasile-Cosmin TURCU - 32 shares and Mr. Horia-Cătălin Bozgan – 0 shares.

Committees of the Supervisory Board

The Supervisory Board has set up a series of committees in charge with carrying out investigations and drafting recommendations to the Board, whose activity is carried out under the legal provisions and their own Organisation and Operation Regulations. In 2023, the committees of the Supervisory Board were as follows:

Audit committee

Date of incorporation of the first audit committee: 23 May 2013

The composition of the Audit Committee as at 31 December 2023 was the following: Mr. Patrițiu Abrudan - Chairman, Mr. Marius-Petre Nicoară - member and Mr. Constantin Frățilă - member. This composition of the audit committee has been set based upon the Resolution of the Supervisory Board of 17 October 2023.

After the end of the reporting period, following the authorisation by the F.S.A of the new Supervisory Board composition (Authorisation no. 13/9 February 2024), at its meeting on 15 February 2024 the Supervisory Board established the new structure of the Audit Committee as follows: Mr. Patrițiu Abrudan – chairman, Mr. Horia-Cătălin Bozgan– member and Mr. Constantin Frățilă – member.

The main duties of the Audit Committee, without limitation thereto, are as follows:

- ensures the business relation of the company with the financial auditor, the adequate conclusion and enforcement of the audit contract, according to the resolution of the General Meeting of Shareholders;
- selects the internal auditor and reviews the quality of the reports prepared by the internal auditor with regard to the application of the legal standards and generally accepted audit standards, assuring the Supervisory Board that the reports are compliant to the audit plan approved by the Supervisory Board for each financial year;
- monitors the statutory auditing of the financial statements prepared by the company in compliance with the applicable laws, as well as any reports prepared upon the request of the shareholders;

- monitors the efficiency of the internal control systems (internal audit, compliance and risk management system) adopted by the Company;
- conducts an annual assessment of the internal control system, the effectiveness and comprehensiveness of the internal audit, compliance and risk management function, the adequacy of the risk management and internal control reports;
- assesses, together with the compliance officer, the conflicts of interest in relation to the transactions carried out by the company and its subsidiaries with the related parties;
- analyses the compliance of the accounting policies adopted by the Company with the applicable accounting regulations, assuring the Supervisory Board that they determine a fair and accurate presentation of the transactions carried out by the company in accordance with its scope of business.

Risk Committee

Date of incorporation of the first risk committee: 17 December 2014

The composition of the Risk Committee as at 31 December 2023 was the following: Mr. Constantin Frățilă - Chairman, Mr. Patrițiu Abrudan- member and Mr. Marius-Petre Nicoară - member. This composition of the risk committee has been set based upon the Resolution of the Supervisory Board of 17 October 2023.

After the end of the reporting period, following the authorisation by the F.S.A. of the new composition of the Supervisory Board (Authorisation no. 13/9 February 2024), in the meeting of 15 February 2024, the Supervisory Board established the new composition of the Risk Committee as follows: Mr. Constantin Frățilă – chairman, Mr. Marius - Petre Nicoară – member and Mr. Vasile–Cosmin Turcu – member.

The main duties of the Risk Committee, without limitation thereto, are as follows:

- assesses, on regular basis, the risk management system, based on the quarterly reports on risk assessment, and makes proposals to improve it;
- endorses and submits recommendations regarding the implementation of the main procedures, internal regulations, investment/divestment and risk management policies and strategies;
- makes recommendations to the Supervisory Board regarding its responsibility to approve the Company's risk appetite and risk tolerance limits.

Nomination Committee

Date of incorporation of the first Nomination Committee: 8 January 2016

The composition of the Nomination Committee as at 31 December 2023 was the following: Mr. Constantin Frățilă - Chairman, Mr. Patrițiu Abrudan- member and Mr. Marius-Petre Nicoară - member. This composition of the Nomination Committee has been set based upon the Resolution of the Supervisory Board of 17 October 2023.

After the end of the reporting period, following the authorisation by the F.S.A. of the new composition of the Supervisory Board (Authorisation no. 13/9 February 2024), in the meeting of 15 February 2024, the Supervisory Board established the new composition of the Nomination Committee as follows: Mr. Patrițiu Abrudan – chairman, Mr. Marius - Petre Nicoară – member and Mr. Vasile–Cosmin Turcu – member.

The main duties of the Nomination Committee, without limitation thereto, are as follows:

- prepares the assessment and selection policy, including the criteria for the independence assessment, for the candidates to the Supervisory Board, for the appointment of provisional members of the Supervisory Board and for the appointment of members of the Executive Board, as well as of the individuals holding key positions, so as to ensure compliance with the applicable legal provisions and the company's Articles of Incorporation, policy that is subject to the approval of the Supervisory Board;
- properly implements the approved selection and assessment policy;

- makes recommendations regarding the nomination of the candidates for the Supervisory Board, the provisional members of the Supervisory Board, the members of the Executive Board and of the individuals holding key-positions, in compliance with the applicable legislation;
- assesses, at least annually, the independence of the Supervisory Board members;
- assesses the compliance by the members of the Supervisory Board and Executive Board, the provisional members of the Supervisory Board and the individuals holding key-positions with the specific criteria provided by the capital market regulations, in view of their approval by the F.S.A. and monitors the compliance with such criteria throughout the exercise of the functions.

Remuneration Committee

Date of incorporation of the first remuneration committee 23 May 2013

The composition of the Remuneration Committee as at 31 December 2023 was the following: Mr. Marius-Petre Nicoară – Chairman, Mr. Patrițiu Abrudan – Member and Mr. Constantin Frățilă– Member. This composition of the Remuneration Committee has been set based upon the Resolution of the Supervisory Board of 17 October 2023.

After the end of the reporting period, following the authorisation by the F.S.A. of the new composition of the Supervisory Board (Authorisation no. 13/9 February 2024), in the meeting of 15 February 2024, the Supervisory Board established the new composition of the Remuneration Committee as follows: Mr. Marius-Petre Nicoară – chairman, Mr. Patrițiu Abrudan – member and Mr. Horia - Cătălin Bozgan – member.

The main duties of the Remuneration Committee, without limitation thereto, are as follows:

- revises, reports, gives advice and prepares the decisions on remuneration, assists the Supervisory Board in fulfilling its duties and responsibilities with regard to the remuneration policy and monitors/supervises the remunerations of the members of the Executive Board;
- analyses and submits proposals for the Supervisory Board regarding the total annual variable remuneration package within the company, according to the Remuneration Policy;
- proposes performance objectives for granting cash remuneration or proposes objectives for granting shares under the Stock Option Plan (S.O.P.) programmes;
- annually assesses the performance of the Executive Board members and of the individuals holding key functions and makes proposals to the Supervisory Board regarding their remuneration.

Details regarding the activity carried out in 2023 by the committees of the Supervisory Board, the number of meetings and the participation of each member in such meetings are provided in the **2023 Report of the Supervisory Board**. Furthermore, the detailed activity of the Remuneration Committee is presented in the **Annual Report of the Remuneration Committee**, enclosed to the Supervisory Board Report, drawn up in accordance with the provisions of the F.S.A. Regulation No 2/2016 *on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority*.

7.2 Information on the Executive Board

The Executive Board of Transilvania Investments ensures the actual management of the Company. In accordance with the provisions of the Articles of incorporation, the Executive Board shall comprise of three members, who are appointed by the Supervisory Board, one of whom is appointed Executive President and two of whom are appointed Executive Vice-President.

The term of the members of the Executive Board is granted for a 4-year period that can be extended for additional 4-year periods.

The members of the Executive Board perform their activity based on the mandate contract (signed on behalf of the Company by a member of the Supervisory Board appointed for this purpose), the Organisation and Operation Regulation of the Executive Board and the Articles of Incorporation of the Company.

The members of the Executive Board must meet the requirements stipulated by the law, as well as those regarding professional competence, relevant experience, integrity, good reputation and governance, provided by the applicable F.S.A. regulations and included in the Procedure regarding the assessment of the preliminary and continuous adequacy of the members of the management structure and of the persons holding key functions within Transilvania Investments. The members of the Executive Board are subject to authorisation from the Financial Supervisory Authority.

Members of the Executive Board

On 1 January 2023, Transilvania Investments Executive Board comprised of Mr. Radu-Claudiu Roşca - Executive President, Mr. Theo-Dorian Buftea - Executive Vice-President and Mrs. Stela Corpacian - Executive Vice-President. This composition has been authorised by the F.S.A. Authorisation no. 128/25 August 2022.

As of 20 October 2023, with the consent of the parties, the term as Executive Board member of Mr. Theo-Dorian Buftea – Executive Vice-President ended ([Current report no. 6674/20 October 2023](#)).

Considering the afore-mentioned information, on 31 December 2023, Transilvania Investments Executive Board comprised of Mr. Radu-Claudiu Roşca – Executive President and Mrs. Stela Corpacian - Executive Vice-President.

Please note that, during the meeting of 22 November 2023, the Supervisory Committee decided the appointment of Mr. Mihai Buliga as Executive Vice-President, member of the Company’s Executive Board, with a term comprised between the F.S.A. authorisation of the new composition of the Executive Board and the date of 20 April 2024 ([Current report no. 7002/8 November 2023](#)).

After the end of the reporting period, through Authorisation no. 2/11 January 2024, the Financial Supervisory Authority has authorised the new composition of the Company’s Executive Board as a result of appointing Mr. Mihai Buliga as member of the Executive Board. Mr. Mihai Buliga currently holds the position of Executive Vice-President ([Current report no. 241/16 January 2024](#)).

The current term of the members of the Executive Board expires on 20 April 2024.

Any agreement, understanding or family relationship between members of the Executive Board and another person due to whom that person has been appointed member of the Executive Board - not applicable.

The information on the members of the Executive Board, in the composition authorised by the F.S.A. through Authorisation no. 2/11 January 2024, can be found in the table below.

The CVs of the members of the Board are available on the company website, at www.transilvaniainvestments.ro, in the Section [About us](#).

| Name, age, position, seniority | Qualification | Professional experience | Other professional commitments and obligations |
|--|--|--|--|
| Radu-Claudiu ROŞCA (51) Executive President Since June 2020 | Economist - Faculty of Economic Sciences from Western University of Timișoara MBA , CNAM Paris-ASE Bucharest – FSEGA Cluj Financial Auditor | Internal auditor/Audit Manager/Audit Committee Chairman of private pension fund management companies, insurance companies, banks, investment management companies, leasing companies | President of the Board of Directors, Aro Palace S.A. Braşov Sole Director, Turism Lotus Felix S.A. Băile Felix Member of the Board of Directors, Depozitarul Central |

| | | | |
|--|---|---|---|
| | | Chief Financial Officer/Financial Manager/member of Board of Directors of various companies and regulated entities (Depozitarul Central) Derivative financial instruments broker | President of the Board of Directors, Șantierul Naval S.A. Orșova Censor of Clubul Întreprinzătorului Român Foundation and of the Babes-Bolyai University - Executive Education (UBB-EE) Foundation |
| Stela CORPACIAN (43) Executive Vice-President Since August 2022 | Economist – Chișinău Academy of Economic Studies Executive MBA – WU Executive Academy FCCA, ACCA member CFA-3 exams Internal auditor for integrated quality-environment and information security management systems Auditor qualification certificate | Chief Financial and Operation Officer of energy, telecom and agro-industrial companies Auditor and senior manager in audit firm | President of the Board of Directors, FEPER S.A. Bucharest (since 12 January 2024 until de general meeting of shareholders) |
| Mihai BULIGA (51) Executive Vice-President Since January 2024 | Economist engineer – Faculty of Engineering-Economic engineering profile within 'Petru Maior' University of Târgu Mureș | Chief Executive Officer and President of Boards of Directors in financial intermediation and investment fund management companies Experience in general management, financial analysis and management, corporate restructuring, preparing feasibility studies and business plans, risk management, compliance analysis, corporate governance | Director, Dorna Turism S.A. Vatra Dornei Director, Actfin Advisors S.R.L. |

In 2023, in order to meet the obligations on continuous professional training and development, established by the F.S.A. regulations, the members of the Executive Board participated in the program “*Continuous professional training and development for management positions 2023*”, organised by AS Financial Markets, during 28 September 2023 - 20 November 2023.

Duties and activities of the Executive Board

The duties and responsibilities of the members of the Executive Board are laid down by law, the Articles of Incorporation of the Company and are detailed in the „Internal regulations”/„Policies and procedures regarding the operation of Transilvania Investments Alliance S.A. as an A.F.I.M.”.

The main duties of the Executive Board, but not limited thereto, are as follows:

- ensures the day-to-day running of the Company's activity in order to fulfil the resolutions adopted by the General Meeting of Shareholders and/or the Supervisory Board;
- is responsible for the management and proper performance of the company's activities, including for enforcing the policies and meeting the objectives;

- represents the company in relations with third parties;
- establishes the strategy and policies for the development of the Company, including the organisational chart, approves the work policies and procedures, the number and type of jobs and the Internal Regulation;
- manages the company's assets and is responsible to the General Meeting of Shareholders and the Supervisory Board for the management thereof;
- approves the conclusion of any operations which bind the company and whose value does not exceed the equivalent in RON of EUR 5,000,000/operation. For operations exceeding the aforementioned threshold, the endorsement of the Supervisory Board shall be requested;
- approves the way the Company exercises its vote in the general meetings of shareholders of portfolio companies. In the case of draft resolutions of portfolio companies in which Transilvania Investments is the majority shareholder, whereby acts of disposition are submitted to shareholders for approval (sale, purchase or rental of real estate and investments) with a value exceeding EUR 5,000,000, in RON equivalent at the date of approval, the endorsement of the Supervisory Board will be requested.
- convenes the General Meeting of Shareholders whenever necessary or upon the request of entitled persons;
- reviews and approves on an annual basis the risk management policy and the measures, procedures and techniques for its application, including the risk limit system; they shall be subsequently approved by the Supervisory Board;
- assesses, monitors and at least yearly revises the risk management systems, according to the provisions of Regulation (EU) 231/2013;
- approves and reviews on a regular basis the adequacy of the internal procedures for the adoption of investment decisions in order to ensure that such decisions are compliant with the approved investment strategies;
- is responsible for the implementation of the policies and practices on remuneration and preventing and managing any relevant risks that remuneration policies and practices may generate;
- assesses, together with the Supervisory Board, the business continuity and emergency plans on a semi-annual basis;
- reports to the Supervisory Board on the management of the Company, on a quarterly basis or at any time, as requested by the Supervisory Board, including financial information and, at the request of the Board, any data and information on the Company's activity.

Meetings of the Executive Board and participation of its members

During 1 January 2023 - 31 December 2023, 91 meetings of the Executive Board took place, the participation of its members being as follows: Mr. Radu-Claudiu Roşca – 86 meetings, Mr. Theo-Dorian Buftea (by 20 October 2023) – 71 meetings and Mrs. Stela Corpacian-86 meetings.

The main activities performed by the Executive Board in 2023, without limitation thereto, were the following:

- adoption of resolutions relating to the management of the portfolio (sale/acquisition of holdings, company split-ups, participation in the setting-up of companies, requests to convene/supplement the agenda of general meetings of shareholders, approval of the way of exercising the vote in the general meetings of shareholders of portfolio companies, participation in corporate events - share capital increases, public offerings etc.), approval of policies to ensure efficient management of portfolio companies, monitoring the status of implementation of the development strategy of the tourism portfolio, updating the procedure for the nomination of persons to represent Transilvania Investments in its portfolio companies);
- approval of the fair values of the financial instruments in the portfolio;
- convening the ordinary and extraordinary general meetings of the company's shareholders on

- 24(25) April 2023, approving the procedures for their organization and conduct and the materials related to the agenda;
- approving the reports, periodic reports, as well as of the annual and period financial statements prepared by the company in accordance with the applicable legal regulations; approval of the company's non-financial report for 2022;
 - review of the annual report on the activity carried out by the Compliance Officer in 2022 (including the report on the activity on the prevention of money laundering, terrorist financing and the administration of international capital market sanctions) and the investigation plan for 2023 and review of the report on the risk management activity in 2022;
 - approval of the running of the second stage of the share buy-back programme, as per the E.G.M.S. Resolution no. 1 of 28 April 2022 and of the first stage of the buy-back programme, as per the E.G.M.S. Resolution no. 1 of 24 April 2023;
 - approval of the update/revision of the Policies and Procedures for the operation of Transilvania Investments Alliance as A.I.F.M., the Fund Rules, the Key Information Document (KID), the rules for the valuation of financial assets held by the company;
 - proposal for the revision of the Organisational and Operational Regulations of the Executive and Supervisory Boards;
 - approval of the information security incident management procedure;
 - performing the annual analysis of the fulfilment of the criteria defining Transilvania Investments as an investment entity;
 - analysing the monthly and quarterly activity reports of the company departments and adopting decisions in order to increase efficiency of their activity; performing an ongoing analysis of the status of implementation by the persons/departments in charge of the Executive Board's decisions; analysing the achievement of key performance indicators (KPI) for the year 2022 and approving KPI performance indicators for the year 2023;
 - approval of the risk reports prepared quarterly by the Risk Management Department, analysis of the portfolio prudential diversification risk diagram and of the information regarding the market and liquidity risk, prepared by the Risk Management Department, on a monthly basis; performing an analysis on the results of stress tests/crisis simulations under normal and exceptional market conditions;
 - semi-annual assessment of the Business Continuity Plan/BCP of Transilvania Investments; approving the BCP revision and testing it by conducting a stress test;
 - preparing quarterly reports on the Company running by the Executive Board and submitting them to the Supervisory Board, for information purposes;
 - submitting information, reports and answers to the Financial Supervisory Authority at its request; implementing the action plans ordered by the F.S.A. following the regular inspection carried out at the company in July-November 2022 and the permanent inspection carried out in 2023.

Participation of the members of the Executive Board to the Company's share capital

On 31 December 2023, the members of the Executive Board held together 3,396,375 shares issued by the Company, representing 0.1571% of the share capital of Transilvania Investments, the individual shareholdings being as follows: Mr. Radu-Claudiu Roșca – 2,856,375 shares (0.1321% of the share capital) and Mrs. Stela Corpacian - 540,000 shares (0.0250% of the share capital). On 31 December 2023, Mr. Mihai Buliga held 16 shares.

7.3 Remuneration of the members of the Supervisory Board and Executive Board

The remuneration of the Supervisory Board and Executive Board members, as well as the other categories of identified personnel, is done according to the company's Remuneration policy approved by the Ordinary

General Meeting of Shareholders. The remuneration policy was drafted in compliance with the provisions of Law no. 74/2015 on alternative investment fund managers, the ESMA Guide 232/2013 and Law no. 24/2017 on issuers of financial instruments and market operations. The remuneration policy is available on the [Company website](#), along with the result of the shareholders' vote.

According to the company's remuneration policy, the remuneration of the members of the Supervisory Board and of the Executive Board, as well as of the other identified personnel categories, as they are defined in the remuneration policy, has a fixed component and it may also include a variable component of the remuneration.

The fixed monthly remunerations of the Supervisory Board members were approved by the Ordinary Meeting of Shareholders of 28 April 2022, as follows: 3.5 company-average gross salaries for each member of the Board, 4 company-average gross salaries for the Deputy Chairman, and 5 company-average gross salaries for the Chairman.

The limits of the fixed monthly remuneration of the Executive Board members, stipulated in the Company remuneration policy, approved by the Ordinary General Meeting of Shareholders of 28 April 2022, are as follows: for the Executive Board President - between 7 to 9 company-average gross salaries and for the Executive Board Vice-Presidents - between 4 to 6 company-average gross salaries. The actual level of remuneration is laid down in the term contracts.

From 2021, the Company has adopted a variable remuneration system based on qualitative and quantitative performance criteria. The variable remuneration of the members of the Executive Board and persons holding key positions is approved by the Supervisory Board and the variable remuneration of personnel identified by the Remuneration Policy is approved by the Executive Board in accordance with the legal provisions in force.

In addition to fulfilling the performance criteria, the variable remuneration shall be granted subject to the following general limitation: the variable remuneration shall not exceed 1.2% of the average total assets value afferent to the year for which the variable remuneration is determined, value calculated and reported in accordance with the legal provisions in force.

The variable monthly remunerations of the Supervisory Board members for 2022/2023 were approved by the Ordinary General Meeting of Shareholders of 24 April 2023, within the limits approved by the general meeting of shareholders through the Remuneration Policy and the Stock Option Plan programmes.

According to the Remuneration policy, approved by the Ordinary General Meeting of Shareholders of 28 April 2022, the variable remuneration granted for 2022, payable as of 2023, comprises solely of shares issued by the company, 60% of the variable remuneration being the initial component, and the 40% difference being subject to a 3-year deferral period.

During 2023, the variable remuneration granted to the members of the Supervisory Board and of the Executive Board, as well as the other identified personnel categories consisted of:

1. shares issued by the company, based on the *Incentive and reward plan for the identified personnel through free share grants („Stock Option Plan”) for the year 2021* (first deferred instalment);
2. cash, based on the Remuneration policy valid for the year 2021, according to the provisions of the *Incentive and reward plan for the identified personnel through free share grants („Stock Option Plan”) for the year 2021* (first deferred instalment);

Please note that the variable remuneration stipulated in the Remuneration policy valid on the SOP 2021 approval date of (policy approved by O.G.M.S. Resolution no. 1/28 April 2021), comprised of 50% shares issued by the company and 50% cash, having an initial component of 50% and a 50% component subject to the deferral period).

3. shares issued by the company, based on the *Incentive and reward plan for the identified personnel through free share grants („Stock Option Plan”) for the year 2022* (initial component);

On 20 June 2023, the Company published the *Information document on the allocation of free shares to identified personnel of Transilvania Investments Alliance S.A., namely of 12,000,000 shares, comprising of 0.5549% of the share capital*. These shares, representing the initial component of 60% of the variable remuneration corresponding to the Stock Option Plan programme for 2022, were transferred to the members of the Supervisory Board, of the Executive Board, and the other categories of staff identified, on 21 June 2023.

Furthermore, on 30 October 2023, the company published the *Information document on the allocation of free shares to identified personnel of Transilvania Investments Alliance S.A., namely 8,000,000 shares, comprising of 0.3699% of the share capital*. These shares, representing the component subject to the deferral period of 40% of the variable remuneration related to the Stock Option Plan programme for 2022, were not transferred to the identified personnel, on 31 December 2023.

The assignment of the above shares was based on the E.G.M.S. Resolution no. 1/28 April 2022 by which shareholders approved a buy-back programme for up to 20,000,000 shares, comprising of up to 0.92487% of the share capital, for free distribution to members of the Supervisory Board, of the Executive Board and of the identified personnel, within a Stock Option Plan programme (2022).

Transilvania Investments has sent to the FSA and published on its website the statement on shares transferred into the account of individuals holding management position, according to the provisions of (EU) Regulation no. 596/2014 and (EU) Regulation no. 522/2016.

The information on the remunerations paid in 2023 to the members of the Supervisory Board and of the Executive Board are available in Chapter 7.4. of this report, the Remuneration report of Transilvania Investments Alliance for the year 2023 (Annex 6 to this report) and in the financial statements of 31 December 2023.

7.4 Information on the total remuneration paid by Transilvania Investments in 2023 to employees, persons holding management positions and persons whose actions have a significant impact on the risk profile of the A.I.F.M.

| Indicators/gross amounts | Expenses afferent to 2023 (RON) | Amounts paid in 2023 (RON) | Amounts to be paid in 2024 or deferred (RON) | Number of beneficiaries |
|---|---------------------------------|----------------------------|--|-------------------------|
| 1. Remuneration granted to all Transilvania Investments Alliance personnel | 17,014,622 | 19,766,494 | 1,399,814 | 50 |
| <i>Fixed remuneration</i> | <i>15,614,807</i> | <i>15,614,807</i> | <i>-</i> | <i>50</i> |
| <i>Variable remuneration except for performance fees, of which:</i> | <i>1,399,815</i> | <i>4,151,687</i> | <i>1,399,814</i> | <i>38</i> |
| - <i>Cash</i> | <i>296,434</i> | <i>296,433</i> | <i>296,433</i> | <i>24</i> |
| - <i>Other forms (shares)</i> | <i>1,103,381</i> | <i>3,855,253</i> | <i>1,103,381</i> | |
| <i>Variable remuneration paid as performance fees</i> | <i>-</i> | <i>-</i> | <i>-</i> | |
| 2. Remuneration granted to the identified personnel | 15,936,364 | 18,688,236 | 1,399,814 | |
| A. Supervisory Board members, of which: | 5,591,513 | 6,967,449 | 692,725 | 5 |
| <i>Fixed remuneration</i> | <i>4,898,787</i> | <i>4,898,787</i> | <i>-</i> | <i>5</i> |
| <i>Variable remuneration except for performance fees, of which:</i> | <i>692,726</i> | <i>2,068,661</i> | <i>692,725</i> | |
| - <i>Cash</i> | <i>144,626</i> | <i>144,626</i> | <i>144,626</i> | <i>5</i> |
| - <i>Other forms (shares)</i> | <i>548,100</i> | <i>1,924,036</i> | <i>548,100</i> | <i>5</i> |

| | | | | |
|--|------------------|------------------|----------------|-----------|
| <i>Variable remuneration paid as performance fees</i> | - | - | - | |
| B. Executive Board members, of which: | 3,601,706 | 4,207,118 | 334,567 | 3 |
| <i>Fixed remuneration</i> | 3,267,139 | 3,267,139 | - | 3 |
| <i>Variable remuneration except for performance fees, of which:</i> | 334,567 | 939,979 | 334,567 | |
| - <i>Cash</i> | 78,520 | 78,520 | 78,520 | 2 |
| - <i>Other forms (shares)</i> | 256,047 | 861,459 | 256,047 | 3 |
| <i>Variable remuneration paid as performance fees</i> | - | - | - | |
| C. Control functions (risk and compliance), of which: | 818,623 | 887,420 | 27,438 | 2 |
| <i>Fixed remuneration</i> | 791,185 | 791,185 | - | 2 |
| <i>Variable remuneration except for performance fees, of which:</i> | 27,438 | 96,235 | 27,438 | |
| - <i>Cash</i> | 3,632 | 3,632 | 3,632 | 1 |
| - <i>Other forms (shares)</i> | 23,806 | 92,603 | 23,806 | 2 |
| <i>Variable remuneration paid as performance fees</i> | - | - | - | |
| D. Identified personnel according to Transilvania Investments Alliance Remuneration Policy, of which: | 5,924,522 | 6,626,250 | 345,084 | 28 |
| <i>Fixed remuneration</i> | 5,579,438 | 5,579,438 | - | 28 |
| <i>Variable remuneration except for performance fees, of which:</i> | 345,084 | 1,046,811 | 345,084 | |
| - <i>Cash</i> | 69,656 | 69,656 | 69,656 | 17 |
| - <i>Other forms (shares)</i> | 275,428 | 977,156 | 275,428 | 28 |
| <i>Variable remuneration paid as performance fees</i> | - | - | - | |

During 2023, the Company paid the variable remunerations in the form of shares, representing the deferred instalment afferent to 2021 and the initial component (60%) of the variable remuneration afferent to the year 2022, as well as the variable remuneration in the form of cash, representing the deferred instalment afferent to the year 2021.

It should be noted that staff changes during 2023 (incoming staff - 4, leaving staff - 6) did not impact the level of remuneration afferent to the financial year 2023.

7.5 Situation of the litigations pending before the courts. Information regarding the involvement of the members of the Supervisory Board and Executive Board in litigations or administrative procedures

At the end of the financial year 2023, the Company was involved in a significant number of litigations. The Company management considers that these litigations shall not have a significant adverse effect on the results and financial position of the company, as they are reflected in the annual financial statements prepared for the financial year 2023.

Throughout the financial year 2023, the number of litigations in which the Company was involved, litigations promoted in 2020 by former members of its management structures and consisting in legal actions against some decisions of the Supervisory Board, was significantly reduced compared to the number of litigations registered in the previous year.

As at 31 December 2023, two litigations between the Company and its management structures were pending before the court, having as object matter the claims brought by Mr. Constantin Frățilă consisting of the remuneration afferent to the capacity as Supervisory Board member, uncashed during the period his authorisation was withdrawn by the FSA and one dispute having as object matter the claims brought

by a former member of the Executive Board for remunerations due upon expiry of the term without extension.

During 2023, a litigation between Mr. Constantin Frățilă and the Financial Supervisory Authority was settled and the FSA decision on the withdrawal in the year 2018 of Mr. Constantin Frățilă's authorization as member of the Supervisory Board was definitively annulled.

The statements of litigations in which Transilvania Investments Alliance was involved throughout 2023 having as subject matters claims, annulment of the Supervisory Board resolutions or the supervisory authority decisions is set out in the Annex no. 7 to this Report. Other existing litigations concerned the defence of the interests and other patrimonial rights of the Company.

Following the regular inspection conducted by the Financial Supervisory Authority at Transilvania Investments Alliance, in the year 2022 and the permanent inspection conducted in the year 2023, the authority issued several sanctioning/warning decisions for some members of the Supervisory Board and the Executive Board.

As a result of the appeal against the above-mentioned decisions, according to the information available on the court portal, the Bucharest Court of Appeal issued, in the case of the current members of the Executive Board and the Supervisory Board, a decision by which it annulled the sanctioning decisions, in the case of Mr. Patrițiu Abrudan-Chairman of the Supervisory Board and Mr. Marius-Petre Nicoară-Deputy Chairman of the Supervisory Board and a decision partially canceling the sanctioning decision, in the case of Mr. Radu-Claudiu Roșca - Executive President. According to the information available on the court portal, at the date of drafting this report, an appeal was filed by both parties against the decision of the Court of Appeal regarding the request filed by Mr. Radu-Claudiu Roșca.

At the same time, following the afore-mentioned inspections, Transilvania Investments was sanctioned with warning, based on the F.S.A. Decision no. 107/3 February 2023 and Decision no. 1060/9 October 2023. The company challenged in court the Decision no. 1060/9 October 2023 which is currently pending on the merits of the case.

General Meeting of Shareholders and shareholders rights

The General Meetings of Shareholders of Transilvania Investments are convened by the Executive Board or upon the request of shareholders representing, individually or jointly, at least 5% of the share capital of the company.

The convening notice of the General Meeting is sent to the B.S.E. and the F.S.A. and published in the Official Gazette of Romania, Part IV, in a national daily newspaper, in a local newspaper from Brasov, and on the company's website. The documents related to the items on the agenda of the general meetings are available to the shareholders at the company's headquarters and on its website at least 30 days prior to the date set for the general meeting. The shareholders may obtain at the headquarters of the company, upon request and against a fee, copies of such documents or they may list them from the company's website.

Within 24 hours as of the date the general meeting of shareholders is gathered, the Company sends to the B.S.E. and the F.S.A. the current report on the resolutions adopted by the General Meeting of Shareholders. The G.M.S. resolutions are published in the Official Gazette of Romania, Part IV, and on the company's website.

Shareholders rights in respect to the general meetings of the shareholders

Transilvania Investments encourages the shareholders to participate in the general meetings and endeavours to facilitate their participation in the meetings and the full exercise of their shareholders rights.

The shareholders rights regarding the general meeting of shareholders are stipulated in the legal regulations, i.e. the Company Law no. 31/1990, Law no. 24/2017 and the applicable FSA regulations.

Thus, the shareholders are entitled to attend and vote in the general meetings of shareholders, and to have access to sufficient information on the issues submitted to the approval of the general meeting.

The shareholders entitled to participate and vote in the general meetings are those registered in the Shareholders Register on the reference date established in the convening notice of the general meeting; this date may not be earlier than 30 days as of the date when the general meeting is convened.

The shareholders may attend and vote in the general meetings whether directly, through representative by means of special / general power of attorney or by correspondence, including by electronic means. The voting procedure is available to the shareholders on the company's website, under the section dedicated to the general meeting of shareholders.

The convening notice of the general meeting includes detailed information regarding availability of the special power of attorney forms and correspondence ballot forms, as well as the deadline by which they must be sent / submitted to the company's headquarters.

The shareholders representing together at least 5% of the share capital have the right to (1) add items on the agenda of the general meetings, provided that each item is accompanied by a justification or by a draft resolution proposed for approval by the general meeting, and (2) to present draft resolutions for the items included or proposed to be included on the agenda of the general meetings.

Furthermore, the shareholders have the right to ask questions related to items on the agenda of the general meeting. The deadline by which shareholders may exercise their rights described above is set forth in the convening notice of the general meeting.

In 2023, two general meetings of shareholders were convened, as follows:

The Extraordinary General Meeting of Shareholders of 24 April 2023 - where shareholders approved the carrying-out by the company of two own share buy-back programmes, in accordance with the applicable legal provisions, under the following terms:

(i) *size of the programmes* - maximum 20,000,000 shares with a nominal value of RON 0.10 per share, representing a maximum of 0.9248% of the share capital;

(ii) *share acquisition price* - the minimum price will be equal to the market price of the company shares on the Bucharest Stock Exchange at the time of the acquisition, and the maximum price will be RON 0.49 per share;

(iii) *validity of the programme* - a period of maximum 18 months from the date of publication of the E.G.M.S. resolution in the Official Gazette of Romania, Part IV;

(iv) *payment of bought-back shares* - from available reserves (excluding legal reserves) recorded in the last approved annual statements;

(v) *scope of the programme*, in the following order:

I. maximum 12,000,000 shares in order to reduce the share capital by cancelling the bought-back shares;

II. maximum 8,000,000 shares for distribution free of charge to the members of the Supervisory Board, the Executive Board and identified staff, within a Stock Option Plan program, in accordance with the remuneration policy approved at company level.

(vi) granting a mandate to the Executive Board to carry out this resolution.

The E.G.M.S. Resolution no. 1 of 24 April 2023 is available on the company website, at www.transilvaniainvestments.ro, under *E.G.M.S. April 2023* section.

The Ordinary General Meeting of Shareholders of 24 April 2023 - during which the shareholders adopted the following resolutions:

- Approval of the annual financial statements prepared for the financial year 2022, including the remuneration report for the year 2022;
- Approval of the distribution by destination of the net profit for the financial year 2022 and fixing the gross dividend per share in the amount of RON 0.014/share;
- Approval of the variable remunerations 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 programmes;
- Approval of the liability discharge of the Supervisory Board members for the activity carried out in the financial year 2022;
- Approval of the liability discharge of the Executive Board members for the activity carried out in the financial year 2022;
- Approval of the revenue and expenditure budget for the year 2023.

The O.G.M.S. Resolution of 24 April 2023 is available on the company website, www.transilvaniainvestments.ro, under *O.G.M.S. April 2023* section.

Shareholder remuneration policy of Transilvania Investments

The Company's strategy with regard to the remuneration of its shareholders focuses on the implementation of a balanced remuneration policy that addresses both direct remuneration (dividend income) and indirect remuneration (capital gain facilitated by the reduction of the trading discount).

With regards to the dividend policy promoted, Transilvania Investments aims to increase the attractiveness of TRANSI shares, by ensuring a permanent balance between the remuneration of the company shareholders and the financial resources needed to carry out the annual investment programmes, in line with the medium to long-term investment objectives.

The dividend policy is adapted to and reflects the general and specific conditions of the environment in which the Company operates, namely the macroeconomic context (regional, national), the state and evolution of the capital market (trend, liquidity), the financial performances of the issuers in the managed portfolio and implicitly the policy of these issuers regarding the remuneration of their shareholders.

The distribution of the Company profit is submitted annually to the General Meeting of Shareholders for approval. The Company's proposal for profit distribution/dividend distribution is presented to the shareholders by the Company's Executive Board.

In the event that, in full accordance with the general macroeconomic and investment context, the Company identifies investment opportunities that could lead to an increase in the net asset value and in the market price of TRANSI shares, the Company may consider proposing to allocate the entire profit to legal reserves and/or other own financing sources, based on the resolution of the general meeting of shareholders. The grounds for this decision will be set out in the annual proposal for the profit distribution.

For the period 2020-2024, in close correlation with the level of existing liquidity, the stage of the restructuring process of the managed portfolio and the requirements for securing the necessary resources to carry out the investment programmes, the Company is considering a mix of complementary instruments to remunerate the capital invested in TRANSI shares, namely:

- The 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;
- The carrying out of share buy-back programmes, followed by the cancellation of shares and reduction of the Company's share capital, subject to the approval of the Company's shareholders.

Shareholder remuneration in 2023 was aimed at implementing both components of the above-mentioned mix of instruments, i.e. the distribution of dividends and the implementation of a share buy-back programme to reduce share capital.

Regarding the distribution of dividends, the Ordinary General Meeting of Shareholders of 24 April 2023 approved the distribution from the company's net profit for the year 2022 of a gross dividend of RON 0.0140/share, which provides:

- a 4.9% yield by reference to the average trading price of the TRANSI shares on the BVB-REGS market in 2022 (yield within the maximum range set out in the shareholder remuneration policy);
- a 47.5% dividend payout ratio from the net profit (higher than the ratio set out in the shareholder remuneration policy).

Shareholders entitled to receive dividends for the year 2022 are shareholders registered in the Shareholders Register on 31 May 2023, set as the *record date*. Dividend payments began on 23 June 2023 (*payment date*) and is carried out through the Depozitarul Central and Banca Transilvania. According to the legal provisions and those of the company's Articles of incorporation, the time limit after which the entitlement to the dividends afferent to the year 2022 lapses is 22 June 2026.

Information on the dividend payment methods was brought to the attention of shareholders through the [Communique on the payment of dividends for the financial year 2022](#), available on the company website, at www.transilvaniainvestments.ro, under the sections *News and Investor Relations*. This information is also available on the Depozitarul Central's website, at www.roclear.ro.

According to the Resolutions of the Ordinary General Meetings of Shareholders of April 2021 and April 2022, no dividends have been paid for the years 2020 and 2021, the entire net profit achieved by the Company in the years 2020 and 2021 being allocated to „*Other reserves - own financing sources set up from profits*”.

With regard to the implementation of share buy-back programmes, the Extraordinary General Meeting of Shareholders of 24 April 2023 approved the carrying-out of two buy-back programmes, for up to 20 million shares, of which one programme aims at the buying-back of 12 million shares, in order to reduce the share capital by cancelling bought-back shares. Between 8 December 2023 - 6 February 2024, the company carried out first stage of the afore-mentioned buy-back programme, under which it redeemed 4,000,000 own shares representing 0.1849% of the share capital, through transactions at the BSE, for purposes of reducing the share capital. The completion of this programme is expected during 2024.

7.6 Relation with shareholders and investors

In order to facilitate the relation with the shareholders and investors, Transilvania Investments publishes on its website www.transilvaniainvestments.ro, under section “Investor Relations”, the most important information, both in Romanian and English, such as: the financial communication calendar, current and periodical reports, financial statements, information on dividends, information on the transactions carried out by the persons discharging managerial responsibilities, as well as by the persons in close connection with the latter, the net asset value etc.

Furthermore, in the above-mentioned section, the Company publishes a monthly newsletter which contains news on the company's activity, the structure of the managed portfolio, the performance of TRANSI shares etc. The interested persons can subscribe to it directly from the company's website.

In addition, the company publishes on its website, under the section “About us”, information/documents of interest such as: [the Articles of Incorporation](#), the internal regulations, resumes of the members of the Supervisory Board and Executive Board, shareholding structure, shareholder remuneration policy, remuneration policy for management structures, social responsibility policy, forecast policy etc.

On 26 May 2023, the company published updated documents relating to its operation as F.I.A.I.R., namely the [Fund rules](#) updated with regards to valuation rules used for the managed portfolio, notified to the FSA and published on the company website, www.transilvaniainvestments.ro, section *Corporate Governance*.

On 18 January 2023, Transilvania Investments published the [Key Information Document \(KID\)](#), updated following the entry into force from 1 January 2023 of the Delegated Regulation (EU) 2021/2268. The information has been presented based on the audited financial statements for 2021. After the approval by the Ordinary General Meeting of Shareholders of 24 April 2023 of the audited financial statements for the year 2022, the company published the updated Key Information Document based on them. The document provides information on the fund's past performance and performance scenarios, the latter being updated monthly. The document can be found at www.transilvaniainvestments.ro, under the section *Corporate Governance*.

Throughout 2023, the Company fulfilled its obligations regarding transparency, information and reporting, provided by the legal regulations and the Corporate Governance Code of BSE, both as an issuer traded on BSE and as an Alternative Investment Fund Manager (A.F.I.M.) and Retail Investor Alternative Investment Fund (F.I.A.I.R.). Thus, during the period under review, current reports, press releases and periodic reports were drawn up and made available to shareholders and investors through publication on the BSE and FSA websites and on the Company's website. The reports and press releases have been disseminated both in Romanian and English.

In 2023, the company continued to implement the best practices in relation with shareholders and investors, in compliance with the criteria set forth by the Romanian Investor Relations Association (R.I.R.A.). Thus, among other actions, the company made available to investors the [Non-financial report for the year 2022](#), available on the Company's website.

Furthermore, on 2 May 2023, 18 May 2023, 16 August 2023 and 21 November 2023, Transilvania Investments held conference calls with investors and analysts to present the company's financial results for 2022, for the 1st quarter of 2023, the first half of 2023 and the IIIrd quarter of 2023, as well as the company activity. The materials presented to investors and the audio recordings of the conferences are available on the company's website, under [Investor Presentations](#).

The company also organized, on 22 September 2023, at Hotel Aro Palace in Braşov, the second edition of the Transilvania Investments Investor Day, where the most important events of the last year were presented, as well as the strategic plans of the company that will lead to a more efficient managed portfolio. The event also provided an in-depth analysis of the main directions of Transilvania Investments and answers to investors' questions. The material presented to investors is available on the company's website, section [Investor Presentations](#).

The actions taken by the company in 2023 resulted in a Vektor score (investor communication indicator for listed companies) awarded by the Romanian Association for Investor Relations, of 9.5 points, out of 10 possible points, thus reconfirming the sustained effort of Transilvania Investments for implementing corporate governance best practices, as well as the company's focus on communicating with investors through reporting and investor events.

Communication between the Company and the shareholders and investors is carried out through a specialized structure – the Corporate Governance Department - that provide shareholders and investors with the information necessary for them to exercise their position as shareholder.

The Representatives of the Corporate Governance Department can be contacted as follows:

- by phone: 0268 401141 and 0800 800 112 (free telephone line, available on business days from 9⁰⁰ - 11⁰⁰);
- by e-mail: actionari@transilvaniainvestments.ro, investitori@transilvaniainvestments.ro;

- by the contact form available on the company website, www.transilvaniainvestments.ro.

7.8 Application of corporate governance principles according to F.S.A. Regulation no. 2/2016

The relevant events recorded throughout 2023 in relation with the application of the provisions of the F.S.A. Regulation no. 2/2016 *on the application of the corporate governance principles by the entities authorized, regulated and supervised by the Financial Supervisory Authority* are available as follows:

- Duties of the Supervisory Board: references in chapter 7.1 - Information on the Supervisory Board, Report of the Supervisory Board for 2023;
- Duties of the Executive Board and of the individuals holding key functions: references in chapter 7.2 - Information on the Executive Board of the company, chapter 7.10 - Principles and rules regarding the internal control system, internal audit and risk management;
- Conflicts of Interest and their management: chapter 7.10 - Principles and rules regarding the internal control system, internal audit and risk management;
- Risk management and the risk management function: references in chapter 7.10 - Principles and rules regarding the internal control system, internal audit and risk management and chapter 7.11 - Evaluation of the company's risk management activity;
- Transparency provisions - the information referred to in art. 48¹ of the Regulation can be found on the website www.transilvaniainvestments.ro, under the sections *About us/Management, Investor relations/Reports* (current and regular reporting) and *Corporate governance*.

7.9 Principles and rules regarding the internal control system, internal audit and risk management

Transilvania Investments has implemented a control system, having as main component the pro-active control in order to prevent the occurrence of legal and internal noncompliance situations, both regarding the company and its personnel.

The control system consists of the three lines of defence, i.e. internal audit, compliance and risk management department.

The control system involves all the Company's departments and operations, and has the following main features:

- ✓ department heads shall ensure compliance and prudential limits of all operations carried out within the departments they manage;
- ✓ the internal control process is managed also by the Compliance Department which provides support to the operational structures in performing their duties. A report on the conclusions of the internal control process is submitted to the Supervisory Board and sent to the Executive Board.
- ✓ the internal control system and its effectiveness are monitored and assessed by the Audit Committee through periodic reports that are submitted to the Supervisory Board.

The compliance officer key function is hierarchically and functionally independent from the other organizational structures of the company and performed by the Compliance Department, subordinated to the Supervisory Board.

Withing Transilvania Investments Alliance, by management decision, the compliance officer is also in charge of ensuring compliance with the Company's obligations with regards to enforcing specific legislation to prevent and fight against money laundering and the financing of terrorist acts through the capital market (AML/CFT) and for the implementation of international sanctions.

The Compliance Department's goal is to supervise and control the compliance of Transilvania Investments and its employees with the legal provisions and the company's internal procedures, in order to prevent the occurrence of legal and internal non-compliance situations.

In 2023, the compliance officer key function was held by Mrs. Mihaela-Corina Stoica, based on the F.S.A. authorisation no. 238/25 November 2021. As of 17 December 2021, Mrs. Mihaela-Corina Stoica has been acting also as AML/CFT compliance officer.

The compliance officer is mainly in charge of the following:

- regularly monitors and assesses the adequacy and effectiveness of the measures, policies and procedures established by the Company in accordance with the regulations in force, as well as the measures taken to settle any situations of non-compliance with the Company's obligations as A.I.F.M.;
- makes every effort to prevent and proposes measures to remedy any case of violation of laws, regulations in force concerning the capital market or the internal procedures of the Company;
- provides advice and assistance to the relevant persons responsible for carrying out the activities in order to comply with the requirements imposed on the Company, in accordance with the regulations in force, including those relating to the status of A.F.I.M.;
- regularly monitors and verifies the application of the legal provisions applicable to the Company's activity and of the internal rules and procedures and keeps record of irregularities identified;
- takes action in order to prevent such conflicts of interest, and in case of occurrence thereof, monitors how they are managed and, if necessary, in situations of non-compliance/violation of legal provisions, immediately informs the Executive Board and the Supervisory Board;
- endorses the documents submitted by the Company to the F.S.A. and makes sure that the reports that the Company is required to submit to the F.S.A. and to capital market entities are submitted within the legal deadline set forth by the regulations in force;
- checks the efficiency of the information system and internal procedures;
- ensures that persons with management responsibilities within the Company and persons in close connection with them are aware of the legal provisions on market abuse and their legal obligations;
- ensure that measures are taken within the Company to prevent fraudulent practices and market abuse, including by verifying personal transactions with the Company's shares and/or other financial instruments that the Company intends to trade/has traded;
- ensures that the interests and rights of all shareholders are protected and that complaints and petitions submitted by them are dealt with in accordance with the law;
- informs the Company and its employees about the legal regime applicable to the capital market.

In 2023, the compliance officer's activity consisted mainly in managing the compliance risk regarding the observance of the legal provisions, Policies and procedures regarding the operation of Transilvania Investments Alliance as an A.I.F.M. and in fulfilling the objectives set out in the 2023 Investigation Plan approved by the Supervisory Board. In 2023, the Compliance Officer monitored the compliance of the company's activities with national and EU legislation, as well as with internal regulations, compliance with reporting deadlines related to the Company's activity, implementation of mechanisms to prevent and manage conflicts of interest, endorsement of all reports prepared by the Company and of marketing and communication materials specific to transparency requirements, managing authorisation processes in relation to the FSA, monitoring the organisation and conduct of general meetings of shareholders and of other corporate events, compliance with legislation and internal procedures relating to money laundering and terrorist financing prevention activities and the administration of international capital market sanctions.

The Compliance Officer also provided the necessary support to the permanent inspection carried out by the Financial Supervisory Authority at Transilvania Investments Alliance in 2023 and monitored implementation of the measures and recommendations issued by the FSA, as well as the recommendations of the IT audit report issued by KPMG.

Therefore, in 2023, the implementation of the Business Continuity Plan revision draft was launched and completed, for which the company called in an external consultant in order to transpose it in accordance with the requests made by the Financial Supervisory Authority through the Action Plan and in accordance with the requirements of Regulation no. 4/ 2018 on the management of operational risks generated by the IT systems used. The testing of the Business Continuity Plan was carried out in accordance with the Board Decision on 27 November 2023. For the selected scenario, the testing was successfully carried out achieving the planned goals.

Furthermore, complex projects on the company's new IT infrastructure, projects approved as early as 2022, were launched and implemented in 2023.

The IT projects carried out in 2023 within Transilvania Investments are some of the most complex IT infrastructure development projects run in the recent years. Thus, the transformation programme for the company's IT infrastructure was launched in July 2022. This initiative was materialised by carrying out a detailed technical analysis of the existing infrastructure (August - September 2022), conducted with certified external support. After the analysis, proposals for modernisation, functionality enhancement and increasing in user mobility resulted, projects that required a complete redesign of both central equipment configurations (in the Data Centre), communications and security solutions, as well as of the current implementation for Microsoft working environment (Active Directory, Single Sign On, Office 365, Azure AD), projects implemented until 31 December 2023.

The Compliance Officer regularly reports to the Company's management structures the results of the compliance risk assessment, which for the year 2023 is "low".

The permanent risk management function is hierarchically and functionally independent from the other operative departments of the company and performed by the Risk Management Department, subordinated to the Supervisory Board.

The main objective of the risk management activity is to ensure that all risks are managed in a coherent and appropriate manner.

The Risk Management Department is mainly in charge of the following:

- implementing effective risk management policies and procedures;
- identifying, measuring and assessing the impact of risks, managing and ongoing monitoring the risks to which Transilvania Investments is or may be subject;
- ensuring that the risk profile communicated to investors complies with the established risk limits;
- monitoring the compliance with the established risk limits and submitting a timely notice to the management bodies if it considers that the risk profile does not comply with the established limits;
- performing the calculation of the A.I.F.'s leverage/conversion of financial instruments/global exposure.

Throughout 2023, the risk manager key position was held by Mr. Alexandru Gavrilă, based upon the F.S.A. authorisation no. 231/11 November 2021.

Throughout 2023, the risk management activity was carried out based on the Policies and Procedures regarding the functioning of the company as an A.F.I.M. in terms of risk management.

The risk management system includes a set of analyses, diversification charts of the financial instruments in the portfolio, the identification and assessment of financial risks, as well as proposals and recommendations to mitigate the effects of the risks related to the Company's investment and general activity.

Throughout 2023, Quarterly Reports on the significant risks to which the company's activity is exposed were prepared. Within Transilvania Investments, the financial and operational risks were assessed, monitored and treated in order to reduce their impact. In the quarterly reports, several recommendations were made to keep the company's activity in line with the risk profile communicated to investors.

Moreover, the synthetic diagram of the exposures to various financial assets and activities registered by Transilvania Investments was prepared monthly, according to the Law no. 243/2019. Throughout 2023, the level of shareholdings in various financial instruments was within the limits set forth by the legislation in force.

In accordance with its risk management policies and procedures, Transilvania Investments performed crisis simulations under normal and exceptional market conditions, which would allow the assessment of market risk, as well as under normal and exceptional liquidity conditions, which would allow the assessment of liquidity risk.

In crisis simulations, the impact of stress scenarios, both under normal and exceptional conditions, was estimated on each financial instrument in the portfolio to which the stress factor can be applied, and these effects were summed to determine the cumulative impact of a factor on total assets value, net asset value and unitary net asset value.

The results of the stress tests were presented to the management structures and will be considered when establishing the coordinates of the investment/disinvestment program related to the financial year 2024, when implementing the Investment Strategy and for the synchronization of investments.

The **internal audit function** at Transilvania Investments is separate and independent from other functions and activities of the company, the audit activity being organised by contracting the services of an individual or legal entity auditor. 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.

As of 1 January 2022, the internal audit function is performed by KPMG Audit S.R.L.

The Internal Auditor is mainly in charge of the following:

- Establishing, implementing and maintaining an audit plan to review and assess the adequacy and effectiveness of A.F.I.M. systems, internal control mechanisms and procedures;
- Checking compliance of the company's activities with its policies, programmes and management in accordance with legal provisions;
- Assessing the adequacy and application of financial and non-financial inspections, ordered and carried out by the Company management to increase the efficiency of the activity;
- Assessing the adequacy of financial and non-financial data/information for the company management;
- Protecting balance sheet and off-balance sheet assets and identifying fraud prevention methods;
- Conducting a regular review on how the risk management function was performed;
- Issuing recommendations based on the results of the work carried out and verifying the company's compliance with the recommendations issued;
- Coordinating its work with the financial auditor, on an ongoing basis, to ensure that audit objectives are properly met;

The activity of the internal auditor is carried out based on the Annual Internal Audit Plan, endorsed by the Audit Committee and approved by the Supervisory Board.

The internal audit assignments, included in the Internal Audit Plan for the year 2023, were carried out in accordance with the topics endorsed by the Audit Committee and approved by the Supervisory Board and concerned the activities of the Asset Evaluation and Analysis Departments (internal policies and procedures, preparation of specific and sectoral analyses, endorsement of specific and sectoral analyses prepared by third parties, analysis of investment/disinvestment opportunities, estimation of fair value of assets held by the company, verification of valuation reports prepared by third parties), the activities of the Compliance Department (internal policies and procedures, prevention of conflicts of interest, measures to prevent fraudulent practices, endorsement of documents submitted to the FSA, single register of

petitions, verification of the effectiveness of internal procedures, prevention of money laundering and terrorist financing), the activity of the IT Department (internal policies and procedures, physical security of equipment, user access to IT applications, database management, business continuity plan, segregation of duties).

The internal audit activity, carried out throughout 2023, was verified by the Audit Committee, which found no irregularities or inaccuracies in the content of the reports submitted to the Supervisory Board and, consequently, the way the internal audit missions were carried out was validated.

7.10 Assessment of the company's activity regarding the risk management

The risk management activity is reflected in the Company's organizational and operational structure and covers both general risks and specific risks, as provided by Law no. 297/2004 *on the capital market*, as subsequently amended and supplemented, Law no. 74/2015 *on alternative investment fund managers*, F.S.A. Regulation no. 9/2014 *on the authorisation and operation of Investment Management Companies, Undertakings for Collective Investment in Transferable Securities and of the Depositaries of Undertakings for Collective Investment in Transferable Securities*, amended and supplemented, F.S.A. Regulation no. 10/2015 *regarding the management of the alternative investment funds*, F.S.A. Rule no. 4/2018 *regarding the management of operational risks generated by computer systems used by entities authorized/endorsed/registered and/or supervised by the Financial Supervisory Authority*, Law no. 243/2019 *on the regulation of alternative investment funds, as well as amending and supplementing regulations*.

In the process of identifying and assessing the financial risks, as well as the indicators used in risk management, the following were also considered: EU Directive 2011/61 on alternative investment fund managers (DAFIA), EU (delegated) Regulation no. 231/2013 supplementing Directive 2011/61/EU of the European Parliament and Council with regard to the derogations, general operating conditions, depositories, leverage effect, transparency and supervision, Directive no. 2013/36/EU on the access to the activity of credit institutions and prudential supervision of credit institutions and investment companies (on capital adequacy) and EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment companies.

Upon selecting the approach regarding the financial and operational risks management, the following were considered: the authorisation of the company acting as Alternative Investment Fund Manager (A.I.F.M.) and the company's classification in the provisions of the EU Directive 2011/61 on alternative investment fund managers (DAFIA - transposed into national legislation by Law no. 74/2015), the references in DAFIA to Directive 2013/36/EU, the risk management requirements set out in the EU Regulation no. 231/2013, as well as the elements of similarity and difference between a financial investment company and other financial institutions.

The Company's management analyses and approves on annual basis the risk management policy and the measures, procedures and techniques for the enforcement of said policy, including the risk limits system; it also assesses, monitors and revises, at least once a year, the risk management systems, according to the provisions of EU Regulation 231/2013.

The Executive Board of Transilvania Investments is constantly seeking to minimize the potential adverse effects associated with the financial risks the company is exposed to, through an active policy of prudential diversification of the portfolio, and using one or more techniques to mitigate the risk depending on the dynamics of trading venues and market price trends related to financial instruments held by the Company.

Also, the Executive Board seeks to continuously achieve the highest level of diversification of exposures to both categories of financial assets / transactions and the exposure structure to financial risks. For this purpose, the exposure diversification policy is implemented on the following levels:

- portfolio diversification by avoiding excessive exposure to a borrower, category of financial asset, issuer, category of financial transactions, country or geographic region;
- financial risks diversification which aims to avoid excessive exposure to a certain type of financial risk.

In order to achieve the highest level of diversification on the levels presented above, the Executive Board has initiated an extensive restructuring and repositioning process of the portfolio and reshaping of the business policies.

Transilvania Investments has implemented, at company level, a risk management system that includes policies, procedures and measures to identify, measure and manage risks. The risk management policies and procedures are part of the "*Policies and procedures regarding the functioning of the company as an A.I.F.M.*". According to internal policies and procedures, the internal risk management system integrates competences and responsibilities across the whole organizational structure (Supervisory Board, Executive Board, Risk Management Department, Compliance Department, Internal Auditor, Operational Departments). Procedures are established to manage and monitor all relevant risk categories at the company level (market risk, credit risk, investment concentration risk, liquidity risk, operational risk).

At company level, the Risk Management Department - which is operationally and hierarchically separated from the other operational departments of Transilvania Investments, including from the portfolio management function, so that to allow the independent and efficient performance of the risk management activities and the avoidance of conflicts of interests - monitors the risks related to the activity, some of them being:

Market risk

The market risk is monitored on sub-categories: position risk, foreign exchange risk, commodity risk and long-term interest risk. At the company level, the market risks are at a low level considering the impact they may have over the assets held within the quantitative approach based on capital requirements. Market risk indicators relevant to Transilvania Investments are also used within an approach based on internally set limits, such as VaR (Value at Risk) for the portfolio of assets listed on a regulated market and VUAN volatility.

Throughout 2023, the maximum internally set limit of the VaR indicator was 25%; this limit was not exceeded in the period under review. We note that the VaR indicator also falls within the forecasted level estimated in the 2023 crisis simulation (which considered both the reaction of the market value of the share portfolio listed on a regulated market to a decline in local capital market indices, as well as to a decline of an issuer with a significant portfolio share (TLV).

Given the current investment context, characterized by a high degree of unpredictability, we believe that a high level of volatility can characterize a series of trading environments.

Throughout 2023, market crisis simulations were carried out in accordance with the Policies and Procedures on the company's functioning as an A.I.F.M.

Credit risk (of creditworthiness of the companies in Transilvania Investments portfolio).

Considering that the Company, due to its activity, has long-term exposures to securities issued by financial and non-financial entities, the company management constantly seeks the level of the credit risk to which Transilvania Investments is exposed remains at a prudent and manageable level.

Thus, the Company Management uses, on a case-by-case basis, in accordance to the issuer's characteristics, proper instruments for diminishing the credit risk, and also permanently monitor its financial evolution.

As of now, the company has not used financial derivatives in order to decrease the credit risk associated with the exposure to a debtor.

Liquidity risk

The Company monitors both the liquidity risk related to the financial instruments portfolio and the risk related to the coverage of the liquidity needs, the latter being monitored on the following sub-categories: risk of not covering the current liquidity requirement, without considering the uncashed dividends (net LCR), risk of not covering the liquidity requirements, by considering the uncashed dividends (gross LCR), risk of long-term asset funding from resources other than permanent resources. Throughout 2023, the level of these indicators fallen within the limits set internally by Transilvania Investments. On 31 December 2023, the company had two outstanding loans contracted.

Throughout 2023, the company carried out crisis simulations, in accordance with the Policies and Procedures on the company operation as an A.I.F.M., updated with the provisions of the F.S.A. Rule no. 39/2019 *on enforcing the ESMA guide regarding the cash crisis simulations in UCITS and A.I.F.s*.

Concentration risk

The concentration risk monitoring considers to all assets in the Company's portfolio. The Company monitors both the risk related to concentration on categories of assets, entities, and the exposures recorded by Transilvania Investments to various financial operations from the perspective of the requirements provided by the legislation in force. By carrying on the portfolio restructuring, the Company avoids high exposures to an issuer.

Operational risk

The operational risks take into consideration the potential losses caused by either the use of certain improper processes, internal systems or human resources that are not able to fulfil their duties in a proper manner, or external events and actions, the legal risk being also included under this category. The Company continuously monitors its IT internal systems, internal processes, human resources and legal processes. These risks register low levels and are being managed by the organizational departments of the company, in accordance with the risk management policy approved by the Company.

In accordance with the legal provisions on the management of operational risks generated by computer systems used by the entities regulated, authorized/approved and/or supervised by the F.S.A., Transilvania Investments carried out throughout 2023 the internal assessment of such risks.

Investment limitations

With regard to the monitoring of exposures to a particular category of financial assets, to an issuer or to a certain category of transactions, the following indicators are constantly monitored by the company:

1. The level of holdings of securities and/or money market instruments issued by the same issuer, excluding securities or money market instruments issued or guaranteed by a Member State, by the local public authorities of the member state, a third state or international public bodies to which one or more member states belong. The value of holdings in the same issuer shall not exceed 10% of the total assets held. The percentage may be increased to up to 40% if the total securities held in each of the issuers where the company holds more than 40% of the total assets does not exceed the limit of 80%. On 31 December 2023, the 16.69% of total assets held by Banca Transilvania complies with the legal regulations, considering that the total level of securities, held with each issuer, in which it holds over 40%, as compared to the total assets held, is 51.24%.
2. The level of holdings of financial instruments issued by entities belonging to the same group. The value of this indicator should not exceed 50% of the total assets held. On 31 December 2023, the level of Transilvania Investments' s holdings of financial instruments in this category is 2.33%, comprising the

shareholding in the Bucharest Stock Exchange group (Bucharest Stock Exchange, CCP.RO, Depozitarul Central București).

3. The exposure to counterparty risk in a transaction with derivatives traded outside regulated markets, which may not exceed 20% of the total assets held. Throughout 2023, Transilvania Investments has not invested in derivatives traded outside the regulated market.
4. The overall exposure to derivatives, which may not exceed the total value of the asset. Throughout 2023, Transilvania Investments has not invested in derivatives traded outside regulated markets.
5. The value of the current accounts and cash (in domestic and foreign currencies). The value of current accounts and cash, in domestic and foreign currencies, should not exceed 20% of total assets managed. On 31 December 2023, their level was 0.18% of the total assets.
6. The level of bank deposits opened and held in the same bank should not exceed 30% of the total assets held. On 31 December 2023, their level was 2.58%.
7. The level of equity securities not admitted to trading on a trading venue or on a third country Stock Exchange, issued by a single A.I.F. for professional investors; these holdings may not exceed 20% of the total assets. On 31 December 2023, their level was 0.36%.
8. The level of equity securities not admitted to trading on a trading venue or on a third country Stock Exchange, issued by a single A.I.F. for professional investors; these holdings may not exceed 10% of the total assets. On 31 December 2023, their level was 3.90%.
9. The level of equity securities not admitted to trading on a trading venue or on a third country Stock Exchange, issued by other open-type A.I.F. This level may not exceed 50% of the total assets held. On 31 December 2023, their level was 0.33%.
10. The level of equity securities issued by a single UCITS authorized by the FSA, or by a national competent authority of another Member State shall not exceed 40% of the total assets. The level of equity securities issued by a single UCI admitted to trading, authorized by the FSA or a national competent authority of another Member State shall not exceed 40% of the total assets. On 31 December 2023, the level of these types of holdings are 0.70% and 3.42%, respectively.
11. The amount of loans in financial instruments granted, the period of the loan being no longer than 12 calendar months, in accordance with the rules of the FSA for margin and loan transactions- maximum 20% of the assets. Transilvania Investments did not grant such loans in 2023.
12. The level of security holdings, money market instruments not admitted to trading on a trading venue or on a third-country exchange – maximum 40% of total assets held. On 31 December 2023, their level was 9.61%.
13. The level of equity shares issued by limited liability companies, which may not exceed 20% of the total assets. On 31 December 2023, their level was 0.02%.
14. The level of greenhouse gas emission allowances shall not exceed 10% of the total assets. On 31 December 2023, Transilvania Investments has no such holdings.
15. The company cannot provide cash loans, participate/subscribe to syndicated loans, guarantee cash loans to a third party, except for entities that are part of the R.I.A.I.F. set up as an investment company within 10% of its assets and cannot directly acquire, partially or in full, portfolios of loans issued by other financial or non-financial entities, excluding investments in financial instruments issued by internationally recognized financial institutions, credit institutions or non-bank financial institutions authorized by the NBR or by other central banks of a Member State or of third countries.

The monthly analyses of the types of exposures showed that, throughout 2023, the portfolio of financial instruments managed by Transilvania Investments has complied with the requirements of Law no. 243/2019.

The risk analyses performed at the end of 2023 indicate the following risk profile for Transilvania Investments:

| Type of risk/ Risk Indicator | | Materiality threshold (own funds requirement / own funds or internally established limits) | Risk appetite | 31/12/2023 | Limit compliance |
|---------------------------------------|--|--|------------------|------------|---------------------|
| No. | Type of risk/exposure | | | | |
| Market risk- subcategories: | | | | | |
| 1 | Position risk | max. 25% | Medium | 8.46% | yes |
| 2 | Foreign exchange risk | max. 4% | Medium | 0.53% | yes |
| 3 | Long-term Interest risk | max. 7,5% | Medium | 2.15% | yes |
| 4 | Commodity Risk | max. 3,75% | Medium | 0.00% | yes |
| 5 | VaR (historical simulation, 20 days, 99%) | max. 25% | Medium | 8.50% | yes |
| 6 | NAV per share volatility | max. 25% | Medium | 9.24% | yes |
| Credit risk: | | | | | |
| 1 | Credit risk | max. 150% | Medium | 44.52% | yes |
| Liquidity risk- subcategories: | | | | | |
| 1 | LCR (net) | min. 1,3 | Medium | 8.40 | yes |
| 2 | LCR (brut) | min. 1,2 | Medium | 6.32 | yes |
| 3 | Financing from temporary resources | max. 50% | Low | 0.62% | yes |
| 4 | Portfolio liquidity (percentage of liquid portfolio in total assets) | min. 35% | Mediu | 53.75% | yes |
| Risc 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 | 13.48% | yes |
| 3 | Entity concentration risk | 10% / 40% | According to law | 16.69% | yes |
| Operational risk | | | | | |
| 1 | Operational risk- standardised approach | max. 7,5% | Medium | 2.26% | yes |
| Leverage | | | | | |
| 1 | Leverage - Gross Method | max. 2,0 | Low | 1.02 | yes |
| 2 | Leverage - Commitment Method | max. 2,0 | Low | 1.05 | yes |

As of 31.12.2023, the leverage ratio, determined in accordance with the provisions of Regulation (EU) no. 231/2013 supplementing Directive 2011/61/EU with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, by using both methods, was low, according to the materiality threshold. Given that Transilvania Investments does not have any derivative items, the amount of the leverage ratio indicator, using the commitment method, does not differ significantly from the leverage ratio using the gross method (no compensation is made between long and short positions; gross method= 1.02, commitment method= 1.05).

| Gross Method= (Total Assets Exposure - Cash and Cash equivalents)/ Net Assets Value | | |
|---|------------------|---|
| 31.12.2023 | | |
| Total assets | Net Assets | Cash and Cash Equivalents (adj. for RO BID) |
| 1,824,000,931.23 | 1,732,766,108.50 | 58,239,588.83 |
| Leverage Ratio according to the Gross Method | | 1.02 |
| Commitment Method = Total Assets Exposure / Net Asset Value | | |

| 31.12.2023 | |
|--|------------------|
| Total assets | Net Assets |
| 1,824,000,931.23 | 1,732,766,108.50 |
| Leverage Ratio according to the Commitment Method | 1.05 |

At the same time, the Company continually updates and monitors the processes, systems and internal mechanisms to reduce the operational risk as much as possible. In this respect, the Company has implemented a system for monitoring and reporting the operational risk on three levels, namely: (i) first line of defence: identification of operational risks at the level of organizational structures, (ii) second line of defence: management of operational risks within the Risk Management Office with reporting, through risk reports, to the Executive Board and Supervisory Board, (iii) third line of defence (defensive line): The Internal Audit examines, on a regular basis, the fulfilment of the risk management position.

All the tools and techniques of risk assessment and management used by the Company were developed and implemented to ensure an effective management of the risks incurred by Transilvania Investments and implicitly, by reaching this goal, to obtain an average risk profile in line with the business strategy approved by the Supervisory Board and implemented by the Executive Board.

8. ESG ASPECTS WITHIN TRANSILVANIA INVESTMENTS

General framework

The (EU) Regulation 2019/2088 establishes for financial market participants and financial advisors regulations on transparency with regards to sustainability related disclosures in the financial services sector, consideration of the adverse effects on sustainability in their activities and disclosure of sustainability information on financial products.

Sustainability factors cover environmental, social and labour issues, observance of human rights, fighting corruption and bribery issues.

Sustainability-related risk means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or potential material adverse effect on the value of the investment made by the Company.

Investment decisions are usually based on several factors and such risks are likely to materialise over a longer time horizon. It is important to recognise that considering longer-term sustainability interests is economically viable and does not necessarily lead to different returns for investors.

Environmental, social and governance issues (E - environmental; S - social; G - governance) imply, for example, for environmental goals: efficient use of energy resources, renewable energy, raw materials, water and land, in waste production and greenhouse gas emissions, for social goals: contributions to fighting against inequality or promoting social cohesion, social inclusion and labour relations or investment in human capital, and for goals related to good governance practices: compliance with international agreements, compliance with AML issues, fighting against corruption.

Transilvania Investments developed a policy on integrating sustainability risks into the investment decision-making process, and according to the [Investment Policy Statement 2020-2024](#) (I.P.S.), approved by the shareholders in December 2020 and further revised based on the resolution of the Ordinary General Meeting of Shareholders of 28 April 2022, the aim is to gradually introduce E.S.G. factors into the analysis prior to investment operations.

According to its [ESG policy](#), the company does not integrate sustainability risks into its investment decisions, but considers the need for regular reassessment to be important.

However, relevant available information can be considered and integrated into investment decisions, including those indicating potential adverse effects on sustainability factors (in principle, this information could be considered as favouring non-investment or exit from an investment, as appropriate).

At the same time, the company does not take into account the adverse effects of investment decisions on sustainability factors as, given the structure and specifics of the managed portfolio, there is no published information to analyse the impact of investment decisions on sustainability factors.

The reasons for not integrating sustainability risks into its investment decisions and not considering the adverse effects of investment decisions on sustainability factors include:

- Currently, the information available from credible sources, necessary to determine whether an economic activity qualifies as sustainable and contributes substantially to one or more of the sustainability goals, may be incomplete.
- Small number of issuers required/choosing to publish non-financial information.
- Difficulty in obtaining data from issuers or providing inaccurate information.
- Lack of certainty as to whether the risks can be accurately and fully assessed based upon such information.
- The complexity of applicable regulations requires time to ensure the adequacy of the sustainability risk analysis and reporting processes.

In line with the Investment Policy Statement 2020-2024 and the ESG policy, Transilvania Investments intends to gradually consider the adverse effects of investment decisions on sustainability factors. Thus, the timing of consideration of these impacts depends on the extent to which portfolio companies or companies of interest for future investment will provide sufficient and appropriate information for relevant analysis or will be assessed on the basis of an ESG rating.

Transilvania Investments portfolio items

Every financial market participant is part of the ESG transformation and needs to rethink their strategies with sustainability in mind. All ESG integration efforts, the quantity and quality of existing data, are part of the continuous development of Transilvania Investments.

As at 31 December 2023, for the following holdings in Transilvania Investments' portfolio there is a type of score published that can guide investors on some positive aspects of sustainability.

| COMPANY NAME | Market | Sustainalytics ESG Score | 2023 Vektor Score | % of total assets |
|---------------------------------|------------|-----------------------------|----------------------|-------------------|
| BANCA TRANSILVANIA | BVB - REGS | 15.1 | 10 | 16.78% |
| BRD - GROUPE SOCIETE GENERALE | BVB - REGS | 14.4 | 10 | 13.85% |
| OMV PETROM SA BUCURESTI | BVB - REGS | 24.6 | 10 | 6.72% |
| BURSA DE VALORI BUCURESTI | BVB - REGS | 23.1 | 8.5 | 2.24% |
| S.N. NUCLEARELECTRICA | BVB - REGS | 23 | 10 | 0.72% |
| SOCIETATEA ENERGETICA ELECTRICA | BVB - REGS | 29.9 | 10 | 0.29% |
| ONE UNITED PROPERTIES | BVB - REGS | 18.4 | 10 | 0.16% |
| S.N.T.G.N. TRANSGAZ SA | BVB - REGS | 27.6 | 9 | 0.09% |
| CCL CEECAT Fund II SCSp | Not listed | | | 3.48% |
| Other companies | | | | 55.68% |

Data source <https://bvbresearch.ro>, <https://www.sustainalytics.com/esg-rating>, <https://www.bvb.ro>, <https://www.ceecat.com/>
 ESG Sustainalytics score interpretation: 10-20 low; 20-30 medium; 30-40 high; 40+ severe
 Vektor score interpretation: maximum score 10

The *private-equity* area is well represented in Transilvania Investments' portfolio through its participation in CCL CEECAT Fund II SCSp, a financial product that promotes environmental and social features.

Environmental aspects at entity level (E - environmental)

The company is engaged exclusively in activities specific to closed-end investment companies, its main field of activity being the NACE Code 649 - Other financial intermediation, except insurance and pension funding activities. As such, the company's activity does not have a significant direct impact on the environment. However, Transilvania Investments is constantly concerned about environmental protection aspects.

Thus, the Company constantly monitors the consumption of utilities, and investments in the building and related installations and equipment are made considering the impact they have in reducing this consumption. Reducing electricity consumption was achieved by replacing computing equipment and lighting fixtures, as well as automating and zoning the indoor heating installation.

In order to protect the environment, as part of the responsible development policy of Transilvania Investments, the legislation in force in Romania is taken into account, as well as the European norms that regulate the policies for the protection of the working environment, the management of waste resulting from the activity and the protection of the premises where the activity takes place. The company has procedures in place to regulate the recovery and recycling of waste resulting from its day-to-day operations. Given the specific nature of the Company business, the waste resulting from the activity carried out is mainly paper waste. They are deposited by employees in specially designated areas and the person in charge of managing the premises shall regularly ensure their disposal in order to use this waste for recycling. Sorted waste, hazardous and non-hazardous, including WEEE, is handed over to specialized companies for recycling.

Social aspects at the entity level (S – social)

Transilvania Investments guarantees equal opportunities and treatment for all applicants for employment in the Company and for all its employees, without direct or indirect discrimination on the basis of race, nationality, ethnicity, language, religion, social category, beliefs, gender, sexual orientation or any other criterion which has the purpose or effect of restricting or eliminating the recognition, use or exercise of rights deriving from the collective labour agreement existing at Company level.

The Company also recognises the freedom of opinion of each of its employees. The relations between the members of the Executive Board and the Company's employees are based on communication, involvement and team spirit, without any elements of conflict.

Employees carry out their activity based on the collective employment contract, individual employment contracts, internal rules, job descriptions and internal procedures. The company does not have a trade union, the employees being represented in the negotiation of the collective labour agreement by a representative elected by the employees, in accordance with the law.

At the end of 2023, the actual number of employees was 37, of which 33 employees with higher education and 4 employees with secondary education. The average number of employees with whom the company has carried out its activity in 2023 was of 36.5, with 2 employees less than the average number registered in the previous year.

Of the employees with higher education, one person has a PhD in Law, several employees have international certifications and a significant number of employees attended or are currently attending postgraduate and master studies in areas such as: financial and banking management, accounting, internal audit, financial analysis, valuation, business administration, finance-banking-capital markets, business law, human resources management, cyber security.

Transilvania Investments actively promotes the training and professional development of employees, with two components: continuous professional training and development as part of the Company's overall development strategy. This activity is carried out based on training and professional development plans, which involve both the participation of employees in conferences, seminars, courses, as well as supporting

them in their personal professional development efforts. A part of the employees with higher education have attended, also during 2023, continuous professional training programmes with the aim of developing professional skills and increasing individual and collective performance.

Under the remuneration policy, the remuneration structure consists of fixed (base) remuneration and may include a variable component, awarded on the basis of performance, and/or other benefits.

Transilvania Investments values the health of its employees by offering them medical subscriptions under a contract with a healthcare provider. The Company also provides employees with meal vouchers and subscriptions to the Bookster service/platform. In addition, employees who contribute to the Pensia Mea voluntary pension fund benefit from the payment of a contribution by the company, which covers half of their monthly contribution.

The company has adopted a Social Responsibility Policy which is based on the principle of coherence between social programmes, business attitude, attitude towards shareholders and employees as well as towards the environment, in the context of ensuring the sustainable development of both the company and the community in which it operates. The Company is committed to ensuring that any business it conducts is conducted in an ethical manner based on best practices in corporate governance.

Transilvania Investments is involved in sponsorship and patronage activities, directly or through specialized associations and foundations, in the following priority areas: education, health and social assistance, sport, culture, environment and humanitarian actions.

In 2023, the company continued its involvement in the above-mentioned areas, which consisted in providing financial support, for the following purposes:

- sponsoring charitable projects organized for the benefit of people diagnosed with cancer;
- facilitating medical treatment in Romania and abroad and of the purchase of equipment for auditory-verbal rehabilitation;
- organising charity events for minors in social centres, on the occasion of 1 June (Children's day) and of the Christmas holidays;
- supporting the community project for young people leaving the special protection system;
- supporting the operation of a home for the elderly, by covering the cost of work for changing the electrical installation and installing a fire detection, alarm and signalling system in accordance with IES regulations;
- supporting school associations and clubs by funding educational innovation activities for the purchase of specific equipment and parts;
- Financial support for Andrei Saguna National High School students' participation in the National Space Society Settlement Contest 2023 and NASA International Space Development Conference;
- financial support to chess, equestrian dressage and bowling associations and clubs for the purchase of equipment and participation in national and international competitions;
- support for the organisation of cultural events and the printing of history books;
- sponsoring and organizing, in partnership with the Institute of Financial Studies, Babes-Bolyai University Cluj-Napoca, Chamber of Commerce and Industry Brasov and the Association of Fund Managers, conferences and summits in the fields of finance, law and investment fund management.

In total, in 2023, Transilvania Investments concluded 23 sponsorship contracts and two patronage contracts, totalling RON 458,650.

Governance (G – governance) aspects at entity level

Transilvania Investments has implemented a corporate governance system that complies with the provisions of the Corporate Governance Code of the B.S.E. applicable to companies whose shares are admitted to trading on the regulated market. The Company shall also promote the development of corporate governance in accordance with best practices and prudent management in line with F.S.A.

Regulation no. 2/2016 on the application of the corporate governance principles by the entities authorized, regulated and supervised by the F.S.A.

The Executive Board of Transilvania Investments, with the approval of the Supervisory Board, has adopted the Company's Corporate Governance Rules which define the policies, practices and governance structures that help it exercise its primary responsibility - that of ensuring effective governance of the Company for the benefit of its shareholders.

The company publishes, on a regular basis, as part of its annual reports, the 'Apply or Explain' Statement and the 'Statement on the application of corporate governance principles', in which it presents the degree of compliance of the company with the principles and recommendations of the B.S.E.'s C.G.R., respectively with the provisions of the F.S.A. Regulation no. 2/2016.

The Transilvania Investments policy on preventing and fighting against money laundering and terrorist financing aims to meet all legal requirements and take all reasonable measures to prevent the company from being drawn into money laundering or terrorist financing operations. This includes domestic procedures and mechanisms for the implementation of international sanctions.

Transilvania Investments carries out its own risk assessment identifying, assessing and managing the risk of money laundering/terrorist financing both at the level of customers, services and products offered, as well as at the level of the whole business, so as to understand and adequately manage this risk to which the company may be exposed.

The company is fully committed to conducting its business with integrity and transparency, meaning that members of the management and supervisory structures and employees of the company are prohibited from paying or offering bribes or financial inducements of any kind, including to state officials, employees of state-owned or state-controlled companies, and in any transactions carried out by the company. It is also strictly forbidden to solicit or accept bribes or financial incentives.

Radu Claudiu ROȘCA
Executive President

Mihai BULIGA
Executive Vice-President

Stela CORPACIAN
Executive Vice-President



**Transilvania
Investments**

LIST

of companies in which Transilvania Investments Alliance SA holds the majority position (subsidiaries) as at 31.12.2023

| No. | Unique Code | Company name | Headquarters | Nominal value RON/share | Share capital | | TRANSI | | |
|-----|-------------|--------------|--------------|----------------------------|---------------|-------|---------------|---------------|---|
| | | | | | No. of shares | Value | No. of shares | Nominal value | % |

I. OPERATIONAL COMPANIES

| | | | | | | | | | |
|----|----------|--|-------------|--------|-------------|---------------|-------------|---------------|-------|
| 1 | 1102041 | ARO-PALACE SA | BRAȘOV | 0.10 | 403,201,571 | 40,320,157.10 | 345,704,600 | 34,570,460.00 | 85.74 |
| 2 | 23058338 | CASA ALBA INDEPENDENTA S.A. | SIBIU | 2.50 | 1,466,729 | 3,666,822.50 | 782,468 | 1,956,170.00 | 53.35 |
| 3 | 7800027 | CRISTIANA SA | BRAȘOV | 100.00 | 153,720 | 15,372,000.00 | 153,410 | 15,341,000.00 | 99.80 |
| 4 | 752 | FEPER SA | BUCUREȘTI | 0.10 | 363,782,186 | 36,378,218.60 | 312,123,729 | 31,212,372.90 | 85.80 |
| 5 | 18846755 | GRUP BIANCA TRANS SA | BRAȘOV | 0.10 | 10,860,620 | 1,086,062.00 | 8,414,200 | 841,420.00 | 77.47 |
| 6 | 49295370 | HOTELURI RESTAURANTE SUD S.A.* | MANGALIA | 0.10 | 250,448,490 | 25,044,849.00 | 226,942,936 | 22,694,293.60 | 90.61 |
| 7 | 2577677 | INDEPENDENȚA SA | SIBIU | 2.50 | 2,871,694 | 7,179,235.00 | 1,530,636 | 3,826,590.00 | 53.30 |
| 8 | 8012400 | INTERNATIONAL TRADE&LOGISTIC CENTER SA | BRAȘOV | 0.10 | 93,592,860 | 9,359,286.00 | 81,708,428 | 8,170,842.80 | 87.30 |
| 9 | 1122928 | MECANICA CODLEA SA | CODLEA | 0.10 | 74,200,875 | 7,420,087.50 | 60,156,150 | 6,015,615.00 | 81.07 |
| 10 | 49303350 | NOVA TOURISM CONSORTIUM S.A. | BRASOV | 10.00 | 9,000 | 90,000.00 | 8,999 | 89,990.00 | 99.99 |
| 11 | 1108834 | ROMRADIATOARE SA | BRAȘOV | 1.63 | 15,000,000 | 24,450,000.00 | 11,477,141 | 18,707,739.83 | 76.51 |
| 12 | 32947925 | SIF TRANSILVANIA PROJECT MANAGEMENT COMPANY SA | BRAȘOV | 10.00 | 45,000 | 450,000.00 | 44,999 | 449,990.00 | 99.99 |
| 13 | 790619 | SEMBRAZ SA | SIBIU | 2.00 | 791,377 | 1,582,754.00 | 719,900 | 1,439,800.00 | 90.97 |
| 14 | 9845734 | TRANSILVANIA LEASING&CREDIT IFN SA | BRAȘOV | 0.10 | 514,724,667 | 51,472,466.70 | 481,234,149 | 48,123,414.90 | 93.50 |
| 15 | 1849307 | TRATAMENT BALNEAR BUZIAȘ SA | BUZIAȘ | 0.10 | 158,500,000 | 15,850,000.00 | 145,615,772 | 14,561,577.20 | 91.87 |
| 16 | 559747 | TURISM COVASNA SA | COVASNA | 0.10 | 473,154,433 | 47,315,443.30 | 439,760,355 | 43,976,035.50 | 92.94 |
| 17 | 108526 | TURISM FELIX SA | BĂILE FELIX | 0.10 | 491,187,962 | 49,118,796.20 | 313,208,036 | 31,320,803.60 | 63.77 |

| | | | | | | | | | |
|-----------------|----------|---|------------|-------|-------------|-----------------------|-------------|-----------------------|-------|
| 18 | 2980547 | TURISM, HOTELURI, RESTAURANTE MAREA NEAGRĂ SA | MANGALIA | 0.10 | 576,008,487 | 57,600,848.70 | 453,885,873 | 45,388,587.30 | 78.80 |
| 19 | 46047311 | TRANSILVANIA INVESTMENTS ALLIANCE EQUITY SA | BRASOV | 10.00 | 1,075,000 | 10,750,000.00 | 1,074,990 | 10,749,900.00 | 99.99 |
| 20 | 4241753 | TUȘNAD SA | TUȘNAD BĂI | 0.10 | 301,802,818 | 30,180,281.80 | 230,601,476 | 23,060,147.60 | 76.41 |
| 21 | 2410198 | UTILAJ GREU SA | MURFATLAR | 2.50 | 676,587 | 1,691,467.50 | 476,226 | 1,190,565.00 | 70.39 |
| 22 | 23058320 | VIOLA-INDEPENDENȚA | SIBIU | 2.50 | 138,592 | 346,480.00 | 74,307 | 185,767.50 | 53.62 |
| SUBTOTAL | | | | | | 436,725,255.90 | | 363,873,082.73 | |

II. NON-OPERATIONAL COMPANIES

| | | | | | | | | | |
|-----------------|---------|--|--------|------|-------------|----------------------|-------------|----------------------|-------|
| 1 | 1112290 | ORGANE DE ASAMBLARE SA (reorganization L85/2014) | BRAȘOV | 0.10 | 135,684,080 | 13,568,408.00 | 129,845,110 | 12,984,511.00 | 95.70 |
| SUBTOTAL | | | | | | 13,568,408.00 | | 12,984,511.00 | |

| | | | | | | | | | |
|--------------|--|--|--|--|--|-----------------------|--|-----------------------|--|
| TOTAL | | | | | | 450,293,663.90 | | 376,857,593.73 | |
|--------------|--|--|--|--|--|-----------------------|--|-----------------------|--|

Executive President
Radu-Claudiu ROȘCA

Executive Vice-President
Stela CORPACIAN

LIST

of companies in which Transilvania Investments Alliance SA has a significant influence (associates) as at 31.12.2023

| No. | Unique Code | Company name | County | Nom. value RON/share | Share capital | | TRANSI | | |
|--|-------------|---------------------------------|-----------|-------------------------|----------------------|-----------------------|---------------|----------------------|-------|
| | | | | | No. of issued shares | Value | No. of shares | Nominal value | |
| I. Operational companies | | | | | | | | | |
| 1 | 14662474 | APOLLO ESTIVAL 2002 S.A. NEPTUN | Constanța | 0.10 | 5,932,994 | 593,299.40 | 2,350,890 | 235,089.00 | 39.62 |
| 2 | 742395 | DORNA TURISM SA | Suceava | 2.50 | 1,423,717 | 3,559,292.50 | 455,793 | 1,139,482.50 | 32.01 |
| 3 | 1118838 | DUPLEX SA | Brașov | 2.50 | 121,978 | 304,945.00 | 32,772 | 81,930.00 | 26.87 |
| 4 | 803115 | EMAILUL SA | Sibiu | 2.50 | 2,522,118 | 6,305,295.00 | 729,551 | 1,823,877.50 | 28.93 |
| 5 | 2423562 | NEPTUN-OLIMP SA | Constanța | 0.10 | 73,315,286 | 7,331,528.60 | 30,194,757 | 3,019,475.70 | 41.19 |
| 6 | 14686600 | SERVICE NEPTUN 2002 SA | Constanța | 0.10 | 9,111,701 | 911,170.10 | 3,610,420 | 361,042.00 | 39.62 |
| 7 | 2577839 | SOFT APLICATIV ȘI SERVICII SA | Sibiu | 2.50 | 168,495 | 421,237.50 | 51,996 | 129,990.00 | 30.86 |
| 8 | 14630120 | TOMIS ESTIVAL 2002 SA | Constanța | 0.10 | 1,319,636 | 131,963.60 | 522,893 | 52,289.30 | 39.62 |
| 9 | 26261034 | TURISM LOTUS FELIX SA | Bihor | 0.10 | 1,266,999,819 | 126,699,981.90 | 484,853,142 | 48,485,314.20 | 38.27 |
| SUBTOTAL | | | | | | 146,258,713.60 | | 55,328,490.20 | |
| II. Non-operational companies (insolvency, bankruptcy, liquidation and dissolution) | | | | | | | | | |
| 1 | 1888004 | CNM PETROMIN SA CONSTANȚA | Constanța | 2.50 | 22,487,571 | 56,218,927.50 | 5,358,861 | 13,397,152.50 | 23.83 |
| 2 | 805566 | FELAM SA | Sibiu | 2.50 | 1,035,000 | 2,587,500.00 | 374,907 | 937,267.50 | 36.22 |
| 3 | 14662490 | PRAHOVA ESTIVAL 2002 SA | Constanța | 0.10 | 3,252,029 | 325,202.90 | 1,288,584 | 128,858.40 | 39.62 |
| 4 | 8008670 | ROMAGRIBUZ VERGULEASA SA | Buzău | 2.50 | 752,408 | 1,881,020.00 | 280,631 | 701,577.50 | 37.30 |
| 5 | 15688146 | TRANSILVANIA HOTELS & TRAVEL SA | Bucuresti | 2.50 | 3,034,448 | 7,586,120.00 | 1,123,180 | 2,807,950.00 | 37.01 |
| 6 | 1461002 | VERITAS PANCIU SA | Vrancea | 2.50 | 2,493,773 | 6,234,432.50 | 656,693 | 1,641,732.50 | 26.33 |
| SUBTOTAL | | | | | | 74,833,202.90 | | 19,614,538.40 | |
| GRAND TOTAL | | | | | | 221,091,916.50 | | 74,943,028.60 | |

Executive President
Radu-Claudiu ROȘCA

Executive Vice-President
Stela CORPACIAN

List of non-operational companies as at 31.12.2023

| No. | Company name | Share capital | The State | | TRANSI | | Othe shareholders | | SUPERSECTOR |
|-----|--------------|---------------|-----------|---|--------|---|-------------------|---|-------------|
| | | | Value | % | Value | % | Value | % | |

Bankruptcy - Law 85/2006 & Law 85/2014

| | | | | | | | | | |
|-----------------|---------------------------|----------------------|----------------------|-------|----------------------|-------|----------------------|-------|---|
| 1 | CNM PETROMIN SA CONSTANTA | 56,218,927.50 | 15,743,901.00 | 70.01 | 13,397,152.50 | 23.83 | 1,384,809.00 | 6.16 | INDUSTRIAL GOODS AND SERVICES |
| 2 | FELAM SA | 2,587,500.00 | 0.00 | 0.00 | 937,267.50 | 36.22 | 660,093.00 | 63.78 | INDUSTRIAL GOODS AND SERVICES |
| 3 | ICIM SA | 2,071,445.00 | 126,375.00 | 15.25 | 74,370.00 | 3.59 | 672,455.00 | 81.16 | CONSTRUCTION AND CONSTRUCTION MATERIALS |
| 4 | MECANICA SA Marsa | 9,697,362.50 | 0.00 | 0.00 | 1,056,257.50 | 10.89 | 3,456,442.00 | 89.11 | CARS AND SPARE PARTS |
| 5 | PRAHOVA ESTIVAL | 325,202.90 | 0.00 | 0.00 | 128,858.40 | 39.62 | 196,344.50 | 60.38 | REAL ESTATE |
| 6 | ROMAGRIBUZ VERGULEASA SA | 1,881,020.00 | 0.00 | 0.00 | 701,577.50 | 37.30 | 471,777.00 | 62.70 | FOOD, BEVERAGES AND TOBACCO |
| 7 | VERITAS SA | 6,234,432.50 | 0.00 | 0.00 | 1,641,732.50 | 26.33 | 1,837,080.00 | 73.67 | FOOD, BEVERAGES AND TOBACCO |
| 8 | VITIVINICOLA BASARABI SA | 7,886,317.50 | 0.00 | 0.00 | 856,450.00 | 10.86 | 2,811,947.00 | 89.14 | FOOD, BEVERAGES AND TOBACCO |
| SUBTOTAL | | 86,902,207.90 | 15,870,276.00 | | 18,793,665.90 | | 11,490,947.50 | | |

Reorganization - Law 85/2006 & Law 85/2014

| | | | | | | | | | |
|-----------------|---------------------------------|----------------------|------------------|------|---------------------|-------|-----------------------|-------|--------------------|
| 1 | CONDMAG SA | 38,133,575.10 | 0.00 | 0.00 | 1,900,000.00 | 4.98 | 362,335,751.00 | 95.02 | ENERGY |
| 2 | ORGANE DE ASAMBLARE SA | 1,356,840.80 | 28,893.20 | 2.13 | 1,298,451.10 | 95.70 | 29,496.50 | 2.17 | REAL ESTATE |
| 3 | TRANSILVANIA HOTELS & TRAVEL SA | 7,586,120.00 | 0.00 | 0.00 | 2,807,950.00 | 37.01 | 1,911,268.00 | 62.99 | TRAVEL AND LEISURE |
| SUBTOTAL | | 47,076,535.90 | 28,893.20 | | 6,006,401.10 | | 364,276,515.50 | | |

| | | | | | | | | | |
|--------------------|--|-----------------------|----------------------|-------------|----------------------|-------------|-----------------------|--|--|
| GRAND TOTAL | | 133,978,743.80 | 15,899,169.20 | 0.00 | 24,800,067.00 | 0.00 | 375,767,463.00 | | |
|--------------------|--|-----------------------|----------------------|-------------|----------------------|-------------|-----------------------|--|--|

Executive President
Radu-Claudiu ROȘCA

Executive Vice-President
Stela CORPACIAN

**Statement on the compliance with the provisions of
the B.S.E. Corporate Governance Code (BSE CGC),
as at 31.12.2023**

| | Provisions to comply with | Compliance Yes/No/Partial | Explanations |
|-------------------------------------|--|--------------------------------------|---------------------|
| SECTION A - Responsibilities | | | |
| A.1. | All companies should have internal regulations of the Board which include terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A. | YES | |
| A.2. | Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and refrain from taking part in the debates (including by not attending, except for when failure to attend would render the meeting non-quorate) and from voting on the adoption of a resolution on the issue that generates such conflict of interest. | YES | |
| A.3. | The Supervisory Board should have at least five members. | YES | |
| A.4. | The majority of the members of the Supervisory Board should be non-executive. Not less than two non-executive members of the Supervisory Board should be independent in the case of Premium Tier Companies. Each independent member of the Supervisory Board should submit a statement at the moment of their nomination for election or re-election as well as in case of any changes in their status, by indicating the grounds on which they deem themselves to be independent in terms of character and judgement. | YES | |
| A.5. | A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and potential investors before appointment and during his/her mandate. | YES | |
| A.6. | Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship that may affect the member's position on issues decided upon by the Board. | YES | |
| A.7. | The company should appoint a Board secretary responsible with supporting the work of the Board. | YES | |
| A.8. | The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the President or the nomination committee and, | YES | |

| | | | |
|---|--|-----|--|
| | if it has, summarize key action points and changes resulting from it. The company should have a policy/guide regarding the Board's evaluation, with the purpose, criteria and frequency of the evaluation process included. | | |
| A.9. | The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year; attendance by directors (in person and in absentia), and a report of the Board and committees on their activities. | YES | |
| A.10. | The corporate governance statement should contain information on the precise number of the independent members on the Supervisory Board. | YES | |
| A.11. | The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process of appointing new members to the Board, and make recommendations to the Board. The majority of the members of the Nomination Committee should be independent. | YES | |
| SECTION B- Risk management and internal control system | | | |
| B.1. | The Board should set up an audit committee, and at least one of its members should be an independent non-executive. The majority of members, including the president, should have provided proof of adequate qualification, relevant to the functions and responsibilities of the committee. At least one member of the audit committee should show proven, adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members, and the majority of the audit committee membership should be independent. | YES | |
| B.2. | The Audit Committee should be chaired by an independent non-executive member. | YES | |
| B.3. | Among its responsibilities, the audit committee should undertake an annual assessment of the internal control system. | YES | |
| B.4. | The assessment should look at the effectiveness and scope of the internal audit function; the adequacy of the risk management and internal control reports submitted to the audit committee of the Board; executive management's responsiveness and effectiveness in dealing with the deficiencies or weaknesses identified by internal control and submitting relevant reports to the Board. | YES | |
| B.5. | The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with the affiliated parties. | YES | |
| B.6. | The Audit Committee should evaluate the efficiency of the internal control system and risk management system. | YES | |
| B.7. | The Audit Committee should monitor the application of statutory and generally accepted standards of internal | YES | |

| | | | |
|--|---|-----|--|
| | auditing. The Audit Committee should receive and evaluate the reports of the internal audit team. | | |
| B.8. | Whenever the Code mentions reports or analysis initiated by the Audit Committee, these should be followed by periodical (at least annual) or ad-hoc reports, further on to be submitted to the Board. | YES | |
| B.9. | No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties. | YES | |
| B.10. | The Board should adopt a policy ensuring that any transaction of the company with any of the companies it has close relations with, of a value equal to or higher than 5% of the net assets of the company (as stated in the latest financial report), is approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements. | YES | |
| B.11. | The internal audits should be carried out by a separate structure (the internal audit department) within the company, or by retaining an independent third-party entity. | YES | |
| B.12. | To ensure that the core functions of the internal audit department are carried out, the department should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer. | YES | |
| SECTION C – Fair rewards and motivation | | | |
| C.1. | <p>The company should publish its remuneration policy on its website and include in its annual report a statement on the implementation of the remuneration policy during the annual period under review.</p> <p>The remuneration policy should be formulated in such a way, as to allow the shareholders to understand the principles and arguments on which remuneration of the Board members and of the CEO, as well as remuneration of the Executive Board members in the dual tier system relies. It should describe how the process is managed and how decisions regarding remuneration are made; provide details on the components of the executive management's remuneration (such as salaries; annual premiums; long-term incentives related to the value of shares; in kind benefits; pensions, etc.), and describe the purpose, principle and assumptions on which each component relies (including the general performance criteria pertaining to each form of variable remuneration). Furthermore, the remuneration policy should specifically mention the duration of the executive manager's contract and the prior notice term stipulated in the contract, as well as any compensation for revocation of no just cause. [...] Any essential change in the</p> | YES | |

| | | | |
|--|---|-----|--|
| | remuneration policy has to be published in due time on the company's website. | | |
| SECTION D – Building value through investor relations | | | |
| D.1. | The company should set up an Investor Relations service, indicated to the general public through the person/persons in charge or as an organisational unit per se. Besides the information required by the law, the company must include on its website a dedicated Investor Relations section, in Romanian and English language, with all relevant information of interest for investors, including: | YES | |
| D.1.1. | The main corporate regulations: the articles of incorporation; the procedures regarding the general meetings of shareholders; | YES | |
| D.1.2. | Professional résumés of the members of its governing bodies; other professional commitments of the Board members, including executive and non-executive positions on Boards of companies or not-for-profit institutions; | YES | |
| D.1.3. | Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code; | YES | |
| D.1.4. | Information related to general meetings of shareholders: the agenda and supporting materials; the procedure for electing Board members; the rationale for the candidates proposed for election on the Board, together with their professional résumés; shareholders' questions related to the agenda and the company's answers, including the decisions passed; | YES | |
| D.1.5. | Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including deadlines and principles applied for such operations. Such information should be published within a timeframe that would enable investors to make investment decisions; | YES | |
| D.1.6. | The name and contact data of a person who should be able to provide knowledgeable information on request; | YES | |
| D.1.7. | Corporate presentations (e.g. presentations for investors; presentations on quarterly results, etc.), financial statements (quarterly, semi-annual, annual), audit reports and annual reports. | YES | |
| D.2. | A company should have an annual policy regarding its annual distribution of dividends or other benefits to its shareholders, proposed by the CEO or the Executive Board and endorsed by the Board, in the form of a set of guidelines that the company intends to follow with regard to distributing its net profits. The principles of the annual policy regarding distribution to shareholders shall be published on the company's website. | YES | |

| | | | |
|-------|---|-----|--|
| D.3. | The company should have adopted a policy with respect to forecasts, whether they are published or not. Forecasts are quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so-called assumptions): by its nature, such a task relies on a high level of uncertainty, with the actual results sometimes significantly different from the forecasts presented initially. The policy regarding forecasts should provide for the periodicity, the period envisaged, and the content of the forecasts. If published, the forecasts can be included only in the annual, half-yearly or quarterly reports. The policy on forecasts shall be published on the company's website. | YES | |
| D.4. | The rules regarding the general meetings of shareholders should not restrict the shareholders' participation in the general meetings and the exercising of their rights. The amendments of the rules should come into force starting on the next shareholders meeting, at the earliest. | YES | |
| D.5. | The external auditors should attend the shareholders' meetings when their reports are presented at these meetings. | YES | |
| D.6. | The Board shall submit to the annual general meeting of shareholders a brief assessment on the internal control and significant risk management systems, as well as opinions on aspects that the general meeting should decide on. | YES | |
| D.7. | Any professional, consultant, expert or financial analyst may attend the shareholders' meeting upon prior invitation from the Board. Accredited journalists may attend the general meeting of shareholders too, unless the President of the Board decides otherwise. | YES | |
| D.8. | The quarterly and semi-annual financial reports shall include information in both Romanian and English language, regarding the key drivers influencing change in the level of sales, operating profit, net profit and other relevant financial indicators, both on quarter-to-quarter and on year-to-year basis. | YES | |
| D.9. | A company shall organise at least two meetings / conference calls with the analysts and investors every year. The information presented on such occasions shall be published in the Investor Relations section on the company's website, on the date of the meetings/conference calls. | YES | |
| D.10. | If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and deems that the resulting impact on the company's innovativeness and competitiveness is part of its mission and development strategy, it shall publish the policy regarding its activity in this field. | YES | |

Radu-Claudiu Roşca
Executive President

Mihai Buliga
Executive Vice-President

Stela Corpacian
Executive Vice-President

**Statement on the application of
the corporate governance principles, as at 31.12.2023**
(According to the F.S.A. Regulation no. 2/2016, as further amended and supplemented)

| No. | Rules for the application of the corporate governance principles | Compliance | | If NO - explain |
|-----|--|------------|----|-----------------|
| | | Yes | No | |
| 1. | The regulated entity has stated in its Articles of Incorporation the basic responsibilities of the Board regarding the implementation and observance of the corporate governance principles. | X | | |
| 2. | The corporate governance structures, the functions, competencies and responsibilities of the Board and the executive management/ senior management are stated in the internal policies and/or internal regulations. | X | | |
| 3. | The annual financial statements of the regulated entity are accompanied by the annual report of the remuneration committee and by an explanatory note which describes the relevant events related to the application of the corporate governance principles, recorded during the financial year. | X | | |
| 4. | The regulated entity has drafted a communication strategy with the interested parties in order to ensure proper information. | X | | |
| 5. | The structure of the board ensures, depending on the case, a balance between the executive and non-executive members so that no individual or small group of individuals influence the decision-making process. | X | | |
| 6. | The Board meets at least once every three months in order to monitor the way the activity of the regulated entity is carried out. | X | | |
| 7. | The Board or the executive management/ senior management, depending on the case, regularly reviews the policies regarding the financial reporting, internal control and the risk administration/management system adopted by the regulated entity. | X | | |
| 8. | In its activity, the Board is assisted by a remuneration committee that issue recommendations | X | | |
| 9. | The remuneration committee submits to the Board annual reports regarding its activity | X | | |
| 10. | In its activity, the Board is also assisted by other advisory committees that issue recommendations regarding various issues that are subject to the decision-making process. | X | | |
| 11. | The advisory committees submit to the Board materials/reports regarding issues entrusted by the Board. | X | | |
| 12. | The internal procedures/policies/regulations of the regulated entity include provisions regarding the selection of applications for the persons in the executive management/senior management, the appointment of new persons or renewal of the existing mandates. | X | | |

| | | | | |
|-----|---|---|---|-----------------|
| 13. | The regulated entity ensures that the members of the executive management/superior management benefit from professional training so that they fulfil their duties efficiently. | X | | |
| 14. | The key functions are established in such a way so that they are proper for the organizational structure of the regulated entity and compliant with the applicable regulations. | X | | |
| 15. | The Board regularly reviews the efficiency of the internal control system of the regulated entity and the updating method, in order to ensure a rigorous management of the risks the regulated entity is exposed to. | X | | |
| 16. | The audit committee makes recommendations to the Board regarding the selection, appointment and replacement of the financial auditor, as well as the terms and conditions of its remuneration. | X | | |
| 17. | The Board reviews, at least once a year and ensures that the remuneration policies are consistent and are subject to an efficient risk management. | X | | |
| 18. | The remuneration policy of the regulated entity is set out in the internal regulations that target the implementation and observance of the corporate governance principles. | X | | |
| 19. | The Board has adopted a procedure for the identification and proper settlement of the conflict-of-interest situations. | X | | |
| 20. | The executive management/senior management, as appropriate, informs the Board on the potential or consumed conflicts of interest in which they could be/are involved in the conditions of their emergence and does not participate in the decision-making process which is related to the state of conflict, if these structures or individuals are involved in the respective state of conflict. | X | | |
| 21. | The Board reviews, at least once a year, the efficiency of the risk administration /management system of the regulated entity. | X | | |
| 22. | The regulated entity has drawn up procedures for the identification, assessment and management of the significant risks to which it is, or is likely to be, exposed. | X | | |
| 23. | The regulated entity has in place clear action plans for ensuring business continuity and for emergency situations. | X | | |
| 24. | The Board of the subsidiary applies principles and policies of internal governance similar to those of the parent company, unless there are other legal requirements that lead to the establishment of own policies. | | X | Not applicable. |

Radu-Claudiu Roşca
Executive President

Mihai Buliga
Executive Vice-President

Stela Corpacian
Executive Vice-President

**REMUNERATION REPORT OF
TRANSILVANIA INVESTMENTS ALLIANCE S.A.
for the year 2023**

Transilvania Investments Alliance (hereinafter referred to as the Company or Transilvania Investments) is a Romanian legal person organised as a joint stock company (S.A.). The company is listed on Bucharest Stock Exchange, the trading of the share issued by the Company being subject to the rules applicable to the regulated market and closed-end alternative investment funds.

Transilvania Investments Alliance is self-managed, diversified closed-end Retail Investor Alternative Investment Fund (R.I.A.I.F.), set up as an investment company. At the same time, Transilvania Investments Alliance is authorized as an Alternative Investment Fund Manager (A.I.F.M.)

The Company carries out its activity in accordance with the applicable Romanian law and is managed under a two-tier system.

Summary

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General framework

This report is prepared in accordance with the legal provisions and will accompany the annual financial statements of Transilvania Investments Alliance S.A. The report is intended to present an overview of the remuneration and benefits granted during the last financial year to the Company's management, in accordance with the Remuneration Policy approved by the shareholders.

In accordance with the Remuneration policy, the remunerations and benefits granted shall be disclosed in the remuneration report prepared for the last financial year, in accordance with the legal provisions, which is submitted to the vote in the Ordinary General Meeting of Shareholders together with the financial statements, the shareholders' vote having a consultative character. The Remuneration Report is audited by the Company's financial auditor and is available on the Company's website for a 10-year period.

Therefore, the report for the financial year 2023 (the *Report*) has been prepared in accordance with the provisions of Law 24/2017 *on issuers of financial instruments and market operations*, as further amended and supplemented. The Report will be submitted to the vote in the annual Ordinary General Meeting of Shareholders of April 2024, the shareholders' vote having a consultative character.

The Remuneration report for the year 2022 was approved by the Ordinary General Meeting of Shareholders of April 2023 with the majority of votes and no additional requirements were formulated during the general meeting.

After its approval by the Ordinary General Meeting, the Remuneration Report will be published on the Company's website www.transilvaniainvestments.ro and will be available to the public for a 10-year period.

Given the Company's capacity as an Alternative Investment Fund Manager (A.I.F.M.) and Retail Investor Alternative Investment Fund (R.I.A.I.F.), the Report is prepared also in accordance with the applicable legislative framework, namely:

- Law no. 74/2015 *on alternative investment fund managers*;
- F.S.A. Regulation no. 10/2015 *on the management of alternative investment funds*, as further amended and supplemented;
- ESMA Guide 232/2013 *on sound remuneration policies under AIFMD*;
- Law no. 31/1990 *on companies*;
- Law no. 24/2017 *on issuers of financial instruments and market operations*.

1. Management structures

In accordance with the Articles of Incorporation, Transilvania Investments Alliance S.A. is managed under a two-tier system by an Executive Board which carries out its activity under the control of the Supervisory Board.

Supervisory Board

The members of the Supervisory Board are elected by the general meeting of shareholders by secret vote, for a 4-year mandate.

The members of the Supervisory Board carry out their activity based on management contracts (signed on behalf of the Company by the President of the Executive Board), the Organization and Operation Regulation of the Supervisory Board and the Company's Articles of Incorporation.

In accordance with the Articles of Incorporation, the Supervisory Board is composed of five members, individual persons.

At 31.12.2023, the Supervisory Board of Transilvania Investments Alliance S.A. was composed by Mr Patrițiu Abrudan-Chairman, Mr Marius-Petre Nicoară – Deputy Chairman and Mr Constantin Frățilă - member.

The Supervisory Board members have been elected by the Ordinary General Meeting of Shareholders of 04.12.2020, for a 4-year mandate, starting with the date of authorization by the F.S.A. of the Board composition. The Supervisory Board members have been authorized by the F.S.A. through Authorizations no. 69/19.04.2021 and no. 80/27.04.2021.

According to the provisions of the Company Law, all the members of the Supervisory Board are non-executive members, given that none of them hold an executive position within Transilvania Investments Alliance, the company being managed under a two-tier system.

Executive Board

The Executive Board of Transilvania Investments Alliance S.A. provides the actual management of the Company.

In accordance with the Articles of Incorporation, the Executive Board is appointed by the Supervisory Board and is composed of three members, an executive president and two executive vice-presidents.

The mandate of the Executive Board members is granted for a 4-year period that can be extended for additional 4-year periods.

The members of the Executive Board carry out their activity based on the mandate contract (signed on behalf of the Company by the president of the Supervisory Board), the Organisation and Operation Regulation of the Executive Board and the Company's Articles of Incorporation.

At 31.12.2021 the Company's Executive Board was composed by Mr Radu-Claudiu Roșca - Executive President and Mrs Stela Corpacian-Executive Vice-President.

The current mandate of the Executive Board members expires on 20.04.2024.

2. Remuneration of the Company's management

The remuneration of the Supervisory Board members and Executive Board members is carried out in accordance with the company's Articles of Incorporation, the Remuneration policy, approved by the Ordinary General Meeting of Shareholders of 28.04.2021 and revised by the Ordinary General Meeting of Shareholders of 28.04.2022, and the share buy-back programmes for the implementation of the annual Stock Option Plans (SOP), approved by the general meeting of shareholders.

The remuneration policy was drafted in compliance with the provisions of Law no. 74/2015 *on alternative investment fund managers*, the ESMA Guide 232/2013 and Law no. 24/2017 *on issuers of financial instruments and market operations*. The remuneration policy is available on the Company's website, along with the result of the shareholders' vote.

The variable component of the remuneration is determined by reference to the financial and non-financial performance indicators. The remuneration and benefits granted to the members of the Supervisory Board and the Executive Board, according to the provisions of the management/mandate contract, will be presented in the audited annual financial statements, in the Annual Report of the Remuneration Committee and in the Report of the Supervisory Board/Executive Board.

According to the Remuneration policy, the total annual remuneration consists in a fixed component and a variable component. There is an adequate balance between the fixed and variable component of the total remuneration. The fixed component accounts for a sufficiently high percentage out of the total remuneration, which provides the Company with full flexibility as concerns the policy of granting the variable component. The variable remuneration represents an occasional component of the total annual remuneration that can exclusively reward the performance of the company's staff.

2.1. Fixed remuneration

It is the fixed component of the remuneration, not conditioned by the fulfilment of certain performance criteria, whose main element consists of the salaries or indemnities granted in accordance with the management/mandate contract.

The Company intends to provide a competitive basic remuneration, aligned to the market practices, considering the focus on the variable component of the remuneration.

The level of the fixed (basic) remuneration is determined by considering the relevant professional experience and the responsibilities within the company (level of undertaken risk and decision, liability, authority and control) for each position within the organisational structure of the Company.

For each position within the company's organisational structure, roles and responsibilities are clearly defined together with a set of skills and competencies necessary to hold the concerned position.

The level of fixed remuneration of the Supervisory Board members and the Executive Board members for the year 2023 was the following:

- The monthly remuneration of the Supervisory Board members was approved by the Ordinary General Meeting of Shareholders dated 28.04.2022 as follows: 3.5 company-average gross salaries for each member of the Board, 4 company-average gross salaries for the deputy chairman and 5 company-average gross salaries for the chairman.
- The limits of the monthly remuneration of the Executive Board members, according to the remuneration policy, are as follows: between 7 and 9 company-average gross salaries for the president, between 4 and 6 company-average gross salaries for the executive vice-presidents. The actual level of remuneration is established by the mandate contracts.

2.2. Variable remuneration

Variable remuneration is an additional payment or indemnity paid by the Company by considering performance criteria, being intended to recognize the performance of the identified staff within a certain period, and it is a differential element of the remuneration package.

The variable remuneration is granted by complying with the following general limitation: the total variable remuneration shall not exceed 1.2% of the average total asset value afferent to the year for which the variable remuneration is established, value calculated and reported in accordance with the legal provisions in force.

The members of the Supervisory Board and the Executive Board have the right to receive variable remuneration in the form of shares issued by the Company, within Stock Option Plan (S.O.P.) programs approved by the shareholders on annual basis, by complying with the legal provisions in force on variable remuneration applicable to A.I.F.M.

The eligibility conditions for the annual payment of the variable remuneration consider:

- Individual performance, regarding both annual objectives (KPI) and Company performance
- Operational (non-financial) performance
- General achievements in the field of social responsibility.

The measurement of the risk-aligned performance is carried out in an adequate framework to guarantee that the assessment process is based on performance and that the actual payment of the variable remuneration components which depend on performance is carried out for a period which considers the Company's policies and their attached risks.

3. Contribution to the long-term performance of the Company

The performance is assessed within a multi-annual framework to ensure that the assessment process is based on long-term performance results. The outcomes of the assessment process are the basis of the motivational policies, which include granting a variable remuneration. The remuneration granted according to the Remuneration Policy actively contributes to the long-term performance of the company, falling within the multi-annual performance indicator provided in Chap. IV of the Fund Strategy and the Investment Policy Statement.

Regarding the multi-annual framework, the Company's Investment Policy Statement establishes an investment horizon between 2020 – 2024. Thus, during the mentioned investment horizon, Transilvania Investments aims to align its activity with the following performance indicator (K.P.I.): *Increase in the Net Asset Value by at least 30%, increase calculated before any distribution of dividends and/or other forms of shareholder remuneration*¹.

The total variable remuneration is calculated so that it is in direct connection to both the individual performance level that is reached and:

- The performance of the operational department which the staff member is part of (as the case may be);
- The global performance of the Company, also existing the possibility of non-payment of the variable component, in case of an unsatisfactory performance.

The total remuneration granted complies with the provisions of the Remuneration Policy, respectively the variable remuneration related to the year 2022 is granted in the form of shares issued by the Company and will be paid as follows:

- 60% of the variable remuneration is the initial component and the 40% of the variable remuneration is subject to the deferral period;
- The deferral period is of three years;
- The 40% component, subject to the deferral period, is proportionally granted at the end of each of the three years $n+1$, $n+2$ and $n+3$, where "n" is the year for which the performance is assessed in order to establish the variable remuneration, according to Annex no. 1, as follows:
 - 13.4% of the deferred variable share shall be paid in $n+1$;
 - 13.4% of the deferred variable share shall be paid in $n+2$;
 - 13.3% of the deferred variable share shall be paid in $n+3$;
 - "n" is the accrual period (the year for which the variable remuneration is granted).

4. Performance criteria

In the process of assessing the individual performance, both *quantitative (financial) criteria* and *qualitative (non-financial) criteria* are considered.

QUANTITATIVE CRITERIA - are financial indicators used to establish the variable remuneration of an identified staff member. Quantitative criteria cover a period which is long enough to properly reflect the risk of the staff member's actions.

QUALITATIVE CRITERIA - cover a period which is long enough to properly reflect the risk of the staff member's actions, and they differ from the quantitative criteria. The qualitative criteria for each category of identified staff are described in the remuneration policy.

¹ 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.

Qualitative criteria for the Supervisory Board members are represented by the fulfilment of the following goals:

- a) Carrying out of the strategic management of the Company;
- b) Implementation of an efficient corporate governance system and enforcement of the corporate governance principles;
- c) Achievement degree of the general assessment goals at the level of the Company;
- d) Fulfilment of the goals represented by the implementation of the risk management policies and strategies and classification of the Company within the risk profile and limits;
- e) Compliance with ethical and professional standards in order to ensure a professional and responsible behaviour so that to prevent the occurrence of conflicts of interests and to manage such conflicts;
- f) Fulfilment of the goals represented by the supervision and control of the compliance with the legal provisions and internal procedures of the company for the purpose of preventing the occurrence of legal and internal non-compliance situations.
- g) Improvement of the governance score independently established for the entity by Romanian Investor Relations Association (ARIR).

Qualitative criteria for the Executive Board members are represented by the fulfilment of the following goals:

- a) Implementation of the investment strategy and policies of the Company;
- b) Implementation of the systems for the management and proper performance of activities of the Company;
- c) Implementation of an efficient corporate governance system and enforcement of the corporate governance principles;
- d) Fulfilment of the goals represented by the implementation of the risk management policies and strategies and classification of the Company within the risk profile and limits;
- e) Compliance with ethical and professional standards in order to ensure a professional and responsible behaviour so that to prevent the occurrence of conflicts of interests and to manage such conflicts;
- f) Fulfilment of the goals represented by the supervision and control of the compliance with the legal provisions and internal procedures of the company for the purpose of preventing the occurrence of legal and internal non-compliance situations.

The variable remuneration of the staff members holding control functions depends on the achievement of the goals related to their positions, without any direct correlation with the performance of the departments which they monitor and control.

The qualitative criteria for the Compliance officer are represented by the achievement of the goals represented by the supervision and control of the compliance by Transilvania Investment Alliance and its staff with the legal provisions in force and the internal procedures of the Company for the purpose of preventing the occurrence of legal and internal non-compliance situations.

The qualitative criteria for the Risk manager are represented by the achievement of the specific goals, namely the implementation of the risk management policies and strategies and the efficient risk management procedures, models, processes and measures in order to identify, measure, manage and permanently monitor all the relevant risks which Transilvania Investments Alliance is or can be exposed to.

The qualitative and quantitative criteria underlying the setting of the variable component for the identified personnel (staff in charge of the enforcement of the policies and procedures regarding the asset valuation, staff appointed to prevent and fight money laundry and terrorism financing and staff undertaking responsibilities with significant impact on the Company's risk profile, namely staff from business development, analysis, trading, portfolio management, financial, information technology, administrative, president office, corporate governance and legal departments) are established through the internal procedures of the Company.

Through the *Incentive and Reward Plan of the identified personnel by granting free shares ("Stock Option Plan") for the year 2022*, the Company sought the stimulation, retention and rewarding of the Company's identified key personnel.

Rewarding by shares is a good international practice and an effective tool for making the staff responsible and co-interested in the achievement of long-term business objectives and it is intended to reward the beneficiaries' contribution to the development of the Company in the financial year 2022 and to stimulate their retention in the Company, so that they continue to contribute to the Company's development and the achievement of its business objectives, generating added value.

The Plan represents the implementation of the Company's Remuneration Policy and the Resolution of the Extraordinary General Meeting of Shareholders of 28.04.2022, by which the shareholders approved the running of a buy-back programme of the Company's own shares, in order to be distributed free of charge to the Supervisory Board members, the Executive Board members and the identified personnel, within a Stock Option Plan program, in accordance with the Company's remuneration policy.

In accordance with the *Incentive and Reward Plan of the identified personnel by granting free shares ("Stock Option Plan") for the year 2022*, vesting is conditional on the cumulative fulfilment of certain criteria. Following the assessment of the fulfilment of the performance indicators for the year 2022 by the identified personnel, the shares granted as part of the Plan for the year 2022 were allotted free of charge. In this respect, the Company published on 20.06.2023 the *Information document regarding the free allotment of shares to the identified personnel of Transilvania Investments Alliance S.A.*, based on which the initial component of 60% of the variable remuneration was transferred to the beneficiaries. The 40% difference was transferred to a fiduciary-lawyer and will be released in the period 2024-2026.

During 2023, the Company also paid the 16.7% cash deferred share of the variable remuneration related to the year 2021 and allotted free shares, granted under the Stock Option Plan for the year 2021, namely the 16.7% deferred share.

5. Remuneration of the Supervisory Board members

The remuneration structure of the Supervisory Board members for 2023 was the following:

| Name | Total gross remuneration (RON) | Gross fixed remuneration (RON) | Variable remuneration in cash (RON) | Weight of fixed remuneration (%) | Weight of variable remuneration in cash (%) | Number of shares granted in 2023 | Remuneration received from subsidiaries |
|----------------------|--------------------------------|--------------------------------|-------------------------------------|----------------------------------|---|----------------------------------|---|
| ABRUDAN PATRIȚIU | 1,106,254 | 1,082,716 | 23,538 | 97.87% | 2.13% | 1,338,460 | 28,206 |
| NICOARA MARIUS PETRE | 916,304 | 892,766 | 23,538 | 97.43% | 2.57% | 1,338,460 | - |
| FRĂȚILĂ CONSTANTIN | 831,430 | 797,796 | 33,634 | 95.95% | 4.05% | 1,397,846 | - |
| PRODAN PAUL GEORGE | 1,116,514 | 1,081,750 | 34,764 | 96.89% | 3.11% | 1,404,494 | - |
| MOMANU RADU | 1,072,911 | 1,043,760 | 29,151 | 97.28% | 2.72% | 1,371,479 | - |

6. Remuneration of the Executive Board members

The remuneration structure of the Executive Board members for 2023 was the following:

| Name | Total gross remuneration (RON) | Gross fixed remuneration (RON) | Variable remuneration in cash (RON) | Weight of fixed remuneration (%) | Weight of variable remuneration in cash (%) | Number of shares granted in 2023 | Remuneration received from subsidiaries |
|--------------------|--------------------------------|--------------------------------|-------------------------------------|----------------------------------|---|----------------------------------|---|
| ROȘCA RADU-CLAUDIU | 1,438,141 | 1,367,640 | 70,501 | 95.10% | 4.90% | 1,614,715 | 139,137 |

| | | | | | | | |
|--------------------|---------|---------|-------|--------|-------|---------|---|
| CORPACIAN STELA | 911,760 | 911,760 | - | 100% | - | 540,000 | - |
| BUFTEA THEO-DORIAN | 995,758 | 987,740 | 8,018 | 99.19% | 0.81% | 947,166 | - |

Other costs incurred by the Company in 2023 in relation to the members of the Supervisory Board and Executive Board are professional insurance costs, worth RON 106,591.

7. Company performance and changes in remuneration over the last 5 years

| | FY 2023 compared to FY 2022 | FY 2022 compared to FY 2021 | FY 2021 compared to FY 2020 | FY 2020 compared to FY 2019 | FY 2019 compared to FY 2018 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Company performance | | | | | |
| Annual net profit (RON) | 237,041,707 | 63,721,738 | 96,611,495 | 34,541,912 | 181,797,277 |
| Variation (%) | +271.99% | -65.96% | +179.69 | -80.99% | +173.20% |
| NAV per share (RON) | 0.8019 | 0.6310 | 0.6413 | 0.5412 | 0.5818 |
| Variation (%) | +27.08% | -1.61% | +18.49% | -6.97% | +28.92% |
| Net gain from transactions reflected in retained earnings (RON) | 10,685,719 | 32,452,453 | 76,741,170 | 11,783,629 | 1,088,240 |
| Variation (%) | -67% | -42% | 551% | 983% | -88% |

| Changes in the remuneration of the Supervisory Board members and Executive Board members | | | | | |
|---|----------|----------|---------|---------|---------|
| Supervisory Board | | | | | |
| ABRUDAN PATRIȚIU | +72.19% | +123.01% | N/A | N/A | N/A |
| NICOARA MARIUS PETRE | +41.98% | +123.01% | N/A | N/A | N/A |
| FRĂȚILĂ CONSTANTIN | +26.88% | +56.08% | +28.35% | +11.82% | +31.94% |
| PRODAN PAUL GEORGE | +19.00% | +118.30% | N/A | N/A | N/A |
| MOMANU RADU | +42.06% | +110.41% | N/A | N/A | N/A |
| Executive Board | | | | | |
| ROȘCA RADU-CLAUDIU | +11.17% | +45.7% | +28.35% | N/A | N/A |
| CORPACIAN STELA | +264.71% | N/A | N/A | N/A | N/A |
| BUFTEA THEO-DORIAN | +20.43% | 754.11% | N/A | N/A | N/A |
| Full-time employee average remuneration | | | | | |
| Employees (labour contracts) – average remuneration | 200,559 | 182,355 | 132,650 | 122,258 | 181,080 |
| Variation (%) | 9.98% | 37.47% | +8.50% | -32.48% | +57.97% |
| Employee average number | 37 | 39 | 36 | 40 | 43 |

The changes in the remuneration of the Supervisory Board members and Executive Board members have been influenced by the changes in the company's average salary, based on which the remuneration is established, and the periods in which the members exercised their mandates.

N/A is mentioned for the cases in which the concerned person was not a member of the Supervisory Board or of the Executive Board in the respective year, or for the cases in which the concerned person was elected in the respective year, the comparison with the previous year not being applicable.

The annual gross remuneration granted during the last 5 years is presented below:

Supervisory Board

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Total remuneration | | | | | |
| Total amount granted (RON) | 5,043,413 | 3,963,195 | 2,224,542 | 3,068,210 | 5,274,646 |
| Variation | +27.26% | +78.15% | -27.50% | -41.83% | +79.75% |

Executive Board

| Total remuneration | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Total amount granted (RON) | 3,345,659 | 2,535,528 | 4,430,197 | 2,382,981 | 5,287,147 |
| Variation | +31.95% | -42.77% | +85.90% | -54.93% | +94.24% |

8. Information regarding the enforcement of clawback, deviations and derogations

In 2023, there were no situations regarding the use of the possibility to recover the variable remuneration, there were no deviations or derogations from the Remuneration Policy.

Executive President
Radu - Claudiu ROȘCA

Executive Vice-President
Mihai Buliga

Executive Vice-President
Stela CORPACIAN

Annex on disputes

The litigations in which Transilvania Investments Alliance was involved during the year 2023 and which have as subject-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 Decision no. 648/08.05.2019 | Financial Supervisory Authority (F.S.A.) | The judgment of the case is suspended until the settlement of the invoked exception of unconstitutionality |
| 2. | Defendant | Claims following the annulment of the F.S.A. Decision no.1095/2018 | Frățilă Constantin | The judgment of the case is suspended until the settlement of the action with the same subject-matter, but in opposition to the F.S.A., which is on appeal at the High Court of Cassation and Justice |
| 3. | Defendant | Claims for allowances due at the expiration of the mandate without extension | Ștefan Szitas | Settled on the merits of the case by partially allowing the action |
| 4. | Auxiliary intervening party | Annulment of the F.S.A. Decision no. 101/03.02.2023 | Financial Supervisory Authority (F.S.A.) | Settled on the merits of the case by partially allowing the action |
| 5. | Auxiliary intervening party | Annulment of the F.S.A. Decision no. 102/03.02.2023 | Financial Supervisory Authority (F.S.A.) | Settled on the merits of the case by partially allowing the action |
| 6. | Plaintiff | Appeal against the F.S.A. Decision no. 1060/09.10.2023 | Financial Supervisory Authority (F.S.A.) | Litigation pending on the merits of the case |

Settled litigations

| No. | Transilvania Investments' capacity | Subject matter | Opposing party | Court decision |
|-----|------------------------------------|--|--|---|
| 1. | Plaintiff | Claims following F.S.A. decisions issued during of the unannounced inspection | Financial Supervisory Authority (F.S.A.) | The Court dismissed the action. Decision not challenged. |
| 2. | Plaintiff | Annulment of the Supervisory Board Resolutions no.1 of 14.05.2020 and no.1 of 18.05.2020 | Frățilă Constantin; Andănuț Crinel-Valer; Moldovan Marius-Adrian; Petria Nicolae | The Court found that the request for summons was outdated |
| 3. | Defendant | Annulment of the Supervisory Board resolutions of 30.03.2020 | Szabo Ștefan; Carapiti Dumitru; Luțac Gheorghe | The Court dismissed the action. Decision not challenged. |
| 4. | Auxiliary intervening party | Annulment of the Supervisory Board Resolution no. 1 of 04.04.2020 | Frățilă Constantin; Andănuț Crinel-Valer; Moldovan Marius-Adrian; Petria Nicolae | The Court found that the request for summons was outdated |



Transilvania Investments

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

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

| STATEMENT | | | |
|--|--|-------------------------|-------------------|
| OF ASSETS AND LIABILITIES OF TRANSILVANIA INVESTMENTS ALLIANCE | | | |
| as of 31.12.2023 - recalculated | | | |
| | | RON | % of total assets |
| 1 | Intangible Assets | 124,563.86 | 0.01 |
| 2 | Tangible Assets | 20,018,840.48 | 1.10 |
| 3 | Investment Property | 0.00 | 0.00 |
| 4 | Biological Assets | 0.00 | 0.00 |
| 5 | Right-Of-Use Assets Under Leases | 902,902.18 | 0.05 |
| 6 | Financial Assets, out of which: | 1,832,959,662.29 | 100.49 |
| 6.1 | Financial Assets at Amortized Cost, out of which: | 2,955,487.72 | 0.16 |
| 6.1.1 | Accounts Receivable from Share Sales to be settled during the next month | 2,626,870.02 | 0.14 |
| 6.2 | Financial Assets at Fair Value through Profit or Loss | 954,929,580.32 | 52.35 |
| 6.2.1 | Shares | 879,115,257.96 | 48.20 |
| 6.2.1.1 | Listed Shares | 716,485,214.40 | 39.28 |
| 6.2.1.1.1 | Shares Listed on Romanian Markets | 716,485,214.40 | 39.28 |
| 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 | 162,630,043.56 | 8.92 |
| 6.2.1.3.1 | Domestic Unlisted Shares | 162,630,043.56 | 8.92 |
| 6.2.1.3.2 | Foreign Unlisted Shares | 0.00 | 0.00 |
| 6.2.2 | UCITS and/or AIF Equity Securities | 23,466,801.72 | 1.29 |
| 6.2.2.1 | Listed Shares | 3,085,700.00 | 0.17 |
| 6.2.2.2 | Listed Fund Units | 654,635.03 | 0.04 |
| 6.2.2.2.1 | Fund Units Listed on Romanian Markets | 654,635.03 | 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 | 19,726,466.69 | 1.08 |
| 6.2.3 | Bonds | 52,347,520.64 | 2.87 |
| 6.2.3.1 | Municipal Bonds | 0.00 | 0.00 |

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CUI/CIF: RO 3047687
R.C. J08/3306/1992

Autorizată A.F.I.A.:
Autorizaţie ASF nr. 40/15.02.2018

Autorizată F.I.A.I.R.:
Autorizaţie ASF nr. 150/09.07.2021

Cod LEI (Legal Entity Identifier):
254900E2IL36VM93H128

Capital social:
216 244 379,70 lei

Nr. Registru ASF:
PJR071AFIAA/080005

Nr. Registru ASF:
PJR09FIAIR/080006

IBAN B.C.R. Braşov:
RO08 RNCB 0053 0085 8144 0001

Societate administrată în sistem dualist



Transilvania Investments

| | | | |
|--------------|---|-------------------------|---------------|
| 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 | 52,347,520.64 | 2.87 |
| 6.3 | Financial Assets at Fair Value Through Other Comprehensive Income | 875,074,594.25 | 47.98 |
| 6.3.1 | Shares | 745,846,164.44 | 40.89 |
| 6.3.1.1 | Listed Shares | 733,193,554.80 | 40.20 |
| 6.3.1.1.1 | Shares Listed on Romanian Markets | 733,193,554.80 | 40.20 |
| 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 | 12,652,609.64 | 0.69 |
| 6.3.2 | UCITS and/or AIF Equity Securities | 128,932,682.35 | 7.07 |
| 6.3.2.1 | Listed Shares | 58,679,913.64 | 3.22 |
| 6.3.2.2 | Unlisted Shares | 0.00 | 0.00 |
| 6.3.2.3 | Equity Holdings | 70,252,768.71 | 3.85 |
| 6.3.3 | Equity interests | 295,747.46 | 0.02 |
| 7 | Cash and Cash Equivalents | 3,273,254.01 | 0.18 |
| 7.1 | Cash and cash equivalents - current accounts | 3,273,254.01 | 0.18 |
| 7.2 | Credit line used | 0.00 | 0.00 |
| 8 | Bank Deposits | 56,929,248.77 | 3.12 |
| 9 | Other Assets | -90,568,813.83 | -4.97 |
| 9.1 | Dividends or Other Accounts Receivable | 0.00 | 0.00 |
| 9.2 | Newly issued securities out of which: | 0.00 | 0.00 |
| 9.2.1 | Government securities | 0.00 | 0.00 |
| 9.3 | Other Assets | -90,568,813.83 | -4.97 |
| 10 | Prepaid Expenses | 361,273.47 | 0.02 |
| 11 | TOTAL ASSETS | 1,824,000,931.23 | 100.00 |
| 12 | TOTAL LIABILITIES, out of which: | 90,302,551.73 | |
| 12.1 | Financial Assets at Amortized Cost | 16,081,158.25 | |
| 12.1.1 | Dividends Payable | 10,366,625.69 | |
| 12.1.2 | Amounts Owed to Credit and Leasing Institutions | 1,009,620.15 | |
| 12.1.3 | Trade Payables | 2,377,975.03 | |
| 12.1.4 | Advance Payments from Customers | 40.00 | |
| 12.1.5 | Accounts Payable to Companies within the Group | 10,015.31 | |
| 12.1.6 | Accounts Payable Related to Participation Interests | 498.00 | |
| 12.1.7 | Accounts Payable for Share Acquisitions to be settled during next month | 2,316,384.07 | |
| 12.2 | Deferred Income Tax Liabilities | 57,027,538.73 | |
| 12.3 | Other Liabilities- total, out of which: | 17,193,854.75 | |
| 12.3.1 | Amounts Subscribed and Not Paid-In to Share Capital Increases and Bond Issues | 0.00 | |
| 12.3.2 | Other Liabilities | 17,193,854.75 | |
| 13 | Provisions for Risks and Taxes | 932,271.00 | |
| 14 | Deferred Income | 0.00 | |



Transilvania Investments

| | | | |
|-----------|--|-------------------------|--|
| 15 | Shareholders' Equity, out of which: | 1,732,766,109.03 | |
| 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 | 295,649,721.97 | |
| 15.3.1 | Changes in the Fair Value of Non-Monetary Financial Assets Measured at Fair Value through Other Comprehensive Income | 292,981,540.97 | |
| 15.4 | Capital-Related Premium | 0.00 | |
| 15.5 | Revaluation Reserves | 15,421,454.27 | |
| 15.6 | Reserves | 815,626,278.57 | |
| 15.7 | Own Shares | -475,748.65 | |
| 15.8 | Retained Earnings | 153,258,316.25 | |
| 15.9 | Profit (Loss) For the Period | 237,041,706.92 | |
| 15.10 | Profit Appropriation | 0.00 | |
| 16 | NET ASSET VALUE | 1,732,766,108.50 | |
| 17 | NUMBER OF SHARES ISSUED AND OUTSTANDING* | 2,160,945,797 | |
| 18 | NET ASSET VALUE PER SHARE (RON/share) | 0.8019 | |
| 19 | Number of Companies in Portfolio - total, out of which: | 72 | |
| 19.1 | Companies Admitted to Trading on an EU Trading Venue | 45 | |
| 19.2 | Companies Admitted to Trading on a Stock Exchange in a Third Country | 0 | |
| 19.3 | Companies Not Admitted to Trading | 27 | |
| 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, Mihai Buliga

Executive Vice-President, Stela Corpacian

Financial Department,
Head of Department, Veres Diana

Portfolio Management Department
Financial Analyst, Popa Cristina Maria

Mihaela-Corina Stoica
Compliance Officer

CERTIFIED BY THE DEPOSITORY COMPANY
BRD-Groupe Societe Generale S.A.
Bucuresti
SECURITIES DIVISION
Director Claudia IONESCU
Verified by _____



| TRANSILVANIA INVESTMENTS ALLIANCE's portfolio assets valued based on valuation methods in accordance with the International Valuation Standards, as at 31.12.2023 | | | | | | | | | | | |
|---|----------|--|--------|--------------------|-------------|---------------|----------------------------------|------------------|---------|--------------------------------------|----------------------------------|
| 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 | 0.1980 | 68,449,510.80 | 1457 / 13.03.2024 | YES * | | 85.740 | 3.753 |
| 2 | 23058338 | CASA ALBA INDEPENDENTA SIBIU | CAIN | 782,468 | 53.1362 | 41,577,376.14 | 1458 / 13.03.2024 | YES * | | 53.350 | 2.279 |
| 3 | 327763 | COCOR SA | COCR | 30,911 | 117.0725 | 3,618,828.05 | 1459 / 13.03.2024 | YES * | | 10.250 | 0.198 |
| 4 | 742395 | DORNA TURISM SA | DOIS | 455,793 | 5.9511 | 2,712,469.72 | 1461 / 13.03.2024 | YES * | | 32.010 | 0.149 |
| 5 | 1118838 | DUPLEX SA | DUPX | 32,772 | 17.5261 | 574,365.35 | 4342 / 30.06.2023 | YES ** | | 26.870 | 0.031 |
| 6 | 803115 | EMAILUL SA | EMAI | 729,551 | 4.8222 | 3,518,040.83 | 1462 / 13.03.2024 | YES * | | 28.930 | 0.193 |
| 7 | 752 | FEPER SA | FEP | 312,123,729 | 0.1676 | 52,311,936.98 | 1463 / 13.03.2024 | YES * | | 85.800 | 2.868 |
| 8 | 2577677 | INDEPENDENTA SA | INTA | 1,530,636 | 11.2213 | 17,175,725.75 | 1297 / 05.03.2024 | YES ** | | 53.300 | 0.942 |
| 9 | 1122928 | MECANICA CODLEA SA | MEOY | 60,156,150 | 0.0959 | 5,768,974.79 | 1465 / 13.03.2024 | YES * | | 81.070 | 0.316 |
| 10 | 1113237 | MECON SA | MECP | 58,966 | 11.6292 | 685,727.41 | 8032 / 27.12.2023 | YES ** | | 12.280 | 0.038 |
| 11 | 2423562 | NEPTUN-OLIMP SA | NEOL | 30,194,757 | 0.1951 | 5,890,997.09 | 1466 / 13.03.2024 | YES * | | 41.180 | 0.323 |
| 12 | 1108834 | ROMRADIATOARE SA BRASOV | RRD | 11,477,141 | 0.7605 | 8,728,365.73 | 1467 / 13.03.2024 | YES * | | 76.510 | 0.479 |
| 13 | 790619 | SEMBRAZ SA | SEBZ | 719,900 | 5.4566 | 3,928,206.34 | 8034 / 27.12.2023 | YES ** | | 90.970 | 0.215 |
| 14 | 14686600 | SERVICE NEPTUN 2002 SA | SECE | 3,610,420 | 0.8847 | 3,194,138.57 | 4344 / 30.06.2023 | YES ** | | 39.620 | 0.175 |
| 15 | 9845734 | TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV | TSLA | 489,989,149 | 0.0568 | 27,831,383.66 | 1471 / 13.03.2024 | YES * | | 95.190 | 1.526 |
| 16 | 1849307 | TRATAMENT BALNEAR BUZIAS SA | BALN | 145,615,772 | 0.0370 | 5,387,783.56 | 1472 / 13.03.2024 | YES * | | 91.870 | 0.295 |
| 17 | 559747 | TURISM COVASNA SA | TUAA | 439,760,355 | 0.0759 | 33,377,810.94 | 1473 / 13.03.2024 | YES * | | 92.940 | 1.830 |
| 18 | 4241753 | TUSNAD SA | TSND | 250,123,400 | 0.0702 | 17,558,662.68 | 1475 / 13.03.2024 | YES * | | 82.880 | 0.963 |



Transilvania Investments

| | | | | | | | | | | | |
|-----------------|----------|--|------|-------------|------------|---------------|-------------------|--------|------------------------|---------|-------|
| 19 | 2410198 | UTILAJ GREU SA | UTGR | 476,226 | 9.9582 | 4,742,353.75 | 1476 / 13.03.2024 | YES * | | 70.390 | 0.260 |
| 20 | 23058320 | VIROLA-INDEPENDENTA SIBIU | VIRO | 74,307 | 87.8481 | 6,527,728.77 | 1477 / 13.03.2024 | YES * | | 53.620 | 0.358 |
| Unlisted | | | | | | | | | | | |
| 21 | 14662474 | APOLLO ESTIVAL 2002 SA | | 2,350,890 | 1.5603 | 3,668,093.67 | 4338 / 30.06.2023 | YES ** | | 39.620 | 0.201 |
| 22 | 405195 | ARCOM S.A. BUCURESTI | | 667 | 14.2729 | 9,520.02 | 4339 / 30.06.2023 | YES ** | | 0.020 | 0.001 |
| 23 | 41850416 | CCP.RO BUCHAREST S.A. | | 142,500 | 6.7692 | 964,611.00 | 4340 / 30.06.2023 | YES ** | Share capital increase | 1.570 | 0.053 |
| 24 | 1559737 | CONTINENTAL HOTELS SA BUCURESTI | | 2,729,171 | 3.4274 | 9,353,960.69 | 1460 / 13.03.2024 | YES * | | 9.300 | 0.513 |
| 25 | 9638020 | DEPOZITARUL CENTRAL SA BUCURESTI | | 10,128,748 | 0.0883 | 894,368.45 | 8028 / 27.12.2023 | YES ** | | 4.000 | 0.049 |
| 26 | 1170151 | FERMIT SA | | 151,468 | 8.2974 | 1,256,790.58 | 8029 / 27.12.2023 | YES ** | | 16.370 | 0.069 |
| 27 | 18846755 | GRUP BIANCA TRANS SA | | 8,983,920 | 0.1863 | 1,673,704.30 | 8030 / 27.12.2023 | YES ** | | 82.720 | 0.092 |
| 28 | 49295370 | HOTELURI RESTAURANTE SUD SA | | 226,942,936 | 0.4157 | 94,340,178.50 | 1424 / 12.03.2024 | YES * | | 90.610 | 5.172 |
| 29 | 8012400 | INTERNATIONAL TRADE&LOGISTIC CENTER SA | | 81,708,428 | 0.1270 | 10,376,970.36 | 1464 / 13.03.2024 | YES * | | 87.300 | 0.569 |
| 30 | 42630141 | KOGNITIVE MANUFACTURING TECH S.R.L. | | 238 | 1,242.6364 | 295,747.46 | 4343 / 30.06.2023 | YES ** | | 2.550 | 0.016 |
| 31 | 49303350 | NOVA TOURISM CONSORTIUM SA | | 8,999 | 9.9858 | 89,862.21 | 8033 / 27.12.2023 | YES ** | | 99.990 | 0.005 |
| 32 | 33782418 | SOCIETATEA DE INVESTITII CERTINVEST IMM S.A. | | 1,125 | 154.0968 | 173,358.90 | 4341 / 30.06.2023 | YES ** | | 15.630 | 0.010 |
| 33 | 2577839 | SOFT APLICATIV SI SERVICII SA | | 51,996 | 32.2323 | 1,675,950.67 | 1468 / 13.03.2024 | YES * | | 30.860 | 0.092 |
| 34 | 14630120 | TOMIS ESTIVAL 2002 SA | | 522,893 | 1.8163 | 949,730.56 | 1299 / 05.03.2024 | YES ** | | 39.620 | 0.052 |
| 35 | 46047311 | TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A. | | 1,270,989 | 6.4939 | 8,253,675.47 | 1469 / 13.03.2024 | YES * | | 100.000 | 0.453 |
| 36 | 7800027 | TRANSILVANIA INVESTMENTS ALLIANCE REAL ESTATE SA | | 153,410 | 118.9540 | 18,248,733.14 | 1470 / 13.03.2024 | YES * | | 99.800 | 1.000 |
| 37 | 32947925 | TRANSILVANIA INVESTMENTS RESTRUCTURING SA | | 149,997 | 7.9692 | 1,195,356.09 | 8035 / 27.12.2023 | YES ** | | 100.000 | 0.066 |
| 38 | 26261034 | TURISM LOTUS FELIX SA | | 484,853,142 | 0.0457 | 22,157,788.59 | 1474 / 13.03.2024 | YES * | | 38.270 | 1.215 |



| | | |
|--------------|-----------------------|---------------|
| TOTAL | 489,138,787.57 | 26.819 |
|--------------|-----------------------|---------------|

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 | 101.90% | 1,765,761,342 |
| Commitment method | 105.27% | 1,824,000,931 |

EXECUTIVE VICE-PRESIDENT
BULIGA MIHAI

EXECUTIVE VICE-PRESIDENT
CORPACIAN STELA

Portfolio Management Department

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

Caption

YES* = Third-party evaluator

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.



Transilvania Investments

DETAILED STATEMENT OF INVESTMENTS AS AT 31.12.2023 - RECALCULATED

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

| STATEMENT OF ASSETS AND LIABILITIES AS AT 31.12.2023 | | | | | | | | | | |
|--|--|--|-------------------|------------|---------------|--|-------------------|------------|---------------|--------------------|
| No. | Item | Beginning of the reporting period (31.12.2022) | | | | End of the reporting period (31.12.2023) | | | | 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 | 105.265 | 100.000 | 72,226,999 | 1,751,773,931 | 397,907,869 |
| 2 | I.1. Securities and money market instruments, out of which: | 81.718 | 77.826 | 5,525,155 | 1,104,339,537 | 85.663 | 81.378 | 0 | 1,484,339,496 | 374,474,804 |
| 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 | 85.663 | 81.378 | 0 | 1,484,339,496 | 379,999,959 |
| 4 | I.1.1.1. - Shares | 81.095 | 77.232 | 0 | 1,101,404,235 | 83.663 | 79.478 | 0 | 1,449,678,769 | 348,274,534 |
| 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 | 2.000 | 1.900 | 0 | 34,660,727 | 31,725,425 |
| 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 | 0.000 | 0.000 | 0 | 0 | -5,525,155 |
| 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 | 0.000 | 0.000 | 0 | 0 | -5,525,155 |
| 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 | 0.000 | 0.000 | 0 | 0 | -9,560,805 |
| 16 | I.2.1 – Government securities | 0.704 | 0.670 | 0 | 9,560,805 | 0.000 | 0.000 | 0 | 0 | -9,560,805 |
| 17 | I.3. Other securities and money market instruments | 5.769 | 5.494 | 0 | 78,354,304 | 10.116 | 9.610 | 0 | 175,282,653 | 96,928,349 |



Transilvania Investments

| | | | | | | | | | | |
|----|---|-------|-------|------------|-------------|--------|--------|------------|-------------|-------------|
| | referred to in art. 83 para. (1) indent a) of G.E.O no. 32/2012, out of which: | | | | | | | | | |
| 18 | I.3.1. - Unlisted shares | 5.769 | 5.494 | 0 | 78,354,304 | 10.116 | 9.610 | 0 | 175,282,653 | 96,928,349 |
| 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 | 3.285 | 3.121 | 0 | 56,929,249 | 12,583,507 |
| 21 | I.4.1. Bank deposits set up with credit institutions in Romania | 3.265 | 3.110 | 0 | 44,345,742 | 3.285 | 3.121 | 0 | 56,929,249 | 12,583,507 |
| 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 |
| 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 | 0.189 | 0.179 | 1,962,913 | 1,310,340 | 445,000 |
| 26 | I.6.1. Cash and cash equivalents - current accounts | 0.208 | 0.198 | 1,961,354 | 866,899 | 0.189 | 0.179 | 1,962,913 | 1,310,340 | 445,000 |
| 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 | 1.021 | 0.970 | 0 | 17,686,793 | 4,054,780 |
| 29 | I.7.1 – Government securities | 1.004 | 0.956 | 0 | 13,632,013 | 1.021 | 0.970 | 0 | 17,686,793 | 4,054,780 |
| 30 | I.8. AIF/UCITS equity securities | 9.988 | 9.512 | 29,983,866 | 105,668,488 | 8.795 | 8.355 | 70,252,769 | 82,146,716 | 16,747,131 |
| 31 | I.8.1. Shares listed on the stock exchange | 6.494 | 6.185 | 0 | 88,198,740 | 3.565 | 3.386 | 0 | 61,765,614 | -26,433,126 |
| 32 | I.8.2. Fund units - Investment Funds | 1.286 | 1.225 | 0 | 17,469,748 | 1.176 | 1.117 | 0 | 20,381,102 | 2,911,354 |
| 33 | I.8.3. -Equity holdings | 2.208 | 2.103 | 29,983,866 | 0 | 4.054 | 3.852 | 70,252,769 | 0 | 40,268,903 |
| 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 | 0.017 | 0.016 | 0 | 295,747 | -142,263 |
| 36 | I.11. Dividends or other receivable rights | 0.000 | 0.000 | 0 | 0 | 0.000 | 0.000 | 0 | 0 | 0 |
| 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 | -3.821 | -3.630 | 11,317 | -66,217,063 | -97,622,634 |
| 39 | II. Total liabilities | 5.002 | 4.763 | 0 | 67,930,131 | 5.265 | 5.002 | 0 | 91,234,823 | 23,304,692 |
| 40 | II.1. Fees due to the A.I.F.M. | 0.000 | 0.000 | 0 | 0 | 0.000 | 0.000 | 0 | 0 | 0 |



Transilvania Investments

| | | | | | | | | | | |
|----|---|---------|--------|------------|---------------|---------|--------|------------|---------------|-------------|
| 41 | II.2. Fees due to the Depositary | 0.002 | 0.002 | 0 | 22,727 | 0.002 | 0.002 | 0 | 28,665 | 5,938 |
| 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 | 0.058 | 0.055 | 0 | 1,009,620 | -2,979,251 |
| 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 | 0.008 | 0.007 | 0 | 131,050 | 25,289 |
| 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 | 5.198 | 4.938 | 0 | 90,065,488 | 26,252,716 |
| 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 | 94.998 | 72,226,999 | 1,660,539,108 | 374,603,177 |



Transilvania Investments

| Net Asset Value per Share | | | |
|--|-----------------------------|--|----------------|
| Item | Current period (31.12.2023) | Corresponding period of the previous year (31.12.2022) | Differences |
| NET ASSET VALUE | 1,732,766,108.50 | 1,358,162,931.79 | 374,603,176.71 |
| NUMBER OF SHARES ISSUED AND OUTSTANDING* | 2,160,945,797 | 2,152,443,797 | 8,502,000 |
| NET ASSET VALUE PER SHARE (RON/share) | 0.8019 | 0.6310 | 0.1709 |

* 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 | Share value | Total value | Weight in the issuer's share capital | Weight in RIAIF's total assets |
|-----|--|--------|------------------------------|--------------------|---------------|-------------|----------------|--------------------------------------|--------------------------------|
| | | | | | RON | RON | RON | % | % |
| 1 | ARO-PALACE SA * | ARO | 27.12.2023 | 345,704,600 | 0.1000 | 0.1980 | 68,449,510.80 | 85.740 | 3.753 |
| 2 | BANCA TRANSILVANIA SA | TLV | 29.12.2023 | 12,550,471 | 10.0000 | 24.2600 | 304,474,426.46 | 1.571 | 16.693 |
| 3 | BIROUL DE TURISM PENTRU TINERET (BTT) SA | BIBU | 16.11.2023 | 576,540 | 2.5000 | 0.0000 | 0.00 | 10.644 | 0.000 |
| 4 | BRD - GROUPE SOCIETE GENERALE S.A. | BRD | 29.12.2023 | 14,017,893 | 1.0000 | 17.9200 | 251,200,642.56 | 2.011 | 13.772 |
| 5 | BURSA DE VALORI BUCURESTI SA | BVB | 29.12.2023 | 618,680 | 10.0000 | 65.6000 | 40,585,408.00 | 7.686 | 2.225 |
| 6 | CASA ALBA INDEPENDENTA SIBIU * | CAIN | 12.12.2023 | 782,468 | 2.5000 | 53.1362 | 41,577,376.14 | 53.348 | 2.279 |
| 7 | COCOR SA * | COCR | 14.12.2023 | 30,911 | 40.0000 | 117.0725 | 3,618,828.05 | 10.246 | 0.198 |
| 8 | COMPA SA SIBIU | CMP | 29.12.2023 | 3,353,936 | 0.1000 | 0.7460 | 2,502,036.26 | 1.533 | 0.137 |
| 9 | CONDMAG BRASOV ** | COMI | 29.12.2023 | 19,000,000 | 0.1000 | 0.0000 | 0.00 | 4.982 | 0.000 |
| 10 | DIGI Communications N.V. | DIGI | 29.12.2023 | 66,080 | 0.0100 | 44.0000 | 2,907,520.00 | 0.010 | 0.159 |
| 11 | DORNA TURISM SA * | DOIS | 29.12.2023 | 455,793 | 2.5000 | 5.9511 | 2,712,469.72 | 32.014 | 0.149 |
| 12 | EMAILUL SA * | EMAI | 20.12.2023 | 729,551 | 2.5000 | 4.8222 | 3,518,040.83 | 28.926 | 0.193 |
| 13 | EVERGENT INVESTMENTS S.A. | EVER | 29.12.2023 | 41,905,295 | 0.1000 | 1.2700 | 53,219,724.65 | 4.357 | 2.918 |
| 14 | FEPER SA * | FEP | 29.12.2023 | 312,123,729 | 0.1000 | 0.1676 | 52,311,936.98 | 85.800 | 2.868 |



Transilvania Investments

| | | | | | | | | | |
|--------------|--|----------|------------|-------------|---------|----------|-------------------------|--------|---------------|
| 15 | FONDUL PROPRIETATEA SA | FP | 29.12.2023 | 13,579,817 | 0.5200 | 0.5230 | 7,102,244.29 | 0.240 | 0.389 |
| 16 | HOLDE AGRI INVEST S.A. | HAI | 29.12.2023 | 3,552,725 | 1.0000 | 0.9960 | 3,538,514.10 | 3.479 | 0.194 |
| 17 | INDEPENDENTA SA * | INTA | 29.12.2023 | 1,530,636 | 2.5000 | 11.2213 | 17,175,725.75 | 53.301 | 0.942 |
| 18 | INFINITY CAPITAL INVESTMENTS S.A. | INFINITY | 29.12.2023 | 759,813 | 0.1000 | 1.9000 | 1,443,644.70 | 0.152 | 0.079 |
| 19 | MECANICA CODLEA SA * | MEOY | 27.12.2023 | 60,156,150 | 0.1000 | 0.0959 | 5,768,974.79 | 81.072 | 0.316 |
| 20 | MED LIFE S.A. | M | 29.12.2023 | 630,183 | 0.2500 | 3.9800 | 2,508,128.34 | 0.119 | 0.138 |
| 21 | NEPTUN-OLIMP SA * | NEOL | 22.12.2023 | 30,194,757 | 0.1000 | 0.1951 | 5,890,997.09 | 41.185 | 0.323 |
| 22 | OMV PETROM SA BUCURESTI | SNP | 29.12.2023 | 212,183,438 | 0.1000 | 0.5745 | 121,899,385.13 | 0.341 | 6.683 |
| 23 | ONE UNITED PROPERTIES | ONE | 29.12.2023 | 2,936,263 | 0.2000 | 0.9880 | 2,901,027.84 | 0.077 | 0.159 |
| 24 | ORGANE DE ASAMBLARE SA ** | ORAS | 15.12.2023 | 12,984,511 | 0.1000 | 0.0000 | 0.00 | 95.697 | 0.000 |
| 25 | PROSPECTIUNI SA BUCURESTI | PRSN | 29.12.2023 | 41,129,011 | 0.1000 | 0.1675 | 6,889,109.34 | 5.728 | 0.378 |
| 26 | PURCARI WINERIES PUBLIC COMPANY Ltd | WINE | 29.12.2023 | 380,000 | 0.0100 | 14.3400 | 5,449,200.00 | 0.947 | 0.299 |
| 27 | ROCA INDUSTRY HOLDINGROCK1 SA | ROC1 | 29.12.2023 | 99,976 | 10.0000 | 9.3000 | 929,776.80 | 0.565 | 0.051 |
| 28 | ROMRADIATOARE SA BRASOV * | RRD | 29.12.2023 | 11,477,141 | 1.6300 | 0.7605 | 8,728,365.73 | 76.514 | 0.479 |
| 29 | S.N. NUCLEARELECTRICA | SNN | 29.12.2023 | 264,643 | 10.0000 | 49.1000 | 12,993,971.30 | 0.088 | 0.712 |
| 30 | S.N.G.N. ROMGAZ S.A. | SNG | 29.12.2023 | 643,495 | 1.0000 | 50.1000 | 32,239,099.50 | 0.167 | 1.767 |
| 31 | S.N.T.G.N. TRANSGAZ SA | TGN | 29.12.2023 | 87,136 | 10.0000 | 18.8600 | 1,643,384.96 | 0.046 | 0.090 |
| 32 | S.P.E.E.H. HIDROELECTRICA SA | H2O | 29.12.2023 | 153,159 | 10.0000 | 128.0000 | 19,604,352.00 | 0.034 | 1.075 |
| 33 | SOCIETATEA ENERGETICA ELECTRICA SA | EL | 29.12.2023 | 453,825 | 10.0000 | 11.4800 | 5,209,911.00 | 0.131 | 0.286 |
| 34 | TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV * | TSLA | 29.12.2023 | 489,989,149 | 0.1000 | 0.0568 | 27,831,383.66 | 95.194 | 1.526 |
| 35 | TURISM COVASNA SA * | TUAA | 29.12.2023 | 439,760,355 | 0.1000 | 0.0759 | 33,377,810.94 | 92.942 | 1.830 |
| 36 | TURISM FELIX SA | TUFE | 29.12.2023 | 456,960,465 | 0.1000 | 0.3000 | 137,088,139.50 | 93.032 | 7.516 |
| 37 | TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA*** | EFO | 29.12.2023 | 453,885,873 | 0.1000 | 0.4000 | 181,554,349.20 | 78.798 | 9.954 |
| 38 | TUSNAD SA * | TSND | 21.12.2023 | 250,123,400 | 0.1000 | 0.0702 | 17,558,662.68 | 82.876 | 0.963 |
| TOTAL | | | | | | | 1,486,404,079.09 | | 81.493 |



Transilvania Investments

* 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

**** At 31.01.2024, the stake held in T.H.R. Marea Neagră S.A. (453,885,873 shares) includes 226,942,936 shares, which were transferred based on the partial asymmetric split-up project of the issuer, approved by the EGMS of December 2023. The effective adjustment of the stake held by Transilvania Investments in T.H.R. Marea Neagră will take place following the completion of the reduction of the share capital of T.H.R. Marea Neagră within its split-up process, after the registration date set by the EGMS of T.H.R. Marea Neagră (11.04.2024).

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 | Share value | Total value | Weight in the issuer's share capital | Weight in RIAIF's total assets |
|--------------|-----------------------------|--------|------------------------------|--------------------|---------------|-------------|----------------------|--------------------------------------|--------------------------------|
| | | | | | RON | RON | RON | % | % |
| 1 | DUPLEX SA | DUPX | 20.07.2023 | 32,772 | 2.5000 | 17.5261 | 574,365.35 | 26.867 | 0.031 |
| 2 | MECON SA | MECP | 03.04.2023 | 58,966 | 11.6000 | 11.6292 | 685,727.41 | 12.284 | 0.038 |
| 3 | SEMBRAZ SA | SEBZ | 11.09.2023 | 719,900 | 2.0000 | 5.4566 | 3,928,206.34 | 90.968 | 0.215 |
| 4 | SERVICE NEPTUN 2002 SA | SECE | 04.09.2023 | 3,610,420 | 0.1000 | 0.8847 | 3,194,138.57 | 39.624 | 0.175 |
| 5 | TRATAMENT BALNEAR BUZIAS SA | BALN | 28.08.2023 | 145,615,772 | 0.1000 | 0.0370 | 5,387,783.56 | 91.871 | 0.295 |
| 6 | UTILAJ GREU SA | UTGR | 12.09.2023 | 476,226 | 2.5000 | 9.9582 | 4,742,353.75 | 70.387 | 0.260 |
| 7 | VIROLA-INDEPENDENTA SIBIU | VIRO | 13.10.2023 | 74,307 | 2.5000 | 87.8481 | 6,527,728.77 | 53.616 | 0.358 |
| TOTAL | | | | | | | 25,040,303.75 | | 1.372 |

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



Transilvania Investments

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 | Daily increase | Accrued interest | Accrued Discount / premium | Market price | Total value | Intermediary Bank | Weight in total bond issue | Weight in RIAIF's total assets |
|--------------|------------------------------|-------------------|------------------|-------------|----------------------|---------------|----------------|------------------|----------------------------|--------------|----------------------|----------------------------|----------------------------|--------------------------------|
| | | | | | | RON | RON | RON | RON | % | RON | | % | % |
| RO1624DBN027 | 29.12.2023 | 200 | 21.07.2022 | 29.04.2023 | 29.04.2024 | 910.486,68 | 88,80 | 21.844,26 | | 99,1060 | 1.012.904,26 | ING BANK | 0,008 | 0,056 |
| RO1624DBN027 | 29.12.2023 | 400 | 22.07.2022 | 29.04.2023 | 29.04.2024 | 1.826.475,81 | 177,60 | 43.688,52 | | 99,1060 | 2.025.808,52 | ING BANK | 0,017 | 0,111 |
| RO1624DBN027 | 29.12.2023 | 280 | 30.01.2023 | 29.04.2023 | 29.04.2024 | 1.344.100,25 | 124,32 | 30.581,96 | | 99,1060 | 1.418.065,97 | BANCA COMERCIALA ROMANA SA | 0,012 | 0,078 |
| RO1624DBN027 | 29.12.2023 | 800 | 14.12.2023 | 29.04.2023 | 29.04.2024 | 3.959.114,33 | 355,19 | 87.377,04 | | 99,1060 | 4.051.617,05 | ING BANK | 0,033 | 0,222 |
| RO1624DBN027 | 29.12.2023 | 900 | 27.12.2023 | 29.04.2023 | 29.04.2024 | 4.457.498,20 | 399,59 | 98.299,17 | | 99,1060 | 4.558.069,18 | ING BANK | 0,037 | 0,250 |
| RODD24CXRK47 | 29.12.2023 | 1.000 | 05.09.2023 | 28.07.2023 | 28.07.2024 | 4.776.172,81 | 498,63 | 77.786,90 | | 96,6000 | 4.907.786,89 | BANCA COMERCIALA ROMANA SA | 0,041 | 0,269 |
| RODD24CXRK47 | 29.12.2023 | 500 | 02.10.2023 | 28.07.2023 | 28.07.2024 | 2.391.668,20 | 249,32 | 38.893,45 | | 96,6000 | 2.453.893,44 | ING BANK | 0,021 | 0,135 |
| RODD24CXRK47 | 29.12.2023 | 500 | 02.10.2023 | 28.07.2023 | 28.07.2024 | 2.391.668,20 | 249,32 | 38.893,45 | | 96,6000 | 2.453.893,44 | BANCA COMERCIALA ROMANA SA | 0,021 | 0,135 |
| RODD24CXRK47 | 29.12.2023 | 1.000 | 19.10.2023 | 28.07.2023 | 28.07.2024 | 4.788.238,27 | 498,63 | 77.786,90 | | 96,6000 | 4.907.786,89 | Citibank | 0,041 | 0,269 |
| RODD24CXRK47 | 29.12.2023 | 800 | 14.12.2023 | 28.07.2023 | 28.07.2024 | 3.859.921,13 | 398,91 | 62.229,52 | | 96,6000 | 3.926.229,51 | BANCA COMERCIALA ROMANA SA | 0,033 | 0,215 |
| RODD24CXRK47 | 29.12.2023 | 600 | 27.12.2023 | 28.07.2023 | 28.07.2024 | 2.896.782,38 | 299,18 | 46.672,14 | | 96,6000 | 2.944.672,13 | BANCA COMERCIALA ROMANA SA | 0,025 | 0,161 |
| TOTAL | | | | | | | | | | | 34.660.727,28 | | | 1,901 |

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



Transilvania Investments

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

| No. | Issuer | Securities' type | Symbol | Unit value | No. of securities traded | Total value | Weight in the issuer's share capital / total bonds of an issuer | Weight in RIAIF's total assets |
|--------------|------------------------------------|------------------|--------|------------|--------------------------|-------------------|---|--------------------------------|
| | | | | RON | | RON | % | % |
| 1 | BANCA TRANSILVANIA SA | Shares | TLV | 23.9923 | 60,604 | 1,454,029.80 | 0.008 | 0.080 |
| 2 | BRD - GROUPE SOCIETE GENERALE S.A. | Shares | BRD | 17.8503 | 60,239 | 1,075,282.88 | 0.009 | 0.059 |
| 3 | HOLDE AGRI INVEST S.A. | Shares | HAI | 0.9940 | 98,143 | 97,557.34 | 0.096 | 0.005 |
| 4 | S.P.E.E.H. HIDROELECTRICA SA | Shares | H2O | 128.5336 | -17,478 | -2,246,510.65 | 0.004 | -0.123 |
| 5 | TRANSILVANIA INVESTMENTS ALLIANCE | Shares | TRANSI | 0.3265 | -214,000 | -69,873.41 | 0.010 | -0.004 |
| TOTAL | | | | | | 310,485.96 | | 0.017 |

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

Not applicable

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



Transilvania Investments

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



Transilvania Investments

VII. Newly issued securities

1. Newly issued shares

Not applicable

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

Not applicable

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 | Share value | Total value | Weight in the issuer's share capital / total bonds of an issuer | Weight in RIAIF's total assets |
|-----|--|--------------------|---------------|-------------|---------------|---|--------------------------------|
| | | | RON | | RON | % | % |
| 1 | APOLLO ESTIVAL 2002 SA | 2,350,890 | 0.1000 | 1.5603 | 3,668,093.67 | 39.624 | 0.201 |
| 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 | 6.7692 | 964,611.00 | 1.572 | 0.053 |
| 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 | 3.4274 | 9,353,960.69 | 9.302 | 0.513 |
| 6 | DEPOZITARUL CENTRAL SA BUCURESTI | 10,128,748 | 0.1000 | 0.0883 | 894,368.45 | 4.005 | 0.049 |
| 7 | FELAM SA | 374,907 | 2.5000 | 0.0000 | 0.00 | 36.223 | 0.000 |
| 8 | FERMIT SA | 151,468 | 2.5000 | 8.2974 | 1,256,790.58 | 16.372 | 0.069 |
| 9 | GRUP BIANCA TRANS SA | 8,983,920 | 0.1000 | 0.1863 | 1,673,704.30 | 82.720 | 0.092 |
| 10 | HOTELURI RESTAURANTE SUD SA *** | 226,942,936 | 0.1000 | 0.4157 | 94,340,178.50 | 90.615 | 5.172 |
| 11 | ICIM SA | 29,748 | 2.5000 | 0.0000 | 0.00 | 3.590 | 0.000 |
| 12 | INTERNATIONAL TRADE&LOGISTIC CENTER SA | 81,708,428 | 0.1000 | 0.1270 | 10,376,970.36 | 87.302 | 0.569 |
| 13 | MECANICA SA | 422,503 | 2.5000 | 0.0000 | 0.00 | 10.892 | 0.000 |



Transilvania Investments

| | | | | | | | |
|--------------|--|-------------|----------|----------|-----------------------|--------|--------------|
| 14 | NOVA TOURISM CONSORTIUM SA *** | 8,999 | 10.0000 | 9.9858 | 89,862.21 | 99.989 | 0.005 |
| 15 | PRAHOVA ESTIVAL 2002 SA | 1,288,584 | 0.1000 | 0.0000 | 0.00 | 39.624 | 0.000 |
| 16 | ROMAGRIBUZ VERGULEASA SA | 280,631 | 2.5000 | 0.0000 | 0.00 | 37.298 | 0.000 |
| 17 | SOCIETATEA DE INVESTITII CERTINVEST IMM S.A. | 1,125 | 200.0000 | 154.0968 | 173,358.90 | 15.625 | 0.010 |
| 18 | SOFT APLICATIV SI SERVICII SA | 51,996 | 2.5000 | 32.2323 | 1,675,950.67 | 30.859 | 0.092 |
| 19 | TOMIS ESTIVAL 2002 SA | 522,893 | 0.1000 | 1.8163 | 949,730.56 | 39.624 | 0.052 |
| 20 | TRANSILVANIA HOTELS & TRAVEL S.A. | 1,123,180 | 2.5000 | 0.0000 | 0.00 | 37.014 | 0.000 |
| 21 | TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A. | 1,270,989 | 10.0000 | 6.4939 | 8,253,675.47 | 99.999 | 0.453 |
| 22 | TRANSILVANIA INVESTMENTS ALLIANCE REAL ESTATE SA | 153,410 | 100.0000 | 118.9540 | 18,248,733.14 | 99.798 | 1.000 |
| 23 | TRANSILVANIA INVESTMENTS RESTRUCTURING SA | 149,997 | 10.0000 | 7.9692 | 1,195,356.09 | 99.998 | 0.066 |
| 24 | TURISM LOTUS FELIX SA | 484,853,142 | 0.1000 | 0.0457 | 22,157,788.59 | 38.268 | 1.215 |
| 25 | VERITAS PANCIU SA | 656,693 | 2.5000 | 0.0000 | 0.00 | 26.333 | 0.000 |
| 26 | VITIVINICOLA BASARABI SA | 342,580 | 2.5000 | 0.0000 | 0.00 | 10.860 | 0.000 |
| TOTAL | | | | | 175,282,653.20 | | 9.612 |



Transilvania Investments

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 | Weight in RIAIF's total assets |
|--|--------------------------|-------------------|--------------------------------|
| | | RON | % |
| BANCA COMERCIALA ROMANA SA Sucursala BRASOV | | | |
| 1 | RO08RNCB0053008581440001 | 499,144.76 | 0.027 |
| Total BANCA COMERCIALA ROMANA SA Sucursala BRASOV | | 499,144.76 | 0.027 |
| BANCA TRANSILVANIA SA | | | |
| 2 | RO67BTRLRONVBSG422456701 | 3,225.42 | 0.000 |
| 3 | RO72BTRLRONDISB000739801 | 581,200.33 | 0.032 |
| 4 | RO74BTRLRONCRT0422456702 | 3,944.33 | 0.000 |
| 5 | RO04BTRLRONCRT0422456701 | 192,177.17 | 0.011 |
| Total BANCA TRANSILVANIA SA | | 780,547.25 | 0.043 |
| BRD - GROUPE SOCIETE GENERALE S.A. | | | |
| 6 | RO12BRDE080SV08838330800 | 589.73 | 0.000 |



Transilvania Investments

| | | | |
|---|--------------------------|---------------------|--------------|
| Total BRD - GROUPE SOCIETE GENERALE S.A. | | 589.73 | 0.000 |
| ING BANK | | | |
| 7 | RO10INGB5011999910727283 | 4,976.08 | 0.000 |
| 8 | RO37INGB5011999910727282 | 16,186.40 | 0.001 |
| 9 | RO27INGB0009008221788911 | 408.05 | 0.000 |
| 10 | RO85INGB0009008122758918 | 694.92 | 0.000 |
| Total ING BANK | | 22,265.45 | 0.001 |
| TRANSILVANIA INVESTMENTS ALLIANCE | | | |
| 11 | Casa | 7,792.87 | 0.000 |
| Total TRANSILVANIA INVESTMENTS ALLIANCE | | 7,792.87 | 0.000 |
| TOTAL | | 1,310,340.06 | 0.072 |



Transilvania Investments

2. Current accounts and cash, in foreign currency

| No. | Bank name | Present value | NBR exchange rate | Present value RON | Weight in RIAIF's total assets |
|---|---|---------------|-------------------|---------------------|--------------------------------|
| | | Currency | | | % |
| Current accounts and cash in EUR | | | | | |
| 1 | BANCA COMERCIALA ROMANA SA - RO78RNCB0053008581440002 | 5,020.03 | 4.9746 | 24,972.64 | 0.001 |
| 2 | BRD - GROUPE SOCIETE GENERALE S.A. - RO90BRDE080SV27929280800 | 297,371.97 | 4.9746 | 1,479,306.60 | 0.081 |
| 3 | ING BANK - RO34INGB0009008122750718 | 52,879.65 | 4.9746 | 263,055.11 | 0.014 |
| Current accounts and cash in GBP | | | | | |
| 1 | BANCA COMERCIALA ROMANA SA - RO29RNCB0053008581442242 | 96.49 | 5.7225 | 552.16 | 0.000 |
| Current accounts and cash in USD | | | | | |
| 1 | BANCA COMERCIALA ROMANA SA - RO67RNCB0053008581440006 | 93.45 | 4.4958 | 420.13 | 0.000 |
| 2 | BRD - GROUPE SOCIETE GENERALE S.A. - RO58BRDE080SV35468760800 | 43,286.47 | 4.4958 | 194,607.31 | 0.011 |
| TOTAL | | | | 1,962,913.95 | 0.108 |

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 | Daily increase | Accrued interest | Total value | Weight in RIAIF's total assets |
|---|----------------------------|-------------|---------------|---------------|----------------|------------------|----------------------|--------------------------------|
| | | | | RON | RON | RON | RON | % |
| BANCA COMERCIALA ROMANA SA | | | | | | | | |
| 1 | BANCA COMERCIALA ROMANA SA | 18.12.2023 | 18.01.2024 | 20,000,000.00 | 3,055.56 | 42,777.78 | 20,042,777.78 | 1.099 |
| 2 | BANCA COMERCIALA ROMANA SA | 18.12.2023 | 08.01.2024 | 7,000,000.00 | 1,069.44 | 14,972.22 | 7,014,972.22 | 0.385 |
| 3 | BANCA COMERCIALA ROMANA SA | 21.12.2023 | 05.01.2024 | 20,000,000.00 | 2,944.44 | 32,388.89 | 20,032,388.89 | 1.098 |
| Total BANCA COMERCIALA ROMANA SA | | | | | | | 47,090,138.89 | 2.582 |
| BANCA TRANSILVANIA SA | | | | | | | | |
| 1 | BANCA TRANSILVANIA SA | 18.12.2023 | 08.01.2024 | 5,000,000.00 | 729.17 | 10,208.33 | 5,010,208.33 | 0.275 |
| Total BANCA TRANSILVANIA SA | | | | | | | 5,010,208.33 | 0.275 |



Transilvania Investments

| BRD - GROUPE SOCIETE GENERALE S.A. | | | | | | | | |
|---|------------------------------------|------------|------------|--------------|--------|----------|----------------------|--------------|
| 1 | BRD - GROUPE SOCIETE GENERALE S.A. | 29.12.2023 | 03.01.2024 | 3,341,500.00 | 464.10 | 1,392.29 | 3,342,892.29 | 0.183 |
| Total BRD - GROUPE SOCIETE GENERALE S.A. | | | | | | | 3,342,892.29 | 0.183 |
| ING BANK | | | | | | | | |
| 1 | ING BANK | 29.12.2023 | 05.01.2024 | 185,000.00 | 26.47 | 79.40 | 185,079.40 | 0.010 |
| 2 | ING BANK | 27.12.2023 | 03.01.2024 | 1,300,000.00 | 185.97 | 929.86 | 1,300,929.86 | 0.071 |
| Total ING BANK | | | | | | | 1,486,009.26 | 0.081 |
| TOTAL | | | | | | | 56,929,248.77 | 3.121 |

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



Transilvania Investments

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 bonds)

| Series | No. of bonds held | Acquisition date | Coupon date | Coupon maturity date | Initial value | Daily increase | Accrued interest | Accrued Discount / premium | Market price | Total value | Intermediary bank | Weight in total bond issue | Weight in RIAIF's total assets |
|--------------|-------------------|------------------|-------------|----------------------|---------------|----------------|------------------|----------------------------|--------------|----------------------|-----------------------------|----------------------------|--------------------------------|
| | | | | | RON | RON | RON | RON | % | RON | | % | % |
| RO52CQA3C829 | 1.000 | 12.05.2023 | 29.09.2023 | 29.09.2024 | 5.394.817,92 | 1.127,05 | 104.815,60 | | 113,1630 | 5.762.965,57 | CITI BANK EUROPE PLC DUBLIN | 0,036 | 0,316 |
| RO7P95F9FNY6 | 600 | 24.10.2022 | 25.10.2023 | 25.10.2024 | 2.184.586,46 | 204,92 | 13.729,50 | | 87,8670 | 2.649.739,51 | BANCA COMERCIALA ROMANA SA | 0,026 | 0,145 |
| RO7P95F9FNY6 | 600 | 18.01.2023 | 25.10.2023 | 25.10.2024 | 2.441.410,65 | 204,92 | 13.729,50 | | 87,8670 | 2.649.739,51 | ING BANK | 0,026 | 0,145 |
| RO7P95F9FNY6 | 600 | 14.02.2023 | 25.10.2023 | 25.10.2024 | 2.445.593,82 | 204,92 | 13.729,50 | | 87,8670 | 2.649.739,51 | CITI BANK EUROPE PLC DUBLIN | 0,026 | 0,145 |
| RO7P95F9FNY6 | 900 | 27.12.2023 | 25.10.2023 | 25.10.2024 | 3.964.359,92 | 307,38 | 20.594,25 | | 87,8670 | 3.974.609,26 | ING BANK | 0,039 | 0,218 |
| TOTAL | | | | | | | | | | 17.686.793,36 | | | 0,969 |

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



Transilvania Investments

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) | Market price | Total value | Weight in UCITS/AIF's total equity securities | Weight in RIAIF's total assets |
|--------------|---|------------------------------|-------------------------------|--------------------------------|--------------|----------------------|---|--------------------------------|
| | | | | RON | RON | RON | % | % |
| 1 | BT MAXIM | | 527,797.325827 | 23.0140 | | 12,146,727.66 | 4.514 | 0.666 |
| 2 | FDI GlobUS BlueChips | | 27,486.870000 | 11.7213 | | 322,181.85 | 10.472 | 0.018 |
| 3 | FDI NAPOCA | | 413,086.580000 | 0.8651 | | 357,361.20 | 1.886 | 0.020 |
| 4 | FIAIP Professional Globinvest | | 100.000000 | 9,469.5252 | | 946,952.52 | 19.969 | 0.052 |
| 5 | FIAIR FONDUL PRIVAT COMERCIAL | | 11,932.550000 | 498.9079 | | 5,953,243.46 | 3.465 | 0.326 |
| 6 | FOND INCHIS DE INVESTITII BET-FI INDEX INVEST * | 14.06.2023 | 782.000000 | 837.1292 | | 654,635.03 | 6.772 | 0.036 |
| Total | | | | | | 20,381,101.72 | | 1.118 |

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) | Market price | NBR exchange rate | Total value | Weight in UCITS/AIF's total equity securities | Weight in RIAIF's total assets |
|---|-------------------------|------|------------------------------|-------------------------------------|--------------------------------|--------------|-------------------|----------------------|---|--------------------------------|
| | | | | | NAVPS currency | Currency | lei | lei | % | % |
| Equity securities denominated in EUR | | | | | | | | | | |
| 1 | CCL CEECAT Fund II SCSp | | | 1,000000 | 14.122.295,0000 | | 4,9746 | 70.252.768,71 | 7,953 | 3,852 |
| Total EUR | | | | | | | | 70.252.768,71 | | 3,852 |
| Total | | | | | | | | 70.252.768,71 | | 3,852 |



Transilvania Investments

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 | Valued amount | Date of last valuation | Weight in RIAIF's total assets |
|--------------|-------------------------------------|-------------------------|------------------|------------|-------------------|------------------------|--------------------------------|
| | | | | RON | RON | | % |
| 1 | KOGNITIVE MANUFACTURING TECH S.R.L. | 238 | 23.02.2022 | 1,242.6364 | 295,747.46 | 30.06.2023 | 0.016 |
| TOTAL | | | | | 295,747.46 | | 0.016 |

XVI. Dividends or other receivable rights

1. Dividends receivable

Not applicable

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)

| Issuer | Share symbol | Ex-dividend date | Number of preemptive rights | Preemptive right's theoretical value | Total value | Weight in R.I.A.I.F.'s total assets |
|-------------------------------|--------------|------------------|-----------------------------|--------------------------------------|-------------|-------------------------------------|
| | | | | RON | RON | % |
| ROCA INDUSTRY HOLDINGROCK1 SA | ROC1 | 12.07.2023 | 99.976 | 0,0000 | 0,00 | 0,000 |
| TOTAL | | | | | 0,00 | 0,000 |



Transilvania Investments

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

| | 31.12.2021 | 31.12.2022 | 31.12.2023 |
|--|------------------|------------------|------------------|
| NET ASSET VALUE | 1,380,162,652.53 | 1,358,162,931.79 | 1,732,766,108.50 |
| NET ASSET VALUE PER SHARE (RON/share) | 0.6413 | 0.6310 | 0.8019 |

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 | 101.90% | 1,765,761,342 |
| Commitment method | 105.27% | 1,824,000,931 |

Executive Vice-President,
BULIGA MIHAI

Executive Vice-President,
CORPACIAN STELA

Financial Department, Head of Department
VERES DIANA

Portfolio Management Department
Financial Analyst,
POPA CRISTINA MARIA

Compliance Officer,
STOICA MIHAELA CORINA

CERTIFIED BY THE DEPOSITORY
COMPANY
BRD-Groupe Societe Generale S.A. Bucuresti
SECURITIES DIVISION
Director Claudia IONESCU
Verified by _____

TRANSILVANIA INVESTMENTS ALLIANCE S.A.

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2023**

Prepared in accordance with 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 – Financial Investments and Instruments Sector, with subsequent amendments (herein after “FSA Rule no. 39/2015”)

TRANSILVANIA INVESTMENTS ALLIANCE S.A.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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Independent Auditor's Report*

(*This represents a non-official English translation of the original audit report issued in Romanian language)

To the shareholders of Transilvania Investments Alliance S.A.

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of **Transilvania Investments Alliance S.A.** ("the Company"), with registered office in 2 Nicolae Iorga Street, Brasov, Romania, registered with the Bucharest Trade Registry under no. J08/3306/1992 and having sole registration code RO3047687, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and in accordance with the Financial Supervisory Authority ("FSA") Norm no. 39/2015 for "approving accounting regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from the Capital Market Sector" as subsequently amended ("FSA Norm 39/2015"), presenting the following:

| | | |
|---------------------------|-----|---------------|
| • Total equity: | RON | 1.824.000.932 |
| • Net profit of the year: | RON | 237.041.707 |

2. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended, in accordance with IFRS and FSA Norm 39/2015.

Basis for Opinion

3. We conducted our audit in accordance with the International Standards on Auditing ("ISA"), the EU Regulation No. 537/2014 of the European Parliament and of the Council of the European Union ("Regulation (EU) 537/2014") and with the Law 162/2017 ("Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and in accordance with all other ethical requirements relevant for the audit of financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the audited period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | Audit procedures performed to address the key audit matter |
|--|---|
| Valuation of financial assets measured at fair value | |
| <p>As disclosed in Notes 13, 14, and 30 to the accompanying financial statements, the Company holds investments in financial assets measured at fair value through the profit or loss amounting to RON 811,804,885 (31 December 2022: RON 646,510,745), and in financial assets measured at fair value through other comprehensive income amounting to RON 875,074,595 (31 December 2022: RON 669,338,157). Cumulatively, these 2 categories of financial assets represent 92% of the total assets of the Company.</p> <p>Investments in financial assets measured at fair value included in Level 3 of the fair value hierarchy are in total amount of RON 579,772,658 and represent, in a significant proportion, shares held by the Company in listed illiquid and unlisted Romanian entities.</p> <p>Determination of fair value of investments in financial assets measured at fair value using Level 3 valuation methods was carried out by independent external valuation specialists appointed by the Company's management, as well as by the Company's authorized internal valuation specialists, based on complex valuation models on the basis of the financial information of the valued entities available on a date prior to 31 December 2023, which involves significant judgments and a high degree of uncertainty regarding the estimates made.</p> | <p>The procedures performed to obtain a reasonable assurance regarding the valuation of these financial assets measured at fair value are as follows:</p> <ul style="list-style-type: none"> • a thorough understanding of the annual valuation process of financial assets measured at fair value; • evaluation of the design and implementation of relevant controls (where applicable); • inspection of relevant supporting documents for a sample of acquisitions and disposals of financial assets; • for listed financial assets (Level 1), verification from independent sources of market values used as at 31 December 2023; • for a representative sample of financial assets not listed or listed on markets with low liquidity (Level 3): <ul style="list-style-type: none"> - analysis of the valuation methodology applied; - analysis of assumptions, estimates and significant unobservable input data used by independent external valuation specialists appointed by the Company's management and by the Company's authorized internal valuation specialists, - validation from independent sources and public information of unobservable input data, where applicable, - involvement of our own valuation specialists in the review and analysis of the fair value reports prepared by the Company's internal and external valuation specialists, |

| Key audit matter | Audit procedures performed to address the key audit matter |
|---|--|
| <p>The Company's management performed an analysis for the period from the date of the valuation reports of these entities until 31 December 2023, in order to identify significant changes in the fair value of financial assets as at 31 December 2023.</p> <p>Due to the significant value of these financial assets measured at fair value in the total assets of the Company, the inherent degree of uncertainty, as well as the complexity of the process of determining the fair value using Level 3 valuation methods and the numerous assumptions used, we consider the valuation of these financial assets to be a key audit matter.</p> | <ul style="list-style-type: none"> - assessment of the analysis performed by the Company after the reference date of the valuation reports, in order to identify potential events or conditions that would have a significant impact on the fair value of the financial assets as at 31 December 2023. • performing analytical and substantive procedures; • obtaining written confirmation letters from the depository and custodian banks of the Company; • analysis of the transactions and estimates recorded by the Company during the audited financial year to adequately reflect the changes in the fair value of the financial assets; • assessment of the appropriate disclosure in the financial statements of significant information regarding financial assets measured at fair value, in accordance with the Company's accounting policies and the specific presentation requirements of IFRS. |

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and FSA Norm 39/2015 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that

an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

9. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. As part of the audit process, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Conformity of the Administrators' Report with the Financial Statements

The Company's Administrators are responsible for the preparation and presentation, in accordance with the requirements of articles 8-13 of the Accounting Regulations approved by FSA Norm 39/2015, of an administrators' report which is free from significant misstatements, and for such internal control as the Management considers necessary to enable the preparation of the administrators' report which shall be free from material inconsistencies, whether due to fraud or error.

The administrators' report (which, in the Company's specific case, is called "Directors' Report") is presented on pages 1 to 77 and is not part of the Company's financial statements.

Our opinion on the accompanying financial statements does not cover the Directors' Report.

In connection with our audit of the financial statements of the Company as at 31 December 2023, we have read the Directors' Report attached to the financial statements and we report the following:

- a) we have not identified in the Directors' Report any information which is not consistent, in all material respects, with the information presented in the accompanying financial statements;
- b) the Directors' Report identified above includes, in all material respects, the information required by articles 8 - 13 of the Accounting Regulations approved by FSA Norm 39/2015;
- c) based on our knowledge and understanding acquired during the audit of the financial statements for the year ended 31 December 2023 regarding the Company and its environment, we have not identified in the Directors' Report any information that would be significantly misstated.

Report on Other Legal and Regulatory Requirements

(a) Requirements regarding the information in the Remuneration Report

In compliance with the requirements of art. 107 (7) of Law 24/2017, as subsequently amended ("Law 24/2017"), we have read the Remuneration Report prepared by the Company for the year ended 31 December 2023 and we confirm that, in our opinion, the above-mentioned Remuneration Report presents, in all material respects, the information requested in art. 107 of the Law 24/2017.

(b) Requirements for Audits of Public Interest Entities

In compliance with Article 10(2) of Regulation (EU) No. 537/2014, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as auditors of the Company by the General Meeting of Shareholders (“GMS”) on 28 April 2021. Our uninterrupted period of engagement is of 2 years, covering the financial years ended from 31 December 2022 to 31 December 2023.

Consistency with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 20 March 2024 in accordance with Article 11 of Regulation (EU) No. 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services, as referred to in Article 5(1) of Regulation (EU) No. 537/2014, were provided by us to the Company during the audited period. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the financial statements.

(c) Report on compliance with the Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standards

We have undertaken a reasonable assurance engagement on the compliance of the financial statements in XHTML format of **Transilvania Investments Alliance S.A.** (“the Company”) for the year ended 31 December 2023 (the “XHTML Statements”), with the European Commission Delegated Regulation (EU) 2018/815, which sets the regulatory technical standards on the specification of a single electronic reporting format (“ESEF RTS”).

The Company’s management responsibility for the XHTML Statements prepared in compliance with the ESEF RTS

The Company’s management is responsible for preparing XHTML Statements that comply with the ESEF RTS. This responsibility includes:

- ensuring consistency between the XHTML Statements and the audited financial statements prepared for filing to the relevant authorities in accordance with FSA Norm 39/2015; and
- the design, implementation and maintenance of internal control relevant to the preparation and presentation of XHTML Statements in accordance with ESEF RTS that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on whether the XHTML Statements comply, in all material respects, with the requirements of ESEF RTS. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) - *Assurance*

Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF RTS. The nature, timing and extent of selected procedures depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF RTS, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's processes and internal controls relevant for preparing the XHTML Statements in accordance with ESEF RTS;
- assessing whether the XHTML financial statements have been prepared in a valid XHTML format;
- reconciling the XHTML Statements with the audited financial statements prepared by the Company in accordance with FSA Norm 39/2015 for filing to the relevant authorities.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the XHTML Statements for the year ended 31 December 2023 comply, in all material respects, with the requirements of ESEF RTS.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our audit opinion relating to the financial statements prepared by the Company for the year ended 31 December 2023 is set out in the section *Report on the audit of the financial statements* above.

Bucharest, 22 March 2024

Razvan Butucaru

Auditor registered in the Public Electronic Register under no. 2680 / 2008

On behalf of Mazars Romania SRL

Audit firm registered in the Public Electronic Register under no. 699 / 2007

4B Ing. George Constantinescu street, 5th floor,
Globalworth Campus, Building B
Bucharest, Romania

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TRANSILVANIA INVESTMENTS ALLIANCE S.A.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are expressed in RON, unless otherwise stated)

| Description | Note | December 31, 2023 | December 31, 2022 |
|--|------|----------------------|----------------------|
| Dividend income | 4 | 98,477,235 | 107,805,920 |
| Bank interest income | | 2,684,194 | 1,259,682 |
| Interest income from government securities measured as financial assets at fair value through profit or loss | | 1,913,399 | 638,889 |
| Net gain/ (loss) on financial assets at fair value through profit or loss | 5 | 153,310,939 | (34,188,741) |
| Operating income | 6 | 25,965,457 | 15,824,187 |
| Total net income | | 282,351,224 | 91,339,938 |
| Total employee benefit expense | 7 | (18,219,434) | (12,157,454) |
| Fees and commissions expense | 8 | (2,489,823) | (2,257,533) |
| Impairment of financial assets | | 1,666,921 | 208,904 |
| Operating expenses | 9 | (12,706,597) | (11,294,501) |
| Finance costs | | (39,273) | (878,469) |
| Net provision losses | | 1,207,201 | (1,809,107) |
| Total expenses | | (30,581,005) | (28,188,160) |
| Profit before tax | | 251,770,219 | 63,151,777 |
| Income tax benefit | 10 | (14,728,512) | 569,961 |
| Profit for the year | | 237,041,707 | 63,721,738 |
| Other comprehensive income/(loss): | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Net gain/(loss) on revaluation of equity investments at fair value through other comprehensive income, net of deferred tax | 24 | 169,769,795 | (88,134,703) |
| Increases/(Decreases) in revaluation reserve of property, plant and equipment, net of deferred tax | 25 | 107,940 | 3,623,423 |
| Other comprehensive income/(loss) for the year | | 169,877,735 | (84,511,281) |
| Total comprehensive income for the year | | 406,919,442 | (20,789,543) |
| Earnings per Share | 11 | 0.1100 | 0.0296 |
| Diluted Earnings per Share | 11 | 0.1100 | 0.0296 |

Authorized and signed at 22 March 2024 by:

President of the Executive Board
Roșca Radu Claudiu

Head of Financial Department
Vereș Diana

TRANSILVANIA INVESTMENTS ALLIANCE S.A
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

| | Note | December 31, 2023 | December 31, 2022 |
|---|------|----------------------|----------------------|
| Cash and cash equivalents | 12 | 60,202,503 | 47,173,996 |
| Financial assets measured at fair value through profit or loss | 13 | 811,804,885 | 646,510,745 |
| Government securities measured at fair value through profit or loss | | 52,347,521 | 31,653,276 |
| Financial assets measured at fair value through other comprehensive income | 14 | 875,074,595 | 669,338,157 |
| Financial assets at amortised cost | 15 | 2,955,488 | 6,719,070 |
| Other assets | 16 | 569,634 | 951,713 |
| Intangible assets | 17 | 124,564 | 82,473 |
| Property, plant and equipment | 17 | 20,018,840 | 18,029,683 |
| Investment property | 18 | - | 2,119,862 |
| Right of use assets under leases | 19 | 902,902 | 3,514,086 |
| Total assets | | 1,824,000,932 | 1,426,093,062 |
| Financial liabilities | 20 | 15,071,538 | 26,908,594 |
| Lease liabilities | 19 | 1,009,620 | 3,988,871 |
| Deferred income tax liabilities | 10 | 57,027,539 | 30,129,459 |
| Current income tax liabilities | 10 | 15,055,236 | 3,650,349 |
| Other liabilities | 21 | 2,435,052 | 1,443,750 |
| Provisions for risks and expenses | | 635,838 | 1,809,107 |
| Total liabilities | | 91,234,823 | 67,930,130 |
| Share capital | 22 | 216,244,380 | 216,244,380 |
| Retained earnings | | 390,300,023 | 206,004,942 |
| Revaluation reserves on financial assets at fair value through other comprehensive income | 23 | 292,981,541 | 133,897,466 |
| Revaluation reserve for property, plant and equipment | 24 | 15,421,454 | 15,602,907 |
| Other reserves | 25 | 815,626,279 | 784,291,364 |
| Equity-based payments to employees and management | 27 | 2,668,181 | 4,908,273 |
| Own shares | 26 | (475,749) | (2,786,400) |
| Total equity | | 1,732,766,109 | 1,358,162,932 |
| Total liabilities and equity | | 1,824,000,932 | 1,426,093,062 |

Authorized and signed at 22 March 2024 by:

President of the Executive Board
Roşca Radu Claudiu

Head of Financial Department
Veruş Diana

TRANSILVANIA INVESTMENTS ALLIANCE S.A
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 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 | Treasury shares | Total |
|--|------|--------------------|---|---|--------------------|--------------------|---|--------------------|----------------------|
| Balance at January 1, 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 for the year | | - | - | - | - | 237,041,707 | - | - | 237,041,707 |
| Other comprehensive income: | | | | | | | | | |
| Loss on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax | 23 | - | - | 169,769,795 | - | - | - | - | 169,769,795 |
| Revaluation on property, plant and equipment, net of deferred tax | 24 | - | 107,940 | - | - | - | - | - | 107,940 |
| Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax | 24 | - | (289,393) | - | - | 289,393 | - | - | - |
| Equity-based payments to employees and management | 27 | - | - | - | - | - | (2,240,092) | - | (2,240,092) |
| Total comprehensive income for 2023 | | 216,244,380 | 15,421,454 | 303,667,261 | 784,291,364 | 443,336,042 | 2,668,181 | (2,786,400) | 1,762,842,282 |
| | | | | | | | A | | |
| Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax | 23 | - | - | (10,685,719) | - | 10,685,719 | - | - | - |
| Allocation of financial instruments under the Stock option Plan | | - | - | - | - | - | - | 5,767,863 | 5,767,863 |
| Transactions with owners in their capacity as owners: | | | | | | | | | |
| Dividends distributed | | - | - | - | - | (30,274,213) | - | - | (30,274,213) |
| Allocation of reserves from previous years' profits | | - | - | - | 31,334,915 | (33,447,525) | - | - | (2,112,610) |
| Treasury shares | | - | - | - | - | - | - | (3,457,212) | (3,457,212) |
| Balance at December 31, 2023 | | 216,244,380 | 15,421,454 | 292,981,541 | 815,626,279 | 390,300,023 | 2,668,181 | (475,749) | 1,732,766,109 |

Authorized and signed at 22 March 2024 by:

President of the Executive Board
Roșca Radu Claudiu

Head of Financial Department
Vereș Diana

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TRANSILVANIA INVESTMENTS ALLIANCE S.A
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 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 | Treasury shares | Total |
|--|------|--------------------|---|---|--------------------|--------------------|---|--------------------|----------------------|
| Balance at January 1, 2022 | | 216,244,380 | 11,979,484 | 254,484,622 | 691,314,508 | 206,411,823 | 4,250,000 | (4,522,164) | 1,380,162,653 |
| Comprehensive income: | | | | | | | | | |
| Profit for the year | | - | - | - | - | 63,721,738 | - | - | 63,721,738 |
| Other comprehensive income: | | | | | | | | | |
| Net gain on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax | 23 | - | - | (88,134,703) | - | - | - | - | (88,134,703) |
| Revaluation on property, plant and equipment, net of deferred tax | 24 | - | 3,653,846 | - | - | - | - | - | 3,653,846 |
| Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax | 24 | - | (30,423) | - | - | 30,423 | - | - | - |
| Equity-based payments to employees and management | 27 | - | - | - | - | - | 658,273 | - | 658,273 |
| Total comprehensive income for 2022 | | 216,244,380 | 15,602,907 | 166,349,919 | 691,314,508 | 270,163,984 | 4,908,273 | (4,522,164) | 1,360,061,807 |
| Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax | 23 | - | - | (32,452,453) | - | 32,452,453 | - | - | - |
| Allocation of financial instruments under the Stock option Plan | | - | - | - | - | - | 4,522,164 | - | 4,522,164 |
| Transactions with owners in their capacity as owners: | | | | | | | | | |
| Legal reserve | | - | - | - | (3,634,639) | - | - | - | (3,634,639) |
| Allocation of reserves from previous years' profits | | - | - | - | 96,611,495 | (96,611,495) | - | - | - |
| Treasury shares | | - | - | - | - | - | - | (2,786,400) | (2,786,400) |
| Balance at December 31, 2022 | | 216,244,380 | 15,602,907 | 133,897,466 | 784,291,364 | 206,044,942 | 4,908,273 | (2,786,400) | 1,358,162,932 |

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President of the Executive Board
Roșca Radu Claudiu

Head of Financial Department
Vereș Diana

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TRANSILVANIA INVESTMENTS ALLIANCE S.A
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities, total out of which: | 36.601.010 | 11.155.871 |
| Receipt from clients | 192,830 | 750,140 |
| Payment towards suppliers and employees | (33,119,041) | (18,444,643) |
| Proceeds from sale of equity investments | 1,291,483 | 169,229,944 |
| Payments for purchasing equity investments | 210,586,820 | (226,392,487) |
| Income tax paid | (228,643,356) | (16,549,026) |
| Interest received | (5,971,887) | 2,267,719 |
| Dividends received (net of withholding tax) | 3,194,694 | 107,805,919 |
| Payments of contributions, tariffs, taxes, owned to the state budget | 98,477,235 | (6,204,218) |
| Other payments from operating activities | (7,410,703) | (987,424) |
| Other payments from investment activities (including trading sales commission) | (1,382,137) | (320,055) |
| Cash flows from investing activities, total out of which: | 468,288 | (1,947,643) |
| Payments for purchase of tangible and intangible assets | (1,073,477) | (2,070,213) |
| Receipts from sale of tangible assets | 1,541,765 | 122,570 |
| Cash flows from financing activities, total out of which: | (24,040,791) | (9,896,719) |
| Dividends paid to shareholders | (19,498,891) | (963,988) |
| Short term loan | - | (437,918) |
| Interest paid | - | (262,007) |
| Payments related to lease contracts | (1,154,423) | (924,230) |
| Payments for own shares repurchased | (3,387,477) | (7,308,577) |
| Net increase of cash and cash equivalents | 13,028,507 | (688,491) |
| 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 year | 60,202,503 | 47,173,996 |

Authorized and signed at 22 March 2024 by:

President of the Executive Board
Roșca Radu Claudiu

Head of Financial Department
Vereș Diana

TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

1. GENERAL INFORMATION

TRANSILVANIA INVESTMENTS ALLIANCE SA (“Transilvania Investments” or the “Company”) is a company established in 1996 in accordance with Law 133/1996 operating in Romania according to Law 31/1990 regarding trading companies and Law 297/2004 regarding capital markets 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).

As of 28.02.2022, the Company changed its name from Societatea de Investiții Financiare Transilvania S.A. to Transilvania Investments Alliance S.A.

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

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

Contact details of the Company are:

Phone: 0268-416171

Fax: 0268-473215

Web page: www.transilvaniainvestments.ro

e-mail: office@transilvaniainvestments.ro

Registration code with the Trade Registry: 3047687

Tax code: RO 3047687

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

The Company is registered with the National Securities Commission (“NSC”) within the FSA through Certificate no. 401/05.02.2020 and the FSA Registry in Section 8 – Alternative Investment Fund Managers, Sub-section – Alternative investment fund Managers authorised by the FSA (A.F.I.A.A.) under no. PJR07¹ A.F.I.A.A./080005. According to the Constitutive Act, the main activity of the Company is “Other financial brokerage” NACE code: 6499.

The Company performs its activity in Romania.

At December 31, 2023 the share capital subscribed and paid-up as registered with the Trade Register is RON 216,244,379.80 (December 31, 2022: RON 216,244,379.80) and is divided into 2,162,443,797 shares (December 31, 2022: 2,162,443,797 shares).

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 financial statements of the Company were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (“IFRS”) and in accordance with Norm no. 39 from 28 December 2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to the authorized entities, regulated and supervised by the Financial Supervisory Authority (“FSA”) – Instruments and financial investments sector (“Rule 39/2015”).

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

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TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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 investment entity has to measure the subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated financial statements, as such the Company no longer consolidates subsidiaries and associates and prepares only separate financial statements. The Company does not have any subsidiary providing services that relate to the investment Company's investment activities. The management of Transilvania Investments assesses annually whether the Company is still an investment entity.

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) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into RON currency at the official exchange rate of the National Bank of Romania ("NBR") at the end of the reporting period. The translation to the official exchange rate at the end of the reporting period is not applied to non-monetary assets and liabilities measured at historical cost.

The exchange rate of major foreign currencies was:

| Currency | December 31, 2023 | December 31, 2022 | Increase / (decrease) (%) |
|-----------------|----------------------|----------------------|---------------------------------|
| Euro (EUR) | 1 : RON 4.9746 | 1 : RON 4.9474 | 0.55 |
| US Dollar (USD) | 1 : RON 4.4958 | 1 : RON 4.6346 | -2.99 |

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

- a) As part of "Net gains /(losses) on unrealised FX differences" in "Other operating expenses" for the registered FX differences from revaluation of cash and cash equivalents in foreign currency;
- b) As part of "Net gains /(losses) on FX differences realised from transactions" recorded in "Other operating income";

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TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (continued)

b) Transaction 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 “Gains less 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 of management 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:

- Note 3.1 – Measurement as investment entity;
- Note 10 – Current income and deferred tax;
- Note 24 – Revaluation reserve for property, plant and equipment;
- Note 30 – Fair values of financial assets and liabilities;
- Note 31 – Risk management;
- Note 33 – Commitments and contingencies.

TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Going concern

The Company closely monitors the development of the economic environment and the effects of the economic measures applied at national and international level. However, the Company's management considers that the monitoring process entails a series of specific difficulties, considering the fact that it still expects an economic environment that can cross periods of high volatility and an increased degree of unpredictability.

In its capacity as investment fund authorized as an A.I.F.M. by the competent authorities, Transilvania Investments developed procedures regarding the carrying out of its activity in crisis conditions. The entire activity of crisis management is done procedurally and proactively in order to reduce the adverse effects that may be generated by such situations.

In this respect, the management of Transilvania Investments, through stress tests (crisis simulations) performed in accordance with the applicable legal framework, regularly tests negative scenarios that could have an impact on the result of the year, on the net asset value and on the company's operations. The most recent crisis simulation was conducted in November 2023 and targeted also exceptional market conditions, identifying market stressors that could impact the portfolio of listed shares, and those events that, although relatively rare, could have a significant impact on the company's operations. Multiple scenarios have been developed for both market risk and liquidity risk, and the results of the crisis simulations are considered appropriate for the construction and execution of revenue and expenditure budgets and investment programs.

The plan of measures generated at the level of the Transilvania Investments portfolio is built and implemented in dynamics, based on the following main coordinates:

- Analysis of both the industries in the portfolio and the holdings, in order to identify, monitor and manage the risk (considering aspects related to the loss of customers, difficulties in sales and supply, restructuring or temporary cessation of activity, impact on human resources and key staff, security measures imposed by the requirement of ensuring the continuity of the activity and of ensuring the liquidities, of the identification of opportunities generated by the current context);
- Monitoring the action plans taken by the decision makers at the level of each holding in the portfolio;
- The increased importance of dividend-generating holdings, which in the context of the accentuated volatility of the market generate attractive investment returns.

In conclusion, Transilvania Investments constantly monitors the evolution of events, identifies the best measures and has the capacity to ensure the continuity of the activity in terms of profitability. All measures are taken to ensure the flow of liquidity that allows compliance with all commitments made to investors and / or business partners.

TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 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.

2.7 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 that have been allowed by IAS 1 "Presentation of financial statements".

TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 New Accounting Pronouncements and interpretations – based on IASB effective date

a) New IFRS Standards and amendments to existing standards, effective for the current reporting period

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union that have entered into force for the period reporting beginning on or after 1 January 2023.

Their adoption did not have a significant impact on the disclosures and the amounts reported in these financial statements.

| Standard | Title |
|-------------------|---|
| IFRS 17 | New IFRS 17 „A” insurance contracts including amendments to IFRS 17 issued by IASB in June 2020 and December 2021 |
| IAS 1 amendments | Presentation of accounting policies |
| IAS 8 amendments | Definition of accounting estimates |
| IAS 12 amendments | Deferred tax on claims and liabilities arising from a single transaction |
| IAS 12 amendments | International tax reform — model rules on pillar II* |

** the exception mentioned in the amendments to IAS 12 (that an entity does not recognise and provide information on deferred tax assets and liabilities related to the second pillar OECD) it is applicable immediately after the issuance of the amendments and retrospectively in accordance with IAS 8. The other presentation requirements are mandatory for the annual periods from or after 1 January 2023.*

- **IFRS 17 “Insurance contracts”** issued by IASB on 18 May 2017. The new standard provides that insurance obligations need to be assessed at a current value of achievement and provides a more uniform valuation and presentation approach for all insurance contracts. These requirements are designed to obtain a consistent accounting of insurance contracts based on principles. IFRS 17 prevails over IFRS 4 „S” insurance contracts and related interpretations when applied. Amendments to IFRS 17 „S” insurance contracts issued by IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years for annual periods beginning on or after 1 January 2023. In addition, the amendments issued on 25 June 2020 introduce simplifications and clarifications to certain requirements of the standard and provide additional facilities for the initial application of IFRS 17.
- **IFRS 17 “Insurance contracts” Amendments - initial application of IFRS 17 and IFRS 9 – Comparative** information issued by IASB on 9 December 2021. It is an amendment with limited scope to the transition requirements of IFRS 17 for entities applying IFRS 17 and IFRS 9 simultaneously for the first time.
- **IAS 8 „Accounting policies, changes in accounting estimates and errors” amendments** - Definition of accounting estimates issued by IASB on 12 February 2021. The amendments focus on accounting estimates and provide guidance on the distinction between accounting policies and accounting estimates.
- **IAS 12 „Income tax” amendments - Deferred tax on claims and liabilities arising from a single transaction** issued by IASB on 6 May 2021. According to the amendments, the exemption from initial recognition does not apply to transactions in which temporary differences both deductible and taxable at initial recognition occur, which lead to the recognition of equal deferred tax assets and liabilities.
- **IAS 12 „Income tax” amendments - International tax reform — Pillar II Model Rules** issued by IASB on 23 May 2023. The amendments introduce a temporary exception to the registration in the accounts of deferred taxes from jurisdictions implementing the rules of global taxation and the disclosure requirements regarding the company’s exposure to the resulting corporate taxes from the reform, in particular before the entry into force of the legislation implementing the rules.
- **IAS 1 „Presentation of financial statements” amendment - Presentation of accounting policies** issued by IASB on 12 February 2021. The amendments require entities to present their significant accounting policies rather than

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TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

important accounting policies and provide guidance and examples to help authors of financial statements decide which accounting policies to present in financial statements.

b) Standards and amendments to the existing IFRS accounting standards adopted by the EU, but not yet effective.

At the time of approval of these financial statements, the Company did not apply the following modified IFRS accounting standards that were issued by IASB and adopted by the EU, but have not yet entered into force:

| Standard | Title | Effective date |
|--------------------|---|------------------|
| IFRS 16 amendments | Leasing liabilities in a sale and leaseback transaction | January 1st 2024 |
| IAS 1 amendments | Classification of liabilities in short-term liabilities and long-term liabilities and long-term liabilities with financial indicators | January 1st 2024 |

- **IFRS 16 “Leasing contracts” amendments - Leases in a sale and leaseback transaction** issued by IASB on 22 September 2022. The amendments to IFRS 16 require the lessee to subsequently assess lease liabilities arising from a leaseback transaction in such a way that it does not recognise any gains or losses related to the right retained use. The new requirements do not prevent the seller-tenant from recognising in the profit and loss account gains or losses from the partial or total termination of a lease.
- **IAS 1 „Presentation of financial statements” amendments - Classification of short-term liabilities and long-term liabilities** issued by IASB on 23 January 2020, and **IAS 1 „Presentation of financial statements” amendments - Long-term liabilities with financial indicators** issued by IASB on 31 October 2022. The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 from existing contractual agreements at the reporting date. The amendments issued in October 2022 clarify how the conditions that an entity is required to comply with within twelve months of the reporting period affect the classification of a liability and set the date entry into force for both amendments to the annual periods from or after 1 January 2024.

c) New accounting IFRS standards and amendments to the existing standards issued, but not yet adopted by the EU

Currently, IFRS as adopted by the EU does not differ significantly from IFRS adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU at the time of authorisation of these financial statements:

| Standard | Title | EU adoption stage |
|-------------------------------|--|--|
| IAS 7 and IFRS 7 amendments | Financing agreements in relation to suppliers (the effective date set by IASB: 1 January 2024) | They have not yet been adopted by the EU |
| IAS 21 amendments | Lack of convertibility (date of entry into force established by the IASB: 1 January 2025) | They have not yet been adopted by the EU |
| IFRS 14 | Postponement accounts for regulated activities (date of entry into force established by: 1 January 2016) | The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard. |
| IFRS 10 and IAS 28 amendments | The sale of or contribution of assets between an investor and its associated entities or joint ventures and subsequent amendments (the date of entry into force has been deferred indefinitely by the IASB, but it is allowed to apply in advance) | The approval process was postponed indefinitely until the completion of the research project on the equity method. |

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TRANSILVANIA INVESTMENTS ALLIANCE S.A
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are expressed in RON, unless otherwise stated)

- **IAS 7 „Statements of cash flows” amendments and IFRS 7 „Financial instruments: Information to provide” – Financing agreements in relation to suppliers** amendments issued by IASB on 25 May 2023. The amendments add requirements on the information to be provided, as well as „indicators” within the existing information requirements to be provided for the provision of qualitative and quantitative information on financing agreements in relation to suppliers.
- **IAS 21 “Effects of currency exchange rate variation” – Lack of convertibility amendments** issued by IASB on 15 August 2023. The amendments contain guidance for entities to mention when a currency is convertible and how to determine the exchange rate when it is not convertible.
- **IFRS 10 „Consolidated financial statements” amendments and IAS 28 „Investments in associated entities and joint ventures”- Sale of or contribution with assets between an investor and associated entities or ventures in its shareholding**, issued by the IASB on 11 September 2014. The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the gains or losses are recognised when assets sold or contributed are an undertaking.
- **IFRS 14 „Postponement accounts related to regulated activities”** issued by IASB on 30 January 2014. This standard is intended to enable entities that first adopt IFRS, and currently recognise deferral accounts for regulated activities under generally accepted prior accounting policies, continue to do so when switching to IFRS.

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

2.9 Subsidiaries and affiliated entities

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

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

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

The Company does not exercise significant influence on a number of companies where it holds from 20% to 50% of the voting rights (Note 13). In this category fall companies where the Company's rights as minority shareholder are protective and the majority shareholder does not participate, or the group of shareholders that hold the majority of the shares in such entity act without considering the Company's opinions.

The investments in subsidiaries and associated entities at December 31, 2023 and December 31, 2022 are presented in Note 13.

2.10 Financial assets and liabilities

(i) *Classification*

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

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

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

The Company's policy requires the Investment Manager and the Management 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, deposits with banks, dividends to be received, bonds, debts to shareholders, amounts owed to service providers and other receivables and payables.

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

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

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

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

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

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

- 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, allowance 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.

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2.10 Financial assets and liabilities (continued)

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 will fully pay its obligations regardless of the exposure value and the number of days for which the exposure is delayed;
- unpaid amounts

c) *Financial assets at fair value through other comprehensive income*

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

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

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

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

The Company believes that the accurate determination of the fair value is an essential requirement for presenting information that is useful to the investors and the Company’s key personnel for proper decision-making purposes.

The estimation of fair value of financial instruments held by 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 portfolio.

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

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets and liabilities (continued)

(i) *Classification (continued)*

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

(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 and are included in the carrying amount of related items in the statement of financial position.

(iii) *Recognition*

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

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

The Company initially recognises bank deposits on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the 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 reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances:

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets and liabilities (continued)

(i) *Classification (continued)*

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

(vi) *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 and are included in the carrying amount of related items in the statement of financial position.

(vii) *Recognition*

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

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

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

(viii) *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.

(ix) *Offsetting*

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

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 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.

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 last revaluation of buildings and land was carried out at 31.12.2022 by REVALTEX SRL (independent valuer – ANEVAR member), resulting in an increase in the revaluation reserve 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 also the activities that lead to a significant increase in the technical parameters which increase the potential of obtaining future economic benefits are capitalised in the value of the tangible assets (increasing the accounting value of that asset).

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Property, plant and equipment (continued)

(iii) Depreciation

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

Depreciation is calculated using the accounting value (acquisition cost or revalued value) using the straight-line depreciation method, on the entire useful life of the asset (starting with the date of the use) 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 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.

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 | Years of depreciation |
|--|------------------------------|
| 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.

2.12 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leasing

(i) Recognition

Starting with the year 2019, the Company applies IFRS Standard 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 contract lease.

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

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

(ii) Valuation

Initially, the right to use the underlying asset is evaluated 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 on the basis of the index or rate from the date of commencement of the course;
- c) residual value amounts;
- d) the exercise price of a purchase option if the lessee is reasonably certain to exercise the option;
- e) payments of penalties for termination of the lease, if the duration of the lease reflects the exercise by the lessee of an option to terminate the lease

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leasing (continued)

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.

2.14 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 asset if:

- it is likely that future economic benefits associated to the asset, will flow to the Company;
- the cost of the asset 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.

2.15 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.

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2.16 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.

2.17 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.

2.18 Provisions

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount.

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

2.19 Contingent liabilities and contingent assets

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

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 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 positions are financial liabilities. Financial liability is extinguished either by paying the amounts owned or when the obligation expires after the 3 years period from the distribution date for collecting the dividends is prescribed in accordance with Romanian law, if the shareholders have not collected the amounts at which they are entitled. As such, financial liability represented by the dividends payable which prescribes after fulfilment of the statutory period of 3 years from the distribution date, is directly reversed in profit or loss and is included in "Other operating income".

2.21 Share capital

Ordinary shares are classified as equity.

2.22 Trade payables and other liabilities

Trade payables are recognised when the counterparty has performed its obligations under the contract (except prepaid expenses) and are carried at amortized cost.

2.23 Employee benefits

Short-term benefits

Short-term employee benefits include wages, 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 rights of a salary nature, the directors/members of the Supervisory Board, the directors with a mandate contract /members of the Executive Board and the employees of the company have the right to receive variable remuneration according to the remuneration policy approved at the level of the Company. The company includes such benefits in short-term benefits.

The Company does not operate any other pension scheme and, consequently, has no 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 by considering performance criteria, 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 total average asset, related to the year for which the variable remuneration is established, calculated and reported according to the legal provisions in force.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (continued)

The eligibility conditions for the annual payment of the variable component of the remuneration consider:

- Individual performance, with regard to both annual objectives (KPI) and the aggregate performance of the Company.
- Operational (non-financial) performance.
- General results concerning social responsibility.

The members of the Supervisory Board, the Executive Board and the staff of the company have the right to receive variable remuneration in the form of shares issued by the Company, within Stock Option Plan (S.O.P.) programs, approved by the shareholders of the company on annual basis, by complying with the valid legal provisions on variable remuneration within 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 an increase in equity (benefits granted to employees and management in the form of equity instruments) for the share granted under SOP programs.

2.24 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 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 December 31, 2023, the tax rate used to calculate the current and deferred tax was 16% (December 31, 2022: 16%).

2.26 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 December 31, 2023 and December 31, 2022, none of the Company's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

2.27 Income recognition

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

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

Revenue is measured at fair value of 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.

2.28 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Interest income and interest expense (continued)

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.

2.29 Dividend income

Dividends on equity instruments are recognised in the income statement in "Dividend income" when the Company's right to receive payment is established.

2.30 Net gains / losses from sale of financial instruments

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

Gains less losses from financial assets at fair value through profit or loss include the changes in fair value of financial instruments as at fair value through profit or loss and the income from sale of these financial instruments.

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

Net gains or losses from disposal of financial assets at fair value through other comprehensive income include the revaluation reserve of financial assets at fair value through other comprehensive income. Income from the sale /assigning of investments held will be recognized at the date when the property right is transferred from seller to buyer, using the account 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 continually 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 from 1 January 2015, and when after consideration of the criteria mentioned in the amendment, the Company's management concluded that the Company qualifies for classification as investment entity. Thus, a company which is an investment company does not need to consolidate any of its subsidiaries.

The management of Transilvania Investments assesses annually whether the Company is still an investment entity. 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;

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

3.1. Investment entity classification (continued)

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

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

(a) Services related to investments

The Company is a joint stock company which operates as a closed financial investment company, providing direct services related to managing investments for its investors, its main business activities are exclusively connected with providing activities specific to the closed-end investment companies.

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

(b) Business purpose

The Company's scope is to carry out business activities specific to its object and to obtain profit to be shared between shareholders and/or own sources to finance necessary and appropriate investments, permitted by the activity object and legal provisions.

The multi-annual strategic guidelines and the investment program approved by the Annual General Meeting of Shareholders are public information presented on the official website of the Company and can be consulted anytime by third parties and/or potential investors in order to support their investment decisions in the Company.

The Company's objective is the investment management of the portfolio and permanent identification of investment opportunities ensuring a reasonable level of investment risk dispersion in order to offer its shareholders the opportunity to obtain attractive performance while increasing capital invested.

(c) Exit strategy

Starting January 1, 2015, the Company applies an exit strategy based on continuous monitoring of investments made through investment programs approved and continuous analysis of current market conditions, aiming to identify of the optimal output moments to achieve the objectives set by the budgets of revenues and annual expenditures, respectively achieving aggregate higher yields.

The Company applies an exit strategy adopted to the specificity of each category of investment, determined based on the strategy applied, the investment timeline and the triggering factors of the exit strategy. The exit strategy is reviewed annually.

(d) Fair value measurement

Starting with January 1, 2015, all financial investments of the Company are measured at fair value. For investments in subsidiaries and associates, including the corporate bonds issued by these which are owned by the Company are classified at fair value through profit or loss. Other investments in shares, bonds and fund units are classified as financial assets at fair value through other comprehensive income and as of January 1, 2018, further to the application of IFRS 9, are classified as financial assets at fair value through other comprehensive income.

The fair value of the financial instruments held by Transilvania Investments is estimated using the internal procedure and related methodology. A company that is an investment entity is not required to consolidate any of its subsidiaries.

The information described above is presented in Note 13.

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4. DIVIDEND INCOME

During 2023 (respectively 2022) the Company has recorded dividend income as it follows:

| Entity | December 31, 2023 | % |
|---|------------------------------|---------------|
| FONDUL PROPRIETATEA SA | 34,180,501 | 34.71 |
| OMV PETROM SA BUCURESTI | 15,247,046 | 15.48 |
| BANCA TRANSILVANIA SA | 12,792,417 | 12.99 |
| TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA | 9,849,823 | 10.00 |
| ARO-PALACE SA | 6,914,092 | 7.02 |
| FEPER SA | 4,307,307 | 4.37 |
| TURISM FELIX SA | 3,975,556 | 4.04 |
| EVERGENT INVESTMENTS S.A. | 3,469,759 | 3.52 |
| TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV | 2,300,299 | 2.34 |
| S.N.G.N. ROMGAZ S.A. | 1,626,531 | 1.65 |
| CASA ALBA INDEPENDENTA SIBIU | 821,591 | 0.83 |
| S.N. NUCLEARELECTRICA | 785,709 | 0.80 |
| BURSA DE VALORI BUCURESTI SA | 735,274 | 0.75 |
| TIA Real Estate (Cristiana) | 697,969 | 0.71 |
| PURCARI WINERIES PUBLIC COMPANY Ltd | 209,000 | 0.21 |
| MECANICA CODLEA SA | 154,485 | 0.16 |
| FOND INCHIS DE INVESTITII BET-FI INDEX INVEST | 93,840 | 0.10 |
| OTHERS | 316,037 | 0,32 |
| Total | 98,477,235 | 100.00 |

| Entity | December 31, 2022 | % |
|---------------------------------|------------------------------|---------------|
| BRD GROUPE SOCIETE GENERALE BUC | 59,996,273 | 55.65 |
| OMV BUCURESTI SA | 14,580,357 | 13.52 |
| BANCA TRANSILVANIA | 11,815,110 | 10.96 |
| ARO PALACE | 3,627,076 | 3.36 |
| SANTIER NAVAL ORSOVA | 3,027,059 | 2.81 |
| EVERGENT INVESTMENTS SA | 2,846,338 | 2.64 |
| FONDUL PROPRIETATEA SA | 2,688,975 | 2.49 |
| CRISTIANA SA | 2,560,413 | 2.38 |
| S.N.G.N. ROMGAZ MEDIAS | 1,929,322 | 1.79 |
| EMAILUL SA SIBIU | 921,540 | 0.85 |
| MECANICA CODLEA SA | 875,332 | 0.81 |
| S.N. NUCLEARELECTRICA | 729,699 | 0.68 |
| BURSA DE VALORI BUCURESTI SA | 621,255 | 0.58 |
| FERMIT SA | 478,639 | 0.44 |
| CONCAS SA BUZAU | 286,243 | 0.27 |
| PURCARI WINERIES PUBLIC COMPANY | 193,800 | 0.18 |
| UTILAJ GREU SA | 173,489 | 0.16 |
| OTHERS | 455,001 | 0.43 |
| Total | 107,805,920 | 100.00 |

Withholding tax related to dividends income for 2023 amounts to RON 6,004,813 (2022: RON 5,041,198).

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

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Net gains / (loss) from the sale of financial assets measured at fair value through profit or loss | (772,184) | 1,483,784 |
| Net gains from the revaluation of financial assets measured at fair value through profit or loss | 154,083,123 | (35,672,525) |
| Total | 153,310,939 | (34,188,741) |

During 2023 there was a generally favourable context generated by the listing of Hidroelectica. During 2023 there were registered positive adjustments of fair values of RON 152.89 million. The most important positive adjustment of the fair value (unrealized profit) was registered at the level of a stake active in the tourism and recreation sector, in the case of the issuer Turism Hoteluri si Restaurante Marea Neagra (RON +89.42 mil).

The most important negative adjustment of the fair value (unrealized loss) was recorded at the level of the issuer of the FEPE S.A. (RON - 3.75 mil). The negative adjustment is fully offset by the dividend collected during 2023. During the financial year 2022, the most important positive adjustment of the fair value (unrealized profit) was recorded in the case of the issuer Turism Hoteluri si Restaurante Marea Neagra (RON +11.74 mil). The most important negative adjustment of the fair value (unrealized loss) was registered in the same sector in the case of the issuer Turism Felix S.A. (RON -28.19 mil).

The net losses and gains made on the sale of the shares valued at fair value through profit or loss were calculated as the difference between the amounts obtained from the sale of the holdings and their fair value at the last date annual financial statements.

The most important profit realized during 2023 was recorded in the right of the sale transaction of the company COMCM S.A. (RON 5.86 mil) - operation carried out in May. During the reporting period there were recorded net losses from the sale of the shareholders' holdings in the total amount of RON 3.97 million. The most important loss was recorded following the capitalization of the stake held at Fondul Proprietatea (a loss fully compensated from the dividends collected during the period).

Also, from the transactions for the sale of government bonds, a gain of RON 4.36 million was obtained. In the similar period of 2022, capitalization operations were carried out based on the exit strategy approved at the level of Transilvania Investments Alliance (the defining principle of any investment entity). The most important profit realized during 2022 was recorded in the right of the sale transaction of Gastronom S.A (RON 6.52 million). In the similar period of 2022, there were recorded net losses from the sale of the shareholders' holdings in the total amount of RON 7.15 million (RON -3.30 million shares Banca Transilvania SA., RON - 2,34 million shares BRD Group Societe Generale S.A.).

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6. OPERATING INCOME

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Income from dividends prescribed (i) | 23,969,342 | 7,948,009 |
| Net gains / losses on realised foreign exchange differences from transactions | 20,796 | 128,847 |
| Other operating income | 1,975,389 | 7,747,331 |
| Total | 25,965,457 | 15,824,187 |

(i) Dividends prescribed are the dividends not collected by the rightful shareholders, for which the term to request payment has expired (3 years).

Income from prescribed dividends for 2023 in amount of RON 23.969.342 represent the dividends approved out of the result for 2019 that were prescribed in October 2023.

7. EXPENSES WITH THE REMUNERATION OF EMPLOYEES

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Salary expense | 16,440,706 | 14,247,561 |
| Expenditure on benefits in the form of equity instruments | 1,415,161 | 1,545,798 |
| 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 | 363,567 | 317,662 |
| Total | 18,219,434 | 12,157,454 |

The total amount of the remunerations for 2023 was RON 15.911.241 of which RON 15.614.808 represents fixed remunerations.

The aggregated amount of remunerations for the following categories of staff for 2023:

| Category | No. of individuals | Fixed remunerations | Variable remunerations |
|---|---------------------------|----------------------------|-------------------------------|
| Management | 10 | 8,957,111 | 226,778 |
| AFIA staff with significant impact on AFIA's risk profile and supervisory staff | 28 | 5,579,438 | 69,656 |

The aggregated amount of remunerations for the following categories of staff for 2022:

| Category | No. of individuals | Fixed remunerations | Variable remunerations |
|---|---------------------------|----------------------------|-------------------------------|
| Management | 8 | 5,580,624 | 668,100 |
| AFIA staff with significant impact on AFIA's risk profile and supervisory staff | 17 | 3,696,351 | 219,425 |

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7. EXPENSES WITH THE REMUNERATION OF EMPLOYEES (continued)

| | December 31, 2023 | December 31, 2022 |
|-------------------------------|------------------------------|------------------------------|
| Higher education employees | 33 | 34 |
| Secondary education employees | 4 | 4 |

In 2023, the Company had an average of 37 employees (2022: 39), with an actual number of 37 employees as at December 31, 2023 (December 31, 2022: 38).

8. FEES AND COMMISSIONS EXPENSE

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Commission for the net asset owed to the Financial Supervisory Authority | 1,403,989 | 1,325,149 |
| Depository commission | 368,914 | 297,099 |
| Transaction costs | 621,348 | 328,339 |
| Financial services costs | 18,499 | 14,325 |
| Other fees and commissions | 77,073 | 292,622 |
| Total | 2,489,823 | 2,257,533 |

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9. OPERATING EXPENSES

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Legal expenses | 140,240 | 344,302 |
| Other tax expenses (i) | 487,173 | 499,724 |
| Depreciation and amortization expenses | 1,846,832 | 1,499,373 |
| Audit expenses (ii) | 504,751 | 624,897 |
| Postal and telecommunication charges | 225,141 | 152,925 |
| Consumable materials expense | 357,741 | 456,113 |
| Insurance premium charges | 195,741 | 169,839 |
| Utilities expense | 251,689 | 291,096 |
| Transport expenses | 227,826 | 240,804 |
| Protocol, donation and sponsorship expenses | 458,650 | 1,569,344 |
| Rent | 112,687 | 152,067 |
| Maintenance and repairs expenses | 1,481,649 | 56,998 |
| Net gains/(losses) from unrealised foreign exchange differences | 53,171 | (46,749) |
| Other expenses (iii) | 6,363,306 | 5,283,766 |
| Total | 12,706,597 | 11,294,501 |

- (i) Other tax expenses line include local taxes for buildings, vehicles, land.
- (ii) The Company's statutory auditor for the years 2022 and 2023 was Mazars Audit SRL. The expenses with the statutory auditor's fee for the audit of the annual statutory financial statements for the year 2023, prepared in accordance with IFRS was RON 305,937 (2022: RON 250,338). The auditors did not provide other assurance services or non-audit services.
- (iii) Other expenses line includes consulting services, IT system maintenance, financial expenses, security, archiving and translation services etc.

10. CURRENT INCOME 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. At December 31, 2023, the Company registered a current income tax liability in amount of RON 15,055,236, while at December 31, 2022, the Company registered a current income tax liability in amount of RON 3,663,340.

Income tax comprises the following:

| | December 31, 2023 | December 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Current corporate income tax expense | (15,155,421) | - |
| Deferred income tax | 426,909 | 569,961 |
| Total | (14,728,512) | 569,961 |

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10. CURRENT INCOME AND DEFERRED TAX (continued)

a) Corporate income tax reconciliation:

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Profit before tax | 252,197,128 | 63,151,777 |
| Tax expense using the statutory rate of 16% (2022: 16%) | (40,351,540) | (10,480,326) |
| Fiscal effect of non-deductible expenses | (30,723,282) | (20,117,683) |
| Other elements similar to income | (153,639) | (6,215,928) |
| Fiscal effect of non-taxable income | 55,621,890 | 30,848,719 |
| Fiscal effect of deductible legal reserve | - | - |
| Sponsorship | 451,150 | 353,759 |
| Income tax for the current year | (15,155,421) | (5,611,459) |
| Income tax to comprehensive income | (2,221,354) | (6,181,420) |
| Current income tax to profit or loss – (Expense)/Benefit | (17,376,775) | 569,961 |
| | December 31, 2023 | December 31, 2022 |
| Income tax liability as at January 1 | (3,650,349) | (14,587,916) |
| Income tax paid in the current year | 5,971,887 | 16,549,026 |
| Income tax payable in the current year | (17,376,775) | (5,611,459) |
| Current income tax liability as at December 31, 2022 | (15,055,236) | (3,650,349) |

b) Deferred taxes analysed by source of temporary difference.

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

| | January 1, 2023 | Credited/ (charged) to other comprehensive income | Credited to profit or loss | December 31, 2023 |
|--|----------------------------|--|---|------------------------------|
| Tax effect of deductible/(taxable) temporary differences | | | | |
| Fair valuation of financial assets measured through other comprehensive income (Note 23) | (29,757,577) | (27,432,929) | - | (57,190,506) |
| Fair valuation of tangible assets (Note 24) | (1,549,544) | 107,940 | - | (1,441,603) |
| Provisions for variable remuneration | 1,177,662 | - | 426,908 | 1,604,571 |
| Net deferred tax liability | (30,129,459) | (27,324,989) | 426,908 | (57,027,539) |

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11. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary paid shares in issue during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares (based on their settlement date), multiplied by a weighting factor based on the number of days in which the shares were in circulation compared to the number of days in the reporting year.

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Profit for the period | 237,041,707 | 63,721,738 |
| Weighted average number of ordinary shares | 2,154,566,387 | 2,150,489,620 |
| Basic and diluted earnings per share | 0.1100 | 0.0296 |

12. CASH AND CASH EQUIVALENTS

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Current accounts at banks, in RON | 1,302,547 | 863,908 |
| Current accounts at banks, in foreign currency | 1,962,914 | 1,961,355 |
| Bank deposits, in RON | 56,929,249 | 44,345,742 |
| Petty cash | 7,793 | 2,991 |
| Total | 60,202,503 | 47,173,996 |

At December 31, 2023 and December 31, 2022 the amounts presented in the financial statements are neither past due, nor impaired.

At December 31, 2023 and 2022, the bank deposits have a contractual maturity below 1 month.

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13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at December 31, 2023 and December 31, 2022, the financial assets at fair value through profit or loss based on the nature of the financial instrument is presented as follows:

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Shares quoted on Romanian markets, of which: | 628,793,739 | 564,004,096 |
| - <i>quoted on the Bucharest Stock Exchange (BSE)</i> | 319,537,909 | 279,841,813 |
| - <i>quoted on the alternative trading system of the BSE (AeRO)</i> | 309,255,831 | 284,162,283 |
| Unquoted shares | 162,630,044 | 65,036,901 |
| Quoted unit funds | 654,635 | 1,730,411 |
| Unquoted unit funds | 19,726,467 | 15,739,337 |
| | 811,804,885 | 646,510,745 |
| Government securities | 52,347,521 | 31,653,276 |
| Total | 864,152,406 | 678,164,021 |

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Shares listed on Romanian markets, of which: | 628,793,739 | 564,004,096 |
| - <i>subsidiaries</i> | 520,831,135 | 498,554,462 |
| - <i>associate</i> | 15,890,012 | 29,360,648 |
| - <i>others</i> | 92,072,592 | 36,088,986 |
| Unlisted shares, of which: | 162,630,044 | 65,036,901 |
| - <i>subsidiaries</i> | 134,178,480 | 34,838,020 |
| - <i>associate</i> | 28,451,564 | 28,446,204 |
| - <i>others</i> | - | 1,752,677 |

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As at December 31, 2023, investments in subsidiaries is presented as follows:

| Entity | Fair value at December 31, 2023 | Type of market | % | Voting rights |
|---|---------------------------------------|-------------------|--------|---------------|
| TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A. | 8,253,675 | unquoted | 100.00 | 99.9977 |
| TRANSILVANIA INVESTMENTS RESTRUCTURING SA | 1,195,356 | unquoted | 100.00 | 100.00 |
| NOVA TOURISM CONSORTIUM SA | 89,862 | unquoted | 99.99 | 99.99 |
| TRANSILVANIA INVESTMENTS ALLIANCE REAL ESTATE SA | 18,248,733 | unquoted | 99.80 | 99.80 |
| ORGANE DE ASAMBLARE SA | 0 | AeRO | 95.70 | 95.70 |
| TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV | 27,831,384 | AeRO | 95.19 | 95.19 |
| TURISM FELIX SA | 137,088,140 | BVB | 93.03 | 93.03 |
| TURISM COVASNA SA | 33,377,811 | AeRO | 92.94 | 92.94 |
| TRATAMENT BALNEAR BUZIAS SA | 5,387,784 | AeRO | 91.87 | 91.87 |
| SEMBRAZ SA | 3,928,206 | AeRO | 90.97 | 90.97 |
| HOTELURI RESTAURANTE SUD SA | 94,340,179 | unquoted | 90.61 | 90.61 |
| INTERNATIONAL TRADE&LOGISTIC CENTER SA | 10,376,970 | unquoted | 87.30 | 87.30 |
| FEPER SA | 52,311,937 | AeRO | 85.80 | 85.80 |
| ARO-PALACE SA | 68,049,511 | AeRO | 85.74 | 85.74 |
| TUSNAD SA | 17,558,663 | AeRO | 82.88 | 82.88 |
| GRUP BIANCA TRANS SA | 1,673,704 | unquoted | 82.72 | 82.72 |
| MECANICA CODLEA SA | 5,768,975 | AeRO | 81.07 | 81.07 |
| TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA | 90,777,175 | BVB | 78.80 | 78.80 |
| ROMRADIATOARE SA BRASOV | 8,728,366 | AeRO | 76.51 | 76.51 |
| UTILAJ GREU SA | 4,742,354 | AeRO | 70.39 | 70.39 |
| VIROLA-INDEPENDENTA SIBIU | 6,527,729 | AeRO | 53.62 | 53.62 |
| CASA ALBA INDEPENDENTA SIBIU | 41,577,376 | AeRO | 53.35 | 53.35 |
| INDEPENDENTA SA | 17,175,726 | AeRO | 53.30 | 53.30 |
| Total | 655,009,615 | | | |

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

As at December 31, 2022, investments in subsidiaries is presented as follows

| Entity | Fair value at December 31, 2022 | Type of market | % | Voting rights |
|---|--|-------------------|--------|------------------|
| S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA | 303,460 | unquoted | 100.00 | 100.00 |
| TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A. | 7,045,054 | unquoted | 100.00 | 100.00 |
| CRISTIANA SA | 18,027,669 | unquoted | 99.80 | 99.80 |
| TERRACOTTA STAR SA | 0 | unquoted | 97.48 | 97.48 |
| ORGANE DE ASAMBLARE SA | 0 | AeRO | 95.70 | 95.70 |
| TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV | 25,264,793 | 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 | unquoted | 87.30 | 87.30 |
| FEPER SA | 56,057,422 | AeRO | 85.80 | 85.80 |
| ARO-PALACE SA | 35,331,010 | AeRO | 85.74 | 85.74 |
| MECANICA CODLEA SA | 5,347,882 | AeRO | 81.07 | 81.07 |
| TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA | 92,138,832 | BVB | 78.80 | 78.80 |
| GRUP BIANCA TRANS SA | 1,752,678 | 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 | 4,697,636 | AeRO | 70.39 | 70.39 |
| TURISM FELIX SA | 80,807,673 | BVB | 63.77 | 63.77 |
| COMCM SA CONSTANTA | 40,496,484 | BVB | 56.72 | 56.72 |
| 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 | 0 | unquoted | 52.85 | 52.85 |
| SANTIERUL NAVAL SA | 28,557,160 | BVB | 50.00 | 50.00 |
| Total | <u>533,392,481</u> | | | |

The fair value of companies quoted on alternative markets was determined according to the Company's accounting policies, through the valuation reports prepared as at December 31, 2023 and December 31, 2022.

All the Company's subsidiaries are incorporated in Romania.

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

As at December 31, 2023 investments in associates are as follows:

| Entity | Fair value as at December 31, 2023 | Type of market | % |
|-----------------------------------|---|-----------------------|----------|
| NEPTUN-OLIMP SA | 5,890,997 | quoted | 47.21 |
| APOLLO ESTIVAL 2002 SA | 3,668,094 | unquoted | 45.78 |
| PRAHOVA ESTIVAL 2002 SA | 0 | unquoted | 41.18 |
| TOMIS ESTIVAL 2002 SA | 949,730 | unquoted | 39.62 |
| SERVICE NEPTUN 2002 SA | 3,194,139 | quoted | 39.62 |
| TURISM LOTUS FELIX SA | 22,157,789 | unquoted | 39.62 |
| ROMAGRIBUZ VERGULEASA SA | 0 | unquoted | 39.62 |
| TRANSILVANIA HOTELS & TRAVEL S.A. | 0 | unquoted | 38.27 |
| FELAM SA | 0 | unquoted | 37.30 |
| DORNA TURISM SA | 2,712,470 | quoted | 37.01 |
| SOFT APLICATIV SI SERVICII SA | 1,675,951 | unquoted | 36.22 |
| EMAILUL SA | 3,518,041 | quoted | 32.01 |
| DUPLEX SA | 574,365 | quoted | 31.42 |
| VERITAS PANCIU SA | 0 | unquoted | 28.93 |
| CNM PETROMIN SA CONSTANTA | 0 | unquoted | 28.33 |
| Total | 44.341.574 | | |

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

As at December 31, 2022 investments in associates are as follows:

| Entity | Fair value as at December 31, 2022 | Type of market | % |
|---------------------------------|--|----------------|-------|
| CONCAS SA | 6,906,562 | quoted | 47.21 |
| SIMEC SA | - | unquoted | 45.78 |
| NEPTUN-OLIMP SA | 8,330,733 | quoted | 41.18 |
| APOLLO ESTIVAL 2002 SA | 5,409,633 | unquoted | 39.62 |
| PRAHOVA ESTIVAL 2002 SA | - | quoted | 39.62 |
| TOMIS ESTIVAL 2002 SA | 1,532,076 | unquoted | 39.62 |
| SERVICE NEPTUN 2002 SA | 4,154,510 | quoted | 39.62 |
| TURISM LOTUS FELIX SA | 19,442,611 | unquoted | 38.27 |
| ROMAGRIBUZ VERGULEASA SA | - | unquoted | 37.30 |
| TRANSILVANIA HOTELS & TRAVEL SA | - | unquoted | 37.01 |
| FELAM SA | - | unquoted | 36.27 |
| DORNA TURISM SA | 3,478,111 | quoted | 36.22 |
| HARGHITA SA | - | unquoted | 32.01 |
| EMAILUL SA | 5,671,529 | quoted | 31.42 |
| SOFT APLICATIV SI SERVICII SA | 1,298,221 | unquoted | 28.93 |
| COMSIG SA | - | unquoted | 28.33 |
| DUPLEX SA | 819,202 | quoted | 27.09 |
| The Foundations Feeder | - | unquoted | 26.87 |
| VERITAS PANCIU SA | - | unquoted | 26.67 |
| LEGUME FRUCTE BUZAU SA | 763,663 | unquoted | 26.33 |
| CNM PETROMIN SA CONSTANTA | - | unquoted | 25.23 |
| Total | 57,806,852 | | |

The Company held corporate bonds measured at fair value through profit and loss at December 31, 2023 and at December 31, 2022 as follows:

| Entity | Currency | Units at December 31, 2023 | Units at December 31, 2022 | Fair value December 31, 2023 | Fair value December 31, 2022 |
|--------------|----------|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| Sibarex SA | RON | 900,000 | 900,000 | - | - |
| Total | | | | - | - |

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

At December 31, 2022 the Company owned corporate bonds issued by:

- *Sibarex SA* – bonds with a nominal value of RON 2.25 million. The bonds are unquoted, non-convertible into shares, are issued at a nominal value of RON 2.50 per bond, having a maturity period of 3 years (maturity date: 21 November 2016) and the annual interest rate resulting from the variable interest of ROBOR at 6 months plus 2.00%. Interest payments are made quarterly. As at December 31, 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 Extraordinary General Meeting of Shareholders of the issuers of 14.11.2016 on the company's dissolution followed by liquidation, the fair value of the bonds as at December 31, 2023 is zero (December 31, 2022: zero). The bonds issued are secured with pledge without dispossession on the production equipment up to the value of bonds underwritten and paid and plus the entire period estimated interest. By Civil Decision no. 288/03.10.2017, the simplified procedure of bankruptcy and dissolution of the company was initiated.
- During September 2022, both the principal (RON 5.5 million) and the interest owed (RON 835 thousand) were collected, amounts related to the bonds held at S.C. Organe de Asamblare SA Brasov, a company under reorganization procedure.

Government securities held at 31 December 2023:

| Issuer | December 31, 2023 | | | December 31, 2022 | |
|----------------------------|-------------------|---------------|-------------------|-------------------|-------------------|
| | Currency | Number | Fair value | Number | Fair value |
| M.F.P. (ISIN RO1624DBN027) | RON | 2,580 | 13,066,465 | 600 | 2,935,302 |
| M.F.P. (ISIN RO7P95F9FNY6) | RON | 2,700 | 11,923,828 | 600 | 2,397,057 |
| M.F.P. (ISIN RO52CQA3C829) | RON | 1,000 | 5,762,966 | - | - |
| M.F.P. (ISIN RODD24CXRK47) | RON | 4,400 | 21,594,262 | - | - |
| M.F.P. (ISIN RO3B41D8EX14) | RON | - | - | 2,600 | 11,234,956 |
| M.F.P. (ISIN RO07A2H5YIN8) | RON | - | - | 2,000 | 9,560,805 |
| M.F.P. (ISIN XS2109812508) | EUR | - | - | 1,000 | 3,407,798 |
| M.F.P. (ISIN XS2434895558) | EUR | - | - | 500 | 2,117,358 |
| Total | | 10,680 | 52,347,521 | 7,300 | 31,653,276 |

In relation to the fund units in the portfolio, measured at fair value through the profit and loss account, we make the following presentation:

| Entity | December 31, 2023 | | December 31, 2022 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Number | Fair value | Number | Fair value |
| Fond Inchis de Investitii Bet-Fi Index Invest | 782 | 654,635 | 2,054 | 1,730,411 |
| Fondul Inchis de Investitii Fondul Privat Comercial | 11,933 | 5,953,243 | 11,933 | 5,454,974 |
| Fondul Deschis de Investitii BT MAXIM | 527,797 | 12,146,728 | 527,797 | 8,925,581 |
| Fondul Deschis de Investitii Napoca | 413,087 | 357,361 | 413,087 | 294,489 |
| Fondul Deschis de Investitii GlobUS BlueChips | 27,487 | 322,182 | 27,487 | 278,786 |
| Fondul de Investiții Alternative Professional Globinvest | 100 | 946,953 | 100 | 785,508 |
| Total | 981,186 | 20,381,102 | 982,458 | 17,469,748 |

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13. 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 in risk class 4 of 7, which is equivalent to an average risk.

- **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.

- **Open Investment Fund 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.

- **Open Investment Fund 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.

- **Open Investment Fund 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.

- **Alternative Investment Fund 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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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Shares quoted on Romanian markets, of which: | 791,873,469 | 625,598,878 |
| - <i>quoted on the Bucharest Stock Exchange (BSE)</i> | 776,211,513 | 609,400,419 |
| - <i>quoted on the alternative trading system of the BSE (AeRO)</i> | 15,661,956 | 16,198,459 |
| Unquoted shares, preferred rights | 12,652,610 | 13,317,402 |
| Social parts | 295,747 | 438,010 |
| Participation titles | 70,252,769 | 29,983,866 |
| Total | 875,074,595 | 669,338,157 |
| | December 31, 2023 | December 31, 2022 |
| Carrying amount 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 (note 24)</i> | 199,424,081 | (107,449,616) |
| Acquisitions | 36,296,007 | 124,441,487 |
| Sales | (29,983,650) | (59,050,047) |
| Carrying value at 31 December | 875,074,596 | 669,338,157 |

The total value of dividends received at December 31, 2023 for such category of assets was RON 48,393,175 (December 31, 2022: RON 89,607,045).

15. FINANCIAL ASSETS AT AMORTISED COST

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

Sundry debtors include mainly amounts arising from final court sentences.

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15 FINANCIAL ASSETS AT AMORTISED COST (continued)

Financial assets at amortised cost, non-pending and not impaired (Stage 1) are presented as follows:

| | December 31, 2023 | December 31, 2022 |
|---------------------|------------------------------|------------------------------|
| Ongoing settlements | 2,529,313 | 6,092,301 |
| Total | 2,529,313 | 6,092,301 |

The amount of RON 2.529.313 represents the value of the transactions made in the last two BVB trading sessions with settlement at the beginning of 2024 (being settled within the T+2 days term).

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

| December 31, 2023 | Receivables from group | Other receivables | Receivables on transfer of shares | Dividends receivable |
|--------------------------|-----------------------------------|------------------------------|--|---------------------------------|
| Gross carrying amount | 7,634 | 480,900 | - | 90,171 |
| Loss allowance | (7,634) | (66,042) | - | (78,854) |
| Net value | - | 414,858 | - | 11,317 |

| December 31, 2022 | Receivables from group | Other receivables | Dividends receivable |
|--------------------------|-----------------------------------|------------------------------|---------------------------------|
| Gross carrying amount | 7,634 | 754,841 | 1,575,024 |
| Loss allowance | (7,634) | (139,326) | (1,525,024) |
| Net value | - | 615,515 | - |

16. OTHER ASSETS

| | December 31, 2023 | December 31, 2022 |
|-----------------------------------|------------------------------|------------------------------|
| Consumables and other inventories | 3,065 | 7,000 |
| Prepayments | 361,273 | 787,314 |
| Other assets | 205,296 | 157,399 |
| Total | 569,634 | 951,713 |

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17. PROPERTY, PLANT AND EQUIPMENT

| | Land and Buildings | Plant and equipment | Fixtures, fittings and furniture | Total |
|--|-----------------------|------------------------|--|--------------------|
| Balance at January 1, 2023 | | | | |
| Gross value | 16,853,029 | 978,300 | 198,353 | 18,029,683 |
| Accumulated depreciation | - | - | - | - |
| Net book value | 16,853,029 | 978,300 | 198,353 | 18,029,683 |
| Acquisitions | - | 599,463 | 35,270 | 634,734 |
| Tangible assets in progress | (1,265,073) | 1,614,058 | 31,969 | 380,954 |
| Advances for property, plant and equipment | - | - | 4,889 | 4,889 |
| Sales or scraps | - | (130,485) | (12,519) | (143,004) |
| Depreciation recorded during the year | 2,119,862 | - | - | 2,119,862 |
| Transfer from real estate investments | (528,960) | (447,288) | (86,882) | (1,063,130) |
| Depreciation for the assets sold | - | 43,234 | 11,619 | 54,853 |
| Balance at December 31, 2023 | | | | |
| Gross book value | 17,707,818 | 3,061,336 | 257,963 | 21,027,117 |
| Accumulated depreciation | (528,960) | (404,054) | (75,263) | (1,008,277) |
| Net book value | 17,178,858 | 2,657,282 | 182,700 | 20,018,840 |
| Balance at January 1, 2022 | | | | |
| Gross value | 12,624,294 | 831,897 | 322,176 | 13,778,367 |
| Accumulated depreciation | (726,688) | (244,414) | (73,187) | (1,044,289) |
| Net book value | 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 |
| Balance at December 31, 2022 | | | | |
| Gross book value | 16,853,029 | 978,300 | 198,353 | 18,029,683 |
| Accumulated depreciation | - | - | - | - |
| Net book value | 16,853,029 | 978,300 | 198,353 | 18,029,683 |

The Company has no restrictions on property titles. There are no cases of assets pledged as security for liabilities recorded. At the end of the financial years 2023 and 2022, the Company did not record contractual obligations for the purchase of tangible assets. The latest revaluation of the land and owned by the Company was on December 31, 2022 and the differences from the revaluation were recorded in other comprehensive income (Note 24).

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17. INTANGIBLE ASSETS

| | Licences | Other intangible assets | Total |
|---------------------------------------|------------------|----------------------------|--------------------|
| Balance at January 1, 2023 | | | |
| Gross carrying amount | 487,870 | 775,415 | 1,263,285 |
| Accumulated amortisation | (405,397) | (775,415) | (1,180,812) |
| Net carrying amount | 82,473 | - | 82,473 |
| Acquisitions | 98,093 | - | 98,093 |
| Advances for intangible assets | - | - | - |
| Sales or scraps | (127,157) | - | (127,157) |
| Depreciation recorded during the year | (56,002) | - | (56,002) |
| Depreciation for the assets sold | 127,157 | - | 127,157 |
| Balance at December 31, 2023 | | | |
| Gross carrying amount | 458,807 | 775,415 | 1,264,222 |
| Accumulated amortisation | (334,243) | (775,415) | (1,109,658) |
| Net carrying amount | 124,564 | - | 124,564 |
| Balance at January 1, 2022 | | | |
| Gross carrying amount | 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) |
| Depreciation recorded during the year | (94,692) | - | (94,692) |
| Depreciation for the assets sold | 59,145 | 11,638 | 70,783 |
| Balance at December 31, 2022 | | | |
| Gross carrying amount | 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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18. ASSETS REPRESENTING INVESTMENT PROPERTY

The Company has rented until November the space it owns in Bucharest. Subsequently, according to IAS 16, the asset was transferred from the category Real estate investments to the category Real estate.

Assets representing investment property:

Balance at January 1, 2023

| | |
|-------------------------------------|------------------|
| Gross carrying amount | 2,119,862 |
| Accumulated depreciation | - |
| Net carrying amount | 2,119,862 |
| Purchases | - |
| Sales, transfers | (2,119,862) |
| Balance at December 31, 2023 | - |
| Gross carrying amount | - |
| Accumulated depreciation | - |
| Net carrying amount | - |

19. 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 January 1, 2023

| | |
|-------------------------------------|------------------|
| Gross value | 4,011,257 |
| Accumulated amortization | (497,171) |
| Net carrying amount | 3,514,087 |
| Purchases | 45,645 |
| Sales, scrapping, transfers | (2,772,721) |
| Amortization during the year | (727,700) |
| Depreciation for the assets sold | 843,591 |
| Balance at December 31, 2023 | 1,284,182 |
| Gross value | - |
| Accumulated amortization | (381,280) |
| Net carrying amount | 902,902 |

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19. RIGHT-OF-USE ASSETS (continued)

Balance at January 1, 2022

| | |
|------------------------------|------------------|
| Gross value | 1,878,067 |
| Accumulated amortization | (268,604) |
| Net carrying amount | 1,609,463 |
| Purchases | 2,571,613 |
| Amortization during the year | (668,132) |
| Valuation | 1,142 |

Balance at December 31, 2022

| | |
|--------------------------|------------------|
| Gross value | 4,450,823 |
| Accumulated amortization | (936,736) |
| Net carrying amount | 3,514,087 |

Lease liabilities:

| | |
|-------------------------------------|--------------------|
| <i>Balance at January 1, 2023</i> | 3,988,871 |
| Debt recognition | 3,988,871 |
| Increase | - |
| Debts paid | (2,914,517) |
| Foreign differences | 64,733 |
| Balance at December 31, 2023 | 1,009,620 |

| | |
|----------------------------------|----------------|
| Due in less than one year | 237,415 |
|----------------------------------|----------------|

| | |
|----------------------------------|----------------|
| Due in more than one year | 772,205 |
|----------------------------------|----------------|

| <u>Year</u> | December 31, 2023 |
|-------------------|--------------------------|
| Year 1 | 237,415 |
| Year 2 | 112,632 |
| Year 3 | 112,632 |
| Year 4 | 112,632 |
| Year 5 | 112,632 |
| Year 6 | 112,632 |
| Year 7 | 112,632 |
| Year 8 | 96,413 |
| Total debt | 1,009,620 |

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19. RIGHT-OF-USE ASSETS (continued)

| | |
|--|------------------------------|
| <i>Balance at January 1, 2022</i> | 1,761,619 |
| Debt recognition | 1,761,619 |
| Increase | 2,814,637 |
| Debts paid | (601,039) |
| Foreign differences | 13,653 |
| <i>Balance at December 31, 2022</i> | 3,988,871 |
| Due in less than one year | 489,779 |
| Due in more than one year | 3,499,092 |
| Year | December 31, 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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20. FINANCIAL LIABILITIES

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Dividend payables (i) | 10,366,626 | 25,018,532 |
| Trade payables | 4,694,359 | 1,867,735 |
| Collections made in advance from third parties | 40 | 20 |
| Liabilities with related parties | 10,513 | 22,308 |
| Total | 15,071,538 | 26,908,594 |

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

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Balance at 1 January | 25,018,538 | 34,117,386 |
| Dividends declared | 30,274,213 | - |
| Dividends returned | 683 | 113 |
| Dividends paid during the current year, including tax | (20,957,466) | (1,150,952) |
| Dividends prescribed (recorded as income) (see Note 6) | (23,969,342) | (7,948,009) |
| Balance at 31 December | 10,366,626 | 25,018,538 |

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21. OTHER LIABILITIES

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Salaries liabilities | 711,353 | 801,491 |
| Taxes payable | 1,267,911 | 151,294 |
| Social contributions owed to the state budget | 455,788 | 490,965 |
| Total | 2,435,052 | 1,443,750 |

The debts related to taxes and duties include the amount of RON 914,215 representing the tax on dividends related to the year 2022 with the payment term due in January 2024.

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22. SHARE CAPITAL

The statutory share capital of the Company as at December 31, 2023 is RON 216,244,380, out of which RON 216,244,380 represents the subscribed and paid capital (registered with the Trade Register).

The subscribed and paid share capital is divided in 2,162,443,797 shares. The Company's shares are common, nominative, indivisible, of equal value and dematerialized, issued at nominal value of RON 0.10 per share.

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Total share capital recorded at the Trade Register | 216,244,380 | 216,244,380 |
| Share capital according to IFRS | 216,244,380 | 216,244,380 |

Shareholding at December 31, 2023

| Shareholders | Number | Shares | Percentage out of |
|----------------------------------|------------------|----------------------|---------------------|
| | | | total shares (%) |
| Resident shareholders | 6,954,349 | 2,115,903,182 | 97.85 |
| individuals | 6,954,133 | 1,086,715,352 | 50.26 |
| legal persons | 216 | 1,029,187,830 | 47.59 |
| Non-resident shareholders | 2,483 | 46,540,615 | 2.152 |
| individuals | 2,460 | 12,305,776 | 0.57 |
| legal persons | 23 | 34,234,839 | 1.58 |
| TOTAL | 6,956,832 | 2,162,443,797 | 100.00 |
| individuals | 6,956,593 | 1,099,021,128 | 50.83 |
| legal persons | 239 | 1,063,422,669 | 49.17 |

Shareholding at December 31, 2022

| Shareholders | Number | Shares | Percentage out of |
|----------------------------------|------------------|----------------------|---------------------|
| | | | total shares (%) |
| Resident shareholders | 6,957,698 | 2,112,194,032 | 97.68 |
| individuals | 6,957,480 | 1,076,815,267 | 49.79 |
| legal persons | 218 | 1,035,378,765 | 47.88 |
| Non-resident shareholders | 2,467 | 50,249,765 | 2.32 |
| individuals | 2,444 | 12,472,317 | 0.58 |
| legal persons | 23 | 37,777,448 | 1.75 |
| TOTAL | 6,960,165 | 2,162,443,797 | 100.00 |
| individuals | 6,959,924 | 1,089,287,584 | 50.37 |
| legal persons | 241 | 1,073,156,213 | 49.63 |

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

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

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Gross fair value revaluation reserve of financial assets at fair value through other comprehensive income | 350,172,047 | 163,655,043 |
| Deferred tax liabilities (Note 10) | (57,190,506) | (29,757,577) |
| Net reserve | 292,981,541 | 133,897,466 |

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

| | Revaluation reserves for financial assets at fair value through other comprehensive income | | |
|---|---|---------------------|--------------------|
| | Gross | Deferred tax | Total net |
| Balance as at January 1, 2023 | 163,655,043 | (29,757,577) | 133,897,466 |
| Loss on changes in fair value from mark-to-market | (201,589,213) | 31,819,418 | (169,769,795) |
| Transfer of reserve to retained earnings upon sale of financial assets at fair value through other comprehensive income | 15,072,209 | (4,386,490) | 10,685,719 |
| Balance as at December 31, 2023 | 350,172,047 | (57,190,506) | 292,981,541 |

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24. REVALUATION RESERVE FOR PROPERTY, PLANT AND EQUIPMENT

The last revaluation of the land and buildings was performed by the Company at December 31, 2022, through REVALTEX SRL (independent valuator – ANEVAR member), which resulted in an increased revaluation reserve by RON 4,176,746 namely 32%.

The revaluation reserves cannot be distributed to shareholders as dividends.

| | Gross | Deferred tax | Total net |
|--|-------------------|---------------------|-------------------|
| Balance at January 1, 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 December 31, 2022 | 15,942,314 | (339,407) | 15,602,907 |
| Balance at January 1, 2023 | 15,942,314 | (339,407) | 15,602,907 |
| Transfer of the reserve to retained earnings | (289,393) | - | (289,393) |
| Revaluation differences | - | 107,940 | 107,940 |
| Revaluation reserve | - | - | - |
| Balance at December 31, 2023 | 15,652,921 | (231,467) | 15,421,454 |

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25. OTHER RESERVES

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

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Statutory legal reserves (i) | 43,248,876 | 43,248,876 |
| Reserves from profits of previous years | 768,465,309 | 737,130,394 |
| Other reserves (ii) | 3,912,094 | 3,912,094 |
| Total | 815,626,279 | 784,291,364 |

The movement in reserves is presented below:

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Balance at 1 January | 784,291,364 | 691,314,508 |
| Distribution from profit and retained earnings | 31,334,915 | 92,976,855 |
| Increase of share capital by embedding reserves | - | - |
| Statutory legal reserve (i) | - | - |
| Balance at December 31 | 815,626,279 | 784,291,364 |

- (i) The statutory legal reserves represent the accumulated transfers from the retained earnings made according to the local legislation. These reserves cannot be used to remunerate the shareholders with dividends. The local legislation provides that at least 5% from the profit of the Company must be transferred to legal reserves until this reserve reaches up to 20% from the share capital of the Company.
- (ii) Tax facilities generated by favourable exchange rate differences.

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26. TREASURY SHARES

The Extraordinary General Meeting of Shareholders on 24.04.2023 approved the development of two programs of redemption by the company of its own shares, under the following conditions:

- (i) cumulative size of programmes – maximum 20,000,000 shares with nominal value of 0.10 lei/share, representing 0.9248% of the share capital;
- (ii) the share acquisition price - the minimum price shall be equal to the market price of the shares of the company on the Bucharest Stock Exchange from the moment of making the purchase and the maximum price shall be RON 0.49 share;
- (iii) the duration of each programme - the period of maximum 18 months from the date of publication of the decision of the E.G.M.S. in the Official Gazette of Romania part IV-;
- (iv) payment of redeemed shares - from available reserves (except legal reserves) recorded in the last approved annual financial statements;
- (v) the destination of the two programmes, in this order:
 - I. maximum 12,000,000 shares for the purpose of reducing the share capital by cancelling the redeemed shares;
 - II. maximum 8,000,000 shares for distribution free of charge to members of the Supervisory Board, the Executive Board and identified personnel, within a Stock Option Plan program, in accordance with the approved remuneration policy at company level;
- (vi) granting a mandate to the Executive Board for carrying out this decision.

| | December 31, 2023 | December 31, 2022 |
|--------------------------|------------------------------|------------------------------|
| Treasury shares redeemed | (475,749) | (2,786,400) |
| Total | (475,749) | (2,786,400) |

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

The benefits granted to the Supervisory Board members, members of the Executive Board and 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 (SOP), component of the variable remuneration granted in the form of shares.

In 2023, the members of the Supervisory Board and of the Executive Board, as well as the other identified staff, were granted variable remuneration consisting of:

1. shares issued by the company on the basis of the plan to stimulate and reward the personnel identified by the free grant of shares („Stock Option Plan”) for the year 2021 (first deferred tranche);
2. cash, based on the remuneration policy valid for 2021, in accordance with the provisions of the Incentive and rewarding plan for staff identified by free action („Stock Option Plan”) for the year 2021 (first instalment postponed).

We mention that the variable remuneration provided in the Remuneration Policy in force on the date of approval of SOP 2021 (policy approved by the Decision of A.G.O.A. 1/28.04.2021), was composed of 50% shares issued by the company and 50% cash, with an initial component of 50% and a component subject to the deferral period of 50%.

3. shares issued by the company on the basis of the incentive and reward plan of the personnel identified by the free grant of shares („Stock Option Plan”) for the year 2022 (initial component).

For the year 2023, the Company has a plan of benefits totaling RON 3,920,000 (value recognized in equity in 2023 according to the remuneration policy: RON 1,564,800) for which it carries out a program for the redemption of its own shares according to the Decision of the A.G.E.A. of 24.04.2023 for a maximum of 8,000,000 shares, at a maximum price of 0.49 RON/share, shares intended for distribution under the stock option plan.

28. TRANSACTIONS WITH RELATED PARTIES

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

During 2023 and 2022, the outstanding transactions with related parties were as follows:

| Expenses with subsidiaries: | Transaction type | December 31, 2023 | December 31, 2022 |
|--|-------------------------|------------------------------|------------------------------|
| International Trade Center& Logistic Aro Palace S.A. | Rental services | 898 | 14,819 |
| T.I.A. Real Estate S. A. (Cristiana S.A.) | Hotel services | 192,272 | 188,495 |
| Turism, Hoteluri Si Restaurante Marea Neagra | Utilities | 83,323 | 120,838 |
| Tusnad S.A. | Hotel services | 36,720 | 12,140 |
| Turism Covasna S.A. | Hotel services | - | 10,472 |
| | Hotel services | - | 16,721 |
| Total | | 313,212 | 363,485 |

| Expenses with associated entities: | Transaction type | December 31, 2023 | December 31, 2022 |
|---|-------------------------|------------------------------|------------------------------|
| Turism Lotus Felix S.A. | Hotel services | - | 604 |
| Transilvania Hotels&Travel S.A. | Utilities | 1,918 | 1,639 |
| Total | | 1,918 | 2,243 |

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

Dividend income from subsidiaries for 2023 and 2022 is as follows:

| Dividend income from subsidiaries | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Turism, Hoteluri Si Restaurante Marea Neagra | 9,849,823 | - |
| Aro Palace S.A. | 6,914,092 | 3,627,076 |
| Feper S.A. | 4,307,307 | - |
| Turism Felix S.A. | 3,975,556 | - |
| Transilvania Leasing si Credit IFN | 2,300,299 | - |
| Casa Alba Independenta S.A. | 821,591 | - |
| T.I.A. Real Estate S.A. (Cristiana S.A.) | 697,969 | 2,560,413 |
| Mecanica Codlea S.A. | 154,485 | 875,332 |
| Utilaj Greu S.A. | 71,101 | 173,489 |
| Santierul Naval Orsova | - | 3,027,059 |
| Total | 29,092,223 | 10,263,369 |

Dividend income from associates shall be as follows:

| Dividend income from associates | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Soft Aplicativ si Servicii SA | 26,070 | 12,322 |
| Emailul SA Mediaş | - | 921,540 |
| Concas SA | - | 286,243 |
| Total | 26,070 | 1,220,104 |

Dividend income obtained from affiliated entities are presented in the Statement of Profit or Loss and Other Comprehensive Income on "Dividend Income" line.

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Key management

December 31, 2023

On 01.01.2023, the Transilvania Investments Executive Board consisted of Mr. Radu-Claudiu Rosca – Executive President, Mr. Theo-Dorian Buftea-Executive Vice-President and Ms. Stela Corpacian-Executive Vice-President. This composition was authorized by Authorization A.S.F. no. 128/25.08.2022.

On 20.10.2023, with the agreement of the parties, the mandate of the Executive Board member of Mr. Theo-Dorian Buftea – Executive Vice-president of the company thus, on 31.12.2023, ceased, The Transilvania Investments Executive Board was composed of Mr. Radu-Claudiu Rosca – Executive President and Ms. Stela Corpacian- Executive Vice-President.

The current mandate term of the members of the Executive Board expires on 20.04.2024.

On 01.01.2023, the Supervisory Board of Transilvania Investments was composed of Paul-George Prodan-Chairman, Radu Momanu – Deputy Chairman, Mr. Patritiu Abrudan-member, Mr. Marius-Petre Nicoara - member and Mr. Constantin Fratila - member.

Starting with 29.09.2023, the mandates of the Supervisory Board members of Mr. Paul-George Prodan and Radu Momanu ceased, as a result of their unilateral waiver of the mandate, thus, on 31.12.2023, the Supervisory Board of Transilvania Investments was composed of Mr. Patritiu Abrudan-Chairman, Mr. Marius-Petre Nicoara – Deputy Chairman and Mr. Constantin Fratila - member.

The members of the Supervisory Board were elected by the ordinary General meeting of shareholders on 04.12.2020, for a term of 4 years, starting from the date of authorization of the composition of the Board by the Financial Supervisory Authority. The members of the Supervisory Board were authorized by the A.S.F. on the basis of the authorizations no. 69/19.04.2021 and no. 80/27.04.2021.

The fixed paid or payable indemnities are as follows:

| | December 31, 2023 | December 31, 2022 |
|-------------------|------------------------------|------------------------------|
| Supervisory Board | 5,043,413 | 3,530,184 |
| Executive Board | 3,345,659 | 2,300,439 |
| Total | 8,389,072 | 5,830,623 |

The Company did not grant loans or advances (except advances for salaries and/or transport) to the members of the Supervisory Council and the Executive Board, therefore, at December 31, 2023 no such obligations were registered (also applicable for the financial year ended December 31, 2022).

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29. 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 financial assets and liabilities with these measurement categories as of December 31, 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 | 60,202,503 | - | - | - | 60,202,503 |
| Financial assets at fair value through other comprehensive income | - | 875,074,595 | - | - | 875,074,595 |
| Financial assets at fair value through profit or loss | - | - | 811,804,885 | - | 811,804,885 |
| Government securities recognized at fair value through the profit and loss | - | - | 52,347,521 | - | 52,347,521 |
| Other financial assets at amortised cost | 2,955,488 | - | - | - | 2,955,488 |
| Total financial assets | 63,157,991 | 875,074,595 | 864,152,406 | - | 1,802,384,992 |
| Financial liabilities at amortised cost | - | - | - | 15,071,538 | 15,071,538 |
| Total financial liabilities | - | - | - | 15,071,538 | 15,071,538 |

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

The table below presents a reconciliation of the financial assets and liabilities with measurement categories at December 31, 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 recognized at fair value through the profit and 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 |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE

30.1. 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 process, the fair value levels are defined as follows:

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

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

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

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

The fair value of the financial instruments held by Transilvania Investments is estimated according to the valuation rules, policy, procedure and methodology for valuing assets for financial reporting purposes. During 2023, a series of briefings were presented on the policies, procedures and rules defined by the Company: annual review of the valuation policy and procedures implemented at the level of Transilvania Investments, update of specific documents regarding the functioning of the company as F.I.A.I.R, publication and availability of evaluation rules used by Transilvania Investments.

Given its organisational structure and the internal regulations within Transilvania Investments, for some participations that are classified as Level 3 on the fair value hierarchy, the evaluation 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).

During 2022 was in place a contract with a company specialised in valuation, which prepared and delivered to Transilvania Investments a series of valuation reports aimed at estimating the fair value for financial reporting purposes of participations representing majority or minority stakes in listed or unlisted companies from various sectors of activity. PricewaterhouseCoopers Management Consultants S.R.L. and Darian Drs S.A delivers valuation services, is a corporate member of ANEVAR and meets the specific requirements provided by the legislation in force regarding the independence, qualification, experience and competences required for such activity.

Included in the financial instruments whose estimated fair value uses Level 3 inputs in the fair value hierarchy, the Company has included the following financial assets:

- (i) Financial assets at fair value through other comprehensive income, consist of equity shares and social parts (participation in the share capital of the entity of less than 20% classified in this category), participation titles;
- (ii) Financial assets at fair value through profit and loss, consist of equity shares (participation in the share capital of the entity of more than 20% and less than 20% classified in this category), bonds, government securities, fund units.

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

The methodology for estimating the fair value takes into account the structure of the portfolio of financial instruments 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 of information at the valuation reference date and the data will be obtained from independent sources, if possible and appropriate. The models used in the estimate of fair value depends on the quality, quantity and reliability of data and available information as well as professional judgment.

In the general concept and the rules defined at the fund level by its authorization as F.I.A.I.R. it was taken into account that the holdings held in issuers listed on an alternative / multilateral system in Romania should be assimilated to securities with a liquidity considered as irrelevant for the application of the the market marking method, the option being that the shares of those companies are assessed on the basis of an assessment report in accordance with the valuation standards in force. For the companies listed on the main segment of the Bucharest Stock Exchange, it is taken into account that, as a rule, the trading activity of those shares is considered relevant for the application of the the market marking method. In specific situations not falling within the general coordinates referred to, a prudential judgment shall be considered on quantitative and/or qualitative issues relating to the market and trading activity of securities relating to the issuer.

For equity investments and social parts whose estimated fair value uses Level 3 inputs, the following approaches have been considered:

- Market approach - comparison with companies operating on the capital market;
- The income approach - discounted cash flow method, discounted dividends method and dividend capitalisation method;
- Asset approach - adjusted net asset method.

The fair value estimation process relates to a volatile economic environment influenced by phenomena whose effect, duration or evolution may be difficult to determine and foresee (e.g., the Covid-19 pandemic, energy prices etc.) and such assumptions or matters are reflected in the evaluation reports, as far as possible. The high volatility of specific factors may generate changes in existing circumstances in a relatively short time and the impact on the economic conditions, on the financial markets or at company level could lead to changes in the values initially estimated. An important element that determines the consistency and relevance of date and information used in the evaluation process is the availability and level of complexity of the financial reports of the issuers part of the managed portfolio.

As of December 31, 2023 the fair value of the portfolio of shares for which the valuation was based on the market marking principle is 63,7% of the total value of the portfolio of financial assets managed by Transilvania Investments. The portfolio of shares for which level 3 input data were used and which were the subject of evaluation reports prepared by third parties (PricewaterhouseCoopers Management Consultants, Darian Drs) have a share of 26.0% in the total amount of financial assets held by Transilvania Investments on 31 December 2023. At the level of the shares portfolio, there were no participatory movements between the levels of the fair values hierarchy. The share package owned by Transilvania Investments at T.H.R. Marea Neagra S.A. includes on 31.12.2023 a number of 226,942,936 shares transferred on the basis of the division project approved by the A.G.E.A. to this company in December 2023. In order to correctly reflect this shareholding in the total asset of Transilvania Investments, at position "Other active" was registered with minus the value of the respective shares valued by market marking. Actual adjustment of the holding held at T.H.R. Marea Neagra SA will take place as a result of the completion of the process of reducing the share capital of the issuer in the division procedure, after the registration date established by A.G.E.A. (11.04.2024).

For corporate bonds in the Transilvania Investments portfolio, the estimated fair value takes into account the "default" stage of the respective issue, determined by exceeding the deadline provided in the prospectus for the payment of principal and coupons. According to the fund rules and methodology for the valuation of financial assets in this category, they are recorded at zero value. The government securities held by Transilvania Investments at

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31.12.2023 are classified in level 2 of the fair value hierarchy and are assessed on the basis of composite price benchmarks published by Bloomberg, respectively mid quotes that have as main support direct observations on the financial instrument.

For fund units the fair value shall be reported to the unit value of the net asset (VUAN) published or communicated by the fund manager for the reference date, respectively, and for the title of participation held in a closed type investment entity, the capital contributions made by Transilvania Investments and the net asset value (VAN) assigned to Transilvania Investments are taken into account, according to the periodic financial reports communicated to investors by that entity.

At the level of the entire portfolio of financial instruments owned by Transilvania Investments, on December 31, 2023, the value of the financial assets recognized at fair value through the profit and loss account amounts to RON 864.1 million, respectively, of which 37,0% is the value of the shares in level 1 of the fair values hierarchy. Compared to the situation on 31 December 2022, at the end of 2023 the financial assets recognised at fair value through the profit and loss account recorded an increase of about 27.4%, respectively RON 186.0 million.

This was determined by:

- the evolution of the quotations related to the financial instruments from Transilvania Investments portfolio, listed on regulated markets or alternative trading systems and falling within level 1 of the fair value hierarchy,
- the trading activity carried out by Transilvania Investments during 2023,
- inflows and outflows of financial assets the amounts of which are recognized in the income statement of the Company,
- the fair values estimated or determined for holdings classified in levels 2 or 3 of the value hierarchy and recognized through the profit and loss account (shares, fund units, government securities).

As at December 31, 2023, the Company had assets measured at fair value classified on the three levels of the fair value hierarchy, as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|----------------|-------------------|--------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets at fair value through other comprehensive income, out of which: | 787,568,913 | - | 87,505,682 | 875,074,595 |
| <i>Equity shares</i> | <i>787,568,913</i> | - | <i>17,252,913</i> | <i>804,821,826</i> |
| - Financial | 626,280,785 | - | 2,032,339 | 628,313,124 |
| - Energy | 148,868,601 | - | 0 | 148,868,601 |
| - Real estate | - | - | 4,304,555 | 4,304,555 |
| - Industry | 2,502,036 | - | 1,256,791 | 3,758,827 |
| - Tourism | - | - | 9,353,961 | 9,353,961 |
| - Other | 9,917,491 | - | 305,267 | 10,222,758 |
| <i>Participation titles</i> | - | - | <i>70,252,769</i> | <i>70,252,769</i> |

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| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|-------------------|--------------------|----------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets at fair value through profit and loss, out of which: | 319,537,909 | 52,347,521 | 492,266,976 | 864,152,406 |
| <i>Equity shares</i> | 319,537,909 | - | 471,885,874 | 791,423,783 |
| - Financial | 31,745,305 | - | 27,831,384 | 59,576,689 |
| - Energy | 51,610,613 | - | - | 51,610,613 |
| - Real estate | 2,901,028 | - | 258,192,323 | 261,093,351 |
| - Industry | - | - | 23,459,004 | 23,459,004 |
| - Tourism* | 227,865,315 | - | 160,152,847 | 388,018,162 |
| - Other | 5,415,648 | - | 2,250,316 | 7,665,964 |
| <i>Corporate bonds, government securities</i> | - | 52,347,521 | - | 52,347,521 |
| <i>Fond units</i> | - | - | 20,381,102 | 20,381,102 |
| Total financial assets | 1,107,106,822 | 52,347,521 | 579,772,658 | 1,739,227,001 |
| NON-FINANCIAL ASSETS | | | | |
| Property, plant and equipment | - | - | 20,018,840 | 20,018,840 |
| Total assets measured at fair value | 1,107,106,822 | 52,347,521 | 599,791,498 | 1,759,245,841 |

* Participation held at T.H.R. Marea Neagra S. A. was adjusted with the package of 226,942,936 shares transferred on the basis of the issuer's division project.

As at December 31, 2022 the Company had assets measured at fair value classified on Level 1 and Level 3 in the fair value hierarchy, as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|----------|-------------------|--------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets at fair value through other comprehensive income, out of which: | 619,621,926 | - | 49,716,231 | 669,338,157 |
| <i>Equity shares</i> | 619,621,926 | - | 19,732,365 | 639,354,291 |
| - Financial | 504,428,613 | - | 1,975,593 | 506,404,206 |
| - Energy | 104,264,087 | - | - | 104,264,087 |
| - Real estate | - | - | 5,222,522 | 5,222,522 |
| - Industry | 1,314,742 | - | 2,075,778 | 3,390,520 |
| - Tourism | - | - | 10,008,165 | 10,008,165 |
| - Other | 9,614,484 | - | 450,307 | 10,064,791 |
| <i>Participation titles</i> | - | - | 29,983,866 | 29,983,866 |

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| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------------|-------------------|--------------------|----------------------|
| FINANCIAL ASSETS | | | | |
| Financial assets at fair value through profit and loss, out of which: | 239,345,329 | 31,653,276 | 407,165,416 | 678,164,021 |
| <i>Equity shares</i> | 239,345,329 | - | 389,695,668 | 629,040,997 |
| - Financial | 16,920,397 | - | 25,264,793 | 42,185,190 |
| - Energy | 19,471,841 | - | - | 19,471,841 |
| - Real estate | - | - | 202,478,076 | 202,478,076 |
| - Industry | 28,819,470 | - | 25,552,052 | 54,371,522 |
| - Tourism* | 173,755,621 | - | 126,613,099 | 300,368,720 |
| - Other | 378,000 | - | 9,787,648 | 10,165,648 |
| <i>Corporate bonds, government securities</i> | - | 31,653,276 | 0 | 31,653,276 |
| <i>Fond units</i> | - | - | 17,469,748 | 17,469,748 |
| Total financial assets | 858,967,255 | 31,653,276 | 456,881,647 | 1,347,502,178 |
| NON-FINANCIAL ASSETS | | | | |
| Property, plant and equipment | - | - | 18,029,683 | 18,029,683 |
| Investment property | - | - | 2,119,862 | 2,119,862 |
| Total assets measured at fair value | 858,967,255 | 31,653,276 | 477,031,192 | 1,367,651,723 |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

As at December 31, 2023 and December 31, 2022, the Company did not hold financial liabilities measured at fair value.

As at December 31, 2023, financial assets measured at fair value classified on level 3 are as follows:

| ASSETS AT FAIR VALUE | Inputs used | | | | | | |
|--|--------------------|-------------------|---------------------|--------------------|--|--|--|
| | Fair value | Market comparison | Income-based method | Asset-based method | Market comparison | Income-based method | Asset based method |
| Financial assets | | | | | | | |
| Financial assets measured at fair value through other comprehensive income, of which: | | | | | | | |
| - Other investments | | | | | | | |
| Shares, equity interests | 17,252,913 | 15,211,054 | 894,368 | 1,147,491 | financial data (revenues, turnover, EBITDA, EBIT, equity, total assets), acquisition price | financial data (dividends, net profit) | financial data (assets, liabilities, equity) |
| Participation titles | 70,252,769 | - | - | 70,252,769 | - | - | The net present value (NPV) published/communicated by the manager of the investment entity |
| Financial assets measured at fair value through profit or loss, of which: | | | | | | | |
| - Investments in subsidiaries | | | | | | | |
| Shares | 427,544,300 | - | 359,388,973 | 68,155,327 | - | financial data (revenues, expenses, EBITDA, CAPEX, other items, dividends) | financial data (assets, liabilities, equity), other items |
| - Other investments | | | | | | | |
| Shares | 44,341,574 | 11,422,700 | 22,157,789 | 10,761,085 | financial data (turnover, equity, EBITDA, EBIT, net profit) | financial data (revenues, expenses, EBITDA, CAPEX, other items) | financial data (assets, liabilities, equity)/ |
| Fund units | 20,381,102 | - | - | 20,381,102 | - | - | Net asset value per unit published or communicated by the Fund Administrator |
| Total | 579,772,658 | 26,633,754 | 382,441,130 | 170,697,774 | | | |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

| Financial assets | Fair value as at December 31, 2023 | Measurement method | Unobservable input, value ranges | Unobservable input vs. Fair value – sensitivity |
|----------------------------|------------------------------------|---|--|---|
| Listed majority holdings | 293,365,820 | Income-based approach – discounted cash flow method, discounted dividends | Weighted average cost of capital values ranging from 10.8% to 12% | The lower the weighted average cost of capital, the higher the fair value, and vice versa. |
| | | | Cost of equity: max. 17% | The lower the equity cost, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Long-term income rate of growth: 2%-2.5% | The higher the long-term income rate of growth, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: 15%-15.8% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| Unlisted majority holdings | 134,178,480 | Income-based approach – discounted cash flow method | Income capitalisation rate for assets 9.5%-11.3% | The lower the income capitalisation rate for assets, the higher the fair value and vice versa |
| | | | Discount for lack of marketability, values ranging from 15.8% to 26.1% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Weighted average cost of capital values ranging from 11.1% to 15.5% | The lower the weighted average cost of capital, the higher the fair value, and vice versa. |
| | | | Discount for lack of marketability, values ranging from 11.4% to 15.8% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | Income-based approach – discounted cash flow method | Cost of equity: max. 18% | The lower the equity cost, the higher the fair value and vice versa. |
| | | | Long-term income rate of growth: 2.5%-3.2% | The higher the long-term income rate of growth, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Discount for lack of marketability: 15%-15.8% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

| Financial assets | Fair value as at December 31, 2023 | Measurement method | Unobservable input, value ranges | Unobservable input vs. Fair value – sensitivity |
|--|---|---|---|---|
| Listed minority holdings | 20,194,567 | Market approach – comparable companies | Income, EBITDA, EBIT, net profit, equity multiples: values ranging from 0.6 to 12.9 | The higher the multiple, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability, values ranging from 25% to 43.1% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Discount for lack of control: 14.7%-15.6% | The lower the discount for lack of control, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: 25%-43.1% | The lower the discount for lack of liquidity, the higher the fair value and vice versa. |
| Unlisted minority holdings | 41,399,920 | Market approach – comparable companies | Income, EBITDA, total assets, equity multiples: ranging from 0.6 to 10.2 | The higher the income multiple, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: values ranging from 15% to 43.1% | The lower the discount for lack of liquidity, the higher the fair value and vice versa. |
| | | Income-based approach – discounted cash flow method, dividend capitalization | Weighted average cost of capital: 10.9% | The lower the weighted average cost of capital, the higher the fair value, and vice versa. |
| | | | Cost of equity: 12%-12.7% | The lower the equity cost, the higher the fair value and vice versa. |
| | | | Long-term income rate of growth: 1.7%-2.5% | The higher the rate of growth, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: values ranging from 15.8% to 25% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| Asset-based approach – adjusted net asset method | Discount for lack of control: 9.1%-19.4% | The lower the discount for lack of control, the higher the fair value and vice versa. | | |
| | Discount for lack of marketability: 15%-26.1% | The lower the discount for lack of marketability, the higher the fair value and vice versa. | | |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

As at December 31, 2022, financial assets at fair value classified on level 3 are as follows:

| ASSETS AT FAIR VALUE | Inputs used | | | | | | |
|--|--------------------|-------------------|---------------------|--------------------|---|--|--|
| | Fair value | Market comparison | Income-based method | Asset-based method | Market comparison | Income-based method | Asset based method |
| Financial assets | | | | | | | |
| Financial assets measured at fair value through other comprehensive income, of which: | | | | | | | |
| - Other investments | | | | | | | |
| Shares | 19,732,365 | 17,680,948 | 756,618 | 1,294,799 | financial data (revenues, turnover, EBITDA, EBIT, equity, total assets) | financial data (dividends) | financial data (assets, liabilities, equity) Net asset value per unit published or communicated by the Fund Administrator |
| Participation titles | 29,983,866 | - | - | 29,983,866 | | | |
| Financial assets measured at fair value through profit or loss, of which: | | | | | | | |
| - Investments in subsidiaries | | | | | | | |
| Shares | 331,888,816 | - | 226,673,799 | 105,215,017 | | financial data (revenues, expenses, EBITDA, CAPEX, other items, dividends) | financial data (assets, liabilities, equity) |
| - Other investments | | | | | | | |
| Shares | 57,806,852 | 24,580,777 | 19,442,611 | 13,783,464 | financial data (turnover, equity, EBITDA, EBIT), acquisition price | financial data (revenues, expenses, turnover, EBITDA, CAPEX, other items) | financial data (assets, liabilities, equity) Net asset value per unit published or communicated by the Fund Administrator |
| Fund units | 17,469,748 | - | - | 17,469,748 | | | |
| Total | 456,881,647 | 42,261,725 | 246,873,028 | 167,746,894 | | | |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

| Financial assets | Fair value as at December 31, 2022 | Measurement method | Unobservable input, value ranges | Unobservable input vs. Fair value – sensitivity |
|----------------------------|------------------------------------|---|--|---|
| Listed majority holdings | 295,298,118 | Income-based approach – discounted cash flow method, discounted dividends | Weighted average cost of capital 11.4%-13.4% | The lower the weighted average cost of capital, the higher the fair value, and vice versa. |
| | | | Cost of equity: max. 15.6% | The lower the equity cost, the higher the fair value and vice versa. |
| | | | Long-term income rate of growth: 2.5% | The higher the long-term income rate of growth, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability, values ranging from 10% to 15.8% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| Unlisted majority holdings | 36,590,698 | Asset-based approach – adjusted net asset method | Income capitalisation rate for assets 10.4%-12% | The lower the income capitalisation rate for assets, the higher the fair value and vice versa |
| | | | Discount for lack of marketability: 15.8%-25.9% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | | Weighted average cost of capital 11.4% - 12.9% | The lower the weighted average cost of capital, the higher the fair value, and vice versa |
| | | | Income-based approach – discounted cash flow method | Cost of equity: max. 15.4% |
| | | | Long-term income rate of growth: 2.5% | The higher the long-term income rate of growth, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: 15%-15.8% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Discount for lack of marketability: 15% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

| Financial assets | Fair value as at December 31, 2022 | Measurement method | Unobservable input, value ranges | Unobservable input vs. Fair value – sensitivity |
|----------------------------|------------------------------------|---|--|---|
| Listed minority holdings | 35,337,600 | Market approach – comparable companies | Income multiple, EBITDA, EBIT, equity: values ranging from 0.6 to 15.2 | The higher the multiple, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability, values ranging from 10% to 25.9% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Discount for lack of control: 11.7%-15.6% | The lower the discount for lack of control, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: 15%-25.9% | The lower the discount for lack of liquidity, the higher the fair value and vice versa. |
| | | Market approach – comparable companies | Income, total assets, equity multiple: ranging from 0.5 to 24.3 | The higher the income multiple, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: values ranging from 15% to 25.9% | The lower the discount for lack of liquidity, the higher the fair value and vice versa. |
| Unlisted minority holdings | 42,201,617 | Income-based approach – discounted cash flow method | Weighted average cost of capital 11.9% | The lower the weighted average cost of capital, the higher the fair value, and vice versa. |
| | | | Cost of equity: 13% | The lower the equity cost, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Long-term income rate of growth: 0.6%-2.5% | The higher the rate of growth, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: values ranging from 15.8% to 25% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |
| | | Asset-based approach – adjusted net asset method | Discount for lack of control: ranging from 9.1% to 17.8% | The lower the discount for lack of control, the higher the fair value and vice versa. |
| | | | Discount for lack of marketability: 15%-25.9% | The lower the discount for lack of marketability, the higher the fair value and vice versa. |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (CONTINUED)

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

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

In 2023, the movements of Level 3 assets were as follows:

| | Shares | Equity interests | Fund units | Participation titles | Total |
|--|--------------------|------------------|-------------------|----------------------|--------------------|
| Balance at January 1, 2023 | 408,990,022 | 438,010 | 17,469,747 | 29,983,866 | 456,881,645 |
| Acquisitions performed during the year | 4,955,802 | - | - | 19,081,604 | 24,037,406 |
| Sales during the year | (55,179,807) | - | (1,059,638) | - | (56,239,445) |
| Transfers from level 3 | - | - | - | - | - |
| Gain / (loss) recognised in: | | | | | |
| Net gain / (loss) from financial assets at fair value through other comprehensive income | (414,807) | (142,263) | - | 21,187,299 | 20,630,229 |
| Net gain / (loss) from financial assets at fair value through profit or loss | 130,491,830 | - | 3,970,993 | - | 134,462,823 |
| - realized gain | 5,090,716 | - | (11,970) | - | 5,078,746 |
| - unrealized gain | 125,401,114 | - | 3,982,963 | - | 129,384,077 |
| Balance at December 31, 2023 | 488,843,040 | 295,747 | 20,381,102 | 70,252,769 | 579,772,658 |

During the reporting period, the following operations took place:

- share acquisitions (Grup Bianca Trans, Transilvania Leasing and Credit IFN SA, Tusnad SA, Soft Aplicativ si Servicii);
- sales of shares (COMCM, Legume-Fructe Buzau, Concas, IRUCOM, SIMEC, Santierul Naval Constanta, Sibarex, Siretul Pascani);
- withdrawal from Transilvania Estival 2002;
- fund unit sales (BET-FI INDEX INVEST);
- participation in the increase of the share capital of the companies: Transilvania Investments Alliance Equity and Transilvania Investments Restructuring;
- free entry shares Hoteluri Restaurante Sud following the division of T.H.R. Marea Neagra;
- primary placement Nova Tourism Consortium.

There were no transfers between level 1 and level 3.

At the end of 2023, the capital holding in the CEECAT Fund II SCSP amounts to RON 70.25 million (equivalent to EUR 14.12 million). As of 31.12.2023, the stake held by Transilvania Investments at T.H.R. Marea Neagra (453,885,873 shares) includes a number of 226,942,936 shares transferred under the T.H.R Marea Neagra Division Project, approved by the A.G.E.A. of this company from 12.12.2023. Actual adjustment of the participation of Transilvania Investments at T.H.R. Marea Neagra will take place as a result of the completion of the process of reducing the share capital of the issuer T.H.R. Marea Neagra in the procedure of its division, after the registration date established by the A.G.E.A. T.G.R. Marea Neagra (11.04.2024). The Company Hoteluri Restaurante Sud S.A. (owned by Transilvania Investments: 90.62% of the share capital) resulting from the division of T.H.R. Marea Neagra S.A entered the portfolio in December 2023 as a result of its registration with the Trade Register Office.

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (continued)

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

In 2022, the movements of Level 3 assets were as follows:

| | Shares | Equity interests | Fund units | Participati on titles | Total |
|--|--------------------|------------------|-------------------|-----------------------|--------------------|
| Balance at January 1, 2022 | 426,739,766 | - | 39,629,756 | - | 466,369,522 |
| Acquisitions performed during the year | 16,841,499 | 494,500 | 10,349,999 | 26,852,137 | 54,538,135 |
| Sales during the year | (21,783,067) | | (30,007,194) | | (51,790,260) |
| Transfers from level 3 | (2,552,543) | - | - | - | (2,552,543) |
| Gain / (loss) recognised in: | | | | | |
| Net gain / (loss) from financial assets at fair value through other comprehensive income | (1,945,096) | (56,490) | - | 3,131,729 | 1,130,143 |
| Net gain / (loss) from financial assets at fair value through profit or loss | (8,310,537) | - | (2,502,814) | - | (10,813,351) |
| - realized gain | 6,540,765 | - | (1,133,363) | - | 5,407,403 |
| - unrealized gain | (14,851,302) | - | (1,369,451) | - | (16,220,754) |
| Balance at December 31, 2022 | 408,990,022 | 438,010 | 17,469,747 | 29,983,866 | 456,881,645 |

30.2 Financial assets and liabilities not measured at fair value

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

Assets and liabilities for which fair value is presented as at December 31, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|-------------------|-------------------|-------------------|
| Financial assets | | | | |
| Cash and cash equivalents (i) | 7,793 | 60,194,710 | - | 60,202,503 |
| Financial assets at amortised cost | - | - | 2,955,488 | 2,955,488 |
| Total financial assets | 7,793 | 60,194,710 | 2,955,488 | 63,157,991 |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | - | - | 15,071,538 | 15,071,538 |
| Total financial liabilities | - | - | 15,071,538 | 15,071,538 |

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30. FINANCIAL ASSETS AND LIABILITIES FAIR VALUE (continued)

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

Assets and liabilities for which the fair value is disclosed at December 31, 2022:

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|-------------------|-------------------|-------------------|
| Financial assets | | | | |
| Cash and cash equivalents (i) | 2,991 | 47,171,005 | - | 47,173,996 |
| Financial assets at amortised cost | - | - | 6,719,070 | 6,719,070 |
| Total financial assets | 2,991 | 47,171,005 | 6,719,070 | 53,893,066 |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | - | - | 26,908,594 | 26,908,594 |
| Total financial liabilities | - | - | 26,908,594 | 26,908,594 |

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

31. FINANCIAL RISK MANAGEMENT

The risk management policy can be found in the Company organizational structure and it encompasses both general and specific risks, as set forth in law no. 74/2015 and law no. 243/2019 regulating alternative investment funds and amending and supplementing acts of legislation.

In the process of identifying and evaluating financial risks, as well as the ratios used in risk management, EU Directive 2011/61 regarding the managers of alternative investment funds (DAFIA), EU Regulation no. 231/2013, Directive no. 2013/36 / EU on capital adequacy and EU Regulation no. 575/2013 regarding prudential requirements for credit institutions and investment companies were considered. In choosing the approach regarding the management of financial and operational risks, the application of the provisions of EU Directive 2011/61 regarding the managers of alternative investment funds, the references in DAFIA to Directive 2013/36 / EU, the requirements regarding the risk management provided in EU Regulation no. 231/2013 in the case of Transilvania Investments were considered.

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

31.1. 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 security 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 balances.

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For reference date 31.12.2023, the Company's management has carried out an analysis of the potential loss that could be recorded in relation to the financial assets valued at amortized cost that have a balance at the reference date of this report (current accounts, current accounts, bank deposits).

By reference to the IFR9 provisions, the analysis was focused on two distinct approaches:

- I. Analysis of historical data related to the history recorded with each financial institution.

In summary, this is a significant cumulative turnover of deposits made during the financial year 2023 in the four financial institutions that have a balance at the end of the year. A formula has been chosen to adjust the balance weight in annual turnover to the incidence rate recorded in relation to each financial institution (0% at the level of 2023 for each financial institution). It was assumed that the loss in case of Default (LGD) is 100% for each financial institution. The detailed situation is as follows:

| Bank | Incident rate | % balance in turnover 2023 | % balance 2023 in turnover 2023 weighted with incident rate | LGD | Adjustment (RON) |
|-------------------|----------------------|-----------------------------------|--|------------|-------------------------|
| BCR | 0% | 28% | 0% | 100% | - |
| Transilvania Bank | 0% | 0% | 0% | 100% | - |
| BRD | 0% | 0% | 0% | 100% | - |
| ING BANK | 0% | 1% | 0% | 100% | - |
| Total | | | | - | |

It follows that on the basis of historical data no adjustments are required in relation to the expected loss attached to the balances recorded with the four financial institutions.

- II. Analysis of prospective data, estimated via Bloomberg Platform (DRSK function)

In summary it is estimated data through the Bloomberg Platform (DRSK function). This resulted in default probabilities of 0.0000% (for the minimum available horizon of 3 months) for Banca Transilvania, BRD and BCR, respectively a negligible probability of 0.0002% (for the same minimum horizon of 3 months) in the case of ING. It was assumed that the loss in case of Default (LGD) is 100% for each financial institution. The detailed situation is as follows:

| Bank | BBG DRSK 3M | LGD | Adjustment (RON) |
|-------------------|--------------------|------------|-------------------------|
| BCR | 0.0000% | 100% | - |
| Transilvania Bank | 0.0000% | 100% | - |
| BRD | 0.0000% | 100% | - |
| ING BANK | 0.0002% | 100% | 2.97 |
| Total | | | 2.97 |

It follows that no adjustments are required on the basis of prospective data in relation to the expected loss attached to the balances recorded with the four financial institutions.

It follows that based on the data reconciled between the two approaches, no adjustments are required in relation to the expected loss attached to current account balances and bank deposits.

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31. FINANCIAL RISK MANAGEMENT (continued)

31.1. Credit risk (continued)

The credit risk associated with placements and investments is managed by following principles of prudential diversification of the portfolio. This risk is controlled both by how partners are selected, by monitoring their activities and by monitoring exposure limits.

Considering the fact that through its activity, the Company has long term exposure in relation to its participation in financial and non-financial entities, management is permanently reviewing the risk the Company is exposed to by maintaining it at prudent and manageable level. Thus, the Company management is using, when required by characteristics on debtor/entity, appropriate instruments to reduce the credit risk and at the same time is permanently monitoring their performance evolution. As of today, the Company has not used derivative financial instruments in order to reduce the credit risk related to exposure to any entity.

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

| | Rating | | Rating | |
|-----------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | December 31, 2023 | December 31, | December 31, 2022 | December 31, |
| | Short/ long-term | 2023 | Short/ long-term | 2022 |
| Cash and cash equivalents: | | | | |
| BRD | F2/BBB+ | 5,017,396 | F2/BBB+ | 21,704,721 |
| ING Bank | F1/A+ | 1,771,330 | P-1/Aa3 | 2,263,652 |
| Banca Transilvania | B/BB+ | 5,790,755 | B/BB+ | 21,147,177 |
| Banca Comercială Română | F2/BBB+ | 47,615,229 | F2/BBB+ | 2,020,728 |
| OTP Bank | - | - | P-2/Baa1+ | 28,866 |
| UniCredit Bank | - | - | P-2/Baa1 | 550 |
| Banca Romaneasca | - | - | - | 220 |
| Banca Credit Agricole | - | - | P-1/Aa2 | 5,091 |
| Total | | 60,194,710 | | 47,171,005 |

The above assets are not impaired or 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.

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31. FINANCIAL RISK MANAGEMENT (continued)

31.2. Market risk and position risk

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

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

The Management is permanently monitoring the reduction of adverse effects related to this financial risk, through an active procedure of diversifying the investment portfolio and by using one or more technics of diminishing of the risk through trading activity or market prices evolution related to financial instruments held by the Company.

At December 31, 2023, financial assets classified at level 1 of the fair value hierarchy represent equity interests amounting to about 63.7% of the total value of the managed portfolio. A positive change of 10% in the prices of the shares measured at fair value through other comprehensive income would determine an increase in equity at December 31, 2023 of RON 78.756.891, a negative change having an equal and opposite impact.

As regards investments in shares whose values are measured in profit or loss based on Level 1 inputs, a positive change of 10% in the prices would mean an increase of RON 31.953.791 of the result before tax for the financial year ended December 31, 2023, a negative change having an equal and opposite impact.

The financial assets in the portfolio of shares held by Transilvania Investments at December 31, 2023, for which the fair value is estimated using Level 3 input data, represents majority or minority holdings in listed but with irrelevant liquidity issuers on the capital market and in closed-end companies. The share of these assets in the portfolio of assets of Transilvania Investments at 31.12.2023 is 30.6%, and by reference to the capital instruments held by Transilvania Investments at December 31, 2023 they account for 28.1% of the total.

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

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31. FINANCIAL RISK MANAGEMENT (CONTINUED)

31.2. Market risk and position risk (continued)

Consideration of alternative assumptions through changes in the input data used in the valuation would lead to different fair values that would determine the following effects on the profit and loss account:

| Valuation technique | Change in unobservable inputs used in valuation | Impact of profit or loss |
|----------------------------|--|---------------------------------|
| | Increase by 10% of the multiple(s) | 880,275 |
| Market approach | Decrease by 10% of the multiple(s) | (880,238) |
| | Increase by 10% of discount for lack of liquidity | (361,329) |
| | Decrease by 10% of discount for lack of liquidity | 361,419 |
| | Increase by 10% of EBITDA | 49,153,035 |
| Income-based approach | Decrease by 10% of EBITDA | (49,208,054) |
| | Increase by 0,5% of weighted average cost of capital | (15,524,261) |
| | Decrease by 0,5% of weighted average cost of capital | 17,079,150 |
| | Increase by 0,5% of long-term growth rate | 11,032,632 |
| | Decrease by 0,5% of long-term growth rate | (9,880,247) |
| Asset-based approach | Increase by 10% of price per sqm for land | 3,001,136 |
| | Decrease by 10% of price per sqm for land | (3,107,566) |
| | Increase by 0,5% of rent capitalisation rate | (1,100,588) |
| | Decrease by 0,5% of rent capitalisation rate | 1,318,496 |

The sensitivity analysis covers a percentage of around 98.2% of the value of the portfolio of participations in shares held by Transilvania Investments at December 31, 2023 classified as Level 3 in the fair value hierarchy. It was carried out taking into account unobservable input data considered relevant with an impact on the estimated values and possible reasonable variations of the indicators. In the analysis, the variation of an input parameter implies the maintenance of the other variables used in the evaluation.

For the portfolio of fund units held by Transilvania Investments at 31.12.2023, a change by $\pm 10\%$ of the net asset value per unit (NAV per unit) used as a benchmark of fair value could cause an increase / decrease of RON 2,038,110 in the profit and loss account.

Regarding the RON and EUR government securities portfolio held by Transilvania Investments at 31 December 2023, for the sensitivity analysis, a variation of $\pm 10\%$ of the price benchmark published by Bloomberg used to establish fair value was considered, which would lead to changes in the value of the profit and loss account through an increase/decrease of RON 5,155,687.

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31. FINANCIAL RISK MANAGEMENT (continued)

31.3. Concentration risk

Concentration risk relates to all financial assets held by the Company, regardless of Company intention to hold these assets, and through diminishing this risk is intended to avoid large exposure against the same debtor/entity at Company level.

The management policy of diversifying exposures is applied to portfolio structure, business structure as well as structure of financial risks exposure.

Thus, this diversifying policy implies: avoiding excessive exposures against the same debtor/issue, or geographical area; diversifying structure of financial risks intends to avoid excessive exposure against the same financial risk.

In order to meet this objective, the Company has initiated a restructuring process of the portfolio and re-modelling business policies. As at December 31, 2023 there were concentrations on companies operating in the banking sector, as the main income generating sector and on companies operating in the tourism and recreation sector as a result of the historical holdings of Transilvania Investments.

Such sectors are included in portfolio restructuring programmes, both through sales at arm's length and through the reduction of their share in the total portfolio by increasing the shares of some companies operating in other sectors in total portfolio.

31.4. Currency risk

The Company is easily exposed to exchange rate fluctuations, primarily for acquired shares in foreign markets, holding to certain investment funds, foreign currency current accounts, receivables and liabilities in other currencies, as well as receivables and obligations in RON, but which according to contracts are consolidated in relation to other currencies, usually EURO and/or USD.

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

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

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31. FINANCIAL RISK MANAGEMENT (continued)

31.4. Currency risk (continued)

The financial assets and liabilities held in RON and in foreign currencies at December 31, 2023 can be analysed as follows:

| | RON | EUR | GBP | USD | Total |
|---|----------------------|-------------------|------------|----------------|----------------------|
| Financial assets | | | | | |
| Cash and cash equivalents | 58,239,589 | 1,767,334 | 552 | 195,027 | 60,202,503 |
| Financial assets at fair value through other comprehensive income | 804,821,826 | 70,252,769 | - | - | 875,074,595 |
| Financial assets at fair value through profit or loss | 811,804,885 | - | - | - | 811,804,885 |
| Government securities measured at fair value through profit or loss | 52,347,521 | - | - | - | 52,347,521 |
| Financial assets at amortised cost | 2,944,171 | 11,317 | - | - | 2,955,488 |
| Total financial assets | 1,730,157,991 | 72,031,421 | 552 | 195,027 | 1,802,384,992 |
| Financial liabilities | | | | | |
| Financial liabilities (at amortised cost) | 15,071,538 | - | - | - | 15,071,538 |
| Lease liabilities | - | 1,009,620 | - | - | 1,009,620 |
| Total financial liabilities | 15,071,538 | 1,009,620 | - | - | 16,081,158 |
| Net foreign currency position | 1,715,086,453 | 71,021,801 | 552 | 195,027 | 1,786,303,834 |

The financial assets and liabilities held in RON and in foreign currencies at December 31, 2022 can be analysed as follows:

| | RON | EUR | GBP | USD | Total |
|---|----------------------|-------------------|------------|----------------|----------------------|
| Financial assets | | | | | |
| Cash and cash equivalents | 45,212,641 | 1,847,940 | 539 | 112,875 | 47,173,995 |
| Financial assets at fair value through other comprehensive income | 639,354,291 | 29,983,866 | - | - | 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 | 26,128,121 | 5,525,155 | - | - | 31,653,276 |
| Financial assets at amortised cost | 1,575,515 | 5,143,555 | - | - | 6,719,070 |
| Total financial assets | 1,358,781,313 | 42,500,516 | 539 | 112,875 | 1,401,395,244 |
| Financial liabilities | | | | | |
| Financial liabilities (at amortised cost) | 26,908,594 | - | - | - | 26,908,594 |
| Lease liabilities | - | 3,988,871 | - | - | 3,988,871 |
| Total financial liabilities | 26,908,594 | 3,988,871 | - | - | 30,897,465 |
| Net foreign currency position | 1,331,872,719 | 38,511,645 | 539 | 112,875 | 1,370,497,779 |

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31. FINANCIAL RISK MANAGEMENT (continued)

31.4. Currency risk (continued)

The following table presents the sensitiveness of profit or loss and of equity to potential changes at the end of the reporting period in the foreign exchange rates compared to the reporting currency, while all the other variables remain constant.

| | December 31, 2023 | | December 31, 2022 | |
|-------------------------------------|---------------------------------|---|---------------------------------|---|
| | Impact on profit or loss | Impact on other comprehensive income | Impact on profit or loss | Impact on other comprehensive income |
| 10% appreciation of EUR (2022: 10%) | 177,865 | 7,025,277 | 1,251,665 | 2,998,387 |
| 10% depreciation of EUR (2022: 10%) | (177,865) | (7,025,277) | (1,251,665) | (2,998,387) |
| 10% appreciation of GBP (2022: 10%) | 55 | - | 54 | - |
| 10% depreciation of GBP (2022: 10%) | (55) | - | (54) | - |
| 10% appreciation of USD (2022: 10%) | 19,503 | - | 11,287 | - |
| 10% depreciation of USD (2022: 10%) | (19,503) | - | (11,287) | - |
| Total | 197,423 | 7,025,277 | 1,263,006 | 2,998,387 |

A positive change of 10% of the RON compared to EUR, USD and GBP at December 31, 2023 and December 31, 2022 would determine an increase of the company's profit by RON 7,222,700 (2022: RON 4,261,393), all the other variables remaining constant, a negative change having an equal and opposite impact.

31.5. Interest rate risk

Interest rate risk is the current or future risk that profits and equity are negatively affected by adverse changes of interest rates. Operational cash flows of the Company are affected by interest rates fluctuations especially in case of available cash placed in bank deposits and government securities.

Through the interest rate risk strategy, the Company aims to optimize the gap between assets and liabilities sensitive to the interest rate variation both in total and over time horizons so that the impact of the interest rate change on net interest income is minimal, this results in the assumed risk profile. The company has approved maximum exposure limits to long-term interest rate risk. The company has not used and does not use derivatives at this time to protect itself from interest rate fluctuations.

Risk management policies were adopted, as well as a procedure on risk management, with a main focus on prudential diversification of the securities portfolio, in the context of capital market regulator requirements, applicable to the risk profile of investment companies and to other collective investment bodies, with a diversified investment policy.

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31. FINANCIAL RISK MANAGEMENT (continued)

31.5. Interest rate risk (continued)

The following table shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during financial year 2023:

| Financial assets | RON Interval | | EUR Interval | |
|---------------------------|---------------------|------------|---------------------|------------|
| | Min | Max | Min | Max |
| Cash and cash equivalents | 4.40 | 6.30 | - | - |

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

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

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31. FINANCIAL RISK MANAGEMENT (continued)

31.5. Interest rate risk (continued)

The following table contains a summary of the Company's exposure to interest rate risk. The table shows the Company's assets and liabilities at carrying amount, categorised by the earlier of the re-pricing or contractual maturity date.

| December 31, 2023 | < 1 month | 1 month 3 months | 3 months 1 year | 1 year – 5 years | Over 5 years | No interest | Total |
|---|-------------------|---------------------|--------------------|---------------------|------------------|----------------------|----------------------|
| Financial assets | | | | | | | |
| Cash and cash equivalents | 60,194,710 | - | - | - | - | 7,793 | 60,202,503 |
| Financial assets at fair value through other comprehensive income | - | - | - | - | - | 875,074,595 | 875,074,595 |
| Financial assets at fair value through profit or loss | - | - | - | - | - | 811,804,885 | 811,804,885 |
| Government securities at fair value through profit or loss | - | - | - | - | - | 52,347,521 | 52,347,521 |
| Financial assets at amortised cost | - | - | - | - | - | 2,955,488 | 2,955,488 |
| Total financial assets | 60,194,710 | - | - | - | - | 1,742,190,281 | 1,802,384,992 |
| Financial liabilities | | | | | | | |
| Financial liabilities (at amortised cost) | - | - | - | - | - | 15,071,538 | 15,071,538 |
| Lease liabilities | 11,167 | 22,334 | 80,431 | 450,528 | 321,677 | - | 886,137 |
| Total financial liabilities | 11,167 | 22,334 | 80,431 | 450,528 | 321,677 | 15,071,538 | 15,957,675 |
| Net position | 60,183,543 | (22,334) | (80,431) | (450,528) | (321,677) | 1,727,118,743 | 1,786,427,317 |

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31. FINANCIAL RISK MANAGEMENT (continued)

31.5. Interest rate risk (continued)

The following table contains a summary of the Company's exposure to interest rate risk. The table shows the Company's assets and liabilities at carrying amount, categorised by the earlier of the re-pricing or contractual maturity date.

| December 31, 2022 | < 1 month | 1 month 3 months | 3 months 1 year | 1 year – 5 years | Over 5 years | No interest | Total |
|---|-------------------|---------------------|--------------------|---------------------|------------------|----------------------|----------------------|
| Financial assets | | | | | | | |
| Cash and cash equivalents | 47,171,005 | - | - | - | - | 2,991 | 47,173,996 |
| Financial assets 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 at fair value through profit or loss | - | - | - | - | - | 31,653,276 | 31,653,276 |
| Financial assets at amortised cost | - | - | - | - | - | 6,719,070 | 6,719,070 |
| Total financial assets | 47,171,005 | - | - | - | - | 1,354,224,239 | 1,401,395,244 |
| Financial liabilities | | | | | | | |
| Financial liabilities (at amortised cost) | - | - | - | - | - | 26,908,594 | 26,908,594 |
| Lease liabilities | 69,802 | 139,572 | 565,133 | 2,777,181 | 321,677 | - | 3,873,365 |
| Total financial liabilities | 69,802 | 139,572 | 565,133 | 2,777,181 | 321,677 | 26,908,594 | 30,781,960 |
| Net position | 47,101,203 | (139,572) | (565,133) | (2,777,181) | (321,677) | 1,327,315,645 | 1,370,613,284 |

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31. FINANCIAL RISK MANAGEMENT (continued)

31.6. Liquidity risk

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

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

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

The strategy of liquidity risk management initiated by the Company is portfolio restructuring aiming for assets with high liquidity to represent the highest number of transactions and highest amount in the portfolio.

The portfolio of shares of Transilvania Investments includes:

- participations in listed companies on a regulated market, which are constantly analysed from the perspective of liquidity risk. As of December 31, 2023, the share of assets with a high degree of liquidity compared to total assets, namely those participations that meet the criteria established at the level of the Company to be considered liquid was 53.75% (as at 31.12.2022: 45.39%).
- other participations (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 ownership in listed companies on a regulated market.

Both in the context of the development of the conflict in Ukraine, and also in normal market conditions, the Company monitors the liquidity conditions specific to the managed portfolio, where the participation is below the 20% threshold, according to specific regulations characteristic of risk management.

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

- For reference date 31.12.2023, the Company's management has carried out an analysis of the potential loss that could be recorded in relation to the financial assets valued at amortized cost that have a balance at the reference date of this report (current accounts, current accounts, bank deposits), concluding that no adjustments are required in relation to the expected loss attached to the recorded balances.
- the Company analysed monthly 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;
- During 2023, the portfolio of financial assets was analysed from the perspective of liquidity risk, respectively, the classification criteria and the classification in the optimal holding packages were verified, it is concluded that its level falls within the provisions mentioned in the internal regulations.
- an asset capitalization program was implemented focused on calibrating / adapting the size of each relevant participation 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 liquidity of the portfolio;
- also, at the level of the Company, in 2023, liquidity crisis simulations were carried out, meant to detect

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31. FINANCIAL RISK MANAGEMENT (continued)

31.6. Liquidity risk (continued)

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 of major participations in times of crisis, including those triggered by the development of the conflict in Ukraine.

- (i) In synthesis, the conclusions of the crisis simulations have highlighted the fact that there are no scenarios in which Transilvania Investments Alliance might find itself in the situation of not having enough resources to fulfil its obligations to payment due.
- (ii) As regards liquidity risk, liquidity stress tests:
 - a. strengthens the ability of the Transilvania Investments Alliance to manage the liquidity of the Company in the interest of investors, respectively contributes to the identification and management of periods with high liquidity risk;
 - b. helps to identify possible vulnerabilities of an investment strategy in terms of liquidity and investment decision making;
 - c. their results are taken into account by the specialist departments and management of the company in defining annual investment programs and planning the strategy for unforeseen situations - on possible periods with an increased liquidity risk.

The table below presents the financial liabilities as at December 31, 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 reporting period end.

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31. FINANCIAL RISK MANAGEMENT (continued)

31.6. Liquidity risk (continued)

December 31, 2023

| | < 1 month | 1 month - 3 months | 3 months - 1 year | 1 year - 5 years | Over 5 years | Without due date | Total |
|---|---------------------|-------------------------------|----------------------------------|-----------------------------|-------------------------|-------------------------|----------------------|
| Financial assets | | | | | | | |
| Cash and cash equivalents | 60,202,503 | - | - | - | - | - | 60,202,503 |
| Financial assets at fair value through other comprehensive income | - | - | - | - | - | 875,074,595 | 875,074,595 |
| Financial assets at fair value through profit or loss | - | - | - | - | - | 811,804,885 | 811,804,885 |
| Government securities at fair value through profit or loss | - | - | - | - | - | 52,347,521 | 52,347,521 |
| Financial assets (at amortised cost) | - | - | 2,955,488 | - | - | - | 2,955,488 |
| Total financial assets | 60,202,503 | - | 2,955,488 | - | - | 1,739,227,000 | 1,802,384,992 |
| Financial liabilities | | | | | | | |
| Other financial liabilities (at amortised cost) | 4,704,911 | 10,366,627 | - | - | - | - | 15,071,538 |
| Lease liabilities | 11,167 | 22,334 | 80,431 | 450,528 | 321,677 | - | 886,137 |
| Total financial liabilities | 4,716,078 | 10,388,961 | 80,431 | 450,528 | 321,677 | - | 15,957,675 |
| Net liquidity impact | 55,486,425 | (10,388,961) | 2,875,057 | (450,528) | (321,677) | 1,739,227,000 | 1,786,427,317 |

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31. FINANCIAL RISK MANAGEMENT (continued)

31.6. Liquidity risk (continued)

| December 31, 2022 | 3 months | | 1 year - 5 years | Over 5 years | Without due date | Total |
|---|-------------------|-----------------------|---------------------|--------------------|----------------------|----------------------|
| | < 1 month | 1 month - 3 months | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 47,173,996 | - | - | - | - | 47,173,996 |
| Financial assets 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 at fair value through profit or loss | - | - | - | - | 31,653,276 | 31,653,276 |
| Financial assets (at amortised cost) | - | - | 6,719,070 | - | - | 6,719,070 |
| Total financial assets | 47,173,996 | - | 6,719,070 | - | 1,347,502,178 | 1,401,395,244 |
| Financial liabilities | | | | | | |
| Other financial liabilities (at amortised cost) | 1,868,699 | 25,018,532 | - | 21,364 | - | 26,908,594 |
| Lease liabilities | 69,802 | 139,572 | 565,133 | 2,777,181 | 321,677 | 3,873,365 |
| Total financial liabilities | 1,938,501 | 25,158,104 | 565,133 | 2,798,545 | 321,677 | 30,781,960 |
| Net liquidity impact | 45,235,495 | (25,158,104) | 6,153,937 | (2,798,545) | (321,677) | 1,347,502,178 |

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31. FINANCIAL RISK MANAGEMENT (continued)

31.7. The business environment

Globally, a number of overall developments centred around measures to manage the general inflationary context continued throughout 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.

While most governments have maintained support measures for both the population and the economic environment, the main Central Banks have made monetary policies more difficult through the full range of instruments at their disposal.

The investment activity of the Company has adapted to the domestic and international context, characterized by a high degree of unpredictability.

The Company's management cannot reliably estimate the impact on the financial statements brought about by a number of 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, respectively the commitments resulting from the implementation of the shareholders' remuneration policy.

31.8 Operational risk

Operational risk is defined as the risk of loss caused either by the use of inadequate or inaccurate processes, systems and human resources that have not performed their function properly, or by external events and actions and includes legal risk. At the level of Transilvania Investments, a risk management system is implemented, organized on three levels of defence:

- the first line is provided by the functional 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. Within the second line of defence there is also the compliance function that ensures the compliance of the company's activity with the legal regulations in force and verifies the accomplishment of the controls from the first line and the third line of defence;
- the third line of defence is represented by the Internal Audit, which periodically examines the fulfilment of the risk management function and controls the activities and all the systems that generated the respective operational risks.

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31. FINANCIAL RISK MANAGEMENT (continued)

31.8 Operational risk (continued)

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 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.

31.9 Capital adequacy

As regards the financial risks to which it is exposed, Transilvania Investments applied in 2018 also a capital-based approach, according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms. The impact of financial risks takes into account the size of the financial resources that are affected by the respective financial risks (resulting from dividing the level of the capital adequacy ratio by the minimum level required by law, i.e. 8%). The intention of Transilvania Investments is that the solvency ratio determined as a ratio between capital requirements for financial risks and own funds (financial resources) is at least two times the required minimum level (resulting in a minimum of 16% of the capital adequacy). As at December 31, 2023 Transilvania Investments registers a high level of capital adequacy ratio of 53.998%.

The own funds of Transilvania Investments as at December 31, 2023, calculated in accordance with the methodology laid down in EU Regulation no. 575/2013, were in amount of RON 1,086,846,239. The own funds of Transilvania Investments are Level 1 own funds, namely share capital, reserves, retained earnings, other comprehensive income, less the deductions provided by the same regulation.

32. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The amount of equity that the Company managed as of December 31, 2023 was RON 1,732,766,109 (December 31, 2022: RON 1,358,162,932).

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

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33. COMMITMENTS AND CONTINGENCIES

33.1. Legal actions

At the end of 2023, the Company continued to be involved in a number of legal actions specific to the activity performed. The Company's management believes that these litigations will not have a material adverse effect on the economic and financial position of the Company as they are reflected in these financial statements.

During 2023, the existing disputes related to the protection of the corporate rights of the Company and also disputes in which other rights of the Company are protected.

33.2. Contingent liability

At December 31, 2023 and December 31, 2022, the Company had no contingent liability.

33.3 Transfer pricing

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

34. SUBSEQUENT EVENTS

- In accordance with the proposal of the Executive Board for profit distribution on the agenda of the General meeting of shareholders of 22/23 April 2024, the Company will submit to the shareholders' approval the distribution of the net profit achieved in the financial year 2023 as follows:

| Destination | Amount (RON) |
|---|---------------------|
| Dividends | 32,436,657 |
| Other reserves – own sources of financing made up of profit | 204,605,050 |
| TOTAL profit, realized and distributed | 237,041,707 |

At the end of January 2023, the company Hoteluri Restaurante Sud S. A. is no longer in the portfolio managed by Transilvania Investments Alliance, it is the subject of a contribution operation to the share capital of Nova Tourism Consortium S.A. (owned Transilvania Investments: 99.99% of the share capital).

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

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 126 para. (1) of the F.S.A. Regulation no. 5/2018 *on issuers of financial instruments and market operations*

We hereby give this statement on the measure in which the individual annual financial statements prepared for the financial year 2023 reflect in an accurate manner, from all significant points of view, the Company's financial position as at 31 December 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 the 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 separate financial statements for the financial year 2023 and we confirm that:

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

b) The separate annual financial statements for the financial year 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 annual financial statements) comprises a correct analysis of the Company's development and performances and describes the main risks and uncertainties specific to the activity carried out by the Company as a closed-end diversified Retail Investor Alternative Investment Fund (RIAIF), set-up as an investment company, self-managed, established 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 separate annual financial statements prepared by the Company for the financial year 2023 that have been endorsed by the Supervisory Board and approved by the Ordinary General Meeting of Shareholders.

The financial statements have been audited by the statutory auditor Mazars Romania S.R.L., the auditor's report being presented along with the financial statements.

| | |
|---|---|
| RADU-CLAUDIU ROȘCA Executive President | STELA CORPACIAN Executive Vice-President |
|---|---|



Approved by the Supervisory Board on 7 March 2024

REPORT OF THE SUPERVISORY BOARD

FOR

THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2023



„Every new beginning comes from some other beginning's end.”, Seneca

Transilvania Investments Alliance will promote a new strategy for 2024-2028, one which aims at meeting the expectations of investors, shareholders and society alike, to become a pillar of trust and reward for shareholders and partners through transparency, sustainable vision and openness to opportunities, maintaining the same goal of professional asset management of the fund.

On behalf of the Transilvania Investments Alliance S.A. team, we would like to thank all investors, shareholders, partners and colleagues for their support and involvement. Also, we would like to thank the institutions and authorities from the financial sector for their good cooperation!"

Patrițiu Abrudan,

Chairman of the Supervisory Board

1. INTRODUCTION

The Supervisory Board Report for the financial year ended on 31 December 2023 is prepared considering the main provisions of the following regulations:

- Law no. 24/2017, Title III - Issuers whose securities are admitted to trading on a regulated market, Chapter III – Periodic information;
- F.S.A. Regulation no. 5/2018 regarding the issuers of financial instruments and market operations,
- Law no. 74/2015 on alternative investment fund managers,
- Law no. 243/2019 regulating alternative investment funds and the F.S.A. regulations implemented for their enforcement,
- Regulation (EU) no. 231/2013;
- Bucharest Stock Exchange Corporate Governance Rule Book,
- F.S.A. Regulation no. 2/2016, on implementing corporate governance principles by entities authorised, regulated and supervised by the Financial Supervisory Authority, as further amended and supplemented.

Transilvania Investments Alliance is an Alternative Investment Fund for retail investors (F.I.A.I.R.), of the closed-end, diversified type, set up as an investment company, self-managed, authorised by the Financial Supervisory Authority, through Authorization no. 150/09.07.2021.

The shares issued by Transilvania Investments Alliance are traded on the Bucharest Stock Exchange (TRANSI symbol), in the Premium category, under the Main segment, and are held by individual and institutional shareholders, both Romanian and foreign.

2. STRUCTURE OF THE SUPERVISORY BOARD IN 2023

According to the provisions of the Articles of Incorporation, Transilvania Investments is managed in a two-tier system by an Executive Board that carries out its activity under the control of a Supervisory Board. The Supervisory Board comprises of five members, natural persons, elected by secret vote, by the Ordinary General Meeting of Shareholders, for a four-year term.

The members of the Supervisory Board perform their activity based on the management contracts approved by the General Meeting of Shareholders, the Board Organisation and Operation Regulation and the Articles of Incorporation of the Company.

According to the provisions of the Company Law, all members of the Supervisory Board are non-executive members, since none of them hold an executive position within the Company, the company being managed under a two-tier system.

During the financial year 2023, the composition of the Supervisory Board was as follows:



- ❖ 1 January 2023 - 27 February 2023:
 - Mr. Prodan Paul - George – Chairman
 - Mr. Momanu Radu – Deputy Chairman
 - Mr. Abrudan Patrițiu – Member
 - Mr. Nicoară Marius – Petre – member
 - Mr. Frățilă Constantin – member.

- ❖ As of 28 February 2023, following the resignation of Mr. Prodan Paul – George from his position as Chairman, as well as the resignation of Mr. Momanu Radu, from his position of Deputy Chairman of the Board, the Supervisory Board approved, by Resolution no. 1/28 February 2023, the following Supervisory Board structure:
 - Mr. Abrudan Patrițiu – Chairman
 - Mr. Nicoară Marius – Petre – Deputy Chairman
 - Mr. Frățilă Constantin – member
 - Mr. Prodan Paul - George – member
 - Mr. Momanu Radu – member

- ❖ As of 29 September 2023, following the unilateral resignation as member of the Supervisory Board of the Transilvania Investments Alliance S.A., communicated by Mr. Prodan Paul – George and Mr. Momanu Radu, the structure of the Supervisory Board changed as follows:
 - Mr. Abrudan Patrițiu – Chairman
 - Mr. Nicoară Marius – Petre – Deputy Chairman
 - Mr. Frățilă Constantin – member.

By the Supervisory Board Resolution no. 1 of 17 October 2023, the recruitment and selection procedure to fill the two provisional vacancies on the Supervisory Board was approved.

The new composition of the Supervisory Board was authorised by the Financial Supervisory Authority by Authorization no. 13/9 February 2024, respectively:

- Mr. Abrudan Patrițiu – Chairman
- Mr. Nicoară Marius – Petre – Deputy Chairman
- Mr. Frățilă Constantin – member
- Mr. Turcu Vasile – Cosmin – member
- Mr. Bozgan Horia – Cătălin - member

The terms of Mr. Turcu Vasile – Cosmin and Mr. Bozgan Horia – Cătălin as provisional members of the Supervisory Board start on the date of F.S.A. approval and end on 30 April 2024.

The Ordinary General Meeting of Shareholders of April 2024 will decide on the election of two members of the Supervisory Board of the company, for a mandate between the date of authorization by the Financial Supervisory Authority of the new members of the Supervisory Board and 19.04.2025, the expiry date of the current mandate of the Board.



In order to assess the independence of its members, the Supervisory Board has adopted the assessment criteria provided by the Corporate Governance Code of Bucharest Stock Exchange.

By reference to these criteria, in 2023, the Supervisory Board included four independent members, namely Mr. Abrudan Patrițiu, Mr. Nicoară Marius – Petre, Prodan Paul – George and Mr. Momanu Radu.

In the composition of the Supervisory Board, authorised by the Financial Supervisory Authority through the Authorisation no. 13/9 February 2024, there are four independent members, namely Mr. Abrudan Patrițiu, Mr. Nicoară Marius - Petre, Mr. Turcu Vasile - Cosmin - member and Mr. Bozgan Horia - Cătălin.

3. DUTIES AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

The duties and responsibilities of the members of the Board are laid down by law, by the Articles of incorporation of the Company and are detailed in the „*Internal regulations*” / „*Policies and procedures on the operation of Transilvania Investments Alliance S.A. as an A.I.F.M.*”.

The main duties of the Supervisory Board are as follows:

- appoints and dismisses the Chairman and the other members of the Executive Board, establishes the powers and duties of the members of the Executive Board, the terms and conditions of each member's term, including the relevant criteria for monitoring and assessing the results of the activity of the Executive Board and of the company, and regularly evaluates the application and fulfilment of these criteria;
- continuously monitors the compliance of Supervisory Board members, Executive Board members, the compliance officer, the risk manager and the internal auditor with the assessment criteria on the basis of which they have been authorized by the F.S.A., respectively notified to the F.S.A., throughout the exercise of these duties;
- supervises and is responsible for the strategic management of the company and the fulfilment of the established objectives;
- endorses the Company's business plan and assesses its financial position;
- endorses the annual financial statements of the company after reviewing the report of the Executive Board;
- verifies the compliance of the management operations carried out by the members of the Executive Board with the law, the Articles of Incorporation and the resolutions of the General Meeting of Shareholders;
- supervises the application of corporate governance principles;
- approves, together with the Executive Board, the risk management policy, strategy and procedures;
- reviews the adequacy, effectiveness and update of the risk management system for the proper management of the company's assets and the management of the related risks to which they are exposed;
- prepares and reviews the remuneration policy of the Company, so that it is in line with business strategy, long-term goals and interests and includes measures to prevent conflicts of interest;
- approves the annual plan of the internal auditor and compliance officer;
- reviews the adequacy, effectiveness and update of the internal control system so as to ensure its independence from the operational and support organisational structures within the company, which it controls and monitors;
- following the opinion of the Audit Committee, endorses any Company transaction with any of the



companies it has close relations with, the value of which being equal to or greater than 5% of the net assets of the Company, according to the last financial report;

- endorses the completion of any operations with a value higher than the equivalent in RON of EUR 5,000,000/operation, upon the Executive Board's request;
- endorses the decision of the Executive Board on voting at the General Meeting of Shareholders of portfolio companies in which Transilvania Investments holds a controlling position, whereby acts of disposition are submitted to shareholders for approval (sale, purchase or rental of real estate and investments) with a value exceeding EUR 5,000,000, in RON equivalent at the date of approval;
- together with the Executive Board, performs a semi-annual valuation of the business continuity and emergency plans;
- report to the General Meeting of Shareholders, at least annually, with regards to the supervisory activity carried out.

In 2023, through its reporting system, the Supervisory Board carefully analysed the position and prospects of the company and fulfilled the prerogatives assigned in accordance with the applicable law, the Company's Articles of incorporation, the applicable Corporate Governance Code, the F.S.A. Regulation no. 2/2016 and the relevant internal regulations.

With regards to the continuous professional training, in 2023, in order to meet the obligations on continuous professional training and development set by the F.S.A. Regulations, the members of the Supervisory Board participated in the program "*Continuous professional training and development for management positions 2023*", organised by AS Financial Markets, during 28 September 2023 - 20 November 2023.

4. SUPERVISORY BOARD ACTIVITY IN 2023

In 2023, the Supervisory Board carefully analysed the financial position and development prospects of the company and fulfilled the prerogatives assigned in accordance with the applicable law, the Company's Articles of incorporation, the applicable Corporate Governance Code, the F.S.A. Regulation no. 2/2016, the Board Organisation and Operation Regulation and other relevant internal regulations.

The basic responsibilities of the Supervisory Board with regard to implementing corporate governance principles are set out in the company's Articles of incorporation and further developed in internal policies and regulations.

Throughout 2023, the Supervisory Board supervised the activity of the company's Executive Board with regard to the company management and continuously monitored the Board's activity results.

In all cases required by applicable law, the Articles of incorporation or the company's internal regulations, the Supervisory Board has adopted resolutions based on analyses contained in the Notes submitted by the Executive Board and by the specialised departments within the company, as well as based on recommendations issued by committees set up at Board level.

In 2023, 20 (twenty) Supervisory Board meetings were held, of which: 9 (nine) meetings with physical attendance, 1 (one) conference calls and 10 (ten) meetings organised by electronic correspondence.



The members of the Executive Board, the Risk Manager, the Compliance Officer and the heads of departments attended, as guests, the meetings organized at the Company's offices, the Supervisory Board being provided, verbally as well as in writing, with detailed information, on time and on a regular basis, about issues of relevant importance to the company, including the execution of the revenue and expenditure budget, the investment programme, the evolution of the net asset value and risk management, as well as the Company's financial position and business strategy.

Further on, we present a summary of main resolutions adopted by the Supervisory Board during 2023:

- approval of the change and supplementation of the Organisation and Operation Regulation of the Supervisory Board;
- approval of the change and supplementation of the Organisation and Operation Regulation of the Executive Board;
- review of the Policies and procedures on the operation of Transilvania Investments Alliance S.A. as A.I.F.M., submitted to the Financial Supervisory Authority;
- review of the Methodology for the Assessment of the Compliance Risk within Transilvania Investments Alliance S.A.;
- election of the Chairman and Deputy Chairman of the Supervisory Board (following the resignation from these positions of Mr. Prodan Paul - George and Mr. Momanu Radu);
- approval of the continuous assessment of adequacy of the five members of the Supervisory Board: Mr. Prodan Paul – George, Mr. Momanu Radu, Mr. Abrudan Patrițiu, Mr. Nicoară Marius Petre and Mr. FRĂȚILĂ Constantin;
- approval of the Supervisory Board's collective adequacy assessment for the year 2022;
- approval of the continuous assessment of adequacy and performances of the activity of Mr. Roșca Radu Claudiu, Executive President;
- approval of the continuous assessment of adequacy and performances of the activity of Mr. Buftea Theo – Dorian, Executive Vice-President;
- approval of the collective assessment of the Executive Board of Transilvania Investments Alliance S.A., namely Mr. Radu-Claudiu Roșca, Mr. Theo-Dorian Buftea and Mrs. Stela Corpacian;
- approval of the adequacy assessment for Mrs. Stela Corpacian, Executive Vice-President, member of the Executive Board of Transilvania Investments Alliance S.A., for the position of direct supervisor on money laundering and combating terrorism financing activities, according to the provisions of Law no. 129/2019 updated;
- designation of Mrs. Corpacian Stela, Executive Vice-President, as executive management representative to take over the responsibilities on activities to prevent money laundering and combating terrorism financing;
- approval of the performance indicators achievement by the members of the Supervisory Board, the members of the Executive Board and key management personnel, for the year 2022;
- approval of performance indicators for the year 2023 for the members of the Supervisory Board, the members of the Executive Board and key management personnel;
- approval of the implementation assessment of the *Business Continuity and Emergency Plan* for the IInd half of 2022 and the Ist half of 2023;
- approval of the Annual Report on risk management activity for the year 2022 and the Risk Reports for the IVth quarter of 2022, the Ist quarter of 2023, the IInd quarter of 2023 and the IIIrd quarter of 2023;



- approval of the Compliance Officer's Annual Report for 2022 and of the Compliance Officer's Investigation Plan for 2023;
- endorsement of the preliminary annual financial results for the financial year 2022;
- endorsement of the annual financial statements as at 31 December 2022, of the interim condensed financial statements as at 31 March 2023, the interim condensed financial statements as at 30 June 2023 and the interim condensed financial statements as at 30 September 2023;
- endorsement of the proposal on the distribution of the net profit for the financial year 2022;
- endorsement of the Executive Board's proposal on the Revenue and Expenditure Budget for 2023;
- approval of the Executive Board's reports for the financial year 2022, the Ist quarter of 2023, the Ist half of 2023 and the IIIrd quarter of 2023;
- approval of the Remuneration Report of Transilvania Investments Alliance S.A. for the year 2022;
- approval of the annual reports for 2022 of the Supervisory Board, the Remuneration Committee and the Audit Committee;
- approval of the Report on conflict of interests at Supervisory Board level for the year 2022;
- endorsement of the company's Financing Policy;
- approval of the *Operating Principles and Policies for Transilvania Investments Alliance subsidiaries*;
- approval of the *Action Plan for the restructuring of Transilvania Investments Alliance portfolio*;
- endorsement of the Executive Board Resolution regarding the participation of Transilvania Investments Alliance S.A. in the special sale to order initiated by S.I.F. Oltenia, for the purchase of 143,752,429 TUFE shares, representing 29.27% of the share capital of the issuer TURISM FELIX S.A. Băile Felix;
- endorsement of the Executive Board decision regarding the sale by Transilvania Investments Alliance S.A., within the Public Tender Offer for own shares issued by COMCM S.A., of the entire stake of 134,049,930 shares held, representing 56.72% of the share capital of the issuer;
- endorsement of the Executive Board decision on the sale of the stake held by Transilvania Investments Alliance S.A. in ȘANTIERUL NAVAL ORȘOVA S.A., namely 5,711,432 shares, representing 49.99% of the share capital of the issuer;
- approval of the Internal Audit Plan for 2023 prepared by KPMG Audit S.R.L.;
- approval of the term extension for the internal auditor KPMG Audit S.R.L., until 31 December 2024;
- approval of the composition of the advisory committees of the Supervisory Board and appointment of the Chairmen thereof (following the unilateral resignations of Mr. Prodan Paul-George and Mr. Momanu Radu as members of the Supervisory Board);
- approval of the termination, with the consent of the parties, of the term for Mr. Theo – Dorian BUFTEA – Executive Vice-President, as of 20 October 2023;
- approval of the Report on the preliminary adequacy assessment of Mr. Mihai Buliga for the position of Executive Vice-President, member of the Executive Board of Transilvania Investments Alliance S.A.;
- approval of the collective assessment of the Executive Board of Transilvania Investments Alliance S.A., namely Mr. Radu-Claudiu Roșca, Mrs. Stela Corpacian and Mr. Buliga Mihai;
- appointment of Mr. Mihai Buliga as Executive Vice-President, member of the Executive Board of Transilvania Investments Alliance S.A.;



- approval of the management structure of Transilvania Investments Alliance S.A., afferent to the file regarding the approval of Mr. Mihai Buliga as member of the Executive Board of the company;
- approval of prior adequacy assessments of Mr. Turcu Vasile – Cosmin and Mr. Bozgan Horia – Cătălin for the position of provisional member of the Supervisory Board;
- approval of the collective adequacy assessment of the Supervisory Board members, prepared by the Nomination Committee on 22 November 2023, in accordance with the provisions of F.S.A. Regulation no. 1/2019;
- appointment of Mr. Turcu Vasile – Cosmin and Mr. Bozgan Horia – Cătălin as provisional members of the Supervisory Board of Transilvania Investments Alliance S.A.;
- approval of the recommended *Integration and training plans* for Mr. Turcu Vasile – Cosmin and Mr. Bozgan Horia – Cătălin, appointed as provisional members of the Supervisory Board of Transilvania Investments Alliance S.A.;
- endorsement of the Executive Board decisions on the approval of the voting option for the investment programmes for the year 2024, at the Ordinary General Meeting of Shareholders of the issuers FEPER S.A., ARO PALACE S.A., INDEPENDENȚA S.A.;
- endorsement of the Executive Board decision on the approval of the partial, asymmetric split-up of T.H.R. MAREA NEAGRĂ S.A., under the conditions proposed by the Executive Board of the issuer, presented in the materials related to the items on the agenda of the Extraordinary General Meeting of Shareholders of 12/13 December 2023;
- approval of the Executive Board decision on the increase of the share capital of Nova Tourism Consortium S.A. by contribution in kind represented by the stake held by Transilvania Investments Alliance S.A. in Hoteluri Restaurante Sud S.A., amounting to RON 90,261,555, according to the *Valuation report* prepared by Darian DRS S.A. (by issuing 9,026,155 new shares with a nominal value of RON 10), value adjusted by RON 5, in order to obtain an integer of shares;
- approval of the Business Continuity Plan of Transilvania Investments Alliance S.A.

In 2023, the Supervisory Board also monitored the implementation by the company of the measures ordered by the Financial Supervisory Authority, by Resolution no. 99/3 February 2023 and Resolution no. 1059/9 October 2023, based on the analysis of the reports submitted by the Executive Board and the Compliance Officer in this respect.

Subsequent to the reporting period, the Supervisory Board approved the Executive Board Report for the financial year ended on 31 December 2023, which contains the company's Corporate Governance Statement (Chapter 7), Statement of compliance with the provisions of the Corporate Governance Code of the B.S.E. on 31 December 2023 (Annex 4) and the Statement on the application of corporate governance principles as at 31 December 2023, in accordance with the F.S.A. Regulation no. 2/2016, as amended (Annex 5). The Corporate Governance Statement is supplemented by the information provided in this Supervisory Board Report. The Supervisory Board also approved the company's remuneration report for 2023, presented in Annex 6 to the Executive Board Report.

Also, as part of its responsibilities, the Supervisory Board has ensured that an adequate framework is in place for verifying the way the specific legislation on the reporting to the F.S.A. is implemented.

Thus, according to the Procedure on the fulfilment of reporting and information obligations, all reports to the F.S.A. are verified and signed by the Compliance Officer. Their submission to the F.S.A. is done through the communication channels established by the F.S.A. Regulation no. 27/2010 on electronic supervision through reports, by persons specially designated for this purpose.

5. ACTIVITY OF THE SUPERVISORY BOARD COMMITTEES

Audit Committee

The Audit Committee of the Supervisory Board provide support, detailed analysis and recommendations to the Board in the field of internal control/internal audit and financial reporting.

The composition of the Audit Committee in 2023 was as follows:

- 1 January 2023 - 28 September 2023: Mr. Abrudan Patrițiu – Chairman, Mr. Prodan Paul – George – member and Mr. Momanu Radu – member
- 17 October 2023 - 31 December 2023: Mr. Abrudan Patrițiu – Chairman, Mr. Nicoară Marius - Petre – member and Mr. Constantin Frățilă – member.

Except for Mr. Frățilă Constantin, the persons who were members of the Committee during 2023 are independent members.

In 2023, the Audit Committee held 13 (thirteen) meetings. Following their discussions, recommendations were issued to the Supervisory Board on:

- ❖ approval of the Internal Audit Plan for 2023;
- ❖ approval of the Compliance Officer's Annual Report for 2022;
- ❖ approval of the Compliance Officer's Investigation Report for 2023;
- ❖ approval of the Annual Report on risk management activities for the year 2022 and the Risk Reports for the IVth quarter of 2022, the Ist quarter of 2023, the IInd quarter of 2023 and the IIIrd quarter of 2023;
- ❖ approval of the Compliance Officer's Annual Report for 2022 and of the Compliance Officer's Investigation Plan for 2023;
- ❖ approval of the Report on conflict of interests at Supervisory Board level;
- ❖ endorsement of the preliminary annual financial results for 2022, the annual financial statements as at 31 December 2022, the interim condensed financial statements as at 31 March 2023, the interim condensed financial statements as at 30 June 2023 and the interim condensed financial statements as at 30 September 2023;
- ❖ approval of the Executive Board's reports for the financial year 2022, the Ist quarter of 2023, the first half of 2023 and the IIIrd quarter of 2023;
- ❖ endorsement of the Executive Board's proposal on the distribution by destinations of the net profit recorded as at 31 December 2022;
- ❖ endorsement of the Executive Board's proposal on the Revenue and Expenditure Budget for 2023;
- ❖ approval of the implementation assessment of the Business Continuity and Emergency Plan for the IInd half of 2022 and the Ist half of 2023;
- ❖ approval of the term extension for the internal auditor KPMG Audit S.R.L. until 31 December 2024.
- ❖ approval of the review of the *Policies and procedures on the operation of Transilvania Investments Alliance S.A. as an A.I.F.M.*;

- ❖ approval of the Business Continuity Plan of Transilvania Investments Alliance S.A.

The Audit Committee also monitored the implementation by the company of the measures ordered by the Financial Supervisory Authority, by Resolution no. 99/3 February 2023 and Resolution no. 1059/9 October 2023, based on the analysis of the reports of the Executive Board and the Compliance Officer prepared for this purpose.

Subsequent to the reporting period, in accordance with its responsibilities, the Audit Committee carried out the annual review for the following:

- ✓ the internal control system of the company;
- ✓ the efficiency of the internal control system of the company (risk, compliance, internal audit) and of the risk management system;
- ✓ the internal audit activity;
- ✓ the conflict of interests related to the company transactions and its subsidiaries with related parties;;
- ✓ the activities for preventing money laundering and terrorism financing and for managing international sanctions on capital markets.

No deficiencies were found in the activities performed in 2023 by the Compliance Officer, Risk Manager and Internal Auditor.

Following the assessment of the activities for preventing money laundering and terrorism financing and managing international sanctions on capital market carried out in 2023, the Audit Committee found that they were efficient and compliant with the applicable legal regulations.

In terms of the annual evaluation of the way the relevant criteria for monitoring the results of the executive management and the Company's activity were applied, the Audit Committee, through own mechanisms, permanently monitored and analysed the results of the activity carried out by the Executive Board and the results achieved by Company. The conclusions of these analyses were reflected in the process of the continuous assessment of the Executive Board members and the persons holding key functions.

With regards to the Annual financial statements for the financial year 2023, the Audit Committee shall report to the Supervisory Board on the analysis of the materials to be presented by the Executive Board, respectively:

- statement of profit or loss and other comprehensive income
- statement of financial position
- statement of changes in equity
- cash flow statement
- notes to the financial statements



Risk Committee

The Risk Committee of the Supervisory Board validate the reports drafted by the risk management, monitor the activities with impact in the risk area and make recommendations to the Supervisory Board about avoiding risky operations and minimizing possible effects.

The composition of the Risk Committee in 2023 was the following:

- 1 January 2023 - 28 September 2023: Mr. Frățilă Constantin – chairman, Mr. Abrudan Patrițiu – member and Mr. Momanu Radu – member.
- 17 October 2023 – 31 December 2023: Mr. Frățilă Constantin – Chairman, Mr. Abrudan Patrițiu – member and Mr. Nicoară Marius – Petre - member.

In 2023, the Risk Committee met 8 (eight) times. The management system for all risk categories on Company level, the classification of the risk indicators level within the internally set limits, as well as the compliance with the applicable regulations have been permanently monitored during these meetings.

The committee analysed the *Diagram of portfolio prudential diversification risks* and the monthly notices on the market risk and liquidity risk.

The risk committee made recommendations to the Supervisory Board in respect to:

- ❖ approval of the Annual Report on risk management activity for the year 2022;
- ❖ approval of the Company's Risk Reports for the IVth quarter of 2022, the Ist quarter of 2023, the IInd quarter of 2023 and the IIIrd quarter 2023, with the specification that no issues generating the need to adopt distinctive measures by the Supervisory Board were identified.
- ❖ revision of the calculation method of the indicator *Share of liquid assets value in total assets value* held by Transilvania Investments Alliance S.A., as part of the annual review process of the *Policies and procedures on the operation of Transilvania Investments Alliance S.A. as an A.I.F.M.*;
- ❖ endorsement of the sale of the stake held by Transilvania Investments Alliance S.A. in ȘANTIERUL NAVAL ORȘOVA S.A., namely 5,711,432 shares, representing 49.99% of the share capital of the issuer;
- ❖ approval of the *Policies and procedures on the operation of Transilvania Investments Alliance S.A. as A.I.F.M.* – Chapter 3 Risk management policies and procedures - version revised in October 2023;
- ❖ endorsement of the Executive Board's decision on the approval of voting options for the agenda of the Extraordinary General Meeting of Shareholders of T.H.R. MAREA NEAGRĂ S.A. on 12/13 December 2023;
- ❖ approval of the Executive Board's decision on the increase of the share capital of Nova Tourism Consortium S.A. by contribution in kind represented by the stake held by Transilvania Investments Alliance S.A. in Hoteluri Restaurante Sud S.A., amounting to RON 90,261,555, according to the Valuation report prepared by Darian DRS S.A. (by issuing 9,026,155 new shares with a nominal value of RON 10), value adjusted by RON 5 in order to obtain a whole number of shares.



Remuneration Committee

The composition of the Remuneration Committee in 2023 was the following:

- 1 January 2023 - 28 September 2023: Mr. Prodan Paul – George – Chairman, Mr. Nicoară Marius - Petre – member, Mr. Momanu Radu – member.
- 17 October 2023 – 31 December 2023: Mr. Nicoară Marius - Petre – Chairman, Mr. Abrudan Patrițiu – member and Mr. Frățilă Constantin - member.

The detailed activity of the Remuneration Committee is presented in the **Annual report of the remuneration committee**, enclosed to the Supervisory Board Report, drawn up in accordance with the provisions of the F.S.A. Regulation No 2/2016 *on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority*.

The report of the Remuneration Committee includes a review of how the company applies the remuneration principles. These principles are adapted to the structure and complexity of the company, provide for actual measures to manage potential conflicts of interest, address both quantitative and qualitative criteria and are consistent with sound and effective risk management for all categories of beneficiaries.

Nomination Committee

The composition of the Nomination Committee in 2023 was the following:

- 1 January 2023 - 28 September 2023: Mr. Prodan Paul – George – (independent) Chairman, Mr. Abrudan Patrițiu – member (independent) and Mr. Frățilă Constantin – member
- 17 October 2023 – 31 December 2023: Mr. Frățilă Constantin – Chairman, Mr. Abrudan Patrițiu – member (independent) and Mr. Nicoară Marius – Petre - member (independent).

During 2023, the committee met 5 (five) times. We hereby enclose a summary of the activity performed and the recommendations made by the committee:

- conducting the continuous adequacy assessment of the five members of the Supervisory Board, and recommendation for approval;
- conducting the collective adequacy assessment of the Supervisory Board for 2022, and recommendation for approval;
- approval of the continuous adequacy and activity performance assessment of Mr. Roșca Radu Claudiu, Executive President, and recommendation for approval;
- approval of the continuous adequacy and activity performance assessment of Mr. Buftea Theo – Dorian, Executive Vice-President, and recommendation for approval;
- conducting the collective assessment of the Executive Board, respectively: Mr. Radu-Claudiu Roșca, Mr. Theo-Dorian Buftea and Mrs. Stela Corpacian, and recommendation for approval;
- conducting the adequacy assessment of Mrs. Stela Corpacian, Executive Vice-President, member of the Executive Board of Transilvania Investments Alliance, for the position of executive management representative in charge with AML/CTF, according to the provisions of Law no. 129/2019, updated, and recommendation for approval;



- designation of Mrs. Corpacian Stela, Executive Vice-President, member of the Executive Board to take over activities for preventing money laundering and terrorism financing;
- preparing the Report on the Preliminary Adequacy Assessment of Mr. Mihai Buliga for the position of Executive Vice-President, member of the Executive Board of Transilvania Investments Alliance S.A., and recommendation for approval;
- conducting the collective assessment of the Executive Board, namely of Mr. Radu-Claudiu Roșca, Mrs. Stela Corpacian and Mr. Buliga Mihai, and recommendation for approval;
- appointment of Mr. Mihai Buliga as Executive Vice-President, member of the Executive Board of Transilvania Investments Alliance S.A.;
- organizing interviews with the persons selected for nomination as provisional member of the Supervisory Board;
- conducting the prior adequacy assessment of Mr. Bozgan Horia-Cătălin and Mr. Turcu Vasile – Cosmin as provisional members of the Supervisory Board, and recommendation for approval;
- conducting the collective adequacy assessment of the Supervisory Board members, and recommendation for approval;
- appointment of Mr. Bozgan Horia-Cătălin and Mr. Turcu Vasile – Cosmin as provisional members of the Supervisory Board.
- preparing the integration and training plans recommended for Mr. Bozgan Horia-Cătălin and Mr. Turcu Vasile, nominated as provisional members of the Supervisory Board, and recommendation for approval.

6. CORPORATE GOVERNANCE STATEMENT

Transilvania Investments Alliance ensures the implementation of the corporate governance principles starting with the financial year 2010, when it voluntarily adhered to the Corporate Governance Code (C.G.C.) of Bucharest Stock Exchange (BSE).

The company has presented, on a regular basis, through the statement, „Apply or Explain”, its degree of compliance with the principles and recommendations of the Bucharest Stock Exchange Corporate Governance Code. As of January 2016, the company has implemented the provisions of the new Corporate Governance Code of the B.S.E., which is applicable to all companies whose shares are admitted to trading on the regulated market.

The implementation of the Corporate Governance Regulation in the day-to-day activity of the Company ensures improved protection of shareholders' rights, harmonization of the interests of all stakeholders, increased transparency of management through sustained communication with shareholders, an appropriate balance between compliance and performance, the setting of transparent criteria in the procedure for electing members of the Supervisory and Executive Board.



7. CONCLUSIONS

Transilvania Investments Alliance S.A. is one of the first companies listed on the Bucharest Stock Exchange, a partner for the national capital market development and one of the most important local institutional investors.

In the year 2023, Transilvania Investments Alliance S.A. focused on identifying the potential offered by every sector in which the fund owns significant assets, mainly travel and leisure, real estate, financial and industrial. The company enhanced its exit procedures from several companies in order to focus on the major projects in which it is involved.

In 2023, the Company continued to implement the best practices in the communication with investors, according to the criteria set forth by the Romanian Investor Relations Association (A.R.I.R.), maintaining the Vektor score of 9.5, out of 10 maximum points.

The Supervisory Board ensured that the Company sought the sustainable growth of the managed portfolio value, with positive effect both in the evolution of the Net Asset Value per share, as well as in the TRANSI share price on B.S.E., according to the Investment strategy approved by shareholders.

CHAIRMAN OF THE SUPERVISORY BOARD

Patrițiu ABRUDAN

Approved by the Supervisory Board on 7 March 2024

ANNUAL REPORT OF THE REMUNERATION COMMITTEE for the activity performed in 2023

During 2023, the structure of the Remuneration Committee was as follows:

- ❖ 1 January 2023 - 28 September 2023:
 - Mr. Prodan Paul - George – Chairman
 - Mr. Nicoară Marius – Petre – member
 - Mr. Momanu Radu – member

- ❖ 17 October 2023 - 31 December 2023:
 - Mr. Nicoară Marius – Petre – Chairman
 - Mr. Abrudan Patrițiu – member
 - Mr. Frățilă Constantin – member

The responsibilities of the Remuneration Committee mainly consider providing advice to the Supervisory Board in terms of the Company's remuneration policy, monitoring and verifying remunerations, bonuses and benefits of the Executive Board members and other categories of employees, according to the applicable regulations.

Activities of the Remuneration Committee in 2023

Following the discussions at the meeting held on 27 February 2023, the following recommendations were submitted to the Supervisory Board:

1. Recommendation to approve the performance indicators achievement by the members of the Supervisory Board, the members of the Executive Board and the personnel holding key functions, for the year 2022;
2. Recommendation to approve the performance indicators achievement by the members of the Supervisory Board, the members of the Executive Board and the personnel holding key functions, for the year 2023;

Following the discussions at the meeting held on 20 March 2023, the following recommendations were submitted to the Supervisory Board:

1. Recommendation to approve the Annual Report of the Remuneration Committee regarding the activity carried out in 2022.

2. Recommendation to approve the *Remuneration Report of Transilvania Investments Alliance S.A. for the year 2022*.
3. Recommendation to approve the proposal regarding the variable remuneration of the Supervisory Board members and the Executive Board members for the year 2022, within the limits approved by the G.M.S. through the Remuneration Policy and the Stock Option Plan programmes.

The proposal on variable remunerations discussed during the Remuneration Committee's meeting, on 20 March 2023, has been reviewed by the Compliance Officer and the Risk Manager who have found that the risk indicators are compliant with and fall within both the internally set limits and the limits set by the current legislation.

The Remuneration report for the year 2022 was approved by the Supervisory Board Resolution of 21 March 2023, and subsequently approved by Resolution no. 1 of the Ordinary General Meeting of Shareholders of Transilvania Investments Alliance S.A., as of 24 April 2023.

The proposal on the variable remuneration of the members of the Supervisory and of the Executive Board for 2022 was approved by the resolution of the Supervisory Board, as of 21 March 2023, and subsequently by Resolution no. 1 of the Ordinary General Meeting of Shareholders of Transilvania Investments Alliance S.A., as of 24 April 2023.

Following the discussions at the meeting held on 20 October 2023, the following recommendation was submitted to the Supervisory Board:

- Recommendation to approve the Addendum to the *Mandate agreement* between Transilvania Investments Alliance S.A. and Mr. Theo – Dorian Buftea, Executive Vice-President, following receipt of the notice informing the Supervisory Board of its desire to terminate the *Mandate agreement* with the consent of the Parties.

Remuneration of Supervisory Board members, of the Executive Board members and of identified personnel in 2023

The remuneration of the Supervisory Board and Executive Board members, as well as of the other categories of identified personnel, was granted according to the company's Remuneration policy approved by the Ordinary General Meeting of Shareholders of 28 April 2022. The remuneration policy was prepared in compliance with the provisions of Law no. 74/2015 on alternative investment fund managers, the ESMA Guide 232/2013 and Law no. 24/2017 on issuers of financial instruments and market operations. The remuneration policy is available on the [company website](#), along with the result of the shareholders' vote.

According to the company's remuneration policy, the remuneration for the members of the Supervisory Board and of the Executive Board, as well as of the other categories of personnel identified, as they are defined in the remuneration policy, has a fixed component and it may also include a variable component of the remuneration.

The fixed monthly remunerations of the Supervisory Board members were approved by the Ordinary General Meeting of Shareholders as at 28 April 2022, as follows: 3.5 company-average gross salaries for each member of the Board, 4 company-average gross salaries for the Deputy Chairman, and 5 company-average gross salaries for the Chairman.

The limits of the fixed monthly remuneration of the Executive Board members, stipulated in the Company remuneration policy, approved by the Ordinary General Meeting of Shareholders as at 28 April 2022, are as follows: between 7 to 9 company-average gross salaries for the Executive President of the Board and between 4 to 6 company-average gross salaries for the Executive Board Vice-Presidents. The actual level of remuneration is determined by the Supervisory Board.

As of 2021, the Company has adopted a variable remuneration system based on qualitative and quantitative performance criteria. The variable remuneration of the members of the Executive Board and persons holding key positions is approved by the Supervisory Board and the variable remuneration of the personnel identified by the Remuneration Policy is approved by the Executive Board, in accordance with the legal provisions in force.

In addition to fulfilling the performance criteria, the variable remuneration is granted subject to the following general limitation: the variable remuneration shall not exceed 1.2% of the average total assets value afferent to the year for which the variable remuneration is determined, value calculated and reported in accordance with the legal provisions in force.

The variable monthly remunerations of the Supervisory Board members for 2022/2023 were approved by the Ordinary General Meeting of Shareholders of 24 April 2023, within the limits approved by the G.M.S. through the Remuneration Policy and the Stock Option Plan programmes.

According to the Remuneration policy, approved by the Ordinary General Meeting of Shareholders of 28 April 2022, the variable remuneration granted for 2022, payable as of 2023, comprises solely of shares issued by the company, 60% of the variable remuneration being the initial component, and the 40% difference being subject to a 3-year deferral period.

In 2023, the variable remuneration granted to the members of the Supervisory Board and of the Executive Board, as well as to the other identified personnel categories consisted of:

1. shares issued by the company, based on the *Incentive and reward plan for the identified personnel through free share grants („Stock Option Plan”) for the year 2021* (first deferred instalment);
2. cash, based on the Remuneration policy valid for 2021, according to the provisions of the *Incentive and reward plan for the identified personnel through free share grants („Stock Option Plan”) for the year 2021* (first deferred instalment);

Please note that the variable remuneration stipulated in the Remuneration policy valid on the SOP 2021's approval date (policy approved by O.G.M.S. Resolution no. 1/28 April 2021), comprised of 50% shares issued by the company and 50% cash, having an initial component of 50% and a 50% component subject to the deferral period).

3. shares issued by the company, based on the *Incentive and reward plan for the identified personnel through free share grants („Stock Option Plan”) for the year 2022* (the initial component comprising 60% of the variable remuneration for 2022).

On 20 June 2023, the Company published, by current report, the *Information document on the allocation of free shares to identified staff of Transilvania Investments Alliance S.A., namely of 12,000,000 shares, comprising of 0.5549% of the share capital*. These shares, representing the initial component of 60% of the variable remuneration corresponding to the Stock Option Plan programme for 2022, were transferred to the members of the Supervisory Board, of the Executive Board, and the other categories of staff identified, on 21 June 2023.

Furthermore, on 30 October 2023, the company published the *Information document on the allocation of free shares to identified personnel of Transilvania Investments Alliance S.A., namely 8,000,000 shares, comprising of 0.3699% of the share capital*. These shares, representing the component subject to the deferral period of the 40% variable remuneration related to the Stock Option Plan programme for 2022, were not transferred to the identified personnel, on 31 December 2023.

The assignment of the above shares was based on the E.G.M.S. Resolution no. 1/28 April 2022 by which shareholders approved a buy-back programme for up to 20,000,000 shares, comprising of up to 0.92487% of the share capital, for free distribution to members of the Supervisory Board, of the Executive Board and of the identified staff, within a Stock Option Plan programme (2022).

Transilvania Investments has sent to the FSA and published on its website the statement on the shares transferred into the account of individuals holding management position, according to the provisions of (EU) Regulation no. 596/2014 and (EU) Regulation no. 522/2016.



The information on the remunerations paid in 2023 to the members of the Supervisory Board are presented in the Remuneration Report of Transilvania Investments Alliance for 2023 and in the financial statements prepared as of 31 December 2023.

CHAIRMAN OF THE REMUNERATION COMMITTEE

Marius – Petre NICOARĂ



Transilvania Investments

PROPOSAL

regarding the distribution of the net profit recorded in the financial year 2023 and the setting of the gross dividend per share

Item 3 on the OGMS agenda of 22/23 April 2024

Preamble

Transilvania Investments Alliance's policy regarding the shareholder remuneration considers the following relevant aspects:

- ✓ The long-term investment interest is generated by achieving attractive and sustainable returns over a predictable time horizon;
- ✓ The commitment and maintenance of excessive dividend distribution rates from net profit proved to be unfeasible over medium/long term, because it causes an accelerated erosion (in terms of value and quality) of the managed portfolio and limits the carrying-out of the investment programs;
- ✓ The optimal financing of the annual investment programs involves medium and long-term commitment of financial resources and is based on both the internal factors (increasing the efficiency of the disinvestment programs in order to boost the process of selling the holdings included in the accelerated exit category) and external factors (the general circumstances characterized by the liquidity conditions and the evolution of the trading benchmarks);
- ✓ The Company's interest concerning the correlation of the cash flows with the shareholders' remuneration requirements, so that the operations necessary to ensure the financial resources do not cause significant negative effects on the value and quality of the managed portfolio.

For the period 2020 – 2024, in close correlation with the level of available liquidity, the state of the portfolio restructuring process and the requirements to ensure the resources necessary for the investment programs, the Remuneration policy of Transilvania Investments Alliance's shareholders provides the following mix of instruments of the remuneration of the capital invested in TRANSI shares:

- ✓ *Distribution of cash dividends* carrying a competitive return by reference to the average trading price recorded in the financial year for which the dividend is calculated;
- ✓ *Carrying out of buy-back programs for TRANSI shares*, followed by their cancellation and reduction of the Company's share capital, subject to approval by the Company's shareholders.

The same policy stipulates that, in order to increase the level of the financing sources from the net profit that remain at the Company's disposal for carrying-out the investment programs and for ensuring the sustainability of the Company's activity, in full agreement with the shareholders' long-term interest, the Company considers the distribution of cash dividends aiming at a payout ratio of

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R.C. J08/3306/1992

Autorizatã A.F.I.A.:
Autorizație ASF nr. 40/15.02.2018

Autorizatã F.I.A.I.R.:
Autorizație ASF nr. 150/09.07.2021

Cod LEI (Legal Entity Identifier):
254900E21L36VM93H128

Capital social:
216 244 379,70 lei

Nr. Registru ASF:
PJR071AFIAA/080005

Nr. Registru ASF:
PJR09FIAIR/080006

IBAN B.C.R. Braşov:
RO08 RNCB 0053 0085 8144 0001

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approximately 30% of the net profit achieved and distributed, but not higher than a level that would generate a maximum 5.00% return by reference to the average trading price recorded in the financial year for which the dividend is calculated. If the Company, in full agreement with the general macroeconomic and investment context, identifies a series of investment opportunities that could lead to the increase in the Net Asset Value and the market price of TRANSI shares, the Company may consider the proposal regarding the distribution of the entire profit to legal reserves and/or other own financing sources, based on the resolution of the general meeting of shareholders. The reasons underlying such decision will be highlighted in the annual proposal regarding the financial year's profit appropriation.

THE COMPANY’S PROPOSAL regarding the distribution of the net profit recorded in the financial year 2023 and setting of the gross dividend per share

“3. Approval of the distribution of the net profit recorded in the financial year 2023 and setting of the gross dividend per share at RON 0.015/share”.

The annual financial statements prepared by the Company for the financial year 2023 according to the IFRS standards, as they are submitted to the Ordinary General Meeting of Shareholders for approval, include the following data regarding the profit:

- RON -

| | |
|------------------------------|----------------|
| Net operating income | 282,351,224.53 |
| Total operating expenses | 30,581,005.29 |
| Profit before tax | 251,770,219.24 |
| Income tax expense | 14,728,512.32 |
| Net profit to be distributed | 237,041,706.92 |

The Company’s management proposes and recommends the Ordinary General Meeting of Shareholders to approve the following distribution of the 2023 net profit:

| | Destination | Amount (RON) |
|----|---|--|
| 1. | Dividends | 32,436,656.96 (RON 0.015/share) |
| 2. | Other reserves – Own financing sources set-up from profit | 204,605,049.99 |
| | Total net profit achieved and distributed | 237,041,706.92 |

The gross dividend to be paid for one share held on the record date is **RON 0.015**, which represents a 5.15% yield by reference to the average trading price of TRANSI shares on the BVB-REGS market between 01.01.2023 and 31.12.2023.

The proposed value of the gross dividend for the financial year 2023:

- is consistent with the Company’s policies regarding the shareholder remuneration ;
- the dividend proposed to be granted from the net profit of the financial year 2023 (RON 0.015/share) ensures a dividend yield situated in the maximum area provided by the previously mentioned policy;
- the dividend of RON 0.015/share, proposed to be granted for the year 2023, implies a dividend payout ratio of approximately 14% of the net profit recorded (level which is aligned with the provisions of the previously mentioned shareholder remuneration policy).

The payment of the dividends distributed from the profit achieved in the financial year 2023 will be carried out in compliance with the legal provisions in force. The potential costs related to the payment of dividends will be borne by the shareholders.

The payment methods and the related procedures will be established by the Executive Board and brought to the shareholders knowledge through a communique which will be published at least in a national newspaper and on the company's website: www.transilvaniainvestments.ro.

The shareholders entitled to receive dividends distributed from the 2023 net profit are the ones registered in the consolidated Shareholders' Register on the record date which will be approved by the Ordinary General Meeting of Shareholders, in compliance with the provisions of art. 87, paragraph 3 of Law no. 24/2017 on the issuers of financial instruments and market operations.

The Company's management proposes to the general meeting of shareholders to approve 01.07.2024 as the record date and 22.07.2024, as the payment date.

Executive President
Radu - Claudiu ROȘCA

Executive Vice-President
Stela CORPACIAN

Executive Vice-President
Mihai BULIGA