



STRATEGY

Transilvania Investments Alliance

2020-2024

*Reviewed,
in force as of 28.04.2022*

Transilvania Investments Alliance (hereinafter referred to as the *Company*) is a Romanian legal entity organized as a joint stock company (S.A.). The Company is listed on the Bucharest Stock Exchange and the trading of the shares is subject to the rules applicable to the regulated market and closed-end alternative investment funds.

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

The Company carries out its activity in compliance with the provisions of the applicable Romanian legislation. The Company is managed under a two-tier system.

Summary

| | |
|----------------------------|---|
| I. PREAMBLE | 1 |
| II. OUR MISSION..... | 2 |
| III. BUSINESS LINES | 2 |
| IV. OBJECTIVES | 3 |
| V. PROJECTED OUTCOMES..... | 4 |

I. PREAMBLE

The objective of the **investment strategy** is the increase in the value of the managed assets, through maximization of the aggregate yields adjusted to risk and it seeks:

- increase in the quality of the managed portfolio, through continuation of the accelerated restructuring of the portfolio,
- structural balancing of the portfolio,
- improvement of the aggregate liquidity of the portfolio and promotion of efficient and attractive shareholder remuneration instruments,
- proper management of the financial resources needed for these instruments.

The increase of the net asset value is possible through a performant management carried out by specialists, oriented towards generating added value, in conditions of active and prudent management of assets from the financial, tourism, real estate, industry, energy and IT sectors.

The proposed objectives can be achieved through a substantiated and efficient allocation of the capital factor, in close connection with a professional and visionary human resource, motivated to build the next development level for the company and its shareholders.

Transilvania Investments manages a diversified portfolio of financial instruments, that may include any of the following main asset classes: shares, fixed-income instruments, fund units/ETFs, capital holdings in investment funds/collective investment undertakings, alternative investment instruments (including derivatives), equity shares. At the same time, Transilvania Investments manages a sub-portfolio of subsidiaries.

The defining of Transilvania Investments Strategy represents an evolutionary review of the Strategy approved in 2020 and its passing to a stage characterized by an efficient and sustainable capitalization of the investment potential generated by the investments from the managed portfolio and the improvement of the corporate governance system.

At the same time, the Transilvania Investments Strategy creates the premises for the development of medium and long-term activity plans and programs that allow the inclusion of risks and opportunities in the field of sustainability.

The publication of the Strategy is a transparent and responsible approach to communicating to current and potential investors the principles, objectives and business lines that make up the Company's investment policy, the methods to achieve these objectives and the competitive advantages for differentiating Transilvania Investments within the investment funds.

II. OUR MISSION

With an impressive portfolio of assets under management, Transilvania Investments is inspired by progressive values and a modern vision of the company's evolution.

Transilvania Investments mission is to increase the value of the managed assets through the entire range of instruments provided for by the legislation applicable to the capital market and to implement a balanced policy for the remuneration of the Company's shareholders. In this manner, we will be able to achieve a new positioning of the Company within the capital market and an increased attractiveness of the fund for the investors.

Transilvania Investments intends to add vitality and flair to opportunities to its professional skills, so as to build a more competitive and conscious company, able to understand and capitalize on a business environment that is constantly changing. Our values are integrity, entrepreneurship, transparency, performance.

III. BUSINESS LINES

Transilvania Investments seeks to maximize the potential offered by the main **business lines**: tourism, real estate, industry, active trading and venture capital/private equity.

- **TOURISM** → we aim to change the administration and business models for the sub-portfolio that operates in the tourism sector.
- **REAL ESTATE** → the real estate portfolios will be efficiently and centralized operated, including the assets of companies operating in the industrial sector, where the risk-adjusted profitability of the industrial activity is lower than the estimated efficiency for a real estate operation.

- **INDUSTRY**→ we aim to change the administration and business models for the sub-portfolio that operates in the industry sector, including through partnerships and analysis of the opportunities in the field of exploitation on the real estate business line.
- **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 investment horizons and longer investment horizons. We will also access other instruments from the OTC financial market, such as fixed income instruments or derivatives.
- **VENTURE CAPITAL/PRIVATE EQUITY** → we aim to develop and effectively exploit the potential offered by the niche of such investments, both in new sectors and through a private equity approach for the assets in the existing portfolio.

IV. OBJECTIVES

1. The Company mainly aims to maintain its status of investment entity, as a fundamental element of business model implementation and as a methodology of drawing up and presenting periodical financial reporting.
2. Transilvania Investments is generally pursuing an investment policy on a medium/long-term horizon. Adopting a medium/long investment horizon allows to capitalize on investment opportunities characterized by a reduced liquidity level such as private equity, venture capital, implemented in compliance with the investment limits undertaken through the Company's risk profile.

The objectives set for a medium/ long-term investment horizon are assumed considering the specific macroeconomic influences. The medium/long-term investment horizon allows access to higher yields attached to the risk premiums specific for each type of investment. Diversifying of the investments leads to the optimization of the aggregated indicators at the entire portfolio level..

3. Transilvania Investments seeks its positioning on the local investment funds market as an Alternative Investment Fund with a balanced strategy (with a growth and yield component). The Company is an investment fund with an investment profile characterized by a medium risk level.
4. Transilvania Investments seeks the improvement of the Company's operational efficiency mainly by increasing the weight of dividends generated by its subsidiaries.
5. The Company's strategy on the remuneration of its shareholders will focus on the implementation of a balanced remuneration policy aimed at both direct remuneration (dividend gain) and indirect remuneration (capital gain resulted from the reduction of the trading discount).
6. Increase of the Net Asset by at least 30%, increase calculated before any distribution of dividends and/or other shareholders remuneration forms¹.

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.

V. PROJECTED OUTCOMES

- The Strategy of Transilvania Investments, once implemented, will result in a sustainable increase in value of the managed portfolio, with a positive effect on the evolution of both the fund's NAV per Share (NAVPS) and TRANSI share prices.
- Through the proposed strategy, we aim to differentiate Transilvania Investments among the investment funds and position the Company as an investment proxy that capitalizes on the growth potential of the local economy, namely the potential of the sectors highlighted by the business lines on which the managed portfolio concentrated.
- Transilvania Investments will continuously aim to significantly increase the quality of the managed portfolio and consequently its market value. The net asset value increase is possible through an efficient management performed by professional and visionary specialists, under the conditions of an active and prudent portfolio management.

The Transilvania Investments' strategy is intended to meet the investors and society's expectations, to become a pillar of trust and reward for shareholders and partners, through transparency, sustainable vision and openness to opportunities.

EXECUTIVE BOARD Transilvania Investments Alliance

Radu-Claudiu ROȘCA
Executive President
CEO

Theo-Dorian BUFTEA
Executive Vice-President
Deputy CEO