



Transilvania Investments

PROPOSAL

regarding the distribution of the net profit recorded in the financial year 2022 and the setting of the gross dividend per share

- item 3 on the OGMS agenda of 24/25 April 2023-

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 regarding 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 programmes 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-

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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

Societate administrată în sistem dualist

term interest, the Company considers the distribution of cash dividends aiming at a payout ratio of approximately 30% of the net profit achieved and distributed, but not higher than a level that would generate a maximum return of 5.00% 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 of 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.

COMPANY'S PROPOSAL regarding the distribution of the net profit recorded in the financial year 2022 and setting of the gross dividend per share

3. Approval of the distribution of the net profit recorded in the financial year 2022 and setting of the gross dividend per share at RON 0.0140/share;

The annual financial statements prepared by the Company for the financial year 2022 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	91,339,937.00
Total operating expenses	28,188,159.64
Profit before tax	63,151,777.36
Income tax (credit)	569,960.80
Net profit to be distributed	63,721,738.16

The Company's management proposes and recommends the Ordinary General Meeting of Shareholders to approve the following distribution of the 2022 net profit:

	Destination	Amount (RON)
1.	Dividends	30,274,213.16 (RON 0.0140/share)
2.	Other reserves – Own financing sources set-up from profit	33,447,525.00
	Total net profit achieved and distributed	63,721,738.16

The gross dividend to be paid for one share held on the record date is **RON 0.0140**, which represents a 4.9% yield by reference to the average trading price of TRANSI shares on the BVB-REGS market between 01.01.2022 and 31.12.2022.

The proposed value of the gross dividend for the financial year 2022:

- 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 2022 (RON 0.0140/share) ensures a dividend yield situated in the maximum area provided by the previously mentioned policy;
- the dividend of RON 0.0140/share, proposed to be granted for the year 2022, implies a dividend payout ratio of approximately 47.5% of the net profit recorded (level higher than the ratio provided for by the shareholder remuneration policy).

The payment of the dividends distributed from the profit achieved in the financial year 2022 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 communicate 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 2022 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 31.05.2023 as the record date and 23.06.2023, as the payment date.

Executive President
Radu - Claudiu ROȘCA

Executive Vice-President
Theo - Dorian BUFTEA

Executive Vice-President
Stela CORPACIAN