



# Transilvania Investments

Transilvania Investments Alliance

## STRATEGY

2024-2028

In force as of 30.04.2024

Transilvania Investments Alliance (hereinafter referred to as the *Company* or *Transilvania Investments*) 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 issued by the Company 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 and it 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 maximization of the total return** achieved by the current and potential shareholders by the investments made by the Company and the **increase in the net asset value per share.**

The **investment policy** is mainly oriented towards instruments available on the Romanian market and **seeks:**

- increase in the quality of the managed portfolio, by carrying on the accelerated restructuring thereof;
- structural balancing of the portfolio;
- ensuring an optimal level of the aggregate liquidity of the portfolio managed and promotion of efficient and attractive shareholder remuneration instruments;
- proper management of the financial resources needed for these instruments.

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

Pag. 1/4

Transilvania Investments  
Alliance S.A.

Str. Nicolae Iorga 2,  
Braşov 500057, România

Tel.: +40 268 415 529  
Tel.: +40 268 416 171

office@transilvaniainvestments.ro  
www.transilvaniainvestments.ro

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

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

Autorizată F.I.A.I.R.:  
Autorizație 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:  
PJR09FAIR/080006

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

Societate administrată în sistem dualist

The **projected objectives can be achieved** through a substantiated and efficient capital allocation, 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, which may include any of the following main asset classes: shares, fixed-income instruments, fund units/ETFs, equity holdings in investment funds/collective investment undertakings, alternative investment instruments (including derivatives), equity interests. Moreover, Transilvania Investments manages a sub-portfolio of subsidiaries.

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 gradual consideration of the risks and opportunities in the field of **sustainability**.

Defining Transilvania Investments' Strategy represents an evolutionary review of the Strategy approved in 2020 (and subsequently revised in 2022) and its passing to a new stage characterized by an efficient and sustainable capitalization of the investment potential of the assets from the managed portfolio.

The publication of the Strategy is a transparent and responsible approach by which the Company communicates to its current and potential investors the principles, objectives and business lines included in the Company's investment policy, the methods to achieve these objectives and the competitive advantages differentiating Transilvania Investments among the investment funds.

## II. OUR MISSION

Transilvania Investments mission is to increase the value of the managed assets by the entire range of diversifying instruments and to maximize of the shareholders return, with a direct impact on the increase in the net asset value, in accordance with the capital market legislation. In this manner, we will achieve a distinctive positioning of the Company on the capital market and increase in the attractiveness of the fund to the investors.

With an impressive portfolio of assets under management, Transilvania Investments intends to add investment agility and flair for opportunities to its professional skills, so as to build a more competitive 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, active trading and private equity.

- **TOURISM** → we aim to change/consolidate the management and business models for the sub-portfolio of companies operating in the tourism sector. By way of example, in order to increase the performance of companies from this sector agreements for specialized operating services and/or operation under international brands can also be considered.
- **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.
- **ACTIVE TRADING** → Includes the strategy afferent to issuers actively traded on financial markets, with high liquidity, regardless of the trading environment (local or international), with a view of maintaining an adequate liquidity level profile of the managed portfolio and will target both short investment horizons and longer investment horizons.
- **PRIVATE EQUITY** → we aim to develop and effectively capitalize on the potential offered by the niche of private equity investments, both in new sectors and by a private equity approach for

the assets in the existing portfolio. The private equity investments and participation in entrepreneurial projects create the premises for the increase in the profitability of the assets managed and have the purpose of mitigating the negative performances recorded on the capital market.

## IV. OBJECTIVES

1. Transilvania Investments is generally pursuing an investment policy on a medium/long-term horizon. Adopting a **medium/long investment horizon** allows the Company to capitalize on investment opportunities characterized by a low liquidity level, such as private equity, implemented in compliance with the investment limits undertaken through the Company's risk profile.
2. 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.
3. The Company aims to **restructure** its historical portfolio of holdings that have exhausted their growth potential or have low growth potential, or the risk-adjusted return of their activity is lower than the estimated return for an efficient operation. The amounts resulting from the capitalization of these holdings will provide **financing sources for investments with higher estimated returns**.
4. Transilvania Investments seeks the increase in the portfolio return by the entire range of instruments allowed, including through **increasing the weight of dividends** generated by its sub-portfolio of **majority holdings**.
5. The Company's strategy on the **shareholders remuneration** will focus on the implementation of a balanced remuneration policy, aimed at both direct remuneration (**dividend gain**) and indirect remuneration (capital gain from the **reduction of the trading discount** and **increase in the net asset value**).
6. Transilvania Investments will gradually revise its ESG-related policies and procedures, so that, by the end of the Strategy reference period<sup>1</sup>, the Company integrates the sustainability-related risks into its investment decisions and considers the adverse impacts of investment decisions on sustainability factors.
7. The Company seeks an **annual increase<sup>2</sup> in the Net Asset Value per Share (NAVPS) by at least 6%** (increase calculated before any distribution of dividends and/or other shareholders remuneration forms) and **annual reduction<sup>3</sup> of the trading discount by at least 7%**.
8. The Company aims to maintain the **medium risk profile** of its portfolio, as well as the status of **investment entity** as a fundamental element of implementing its business model and as a methodology for preparing and presenting the periodical financial reports.

---

<sup>1</sup> The 2024-2028 Strategy covers the period 30.04.2024-30.04.2028.

<sup>2</sup> The annual assessment of the NAVPS evolution considers the whole fiscal year, and it will be made proportionally for the periods that do not correspond to a whole fiscal year covered by this Strategy, as the case may be.

<sup>3</sup> The annual assessment of the reduction in the trading discount considers the closing price of TRANSI shares and the published NAVPS at the end of a full fiscal year, except for the first assessment period for which the reference date will be 30.04.2024, and it will be made proportionally for the periods that do not correspond to a full fiscal year covered by this Strategy, as the case may be.

## V. PROJECTED OUTCOMES

- Transilvania Investments' Strategy, once implemented, will materialize in a sustainable increase in the value of the managed portfolio, with a positive effect on the evolution of the fund's NAVPS, at the same time providing a solid anchor for a positive price evolution of TRANSI shares, thus leading to the main objective of the fund, those of maximizing total returns for shareholders.
- 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, respectively of the sectors included in the business lines on which the portfolio managed is concentrated. The medium/long-term investment horizon sought by the fund and the structure of the managed portfolio qualifies the shares issued by the Company as an investment instrument intended for retail investors, but that can also be considered in the investment strategies of institutional investors.
- Transilvania Investments will continuously aim to significantly increase the quality of the managed portfolio and implicitly its market value. The increase in the net asset value is possible through a high-performance management carried out by professional and visionary specialists, in conditions of active and prudent portfolio management.

**Transilvania Investments' Strategy aims to meet both investors and society's expectations and to become a pillar of trust and reward for shareholders and partners, through transparency, sustainable vision and openness to opportunities.**