transilvaniainvestments.ro

# 2024 Financial Results Presentation

## Conference Call for Investors and Analysts

May 6th, 2025

Transilvania Investments

Transilvania Investments

# Presentation Structure

## Chapter I - Indicators

## Chapter II – Strategic Objectives

# I. INDICATORS

i. 2024 Annual Financial Results

ii. TRANSI Shares

iii. Transilvania Investments Portfolio

iv. Summary of the results recorded at 31.12.2024

## Statement of Financial Position as at 31.12.2024

Transilvania Investments

RON million

| Indicator | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cash and cash equivalents | 18.51 | 60.20 |
| Financial assets measured at fair value through profit or loss | 732.05 | 811.80 |
| Government securities measured at fair value through profit or loss | 117.88 | 52.35 |
| Financial assets measured at fair value through other comprehensive income | 1,027.19 | 875.07 |
| Financial assets at amortized cost | 7.55 | 2.96 |
| Other assets | 0.70 | 0.57 |
| Income tax receivables | 2.64 | - |
| Investment property | - | - |
| Intangible assets | 0.08 | 0.12 |
| Property, plant and equipment | 19.20 | 20.02 |
| Right-of-use assets under leases | 1.16 | 0.90 |
| **Total assets** | **1,926.96** | **1,824.00** |
| Financial liabilities | 23.04 | 15.07 |
| Lease liabilities | 1.38 | 1.01 |
| Deferred income tax liabilities | 68.60 | 57.03 |
| Current income tax liabilities | - | 15.06 |
| Other liabilities | 2.56 | 2.44 |
| Provisions for risks and charges | 0.64 | 0.64 |
| **Total liabilities** | **96.22** | **91.23** |
| Share capital | 216.24 | 216.24 |
| Retained earnings | 232.41 | 390.30 |
| Revaluation reserves on financial assets at fair value through other comprehensive income | 356.43 | 292.98 |
| Revaluation reserve for property, plant and equipment | 15.47 | 15.42 |
| Other reserves | 1,020.69 | 815.63 |
| Equity-based payments to employees and management | 3.36 | 2.67 |
| Own shares | (13.87) | (0.48) |
| **Total equity** | **1,830.73** | **1,732.77** |
| **Total liabilities and equity** | **1,926.96** | **1,824.00** |

# Statement of Profit or Loss and Other Comprehensive Income at 31.12.2024

Transilvania Investments

RON million

| Indicator | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Dividend income | 71.52 | 98.48 |
| Bank interest income | 2.08 | 2.68 |
| Interest income from government securities classified as financial assets at fair value through profit or loss | 4.68 | 1.91 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 4.22 | 153.31 |
| Other operating income | 0.44 | 25.97 |
| **Total net income** | **82.94** | **282.35** |
| Personnel benefit expense | (19.69) | (18.22) |
| Commissions and fees expense | (2.88) | (2.49) |
| Impairment of financial assets | 0.04 | 1.67 |
| Operating expenses | (10.55) | (12.71) |
| Financing costs | (0.02) | (0.04) |
| (Losses)/reversal of losses from provisions | - | 1.21 |
| **Total expenses** | **(33.10)** | **(30.58)** |
| **Profit before tax** | **49.84** | **251.77** |
| Income tax (benefit/expense) | (1.80) | (14.73) |
| **Net profit for the year** | **48.04** | **237.04** |
| **Other comprehensive income** | | |
| Gain/(loss) from revaluation of financial assets measured at fair value through other comprehensive income, net of deferred tax | 94.55 | 169.77 |
| Increase / (Decrease) in the revaluation reserve of property, plant and equipment, net of deferred tax | 0.52 | 0.11 |
| **Other comprehensive income – total** | **94.60** | **169.88** |
| **Total comprehensive income for the period** | **142.64** | **406.92** |

# Distribution of the Net Profit

The Ordinary General Meeting of Shareholders of 28.04.2025 approved the distribution of the net profit achieved in the financial year 2024 as follows:

Net profit **RON 48.04 million**

**Dividends** RON 32.44 million (RON 0.0150/share)

**Own financing sources** set up from profit RON 15.60 million (other reserves)

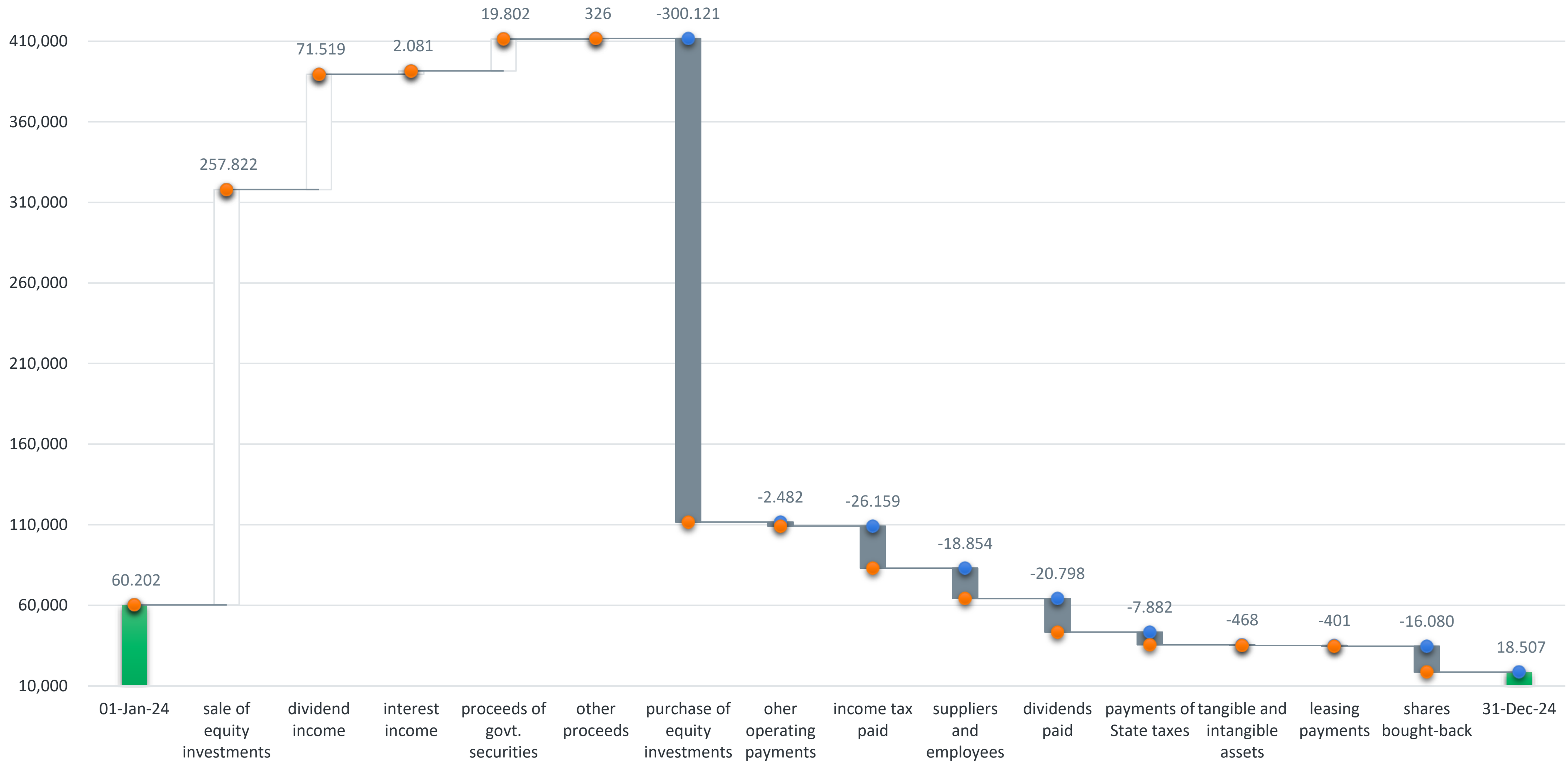
The gross dividend, amounting to **RON 0.0150/share**, provides:

- a competitive yield by reference to the average trading price of TRANSI shares on the BVB-REGS market during 2024 and the buy-back programmes approved at the Company level;
- a dividend payout ratio of approximately 68% of the net profit (a level higher than the one set out in the Shareholder Remuneration Policy).

The dividend payment date, approved by the Ordinary General Meeting of Shareholders, is **28.10.2025**.

# Cash Flow 2024

RON million




transilvaniainvestments.ro

# Evolution of TRANSI share in 2024

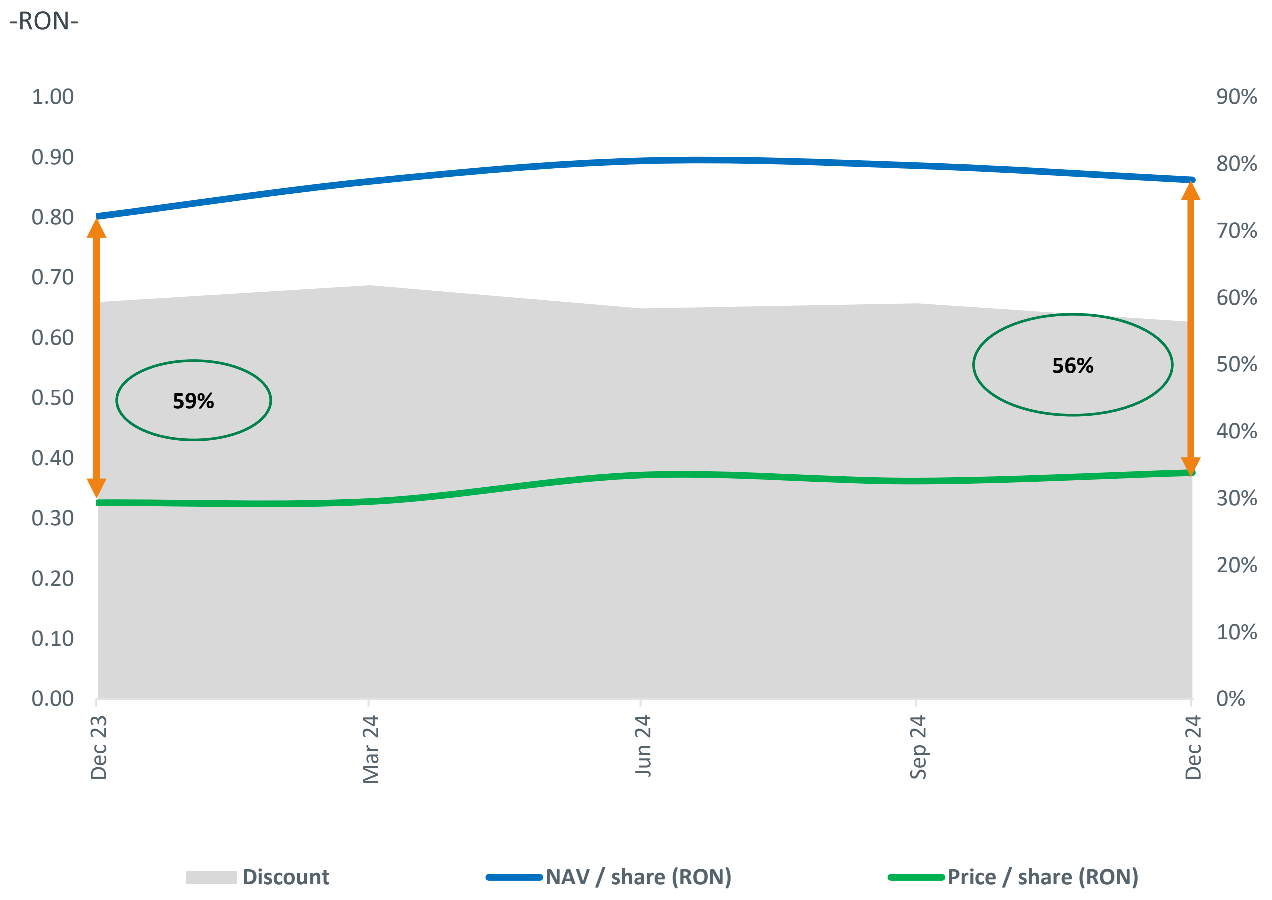
| | |
|---|---|
| Minimum closing price | RON 0.2850 / share |
| Average price | RON 0.3460 / share* |
| Maximum closing price | RON 0.3820 / share |
| Trading volume | 170.86 million shares ** |
| Number of trading sessions | 248 |
| Daily average trading volume | 0.689 million shares/ session*** |

**During 2024, the TRANSI shares had an upward evolution, with the closing price on the last day of the year (RON 0.3760/share) being 14.6% higher than the closing price recorded at the beginning of the year (RON 0.3280 /share).**

** RON 0.3449 /share, **162.21 million shares, *** 0.654 million shares - if DEAL transactions are not considered.*


*Source: Bloomberg*

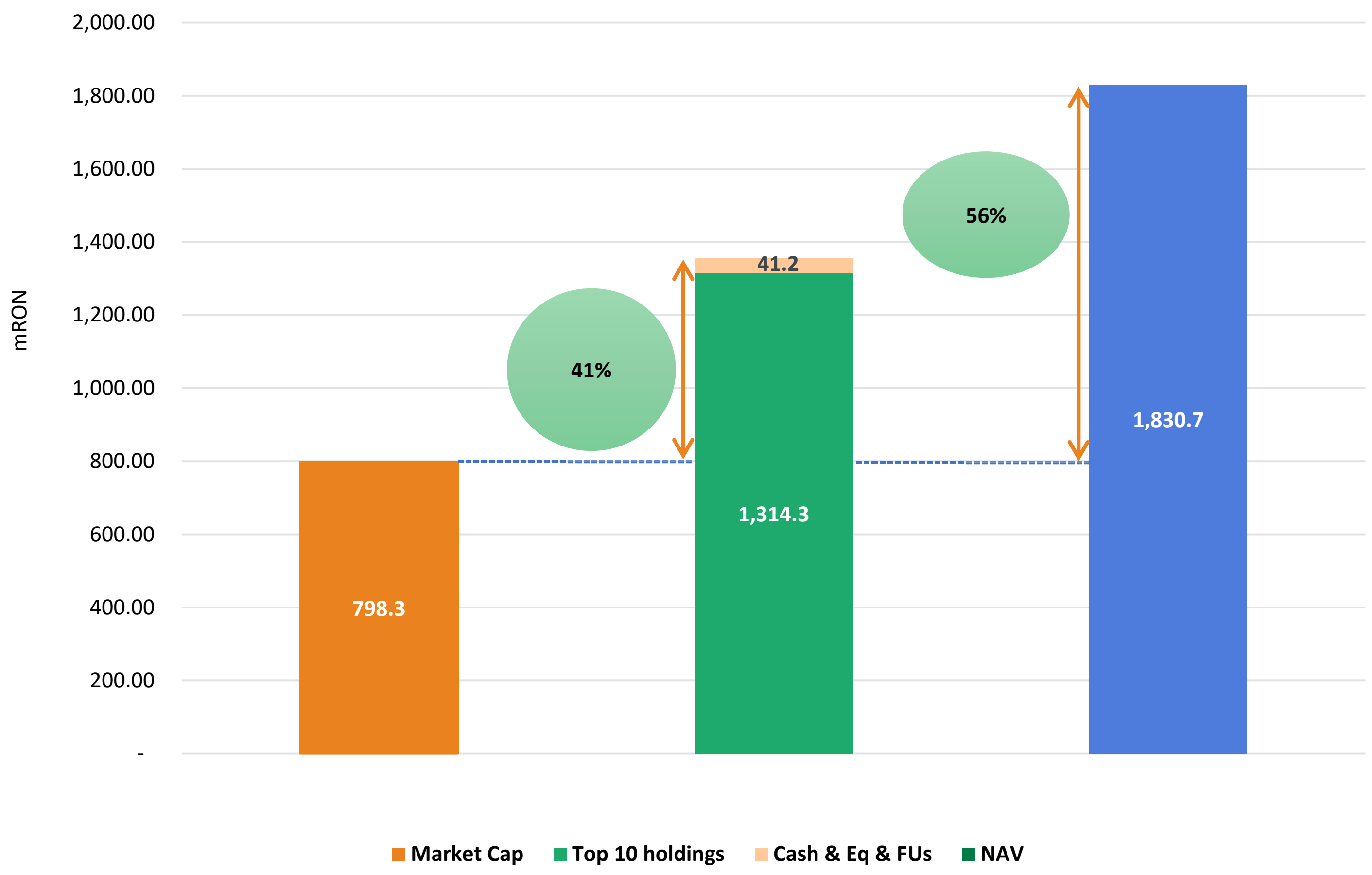
# Evolution of TRANSI shares' trading discount in the last 12 months




The trading discount had a favorable evolution, recording a decrease from 59% at the end of December 2023, to 56% to the end of December 2024, in the context in which NAV/share increased by 7.52% (from RON 0.8019/share to RON 0.8622/share), and the trading price increased by 15.34%.

*Source: Transilvania Investments*

# Analysis of the TRANSI shares' trading discount at 31 December 2024




By reference to the Net Asset Value reported for 31.12.2024, the TRANSI share price recorded a significant discount of 56%. By reference to Top 10 holdings in the portfolio, the trading discount is 41%.

*Source: Transilvania Investments*

# Portfolio evolution in 2024

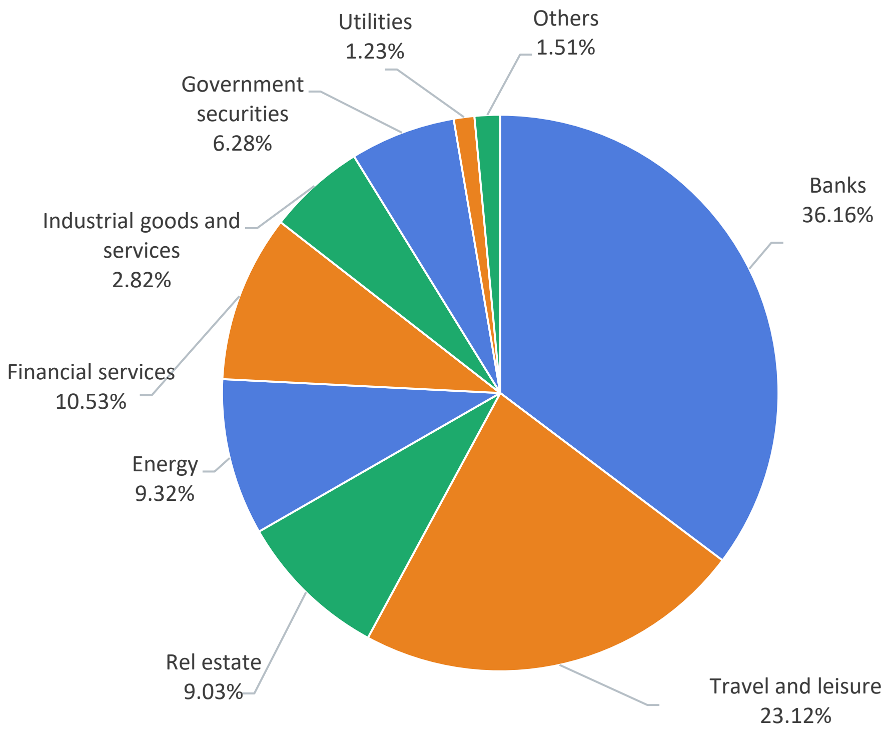
## Evolution and components of Transilvania Investments portfolio

| *- RON million -* | **Dec.-23** | *Quarterly evolution* | **Mar.-24** | *Quarterly evolution* | **Iun.-24** | *Quarterly evolution* | **Sept.-24** | *Quarterly evolution* | **Dec.-24** | *Year-to Date evolution* |
|---|---|---|---|---|---|---|---|---|---|---|
| *Total assets value* | 1,824.0 | ↗ | 1,941.9 | ↗ | 2,061.9 | ↘ | 1,999.6 | ↘ | 1,927.0 | ↗ |
| *Net asset value* | 1,732.8 | ↗ | 1,850.5 | ↗ | 1,920.8 | ↘ | 1,891.5 | ↘ | 1,830.7 | ↗ |
| *Number of companies in portfolio* | 72 | ↘ | 70 | ↘ | 67 | - | 67 | ↘ | 64 | ↘ |
| *Financial instruments portfolio (incl. cash)* | 1,799.4 | ↗ | 1,918.1 | ↗ | 2,036.4 | ↘ | 1,973.5 | ↘ | 1,895.6 | ↗ |
| *Financial instruments portfolio* | 1,739.2 | ↗ | 1,901.3 | ↗ | 1,954.3 | ↘ | 1,915.8 | ↘ | 1,877.1 | ↗ |
| *Cash & equivalent* | 60.2 | ↘ | 16.8 | ↗ | 82.1 | ↘ | 57.7 | ↘ | 18.5 | ↘ |

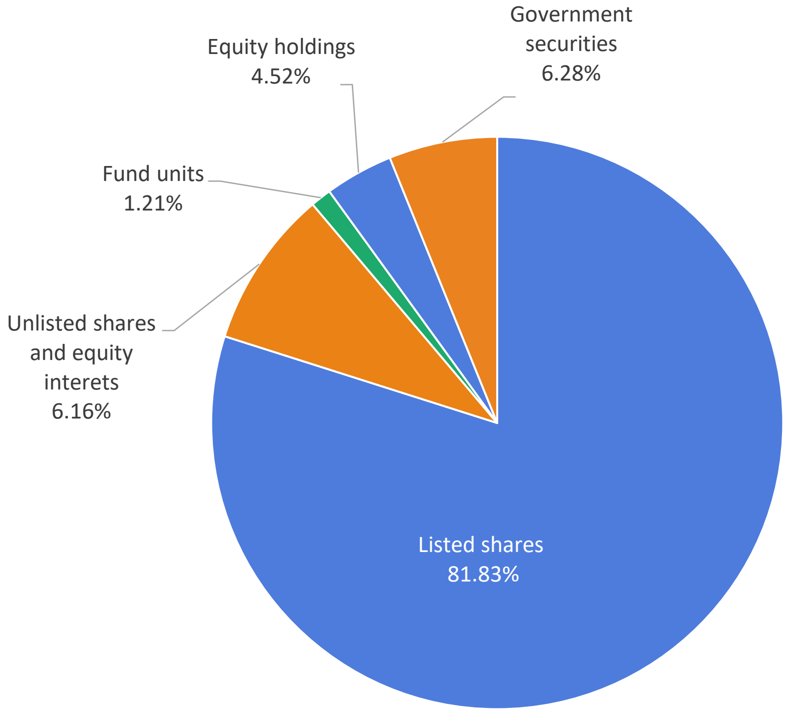
*Source: Transilvania Investments*

- ✓ The total assets value increased by **5.64%**, and the net asset value increased by **5.65%** compared to the values recorded at 31.12.2023.
- ✓ The value of the financial instruments portofolio increased by **7.93%** compared to the value corresponding to the previous year.

# Portfolio structure by sectors at 31.12.2024

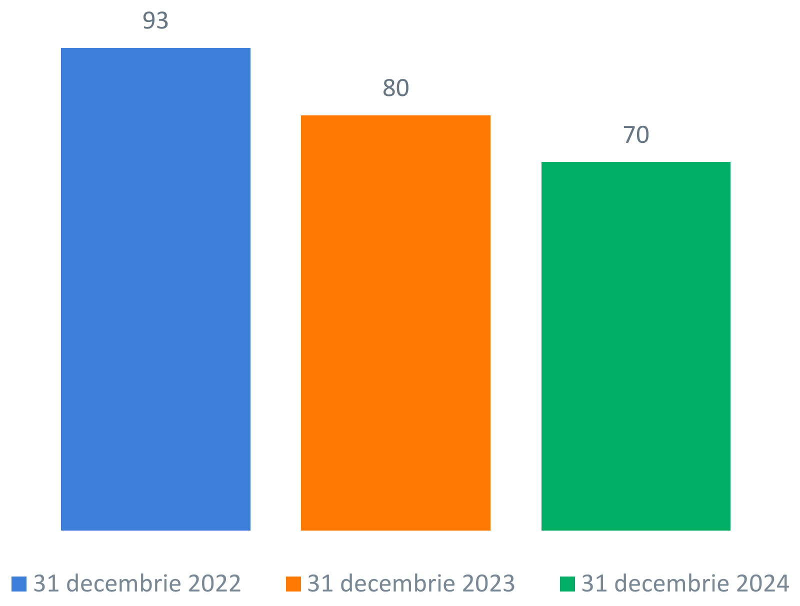



# Portfolio structure by types of financial instruments at 31.12.2024

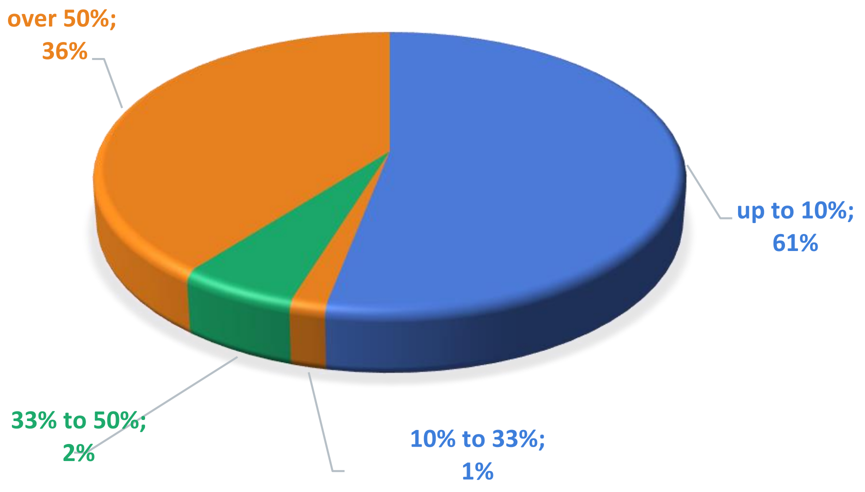



Total value of financial instrument portfolio: **RON 1,877,114,443**

**Number of issuers in portfolio**
(shares, equity interests, fund units, equity holdings and preference rights)




**Portfolio structure by the size of the stakes**
held in the share capital of issuers/number of outstanding fund units, at 31.12.2024



Transilvania Investments

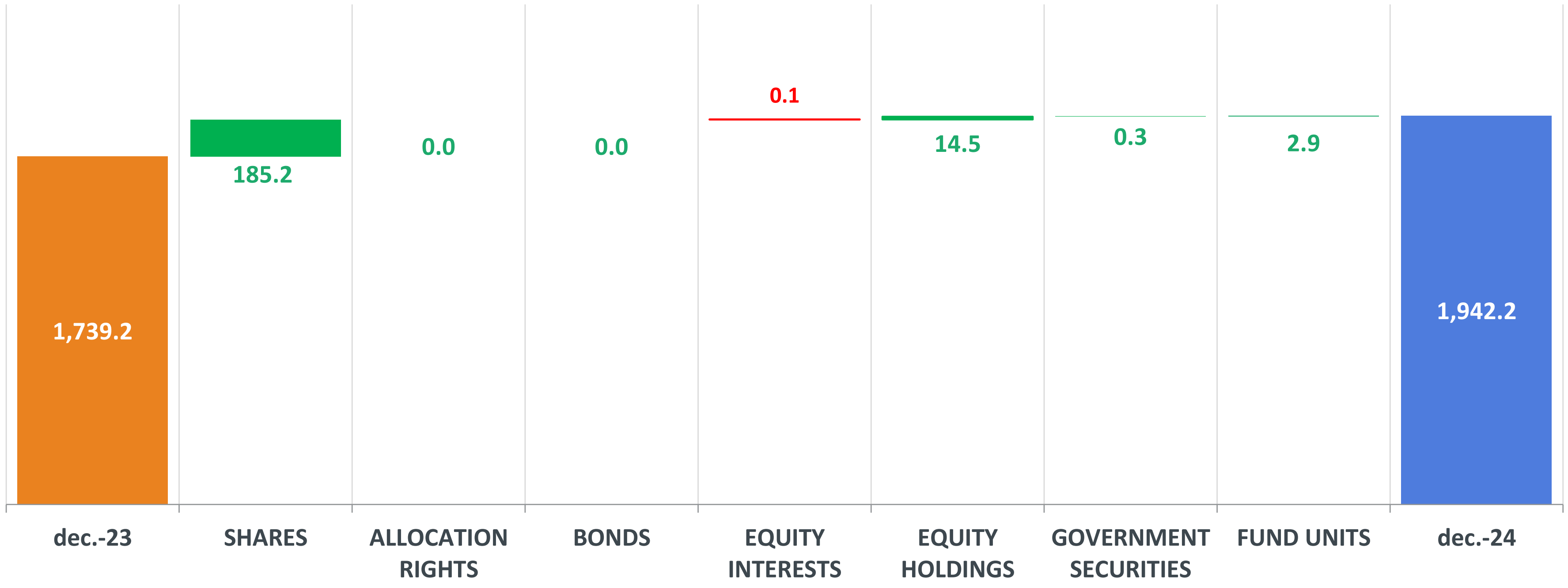
## Top 10 holdings (shares) as at 31.12.2024

| No. | Name | Holding (%) | % of Total Assets |
|---|---|---|---|
| 1. | BANCA TRANSILVANIA S.A. | 1.66% | 21.31% |
| 2. | BRD - GROUPE SOCIÉTÉ GÉNÉRALE S.A. | 1.81% | 12.20% |
| 3. | TURISM FELIX S.A | 93.69% | 7.74% |
| 4. | OMV PETROM S.A. BUCUREȘTI | 0.33% | 7.56% |
| 5. | TURISM, HOTELURI, RESTAURANTE MAREA NEAGRĂ S.A. | 69.71% | 4.85% |
| 6. | ARO-PALACE S.A. | 85.74% | 4.61% |
| 7. | EVERGENT INVESTMENTS S.A. | 4.28% | 2.97% |
| 8. | FEPER S.A. | 85.80% | 2.86% |
| 9. | CASA ALBĂ INDEPENDENȚA S.A. | 53.35% | 2.38% |
| 10. | TURISM COVASNA S.A. | 92.94% | 1.74% |
| | **Top 10 holdings** | | **68.21%** |
| | **Total financial instruments portfolio** | | **97.41%** |

- ✓ **Financial instruments portfolio value**: **RON 1,877,114,443**
- ✓ **Total Assets Value**: **RON 1,926,957,939**

transilvaniainvestments.ro

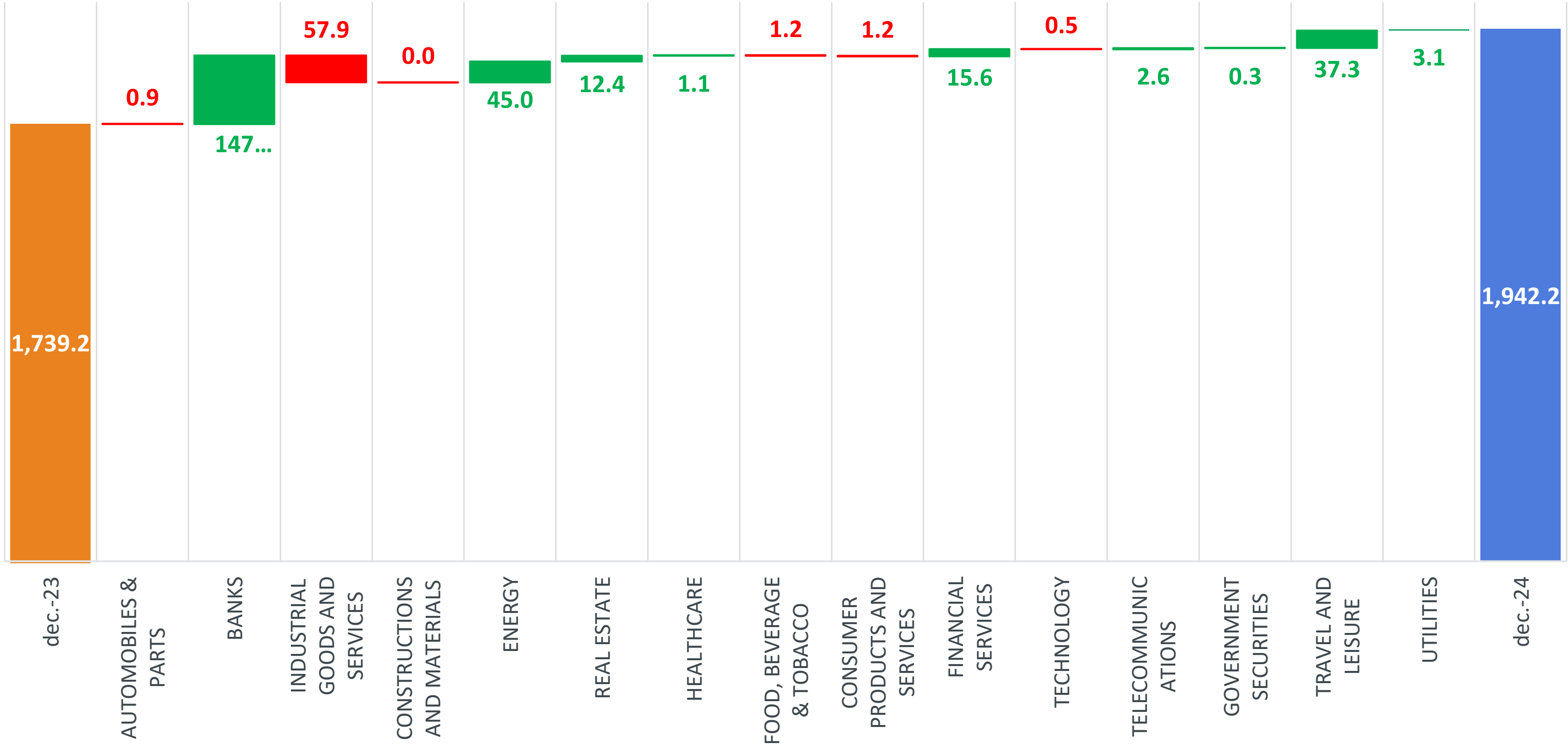
# Financial instrument portfolio variation
## (fair value + generated cash + attached receivables deducted from fair value) – by financial instruments




*Note: The initial value (Dec 23) of the financial instrument portfolio is calculated according to IFRS fair values. The final value (Dec-24) of the financial instrument portfolio is calculated by adding to the IFRS fair values the contribution of each financial instrument [cash generated /immobilized through sale/acquisition transactions, cashed dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. **The amounts are expressed in RON million..***

The main sub-portfolios that generated a positive net cash impact on the value of the assets under management: **shares** (+RON 185.2 million), **equity holdings** (+RON 14.5 million) and **fund units** (+RON 2.9 million).

## Financial instrument portfolio variation
## (fair value + generated cash + attached receivables deducted from fair value) – by sectors




*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.***

The main **sectors** generated a positive net cash impact on the value of the assets under management: **Banks** (+RON 147.4 million), **Energy** (+RON 45.0 million), **Travel and leisure** (+ RON 37.3 million) and **Financial services** (+RON 15.6 million).

## Financial investments in 2024

| | RON | EUR |
|---|---|---|
| Acquisitions on the BSE main market, including direct financial investments | 150,768,219 | |
| Acquisitions on the BSE main market, through share capital increase offer | 2,991,624 | |
| Own shares | 16,065,990 | |
| Government securities | 134,789,237 | |
| Equity holdings | - | 1,727,222 |
| **TOTAL** | **304,615,070** | **1,727,222** |

The investment activity carried out in 2024 resulted in a total investment volume of **RON 304.61 million** for instruments denominated in RON and **EUR 1.72 million**, for instruments denominated in EUR, as follows:

✓ **shares** from the sectors/subsectors existing in the portfolio, such as:

- Financial (Banca Transilvania)
- Energy (OMV Petrom, Romgaz, Transgaz, Hidroelectrica and Premier Energy)
- Travel and Leisure (Turism Felix)
- Other sectors: Real estate (One Properties), Telecomunications (Digi Communications), Technology (AROBS Transilvania Software), Utilities (Electrica).

✓ **government securities** issued by the Ministry of Public Finance, with up to 1-year maturity, as well as with 2- and 3-year maturities.

✓ **equity holdings** within the private equity fund CEECAT FUND II SCSp.

✓ **own shares**, in accordance with the buy-back programs approved through the E.G.M.S. Resolutions of 24.04.2023 and 22.04.2024.

## Divestments in 2024

| | RON | EUR |
|---|---|---|
| Sales on the BSE regulated market | 200,489,180 | - |
| Sales on the SMT/AeRO market | 8,808,890 | - |
| Sale of government securities | 52,614,182 | - |
| Sales of fund units on the domestic market | 640,643 | - |
| **TOTAL** | **262,552,895** | - |

- ✓ During 2024 the stakes held in Utilaj Greu S.A Murfatlar (UTGR) and Virola -Independenta S.A Sibiu (VIRO), representing historical holdings from the Company's 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), Banca Transilvania (TLV), Romgaz S.A (SNG), OMV Petrom S.A. (SNP), Hidroelectrica (H2O), Nuclearelectrica (SNN) etc.
- ✓ Overall, the **share sales** amounted to RON 209.29 million, of which RON 200.48 million are sales on the main market of Bucharest Stock Exchange and RON 8.8 million – sales on the AeRO multilateral system.
- ✓ Within the **government securities** portfolio, sales amounted to RON 52.6 million and consisted in government securities with 8- and 9- year maturities.
- ✓ During 2024, the Company sold **fund units** denominated in RON worth RON 0.64 million.

# The stake held by **Transilvania Investments** in **Nova Tourism Consortium**

(a company 99.99% held by Transilvania Investments)

Transilvania Investments

transilvaniainvestments.ro

# Exceptional Event

Transilvania Investments

1. At the beginning of March 2025, from the Ascertaining Certificate issued by the National Trade Register Office (ONRC) on 10.03.2025, it resulted that the stake held by Nova Tourism Consortium S.A. in the share capital of Hoteluri Restaurante Sud S.A. was changed from 90.61% to 48.24% following the settlement by the ONRC on 07.03.2025 of a request to increase the share capital of Hoteluri Restaurante Sud S.A., based on a Resolution of the Extraordinary General Meeting of Shareholders dated 21.05.2024.

2. The adopted resolution led to the change in the shareholding structure of Hoteluri Restaurante Sud S.A, by introducing Alexa Business & Investments S.R.L. in the shareholding with a 46.76% participation in the share capital. We mention that this company is managed by Arion Irina-Elena, daughter of Mr. Frățilă Constantin – member of the Supervisory Board of Transilvania Investments until 31.12.2024.

3. The share capital increase operation was carried out at nominal value, without a valuation report which to establish the subscription price, without offering the preference right to the existing shareholders and without any publicity regarding the convening of the meeting and/or the adoption of the resolution.

4. Although our Company has not granted a mandate to the Sole Administrator of Nova Tourism Consortium S.A., from the documents we have so far, the share capital increase operation was unanimously adopted, in the presence of 100% of the total share capital and voting rights of Hotel Restaurants Sud S.A..

5. This operation, which is contrary to the interests of Transilvania Investments, presumes either the involvement of Mrs. Alexe Gabriela – Sole Administrator of Hoteluri Restaurante Sud S.A., or that of the sole administrator of Nova Tourism Consortium S.A. in office on the date of the above-mentioned EGMS, respectively Mr. Dragoș Călin, who held at that time also the position of Head of the Legal Department of Transilvania Investments.

# Exceptional Event

Transilvania Investments



6. In view of these findings, Transilvania Investments had to update the fair value of its stake held in Nova Tourism Consortium S.A. (through a valuation carried out by a third-party valuator), which resulted in a negative adjustment of RON 56.26 million which impacted the profit and loss account of the year 2024.

7. Transilvania Investments brought to the attention of shareholders and investors the situation presented above, through the Current Report no. 1568/14.03.2025 and informed about the legal steps taken by Nova Tourism Consortium S.A. as plaintiff, through the Current Report no. 2195/10.04.2025.

8. Transilvania Investments denounces and vehemently contests the legality of this operation, considering that Transilvania Investments has not granted a mandate in this respect to the sole administrator of Nova Tourism Consortium S.A. and will adopt, both at the level of Nova Tourism Consortium S.A. and internally, all the necessary civil and criminal measures.

9. **Transilvania Investments will continue to inform investors and shareholders about the actions taken, considering the procedural strategy adopted, the maximization of the results achieved and the non-vitiation of ongoing legal proceedings**.

## Evaluation report prepared by PwC

1. According to the internal regulations, the value of the stake held in Nova is determined by a third-valuator - PwC.
2. The exceptional event led to the preparation of a new Valuation Report for determining the stake fair value as at 31.12.2024 considering the impact of the exceptional event.
3. According to the conclusions of the Valuation Report prepared by the third-party valuator, the fair value of the stake held in Nova is RON 32.9 million.

## Opinion without reserves of the financial auditor

The financial auditor's opinion included the new value of the stake held in Nova and considered the following aspects:

1. The financial auditor was provided with all documents and information regarding the exceptional event based on which the valuation report on the estimated fair value was updated for financial reporting purposes in the case of Nova.
2. The third-valuator was provided with the most recent financial information available regarding the HRS stake.
3. The adjustments made to the Nova's net asset value are reasonable for the purpose of determining the stake fair value as at 31.12.2024 through the cost approach-adjusted net asset method.

# Financial Auditor's Opinion



- The accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31.12.2024, and its financial performance and cash flows for the year then ended, in accordance with IFRS and FSA Norm 39/2015.
- The auditor's objectives were to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to fraud or error.
- The financial auditor has not identified in the Executive Board's Report any information which is not consistent, in all material respects, with the information presented in the financial statements.
- The Executive Board's Report includes, in all material respects, the information required by the Accounting Regulations approved by FSA Norm ASF 39/2015.
- No information that would be significantly misstated was identified in the Executive Board's Report.
- The Remuneration Report presents, in all material respects, the information requested by Law 24/2017.

# Measures and steps taken

Transilvania Investments

1. Conducting internal investigations, notified to the Financial Supervisory Authority (FSA).
2. Initiation of an internal audit mission (Forvis Mazars Romania internal auditor) regarding the exceptional event, which will be notified to the FSA.
3. Initiation of extensive criminal actions against Mr. Frățilă Constantin, member of the Supervisory Board of Transilvania Investments until 31.12.2024, and Mr. Dragoș Călin, who, at the time of the EGMS of 21.05.2024, was the sole administrator of Nova Tourism Consortium and the Head of the Legal Department of Transilvania Investments. We consider that some of the constituent elements of the crimes of fraudulent management, abuse of office, establishment of an organized criminal group can be considered by the investigative bodies.
4. Steps to initiate the liability action against all the persons who participated at the EGMS Resolution of 21.05.2024.
5. Steps to initiate the liability action against Mr. Dragoș Călin.
6. Measures to protect the HRS assets (notation of disputes in the Land Books of a series of buildings owned by HRS).
7. Sending notifications to the banks/business partners of HRS.

# Litigations related to the exceptional event

## Litigations in which **Nova Tourism Consortium** is the **plaintiff**

**Case no. 1326/118/2025**

- Object: **Annulment of the Resolution of the Extraordinary General Meeting of Shareholders of Hoteluri Restaurante Sud S.A. dated 21.05.2024**
- Parties: Nova Tourism Consortium S.A. - plaintiff and Hoteluri Restaurante Sud S.A. - defendant.
- Transilvania Investments filed a request for main intervention.

**Case no. 1383/118/2025**

- Object: **Suspension of the Resolution of the Extraordinary General Meeting of Shareholders of Hoteluri Restaurante Sud S.A. dated 21.05.2024** – Presidential Ordinance
- Parties: Nova Tourism Consortium S.A. - plaintiff and Hoteluri Restaurante Sud S.A. - defendant.
- Transilvania Investments filed a request for main intervention.
- At the hearing on 14.04.2025, the court rejected as unfounded the request for ancillary intervention filed by the intervener Transilvania Investments Alliance S.A. At the same time, the court rejected the request as unfounded. Our company will challenge the court decision within the legal term.

**Case no. 1356/118/2025**

- Object: **Complaint against the Resolution no. 204299/07.03.2025** of the Director of the Trade Register Office (ONRC) attached to the Court of Constanța.
- Parties: Nova Tourism Consortium S.A. - plaintiff, Hoteluri Restaurante Sud S.A. - defendant and ONRC Constanța – defendant.
- Hearing on 29.05.2025

**Case no. 1722/118/2025**

- Object: **Action for the declaration of nullity** of certain acts and transactions concluded between the parties, the refund of the amounts and the payment of the related interest.
- Parties: Nova Tourism Consortium S.A. - plaintiff, Hoteluri Restaurante Sud S.A. - defendant, Consulting & Construction Investments SA - defendant and Alexa Business & Investments SRL – defendant.

**Case no. 1857/118/2025**

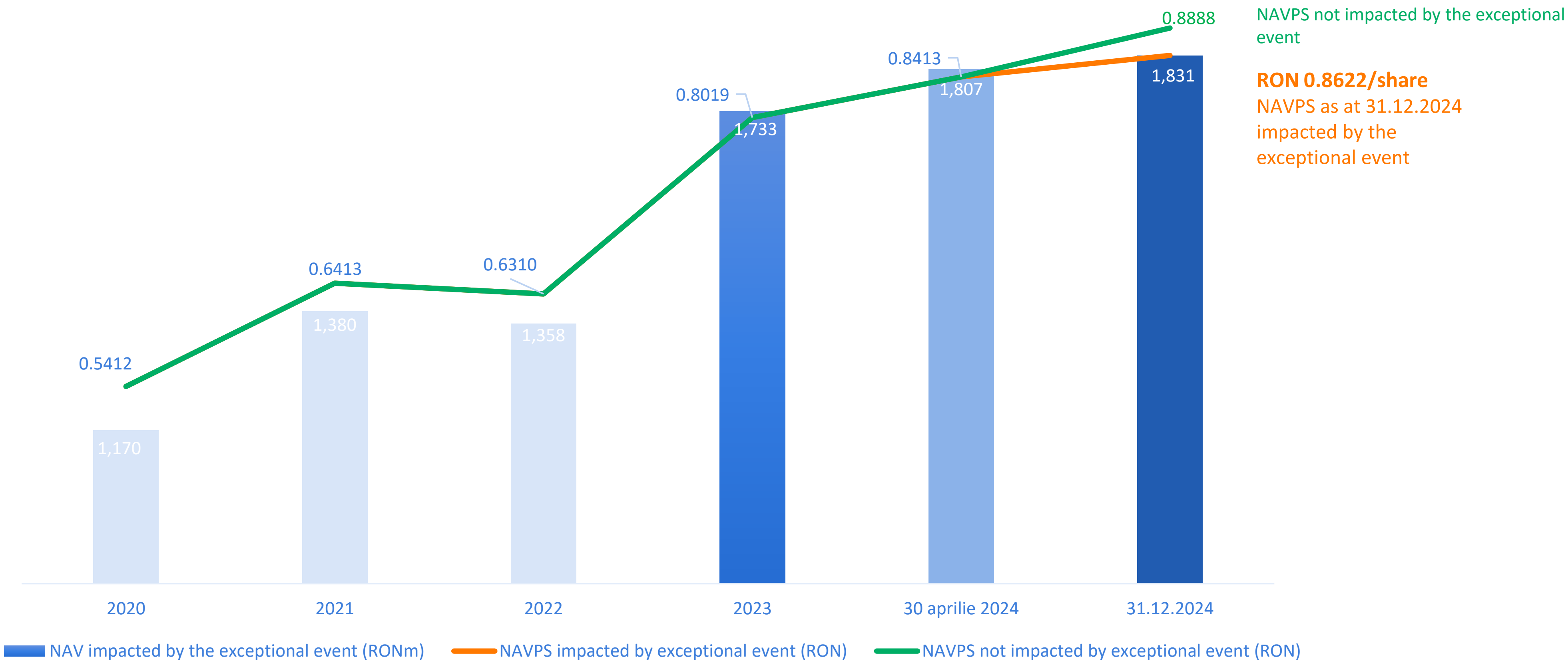
- Object: **Action filed for the preservation of the assets of Hoteluri Restaurante Sud S.A.** - Presidential Ordinance.
- Parties: Nova Tourism Consortium S.A. – plaintiff and Hoteluri Restaurante Sud S.A. – defendant.
- At the hearing on 24.04.2025, a request for recusal was filed.
- Hearing on 05.06.2025.

## Litigations in which **Transilvania Investments** is the **plaintiff**

**Case no. 1806/118/2025**

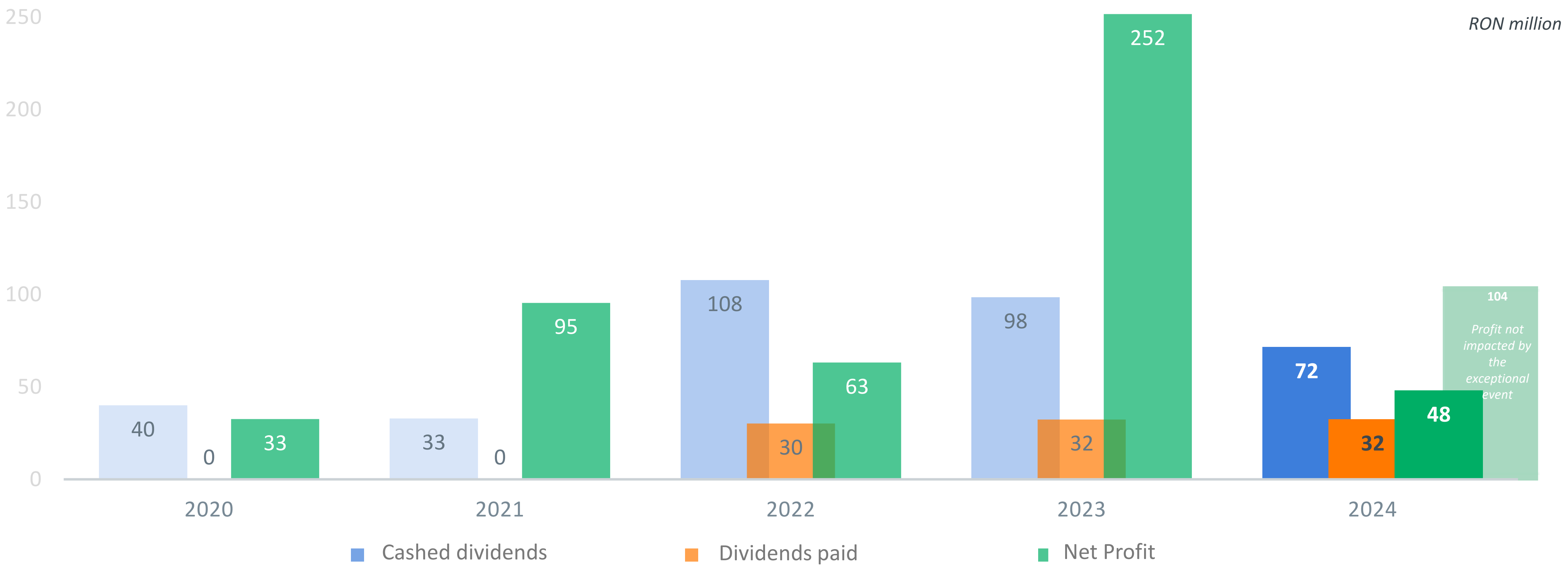
- Object: **Action filed for the preservation of the assets of Hoteluri Restaurante Sud S.A.** - Presidential Ordinance.
- Parties: Transilvania Investments Alliance S.A.- plaintiff and Hoteluri Restaurante Sud S.A. - defendant.
- At the hearing on 14.04.2025, the court rejected the request as inadmissible. Our company will challenge the court decision within the legal term
- Transilvania Investments noted this litigation in the land books of the assets owned by HRS.

# NAV and NAV per Share




- ✓ The exceptional event determined the update of the fair value of the stake held in Nova Tourism Consortium S.A. which led to a negative adjustment of RON 56.26 million, which impacted the profit and loss account of the year 2024 and the statement of assets and liabilities at 31.12.2024
- ✓ The impact on the NAV per share was approx. -2.9%

# Shareholder Remuneration




**Shareholders are remunerated** through **dividends** and complementary instruments consisting in **own share buyback programmes** followed by share cancellation and reduction of the share capital.

- The dividends to be paid in 2025, approved by the OGMS of 28.04.2025, account for approx. **68%** of the net profit achieved in 2024 (a level higher than the one provided for by the Remuneration policy).
- For 2025, the OGMS of 28.04.2025 approved the buyback of **175 million shares for share capital reduction**, and the buyback of 10 million shares for Stock Option Plan.

# Fulfilment of the performance indicators for the year 2024



- **KPI*** fulfilment degree **without considering** the impact of the exceptional event
  - Annual increase in the net asset value per share (NAVPS) → target 4.00%, achieved 5.65%
  - Annual reduction in the trading discount → target 4.67%, achieved 8.91%

- **KPI*** fulfilment degree **considering** the impact of the exceptional event
  - Annual increase in the net asset value per share (NAVPS) → target 4.00%, achieved 2.48%
  - Annual reduction in the trading discount → target 4.67%, achieved 11.12%

- Fulfilment degree of the **profit provided for in the 2024 Revenue and Expenditure Budget** **without considering** the impact of the exceptional event
  - Profit achieved → RON 107.41 million, compared to RON 80.30 million (profit estimated) → achievement degree 133.76%

- Fulfilment degree of the **profit provided for in the 2024 Revenue and Expenditure Budget** **considering** the impact of the exceptional event
  - Profit achieved → RON 48.03 million, compared to RON 80.30 million (profit estimated) → achievement degree 59.81%

**) the analysis of the degree of KPI fulfillment is carried out for the period 30.04.2024-31.12.2024.*

| No. | Objective | Fulfilment degree **without considering** the exceptional event | Fulfilment degree **considering** the exceptional event | Weight* |
|---|---|---|---|---|
| 1. | Annual increase in **Net Asset Value Per Share** (NAVPS) by at least 6% | 141% | 62% | 40% |
| 2. | Annual decrease in the **trading discount** by at least 7% | 191% | 238% | 40% |
| 3. | Achievement of the **profit** provided for in the Revenue and Expenditure Budget | 134% | 60% | 20% |
| | **Aggregate result** | **160%** | **132%** | |

# II. STRATEGIC OBJECTIVES

i. Strategy 2024-2028

ii. Investment Policy Statement (IPS) 2024-2028

iii. Projects and achievements

# Transilvania Investments Alliance Strategy 2024 - 2028

*The Strategy 2024-2028 covers the period 30.04.2024 – 30.04.2028.*

## 1 Investment policy on medium/long-term horizon

The Company generally pursues an investment policy on a **medium/long-term horizon**. This allows the Company to capitalize on investment opportunities characterized by a low liquidity level, such as **private equity**.

## 2 Balanced strategy

The Company seeks its positioning on the local investment funds market as an Alternative Investment Fund with a balanced strategy (with a **growth** and **yield** component).

## 3 Restructuring the historical portfolio

**Restructuring the 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 operating.

## 4 Increase in the portfolio return

Increase in the portfolio return by the entire range of instruments allowed, including through increasing the weight of **dividends** generated by the sub-portfolio of **majority holdings**.

## 5 Balanced shareholder remuneration policy

Balanced shareholder 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 ESG-related policies and procedures

Gradual revision of the ESG-related policies and procedures, so that, by the end of the Strategy reference period , the Company **integrates the sustainability-related risks** into its investment decisions and **considers the adverse impacts** of investment decisions on sustainability factors.

## 7 NAVPS increase and discount reduction

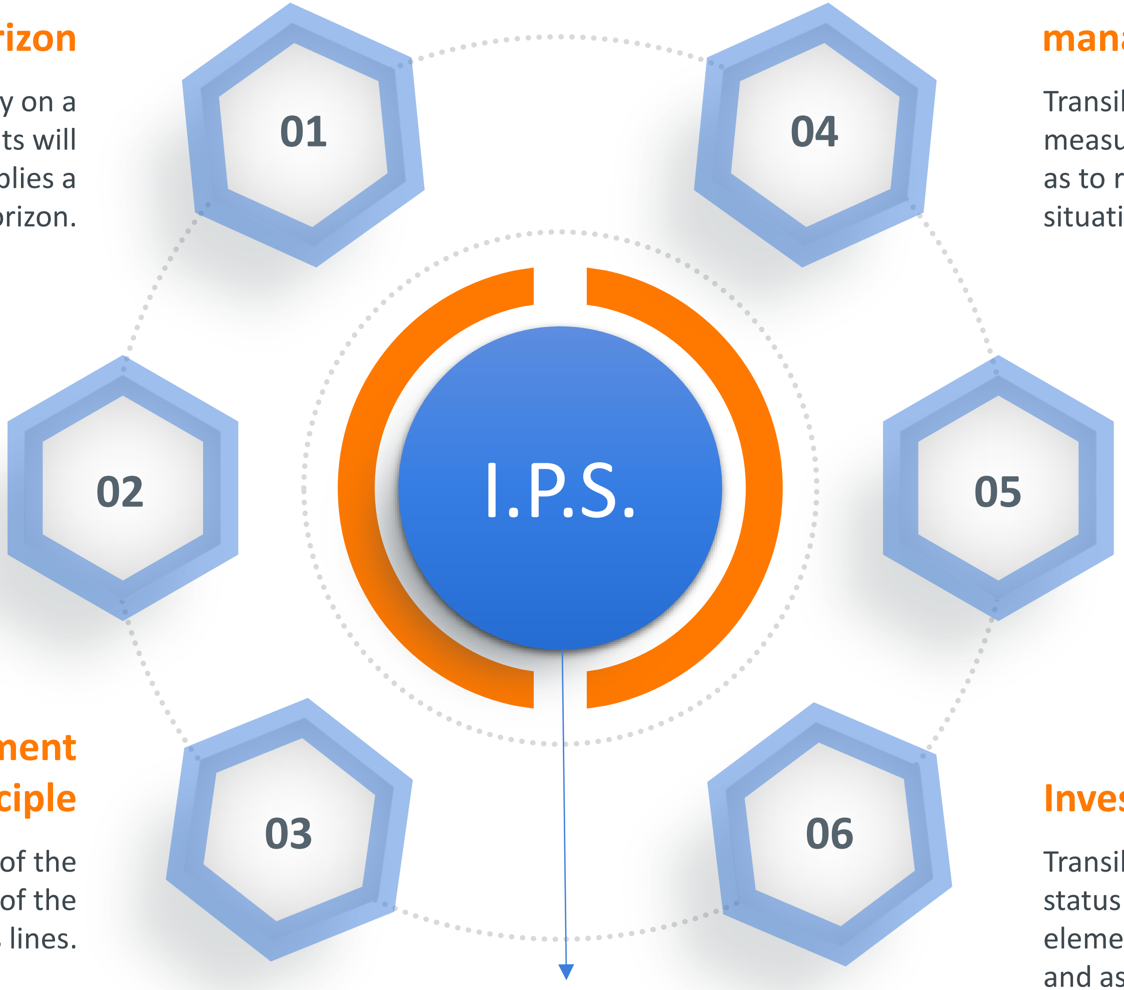
**Annual increase in the Net Asset Value per Share (NAVPS) by at least 6%** (increase calculated before any distribution of dividends and/or other shareholders remuneration forms) and **annual reduction of the trading discount by at least 7%.**

## 8 Medium risk profile Investment entity

Maintaining the **medium risk profile of the portfolio,** as well as **the status of investment entity** as a fundamental element of implementing the business model and as a methodology for preparing and presenting the periodical financial reports.

# Investment Policy Statement 2024 – 2028

*The I.P.S. 2024-2028 covers the period 30.04.2024 – 30.04.2028.*




## Long-term investment horizon

The Company generally pursues an investment policy on a medium/long term horizon. Transilvania Investments will not exclude any investment opportunity that implies a short-term horizon.

## Segmentation of the implementation process

The Company may consider preparing and implementing annual investments programs anchored in the Company's I.P.S. and Strategy.

## Asset allocation policy, investment diversification principle

Transilvania Investments seeks the maximization of the growth potential of the local economy, respectively of the sectors highlighted by the main business lines.

## Active investment risk management

Transilvania Investments implements all measures to monitor investment risks, as well as to respond quickly to any unforeseen situations.

## Corporate governance

The Company applies the provisions of the Corporate Governance Code of the Bucharest Stock Exchange, with a particular emphasis on the observance of the shareholders' right to information.

## Investment entity

Transilvania Investments aims to maintain its 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.

## Performance objectives

**6%** increase in **NAVPS**/ year
**7%** reduction in trading **discount** /year

## Strategy 2024-2028



### BUSINESS

The General Meeting of Shareholders of April 22, 2024 approved **4 strategic lines** for business development:

- **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.



*Note: The 2024-2028 Strategy covers the period 30.04.2024-30.04.2028.*

Transilvania Investments



# Tourism

In order to implement the initiatives from the tourism portfolio, a strategy was defined for this sector and a series of projects were initiated, such as:

- ✓ **ARO Palace Brașov**
  - Capitol Hotel becomes **Mercure Center Brașov**, refurbishment works started in 2024.
  - Aro Palace S.A. signed in February 2024 the Letter of Intent to enter into a franchise agreement with Hyatt Hotel Corporation, under which Aro Palace Hotel will be included into the international portfolio of Hyatt-branded hotels, under the name **Hyatt Regency Aro Palace**, the franchise agreement being signed on October 28, 2024.
- ✓ **T.H.R. Marea Neagră**
  - a new business model was implemented consisting **in asset renting.**
- ✓ **Societatea de Tratament Balnear Buziaș**
  - in the auction held on 20.12.2024, the company sold the Cantina building and the related land, for EUR 450,000, according to the Current Report published on the B.S.E. website on 23.12.2024.
- ✓ **Turism Felix**
  - on 23.12.2024, the franchise agreement between Turism Felix S.A. and Accor Hotel Services Magyarorszag Kft. Budapest - Bucharest Branch was signed for the affiliation of the **Hotel International** - Băile Felix to the international network of the **Mercure** brand.
- ✓ **Feper**
  - on 18.12.2024, the contract for the sale of the **Complex Hotelier Orizont** to Hotel New Montana S.R.L. ("HNM") for RON 52,258,500 was signed. According to the Current Report published on 19.12.2024, the transfer of ownership will be made after the fulfilment of the conditions precedent provided by the contract, including obtaining the opinion of the Commission for the Examination of Foreign Direct Investments and the full payment of the price.

# Real Estate

**Real estate asset** portfolios were **efficiently exploited,** and a series of projects were initiated or accelerated, such as:

- ✓ **Brașov**
  - **Transilvania Investments Alliance Real Estate** (former Cristiana S.A.) has expanded on the Sibiu market, identifying and capitalizing on new business opportunities. Thus, the building purchased by the company at the end of last year was fully rented.
  - **International Trade Center** (I.T.C.) - a premises and infrastructure upgrading program was implemented, which mainly targeted the first and second floors of the building.
  - **Mecanică Codlea S.A.** - efforts to refresh the former industrial platform were intensified by replacing the equipment of the existing halls and attracting new tenants for all categories of available spaces (offices, logistics, production)).
- ✓ **București**
  - **Feper S.A.** - the rentable area increased in 2024 from 11,385 sqm to 11,996 sqm, as a result of acquisitions of new spaces and the reduction of the area dedicated to production activity.
- ✓ **Sibiu**
  - **Independența S.A.** - the rentable area increased in 2024 compared to 2023, the company is running an extensive investment programme, the rentable area on the former industrial platform will be expanded by implementing a project to build four new halls on 10 hectares of free land. Also, the industrial activity was transformed, and the old production halls were reintegrated into the economic and social circuit of Sibiu.

## Revenue and Expenditure Budget 2025

Transilvania Investments

**Profit**
before tax

**RON 83.40 mill.**

**Total income** RON 129.10 mill.

**Total expenses** RON 45.70 mill.

| | |
|---|---|
| Dividend income | 73.40 |
| Bank interest/government securities interest | 4.00 |
| Net gain on the FVTPL portfolio measurement at fair value (including trading activity) | 51.70 |

| | |
|---|---|
| Personnel expenses | 17.00 |
| Stock option plans expenses | 4.30 |
| Commissions and fees | 3.20 |
| Financing costs | 7.50 |
| Other operating expenses | 13.70 |

*RON million*

transilvaniainvestments.ro

# Executive Board
## Transilvania Investments Alliance S.A.

**Marius-Adrian MOLDOVAN**

**Executive President**

**Răzvan-Legian RAȚ**

**Executive Vice-President**

transilvaniainvestments.ro

Transilvania Investments