Conference Call, Q1 2025 Financial Results, May 20th, 2025, 12:00 am

Good morning! Welcome to the Transilvania Investments conference for the presentation of the financial results recorded in the first quarter of 2025, results which have been published at Bucharest Stock Exchange on May 14th. Today's presentation will be held by Marius Moldovan, Executive President and Răzvan Raţ, Executive Vice-President. The presentation material presented during the conference is also available on our website, www.transilvaniainvestments.ro, under Investor relations/Presentations. After presenting the financial results, you are invited ask any questions related to this topic. Please be informed that this conference will be recorded, with the audio recording to be posted on our company's website in the Investor relations section. Moreover, please note that the personal data you have provided upon registration to this conference will be processed pursuant to the company's policy in this respect, which is also available on our website. I only have a brief remark, namely that this presentation does not include any full or comprehensive financial or commercial analysis of Transilvania Investments, nor does it present its position or perspectives in a full or comprehensive way. It should not be deemed that it includes all the information required by a person interested in acquiring shares issued by Transilvania Investments for a full analysis of all issues covered by this presentation. We recommend for any person interested in acquisition to make any investment decision on the shares issued by Transilvania Investments or the companies in its portfolio to rely solely on the information from the official public reports of the company and of these related companies. The presentation may include forward-looking statements. However, such statements should not be deemed as warranties or forecasts of Transilvania Investments regarding the future expected results. The presentation is not intended as, nor should be deemed as a forecast of the company's future results. The company shall not be under any obligation to update any of the potential forward-looking statements. Having this said, I now hand over to Mr. Marius Moldovan.

Marius Moldovan: Thank you, Mihaela! Good afternoon! The presentation comprises of two chapters, namely the financial position and performance as at March 31st, 2025 and strategic objectives.

The financial position and performance as at March 31st, 2025 includes an overview of recorded results, the statement of financial position and the statement of profit or loss and other comprehensive income.

According to the overview, for the first quarter of this year the net income of the Fund amounted to RON 46.77 million, up by 91.7% compared to similar period of last year and higher by almost RON 33 million than the revenue and expenditure budget corresponding to the first quarter of this year. The operating expenses recorded amount to RON 7.88 million, approximately equal to the expenses recorded in the first quarter of 2024 and lower by RON 0.6 million than the budget estimates. The net profit amounts to RON 39 million, higher by 133% than the net profit reported for the first quarter of 2024 and comprises approximately 46.6% of the profit estimated for the entire year 2025.

Regarding TRANSI share prices, the closing price at the end of the quarter was RON 0.3450/share, up by 5.18% compared to the first quarter of 2024 and down by 8.24% than the closing price recorded on December 31st, 2024.

The share trading discount amounts to 61%, down by 1 percentage point compared to the first quarter of 2024.

Regarding the asset portfolio, total assets amount to RON 1,994.9 million, 2.7% higher than their value in the first quarter of 2024 and 3.53% higher than at the end of 2024.

The financial instrument portfolio value amounts to RON 1,942.3 million, higher both as compared to December 31st, 2024, as well as compared to the first quarter of 2024.

The net asset value amounts to RON 1,895.73 million, namely a net asset value of RON 0.8957/share, up by 2.44% compared to March 31st, 2024 and up by 3.55% compared to December 31st, 2024.

The statement of financial position. Cash and cash equivalents are increasing, amounting to RON 27.05 million, RON 728 million -financial assets measured at fair value through profit or loss, RON 100.87 million -government securities measured at fair value through profit or loss and RON 1,113.21 million -financial assets measured at fair value through other comprehensive income. Total assets, as I was saying, RON 1,994.9 million, RON 99.17 million total liabilities and RON 1,895.73 million total equity.

The statement of Profit or Loss and Other Comprehensive Income as at March 31st, 2025. No dividend income was recorded so far in the first quarter of 2025. Bank interest income amounts to RON 0.25 million, interest income from government securities RON 1.27 million, net gain on financial assets at fair value through profit or loss RON 45.17 million, operating income RON 0.08 million, total net income RON 46.77 million. As stated in the previous slide, expenses amount to approximately the same level as those incurred in the first quarter of 2024. Profit before tax is much higher, namely RON 38.89 million.

Regarding other comprehensive income, the gain from revaluation of financial assets measured at fair value through other comprehensive income amounts to RON 28.6 million. The total comprehensive income for the period amounts to RON 67.63 million. This is a net result, the result per share amounting to RON 0.0184 per share.

The cash flow dynamic is presented as a chart on the next slide. The cash obtained from sale of equity investments, interest income, maturity proceeds of government securities, cash paid for purchase of equity investments, amounting to RON 89.6 million, since there have been significant purchases of equity investments. Other minor cash out positions, namely payments for suppliers, employees, dividends paid, payment of State taxes. All the other positions amount under RON 1 million.

Regarding the achievement of the 2025 revenue and expenditure budget. The budget was approved at the GMS of April 28th, 2025. We forecasted dividend income amounting to RON 73.4 million. So far we have achieved 0 since we have not collected dividends so far from the companies in our portfolio. The forecasted bank interest or government securities interest income amounted to RON 4 million and we achieved RON 1.5 million. The forecasted gain/loss on financial assets measured at fair value through profit or loss for the entire year amounts to RON 51.7 million, with RON 12.9 million for the first quarter, and achieved RON 45.16 million, which means an achievement degree of 87%.

In terms of expenses, the forecasted personnel expenses for the first quarter were RON 4.250 million, achieved RON 4,372 thousand, the forecasted expenses with commissions and fees were RON 800 thousand and achieved 751 thousand, other operating expenses forecasted were RON 3.4 million and achieved RON 2.7 million. The total expenses amount to RON 7.87 million compared to the forecast of RON 8.48 million.

Moving on to the strategic objectives to which we always come back, in every conference with the investors, we refer to the Fund's strategy. As performance indicators we have the evolution of the Net Asset Value and of the Net Asset Value per Share and the reduction of the discount.

The Transilvania Investments Alliance Strategy for 2024 – 2028 relies on 8 pillars, namely we have undertaken a medium and long-term investment policy, the Fund has a balanced strategy, with a growth and yield component, we aim at restructuring the historical portfolio of holdings that have exhausted their growth potential or have low growth potential. Through our actions we aim at increasing the Fund's portfolio return, increasing the weight of dividends generated by the sub portfolio of majority holdings, respectively. With regard to the shareholder remuneration policy, we have a balanced policy, aiming both at a dividend policy and one for reduction of the trading discount through buy-back programs. As stated a couple of days ago, after the reporting periods, namely Q1 2025, but last week we announced the initiation of the program to buy-back up to 40 million shares from the market, considering the threshold approved by the shareholders at the GMS of March 10th, 2025. The strategy aims at, as main KPIs, the annual increase in the Net Asset Value per Share by at least 6% and the annual reduction of the trading discount by at least 7%. All these are done by maintaining the medium risk profile of the managed portfolio, as well as maintaining the status of investment entity, as classification under IFRS, as a fundamental element of implementing the business model which we have undertaken.

On the next slide we have the investment policy statement, with the coordinates of investment horizon, the segmentation of the implementation process, the asset allocation policy and investment diversification principle, active investment risk management, the coverage of corporate governance, that we are very focused upon, and here I would like to recall that TIA obtained a maximum Vektor score of 10 for last year.

Regarding the implementation of the strategy, specifically, the strategic lines for business development are tourism, real estate, active trading and developing the private equity potential of our portfolio.

Moving on to the evolution of the Net Asset Value and the Net Asset Value per Share during January - March 2025, the Net Asset Value increased by 3.55%, reaching RON 1.89 billion, with the Net Asset Value Per Share reported for March 31st, 2025 amounting to RON 0.8957, up by 3.89% compared to the end of the previous year.

I'm going to hand over to my colleague, Răzvan, to continue presenting the portfolio structure per sectors and its dynamic. Răzvan, you have the floor.

Răzvan Raț: Good afternoon! Thank you! I'm going to continue by presenting the portfolio structure and the evolution of Transilvania Investments' portfolio.

In terms of portfolio structure by business sectors we mostly observe the same structure as at the end of the year. There have been no significant changes. Our portfolio structure is varied, which allows the management of risks and, at the same time, maximising the return for investors. Major changes in structure refer to the financial sector, financial services, where we noted a 3% increase in the portfolio structure compared to the end of 2024.

Regarding the portfolio structure by types of financial instruments we note a concentrated stake of the portfolio on shares traded on the regulated market, which together with cash amount to approximately 90%, also in line with our strategy where we aim at a high liquidity portfolio for our holdings.

The evolution of portfolio components in the first quarter of 2025, in the first three months. We note an increase of total assets value from RON 1.9 billion to RON 1.99 billion, an increase amounting to RON 70 million, namely 3.53%, while the net asset value increased by RON 65 million, namely 3.53% as compared to the end of 2024, provided that, as we've seen on the previous slide, 83% of the portfolio managed by us is listed at the Stock Exchange and, in Q1, Stock Exchange indices have had a marginal decrease. I would consider here the BET index, total return which amounted to – 0.04%.

There have been no significant changes to the top 10 holdings on March 31st compared to the last reports. Mainly, we have 10 companies covering almost 70% of the portfolio managed by us. All of them are listed on the main market, most of them being liquid issuers, some being also where we hold majority stake or a significant stake, such as Turism Felix 95%, a company currently running a public tender offer. The financial instruments portfolio value amounts to RON 1.942 billion and the total assets value amounts to almost RON 2 billion.

Regarding the financial instruments portfolio variation, from December 2024 until the end of the first quarter, we note an increase from RON 1.87 billion to RON 1.95 billion and the biggest share of this increase, of this positive evolution, has been generated by the sector Shares with + RON 78 million, RON 2.2 million government securities and RON 0.1 million fund units. By analysing the financial instruments portfolio variation, fair value plus generated cash plus attached receivables deducted, detailed by business sectors we note that the banking sector brought RON 24 million, energy RON 9.7 million, travel and leisure RON 42.5 million and there have been losses in real estate, technology and vehicles and spare parts, but this loss amounts to RON 1.1 million, overall.

The evolution of TRANSI shares in the first three months of 2025. By reference to the price at the beginning of the year, TRANSI shares had a downward evolution, with a closing price on the last day of the quarter being 7.5% lower than the closing price recorded at the beginning of this year. The maximum closing price was RON 0.41, the minimum closing price RON 0.33 and we have an average price of RON 0.38. In terms of the average trading volume, it is decreasing as compared to the previous year, but we still have a good average, namely RON 0.437 million shares per trading session.

The evolution of TRANSI shares' trading discount in the last 12 months. The trading discount had a favourable evolution, decreasing from 62%, at the end of March 2024, to 61%, at the end of March 2025, while the Net Asset Value per Share increased by 4.16%, from approximately RON 0.86/share to RON 0.895/share, and the trading price reported at the end of March 2024 increased by 5.18%. The discount from the net asset value remains high, although we notice an improvement, it is at 61% compared to the assets. By comparing with market capitalization, top 10 holdings plus cash in our account at the end of March and the net asset value we notice that, even though we consider the top 10 holdings in our portfolio, there is a 50% discount by reference to market capitalization and, considering the net asset value, the discount is 61%. As I previously mentioned, the top 10 holdings are the most liquid ones, being among the most liquid ones that we have in our portfolio.

Moving on to financial investments made during January-March 2025, we made acquisitions on the capital market amounting to RON 66 million, own shares RON 2.6 million and government securities RON 20.6 million. Considering the uncertain economic and political situation in the first quarter, within the speculative portfolio, we only acquired government securities with maturities of less than one year. During the period January-March, we acquired shares especially on the long-term portfolio, on FVTOCI. We acquired a package of 4.28% of the shares issued by Evergent Investments, amounting to RON 63.7 million and shares issued by Turism Felix, a company which, as I said, is running a public tender offer. There have been acquisitions of government securities and own shares throughout these three months.

In terms of disinvestments, during the first quarter we recorded profit from the partial sale of shares. If we look at the FVTPL portfolio, we sold EFO shares amounting to RON 35 million within the public tender offer carried out by this issuer; on the same speculative portfolio, we recorded profit from the partial sale of shares held in companies such as OMV Petrom, Romgaz, BRD, Banca Transilvania, the total value of sale transactions amounting to approximately RON 17-18 million in the first quarter, which we saw, on the investment side, as investments in government securities.

Regarding the FVTOCI long-term portfolio, the stake held in Holde Agri Invest was fully sold and we also had a full disinvestment for the shares held in Romgaz.

The information about the company has already been presented in the other conferences. You know that we are an Alternative Investment Fund Manager (A.I.F.M.) and a Retail Investor Alternative Investment Fund (R.I.A.I.F.), of closed-end type, diversified, set up as an investment company, self-managed, authorized by the F.S.A.

To close, I wanted to ask whether you have any questions.

Marius Moldovan: Since there are no questions, we would like to thank you all for being here with us and please continue to do so and we wish you good luck in your investments. Good-bye!