Transilvania Investments

Information material regarding item 11 on the agenda of the Ordinary General Meeting of Shareholders of April 29(30), 2026

Approval of the Revenue and Expenditure Budget for the financial year 2026

The Revenue and Expenditure Budget for the financial year 2026 has been drafted in compliance with the Transilvania Investments Alliance's Investment Policy Statement and Strategy for 2024 – 2028.

The assumptions underlying the budget drafting considered the ensurance of a dynamic balance between the investments necessary to consolidate the managed portfolio and the divestments necessary to provide financing sources for the Annual Investment Program and for the proper performance of the Company's activities.

Moreover, a prudent and sustainable policy of ensuring the resources necessary for the implementation of Transilvania Investments Alliance's shareholder remuneration policy has also been considered.

Upon drafting the 2026 Revenue and Expenditure Budget, the Company forcasted the revenue that can be reasonably estimated, such as dividend income, bank interest income/interest income on government securities and gain from the fair value measure of the FVTPL portfolio (including trading activity).

At the same time, the Company estimated the changes in the fair value of financial instruments and future market prices/ fair values, in situations where the estimates at the date of drafting this document have a significant probability to materialize (strictly by reference to the public data disseminated by some of the issuers in the portfolio).

Changes in fair value will have a corresponding impact on the net gain/loss from measuring financial assets at fair value through profit or loss.

The Revenue and Expenditure Budget is grounded on the following aspects:

- achievement of the Revenue and Expenditure Budget approved by the shareholders for the previous financial year,
- approval by the shareholders of the Executive Board's proposal regarding the distribution of the net profit recorded in the financial year 2025,
- maintenance of the Transilvania Investments Alliance's status as an investment entity that measures and evaluates the performance of its investments on a fair value basis and, consequently, does not prepare consolidated financial statements,
- ensuring an optimal balance between the own financing sources needed for the financial investments to be carried out in 2026 and the shareholders' short-term expectations (efficient and competitive remuneration of the capital invested by them) and long-term expectations (increase in the value of the portfolio managed by the Company, as source for sustainable financing of long-term remuneration forms of the capital invested by shareholders).

In addition to the above-mentioned aspects, the substantiation of the budget indicators also considered the following factors:

- **general macroeconomic context** – The year 2025 was characterized, at both global and regional levels, by an economic environment dominated by persistent geopolitical uncertainties, divergent economic growth rates among major developed economies, and a gradual but uneven disinflation process. In the euro area, the European Central Bank maintained a prudent approach to monetary policy throughout the year, as inflation continued to moderate, while risks related to economic growth and financial stability remained relevant. Externally, 2025 was characterized by volatility, given the announcement and implementation of the extensive package to increase import tariffs initiated by the United States (Liberation Day), but also the continuation of the Russian-Ukrainian conflict. At the same time, the topic of investing in AI has led to the beginning of changes in the labor market, but especially in the assumption of the allocation of capital in the development of infrastructure systems necessary for it. On the domestic political front, 2025 started with uncertainty regarding the direction of structural reforms. After the formation of the government coalition, the legislative process progressed slowly, in parallel with social tensions and public debates on the necessary fiscal corrections;
- **economic growth** – In 2025, the Romanian economy grew below potential, with a real GDP advance of 0.7%, compared to 1.4% in 2024, in the context of an extremely high budget deficit (about 8% of GDP) and a growing public debt (about 60% of GDP in 2025, an annual increase of more than 5 percentage points). Moreover, the old model of economic growth based on private consumption is no longer feasible, the chance of the Romanian economy in the difficult geopolitical context that has persisted for several years being the significant absorption of European funds, as well as the implementation of public investments. Household consumption will remain constrained under persistent pressures on real incomes. The geopolitical environment adds an additional layer of uncertainty: an escalation of regional tensions or a renewed and prolonged increase in energy prices has a direct effect on economic growth, while simultaneously fuelling inflationary pressures;
- **inflation** – Inflation remained high throughout the year, with the inflation rate standing at 9.7% at the end of 2025. With fuel prices rising from March 2026 due to the Gulf crisis, the inflation rate may exceed 10% in 2026, postponing the expected disinflation process;
- **money market** – The monetary policy of the National Bank of Romania remained prudent throughout 2025, with the monetary policy interest rate being kept at restrictive levels, in order to anchor inflationary expectations and limit risks to financial stability. Lending conditions have remained relatively tight, with visible effects on private sector credit dynamics. Following the relative political stabilisation after the presidential elections in May 2025, long-term government bond yields have fallen, with fiscal consolidation measures easing fears of a downgrade of the sovereign rating;
- **government bond yield curve** – The government bonds in the Transilvania Investments Alliance portfolio were purchased as a diversification and protection instrument. In scenarios characterised by deteriorating macroeconomic conditions or rising inflation, government bonds can play a stabilising role in the portfolio and help limit capital erosion, depending on the level of yields and the evolution of inflation. The high liquidity of the securities allows for increased freedom of movement, by generating cash availability that can be capitalized according to the opportunities that may arise during the year;
- **exchange rate** – the EUR-RON exchange rate has been an element of stability in recent years, the National Bank choosing to "defend" the currency stability, despite the pressures on the current account deficit. In the medium term, the RON should follow a gradual depreciation trajectory;
- **Romanian capital market** - In 2025, the Romanian capital market continued the consolidation process that began in previous years, with developments influenced by the domestic and external macroeconomic environment, the dynamics of corporate results, and financing conditions in the real economy. At the same time, the market stood out as one of the best-performing trading environments in the region, both in terms of stock index returns and the growth in market capitalization, in a context

characterized by the anticipated adjustment of global monetary policies and the persistence of local fiscal pressures. The BET-TR index recorded a total return of over +50% in 2025, reaching historical record levels at the end of the period. This performance placed the Romanian capital market among the best-performing emerging markets in Europe, reflecting both favourable domestic market conditions and investors’ reorientation toward assets with growth potential. The dividend yield for the year fell to 2.9%, compared to 7.4% in the previous year, a significant relative change from the appreciation of share prices, signaling investors' interest in intrinsic potential growth.

The main listed sectors continued to play a defining role in the market structure. The financial sector maintained its dominant position, making significant contributions to the performance of the relevant indices, reflecting competitive profitability margins and solid capital positions reported by banking institutions. Energy and utilities companies also benefited from robust financial results and a relatively stable demand climate, as developments in regional energy markets and raw material costs remained drivers for profitability.

In terms of transactional activity, official data show a total traded volume of over RON 7.23 billion in 2025, and the average daily value of stock transactions was around RON 68 million, consolidating the liquidity levels observed in 2024 as well.

A key role in maintaining the stability of the Romanian capital market has been played by local institutional investors, in particular Pillar II pension funds, which have maintained significant exposures in the financial and energy sectors. This relatively stable allocation helped to support trading flows and mitigate volatility throughout the year.

Potential **risks regarding the forecasts** used by Transilvania Investments Alliance S.A. for 2026:

- the effects of the new external shocks caused by the Gulf crisis;
- deepening of the inflationary spiral; the prospect of keeping real financing costs at high levels, with a negative impact on companies' investment decisions and debt repayment capacity;
- uncertainties related to the effectiveness of the measures necessary to be adopted within the multiannual process of implementation of Romania's National Recovery and Resilience Plan;
- the effect of restrictive fiscal policies to counteract the current budget deficit, with a direct impact on private consumption and households' disposable incomes;
- the divergence between the real, fundamental prospects of listed companies and the expectations of capital market participants, translated into the evolution of stock market quotations.

The items explicitly estimated are the following:

- dividend income (totalling **RON 65.00 million**), the forecast was based on an estimated structure of the sub-portfolios of stakes held in operational companies, listed on regulated markets, listed on alternative trading systems, unlisted;
    - the forecast is based either on actual data (the value of dividends proposed in the General Meeting of Shareholder’s convening notices of the portfolio companies) or internal estimates (based on the preliminary results published by the companies, the dividend policies adopted by each company and the analyses of estimates carried out at the Entity level);
- bank interest /government securities interest (totalling **RON 3.50 million**), based on an estimated structure of the government securities sub-portfolio and an active and efficient cash management policy;
- net gain on the FVTPL portfolio measurement at fair value, including the trading activity (**totalling RON 68.50 million**);

  - the estimate reflects the amounts resulting from the sale transactions expected to be performed in 2026, in accordance with the Transilvania Investments Alliance's Investment Policy Statement and Strategy;
  - the estimate also includes changes in fair value of financial instruments, future market prices/ fair values, in situations where the estimates at the date of drafting this budget have a significant probability to materialize (strictly by reference to public data disseminated by some of the issuers in the portfolio);

- operating expenses (totalling **RON 47.00 million**), as follows: personnel expenses, stock options plan expenses, commissions and fees, other operating expenses and financing costs.
- profit before tax amounting to **RON 90.00 million**.

The data presented above shows that the profit before tax, proposed in the Revenue and Expenditure Budget for 2026, will be attained from the following sources:

- RON million -

Indicators	Estimates FY 2026
Dividend income	65.00
Income from bank interest/government securities interest	3.50
Net gain on the FVTPL portfolio measurement at fair value (including trading activity)	68.50
Total income	**137.00**
Personnel expenses	16.85
Stock option plans expenses	9.25
Commissions and fees	5.60
Other operating expenses	15.30
Total expenses	**47.00**
Profit before tax	**90.00**

Changes in the fair values of financial instruments, future market prices/ fair values have been forecasted in situations where the estimates at the date of drafting this budget have a significant probability to materialize (strictly by reference to public data disseminated by some of the issuers in the portfolio).

However, such estimates are subject to significant uncertainty. The changes in the fair value remain a significant element that will consequently influence the net gain/loss on the measurement of financial assets at fair value through profit and loss.

Furthermore, the estimated amounts do not include estimates regarding the income from transactions with financial instruments measured at fair value through Other Comprehensive Income. The actual results/evolutions generated within this sub-portfolio will be reflected in other comprehensive income.

The approval of the Revenue and Expenditure Budget by the General Meeting of Shareholders implicitly implies both the consideration of the fair value changes influence on the profit and loss account and the authorization of the Company's Executive Board that during the execution of the Revenue and Expenditure Budget to adopt the necessary decisions in full agreement with the developments and opportunities recorded by the economy and the capital markets.

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