Transilvania Investments

Transilvania Investments

Sustainability Report 2025



transilvaniainvestments.ro

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Field of activity	Other financial service activities n.e.c., except insurance and pension funding
NACE code	6499
LEI Code	254900E2IL36VM93H128

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About the Report

Basis for drawing up the sustainability statement

The Sustainability Report for 2025 captures the sustainability performance of Transilvania Investments Alliance S.A. for the period 01.01.2025 - 31.12.2025. Hereinafter referred to as "Transilvania Investments" or the "Company", the Company is an Alternative Investment Fund Manager (A.I.F.M.) authorized by the Financial Supervisory Authority (FSA) according to Authorization no. 40/15.02.2018 and carries out its activity based on Law no. 74/2015.

Also, Transilvania Investments is authorized as a Retail Investor Alternative Investment Fund (R.I.A.I.F.), being a closed, diversified and self-managed investment company, according to Law no. 243/2019 and FSA Authorization no. 150/09.07.2021.

At this point, the Company has issued independent non-financial statements for the financial period 2020, 2021 and 2022, which were not prepared using one of the voluntary sustainability reporting standards. Beginning with the year 2023, the Company has published Sustainability Reports with reference to the European Sustainability Reporting Standards (ESRS), containing information on the impacts, risks and material opportunities of the Company and the portfolio managed by it in relation to environmental, social and governance aspects. We are aware of the importance of drafting sustainability reports that are close to international standards and local legal requirements. Thus, during the preparation of this report, situations were observed where operations such as available data collection, automation, policy modernization can be improved. As a result of these observations, an action plan will be developed to address all identified situations, and during the following periods the Company will report on the progress of this action plan, while also considering the evolution of the regulatory framework applicable to the Company. There were no changes in the presentation of the information included in this report, compared to the previous reporting period or certain errors from previous periods, corrected later.

This sustainability report for 2025 has been prepared on an individual basis and does not cover the upstream and downstream value chain. No information corresponding to intellectual property, know-how or innovation results has been omitted. Also, certain imminent developments or issues under negotiation were not exempted from publication[1].

For the year 2025, reporting according to the European Sustainability Reporting Standards (ESRS) and the European Sustainability Corporate Reporting Directive (CSRD)[2] is voluntary for Transilvania Investments, so the data and processes used for reporting purposes have not been verified by an external provider to find compliance with certain corresponding standardization standards.

[1] As set out in Articles 19a(3) and 29a(3) of Directive 2013/34/EU, if the undertaking has used that derogation.
[2] Transposed as at the reference date of this Report into Romanian legislation by FSA Rule no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, with subsequent amendments and completions.

The early integration of the requirements of the CSRD directive and the ESRS standards reinforces our commitment to transparent and accountable reporting, highlighting efforts to embed sustainability at the heart of corporate strategy and communication. This structured framework provides a solid basis for showcasing our sustainability initiatives and impact, facilitating clear, relevant and consistent reporting.

The ESRS standards are the mandatory framework for reporting sustainability information from the 2024 financial year onwards. These standards cover areas such as organizational governance, environmental impact, social issues, and stakeholder relations, providing a solid framework for identifying, measuring, and reporting the significant impact that companies have on people and the environment, as well as the effects of sustainability on the Company's development and performance, through the concept of "dual materiality." On 31 July 2023[3], the European Commission adopted an addendum comprising 12 ESRS standards, of which two are cross-cutting standards (ESRS 1 *General requirements* and ESRS 2 *General disclosures*) and ten are topical standards, covering environmental, social and governance aspects.

Transilvania Investments has used the ESRS 1 standard in the preparation of this Sustainability Report. It describes the architecture of ESRS standards, explains drafting conventions and fundamental concepts, and sets out general requirements for the preparation and presentation of sustainability-related information.

A core component of the future ESRS reporting is the double materiality analysis. This analysis determines the material sustainability aspects (impacts, risks and opportunities) that a company must disclose. The Company conducted such an analysis for the first time in connection with the 2023 Sustainability Report, which is reviewed as part of each reporting process.

In this report, the Company discloses important figures and aspects related to the actual or potential, positive or negative significant impacts of the Company on people or the environment in the short, medium and long term.

The report also includes information on risks and/or opportunities that have a material influence or that can reasonably be expected to have a significant influence on the Company's development, its financial position or its financial performance in the short, medium or long term.

In the following chapters, the involvement and communication with the Company's stakeholders is highlighted, as well as the material topics identified for Transilvania Investments as relevant for 2025. These revelations are accompanied by indicators that allow a concrete and evolutionary evaluation of the topics presented, referring to the methodology and limitations.

[3] In July 2026, the European Commission adopted a Delegated Act revising the first set of standards, originally adopted on 31 July 2023. The new framework retains the three-pillar structure (Environmental, Social and Governance) and the double materiality principle, while reducing the number of mandatory data points in order to alleviate the administrative burden on companies. The revised standards are mandatory for financial years beginning on or after 1 January 2027. For the 2026 financial year, companies may choose either to retain the 2023 version (including the previously granted quick-fix relief measures) or to apply the revised standards early.

In the report, sources of uncertainty and measurement related to forecasts are managed based on clear principles[4]. The Company prepares only mandatory annual budgets, which are approved by the shareholders, without providing any financial forecasts other than these. Any other forecast or additional estimate is not made public, except as required by law or when the Company or regulatory bodies deem it necessary to include such information in periodic reports or other public presentations. This mode of operation reflects a clear framework for managing uncertainty, limiting exposure to unforeseen fluctuations or misinterpretations of financial data, focusing on transparency and legal compliance.

Time horizons

According to the Transilvania Investments' Investment Strategy for the period 2024-2028, the investment horizon is a medium/long one. These circumstances determine that the Sustainability Report aligns with these horizons. The Company uses the following definitions for investment horizons:

- Short: < 1 year
- Short-medium: 1-3 years
- Medium-long: 3-5 years
- Length: > 5 years

Structure of the report

The structure of the report is divided into 6 chapters as follows:

The "**Overview" chapter** describes the key information of Transilvania Investments, the financial figures related to this report, the message of the Management but also the key moments that took place during the reporting period.

In the chapter **"Analysis of material subjects"** the construction process of the double materiality analysis, according to ESRS standards, is presented.

The "**Governance"** chapter presents information on corporate governance and transparency, ethical business conduct, the roles and responsibilities of the Supervisory Board and the management of supplier relationships. This chapter has been constructed using the ESRS G1 Professional Conduct and ESRS 2 GOV standards as a reference.

The chapter **"Environmental performance"** presents information on energy and water consumption and waste management.

The chapter **"Social Performance"** presents the policies related to this topic, as well as data on employee well-being and working conditions, diversity and inclusion, health and safety, employee training and Transilvania Investments' involvement in communities through CSR (Corporate Social Responsibility) initiatives.

In the "**Our Portfolio"** Chapter, the analysis of the impacts, risks and opportunities related to sustainability at the level of the portfolio managed by Transilvania Investments is presented, along with a series of information on the composition of the portfolio.

[4] More details regarding the company's forecasting policy are available online: https://transilvaniainvestments.ro/wp-content/uploads/2022/08/Politica-de-previziuni-TRANSI-EN.pdf

Overview

Transilvania Investments continues its commitment to transparency in the field of sustainability

The third Sustainability Report sets out the progress made by Transilvania Investments in integrating responsible business principles across our company. In a dynamic global environment, we remain committed to the transition towards a sustainable economy, continuously assessing the impact of our activities on the environment, society and the communities of which we are part.

The publication of this report reflects the consistency of our reporting process and our commitment to responsible portfolio management. We focus on identifying opportunities to optimize resource use, reduce our environmental footprint and strengthen our corporate governance practices, with the aim of creating long-term value for our shareholders and partners.

Our ongoing priorities continue to include improving resource efficiency, gradually implementing circular economy principles and supporting initiatives with a positive social impact. Equally, maintaining a robust ethical framework and supporting local communities remain key pillars in shaping our priorities.

This report outlines an overview of the progress made and results achieved to date, as well as the areas in which we strive for continuous improvement. We view this process both as exercise in transparency and as an opportunity to continuously align ourselves with industry's best practices.

Thank you for being part of this initiative dedicated to responsible and sustainable performance.

Marius-Adrian MOLDOVAN
Executive President

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The Company is a Romanian legal entity, incorporated as a joint stock Company. Transilvania Investments shares are traded on the Bucharest Stock Exchange under the symbol TRANSI (formerly SIF3), in the Premium category, and are held by Romanian and foreign shareholders, both individual and institutional. Transilvania Investments is regulated and supervised by FSA.

The Company is managed in a dualist system, having an Executive Board that acts under the supervision of a Supervisory Board. According to the Articles of Incorporation, the Company's main activities are the management of the investment portfolio and the management of the associated risks.

Transilvania Investments has a portfolio predominantly oriented towards the Romanian capital market, with major investments in companies in the financial-banking, tourism, real estate and energy sectors. The diversified portfolio includes equities, fixed income instruments, fund units/ETFs, investment fund holdings, shares and alternative financial instruments, respecting the rigors of the risk profile and the status of R.I.A.I.F.

As of December 31, 2025, the Company's portfolio included shares in 55 companies, equity interests in 1 issuer, fund units in 7 investment funds, equity holdings in an entity and government securities issued by the Ministry of Finance and preference rights in an issuer.

Transilvania Investments' investment objectives:

- Maximizing returns for current and potential shareholders, in accordance with applicable law;
- Increase the value of net assets through high-performance management, oriented towards generating added value, through active and prudential asset management in the trading, tourism, real estate and private equity sectors.

Total value of the financial instrument portfolio
RON 2,339,866,478

Total asset value
RON 2,438,073,930

Net asset value
RON 2,272,7777,575

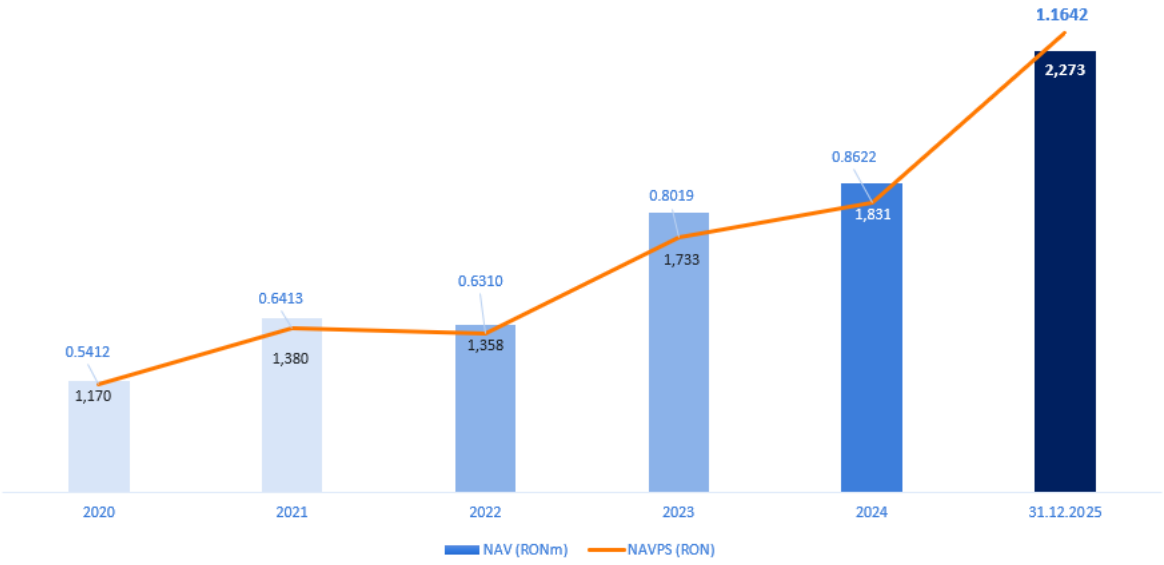
Number of offices

1 head office in Brașov

Total number of employees

41

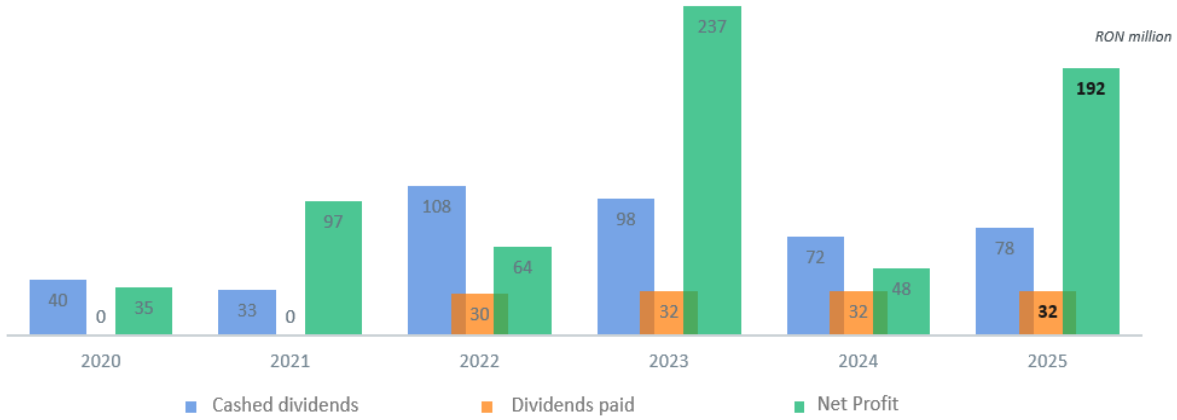
Company results and shareholder remuneration



In the period 2020-2025, **the value of the net asset value increased** by approx. **94%**, from RON 1.17 billion to RON 2.27 billion. The increase in the value of assets is the result **of the implementation of investment strategies, programs and projects** at the Company level.

Both the rebalancing of sector exposures and the restructuring of historical equity investment led to **an increase in the quality of the managed portfolio**. **The Net Asset Value per Share** reached the value of **RON 1.1642** at the end of 2025, representing a 115% increase compared to the end of 2020.

The Company's **revenues** recorded a value of **RON 230.65 million** in 2025, and **the profit before tax** amounted to **RON 191.82 million**.



After a two-year period of consolidation (2020 and 2021), starting with 2022, **shareholders are remunerated** through **dividends**, and from 2023 they are also remunerated through complementary instruments represented by **TRANSI share buyback programs**, followed by shares cancellation and reduction of share capital.

In **2025**, the shareholders approved the buyback of **155 million own shares** to reduce the share capital, and the buyback of **10 million shares** for Stock Option Plan.

In the table below we present the key financial figures for the financial year **2025** and **the evolution compared to the previous year**:

Table 1 - The statement of financial position as of 31 December 2025 (compared to 2024) - *RON*

Indicators	31.12.2025	31.12.2024
Cash and cash equivalents	72,337,466	18,507,269
Financial assets measured at fair value through profit or loss	846,224,255	732,045,656
Government securities measured at fair value through profit or loss	95,283,919	117,881,986
Financial assets measured at fair value through other comprehensive income	1,398,358,304	1,027,186,801
Financial assets at amortised cost	637,225	7,554,912
Other assets	688,350	697,556
Income tax receivables	-	2,640,990
Intangible assets	62,865	77,016
Property, plant and equipment	23,200,232	19,203,166
Right of use assets under leases	1,281,313	1,162,589
Total assets	**2,438,073,930**	**1,926,957,939**
Financial liabilities	34,485,497	23,044,914
Lease liabilities	1,625,801	1,384,287
Deferred income tax liabilities	122,301,816	68,600,611
Current income tax liabilities	4,734,057	-
Other liabilities	2,149,183	2,552,792
Provisions for risks and charges	-	635,838
Total liabilities	**165,296,355**	**96,218,441**
Share capital	212,644,000	216,244,380
Retained earnings	444,401,637	232,405,905
Revaluation reserves on financial assets measured at fair value through other comprehensive income	650,010,133	356,430,952

Revaluation reserve for property, plant and equipment	19,012,537	15,473,665
Other reserves	1,025,743,583	1,020,693,185
Own shares	(85,514,853)	(13,872,296)
Equity-based payments to employees and management	6,480,538	3,363,707
Total equity	**2,272,777,575**	**1,830,739,498**
Total liabilities and equity	**2,438,073,930**	**1,926,957,939**

Table 2 - Statement of profit or loss and other comprehensive income as of 31 December 2025 (compared to 2024) - RON

Indicators	31.12.2025	31.12.2024
Dividend income	77,760,574	71,519,153
Bank interest income	3,039,663	2,081,031
Interest income from government securities classified as financial assets at fair value through the profit or loss account	7,349,056	4,684,343
Net gain/(loss) from financial assets at fair value through profit or loss	142,140,106	4,216,832
Other operating income	358,552	439,592
Net operating income	**230,647,951**	**82,940,951**
Personnel expenses, total, of which:	(20,290,447)	(19,687,778)
Personnel remuneration expenses	*(15,545,117)*	*(16,288,980)*
Stock Options Plan Expenses	*(5,039,989)*	*(3,400,572)*
Income from the reversal of the provision for benefits to employees, members of the Executive Board and the Supervisory Board	*294,659*	*1,774*
Commission expenses	(4,327,379)	(2,878,939)
(Loss)/Reversal of loss from assets impairment	1,274	39,267
Operating expenses	(14,811,452)	(10,555,025)
Financing costs	(35,336)	(17,481)
(Loss)/Reversal of loss from provisions	635,838	-
Total expenses	**(38,827,502)**	**(33,099,956)**
Profit before tax	**191,820,448**	**49,840,995**
Income tax (expense)/benefit	298,082	(1,802,790)
Net profit of the year	**192,118,530**	**48,038,205**
Other comprehensive income *Items that will not subsequently be classified to profit or loss*		
Net Gain (Loss) on deferred tax, on revaluation of financial assets at fair value through other comprehensive income	360,491,250	94,551,479
Increases/(Decreases) in the tangible asset revaluation reserve, net of deferred tax	3,645,564	52,211
Other comprehensive income of the year - total	**364,136,814**	**94,603,690**
Total comprehensive income of the year	**556,255,344**	**142,641,895**

Investor relations

- ✓ The actions carried out in this area since 2021, permanently supported and developed by the Company, resulted in a Vektor score for 2025 (the indicator **of communication with investors** for companies listed on the stock exchange, granted by the Romanian Association for Investor Relations) of **10 points** (out of 10 possible points), achieved for the second consecutive year, up from the initial score of 7 points obtained in 2020.
- ✓ Thus, Transilvania Investments' sustained effort to implement **the best corporate governance practices is reconfirmed**, as well as the Company's interest **in communicating with investors** through reports and events dedicated to them.
- ✓ Transilvania Investments organizes annually the **Investor Day**, an event to which investors, analysts and members of the financial community are invited to discuss with the management team the achievements and plans of the investment fund.
- ✓ Additionally, on the occasion of the annual or interim financial reports (quarterly and half-yearly), the Company organizes **conferences with investors and analysts** to present its financial results.

IT Infrastructure

- ✓ Transilvania Investments has implemented and certified the ISO/IEC 27001:2022 Information Security Management System
- ✓ The company's projects have focused, and continue to focus, on the continuous enhancement of **IT infrastructure**, alongside initiatives aimed at implementing **DORA.**
- ✓ Additionally, the company has developed and constantly maintains an updated Business Continuity Plan (**BCP**) based on new IT capabilities, which is allowing the replication of all critical systems and the development of the Companies' activities under optimal conditions.

Aspects related to the Portfolio

Tourism

- Aro-Palace S.A. signed the contract for the execution of the general design works for the ARO Palace Hotel in Brașov, which will be renovated under the Hyatt Regency franchise;
- Capitol Hotel, owned by Aro-Palace S.A., becomes Mercure Center Brasov, the investment amounting to EUR 16.7 million;
- Turism Felix S.A. signed the franchise agreement with Accor Group for the affiliation of the International Hotel to the ibis Styles brand, while announcing the extension of the affiliation for the Termal and Nufărul hotels;
- T.H.R. Marea Neagră S.A. sold the following assets: Balada Complex in Saturn (EUR 6.4 million) and Capitol Complex in Eforie Sud (EUR 1.5 million);
- FEPER S.A. - the transaction regarding the sale of the Orizont Hotel in Predeal was not completed due to the buyer's failure to pay the entire amount. Thus, the E.G.M.S. of 18.09.2025 reapproved the sale of the Orizont Hotel and Miorița Restaurant. The procedure for organizing a public auction for the sale of the Orizont Hotel Complex was unsuccessful, and the auction scheduled for December 11, 2025, did not take place.

Real estate

- Independența S.A. Sibiu – The Extraordinary General Meeting of Shareholders approved the signing of a surface rights contract for land covering an area of 49,254 square meters, for a 40-year period, with a grace period of up to 2 years;
- FEPER S.A. – The Extraordinary General Meeting of Shareholders approved the change in the company's main object of activity in Rental and subletting of own or leased real estate and the sale of the production line.

Industry

- On 20.02.2025, Sembraz S.A. signed the contract for the sale of its assets (EUR 4.5 million) and the project development contract for the release and preparation of the land (EUR 0.7 million).

Analysis of material topics

The double materiality analysis, in the context of CSRD, follows the impact that Transilvania Investments has on the environment, society or economy (inside-out perspective, so-called impact materiality), but also the impact that society and the environment have on the organization (outside-in perspective, called financial materiality). Therefore, the double materiality consists of two components: **Impact materiality** and **Financial materiality**.

Compared to the first double materiality analysis conducted by Transilvania Investments for 2023, there were no significant changes in impacts, risks, or opportunities.

Each identified topic was assessed according to the methodology described in the “Material Topics Analysis” section and classified based on significance: high (above 50%) and low (below 50%). The company initially considered setting the materiality threshold at 50%; however, since this would have excluded topics deemed relevant - such as diversity and inclusion, ethical business conduct, and stakeholder engagement, each scoring 37.5% - the reporting threshold was lowered to 30% to include these topics in the final list. This approach ensures their inclusion, even though their significance is lower compared to topics with higher scores, such as 56% or 75%.

Stakeholder involvement

The underlying element of the materiality analysis process, in accordance with ESRS standards, is the identification of stakeholders. Through this process, Transilvania Investments involves the groups of people who influence the Company's activities or who are affected or influenced by these activities. At the same time, this process recognizes the importance of stakeholders and their valuable contribution, which plays an important role for the Company's business model and strategy.

The stakeholders consulted in the evaluation process of the material topics were the Trading, Portfolio Monitoring, Finance-HR, Corporate Governance, Risk Management and Compliance departments.

Materiality of impact

The materiality analysis of the impact was based on the assessment of the impacts that the Company causes or contributes to through its relationships and business model, strategy or activities. Starting from the ten ESRS thematic standards, the relevant impacts for the Company in the areas of Environmental, Social and Governance (ESG) were identified. At the same time, with the help of thematic standards, the list of significant material topics for Transilvania Investments was outlined, so each impact was associated with a certain material theme that had an ESRS reference standard assigned. Finally, the impacts were assessed by the Company's stakeholders, thus revealing their individual level of significance at the moment.

The materiality threshold for impact materiality was set to 30% of the maximum score that could be obtained. The impacts associated with the material themes were evaluated with the help of a tool, created specifically for this process, in MS Excel format.

The impact assessment included 4 criteria for identifying them, namely the type of impact (Actual or Potential), the nature of the impact (Positive or Negative), the time horizon in which the impact will materialize (long, medium or short term), and the location of the impact on the value chain (upstream, downstream or in its own operations). Following the setting of these criteria, respondents were able to evaluate all the impacts identified by giving a score from 1 to 4 for 4 scales of severity measurement, as defined by the ESRS standards: Probability, Scale, Scope and Irremediability.

Impact's type

The impacts were divided by type into real impacts, which are already occurring or happening, and potential impacts, which are not yet occurring but there is a probability that they will occur. Thus, for real impacts, a maximum score (of 4) is given on the probability scale and for potential impacts, respondents choose a score between 1 and 3, depending on the probability they assess for the materialization of that impact. However, the option to give the maximum score for a potential impact remained open, if the respondent had chosen this option, basing his judgment on a very high probability for that potential impact.

Impact's character

Impacts have been divided by character into negative and positive impacts, taking into account their effect on the environment, society or economy. Negative impacts have the assessment attributed by the scale of irremediability. Irremediability measures at which level the impact can be remedied, in case the impact materializes. For positive impacts, irremediability is not measured.

Time horizon

For each impact identified, respondents estimated the time horizon in which this impact can materialize. The options for the time horizons were as follows:

- Short: < 1 year
- Short-medium: 1-3 years
- Medium-long: 3-5 years
- Length: > 5 years

Within the analysis, all impacts, risks and opportunities were identified as relevant for Transilvania Investments in the long term (> 5 years) as they require continuous monitoring. This approach ensures proactive oversight of ESG factors that can influence long-term investment performance.

Value chain location

This criterion had the role of identifying material impacts beyond its own operations. For this materiality analysis process, there were two types of impact assessment, namely at Company level and at portfolio level. Thus, there were different impacts, identified at the Company level, respectively at the portfolio level, given that Transilvania Investment is an investment fund with an extensive portfolio. The Company is not obliged to include value chain information in this report, but portfolio-level impacts have been assessed. The materiality analysis at the Company level renders the significance of the impacts strictly for Transilvania Investments, without extending the analysis for the industries in the Company's portfolio. Material topics at Company level and related information requirements are the subject of this report. The separate analysis for all industries in the portfolio is presented in the chapter **"Our portfolio".**

Probability

This scale measures the likelihood that the impact will materialize. For actual impacts, as defined by type, probability is given a maximum score because these impacts already exist and are happening at the Company level.

Scale

It measures the magnitude of the impact, in terms of severity for negative impacts or in terms of how beneficial the positive impacts are.

Scope

It measures the dimension of negative or positive effects on the environment, people, society or the economy.

Irremediability

It measures whether and to what extent negative impacts could be remedied. For positive impacts, a score is not given to irremediability.

All these criteria form the degree of significance of the impact and classify the identified impacts. The significance score is the result of multiplying the probability score by the severity score, consisting of scale, scope and irremediability (in the case of negative impacts). The severity score is given by choosing the

maximum score from the 2 or 3 criteria, depending on the character of the impact to capitalize on the significance of any individual criterion.

Thus, all impacts could reach a maximum score of 16, ensuring an equal level of comparability. In order to be represented as a percentage, the impact scores were divided by this maximum score and the impacts with a minimum percentage of 30% were declared significant. For these, the reporting according to the related information requirements of the ESRS standards was pursued. For impacts with a percentage below 30%, reporting was pursued according to the minimum reporting requirements associated with the specific ESRS indicators.

Financial materiality

Financial materiality allows companies to identify risks and opportunities that can influence them, negatively or positively, from a financial point of view. To assess the financial materiality, a tool created specifically for this process was used, in MS Excel format.

The identification of risks and opportunities considered the previously identified impacts as well as the list of topics identified as materials. Based on an analysis of the Company's activities and the business model, a series of risks and opportunities emerged, associated with material topics, mapped on ESG areas and were evaluated.

This assessment included 2 criteria for identifying them, namely the time horizon in which the impact will materialize (long, medium or short term), and the location of the impact on the value chain (upstream, downstream or in own operations). Following the setting of these criteria, respondents were able to evaluate all the identified impacts by giving a score from 1 to 4 for 2 severity measurement scales, as defined by the ESRS standards: Probability and Magnitude

As in the case of the impact materiality analysis, the time horizon and the location in the value chain had the same object. The Risks and Opportunities identified at the Transilvania Investments portfolio level have been assessed separately and are described in the chapter **"Our Portfolio".**

Financial probability

In this analysis, the probability scale measures the level of probability of risks or opportunities that will materialize.

Financial magnitude

It measures how great the effect of risk or opportunity would be if it materialized.

These criteria form the degree of significance of the identified risks and opportunities and classify them. The significance score is the result of multiplying the probability score by the magnitude score. All risks and opportunities could thus reach a maximum score of 16, ensuring an equal level of comparability. To be represented as a percentage, their scores were divided by this maximum score. The financial impact analysis did not accurately quantify the financial magnitude, but the financial aspect was considered in the evaluation judgment. Therefore, for the financial materiality analysis, no materiality thresholds have been set, but it provides guidance on the financial impact that the Company could potentially have in the future. Current and anticipated financial effects or other input parameters were not estimated in this year.

Description of impacts, risks and opportunities

The impacts, risks and opportunities as well as the results of their assessment are described in the table below, including how they affect, negatively or positively, the environment, people, society or the economy as well as the time horizon and where they are concentrated in the value chain.

Area	Material Theme	Impact Description	Impact Type	Impact Character	Expected time horizon	Location in the value chain	Meaning
Environment	**Energy consumption and efficiency**	The Company's use of energy, especially in its offices, contributes to overall carbon emissions. Reducing energy consumption and improving efficiency have a direct impact on environmental sustainability.	Real	Negative	Long term (5+ years)	Own operations	Low significance (25%)
	Carbon emissions from operations	Operational infrastructure generates emissions. The Company's carbon footprint affects the environment and compliance with EU carbon reduction targets.	Real	Negative	Long term (5+ years)	Own operations	Low significance (25%)
	Waste Management Practices	Inefficient waste disposal can lead to environmental degradation, especially in terms of landfill contributions. Recycling and reducing waste generation are crucial to minimize environmental impact.	Potential	Positive	Long term (5+ years)	Own operations	Low Significance (18.75%)

	Water consumption	The use of water in offices contributes to the Company's environmental footprint by affecting local water resources.	Real	Negative	Long term (5+ years)	Own operations	Low significance (25%)
	Sustainable procurement	Purchasing environmentally friendly materials for daily operations (e.g. office supplies) can have a positive impact on the sustainability of the supply chain and reduce indirect environmental damage.	Potential	Positive	Long term (5+ years)	Own operations	Low Significance (18.75%)
Social	**Employee well-being and satisfaction**	Company policies on employee well-being directly affect the morale and productivity of the workforce, impacting social structures such as work-life balance and mental health.	Potential	Positive	Long term (5+ years)	Own operations	High Significance (56.25%)
	Diversity and inclusion	By encouraging diversity and inclusion, Transilvania Investments creates a more inclusive workplace that influences society's perceptions of fairness and equality in business.	Potential	Positive	Long term (5+ years)	Own operations	High Significance (37.5%)

	Community engagement through CSR	Through its CSR initiatives, the Company plays a role in the development of the community, strengthening the local economy.	Real	Positive	Medium term (2-5 years)	Own operations	High significance (75%)
	Health and safety measures	Prioritizing employee health and safety not only affects staff well-being, but also the Company's contribution to healthier working environments in the sector.	Real	Positive	Long term (5+ years)	Own operations	High significance (50%)
	Training and development programs	Providing continuous training helps to increase employees' skills, positively affecting their career growth and societal progress through increased employability.	Real	Positive	Long term (5+ years)	Own operations	High significance (50%)
Governance	**Corporate governance and transparency**	High levels of transparency in governance affect shareholder confidence and can serve as a model for ethical business conduct in Romania's financial sector.	Real	Positive	Long term (5+ years)	Own operations	High significance (75%)

	Ethical Conduct in Business	By maintaining high standards of ethics and anti-corruption practices, the firm contributes to building trust in the financial services sector.	Potential	Positive	Long term (5+ years)	Own operations	High Significance (37.5%)
	Supervision and responsibility of the Supervisory Board	Strong board oversight ensures that the Company adheres to best practices, positively influencing corporate governance standards in the market.	Real	Positive	Long term (5+ years)	Own operations	High significance (75%)
	Stakeholder involvement	Effective involvement of stakeholders (e.g. shareholders, regulators) improves corporate governance practices and strengthens the firm's position as a transparent entity.	Potential	Positive	Long term (5+ years)	Own operations	High Significance (37.5%)

Area	Material Theme	Risks/Opportunities	Description Risks/Opportunities	Expected time horizon	Location in the value chain	Meaning
Environment	**Energy consumption and efficiency**	Risk: Rising energy costs	Increases in energy prices due to environmental factors (e.g. stricter energy regulations can significantly increase operational costs).	Long term (5+ years)	Own operations	Low Financial Impact (18.76%)
		Opportunity: Investments for energy efficiency	Investing in energy-efficient systems (LED lighting, energy management) to reduce costs and carbon footprint	Long term (5+ years)	Own operations	Low Financial Impact (12.5%)
		Opportunity: Investing in the energy transition	Transitioning to renewable energy sources for offices, reducing emissions and improving ESG performance	Long term (5+ years)	Own operations	Low financial impact (12.5%)
	Carbon emissions from operations	Risk: Regulatory non-compliance	Failure to comply with EU sustainability regulations and targets (e.g. Paris Agreement, SDGs, EU Taxonomy) could lead to fines, operational disruptions and reputational damage	Long term (5+ years)	Own operations	Low financial impact (25%)
		Risk: Adaptation to climate change	Climate change (e.g. extreme weather conditions) poses risks to the	Long term (5+ years)	Own operations	Low financial impact (25%)

			Company's operational infrastructure, leading to higher costs and reduced efficiency.			
		Risk: Reputational risks related to high carbon footprint	Poor environmental performance could alienate ESG-conscious investors and damage the Company's reputation.	Long term (5+ years)	Own operations	Low financial impact (6.25%)
	Water consumption	Opportunity: Implementation of water consumption efficiency practices	Implementing water-efficient technologies, reducing use and helping to achieve sustainability targets.	Long term (5+ years)	Own operations	Low financial impact (12.5%)
	Waste Management Practices	Risk: Liability for environmental impact	Minimum legal liability for environmental damage (e.g. waste or emissions from operational activities).	Long term (5+ years)	Own operations	Low financial impact (6.25%)
		Opportunity: Implementation of waste reduction programs	Implementing waste reduction and recycling programs, improving sustainability scores and reducing disposal costs.	Long term (5+ years)	Own operations	Low Financial Impact (12.5%)
	Sustainable procurement	Opportunity: Working with sustainable suppliers	Preference for eco-certified suppliers to improve supply chain	Long term (5+ years)	Own operations	Low financial impact (12.5%)

			sustainability and green procurement scores			
Social	**Employee well-being and satisfaction**	Risk: Talent retention and employee turnover	High employee turnover due to unmet employee expectations or lack of well-being programs could affect the Company's operational efficiency and profitability.	Long term (5+ years)	Own operations	High financial impact (37.5%)
		Risk: Changing workforce expectations	Societal shifts towards flexible working and a better work-life balance could put pressure on the Company to adapt its policies or face dissatisfaction from the workforce.	Long term (5+ years)	Own operations	Low financial impact (6.25%)
	Training and development programs	Opportunity: Implementation of training and development programs for employees	Offering continuous professional development programs to drive innovation and talent retention.	Long term (5+ years)	Own operations	Low financial impact (12.5%)
	Community engagement through CSR	Risk: Reputational risks from low involvement in CSR	Poorly managed CSR programs or failure to engage with local communities can negatively affect the Company's reputation and stakeholder trust.	Long term (5+ years)	Own operations	Low Financial Impact (12.5%)

		Opportunity: Development of CSR programs	Expanding CSR programs to increase the Company's social impact and reputation.	Long term (5+ years)	Own operations	Low financial impact (6.25%)
	Diversity and inclusion	Risk: Diversity risks	Failure to properly address diversity and inclusion could lead to both legal challenges and affect the Company's ability to attract top talent.	Long term (5+ years)	Own operations	Low financial impact (6.25%)
		Opportunity: Developing an inclusive workplace environment	Creating an inclusive work culture to attract diverse talent and drive innovation	Long term (5+ years)	Own operations	Low financial impact (25%)
	Health and safety measures	Risk: Health and safety regulations	As health and safety standards become more stringent, failure to comply could lead to fines or damage the Company's reputation as a responsible employer.	Long term (5+ years)	Own operations	Low Financial Impact (18.75%)
Governance	**Ethical Conduct in Business**	Opportunity: Improving compliance mechanisms	Improving compliance mechanisms can reduce legal risks and protect the Company against litigation	Long term (5+ years)	Own operations	High financial impact (56%)
		Opportunity: Development of ethics and anti-corruption policies	Adopting rigorous anti-corruption and ethics policies can	Long term (5+ years)	Own operations	Low financial impact (12.5%)

			increase investor and public confidence.			
		Risk: Cybersecurity and data privacy risks	Governance failures in data protection could lead to regulatory fines (e.g., GDPR violations) and affect customer trust.	Long term (5+ years)	Own operations	Low financial impact (25%)
	Corporate governance and transparency	Risk: Failure to comply with corporate governance	Weak governance structures or non-compliance with regulatory requirements could lead to legal and financial penalties.	Long term (5+ years)	Own operations	High financial impact (75%)
		Opportunity: Sustainability Reporting (ESG)	Implementing transparent and rigorous ESG reporting can attract socially responsible investors and improve the Company's reputation.	Long term (5+ years)	Own operations	Low financial impact (12.5%)
	Stakeholder involvement	Risk: Poor communication with stakeholders	Poor communication with stakeholders (e.g., lack of transparency) could erode trust and damage the Company's reputation.	Long term (5+ years)	Own operations	Low Financial Impact (18.75%)
		Opportunity: Developing organizational culture	Developing an ethics-based organizational culture can increase	Long term (5+ years)	Own operations	Low financial impact (25%)

			employee loyalty and improve operational efficiency			
	Supervision and responsibility of the Supervisory Board	Risk: ESG misalignment	Poor ESG integration into decision-making could lead to reduced investor confidence and missed opportunities in sustainable finance.	Long term (5+ years)	Own operations	Low financial impact (6.25%)
		Opportunity: Board Diversity Deficit	The lack of diversity in the boardroom could weaken decision-making processes and reduce alignment with modern governance expectations.	Long term (5+ years)	Own operations	Low financial impact (18.75%)
		Opportunity: ESG responsibility in decision-making	Incorporating ESG principles into decision-making helps guide the Company towards long-term sustainability.	Long term (5+ years))	Own operations	High financial impact (37.5%)

The impacts, risks and opportunities presented above were correlated with the reporting requirements of the ESRS and with the list of material topics identified, as can be seen in the table below:

Material Theme	Impact	Risks/Opportunities	ESRS Reference Standards
Water consumption	The use of water in offices contributes to the Company's environmental footprint by affecting local water resources.	Implementing water-efficient technologies, reducing use and helping to achieve sustainability targets.	E3-4
Employee well-being and satisfaction	Company policies on employee well-being directly affect the morale and productivity of the workforce, impacting social structures such as work-life balance and mental health.	Talent retention and employee turnover; Changing expectations of the workforce;	S1-1; S1-2; S1-3; S1-16; S1-8; S1-10; S1-11; S1-15
Diversity and inclusion	By encouraging diversity and inclusion, Transilvania Investments creates a more inclusive workplace that influences society's perceptions of fairness and equality in business.	Failure to properly address diversity and inclusion could lead to both legal challenges and affect the Company's ability to attract top talent. Creating an inclusive work culture to attract diverse talent and drive innovation	S1-9;S1-12;S1-16; S1-17
Community engagement through CSR	Through its CSR initiatives, the Company plays a role in the development of the community, strengthening the local economy.	Reputational risks from poor involvement in CSR. Expanding CSR programs to increase the Company's social impact and reputation	S3-1
Health and safety measures	Prioritizing employee health and safety not only affects staff well-being, but also the Company's contribution to healthier working environments in the sector.	Health and safety regulations	S1-14
Corporate governance and transparency	High levels of transparency in governance can help strengthen shareholder	Failure to comply with corporate governance;	G1-1

	confidence and can serve as a model for ethical business conduct in Romania's financial sector.	Implementing transparent and rigorous ESG reporting can attract socially responsible investors and improve the Company's reputation	
Ethical Conduct in Business	By maintaining high standards of ethics and anti-corruption practices, the firm contributes to building trust in the financial services sector.	Improving compliance mechanisms can reduce legal risks and protect the Company from litigation. Adopting rigorous anti-corruption and ethics policies can increase investor and public confidence. Governance failures in data protection could lead to regulatory fines (e.g., GDPR violations) and affect customer trust.	G1-3; G1-4
Stakeholder involvement	Effective involvement of stakeholders (e.g. shareholders, regulators) improves corporate governance practices and strengthens the firm's position as a transparent entity.	Poor communication with stakeholders (e.g., lack of transparency) could erode trust and damage the Company's reputation. Developing an ethics-based organizational culture can increase employee loyalty and improve operational efficiency	-
Supervision and responsibility of the Supervisory Board	Strong board oversight ensures that the Company adheres to best practices, positively influencing corporate governance standards in the market.	ESG non-alignment; Diversity deficit of the Board; Incorporating ESG principles into decision-making helps guide the Company towards long-term sustainability.	GOV-1; GOV-2; GOV-3

Strategy and Business Model

Transilvania Investments Alliance S.A. is a closed-end, diversified Retail Investor Alternative Investment Fund (R.I.A.I.F.), established as a self-managed investment Company. Also, Transilvania Investments Alliance S.A. is authorized as an Alternative Investment Fund Manager (A.I.F.M.). The Company is a closed type A.I.F., defined in art. 1 para. (3) of Regulation (EU) no. 694/2014, listed on the Bucharest Stock Exchange. Transilvania Investments Alliance S.A. invests mainly on the Romanian capital market, mainly in medium-risk stocks. The Company generally pursues an investment policy on a medium/long horizon and has a predominant exposure on the Romanian capital market, mainly on listed shares of companies in the financial-banking, tourism, real estate and energy sectors.

The Company manages a complex portfolio that may include any of the following main categories of financial instruments: shares, fixed income instruments, fund units/ETFs, equity holdings in investment funds/UCITs, shares, alternative investment instruments (including derivatives), but not limited to them. As for investments in fixed income financial instruments, these can be: treasury certificates, government securities and corporate bonds, as well as bank deposits. The Company does not administer any materials, products, or services that are prohibited in certain markets.

Transilvania Investments Alliance S.A. shares are traded on the regulated market of the Bucharest Stock Exchange[5], Premium category. The Company was admitted to trading on 01/11/1999.

The Company operates in Romania, and the average number of employees is 41.

The Company's business model is mainly investments in financial markets. The Company has no direct customers, in the sense that investors trade the shares (with TRANSI identifier) through the Bucharest Stock Exchange. Relationships with suppliers have not been analysed on the value chain for 2025.

Governance

Corporate governance and transparency

Transilvania Investments has implemented a corporate governance system that complies with the provisions of **the Bucharest Stock Exchange (B.S.E.) Corporate Governance Code**, applicable to companies listed on the regulated market. The Company promotes the best corporate governance practices and applies prudent management, in accordance with FSA Regulation no. 2/2016 on the principles of corporate governance for entities supervised by FSA

The Company has developed its own **Corporate Governance Regulation**, which establishes the policies, practices and management structures aimed at ensuring efficient management of the Company for the benefit of shareholders. In December 2025, the Company's Executive Board approved the revised version of the Corporate Governance Regulation, following the entry into force, in January 2025, of the B.V.B.'s new Corporate Governance Code. The Regulation is available on the official website: www.transilvaniainvestments.ro, in the Corporate Governance section.

[5] International identifiers: Bucharest Stock Exchange: TRANSI, ISIN: ROSIFCACNOR8, Bloomberg: TRANSI RO, Reuters: TRANSI.BX. The currency used for denomination is RON.

The Company publishes in its annual reports a detailed chapter on corporate governance and the "Apply or Explain" Statement, informing the extent to which it complies with the principles of the Corporate Governance Code of the B.V.B. and with the provisions of the FSA Regulation no. 2/2016.

Policies on professional conduct and corporate culture

The Company has developed a **Company Involvement Policy,**[6] which outlines how it engages in the companies in which it invests, i.e. monitoring the business, performance and risks of the companies, establishing a dialogue with issuers, exercising voting and other rights, cooperating with other shareholders, communicating with relevant stakeholders from the issuers in which the Company has invested and the management of actual and potential conflicts of interest related to Transilvania Investments' involvement.

In addition, the Company has developed a **Social Responsibility Policy**[7] that is based on the principle of coherence between social programs, business attitude, attitude towards shareholders and employees as well as towards the environment, in the context of ensuring the sustainable development of both the Company and the community in which it operates. The Company is committed to ensuring that any activity it carries out is conducted in an ethical manner, based on best practices in corporate governance. In December 2025, the Company's Executive Board approved a **new Corporate Social Responsibility Policy**, following the entry into force, in January 2025, of the B.V.B.'s new Corporate Governance Code. The new policy will become effective upon its approval by the Supervisory Board.

Transilvania Investments, in accordance with the applicable legal regulations, has developed **the Conflicts of Interest Policy**[8]**,** which establishes the main coordinates of (i) the activities carried out by the Company or on its behalf, including the activities carried out by a delegate, a sub-delegate, an external evaluator or a counterparty, the identification of the circumstances that constitute or may give rise to a conflict of interest with a significant risk of harm to its investors, and (ii) the procedures to be followed or adopted in order to prevent, manage and monitor such conflicts.

The Company also has defined procedures on the **Prevention of fraudulent practices, including those affecting the stability and integrity of the capital market,** with a focus on preventing insider trading, market manipulation operations and accepted market practices.

Description of the mechanisms for identifying, reporting and investigating concerns about illegal behaviour or the behaviour that is contrary to the Company Code of Conduct or similar internal rules

Considering its capacity as an A.I.F.M./A.I.F.., Transilvania Investments' organizational structure includes the key compliance function, exercised by the compliance officer who monitors and verifies the application of the legal provisions, incident to the Company's activity and internal rules and procedures, including those related to conflicts of interest, market abuse, money laundering and financing of acts of terrorism, the regime of privileged information, the protection of personal data, the protection of the interests and rights of shareholders and the resolution of complaints and petitions submitted by them.

[6] https://transilvaniainvestments.ro/wp-content/uploads/2022/08/Politica-implicare-EN.pdf
[7] https://transilvaniainvestments.ro/wp-content/uploads/2022/08/Politica-de-responsabilitate-sociala-EN.pdf
[8] https://transilvaniainvestments.ro/wp-content/uploads/2025/10/Reglementari-interne-08-octombrie-2025-EN-site.pdf

The compliance officer keeps track of the irregularities discovered and manages the investigation register in which the investigations carried out, the result of the investigations, the proposals submitted to the Supervisory Board and the Executive Board and the decisions taken by the persons empowered to take resolution measures are highlighted.

At the level of the **Compliance Department,** the **Register of Conflicts of Interest** is managed, in which the situations of conflict of interest identified/declared and the way of solving them are mentioned. The department also manages the Unique Register of Petitions, which is submitted quarterly to the FSA

Also, at the level of the Compliance Department, **the List of people who have access to inside information** in relation to the Company is drawn up and updated and is sent to the FSA upon its request.

Policies to combat corruption or bribery in accordance with the United Nations Convention against corruption

Considering the very strict regulatory framework of the Company, which is an entity authorized, regulated and supervised by the Financial Supervisory Authority, Transilvania Investments implements policies and procedures that address complex issues such as: prevention of money laundering and terrorist financing, compliance with international sanctions, management of conflicts of interest, combating market abuse and fraudulent practices, protection of personal data, etc.

A summary of the **Policies regarding the operation of Transilvania Investments Alliance as an A.I.F.M.** can be consulted on the Company's website.

In accordance with the provisions of the Company's Corporate Governance Regulations, members of the Supervisory Board and the Executive must consistently comply with the rules of ethics and conduct throughout their mandate and in respect to all their activities, as follows:

Professionalism – in all their activities, they must demonstrate professionalism, correctly apply theoretical knowledge and practical skills, show an interest in keeping up to date with and applying the latest developments in their field of activity, complying with the provisions of the specialized legislation.	**Responsibility** – they will carry out their activity in a responsible and honest manner, in keeping with the dignity and prestige of the profession; they shall refrain from engaging in practices that could affect the image and interests of the Company and will show a constant concern for protecting the interests of Transilvania Investments and its shareholders.

Confidentiality – they have the obligation to maintain the confidentiality of the data and information obtained in the exercise of their function, as well as confidential/ privileged information, including personal data necessary to carry out the specific activity. The following are also prohibited: • Participating or attempting to participate in insider trading practices; • Recommending that another person participate in insider trading practices or persuading another person to participate in insider trading practices; • Unauthorized disclosure of inside information; • Participating or attempting to participate in market manipulation practices	**Moral integrity** – they will adopt a behaviour according to the ethical norms accepted and applied within the Company, showing honesty in interpersonal relationships, conscientiousness in the performance of their duties, ensuring the confidentiality of the information they come into contact with. It is forbidden to request or accept gifts, money, loans or other advantages of any other nature from a third party, both for oneself and for other persons.
Political neutrality - they will maintain their independence from any political influences and will not use the name of the Company to promote political interests.	

The members of the Supervisory Board of Transilvania Investments have the obligation to permanently comply with the following prudential rules in their activity:

- To act with honesty, competence, prudence, diligence and fairness in carrying out their activities;
- To act in the interest of the Company, Transilvania Investments investors and market integrity;
- To maintain and use the resources and procedures necessary for the proper conduct of the activities;
- To take all reasonable measures provided for in Articles 16 to 29 of Regulation (EU) No. 231/2013 in order to avoid conflicts of interest; and, if they cannot be avoided, to identify, manage, monitor and, if necessary, disclose them, with a view to preventing them from adversely (negatively) affecting the interests of Transilvania Investments and investors;
- To comply with all regulations applicable to the conduct of their activities, thereby promoting the interest of Transilvania Investments, its investors and the integrity of the market;
- To treat all Transilvania Investments investors fairly.

Whistleblower protection and internal reporting channels

The Company has a **Policy regarding warning and communication of suspicions** of the Employee Staff regarding the management of the Company's activity, based on which the Company's staff can communicate suspicions regarding the management of the Company's activity directly to the members of the Audit Committee of the Supervisory Board.

According to the procedure, persons who report suspicions benefit from legal protection according to the legal provisions and cannot be exposed to threats, repressions, hostile actions and unfavourable or

discriminatory actions in the workplace, and personal data are protected according to the legal provisions and the internal procedure on the protection of personal data.

The Compliance Officer is responsible, according to the applicable laws and regulations, for monitoring and verifying the application of the legal provisions relevant to the Company's activity, as well as compliance with internal rules and procedures. The Compliance Officer must record the irregularities found in the investigation register, which it communicates to the Supervisory Board and the Executive Board.

The compliance officer has an obligation to immediately inform the members of the Supervisory Board and the Executive Board, as the case may be, regarding the deviations found from the regulations in force and the Company's internal procedures. If the members of the Supervisory Board and of the Executive Board do not take the required measures within the deadlines established in the report prepared by the Compliance Department, the compliance officer is responsible for promptly notifying the Financial Supervisory Authority (FSA) of the deviations found.

The Audit Committee, set up at the level of the Supervisory Board, has the role of analysing the significant aspects resulting from the audit reports and formulating proposals to remedy any deficiencies regarding the Company's management, internal control and financial reporting process.

The Company's internal auditor carries out missions according to the Annual Internal Audit Plan and informs the Company's management about internal audit issues, as well as about the adequacy of the measures adopted to remedy any identified deficiencies.

In December 2025, the Company’s Executive Board approved the **Whistleblowing Procedure**, which aims to establish the mechanism through which employees, collaborators, business partners, shareholders of Transilvania Investments Alliance or other persons may confidentially report genuine and significant concerns regarding the management of the Company’s activities, without the risk of retaliation.

The Procedure ensures compliance with national and European legislation on whistleblowing and the protection of persons reporting misconduct. For this purpose, it establishes a clear system for reporting, investigating and addressing whistleblowing reports, as well as protective measures for whistleblowers. The Whistleblowing Procedure will become effective upon its approval by the Supervisory Board.

Procedures for investigating incidents of professional conduct

A disciplinary offence occurs when an employee commits a work-related act by which he or she violates the legal norms, the Company's internal policies, procedures or work instructions, as well as the provisions of employment contracts or the job description. This may include non-compliance with instructions given by superiors or internal rules.

In order to protect the rights of employees, disciplinary measures must be preceded by a disciplinary investigation. The procedure involves the following steps:

1. **Investigative commission:** Management appoints a commission consisting of employee representatives, a human resources specialist, the head of department and a legal adviser. They appoint a coordinator to lead the investigation and a secretary to document the process.

2. **Convocation of the employee:** The employee is officially invited to a meeting to discuss the misconduct. The summons shall be made in writing, with details of the date, time and place of the meeting, and shall be sent at least 48 hours in advance. If the employee is absent, the summons is sent by post with acknowledgement of receipt.
3. **Employee absence:** If the employee fails to show up for the meeting without a good reason, the Company may take disciplinary action without completing the investigation.
4. **Employee's rights:** During the investigation, the employee has the right to present evidence and support his or her point of view. All statements and documents are recorded and signed by all members of the commission and the employee.
5. **Decision:** At the end of the investigation, the minutes are sent to the management to decide.

Training Policy on Business Conduct

Transilvania Investments actively supports the training and professional development of employees, integrating continuous training and professional development into the Company's overall growth strategy. Continuous training is carried out based on dedicated plans, which include employee participation in conferences, seminars, courses, as well as internal communications transmitted by email by the compliance officer or the Company's management. In addition, employees are supported in their professional development efforts, thus contributing to increased individual and team performance. During 2025, some employees with higher education participated in continuous training programs aimed at expanding their professional skills and improving both individual and collective performance.

At the same time, given the character of an entity authorized, regulated and supervised by the Financial Supervisory Authority, Transilvania Investment carries out, through accredited trainers, mandatory continuous professional training programs for the members of the Supervisory Board, the members of the Executive Board and for the key functions (risk and compliance).

The Compliance Officer sends periodic information messages regarding the regulatory framework specific to the organization and operation of the Company on the occasion of each amendment to the AIFM Policies and Procedures (on average 3-4 times a year). Quarterly, on the occasion of the analysis of the portfolio of financial instruments related to personal transactions, information messages are sent regarding the regulatory framework specific to the organization and operation of the Company, information regarding the amendment of the regulatory framework issued by FSA/BSE, as well as messages implementing procedures with general impact. In 2025, the Compliance Officer sent information messages to employees and persons with management responsibilities, through which they addressed topics such as changes in the AIFM Policies and procedures, changes in some internal work procedures, the revision of the BCP or the changes in some internal applications relevant to employee transactions.

At the same time, the Company's legal advisors sent information notices regarding updates to the regulatory framework applicable to the Company.

Functions within the Company that are most exposed to risk in terms of corruption and bribery

The Executive Board is responsible for taking all necessary measures for the day-to-day management of the Company, in accordance with its object of activity and respecting the exclusive powers conferred by law or by the Articles of Incorporation to the Supervisory Board and the General Meeting of Shareholders. In relations

with third parties, the Company is represented by the President of the Executive Board or by another member of the Executive Board designated for this purpose (all members of the Executive Board are authorized by the Financial Supervisory Authority –FSA).

Ethical Conduct in Business

Systems for preventing and detecting, investigating and responding to allegations or incidents related to corruption and bribery, including related training

Transilvania Investments is fully committed to carrying out its activity with integrity and transparency, meaning that it is forbidden for the members of the management and supervisory structures and the employees of the Company to pay, ask or offer bribes or financial incentives of any nature, including state officials, employees of state-owned or state-controlled companies, as well as in any transactions carried out by the Company. It is also strictly forbidden to solicit or accept bribes or financial incentives.

In December 2025, the Company's Executive Board approved Transilvania Investments' **Code of Ethics and Conduct**, which sets out the fundamental principles, values and standards of ethical conduct promoted by the Company during its business activities. The Code applies to all members of the Supervisory Board, members of the Executive Board, employees and other people acting on behalf of or in the interests of the Company. The Code of Ethics and Conduct will become effective upon its approval by the Supervisory Board.

The Company has developed a Policy on warning and communicating suspicions from employees regarding the management of the activity. This policy allows staff to communicate suspicions directly to the members of the Audit Committee of the Supervisory Board.

According to the established procedure, persons who transmit suspicions benefit from legal protection according to the legal provisions and cannot be subjected to threats, reprisals, hostile actions or other unfavourable or discriminatory measures in the workplace. Also, their personal data is protected in accordance with legal regulations and internal procedures regarding the protection of personal data.

During 2025, no special training programs were carried out in the field of combating corruption and bribery. Members of the Supervisory Board, the Executive Board, persons holding key functions and other employees participate annually in continuing professional training courses that include training modules in the field of prevention of money laundering and financing of terrorist acts, market abuse, insider trading.

Incidents of corruption or bribery

Transparency regarding corruption incidents, such as bribery, is crucial to the integrity of Transilvania Investments and to maintaining trust of investors, employees, partners and the community.

Through an open approach in reporting and investigating these cases, the Company reaffirms its commitment to ethics, legal compliance and responsible governance. In addition, transparency plays a key role in preventing and combating unethical behaviour, helping to reduce reputational and financial risks, and promoting an organizational culture based on honesty and responsibility

In 2025, **no incidents of corruption or bribery were reported**.

Supervision and responsibility of the Supervisory Board

Role of administrative, management and supervisory bodies

According to the Articles of Incorporation, Transilvania Investments is managed in a dualistic system by an **Executive Board** that operates under the control of a **Supervisory Board**.

The employees' representative is appointed, according to the law, by the general meeting of employees, by secret ballot for a 2-year mandate. The rights and obligations of the employee representative are those set out in the Labor Code.

Supervisory Board

Under the Company's Articles of Incorporation in force in 2025, the Supervisory Board consists of five natural persons elected by the Ordinary General Meeting of Shareholders by secret ballot for a four-year term of office. The members perform their duties in accordance with the management agreements approved by the General Meeting of Shareholders, the Supervisory Board's Organisation and Operation Regulation, and the Company's Articles of Incorporation.

Between 01.01.2025 and 19.04.2025, the Supervisory Board was composed of **4 members** (100% men - 4 men, 0 women), with non-executive functions.

Between 20.04.2025 and 31.12.2025, the Supervisory Board had **only one member** (female) authorized by the FSA, while the other members elected by the Ordinary General Meeting of Shareholders held on 16 December 2024 were undergoing the FSA authorization process.

Prior to the end of the former Supervisory Board's term of office on 19 April 2025, the Board adopted a series of measures, implemented by the Executive Board, aimed at ensuring the continued smooth operation of the Company until the new Supervisory Board became operational, namely, once it had at least three members authorized by the FSA. These measures were communicated to investors through Current Report No. 2400/17 April 2025.

All the members of the Supervisory Board were independent members. In order to assess the independence of its members, the Supervisory Board has adopted the evaluation criteria provided by the Corporate Governance Code of the Bucharest Stock Exchange (BVB). We mention that, in accordance with the internal regulations of the Company, each independent member of the Board must submit a declaration at the time of his nomination, with a view to election or re-election, as well as when any change in his status occurs.

Information on the members of the Supervisory Board whose terms of office ended on 19 April 2025, as well as on the new member of the Supervisory Board, authorized under FSA Authorization No. 42/17 April 2025, is presented in the table below.

The CV of the new Supervisory Board member is available on the Company's website, at www.transilvaniainvestments.ro, under the *About Us* section.

Table 3 - Information about the members of the Supervisory Board

Name, age, seniority in office	Qualification	Professional experience	Other professional commitments and obligations
Supervisory Board Member starting on 20 April 2025			
Adriana Tiron-Tudor (57) independent	**Economist** – Faculty of Economics, Specialization in Finance and Accounting, Babeș-Bolyai University, Cluj-Napoca **PhD in Economics,** Specialization in Accounting, Babeș-Bolyai University, Cluj-Napoca **Certified Accountant,** active member of CECCAR Financial Auditor, active member of CAFR	University Professor and PhD Supervisor in Accounting and Auditing – Faculty of Economics and Business Administration, Department of Accounting and Auditing, Babeș-Bolyai University, Cluj-Napoca	Manager, ATT Consulting SRL, Cluj-Napoca Manager, ATT Training SRL, Cluj-Napoca Chair of the Board, Professional Accountancy Education Europe Observer, International Panel on Accounting Education (IFAC – International Federation of Accountants) Country Champion – International Financial Reporting for Non-Profit Organizations
Supervisory Board Members until 19 April 2025			
Patriţiu ABRUDAN (71) Independent Chairman as of 28 February 2023 **April 2021 – April 2025**	**Economist** – Faculty of Economics, Babes-Bolyai University, Cluj-Napoca **Master's Degree** – Banking and Capital Markets, Faculty of Economics and Business Administration, Babes-Bolyai University of Cluj-Napoca	Experience in banking, as a regional director Experience in the finance-accounting, commercial and marketing fields	N/A
Marius-Petre NICOARĂ (67) Independent Deputy-Chairman since 28/02/2023 **April 2021 – April 2025**	**Engineer** – Faculty of Mechanics of the Technical University of Cluj-Napoca	Administrator of a banking institution Financial management Marketing Public communication Position of public dignity in the Romanian Senate Experience in local public administration	Member of the Board of Directors of FNGCIMM Founder and shareholder of the Compexit Group
Horia-Cătălin BOZGAN (53), Independent **February 2024 – April 2025**	**Economist -** Faculty of Domestic and International Banking Commercial and Financial Relations within the Romanian American University of Bucharest **Executive MBA -** Maastricht School of Management – The Netherlands/ Bucharest	Experience in banking and capital markets, BVB Licensed Accountant, BVB Authorized Trader	Regional Director of Banca Transilvania, Brașov Branch

Vasile-Cosmin TURCU (55) Independent **February 2024 – April 2025**	**Engineer -** Faculty of Chemistry and Chemical Engineering, Babeș-Bolyai University, Cluj-Napoca **Certified Reliability Leader** – American Association of Asset Management Professionals	Member of Boards of Directors and CEO of companies admitted to trading on the regulated market Experience in the petro-chemical and pharmaceutical sectors, business partnership development, business process optimization, managerial cultural change	Member of the Board of Directors, Sinteza S.A. Member of the Board of Directors of THR Marea Neagră S.A. (until 03.02.2026) Director, PROMMENT SERVICES SRL, Constanța

Roles and responsibilities of the Supervisory Board

The duties and responsibilities of the Board members are provided by law and the Articles of Incorporation of the Company and are detailed in the "*Internal Regulations*"/"*Policies and Procedures regarding the operation of Transilvania Investments Alliance S.A. as an A.I.F.M.*".

The main duties of the Supervisory Board are the following:

- appoints and dismisses the President and the other members of the Executive Board, establishes the powers and duties of the members of the Executive Board, the terms and conditions of each member's mandate, including the relevant criteria for monitoring and evaluating the results of the activity performed by the Executive Board and the Company, and periodically evaluates the application and fulfilment of these criteria;
- permanently monitors the fulfilment by the members of the Supervisory Board, the members of the Executive Board, the compliance officer, the risk manager and the internal auditor of the evaluation criteria on the basis of which they were authorized by the FSA, respectively notified to the FSA, throughout the exercise of these functions;
- supervises and is responsible for the strategic management of the Company and the fulfilment of the set objectives;
- endorses the Company's business plan and evaluates its financial position;
- endorses the annual financial statements of the Company, after analysing the report of the Executive Board;
- supervises the application of the principles of corporate governance;
- approves, together with the Executive Board, the risk management policy, strategy and procedures;
- analyses the adequacy, efficiency and updating of the risk management system in order to effectively manage the assets held by the Company, as well as the management of the related risks to which the Company is exposed;
- develops and revises the Company's remuneration policy, so that it corresponds to the business strategy, objectives and long-term interests and includes measures to prevent the occurrence of conflicts of interest;
- approves the annual plan of the internal auditor and compliance officer;
- analyses the adequacy, efficiency and updating of the internal control system, so as to ensure its independence from the operational and support organizational structures within the Company, which it controls and monitors;

- endorses, following the opinion of the Audit Committee, any transaction of the Company with any of the companies with which it has close relations, the value of which is equal to or greater than 5% of the Company's net assets, according to the latest financial report;
- endorses the conclusion of any operations involving the Company whose value is greater than the RON equivalent of 7,500,000 euros/operation, upon the request of the Executive Board;
- reviews, on a semi-annual basis, together with the Executive Board, the business continuity and emergency response plans.
- approves, together with the Executive Board, the policies and procedures included in the internal ICT risk management and control framework, in accordance with the applicable legal requirements.
- reviews and approves, at least annually, the Report on the review of the ICT Risk Management Framework, following its approval by the Executive Board.

Reviews and approves, at least annually, the Report on the assessment of the ICT Risk Management Framework, following its approval by the Executive Board. The Supervisory Board is supported in its work by a secretary, who also serves as secretary of the Board's committees. The Secretary is primarily responsible for facilitating communication between the Board and its committees and between the Supervisory Board and the Executive Board, as well as for convening and conducting meetings of the Supervisory Board.

The Supervisory Board, whose term of office expired on 19.04.2025, reviewed the Company's position and prospects and fulfilled its responsibilities in accordance with the applicable legislation, the Company's Articles of Incorporation, the applicable Corporate Governance Code, FSA Regulation No. 2/2016 and the relevant internal regulations. Further details regarding the activities carried out by the Supervisory Board during the period from 01.01.2025 to 19.04.2025 are provided in the 2025 Annual Report, under the section ***Activities of the Supervisory Board in 2025***.

Supervisory Board Committees

The Supervisory Board has established a series of committees in charge of conducting investigations and drafting recommendations to the Board, whose activity is carried out based on the legal provisions and the Organization and Functioning Regulation of the Board.

As of 20.04.2025, the Supervisory Board had only one member authorized by the Financial Supervisory Authority (FSA), and therefore its committees could not be established.

The committees of the Supervisory Board that were operational in 2025, until the expiry of the term of office of the former Supervisory Board (19.04.2025), were as follows:

1. **Audit Committee**

The composition of the Audit Committee as at 19.04.2025 was as follows:

- Mr. Patriţiu Abrudan – Chairman
- Mr. Horia–Cătălin Bozgan – Member
- Mr. Vasile-Cosmin Turcu – Member

This composition of the Audit Committee was established based on the resolution of the Supervisory Board dated 29.07.2024.

The main duties of the Audit Committee, without limitation thereto, are the following:

- ensures the Company's relationship with the financial auditor, the conclusion and proper performance of the audit contract, according to the resolution of the General Meeting of Shareholders;
- selects the internal auditor and analyses the quality of the reports prepared by the internal auditor in terms of the application of legal standards and accepted general auditing standards, assuring the Supervisory Board that the reports comply with the audit plan approved by the Supervisory Board for each financial year;
- monitors the statutory audit of the financial statements prepared by the Company in accordance with the applicable legal provisions, as well as any reports prepared at the request of some shareholders;
- monitors the effectiveness of the internal control system (internal audit, compliance and risk management system) adopted by the Company;
- carries out an annual assessment of the internal control system, the effectiveness and comprehensiveness of the internal audit, compliance and risk management system function, the adequacy of the risk management and internal control reports;
- assesses conflicts of interest in relation to the transactions of the Company and its subsidiaries with related parties, together with the compliance officer;
- analyses the compliance of the accounting policies adopted by the Company with the applicable accounting regulations, assuring the Supervisory Board that they determine a fair and accurate presentation of the transactions carried out by the Company in accordance with its object of activity.

2. Risk Committee

The composition of the Risk Committee as at 19.04.2025 was as follows:

- Mr. Horia-Cătălin Bozgan – Chairman
- Mr. Patriţiu Abrudan – Member

This composition of the Risk Committee was established based on the resolution of the Supervisory Board dated 16.12.2024.

The main duties of the Risk Committee, without limitation thereto, are the following:

- regularly evaluates the risk management system, based on the quarterly reports on risk assessment and makes proposals for its improvement;
- analyses and formulates recommendations on the implementation of the main procedures, internal regulations, investment/divestment and risk management policies and strategies;
- makes recommendations to the Supervisory Board regarding its responsibility to approve the Company's risk appetite and tolerance limits.

3. Nomination Committee

The composition of the Nominating Committee as at 19.04.2025 was as follows:

- Mr. Patriţiu Abrudan – Chairman
- Mr. Horia-Cătălin Bozgan – Member
- Mr. Vasile-Cosmin Turcu – Member

This composition of the Nomination Committee was established based on the decision of the Supervisory Board dated 29.07.2024.

The main duties of the Nomination Committee, without limitation thereto, are the following:

- prepares the evaluation and selection policy, including the criteria for assessing independence, for candidates for election to the Supervisory Board, for the appointment of provisional members of the Supervisory Board and for the appointments of members of the Executive Board and of persons holding key positions, so as to ensure compliance with the applicable legal provisions and the Company's Articles of Incorporation, policy that is subject to the approval of the Supervisory Board;
- properly implements and conducts the approved selection and evaluation policy;
- issues recommendations regarding the nomination of candidates for the Supervisory Board, filling the positions of provisional members within the Supervisory Board, members of the Executive Board and individuals holding key positions, in compliance with the applicable legislation;
- assesses, at least once a year, the independence of the members of the Supervisory Board;
- assesses the fulfilment by the members of the Board, the Executive Board, the provisional members of the Supervisory Board and the persons with key functions of the specific criteria provided by the capital market regulations, in view of their approval by the FSA and monitors the fulfilment of these criteria during the exercise of the functions.

4. Remuneration Committee

The composition of the Remuneration Committee as at 19.04.2025 was as follows:

- Mr. Marius-Petre Nicoară – Chairman
- Mr. Horia-Cătălin Bozgan – Member

This composition of the Remuneration Committee was established based on the decision of the Supervisory Board dated 28.10.2024.

The main duties of the Remuneration Committee, without limitation thereto, are the following:

- reviews, reports, advises, prepares decisions on remuneration, assists the Supervisory Board in fulfilling its duties and responsibilities regarding the remuneration policy and monitors/supervises the remuneration of the members of the Executive Board;
- analyses and formulates proposals to the Supervisory Board regarding the total annual package of variable remuneration within the Company, according to the Remuneration Policy;
- proposes performance targets for granting cash remuneration or proposes objectives for granting shares within the Stock Option Plan (S.O.P.) programs;

- annually evaluates the performance of the members of the Executive Board and of the individuals holding key positions and makes proposals to the Supervisory Board regarding their remuneration.

The detailed activity of the Remuneration Committee is presented in ***The Activities of the Remuneration Committee in 2025***, prepared in accordance with the provisions of the FSA Regulation no. 2/2016 *on the application of the principles of corporate governance by the entities authorized, regulated and supervised by the Financial Supervisory Authority*.

Executive Board

The Executive Board of Transilvania Investments is responsible for the effective management of the Company. In accordance with the provisions of the Company's Articles of Incorporation, the Executive Board comprised of 3 members appointed by the Supervisory Board, of which one member is appointed Executive President and two members are appointed Executive Vice-Presidents. The mandate of the Executive Board members is granted for a 4-year period that can be renewed for new 4-year periods.

The members of the Executive Board perform their duties pursuant to their management agreements (signed on behalf of the Company by a member of the Supervisory Board designated for this purpose), the Executive Board's Rules of Organization and Operation, and the Company's Articles of Incorporation.

During the period from 1 January 2025 to 14 April 2025, the Company's Executive Board consisted of **3 members** (33% women, 66% men - 2 men, 1 woman). On 14 April 2025, the Company received the unilateral decision of one of the Executive Vice-Presidents to end her term of office as a member of the Executive Board, effective as of 21 April 2025. Consequently, as of 31 December 2025, the Company's Executive Board consisted of two members (100% men – two men and no women). The current term of office of the members of the Executive Board expires on 20.04.2028.

The members of the Executive Board must meet the conditions provided by law, as well as those related to professional competence, relevant experience, integrity, good reputation and governance, provided by the applicable FSA regulations and included in the Procedure regarding the assessment of the preliminary and continuous adequacy of the members of the management structure and of the individuals holding key functions within Transilvania Investments. The members of the Executive Board are subject to the authorization of the Financial Supervisory Authority (FSA).

Please note that there is no agreement, understanding or family relationship between the members of the Executive Board and another person due to whom that person was appointed as a member of the Executive Board.

Information on the members of the Executive Board is provided on the table below.

The CVs of the Executive Board members are available on the Company's website at www.transilvaniainvestments.ro, under the *About Us* section.

Table 4 - Information about the Executive Board

Name, age, position, seniority in office	Qualification	Professional experience	Other professional commitments and obligations
Members of the Executive Board as at 31.12.2025			
Marius-Adrian MOLDOVAN (45) Executive president In office since August 2024 Position also held during 2020–2021	**Economist** – Faculty of International Relations and Banking and Finance, Romanian American University **Lawyer** – Faculty of Law, Romanian American University **Executive MBA** – WU Executive Academy	Over two decades of experience in the capital market, holding positions such as fund manager, head of trading, broker, and investment consultant. Experience in tourism, real estate, and industry, as a member of the Board of Directors of companies operating in these sectors.	President of the Board of Directors, Turism Felix S.A. President of the Supervisory Board, Aro-Palace S.A. President of the Board of Directors, FEPER S.A. Bucharest Member of the Advisory Board of CEECAT (non-executive and unpaid position)
Răzvan-Legian RAȚ (42) Executive Vice President In office from April 2024	**Economist** – Faculty of Economic Sciences, Dimitrie Cantemir Christian University, Cluj-Napoca	Experience in finance, capital markets, and management, gained both through executive positions held at BRK Financial Group and other companies, as well as serving as a member of the Board of Directors of the Bucharest Stock Exchange	Member/Secretary General of the Exchange Council, Bucharest Stock Exchange S.A President of the Board of Directors of Turism Lotus Felix S.A. Member of the Board of Directors of THR Marea Neagră S.A. President of the Board of Directors of Tușnad S.A. President of the Board of Directors of Transilvania Leasing și Credit IFN S.A.
Member of the Executive Board until 20.04.2025			
Stela CORPACIAN (44) Executive Vice President In office since August 2022	**Economist** – Academy of Economic Studies Chisinau **Executive MBA** – WU Executive Academy **FCCA,** ACCA member **CFA** **Internal auditor** for integrated quality-environment management systems and information security Certificate of qualification of auditors	Financial and operations director in energy, telecom, agro-industrial companies Auditor and senior manager of an audit firm	President of the Board of Directors, FEPER S.A. Bucharest (until 15.05.2025) Member of the Board of Directors, Independența S.A.

Roles and duties of the Executive Board

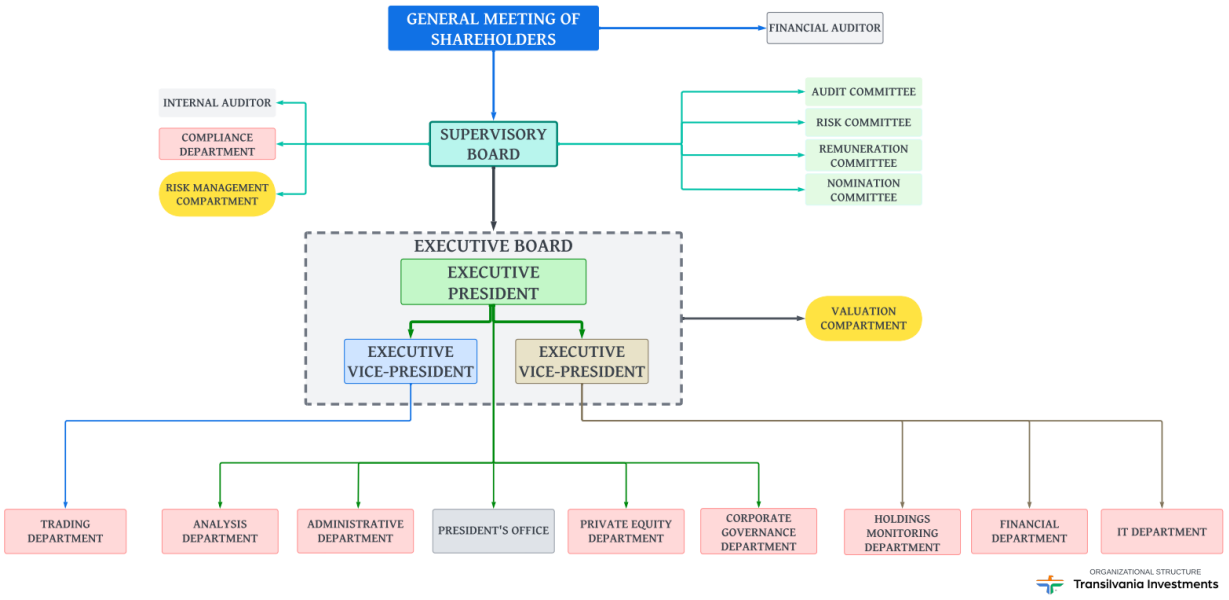
The duties and responsibilities of the members of the Executive Board are provided by law, by the Articles of Incorporation of the Company and are detailed in the *"Internal Regulations"/"Policies and Procedures regarding the operation of Transilvania Investments Alliance S.A. as an A.I.F.M.".*

The main duties of the Executive Board, without limitation thereto, are the following:

- ensures the day-to-day performance of the Company's activity in order to carry out the resolutions adopted by the General Meeting of Shareholders and/or the Supervisory Board;
- is responsible for the administration and proper conduct of the Company's activities, including the implementation of policies and the achievement of objectives;
- represents the Company in relations with third parties;
- establishes the Company's development strategy and policies, including the organizational chart, approves the work policies and procedures, the number and type of positions and the Internal Regulations;
- manages the Company's assets and is responsible for its management before the General Meeting of Shareholders and the Supervisory Board;
- approves the conclusion of any operations involving the Company whose value does not exceed the RON equivalent of EUR 7,500,000/operation. For operations exceeding the ceiling of RON 7,500,000, the endorsement of the Supervisory Board will be requested;
- convenes the General Meeting of Shareholders whenever necessary or upon the request of the entitled persons;
- annually examines and approves the risk management policy and the measures, procedures and techniques for its application, including the risk limit system; they will be subsequently approved by the Supervisory Board;
- evaluates, monitors and, at least once a year, reviews the risk management systems, according to the provisions of the E.U. Regulation 231/2013;
- regularly approve and review the adequacy of the internal procedures for the adoption of investment decisions in order to ensure that these decisions are in line with the approved investment strategies;
- is responsible for the implementation of the policies and practices on remuneration and preventing and managing any relevant risks that remuneration policies and practices may generate;
- evaluates every six months, together with the Supervisory Board, the plans for ensuring business continuity and for emergency situations.
- reports to the Supervisory Board regarding the management of the Company, quarterly or at any time requested by the Supervisory Board, including financial information and, at the request of the Board, any data and information regarding the Company's activity.

Organizational structure of Transilvania Investments

Face 1 - Organizational chart - Transilvania Investments



Transilvania Investments promotes and supports **diversity within its management structure** with respect to gender, as well as education, professional experience, and age, ensuring equal opportunities and fair treatment regarding access to management positions.

Given that the Company is an entity regulated by the Financial Supervisory Authority (FSA), candidates nominated for positions as members of the Supervisory Board and the Executive Board are subject to an assessment of their compliance with the professional competence and experience, integrity, good repute and governance criteria set out in FSA Regulation No. 1/2019 *on the assessment and approval of members of the management structure and of persons holding key functions within entities regulated by the FSA*.

From the previous presentation of the Company's management structure (Supervisory Board and Executive Board), it can be observed that as at 31.12.2025, these bodies comprised 3 members, of whom 2 were executive members (members of the Executive Board, namely the Executive President and one Executive Vice-President) and 1 was a non-executive member (a member of the Supervisory Board). The executive members were both men, while the non-executive member was a woman. Consequently, as at the reference date of 31 December 2025, only one woman was represented in the Company's management structure, serving as a member of the Supervisory Board.

Although the Company acknowledges the importance of gender diversity within its governing bodies, as of 31 December 2025, it had not achieved any of the targets set out in Article 109^3 para. (1) of Law No. 11/2025 amending and supplementing Law No. 24/2017 on issuers of financial instruments. The reasons for this may include factors such as the limited number of female candidates for management positions (on the Supervisory Board and the Executive Board) with relevant experience in the specific business sector in which Transilvania Investments operates, as well as certain characteristics of the Company's business sector, which has traditionally attracted more male than female candidates.

The Company is committed to promoting gender diversity. Among the measures undertaken in this regard, we highlight the following:

- approval of the amendment and revision of the Company's Articles of Incorporation by the Extraordinary General Meeting of Shareholders on December 16, 2024, at the proposal of the Executive Board, by including provisions aimed at promoting diversity in all its forms, including gender equity, within the process of selection and nomination of Supervisory Board members, while considering candidates' competencies, experience, and integrity;

- approval by the Ordinary General Meeting of Shareholders on December 16, 2024, of the election of the Company's Supervisory Board, consisting of 5 members, including one female member. Furthermore, in the context of implementing the provisions of the Bucharest Stock Exchange's new Corporate Governance Code, Transilvania Investments developed the *Diversity Policy*, which establishes the rules and mechanisms for promoting diversity and inclusion within the Supervisory Board and the Executive Board, and aims to achieve the following objectives:

  - Increasing diversity within the management structures and among employees;
  - Promoting equal opportunities and combating discrimination;
  - Ensuring balanced representation in terms of gender, age and professional skills;
  - Increasing transparency in recruitment and promotion processes;
  - Creating an inclusive working environment that supports professional development.

The above-mentioned Policy establishes the **overall gender diversity target**, namely that at least 33% of the total members of the Supervisory Board and the Executive Board, or at least 40% of the total members of the Supervisory Board, should belong to the less represented gender, while observing the principles of equal opportunities and gender neutrality, under conditions of equivalent professional competence.

In the same context, the Policies and Procedures on the selection, suitability assessment and nomination of members of the management structure and persons holding key functions were revised, introducing a provision whereby the nomination process must comply with the principle of diversity, both at individual and collective level, with a view to establishing balanced, competent and representative management structures.

The Diversity Policy and the Policies and Procedures on the selection, suitability assessment and nomination of members of the management structure and persons holding key functions were approved by the Company's Executive Board in December 2025 and are to enter into force following their approval by the Supervisory Board. It should be noted that, as at 31 December 2025, the Supervisory Board comprised only one member authorized by the Financial Supervisory Authority (FSA), while the other four members elected by the Ordinary General Meeting of Shareholders held on 16 December 2024 were undergoing the authorization process.

- the Company implemented active measures to monitor and assess progress in achieving gender diversity objectives and will report annually on the results regarding gender representation within its management bodies, considering the applicable legal deadlines and provisions.

Expertise of governance bodies

In 2025, in order to fulfil the training and continuous professional development obligations established by the FSA regulations, the members of the Executive Board and the members of the Supervisory Board authorized by the Financial Supervisory Authority (FSA) participated in *Continuing Professional Training and Development Programme for Management Positions*, organized by AS Financial Markets, between 29.09.2025 and 14.11.2025.

The Company does not currently have a Sustainability Strategy, but it has developed a *Policy for the Integration of Sustainability Risks*. The main aspects of this policy are the following:

- The Company does not integrate sustainability risks into its investment decisions, but considers it important to periodically reassess the facts;
- The financial product to which this policy relates (the Fund) does not at this time promote environmental or social characteristics, or a combination thereof;
- The Company does not currently consider the negative effects of investment decisions on sustainability factors.

Furthermore, the Company's 2024 - 2028 Strategy and Investments Policy Statement (I.P.S.), provide for the following:

- gradual review of the Company's policies and procedures in relation to ESG areas, so that, by the end of the reference period of the Strategy,[9] sustainability-related risks will be integrated into its investment decisions and will consider the negative effects of investment decisions on sustainability factors. The timing for taking these effects into consideration depends on the extent to which the companies held in the portfolio, as well as those of interest for future investments, will provide sufficient and adequate information for a relevant analysis or are assessed based on an ESG rating.
- the I.P.S. creates the premises for the development of medium and long-term plans and programs of activities that allow the inclusion of sustainability risks and opportunities. The Company seeks to gradually implement non-financial reporting according to the relevant standards, depending on the nature, size and complexity of the activity, as well as the nature and range of the activities carried out, in accordance with legislation and its own regulations in force.

Sustainability issues communicated to governance bodies

The double materiality analysis carried out for 2025 included the assessment of the impacts, risks and opportunities identified as relevant and applicable for the Company to which a level of significance was assigned, following the methodology of the ESRS standards. Voluntary reporting has the role of raising awareness and documenting in order to gradually transpose the provisions on non-financial reporting.

The management and supervisory bodies, namely the **Supervisory Board** and **the Executive Board, are informed about the significant impacts, risks and opportunities** through the materiality analysis carried out. This process was carried out in 2025 for the period January - December 2024. Consequently, the management and supervisory bodies are informed not only about the significant impacts, risks, and opportunities, including the implementation of the due diligence obligation, but also about the results and effectiveness of the policies for adopting and implementing actions, indicators, and objectives.

[9] The 2024-2028 strategy covers the period from 30.04.2024 to 30.04.2028.

Mainstreaming sustainability performance into incentive schemes

Transilvania Investments Alliance has approved a **Remuneration Policy** that regulates the remuneration system that is composed of fixed remunerations and may also have a variable component, if the General Meeting of Shareholders approves the implementation of buyback programs for its own shares to be allocated free of charge to the identified personnel within the Company (personnel who have an impact on the Company's risk profile).

All specific elements of these programs are subject to investor information through current reports submitted to the Bucharest Stock Exchange. The variable remuneration system involves the achievement of clearly established objectives and the fulfilment of award criteria. At the same time, a 3-year remuneration deferral schedule (deferral) is implemented.

For the reporting period, the **sustainability objectives or impacts** have not been assessed and integrated into the remuneration components, assessed performance, performance indicators.

The remuneration policy is subject to the approval of the Ordinary General Meeting of Shareholders. For 2025, the Remuneration Policy approved by the O.G.M.S. of 22.04.2024 was in force. The Remuneration Policy can be consulted on Company’s website.

Supplier relationship management

Approach to supplier relationships

At the time of current reporting, sustainability issues in relation to suppliers are not being analyzed. The Company does not have a supply chain, the purchases made consist of goods and services necessary for the proper performance of its activity, such as consumables, furniture, computer equipment, other material goods, energy, water, gas, telecommunications, consulting services, auditing, asset storage, financial intermediation, maintenance of information systems, translation services.

Currently, social and environmental criteria are not considered when selecting the Company's suppliers.

Payment Practices

The average time required for the Company to pay an invoice from the date on which the contractual or legal payment term begins to be calculated is **3 working days**. The Company's standard contractual payment terms do not vary by country or type of supplier. All invoices, regardless of the category of suppliers, are paid by the due date written on the invoice. During 2025, **there were no pending legal proceedings for delays in making payments**.

Environmental performance

The Company's object of activity is exclusively activities specific to closed-end investment companies, the main field of activity of the Company being subject to NACE code 649 – Other financial intermediation activities, excluding insurance and pension fund activities (6499 – portfolio management; risk management). As such, the Company's activity **does not have a significant direct impact on the environment**. However, Transilvania Investments is constantly concerned with environmental **protection issues**.

In order to protect the environment, as part of Transilvania Investments' responsible development policy, the legislation in force in Romania is taken into account, as well as the European norms that regulate the policies for the protection of the working environment, the management of waste resulting from the activity and the protection of the spaces where the activity is carried out.

In its activity, Transilvania Investments has identified impacts within the Environmental chapter that may have either negative or positive effects, such as:

- the Company's energy consumption, particularly in its offices, contributes to overall carbon emissions. Reducing energy consumption and improving efficiency have a direct impact on environmental sustainability.
- operational infrastructure generates emissions. The Company's carbon footprint affects the environment and the achievement of the EU's carbon reduction targets.
- inefficient waste disposal can lead to environmental degradation, particularly in terms of contributions to landfills. Recycling and reducing waste generation are crucial to reducing environmental impact.
- water use within offices contributes to the Company's environmental footprint, impacting local water resources.
- purchasing environmentally friendly materials for daily operations (e.g., office supplies) can positively influence the sustainability of the supply chain and reduce indirect environmental harm.

Energy consumption and efficiency

The Company constantly monitors the consumption of utilities, and the investments in the building, in the related installations and equipment are also made considering the impact they have in decreasing these consumptions. In 2025, the windows of the Company's headquarters building in Brașov were replaced, which is expected to improve its energy performance.

The **optimization of electricity consumption** continued through the replacement of the computer equipment and lighting fixtures, and the second floor of the Company's headquarters building was renovated, including the installation of interior wall panels to improve thermal insulation.

Table 5 - Energy consumption and energy mix

No.	Energy consumption and energy mix	2023	2024	2025
1	**Total fossil energy consumption (MWh)**	222.83	287.62	301.53
2	**Total nuclear energy consumption (MWh) – if applicable**	1.54	22.63	14.75
3	Consumption of renewable fuel, including biomass (which also includes industrial and municipal bio-based waste), biofuels, biogas, renewable hydrogen (MWh) – if any	-	-	-
4	Consumption of electricity, heat, steam and cooling purchased or purchased from renewable sources (MWh) - if any	3.39	29.87	30.61
5	Consumption of self-generated renewable energy other than fuel. (MWh) - if any	-	-	-

6	Total renewable energy consumption (MWh) (calculated as the sum of rows 3, 4 and 5)	3.39	29.87	30.61
7	**Total energy consumption (MWh) (calculated as the sum of rows 1, 2 and 6)**	227.75	340.12	346.89

Water consumption

Table 6 - Water consumption

Water consumption	2023	2024	2025
Total water consumption (m^3)	376	558	607
Total water consumption in m3 in water-risk areas, including high-water stress areas (m^3)	-	-	-
Total amount of water recycled and reused (m^3)	0	0	0
Total amount of water stored and changes in storage (m^3)	0	0	0

Waste Management Practices

The Company has procedures in place that regulate the methods of recovery and recycling of waste resulting from the current activity.

Considering the specifics of the Company's activity, the waste resulting from the activity carried out is mainly **paper waste**. They are deposited by the employees in the specially indicated spaces, and periodically the person designated with the administration of the headquarters will ensure their evacuation, in order to use this waste for recycling.

Sorted, hazardous and non-hazardous waste, including WEEE, is handed over for recovery to specialized companies.

The modernization carried out inside the building involved the use of modern construction techniques and materials that minimized the amount of waste generated by demolition activities.

Table 7 - Waste generated in 2025

	2023	2024	2025
Total amount of waste generated (tons)	16.45	16.136	30.143
Total amount of hazardous waste (tons)	0.061	1.085	0.441
Total amount of non-hazardous waste (tons)	16.389	15.051	29.702

Table 8 - Recovered waste

	2023		2024		2025	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Total amount of waste recovered	0.053 tons	5.045 tons	1.084 tons	3.645 tons	0.441 tons	6.91 tons
Total amount of waste ready for reuse	N/A	N/A	N/A	N/A	N/A	N/A
Total amount of waste recycled	N/A	N/A	N/A	N/A	N/A	N/A
Total amount of waste recovered by other recovery operations	N/A	N/A	N/A	N/A	N/A	N/A

Table 9 - Waste disposed

	2023		2024		2025	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Total amount of waste directed to disposal (tons)	N/A	11.352	N/A	10.99	N/A	21.67
Total amount of waste directed to incineration (tons)	N/A	N/A	N/A	N/A	N/A	N/A
Total amount of waste directed to the landfill (tons)	N/A	11.352	N/A	10.99	N/A	21.67
Total amount of waste directed to other disposal operations (tons)	N/A	N/A	N/A	N/A	N/A	N/A

Social performance

In this chapter, we focus on the **well-being and development of our own workforce** as a core aspect of our sustainability efforts. As an investment fund manager, we understand that our employees are the key to delivering long-term value.

This chapter outlines our approach to fostering a diverse**,** inclusive and supportive **workplace culture**, as well as our initiatives for professional growth, employee engagement and wellbeing. By investing in our people, we strengthen our ability to achieve both financial and sustainability goals.

Employee well-being and satisfaction

Own workforce policies

The Company does not have a defined Human Resources Policy on its own, but it attaches great importance to the human factor, which is a key resource considering the business model, being an alternative investment fund manager.

The values promoted by Transilvania Investments are the following:

Table 10 - Transilvania Investments' values

Creativity	Efficiency	Adaptability	Collaboration
People are the only resources capable of generating new ideas and innovative solutions. Their creativity contributes to the long-term development and success of Transilvania Investments	The potential, experience and passion of employees actively contribute to increasing efficiency and effectiveness. They are the ones who put into practice Transilvania Investments' strategies and plans	People can learn and adapt to changes in the business environment, which is essential for the development and profitability of Transilvania Investments.	People build relationships and collaborate to achieve organizational goals. Effective collaboration between team members can lead to remarkable results

Transilvania Investments guarantees equal opportunities and treatment for all candidates for employment in the Company and for all its employees, without direct or indirect discrimination, based on race, nationality, ethnicity, language, religion, social category, beliefs, sex, sexual orientation or any other criterion that has the purpose or effect of restricting or removing recognition, the use or exercise of the rights arising from the collective bargaining agreement existing at the level of the Company.

The Company also recognizes the freedom of opinion of each of its employees. The relationships between the members of the Executive Board and the Company's employees are based on communication, involvement and team spirit. In 2025, there were no conflicts or notifications/commissions regarding labour relations.

Employees carry out their activity based on the collective labour agreement, individual employment contracts, internal regulations, job descriptions and internal procedures. The Company does not have a trade union, the employees being represented in the negotiation of the collective labour agreement by a representative elected by the employees, according to the law.

Processes for engaging one's own workforce and workers' representatives on impacts

At the level of the Company, the collaboration between the employer and the employees is ensured through a series of mechanisms regulated by the **Internal Regulations** and **the Collective Labor Agreement**. The employees' representative, elected by secret ballot at the General Meeting of Employees, holds a mandate of 2 years and acts in accordance with the provisions of **the Labor Code**, having the responsibility to represent the interests of the employees in the dialogue with the employer.

According to **the Internal Regulations**, employees have the right and opportunity to actively contribute to the improvement of working conditions and the working environment. In this sense, employees can participate in collective and individual bargaining, collective actions and have the freedom to join or create unions. They are also encouraged to propose measures that can benefit the organization.

As for individual employee objectives for 2025, they are set in accordance with the positions held and are approved by the **Executive Board** or **the Supervisory Board** in the case of key functions, namely risk management and compliance. These objectives are agreed bilaterally by the employee and the employer, thus contributing to the alignment of individual performance with the Company's strategic objectives.

Negative impact remediation processes and channels for your own workforce to raise issues

Continuing the Company's commitment to actively involve the workforce in decision-making processes and in improving working conditions, we also recognize the importance of effectively addressing problems and situations that could generate a negative impact on employees. The Company emphasizes the rights of employees to address the employer directly in cases of discrimination or other situations that affect their well-being at work. The Company has implemented the provisions of Government Decision No. 970/2023 and approved the *Guidelines on the Prevention and Combating of Gender-Based Harassment and Moral Harassment in the Workplace*. Accordingly, official channels have been established within the Company for the formal submission of complaints and reports, and an employee training session was held to raise awareness of and prevent harassment, while also informing and training employees on the provisions of the specific methodology.

Employees have the possibility to make **complaints, notifications or claims** when they feel discriminated against or if they believe that their rights have been violated. They can address these problems both directly to the employer and against it, if necessary, and can request the support of the employees' representative to mediate and resolve these situations, while may also submit complaints to the Committee for the receipt and resolution of harassment complaints, appointed for this purpose.

In the absence of formal channels for handling complaints, the Company encourages the opening of dialogue between employers and employees and is committed to developing formal mechanisms for reporting and resolving issues in the future. These measures will help create a more transparent and safe working environment where employees can raise their concerns constructively and confidentially.

Collective bargaining coverage and social dialogue

Within the Company, **100% of the employees are covered by the Collective Labor Agreement**, which regulates their rights and obligations, as well as the working conditions and benefits offered. The negotiation of the collective bargaining agreement takes place in a transparent and fair framework, the employees being represented in this process by a **representative elected by the employees**. This representative is responsible for defending the interests of the workforce and actively participating in social dialogue with management.

Through this contract and constant social dialogue, the Company ensures a stable and fair working environment, in which employees' rights are protected and respected, in accordance with the legal provisions and standards of good practice in the field.

Adequate salaries

At the Company level, ensuring adequate salaries for all employees is a priority. The Company fully complies with legal provisions and labour standards, offering salaries that are aligned with the requirements of national legislation. Each employee receives a fair remuneration appropriate to the position they hold, in compliance with the principles of social justice and non-discrimination.

Social protection

The collective labour agreement includes the rights and obligations of the Company, on the one hand, as an employer and of the employees, on the other hand, in accordance with the labour legislation regarding social protection.

The forms of protection that can be practiced, in compliance with the legal provisions and the collective labour agreement are:

- granting funeral aids, as follows: in case of the death of the employee or the death of a family member (husband, wife, children, parents, brothers, sisters, in-laws, as well as other dependent relatives of the employee), in the amount established by the Company's management;
- providing material aid in case of serious or incurable illnesses for employees and their family members, in the amount established by the Company's management, at their request and based on the medical documents presented;
- granting other social aids, within the limit of the tax deductibility ceiling.

In the case of retirement due to old age, early retirement, partial early retirement or disability, a bonus in the amount of 3 (three) gross salaries is granted on the occasion of liquidation from the Company.

In the case of employees with an employment contract, regardless of its type, who are dismissed for reasons not attributable to them[10] (physical or mental incapacity), the Company will grant them compensation in the amount of 3 (three) gross salaries.

Employees benefit from the protection of their rights in the event of a transfer of the Company or a part of it, to another employer, according to the law. The transfer of the Company or part of it may not constitute grounds for individual or collective dismissal by the transferor or transferee.

Work-life balance indicators

100% of the Company's employees are entitled to leave for family reasons, which include: maternity leave, paternity leave, parental leave and carer's leave.

Table 11 - Percentage of entitled employees who took family leave (by gender)

	2023		2024		2025	
	Women	Men	Women	Men	Women	Men
Percentage of eligible employees who took leave for family reasons	5.55% (one person)	0%	0%	0%	0%	0%

[10] cf. art.65 of the Labor Code and those dismissed in accordance with art. 61 letter c of the Labor Code

Characteristics of the Company's employees

At the end of 2025, the number of employees was 41, of which 37 employees with higher education and 4 employees with secondary education. The average number of employees with which the Company carried out its activity in 2025 was 40,25, which is 3 employees higher than the average number achieved in the previous year, and the employee turnover rate was 4.65%.

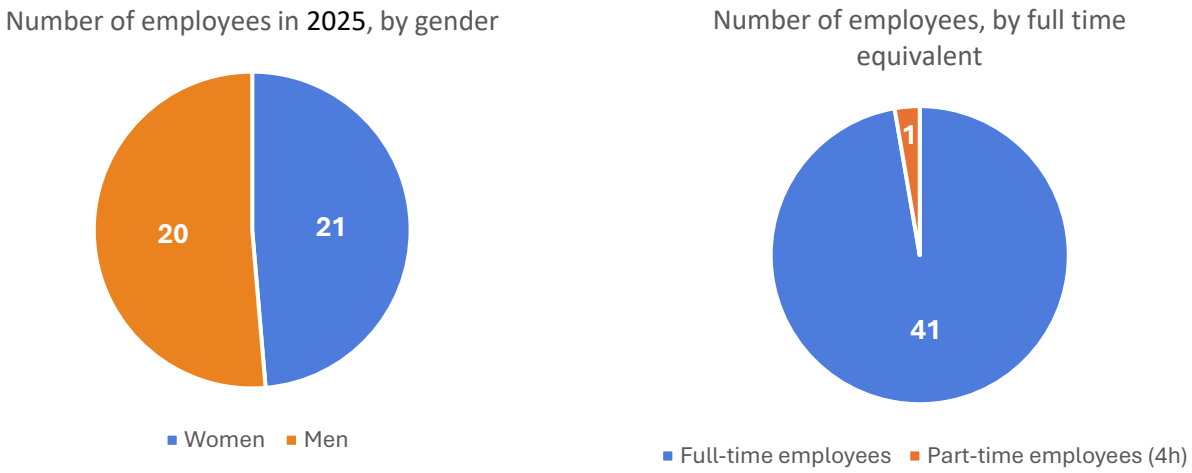


Table 12 – Total number of employees (Gender breakdown)

	31 December 2023	31 December 2024	31 December 2025
Women	18	18	20
Men	19	20	21
Total number of employees	37	38	41

Table 13 - Breakdown of employees by location

Location	2023 Number of employees	2024 Number of employees	2025 Number of employees
Headquarters in Brașov, 2 Nicolae Iorga Street	33	35	41
Work point in Bucharest, the Ana Tower building[11]	4	4	-

Diversity and Inclusion

Transilvania Investments is firmly committed to promoting equal opportunities and treatment between women and men, eliminating any form of discrimination based on sex. The Company ensures respect for

[11] The OGMS held on 7 October 2025 approved the closure of the Company's place of business in Bucharest, located in the Ana Tower building, 1A Poligrafiei Blvd.

human dignity in all its interactions and actions, and all its policies are based on sound legal principles and respect for the individual rights of each employee.

Law no. 202/2002 is the legislative framework that defines forms of discrimination, such as direct and indirect discrimination, harassment and sexual harassment, while positive measures are provided to accelerate the process of equalization of opportunities between the sexes. Furthermore, the Company has implemented the provisions of Government Decision No. 970/2023 and approved the Guidelines on the Prevention and Combating of Gender-Based Harassment and Moral Harassment in the Workplace.

Discrimination in labour relations is prohibited at all levels, from employment and promotion to remuneration and access to professional opportunities. Special maternity protection measures, such as parental leave, are not considered discrimination, but measures necessary to ensure fairness.

Diversity indicators

Table 14 - Breakdown of employees by age

Number of employees	20-30 years	30-40 years	40-50 years	50-60 years	Over 60 years
2023	5	1	10	16	5
2024	3	2	10	18	5
2025	2	4	14	16	5

Table 15 - Gender distribution within the Supervisory Board and Executive Board

	2023		2024		2025	
	Men	Women	Men	Women	Men	Women
Supervisory Board[12]	5 (100%)	0 (0%)	5 (100%)	0 (0%)	0 (0%)	1 (20%)
Executive Board[13]	2 (66.67%)	1 (33.33%)	2 (66.67%)	1 (33.33%)	2 (66.67%)	0 (0%)

[12] Starting in April 2025, the Company was placed under a governance-related operational risk alert, given that only one member of the Supervisory Board had been authorized, the terms of office of the other members having expired on 19.04.2025.

[13] On 14 April 2025, the Company registered the unilateral decision of an Executive Vice-President to end his term of office as a member of the Executive Board, effective as of 21 April 2025.

Remuneration indicators

Table 16 - Remuneration indicators

	2023	2024	2025
Gender pay gap[14]	67%	68%	76%
Annual ratio of the highest earner's total compensation to the median total annual compensation[15] for all employees (excluding the highest earner)[16]	2.70%	2.81%	3.17%

People with disabilities

Transilvania Investment promotes an inclusive work environment and will not refuse to hire or, as the case may be, to keep people with disabilities in work, in cases where they are able to fulfil the service obligations related to the positions for which they are applying/occupying.

During the reporting period, the Company had no persons with disabilities among the employees.

Incidents, complaints and serious human rights impacts

Employees have the right, if they consider themselves discriminated against on the basis of sex, to formulate complaints, notifications, complaints to the employer or against him, if he is directly involved and to request the support of the employees' representative to solve the situation at work.
It constitutes discrimination and it is forbidden for the employer to unilaterally modify the relations or working conditions, including the dismissal of the employee who has submitted a complaint or a complaint at the Company level or who has filed a complaint with the competent courts. During 2025, there were no incidents of discrimination or harassment.

Health and safety measures

Occupational health and safety refer to the set of institutionalized activities, aiming to ensure the best conditions in the work process, to defend the life, physical and mental integrity, health of employees and other persons participating in the work process.

The Company makes every effort to rigorously apply the legal regulations on occupational health and safety in force, to permanently improve working conditions.

In order to achieve this objective, the Company ensures the rigorous application of the measures provided by Law no. 319/2006, the Specific Occupational Health and Safety Norms for the activity performed by the employer and its own Instructions and decides on those strategies to ensure the implementation of an integrated occupational health and safety management system at the level of the Company.

[14] Defined as the difference between average levels of pay between female and male employees, expressed as a percentage of the average level of pay of men

[15] Given the low number of employees of the Company, the average at the level of employees was used in the calculations.

[16] The ratio was calculated by excluding the members with mandate contracts, employees with individual employment contracts were exclusively considered.

The Company's responsibilities in the field of occupational health and safety insurance are maintained even if external services are used.

Within the framework of its responsibilities, the Company takes the necessary measures to:

a) ensuring the safety and health protection of employees;
b) prevention of occupational risks;
c) informing and training workers;
d) ensuring the organizational framework and the means necessary for health and safety at work.

The Company's employees are insured for the risk of work accidents and occupational diseases, under the law.

All costs related to medical supervision specific to occupational risks, occupational diseases, work accidents and professional rehabilitation after occupational disease or work accident are covered by the Company.

To ensure the surveillance of the employees' health status, the Company organizes the occupational medicine service in collaboration with an authorized occupational medicine office, which has the following main attributions:

a) participation in the risk assessment of occupational diseases;
b) monitoring the health status of employees by:
    i. medical examinations upon employment;
    ii. adaptation medical examinations;
    iii. periodic medical examinations;
    iv. medical examinations upon resumption of activity;
c) guiding the activity of professional rehabilitation, professional reconversion, professional reorientation in case of accident work, occupational disease, work-related disease or after chronic diseases;
d) counselling on various occupational medicine issues.

Any employee can consult the occupational medicine doctor for any symptoms that he attributes to the working conditions and the activity carried out.

Pregnant employees, starting with the fifth month of pregnancy, as well as those who are breastfeeding will not be assigned to night work, will not be called to overtime, will not be sent on business travel and will not be able to be seconded except with their consent.

In developing the necessary measures for occupational safety and health, the employer consults with the employees' representatives.

Occupational Health and Safety (OHS) Training

Transilvania Investments develops, through the external prevention and protection service, its own instructions for each job and technology used. They are updated when working conditions, technology or whenever necessary.

The preparation and training in the field of OHS and emergency situations are to acquire knowledge and form specific skills, necessary to avoid undesirable situations.

Training in the field of occupational health and safety comprises 3 phases, namely:

- Introductory general training
- On-the-job training
- Periodic training

Health and safety measurements

During the reporting period, 100% of employees were covered by this system through the collective bargaining agreement, which demonstrates our firm commitment to their protection and well-being.

The effectiveness of occupational health and prevention measures is also supported by the fact that, during this period, no cases of occupational diseases were registered. The Company has also managed to completely avoid incidents related to work accidents. Moreover, there were no deaths due to accidents or occupational diseases.

The Company remains committed to the continuous improvement of health and safety systems, thus contributing to a work environment that supports the performance and health of employees in the long term.

Employee training and development

The Company places great emphasis on team training and upskilling. According to the Internal Regulations, values such as equal opportunities and treatment between women and men in labour relations and non-discriminatory access to professional information and counselling, initiation, qualification, improvement, specialization and professional retraining programs, including apprenticeships, are promoted.

At the same time, the criterion of the annual evaluation is represented by the improvement initiatives of each employee, thus continuous improvement and personal development are encouraged at the level of each functional structure.

The Company thus ensures for employees and management persons the participation in initial training programs, continuous training and improvement, obtaining/maintaining certifications, annual/periodic certifications, participation in professional associations/bodies/organizations (e.g. CFA, CECAR, CAFR, ASPAAS, ANEVAR etc.) motivated by one or more elements that are in close correlation with the Company's activity and with the professional contribution of employees.

Transilvania Investments actively promotes the training and professional development of employees, with two components: continuous professional training and improvement and professional development, as part of the Company's general development strategy. This activity is carried out based on training and professional development plans, which involve both the participation of employees in conferences, seminars, courses, and their support in their personal efforts for professional improvement. A part of the employees with higher education followed, also during 2023, continuous professional training programs, with the aim of developing professional skills and increasing individual and collective performance.

100% of the Company's employees participated in periodic performance and career development assessments in 2025.

In 2025, the following training programs were carried out:

Table 17 - Training programs in 2025 (breakdown by hours, number of employees and genders)[17]

Course name	No. of employees	Women	Men	Total hours (W)	Total hours (M)
International Sanctions Training Course	4	2	2	8	8
Continuing Professional Training and Development Programme for Management Positions	11	5	6	164	185
Continuing Professional Training and Development Programme for Operational Staff	15	8	7	209	170
Derivative Financial Instruments	25	12	13	192	208
International Sustainable Business (ISB) – Level II	1	1	0	60	0
Corporate Governance	1	1	0	55	0
Digital Operational Resilience (DORA)	8	3	5	24	40
ANEVAR (continuous training)	6	4	2	80	40
CECCAR (continuous training)	5	5	0	200	0
Financial Analysis and Controlling	1	1	0	44	0
Total training hours				**1036**	**651**

For comparison, in 2024, the number of professional training hours, summarized by gender, was the following (detailed information can be found in the Sustainability Report published for 2024):

Training Course	Total hours (W)	Total hours (M)
Total training hours	**728**	**876**

Table 18 - Average number of training hours by gender[18]

	2023		2024		2025	
	Women	Men	Women	Men	Women	Men
Average number of training hours	25	39	19	23	25	16

[17] In addition to the employees of the Company, these data also include the members of the Supervisory Board and the members of the Executive Board.

[18] In addition to the employees of the Company, these data also include the members of the Supervisory Board and the members of the Executive Board.

Community engagement through CSR

Policies related to affected communities

The Company has adopted a Social Responsibility Policy that is based on the principle of coherence between social programs, the attitude in business, attitude towards shareholders and employees as well as towards the environment, in the context of ensuring the sustainable development of both the Company and the community in which it operates. The Company is committed to ensuring that any activity it carries out is conducted in an ethical manner, based on best practices in corporate governance.

Transilvania Investments is involved in sponsorship and patronage activities, directly or through specialized associations and foundations, the priority areas being the following: education, health and social assistance, sports, culture, environment and humanitarian actions.

The Company continued in 2025 its involvement in the above-mentioned areas, which consisted of providing financial support, for the following purposes:

- supporting the participation of high school students in an international engineering, science and technology festival;
- providing financial support to chess, equestrian training, and children's and junior football associations and sports clubs, as well as motorsport clubs, etc., to support athletes' training and participation in national and international competitions and championships;
- supporting the organization of cultural and sporting events;
- providing support to a residential care home for the elderly to purchase a generator required to ensure the continuation of its daily operations in the event of a power outage;
- sponsoring and organizing, in partnership with the Institute of Financial Studies and the Association of Fund Managers, conferences and summits on financial services and investment fund management, as well as supporting capital market projects aimed at identifying opportunities to improve the applicable legal framework;
- providing financial support for the implementation of the project “Rehabilitation of the Drinking Water Supply Network at the Vulcan Clinical Hospital of Psychiatry and Neurology”;
- providing financial support for the delivery of therapies to adults with autism spectrum disorder (ASD) at a day care center;
- providing financial support for the organization of the charitable event Cercul de Donatori (Donors' Circle) and the funding of several projects participating in this event.
- organizing charitable actions for the benefit of children in placement centres in Brașov County, on the occasion of International Children's Day (1 June) and Christmas;

In 2025, Transilvania Investments concluded 24 sponsorship contracts, with a total value of RON 1,033,000.

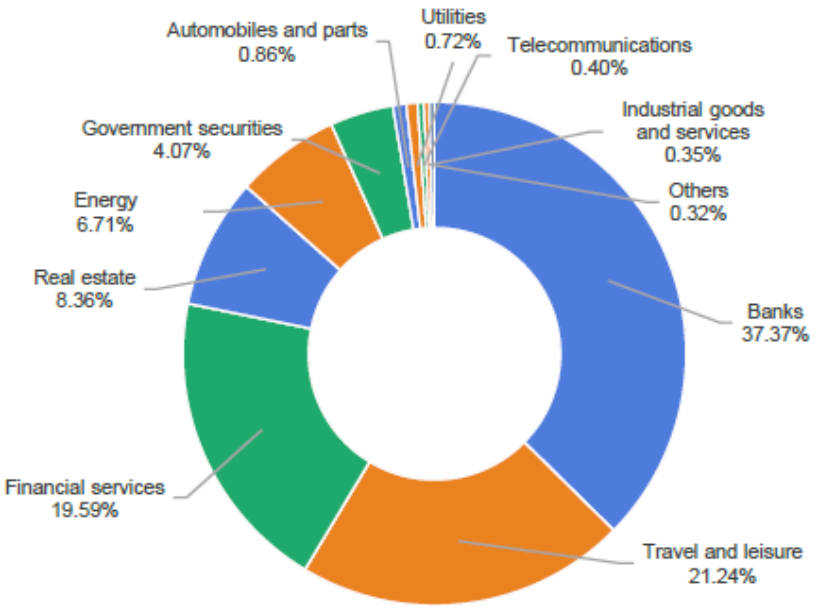
Our portfolio

Portfolio Overview

Transilvania Investments focuses on asset management through flexible strategies, focused on diversification and maximizing shareholder value. With a majority exposure to sectors such as financial-banking, tourism, real estate and energy, the fund aims to provide stability and sustainable returns, through the continuous evaluation and adjustment of the portfolio.

These objectives are supported by investments in strategic companies and a firm commitment to sustainability, adaptability and responsible corporate governance. The carefully designed asset allocation strategy targets opportunities for growth and diversification in an ever-evolving market.

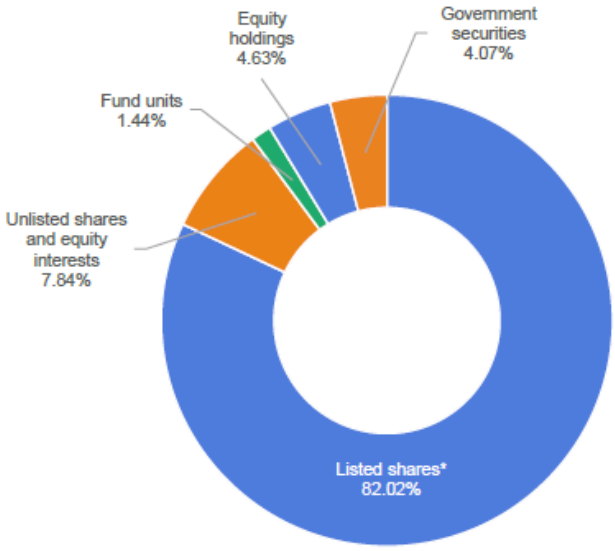
Portfolio structure by sectors at 31.12.2025



Source: Transilvania Investments

Obs.: According to IFRS fair values

Portfolio structure by types of financial instruments at 31.12.2025



*Source: Transilvania Investments Obs.: According to IFRS fair values *) including FIA listed shares*
Note: The percentages in the charts above represent the weight of the respective category in the value of the financial instrument portfolio.

Main business lines

Transilvania Investments manages a diversified portfolio, structured on several business lines with strategic impact. These areas are essential for the stability and performance of the Fund:

- **Financial-Banking Sector**: With a 50% share in the total portfolio, the financial sector is the main pillar of the Fund. Transilvania Investments prioritizes investments in banks and financial services, capitalizing on financial market opportunities and maximizing liquidity. The Fund aims to diversify its exposure through acquisitions in large banks on the local market, contributing to portfolio stability and protection against market risks.

FINANCIAL	1	**BANCA TRANSILVANIA SA**	Listed	Shares
	2	**BRD - GROUPE SOCIETE GENERALE S.A.**	Listed	Shares
	3	**EVERGENT INVESTMENTS S.A.**	Listed	Shares
	4	**BURSA DE VALORI BUCURESTI SA**	Listed	Shares
	5	**TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV**	Listed	Shares
	6	**CCL CEECAT Fund II SCSp**	Unlisted	Equity holdings
	7	**BT MAXIM**	Unlisted	Fund units
	8	**FONDUL DESCHIS DE INVESTITII GLOBINVEST ENERGY&FINANCIALS ETF**	Unlisted	Fund units
	9	**INTERCAPITAL BET-TRN UCITS ETF**	Unlisted	Fund units

	10	**FIAIR FONDUL PRIVAT COMERCIAL**	Unlisted	Fund units
	11	**CCP.RO BUCHAREST S.A.**	Unlisted	Shares
	12	**FIAIP Professional Globinvest**	Unlisted	Fund units
	13	**DEPOZITARUL CENTRAL SA BUCURESTI**	Unlisted	Shares
	14	**FDI NAPOCA**	Unlisted	Fund units
	15	**FDI GlobUS BlueChips**	Unlisted	Fund units
	16	**TRANSILVANIA INVESTMENTS ALLIANCE EQUITY S.A.**	Unlisted	Shares
	17	**TRANSILVANIA INVESTMENTS RESTRUCTURING SA**	Unlisted	Shares
	18	**NOVA TOURISM CONSORTIUM SA**	Unlisted	Shares
	19	**SOCIETATEA DE INVESTITII CERTINVEST IMM S.A.**	Unlisted	Shares

- **Tourism**: The Fund focuses on developing a competitive tourism portfolio, including the affiliation of key hotels to international chains [19]. Relevant examples are **ARO Palace Brașov** and **Turism Felix**, where considerable investments are announced for modernization and increasing attractiveness. For other hotels in the **Hoteluri, Restaurante Marea Neagră** portfolio, Transilvania Investments has implemented a business model based on asset leasing, which adds flexibility and operational efficiency.

HOTELS	1	**TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA**	Listed	Shares
	2	**TURISM FELIX S.A.**	Listed	Shares
	3	**ARO-PALACE SA**	Listed	Shares
	4	**TURISM COVASNA SA**	Listed	Shares
	5	**TUSNAD SA**	Listed	Shares
	6	**NEPTUN-OLIMP SA**	Listed	Shares
	7	**TRATAMENT BALNEAR BUZIAS SA**	Listed	Shares
	8	**DORNA TURISM SA**	Listed	Shares
	9	**BIROUL DE TURISM PENTRU TINERET (BTT) SA**	Listed	Shares
	10	**TURISM LOTUS FELIX SA**	Unlisted	Shares
	11	**CONTINENTAL HOTELS SA BUCURESTI**	Unlisted	Shares
	12	**APOLLO ESTIVAL 2002 SA**	Unlisted	Shares
	13	**TOMIS ESTIVAL 2002 SA**	Unlisted	Shares
	14	**TRANSILVANIA HOTELS & TRAVEL S.A.**	Unlisted	Shares

- **Real Estate**: The real estate sector represents a strategic business line for Transilvania Investments, which includes assets of regional importance in Brașov and Sibiu. With an occupancy rate of 80% in Brașov and Sibiu and ongoing modernization projects, the Fund aims to optimize the return on

[19] The strategy approved by the shareholders at the beginning of 2024 for the period 2024-2028 (which represents an evolution of the 2020-2024 Strategy) provides that *within the tourism sector we will produce a transformation/consolidation of the administration and business models. By way of example, in order to increase the performance of companies in this sector, the contracting of specialized operating services and/or operating under international brands may also be considered (https://transilvaniainvestments.ro/wp-content/uploads/2024/04/1.-Strategia-Transilvania-Investments_2024-2028.pdf)*

these assets through efficient management strategies and investments in infrastructure. The real estate portfolio focuses on a sustainable approach, while ensuring modern and attractive conditions for tenants.

REAL ESTATE	1	**FEPER SA**	Listed	Shares
	2	**CASA ALBA INDEPENDENTA SIBIU**	Listed	Shares
	3	**INDEPENDENTA SA**	Listed	Shares
	4	**MECANICA CODLEA SA**	Listed	Shares
	5	**SEMBRAZ SA**	Listed	Shares
	6	**COCOR SA**	Listed	Shares
	7	**SERVICE NEPTUN 2002 SA**	Listed	Shares
	8	**ONE UNITED PROPERTIES**	Listed	Shares
	9	**MECON SA**	Listed	Shares
	10	**ORGANE DE ASAMBLARE SA**	Listed	Shares
	11	**TRANSILVANIA INVESTMENTS ALLIANCE REAL ESTATE SA**	Unlisted	Shares
	12	**INTERNATIONAL TRADE&LOGISTIC CENTER SA**	Unlisted	Shares
	13	**PRAHOVA ESTIVAL 2002 SA**	Unlisted	Shares

- **Energy**: In the context of the transition to sustainable energy, Transilvania Investments is exploring opportunities in the renewable energy and energy efficiency sector, in order to contribute to the decarbonization goals. The Fund invests in energy companies that comply with the principles of environmental protection, thus ensuring that its portfolio reflects a modern and responsible approach to natural resources.

Energie	1	**OMV PETROM SA BUCURESTI**	Listed	Shares
	2	**Premier Energy PLC S.N.G.N. ROMGAZ S.A.**	Listed	Shares
	3	**PROSPECTIUNI SA BUCURESTI**	Listed	Shares
	4	**S.N.T.G.N. TRANSGAZ SA**	Listed	Shares

- **Technology**: Transilvania Investments considers technology a sector with high potential, which can accelerate the digitalization of the national economy. In this area, the Fund aims to support innovative companies, which develop IT and technological solutions capable of improving efficiency and bringing added value to the digital economy. These investments contribute not only to the financial performance of the Fund, but also to the development of the digital skills of the Romanian economy.

TECHNOLOGY	1	**SOFT APLICATIV SI SERVICII SA**	Unlisted	Shares
	2	**AROBS TRANSILVANIA SOFTWARE S.A.**	Listed	Shares
	3	**KOGNITIVE MANUFACTURING TECH S.R.L.**	Unlisted	Equity interests

- **Active trading**: Transilvania Investments maintains an active trading strategy, targeting issuers with high liquidity, both on the local and international markets. The purpose of this business line is to ensure an optimal level of portfolio liquidity and to capitalize on the opportunities offered by the movements of the financial markets. The trading portfolio mainly includes shares in the financial sector, such as banks and financial services companies, which account for a significant portion of the Fund's assets.

- **Private Equity**: Private equity investments are a distinctive element in the Fund's portfolio, offering the opportunity to generate higher returns by being actively involved in companies in which majority stakes are held. The Fund's strategy in this area targets both investments in emerging sectors and the capitalization of existing assets, thus contributing to increased competitiveness and profitability. The Fund prioritizes the development of a partnership relationship with portfolio companies, supporting them in the implementation of the best operational and management practices.

- **Other sectors**

Telecommunications	1	**DIGI Communications N.V.**	Listed	Shares
Utilities	1	**S.P.E.E.H. HIDROELECTRICA SA**	Listed	Shares
Public sector	1	**MINISTERUL DE FINANTE - RO7P95F9FNY6**	Listed	Government bonds
	2	**MINISTERUL DE FINANTE - ROGSHSTVFMX2**	Listed	Government bonds
	3	**MINISTERUL DE FINANTE - ROHRVN7NLNO2**	Listed	Government bonds
	4	**MINISTERUL DE FINANTE - RON7NMKOKQG2**	Listed	Government bonds
Industry	1	**ROMRADIATOARE SA BRASOV**	Listed	Shares
	2	**DUPLEX SA**	Listed	Shares
	3	**GRUP BIANCA TRANS SA**	Unlisted	Shares
	4	**COMPA SA SIBIU SA**	Listed	Shares
	5	**ARCOM S.A. BUCURESTI**	Unlisted	Shares
	6	**ICIM SA**	Unlisted	Shares
	7	**SIBAREX SA Issue date: 21.11.2013**	Unlisted	Bonds
	8	**FERMIT SA**	Unlisted	Shares
Consumer goods	1	**ROMAGRIBUZ VERGULEASA SA**	Unlisted	Shares
	2	**EMAILUL SA**	Listed	Shares

Promotion of Governance and Sustainability principles at portfolio level

Transilvania Investments has approved, in the General Meetings of Shareholders of the companies in which it holds a majority stake, a set of policies and procedures that will be progressively implemented to ensure efficient management in line with the highest standards and to contribute to the improvement of economic performance and long-term sustainability.

- The implementation of ISO standards for quality management - a set of policies based on ISO 9000 standards, including ISO 9001:2015 and ISO 9004:2018, which will contribute to the development of a robust framework for continuous improvement, helping to optimize processes and increase customer satisfaction.

- Procedures for the sale and lease of the assets and optimization of the acquisition processes - companies will adopt detailed and transparent procedures for the sale and lease of the assets and establish policies for optimizing acquisitions with the objective of reducing costs and improving operational efficiency.
- Investing in human capital development and digitization - we recognize the importance of human capital in achieving our strategic goals; companies will adopt continuous employee training and development programs, intended to increase the level of competence and support the digitization of internal processes.
- A focus on energy efficiency and sustainability - as part of our commitment to a positive impact on the environment, our subsidiaries will explore energy efficiency measures, including the installation of photovoltaic panels and the replacement of energy-intensive equipment. These initiatives are intended to reduce our carbon footprint and promote long-term sustainability.
- Corporate Governance and transparent reporting - to ensure transparency and accountability in the management of the business, companies will adopt rigorous corporate governance policies. This includes extensive reporting requirements, with monthly publication of a range of performance indicators and detailed quarterly and annual reporting.
- Preventing and managing conflicts of interest - companies will implement rigorous policies to prevent and manage conflicts of interest, ensuring that all decisions are made transparently and in the interests of shareholders and the community.

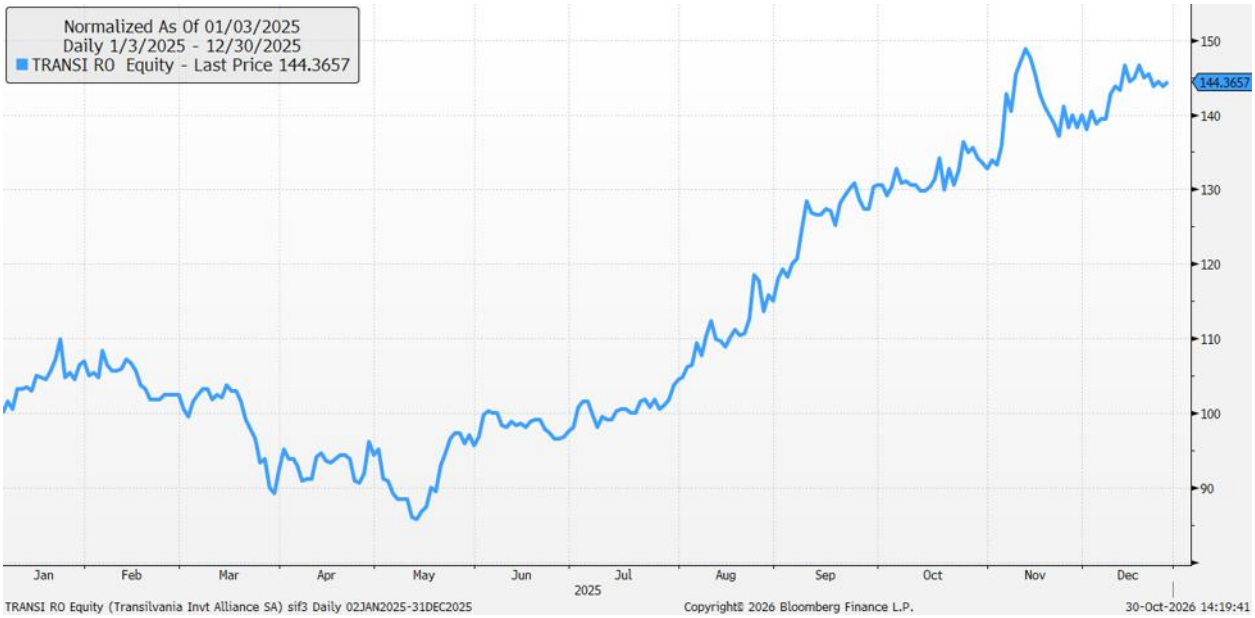
Financial performance and portfolio evolution

To provide an even more comprehensive overview of Transilvania Investments' share performance, we have used various other benchmarks to measure the Fund's performance compared to the relevant markets and sectors.

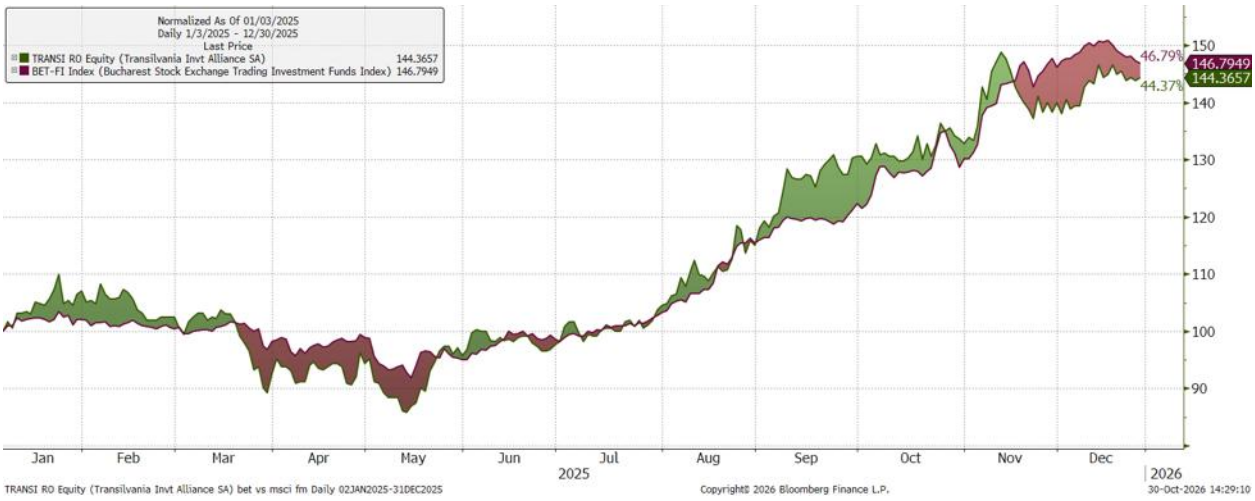
In the following pages of the sustainability report, you will be able to find this performance along with indicators considered relevant:

1. BET-FI Index

Relevance: BET-FI is the financial sector index listed on the Bucharest Stock Exchange, dedicated to financial investment companies (SIFs). It is a very relevant comparison for Transilvania Investments, given that BET-FI is the first sector index launched by BSE and reflects the evolution of financial investment companies and other similar entities.



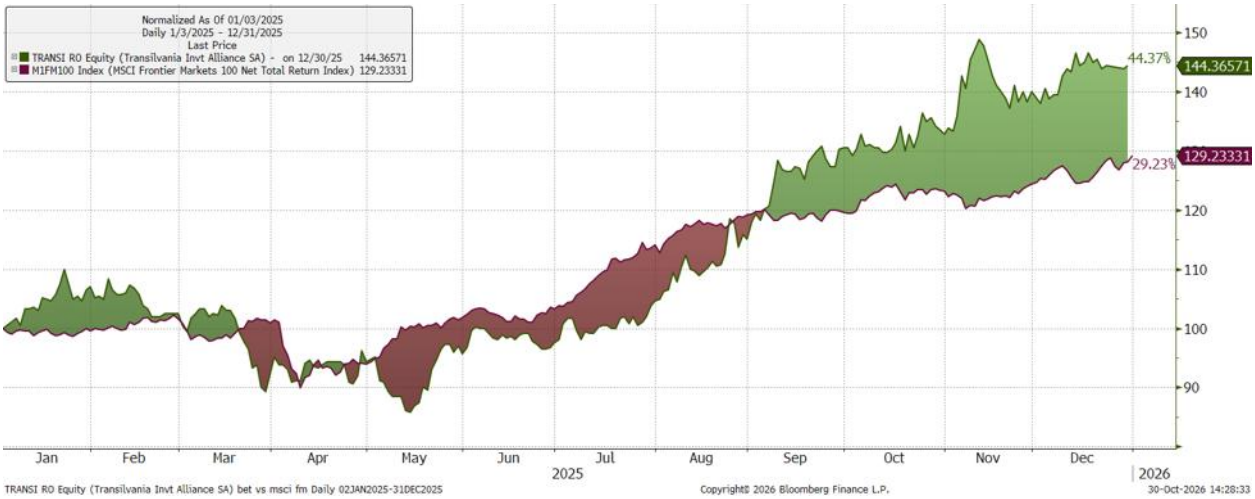
Source: Bloomberg



Source: Bloomberg

2. MSCI FM Index

Relevance: Launched by MSCI FM, this MSCI Frontier Markets Index is a stock market index developed by MSCI Inc. that tracks the performance of financial markets in economies considered "frontier markets." Frontier markets are less developed emerging economies than those included in the category of major emerging markets, characterized by low liquidity and higher volatility, but with growth potential. The MSCI Frontier Markets Index comprises listed stocks from countries at a lower level of economic development than traditional emerging markets, providing investors with access to wider geographical diversification and investment opportunities in these growing markets.



Source: Bloomberg

Identification of portfolio-wide impacts, risks and opportunities

The drafting of the first sustainability report with reference to ESRS standards brought several novelties compared to the non-financial statements drafted in previous years.

Thus, in addition to the double materiality analysis carried out at the Company level (presented in pages 14-29 of the report), Transilvania Investments has also developed a double materiality analysis process for the managed portfolio.

Thus, with the help of this process, the Company tried to identify (through a desktop analysis of publicly available data, sustainability reports, market reports/trends and best practices) a series of impacts, risks and opportunities that may affect the industries in which the investment fund invests.

The industries included in this analysis are as follows:

- Banks & NBFIs
- Hotels, restaurants and tourist services
- Oil & Gas
- Real estate
- Investment funds
- Financial Services
- Electricity
- Industrial Engineering
- Consultation
- Beverages
- Food
- Household goods
- Telecommunication services
- Medical services
- Automobiles & Spare Parts
- Software and IT services

- Industrial transport
- Construction & Building Materials

The stakeholders within the Company, consulted in the process of identifying and evaluating IROs at portfolio level, were the Trading department and the Portfolio Management department, in collaboration with the Risk Management department.

Assessment of impacts, risks and opportunities

Assessing the significance of impacts

As with the company-wide analysis, all identified impacts were assessed by scoring from 1 to 4 on 4 severity scales, as defined by the ESRS standards: Probability, Scale, Scope, and Irremediability. The impact significance score is the result of multiplying the probability score by the severity score, consisting of scale, scope and irremediability (in the case of adverse impacts). The severity score is given by choosing the maximum score from the 2 or 3 criteria, depending on the character of the impact to capitalize on the significance of any individual criterion. Thus, all impacts could reach a maximum score of 16, ensuring an equal level of comparability.

Assessing the significance of risks and opportunities

Risks and opportunities were assessed by scoring from 1 to 4 for 2 severity measurement scales, as defined by the ESRS standards: Probability and Magnitude. The risk and opportunity materiality score is the result of multiplying the probability score by the magnitude score. All risks and opportunities could thus reach a maximum score of 16, ensuring an equal level of comparability.

Adjusting scores for sector relevance

Certain impacts, risks and opportunities (IROs) are relevant in several industries in the portfolio, but their significance varies depending on the specifics of each sector. Thus, the final score of an IRO reflects both its basic significance and the frequency of its occurrence within the portfolio. For example, if an impact scores 16 in six industries, 12 in three industries, and 6 in three other industries, the final score for that impact will be:

$$\textit{Final impact score} = 16 \times 6 + 12 \times 3 + 6 \times 3 = 150$$

Description of impacts, risks and opportunities

The impacts, risks and opportunities in the Company's portfolio, as well as the results of their assessment, are described in the table below. In order to present the results of the analysis in a concise and understandable manner for the readers of the Report, we have chosen to present the most significant 5 impacts, 5 risks and 5 opportunities.

Top 5 Significant Impacts		
No.	Impact	Description
1	**Greenhouse Gas (GHG) Emissions**	Reducing greenhouse gas (GHG) emissions is a key objective for various economic sectors, each of which contributes specifically to the fight against climate change. The financial sector, for example, needs to support green and carbon footprint reduction initiatives, thus playing a significant role in reducing GHG emissions by investing in sustainable projects. The oil and gas industry is one of the largest contributors to CO2 and methane emissions, amplifying its global climate impact. The real estate sector generates a significant percentage of GHG emissions, due to the consumption of energy for heating, cooling and lighting in buildings. The beverage industry, in particular the production and distribution of bottled beverages, produces GHG emissions from energy use in factories, transport and packaging, and the consumer goods sector contributes to GHG emissions through the energy used in the production and operation of household products. Similarly, the construction industry generates significant emissions, not only through the manufacture of building materials such as cement and steel, but also through the construction activities themselves, which consume considerable resources. The industrial engineering sector contributes to GHG emissions, especially in energy-intensive fields such as metallurgy, cement and chemistry, while the food industry, through meat and dairy production, produces methane and CO2 in large quantities as a result of agricultural activities, transport and food processing. Telecommunications infrastructure also has a notable impact, consuming significant amounts of energy to operate towers, data centres, and transmission networks, thus contributing to global GHG emissions and affecting climate change.
2	**Waste management**	Waste generation is a major challenge for different economic sectors, each of which specifically contributes to the amount and type of waste that affects the environment. The beverage industry, for example, makes intensive use of plastic, glass and aluminium packaging, contributing to plastic packaging pollution and significant energy consumption in the production and recycling of glass and aluminium. Real estate projects are another example, producing large amounts of construction waste, which can have a considerable impact on the environment if not managed properly. The household goods sector also contributes significantly to the generation of waste, including e-waste and packaging, which can pollute the environment and pose risks to public health if not properly managed. Medical institutions generate specific waste, including hazardous materials and biological waste, that require special treatments to prevent environmental contamination and public health risks. The automotive industry produces waste at all stages of the life cycle of vehicles, from production to end-of-life, generating large amounts of metals, plastics, rubber and hazardous fluids, the improper management of which can lead to environmental pollution. In turn, industrial projects generate solid, liquid and gaseous waste, which requires appropriate management methods to prevent pollution and reduce the impact on public health. These examples underline the importance of sustainable waste management, given the significant impact on the environment and society.

3	**Intensive consumption of natural resources**	The intensive consumption of natural resources is a major challenge for various economic sectors, each contributing to resource depletion and environmental degradation. The development and operation of buildings requires large amounts of building materials, water and energy, which contributes to the depletion of natural resources and can have negative effects on the environment. The production of household goods, including household appliances, furniture and cleaning products, involves the intensive use of metals, plastics, wood and water, thus contributing to environmental degradation and a decrease in the availability of natural resources. The construction sector requires large amounts of sand, gravel, wood, water and energy, and the extraction of these materials can cause deforestation, soil degradation and the depletion of natural resources. Similarly, industrial engineering activities make intensive use of natural resources, such as raw materials, water, and energy, putting pressure on the environment and available resources. The production of automobiles and spare parts requires metals, plastics, rubber, and energy, and the extraction and processing of these materials can cause deforestation, water pollution, and soil damage. On the other hand, sectors such as the hotel and restaurant industry contribute to the conservation of natural resources through energy efficiency measures and the reduction of water consumption, thus having a positive impact on the environment.
4	**Health impact**	The impact on people's health varies significantly between economic sectors, each with specific contributions to public health. The high-sugar or high-alcohol beverage industry affects public health by increasing the incidence of problems such as obesity, diabetes and alcohol dependence, thus generating additional pressure on health systems. Similarly, the quality and safety of consumer goods directly influences the health of consumers, especially when products contain hazardous substances or do not comply with safety standards. Emissions from vehicles, as well as road traffic noise, have harmful effects on public health, contributing to respiratory, cardiovascular and stress problems. Construction activities affect health through air pollution with dust and particles, noise and vibrations produced, but also through the risks of accidents on construction sites. Building materials containing hazardous substances can endanger the health of workers and residents near construction sites. There are also concerns about exposure to electromagnetic radiation emitted by telecommunications infrastructure and mobile equipment, with potential effects on human health, as research continues to explore and clarify the extent of this impact.

5	**Impact on biodiversity**	Different economic sectors contribute significantly to biodiversity loss, each with a specific impact on ecosystems and natural habitats. Urban sprawl and infrastructure development often lead to the destruction of natural habitats and the fragmentation of landscapes, affecting biodiversity and contributing to the loss of species. Exploration and production activities are also frequently associated with deforestation and the deterioration of fragile ecosystems, putting additional pressure on biodiversity. The energy sector, through the infrastructure needed to produce and transport energy, such as hydroelectric dams and transmission lines, can affect natural habitats and reduce species diversity. Intensive agriculture, especially for the production of food of animal origin, requires large areas of land, which can lead to deforestation, loss of biodiversity and soil degradation. Similarly, the installation of telecommunications infrastructure, such as towers and underground cables, can alter the landscape, fragmenting natural habitats and affecting the ecological balance. Pharmaceutical waste is another risk to biodiversity, as improperly disposed of medicines can contaminate water and soil, affecting organisms in these ecosystems. New real estate developments also contribute to the loss of natural habitats and the fragmentation of ecosystems, with negative effects on local biodiversity

Top 5 Significant Risks		
No.	**Risks**	**Description**
1	**(R) Risks caused by strict ESG regulations**	Industries face major risks driven by increasingly stringent sustainability regulations, and non-compliance can lead to penalties, product recalls, delays, and considerable financial losses. In the automotive industry, regulations on greenhouse gas (GHG) emissions and vehicle energy efficiency are constantly increasing, and failure to comply with them can result in penalties and bans on the sale of certain models. The construction sector also faces strict regulations related to the energy efficiency of buildings and the use of sustainable materials, and non-compliance can delay projects and attract financial penalties. The food industry must comply with safety, resource use and emissions regulations, and violations can damage reputation and involve losses. Strict regulations related to water use, waste management, and product composition, such as sugar and alcohol content, pose a financial risk to the beverage industry, as failure to comply with them can lead to penalties and product recalls. The industrial transport and household goods manufacturing sectors are subject to strict emission and waste management standards, and financial institutions risk penalties and reputational damage if they do not align with ESG (environmental, social and governance) reporting requirements. All these regulations increase the pressure for compliance and can impose significant additional costs for companies, thus affecting their profitability and market positioning.
2	**(R) Financial risks (associated with climate change and the energy transition)**	Companies in various industries face financial risks stemming from climate change, sustainability pressures and energy transition, which can negatively impact costs and profitability. The investments required to adopt sustainable technologies, and green practices can entail significant upfront costs, impacting profit margins in the short term. In the oil and gas industry, the global transition to renewable energy sources generates important economic risks, such as falling demand for fossil fuels and the depreciation of some assets For the industrial transport sector, dependence on fossil fuels presents considerable financial vulnerabilities, as fluctuations in oil and gas prices directly influence operational costs and, implicitly, profitability. At the same time, companies in industries with high greenhouse gas emissions may be affected by new taxes and regulations to reduce emissions, which add additional financial pressures in the context of an accelerated energy transition.

3	**(R) Strict regulations on energy efficiency and emissions**	The construction industry is facing increasingly stringent regulations on the energy efficiency of buildings, the use of sustainable materials and the reduction of GHG emissions. Failure to comply with these regulations may result in penalties, project delays and financial losses. Consequently, companies operating in this sector are required to adopt innovative technologies and rapidly adapt their operational strategies to ensure compliance and remain competitive in the market."
4	**Reputational risk**	Companies across various economic sectors face significant sustainability-related reputational risks, as events that run counter to the principles of social and environmental responsibility can have serious consequences for public and investor confidence. In the IT industry, issues relating to data privacy, the unethical use of algorithms or scandals involving business practices can quickly erode the reputation of companies and undermine the trust of customers and business partners. In the hospitality sector, hotels and restaurants that fail to meet sustainability standards risk losing customer confidence, thereby affecting their revenues and public image. In the real estate industry, failure to comply with social and environmental responsibility standards may undermine a company's attractiveness to investors and tenants, while in the beverage industry, companies perceived as unsustainable or unethical (for example, due to the exploitation of water resources in water-scarce areas) risk damaging their reputation. Companies in the food industry are vulnerable to reputational risks associated with the use of controversial ingredients and animal welfare practices, which may undermine consumer loyalty. Similarly, household products perceived as unsafe or harmful to the environment can damage companies' reputations, leading to a loss of consumer confidence and declining sales. Financial institutions are exposed to reputational risks where transparency is lacking or where they engage in unethical practices, while in the oil industry, pollution incidents, such as oil spills, can result in a substantial loss of public and investor confidence. Similarly, investment funds that fail to comply with ESG (environmental, social and governance) principles risk losing public and investor confidence, thereby affecting their reputation and long-term stability.
5	**(R) Cybersecurity risk**	This risk is especially relevant in the software and telecommunications industries, where cybersecurity breaches can have severe consequences, including financial losses, reputational damage and regulatory penalties. Therefore, the effective integration of cybersecurity standards is not merely a matter of ensuring regulatory compliance but has become a fundamental strategic pillar for maintaining investor confidence and safeguarding the Company's long-term value.

Top 5 Significant Opportunities		
No.	**Opportunities**	**Description**
1	**(O) Development of renewable energy sources and diversification of the energy portfolio**	The opportunities for developing renewable energy sources and diversifying the energy portfolio are becoming increasingly evident for companies operating in the electricity sector. These companies can invest in renewable energy sources such as solar, wind and hydropower, thereby contributing to the reduction of their carbon footprint and meeting the growing demand for clean energy. Investments in renewable energy offer companies the opportunity to diversify their revenue sources, reduce their dependence on fossil fuels and enhance their economic resilience. By expanding their energy portfolios to include sustainable solutions, companies can not only meet consumer expectations and increasingly stringent regulatory requirements but also align themselves with global trends towards a clean energy economy. This transition to renewable energy sources not only supports sustainability objectives but also offers significant potential for economic growth and innovation in the energy sector. By adopting advanced technologies and energy efficiency practices, companies can gain a competitive advantage in the market while contributing to a more sustainable future for all.
2	**(O) Financing the transition to a sustainable economy (sustainable financial products and promotion of ESG criteria)**	The opportunities for financing the transition to a sustainable economy are growing, having a significant impact on the financial sector. The development and promotion of sustainable financial products can attract new customers and investments, thereby diversifying the revenue sources of financial institutions. Investment funds have the opportunity to enhance returns by allocating capital to sectors and companies that prioritize sustainability, such as renewable energy, green technology and sustainable infrastructure. Furthermore, growing investor demand for financial products that meet ESG (environmental, social and governance) criteria provides investment funds with opportunities to develop and market thematic funds, green bonds and other sustainable financial instruments. These initiatives not only meet investor expectations but also contribute to promoting sustainable practices throughout the economy. Financial institutions also have the opportunity to improve their risk management and long-term performance by integrating ESG criteria into their risk assessment processes and decision-making. This not only supports the transition to a more sustainable economy but also strengthens the position of financial institutions in the market, in response to changing investor preferences and global regulatory requirements.
3	**Investment and deployment of new green technologies (investments and the development of sustainable products and services)**	Investing in new technologies offers significant opportunities for companies looking to improve the sustainability and efficiency of their operations. For example, by adopting carbon capture and storage (CCS) technologies or developing biofuels, companies can reduce their environmental impact and align with increasingly stringent sustainability requirements. In addition, the modernization of electricity grids through the implementation of smart grid technologies can increase energy efficiency, reduce losses and improve demand management, thus generating economic and environmental benefits. The adoption of construction technologies, such as 3D printing, prefabrication, and the use of artificial intelligence to optimize processes, can not only reduce costs, but also speed up turnaround times and minimize waste generated. Companies that adopt these innovative technologies not only improve their operational efficiency, but also gain a competitive advantage in the market, thus positioning themselves favourably in an increasingly sustainability-oriented business environment.

4	**(O) Market expansion through financial inclusion**	The accessibility of financial products for vulnerable segments of the population can open up new markets and stimulate long-term economic growth. Including vulnerable segments of the population in the financial system represents a strategic opportunity to accelerate progress under the social pillar of the ESG agenda, transforming financial inclusion into a driver of expansion into new markets and sustainable economic development. For banks and financial institutions, expanding the range of accessible investment products, dedicated savings products and other financial solutions aimed at improving people's well-being represents a strategic opportunity to open up new markets and promote long-term financial inclusion.
5	**(O) Streamlining the supply chain**	Opportunities for streamlining the supply chain are becoming increasingly relevant for various industries, including automotive, food and household goods. Car manufacturers, for example, can optimize the supply chain by reducing waste and improving recycling processes for end-of-life vehicles, thus contributing to the circular economy and reducing the ecological footprint. In the food industry, supply chain optimization can reduce food waste while improving resource efficiency and decreasing greenhouse gas (GHG) emissions. This approach not only supports more sustainable food production but also helps companies improve their reputation and competitiveness in the market. Companies can also invest in technologies and processes that facilitate the optimization of transport routes, leading to a reduction in fuel consumption and operational costs. Using software for logistics management, implementing smart routes, and adopting more efficient loading solutions are just a few of the strategies that can improve the sustainability and efficiency of the supply chain.



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