



SOCIETATEA DE INVESTIȚII FINANCIARE
T R A N S I L V A N I A S.A.

HALF-YEAR REPORT
PREPARED AS AT 30 JUNE 2020

TABLE OF CONTENTS

ABOUT THE COMPANY	3
INTRODUCTION	4
General macroeconomic context	4
Romanian capital market context	10
PERFORMANCE OF S.I.F. TRANSILVANIA'S SHARES DURING THE FIRST SIX MONTHS OF 2020	12
REVIEW OF S.I.F. TRANSILVANIA'S ACTIVITY	14
General framework	14
Investment entity	14
Financial assets at fair value	15
Net asset	16
Key considerations on the performance of the financial instruments portfolio during the first six months of year 2020	17
Investment strategy	22
Implementation of the investment program during the first six months of year 2020	24
Portfolio management during January – June 2020	25
Corporate governance	38
REVIEW OF THE FINANCIAL STATEMENTS	45
Statement of assets, liabilities and equity	45
Results for H1 2020 and execution of the Revenue and Expenditure Budget	47
FINANCIAL AND ECONOMIC INDICATORS AS AT 30 June 2020	48

ABOUT THE COMPANY

The half-year report as at June 30, 2020 prepared in compliance with: Law no. 297/2004, Law no. 24/2017, F.S.A. Regulation no. 5/2018 and R.N.S.C. (Romanian National Securities Commission) Regulation no. 15/2004, as further amended and supplemented, B.S.E. (Bucharest Stock Exchange) Rulebook and F.S.A. Rule no. 39/2015 on the approval of the Accounting Regulations in compliance with I.F.R.S. applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from the Financial Instruments and Investments Sector.

Date of report: August 14, 2020

Company's name	Societatea de Investiții Financiare TRANSILVANIA S.A. Brașov
Registered office	Brașov, Nicolae Iorga 2, postcode 500057
Phone / Fax	0268 41 61 71 0268 47 32 15
Website	www.siftransilvania.ro
Sole Registration Code	3047687
Tax Identification Number	RO3047687
Trade Register Number	J 08/3306/1992
Registered with the F.S.A. as	Other collective investment undertaking with a diversified investment policy under Attestation no. 258/14.12.2005;
Registered with the Securities Registration Office within F.S.A.	Registration Certificate no. 401/20.08.1999 and no. 401/12.07.2007 respectively
Registered with the F.S.A. Register at Section 9	Closed-end investment companies - under PJR09SIIR/080004, under Attestation 146/06.03.2006
Registered with the F.S.A. Register at Section 7 ¹	Alternative Investment Fund Managers, Subsection 3 – Alternative Investment Fund Managers authorized by F.S.A. (A.I.F.M.) under no. PJR07 ¹ A.F.I.A.A./080005
Subscribed and paid-in share capital	RON 216,244,379.70
Main characteristics of the securities issued by the company	Common, registered, indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10/share
Regulated market on which the issued securities are traded	PREMIUM category of the BUCHAREST STOCK EXCHANGE (market symbol: SIF3)

S.I.F. Transilvania is managed in a two-tier system by an Executive Board under the control of a Supervisory Board.

The company's shareholders register is kept, under contract and as provided by law, by the independent depository and registry company Depozitarul Central S.A. Bucharest.

The depository services with respect to the portfolio of financial instruments are provided by BRD Groupe Société Générale and the company's financial statements are audited by the (statutory) financial auditor Deloitte Audit S.R.L. Bucharest.

INTRODUCTION

Due to its specific scope of business, S.I.F. Transilvania relates to both the national economic and legislative context and the regional/global macroeconomic context, a series of events which occurred during the first half of 2020 having a direct or indirect impact on the Company's results and performance.

General macroeconomic context

At global level, from a macroeconomic point of view, general trends/events which impacted the financial markets have been recorded.

At a local level, a series of uncertainty triggering factors that influenced the investors' perception on the predictability of the national economic model stood out.

Basically, the company's activity was carried out in an internal and international context, characterized by excessive volatility and a high degree of unpredictability.

All these events were triggered by the crisis generated by the COVID-19 pandemic. Basically, the World Health Organization declared, on March 11, 2020, the COVID-19 epidemic as pandemic.

The impact of the COVID-19 pandemic on the Company's activity

General framework

Globally, there have been a number of overall developments focused on measures to combat the crisis caused by the COVID-19 pandemic:

- ⇒ economic and social restrictions have been adopted to keep- to some extent, the COVID-19 pandemic crisis under control;
- ⇒ as a consequence, the level of economic activity has experienced significant contractions in all economies throughout the world; the decline of most economies in the second quarter of this year represents a negative attribute for their recent history;
- ⇒ in response to these significant negative adjustments, most Governments have set-out support measures for both the population and the economy:
 - moratorium options on credit debt payments
 - provision of government guarantees / financing to limit the liquidity crisis incurred by most economic sectors;
 - provision of direct furlough reliefs/ measures aimed at encouraging reduced work schedules
 - tax credit facilities;

- ⇒ at the same time, the main Central Banks have committed, both in terms of rhetoric and in terms of effective measures adopted, to efforts to relax the monetary policy through the full range of instruments at their disposal (reductions in monetary policy rates, adequate management of liquidity conditions on the money markets, acquisitions of government securities/corporate bonds, etc.);
- ⇒ moreover, the same regulating bodies have initiated measures to reduce capital requirements, issued recommendations in sensitive areas of accounting standards application and issued recommendations aimed at maintaining the funding capacity of significant credit institutions (through not distributing dividends, putting a halt on the buy-back programs for their own shares, ceasing the payment of variable bonuses, etc.);
- ⇒ at the same time, we have witnessed a sharp correction accompanied by a significant volatility in the quotations of oil products as a result of the contraction in the aggregate demand and the lack of a simultaneous response on the aggregate supply side; the first phases of the decline were amplified by the a real war on quotations between OPEC and Russia;
- ⇒ on the main capital markets significant declines were recorded (caused by the spectrum of contraction of economic activity due to the COVID-19 pandemic), respectively the asymmetrical recoveries of these corrections (due to excess liquidity induced by the measures adopted by Central Banks, respectively the improvements in the investors' sentiment as a result of the first steps taken by a number of authorities);
- ⇒ all these developments have been amplified by a series of uncertainties induced by the calendar of political events planned for the last quarter of this year.

Locally, there have been a number of significant developments, generated by the attempt to synchronize the measures adopted locally with the general context of the global pandemic evolution:

- ⇒ a state of emergency was declared on 16 March 2020; it was initially set out for a period of 30 days and it was subsequently extended for another month, until 14 May 2020; at the same time, various military ordinances were issued imposing numerous restrictions in order to limit the spread of the virus: schools were closed, people movement outside the home or household was forbidden with a few exceptions, severe restrictions of domestic and international travel were implemented, additional disinfection measures were set, etc.;
- ⇒ subsequently, a lower level of restriction was introduced by establishing the national state of alert and setting out of the infection prevention and control measures commencing with 15 May 2020, followed by successive extensions and measures to gradually relax the previously imposed restrictions;
- ⇒ The government has implemented various measures to support the local economy (measures focused on the social protection of vulnerable groups, respectively on the readiness of the health system):

- covering the costs of furlough for companies that suspended their operations due to the pandemic;
 - The state moratorium introduced by GEO 37, which established the following:
 - the validity period from 31 March to 15 May, further extended until 15 June;
 - the grace period of up to 9 months (no later than the end of 2020);
 - interest is accrued (capitalized for consumer loans, repaid in 60 equal installments for home loans);
 - the facility is available to debtors affected by the crisis without payment delays (at the application date);
 - in line with the standpoint of EU regulators, the facilities affected by the moratorium shall not be reclassified as non-performing;
 - approval of a EUR 3 billion package of state guarantees and interest rate subsidies to support the funding of the SME sector under the SME INVEST loan facility program.
 - additional bonuses for medical staff;
- ⇒ The National Bank of Romania (NBR) adopted some measures meant to mitigate the negative effects of the crisis caused by the COVID-19 pandemic on the Romanian population and companies:
- the monetary policy interest rate was reduced, in three stages, by 50 bps (20 March 2020), 25 bps (29 May 2020), 25 bps respectively up to the level of 1.50% per year (05 August 2020);
 - narrowing the interest rate corridor of permanent facilities around the monetary policy interest rate to ± 50 bps (20 March 2020);
 - providing liquidity to banks (20 March 2020);
 - the purchase of government securities in RON on the secondary market for the financing under good conditions of the real economy and the public sector (20 March 2020);
 - delaying by 3 months, with an extension possibility of up to 6 months, of the annual contributions to the bank resolution fund for 2020 collection deadline for 2020;
 - delaying the deadlines for reporting the information related to the resolution planning.

The economic impact of the COVID-19 pandemic

- the COVID-19 pandemic occurred brutally in the global macroeconomic environment, on an already fragile general context, which was facing an economic growth that already had a slowdown tendency; it has generated an international shock wave able to create significant vulnerabilities, which demanded the need of a fast implementation of unprecedented economic, monetary and fiscal measures;

- the estimates related to the overall economic developments have sharply adjusted compared to previous estimates and indicate a recession in 2020, most likely followed by some form of economic recovery in 2021;
- international financial markets have adjusted significantly after the acceleration of the health crisis, with synchronized declines in asset prices, historical increases in volatility and risk premiums; however, a significant share of these declines recovered during the second quarter of 2020, having in mind the liquidity installments injected into various economies by most Central Banks;
- following the first shock waves, compared to 2008, the European banking sector has maintained the appearance of a resilience able to join as a relatively robust partner to the steps initiated by the Governments of the various states;
- The NBR's estimates regarding the slowdown in Romania's economic growth have gradually intensified and have been fueled by signals that have proven their ability to predict in the past:
 - the significant share of companies that are forecasting a decrease of their activity by more than 25 percent;
 - increasing of the unemployment rate;
 - furlough for more than 1 million employees in the economy during the state of emergency due to the partial or complete interruption of the business activity;
- Under the current epidemiological context, there is a high probability to see the negative scenarios regarding the evolution of the GDP in 2020 materialized, considering:
 - the limitation of some economic activities;
 - consumption reduction amid the increasing risk aversion of the population;
 - the expected occurrence of an agricultural year below expectations caused by adverse weather conditions;
 - reduction of investments amid a possible deterioration of the residential real estate sector, but also due to the decrease of budget revenues;
 - the decline in exports in the context of the deterioration of the economic situation of the main foreign trading partners.
- regarding the budget deficit in terms of cash, a significant deterioration thereof is expected, as compared to the initial budgeted level of 3.6% and even as compared to the subsequent corrections, amid a significant decrease in budget revenues, along with increased expenditure in the health system, but also for employment support programs; consequently, the gross funding need is expected to increase by 31% as compared to the previous year, reaching an absolute historical maximum (RON 119.8 billion, 11% of GDP respectively); according to the estimates of the Fiscal Council, it could reach up to RON 144 billion (14.3% of GDP) in case a more severe contraction of the economic activity as compared to the budget forecasts occurs;
- the rating agencies kept the assessment of Romanian public debt in the category of those recommended for investments, but the perspective is a negative one, therefore the implementation of credible fiscal consolidation measures in the next period, in line with the

recommendation of the Council of the European Union, to put an end to the excessive public deficit in Romania, will be essential to further ensure access to funding in foreign markets at sustainable prices.

The impact of the COVID-19 pandemic on the portfolio managed by the Company

As far as the sectors of interest for the portfolio managed by the Company are concerned, the implications of COVID-19 pandemic related to the tourism sector are the most important.

According to the data published by the National Institute of Statistics, the tourism sector had the following significant evolutions during the first semester of this year:

- ⇒ the check-ins recorded by the accommodation facilities during the period analyzed amounted to 2,148.2 thousand, a 61.8% decrease, as compared to the similar period of the previous year; out of the total number of check-ins during the period analyzed, the check-ins of Romanian tourists in the accommodation facilities amounted to 86.1%, while the foreign tourists represented 13.9%;
- ⇒ the overnight stays recorded by the accommodation facilities during the period analyzed amounted to 4,280.0 thousand, a 62.5% decrease, as compared to the similar period of the previous year; out of the total number of overnight stays, during the period analyzed, the overnight stays of Romanian tourists in the accommodation facilities counted for 84.9%, while the overnight stays of foreign tourists represented 15.1%;
- ⇒ the average length of stay during the period analyzed was 2.0 days for Romanian tourists and 2.2 days for foreign tourists;
- ⇒ the net use index of accommodation spaces during the period analyzed was 19.4% on total tourist accommodation structures, decreasing by 9.0 percentage points compared to the similar period of the previous year;
- ⇒ higher indexes of accommodation use during the period analyzed were recorded in bungalows (23.7%), hotels (23.0%), tourist villas (16.7%), hostels (16.2%), tourist pensions (15.1%) tourist chalets (13.5%), agritourism pensions (13.0%) and accommodation on ships (11.9%);
- ⇒ by counties, during the analyzed period, the number of tourist check-ins in the accommodation facilities had higher values in Bucharest (324.4 thousand), Brașov (277.0 thousand), Constanța (133.8 thousand), Prahova (115.8 thousand), Cluj (102.3 thousand), Bihor (89.9 thousand), Mureș (88.4 thousand), Sibiu (81.3 thousand) and Suceava (79.6 thousand) and the overnight stays of tourists had higher values in: Bucharest (580.0 thousand), Brașov (564.7 thousand), Constanta (365.7 thousand), Prahova (249.2 thousand), Bihor (188.6 thousand), Cluj (184.7 thousand), Vâlcea (180.5 thousand), Timiș (172.2 thousand), Mureș (169.1 thousand) and Suceava (161.7 thousand).

The revenues of tourism companies were considerably reduced during this period (as a consequence of the total or partial interdiction of carrying out specific activities), while the expenses could not be adjusted in a similar manner during this period. For the protection and preservation of key staff, tourism companies have resorted to legislative mechanisms, among which

the furlough and financial support provided by the Romanian Government. Thus, according to the reports published by the tourism companies, the losses recorded as of 31 March 2020 and anticipated to be registered on 30 June 2020, substantially exceed the budgetary provisions, efforts being made to reduce the negative impact at the level of the financial year 2020.

The financial impact of the COVID-19 pandemic on the tourism companies will be also dimensioned depending on the evolution of the virus spread rate in Romania, which will influence the implementation of inter-state traffic restrictions. Limiting the free movement between European states will have a significant influence on the Romanian tourism, reducing the *incoming* activity and possibly widening the domestic tourist circulation.

The international forecasts anticipate a difficult return of the tourist travelling in the next period, being expected that the 2019 level will be reached only in 2023 or 2024.

The most important effect of the COVID-19 pandemic on the execution of S.I.F. Transilvania 's Revenue and Expenditure budget for 2020 was caused by the ECB's recommendation to restrict European banks from distributing dividends until October 2020 (the recommendation was recently extended until January 2021), which led BRD-Groupe Société Générale S.A. Bucharest to no longer distribute dividends, after initially announcing a gross dividend of RON 1.64/share (at the same level as the previous year), the negative impact being of approx. RON 35.7 million.

Also, in the context of the COVID-19 pandemic, other issuers announced the reduction in the level of dividends to be distributed to shareholders or even renounced the distribution of dividends, through the position expressed by the majority shareholder during the ordinary general meetings of shareholders held in April 2020, when the economic effects of the pandemic were first evident.

The evolution of dividend income during the financial years 2015-2020 is presented in the table below:

Revenue from dividends during the year	- RON thousand -	%
2015	15,755	x
2016	25,612	+62.56%
2017	42,431	+65.67%
2018	64,777	+52.66%
2019	71,053	+9.69%
2020	30,898	-56.51%

2020* estimated as at 30 June 2020

The total dividends estimated to be collected in 2020 amounts to approx. RON 31 million, being lower by 56.51% than that collected in 2019. In establishing the REB/2020, regarding the "Dividend Income" chapter, as compared to the initial estimate based on preliminary reports or on official notifications regarding the dividend level, a correction factor of approx. -25% on the total amount has been applied for prudentiality reasons. The factual reduction of the dividend income is more extensive, according to the estimates based on the information currently available.

Thus, considering:

- ⇒ The current economic context, following the COVID-19 pandemic, which caused a significant decrease of the stock exchanges world-wide,
- ⇒ the classification of S.I.F. Transilvania as an investment entity,
- ⇒ the fact that, an investment entity measures and evaluates the performance of substantially all of its investments on a fair value basis (I.F.R.S. 10.27),

In terms of fair value as of 30 June 2020, the company has recorded the following trends:

- ✘ for the fair values based on level 3 input data, the impact of COVID-19 announced by each of the issuers registered in the managed portfolio has been included (unlisted holdings/holdings listed on an alternative trading system exceeding the 20% holding threshold); the net impact of these fluctuations is of RON -10.7 mil., more than 90% of this fluctuation pertaining to a number of companies in the tourism sector;
- ✘ this analysis does not include the issuers that recorded favorable events independent of the current crisis triggered by the COVID-19 pandemic (asset sale – UTILAJ GREU Murfatlar, or the commissioning of certain buildings that have been refurbished within the previous investment programs carried out by CASA ALBĂ INDEPENDENȚA Sibiu);
- ✘ for holdings exceeding the 20% holding threshold listed on a regulated market, the decline recorded by the trading quotes was reflected in their fair values; the net impact of these fluctuations was RON -34.0 mil., out of which approx. 90% pertaining to a number of companies in the tourism sector;
- ✘ for the holdings listed on a regulated market below the 20% threshold, the decline incurred by the trading quotes was reflected in their fair value; the net impact of these fluctuations, resulting from the aggregation of the fair value fluctuations, excluding those issuers that recorded certain events independent of the crisis triggered by the COVID-19 pandemic, is of RON -125.3 mil, of which the financial sector generated approx. 80% of the decline, and the energy sector generated approx. 20%.

The company will continue to closely monitor the developments on the financial markets as well as those happening within the industries specific to the companies where it owns shareholdings.

Romanian capital market context

During the first half of 2020, the performance of the shares listed on the regulated market - the main segment of the Bucharest Stock Exchange - as compared to the performance recorded in the previous financial year, has revealed the following key aspects:

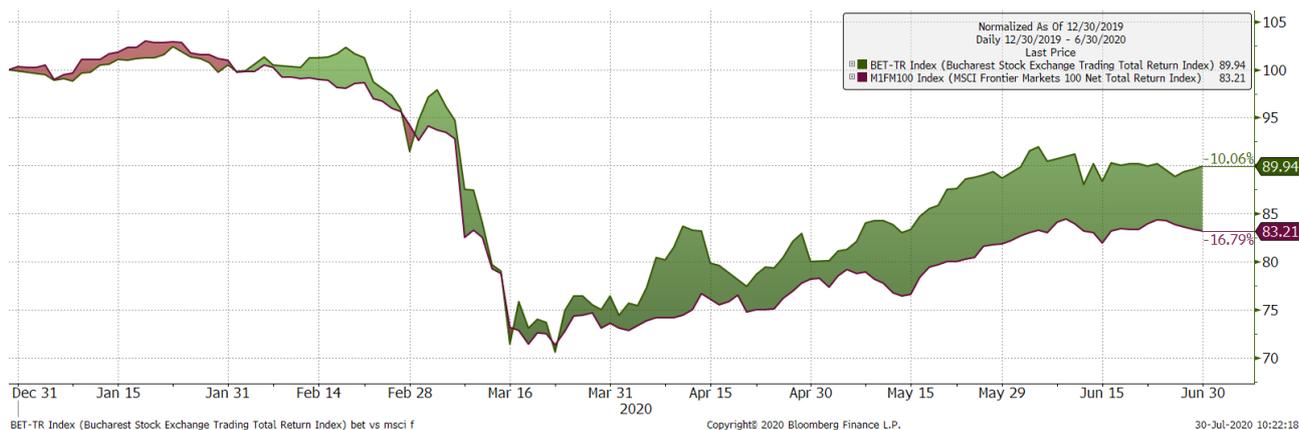
- ⇒ as compared to the similar period of the previous year, the value of the transactions carried out during the first half of 2020 on the B.S.E.'s regulated segment recorded a higher level (the additional liquidity being driven by the unfolding of the COVID-19 crisis, which created an overall climate characterized by high volatility and a high degree of unpredictability);
- ⇒ however, it is worth noting the additional liquidity driven during the first three months of trading during the current year (yoy performance), respectively the its decline during the second quarter of 2020 (qoq /performance)
- ⇒ at the end of the reviewed period, the regulated market's capitalization was lower than the one recorded during the similar period of 2019 (yoy decline);
- ⇒ in comparison to the reference level recorded at the end of the previous year, the market capitalization at the end of the first quarter of the current year recorded a significantly lower level (significant ytd correction), the main reason of these performances being the unfolding of the COVID-19 crisis.

⇒ however, we can also note the recovery trend recorded during the second quarter of the current year, reflected in a slight qoq advance.



Source: Bucharest Stock Exchange

During the first half of 2020, the TOTAL RETURN performance (calculated in local currencies), recorded by the main index of the regulated market (BET) recorded a downward trend, resulting at the end of the period in a significantly negative yield which exceeded the threshold of -10%.



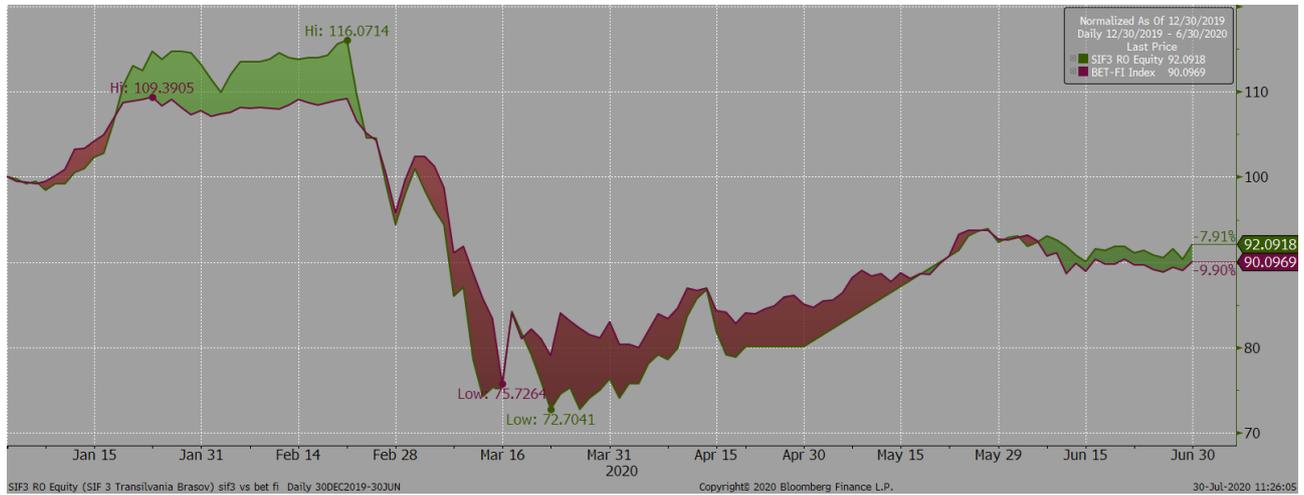
Source: Bloomberg

This performance is correlated with that recorded by the MSCI FM100 reference index. The higher decline recorded by the market reference index stands out, as well as the recovery trend seen during the second quarter of the current year and the significant gap between the two recovery trends.

The performance has been generated by the overall correction triggered by the COVID-19 crisis.

During the reviewed period, no record dates for dividend payments / cash distributions / other corporate events were recorded. Therefore, the aggregate yield is equal to that outlined in the previous chart.

By comparison with the sectoral index BET-FI, for the vast majority of time during the first half of 2020, SIF3 shares have had a correlated evolution, materialized at the end of the reference period in a slight decline (similar in amplitude with that recorded by the reference index).



Source: Bloomberg

REVIEW OF S.I.F. TRANSILVANIA'S ACTIVITY

General framework

S.I.F. Transilvania is a joint-stock company which operates as a closed-end financial investment company and is authorized as an Alternative Investment Fund Manager (A.I.F.M.), according to the provisions of Law no. 74/2015 on alternative investment fund managers, in accordance with the F.S.A. Authorization no. 40/15.02.2018. The company is authorized and supervised by the Financial Supervisory Authority, being classified under the category "Other collective investment undertakings (NON – UCITS) with a diversified investment policy". S.I.F. Transilvania is managed in a two-tier system by an Executive Board which is controlled by a Supervisory Board. S.I.F. Transilvania's shares are traded on the Bucharest Stock Exchange –symbol SIF3, Main segment, Premium category.

S.I.F. Transilvania's goal is the management of its portfolio investments, to permanently identify new investment opportunities and to ensure a reasonable dispersion of investment risks, so as to offer its shareholders the possibility of both achieving attractive yields and increasing their invested capital.

The company holds and manages an investment portfolio which mainly consists of shares, bonds and other financial instruments. Its share sub-portfolio includes both shares listed on the Romanian capital markets and international stock exchanges and unlisted shares. S.I.F. Transilvania's investment portfolio is diversified and includes both financial instruments that grant control rights or significant influence over other entities, as well as other financial investments.

Starting with the financial year 2015, S.I.F. Transilvania has been adopting the I.F.R.S. standards as the accounting base in compliance with the requirements of the F.S.A. Rule no. 39/2015.

I.F.R.S. 10.4 sets out certain exceptions with respect to the preparation of consolidated financial statements, among which the exception applicable to parent companies which are classified as "investment entities". During the investment entity status reassessment process, S.I.F. Transilvania regularly reviews the extent to which the requirements concerning the classification as an investment entity are met. Starting with 1 January 2015, as a result of the analyses carried out, S.I.F. Transilvania's management has found that the company met the requirements of the definition of an "investment entity" in compliance with I.F.R.S. 10.

Under these circumstances, for the financial year 2019, S.I.F. Transilvania has prepared a single set of financial statements, respectively separate financial statements in accordance with the I.F.R.S.

Investment entity

I.F.R.S. 10 defines an investment entity as an entity that:

- i. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- ii. commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- iii. measures and evaluates the performance of substantially all of its investments on a fair value basis.

As of 1 January 2015, the Company's financial investments have been measured at their fair value. In light of IFRS 9, since 1 January 2018, S.I.F. Transilvania has classified its investments in subsidiaries and associated entities, the bonds and the fund units as financial instruments at fair value through profit or loss. The company's investments in other equity instruments (other than subsidiaries and associated entities) are classified as financial assets at fair value through other comprehensive income and/or financial assets at fair value through profit or loss.

S.I.F. Transilvania directly provides services related to investment management for its investors, having as its main and exclusive business scope those activities specific to closed-end investment companies. S.I.F. Transilvania does not provide investment related consultancy and administrative services, directly or indirectly through a subsidiary, to third parties and/or its investors.

S.I.F. Transilvania applies an exit strategy based on the permanent monitoring of the investments made under the approved investment programs, the analysis of the current market developments and the achievement of higher yields and of the objectives defined under the annual revenue and expenditure budgets.

S.I.F. Transilvania presents its strategy to the current and potential investors based on two documents which are discussed and approved by the General Meeting of Shareholders: the multiannual strategic guidelines and the annual investment program.

The company monitors the investment portfolio's structure and performance and:

- i. publishes on a monthly basis the Statement of assets and liabilities (Net asset statement – Annex no. 16 according to the F.S.A. Regulation no. 15/2004);
- ii. calculates on a monthly basis and publishes together with the quarterly/half-yearly/yearly reports the Statement of Assets (Detailed Statement of Investments – Annex no. 17 according to the F.S.A. Regulation no. 15/2004).

Financial assets at fair value

According to the International Financial Reporting Standards, the fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

According to IFRS 13, the fair value levels, depending on the input data used in the measurement process, are defined as follows:

- Level 1 input data are (unadjusted) quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date;
- Level 2 input data are input data other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 input data are unobservable input data for the asset or liability.

Establishing the materiality threshold of the input data within the process of fair value measurement requires the use of professional judgment, considering the specific factors, as a result of the complexity implied by the measurement of these investments and also of the reflection in the financial statements of the fair value changes.

The process of fair value measurement of the financial instruments held by S.I.F. Transilvania is carried out according to the internal procedure and the associated methodology.

As at 30 June 2020, the Company's financial assets measured at fair value, categorised within Level 1 and Level 3 in the fair value hierarchy, are the following:

-RON-

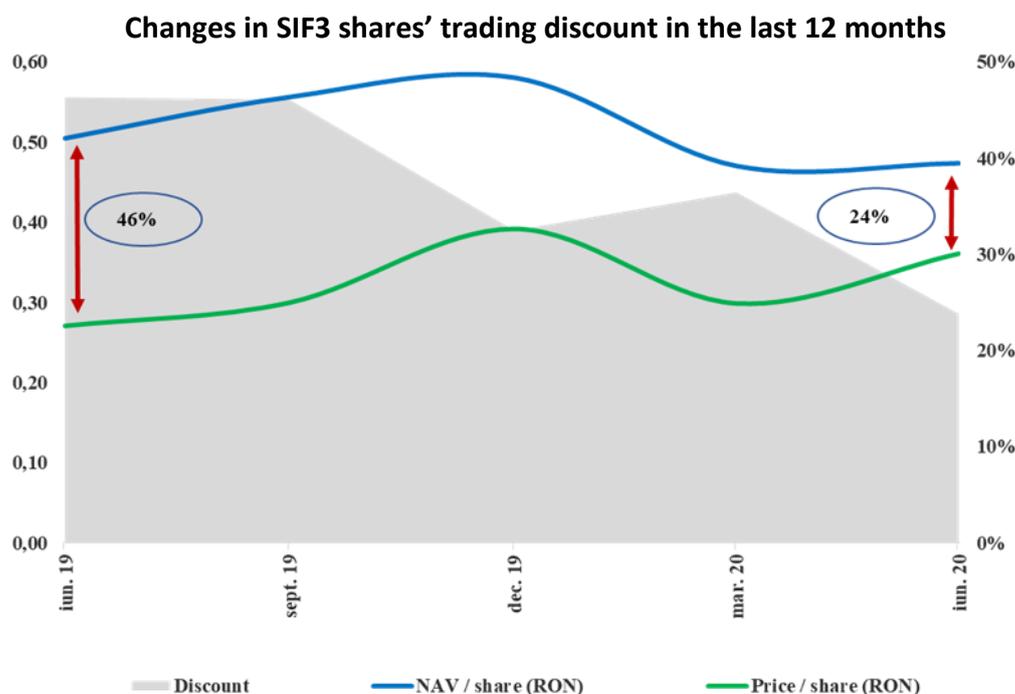
Financial assets as at 30 June 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	480,276,914	-	24,751,268	505,028,182
Shares	480,276,914	-	24,751,268	505,028,182
Corporate bonds	-	-	-	-
Fund units	-	-	-	-
Financial assets measured at fair value through profit or loss	225,915,750	-	376,541,441	602,457,191
Shares	225,915,750	-	345,456,841	571,372,591
Corporate bonds	-	-	0	0
Fund units	-	-	31,084,600	31,084,600
Total financial assets measured at fair value as at 30 June 2020	706,192,664		401,292,709	1,107,485,373

The value of the portfolio using Level 1 input data represents approximately 64% of the total value, while the portfolio using Level 3 input data accounts for 36% of the total value.

Net asset value

The Company's Statement of assets and liabilities is prepared in RON for the end of the last business day of the month and, if applicable, for other dates as well. The Company's Statement of assets and liabilities for a particular date is prepared using the form requested by the F.S.A. (according to the F.S.A. Regulations nos. 9/2014 and 15/2004). The net asset is calculated on monthly basis by the Company, it is certified by the depository company BRD – Groupe Societe Generale S.A. Bucharest and submitted to the F.S.A. and B.S.E. no later than the 15th day of the following month.

The monthly value of the Company's net asset is calculated as the difference between the total value of the assets held and the aggregate value of the Company's liabilities and deferred income.



Source: S.I.F. Transilvania

Key considerations on the performance of the financial instruments portfolio during the first half of 2020

- ❖ the decrease of the total assets value, given the non-annualized growth rate of 13.2% for the first 6 months of 2020, as a consequence of the generalized correction induced by the occurrence of the COVID-19 crisis;

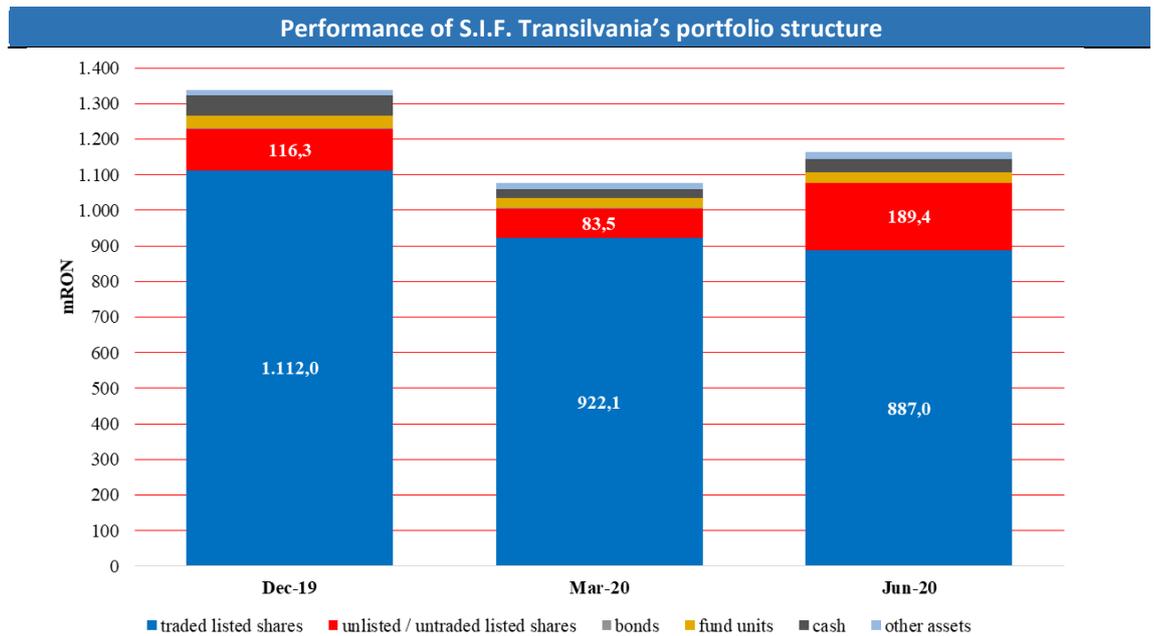
Performance and components of S.I.F. Transilvania's portfolio

- RON million -	Dec.-19	trend	Mar.-20	trend	Jun.-20
Total assets	1,339.1	↘	1,077.2	↗	1,163.0
Net assets	1,255.5	↘	1,017.4	↗	1,024.8
No. of portfolio companies	97	→	97	→	97
Financial instruments portfolio (incl. cash)	1,322.9	↘	1,060.7	↗	1,143.4
Financial instruments portfolio	1,265.2	↘	1,035.8	↗	1,107.5
Cash&cash equivalents	57.7	↘	25.0	↗	35.9

* including shares pending sale

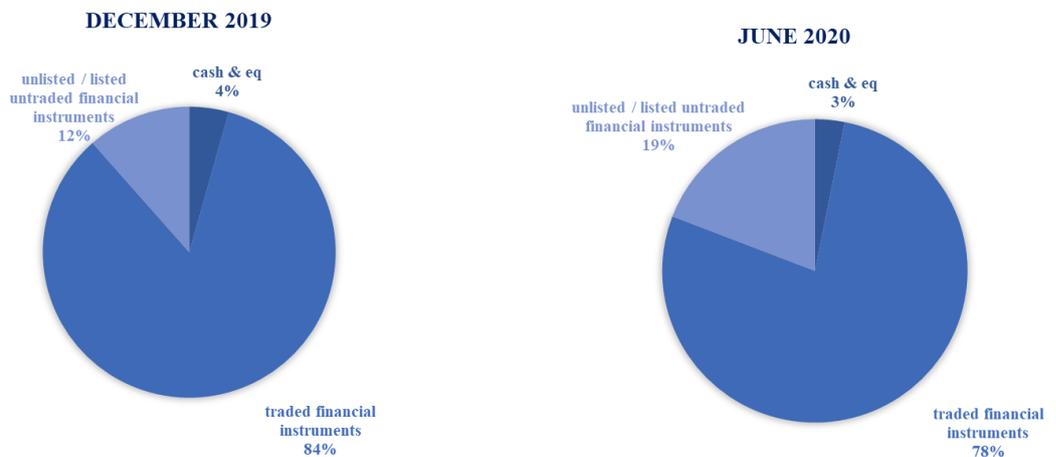
Source: S.I.F. Transilvania, fair values, Annex no. 16 according to F.S.A. Regulation no. 15/2004, F.S.A. Regulation no. 9/2014

- ❖ a recovery tendency recorded off the same index can be noted (amount of total assets managed) during the last three months (+8.0%); by comparison to the reference level recorded at the end of the first quarter of the current year;



Source: S.I.F. Transilvania, fair values, Annex no. 16 according to F.S.A. Regulation no. 15/2004, F.S.A. Regulation no. 9/2014

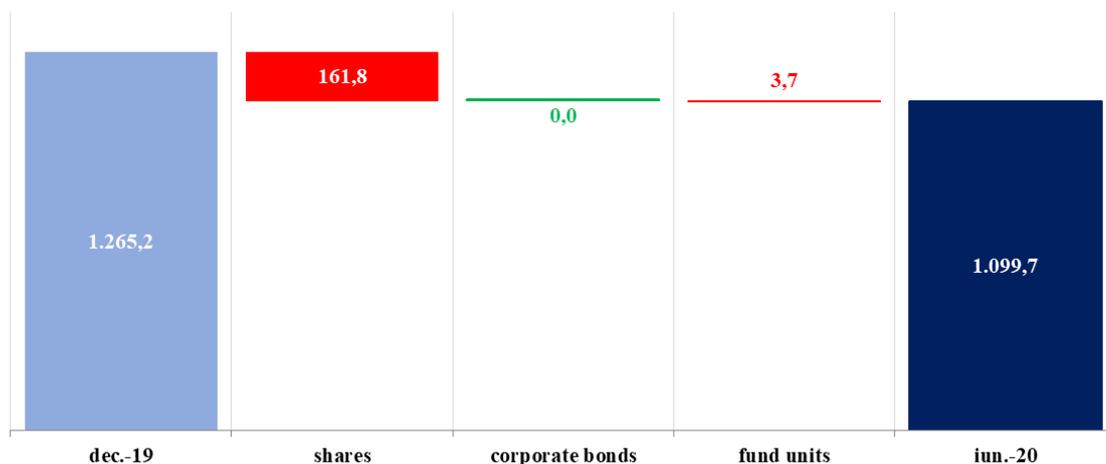
- ❖ structurally, the share of cash recorded insignificant decreases, by comparison with the beginning of the financial year;



Source: S.I.F. Transilvania, fair values, Annex no. 16 according to F.S.A. Regulation no. 15/2004, F.S.A. Regulation no.9/2014

- ❖ against the fact that the general trading context has worsened, as a result of the COVID-19 pandemic, part of the Company's holdings have migrated to a lower liquidity level (from the traded operational portfolio area to the non-traded operational portfolio area), yet the aggregate liquidity profile showing no significant decrease; any possible migrations have generally occurred at the level of the sub-portfolio of shares listed on an alternative trading system;

- ❖ analysis of financial instruments portfolio variation (fair value + generated cash + attached receivables deducted from the fair value) - breakdown by financial instruments



Source: S.I.F. Transilvania

Note: The initial value (Dec.-19) of the financial instruments portfolio is calculated according to IFRS fair values. The final value (Jun - 20) of the financial instruments portfolio is calculated by adding to the IFRS fair values the contribution of each instrument resulted from the implementation of the investment program [cash generated /immobilized through sale/acquisition transactions, collected dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

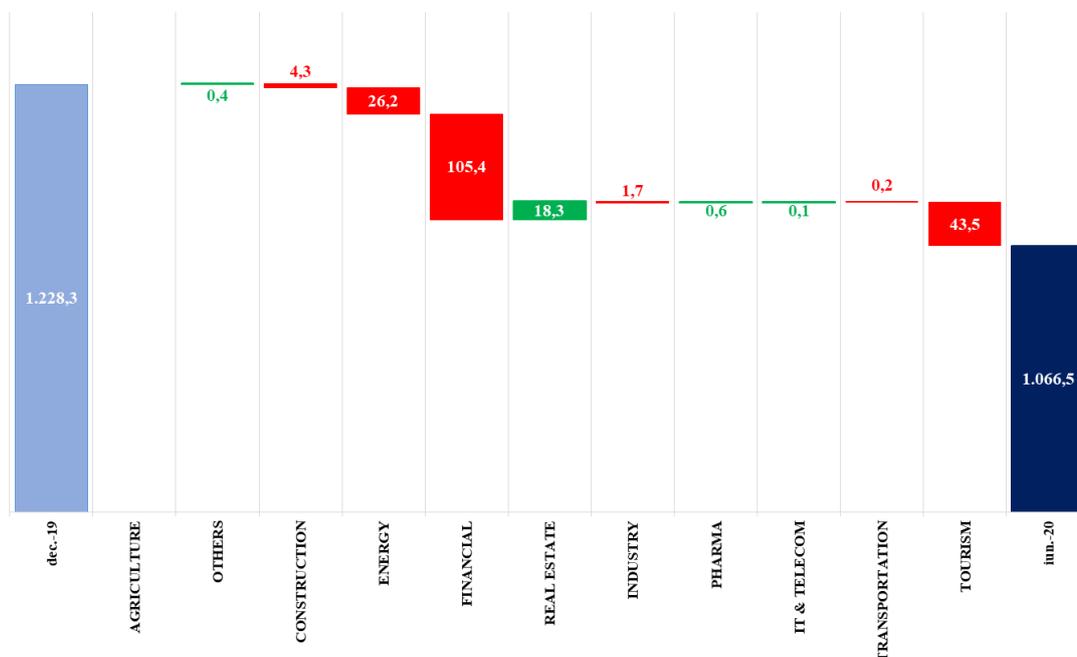
- ❖ analysis of financial instruments portfolio variation (fair value + generated cash + attached receivables deducted from the fair value) – breakdown by activity sectors



Source: S.I.F. Transilvania

Note: The initial value (Dec.-19) of the financial instruments portfolio is calculated according to IFRS fair values. The final value (Jun - 20) of the financial instruments portfolio is calculated by adding to the IFRS fair values the contribution of each instrument resulted from the implementation of the investment program [cash generated /immobilized through sale/acquisition transactions, cashed dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

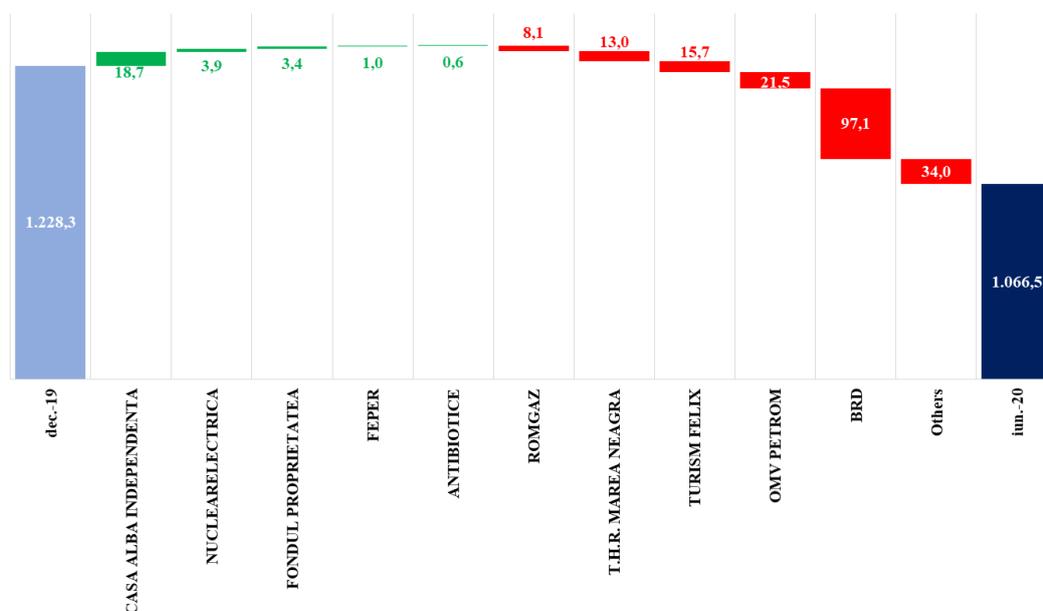
- ❖ analysis of shares sub-portfolio variation (fair value + generated cash + attached receivables deducted from the fair value) - breakdown by activity sectors



Source: S.I.F. Transilvania

Note: The initial value (Dec.-19) of the shares sub-portfolio is calculated according to IFRS fair values. The final value (Jun - 20) of the financial instruments sub-portfolio is calculated by adding to the IFRS fair values the contribution of each instrument resulted from the implementation of the investment program [generated cash / cash immobilized through sale/acquisition transactions, cashed dividends, collected cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

- ❖ analysis of shares sub-portfolio variation (fair value + generated cash + attached receivables deducted from the fair value) - top 5 positive / negative performances



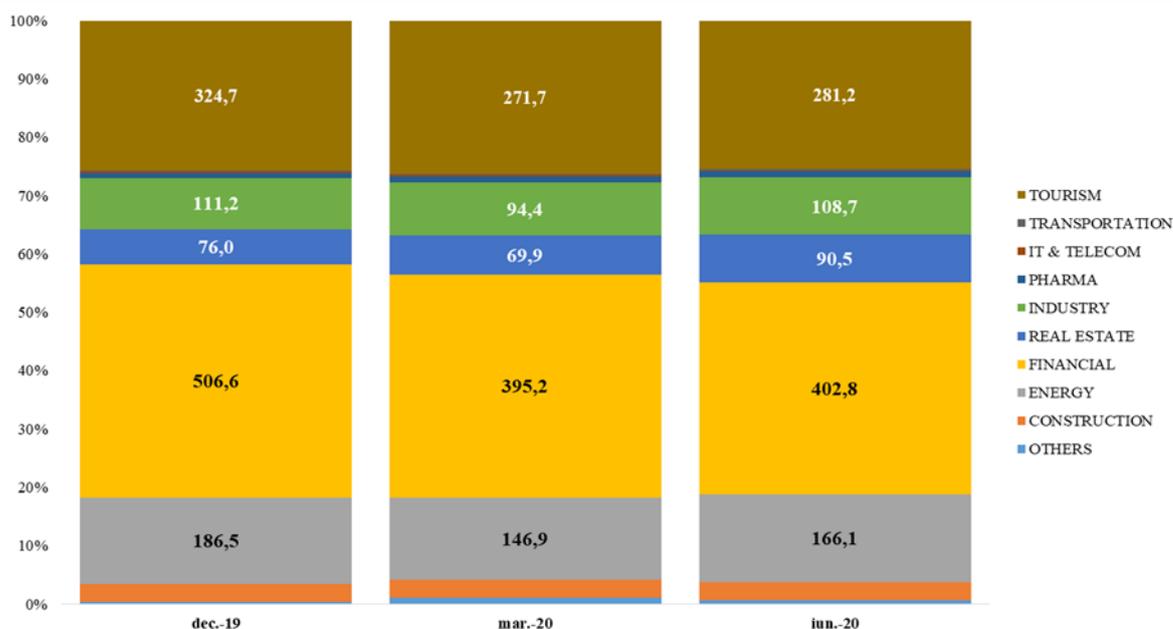
Source: S.I.F. Transilvania

Note: The initial value (Dec.-19) of the shares sub-portfolio is calculated according to IFRS fair values. The final value (Jun - 20) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each instrument resulted from the implementation of the investment program [generated cash / cash immobilized through sale/acquisition

transactions, cashed dividends, cashed cash distributions, other cashed amounts (shares pending sale), attached receivables]. The amounts are expressed in RON million.

- as a consequence of the generalized correction induced by the COVID-19 crisis, the sub-portfolio of shares generated, in terms of value of assets managed, a net negative impact amounting to RON 161.8 million.
 - in determining the impact, we compared the fair values recorded by the financial instruments of the portfolio at the reference date, the result of the transactions carried out with various financial instruments, financial resources generated by these holdings (dividends collected, cash involved by sale/acquisition operations), attached debts (dividends to be collected, deducted from the fair value of the financial instruments);
 - we can see a recovery trend recorded for each sub-portfolio; the fund units sub-portfolio has recovered approx. 45% of the decline recorded at the end of the previous quarter, and the shares sub-portfolio has recovered approx. 35% of the negative variation recorded at the end of the previous quarter;
 - as a consequence of the generalized correction induced by the COVID-19 crisis, the financial, tourism and energy sectors have recorded the most significant net downward adjustments (RON 109.0 million, RON 43.5 million and RON 26.2 million respectively);
 - the same recovery trend can be seen for the decline recorded during the previous quarterly reporting, all the three sectors recording partial cancellations of the downward adjustments recorded at the end of the previous quarter;
 - the breakdown by sectors of the shares sub-portfolio trend is similar to that related to the financial instruments aggregate portfolio and it is carried out in the same context of generalized correction due to the COVID-19 crisis, respectively a partial recovery trend registered towards the end of the current quarter;
 - Top 5 negative includes issuers in the three sectors previously mentioned;
 - Top 5 positive includes issuers whose favourable evolutions were generally based on the particularities of the respective companies;
- ❖ the aggregate treasury (cash and cash equivalents) was reduced by RON 21.8 million compared to the beginning of 2020, as a result of the implementation of the investment program;
 - ❖ during the first 6 months of the financial year 2020, the number of companies in the shares portfolio managed by S.I.F. Transilvania remains constant; the analysis also takes into account the shares pending sale;

- ❖ Regarding the operational portfolio, the investments structure is characterized by a bisectoral consolidation (the tourism and financial sectors count for about 2/3 thereof).



Source: S.I.F. Transilvania

Note: Fair values IFRS reported for Dec 19, March 20, June 21 (expressed in RON)

Investment strategy

The 2020 Investment Program complies with S.I.F. Transilvania's Strategic Guidelines for 2017 – 2021, approved by the shareholders.

By the way it is drawn up, the investment program remains an element of continuity, being anchored in the unitary multiannual strategic guidelines and consisting in the gradual engagement (conditioned by the general context of the financial markets) of the actions required to be implemented in order to reach the undertaken objectives. At the same time, the program insures the correlation of the investment activity of the Company with the current national and international context, characterized by an excessive volatility and a high degree of unpredictability.

By implementing the Investment Program, S.I.F. Transilvania maintains its commitment as concerns the acceleration of the portfolio restructuring process in order to meet the following objectives:

- ▶ to ensure the quality of the managed portfolio;
- ▶ to generate resources for an efficient and attractive remuneration of shareholders;
- ▶ to ensure the structural balance of the portfolio in terms of sectors, classes of assets, etc.;
- ▶ to improve portfolio liquidity through investments in financial instruments with a liquidity at least comparable with that of the assets whose divestment provided the financial resources.

In the light of the Strategic Guidelines approved for 2017–2021 by the General Meeting of Shareholders for closing the financial year 2016 and the maintenance of S.I.F. Transilvania's status of investment entity which measures and evaluates the performance of its investments based on

fair value, S.I.F. Transilvania will adjust its investment objectives, lines of action and strategic guidelines regarding shareholder remuneration to the existing and projected liquidity conditions.

The lines of action provided for within the multiannual strategies represent basic instruments for the continuous improvement of S.I.F. Transilvania's activity.

The investment program's **funding sources** are used for the active management of the company's entire portfolio and are mainly based on the following components:

- ⇒ amounts attached to portfolio shareholdings, which do not involve actual sale operations (dividends, coupons, cash distributions);
- ⇒ amounts resulting from speculative market operations, carried out with a view to capitalizing on the favourable market circumstances and conditions;
- ⇒ amounts resulting from the active management of the company's portfolio, with details on the following components:
 - resources resulting from the portfolio restructuring process by accelerating the sale of shares held in unlisted companies or listed companies with low liquidity (according to the exit strategy defined at S.I.F. Transilvania level – a basic element of the process of classification as an investment entity);
 - sale of shares held in listed companies with high liquidity, conditioned by the market circumstances and the current funding requirements (according to the same exit strategy);
- ⇒ funding sources attracted, allowed by the legislation in force and applicable to the sector in which S.I.F. Transilvania operates.

The investments targeted under the investment program, that will be based on own financing sources from the profit of the year 2019 and the sources resulting from the sale of financial assets under the portfolio restructuring program, take into account:

- ⇒ acquisition of listed shares with high liquidity and significantly growth potential, in view of expanding the sub-portfolio of companies with attractive dividend policy and rebalancing the portfolio structure in terms of sectors (mainly the energy, utilities, banks sectors);
- ⇒ continuation of the process of developing and increasing the efficiency of portfolio companies by using the entire range of operations allowed by the applicable legislation, in accordance with the commitments undertaken under the previous investment programs, aiming at developing and streamlining the companies' activity or balancing the invested capital structure;
- ⇒ performance of speculative market transactions based on a wide range of financial instruments, as permitted under the capital market regulations, in order to take advantage of favourable market conditions and developments;

- ⇒ investments in companies acting in sectors with favourable perspectives and attractive profit margins;
- ⇒ continuation of the structural rebalancing of the portfolio managed, by diversifying the investments in financial instruments that may optimize the estimated yield /undertaken risk ratio;
- ⇒ carrying out of operations based on financial instruments allowed by the capital market regulations, in order to implement a market risk management strategy.

Implementation of the investment program in the first half of 2020

The Company focused its investment efforts mainly on the acquisition of highly liquid financial instruments listed on the local regulated market.

Therefore, the investments made during the first half of 2020 consisted mainly in acquisitions both at the level of the portfolio classified as FVTPL, and at the level of the portfolio classified as FVTOCI, aiming at consolidating the shareholdings in issuers with a stable dividend policy: BRD, Electrica, Fondul Proprietatea, Medlife, Romgaz, Nuclearelectrica, OMV Petrom, Tranzgaz and Banca Transilvania. The acquisitions made on foreign capital markets were limited to speculative market operations with shares issued by the issuers TOTAL, Global Payments and Wirecard AG.

In line with the objective of portfolio restructuring on liquidity criteria and aiming at fulfilling the strategy of investing in financial instruments with liquidity at least comparable to that of the assets whose divestment provided the financial resources, no unquoted financial instruments were acquired during the reviewed period.

The divestments focused mainly on capitalizing some market opportunities, thus the Company performed transactions with shares issued by Global Payments, SIF Oltenia and Fondul Proprietatea.

Portfolio management during January - June 2020

During January-June 2020, S.I.F. Transilvania continued the implementation of the actions outlined in the 2017-2021 Strategic Guidelines with regard to the portfolio management, i.e.:

- ⇒ monitoring and assessment of the portfolio companies activity, based on the financial results reported by companies at the end of the 2019 financial year and the Q1 2020 results, in the context of COVID-19 pandemic;
- ⇒ substantiation of the voting options exercised in the General Meetings of Shareholders regarding the closure of the 2019 financial year and the distribution of the net profit, based on the documents provided by the portfolio companies;
- ⇒ promotion of innovative and efficient management and administration systems (in the case of the companies in which S.I.F. Transilvania is a majority shareholder), including by establishing the performance criteria and objectives for 2020 for each company based on the specific nature of their activity and of the value indicators defined under the Revenue and Expenditure Budget and the Investments Program for 2020, adjusted in some cases with the determinable influences, at the given time, of the COVID-19 pandemic;
- ⇒ approval of balanced dividend distributions in the case of subsidiaries, aimed at increasing S.I.F. Transilvania's dividend income, without affecting the companies' ability to generate profit in the future; .
- ⇒ monitoring of the process of withdrawal from some portfolio companies, collection of the established price and the removal of the respective companies from portfolio and accounting.
- ⇒ carrying on the restructuring and improvement of the portfolio managed by S.I.F. Transilvania, in accordance with the action plan approved by the Executive Board.

Changes in portfolio structure by sectors

Portfolio structure by sectors	2018		H1 2019		2019		H1 2020	
	No. of companies	%*						
Financial	11	37.49	11	37.92	12	38.02	12	34.69
Tourism	17	29.19	17	29.64	16	26.43	16	26.12
Energy	11	12.41	9	10.68	12	15.18	13	15.43
Industry	22	10.73	21	10.93	19	9.05	18	10.10
Real Estate	12	7.08	12	7.29	12	6.05	12	8.26
Constructions	9	1.41	9	1.84	9	3.22	9	3.27
Pharma	1	1.12	1	1.10	1	0.91	1	1.09
Other sectors	5	0.05	5	0.05	7	0.74	8	0.60
Transportation	3	0.37	3	0.38	2	0.24	2	0.25
IT & Telecom	2	0.16	2	0.18	2	0.16	2	0.19
Agriculture & Fish Farming	7	0.00	7	0.00	4	0.00	4	0.00
Total	100	100	97	100	96	100	97	100

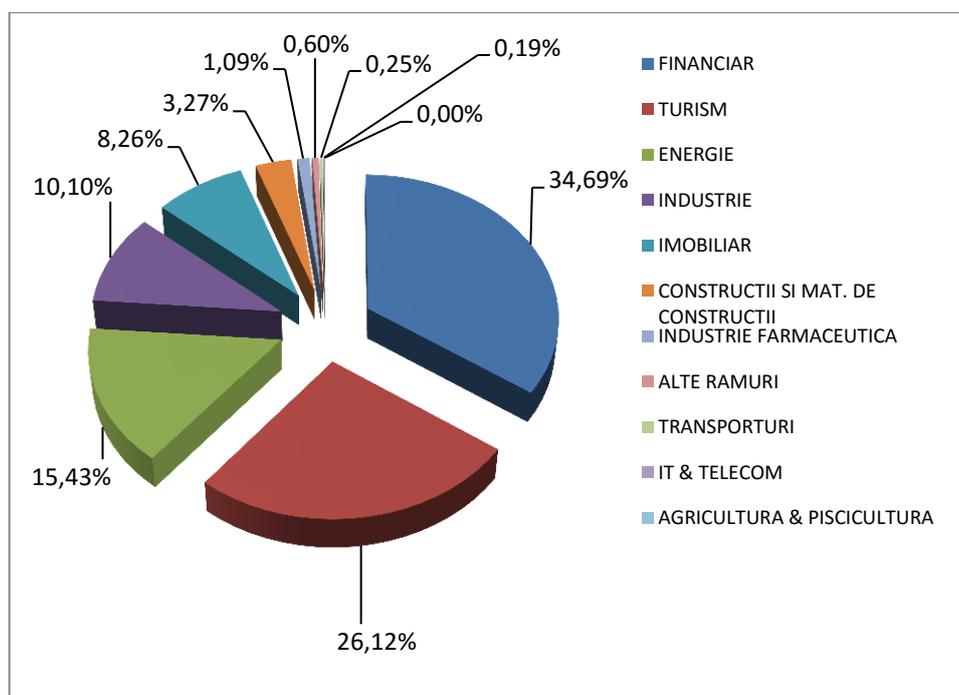
Source: S.I.F. Transilvania

Note: * According to IFRS fair values.

The efforts to restructure and improve the portfolio materialized in a change in the portfolio structure by sectors, while the total number of portfolio companies remained the same at 30 June 2020, compared to 30 June 2019 (97 companies). Thus, we can notice a decrease in the number of companies in the following sectors: industry (from 21 to 18), agriculture (from 7 to 4) and tourism (from 17 to 16) and acquisition of new issuers in the following sectors: energy (from 9 to 13), financial (from 11 to 12) and other industries (from 5 to 8).

Compared to H1 2019, we can notice a decrease of the following sub-portfolios weight: *financial* (from 37.92% to 34.69%), *tourism* (from 29.64% to 26.12%) and *industry* (from 10.93% to 10.10%) and an increase of *energy* sub-portfolio (from 10.68% to 15.43%) and *constructions* (from 1.84% to 3.27%).

Portfolio structure by sectors as at 30 June 2020

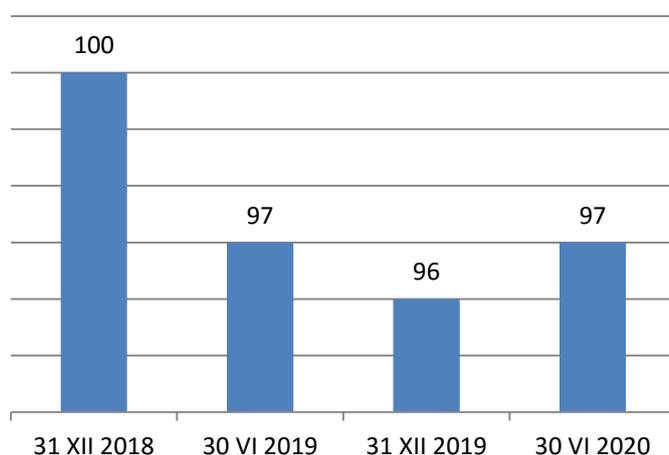


Source: S.I.F. Transilvania

Note: According to IFRS fair values, exclusive of shares pending sale

Changes in the number of portfolio companies

Number of issuers in the portfolio



Source: S.I.F. Transilvania

During January-June 2020, the number of portfolio companies remained relatively constant, with repositioning recorded on various sectors, for the optimization of the portfolio structure, according to those previously mentioned.

Top 10 holdings

No.	Company name	S.I.F.'s holding percentage	Weight in Total Assets*
1	BRD	3.29%	22.77%
2	TURISM FELIX	63.20%	8.63%
3	OMV PETROM	0.43%	6.85%
4	FEPER	85.80%	5.02%
5	S.N.G.N. ROMGAZ	0.41%	4.32%
6	T.H.R. MAREA NEAGRĂ	77.71%	3.95%
7	FONDUL PROPRIETATEA	0.38%	3.16%
8	ARO-PALACE BRAȘOV	85.74%	3.15%
9	TURISM COVASNA	93.33%	2.84%
10	CASA ALBA INDEPENDENȚA SIBIU	53.35%	2.84%
Top 10 holdings			63.52%
Total financial instruments portfolio			95.23%
Total assets			100.00%

Source: S.I.F. Transilvania

*According to the IFRS fair values reported for June 20 (expressed in RON)

Changes in SIF3 shares' trading discount



Source: S.I.F. Transilvania

Presentation of the companies included in Top 10 Majority Holdings

TURISM FELIX S.A.

The company is fully privately owned, being traded on the main segment of the regulated market administered by the Bucharest Stock Exchange, Standard category, trading symbol **TUFE**.

Registered office: Băile Felix (Felix Resort), Sanmartin, Victoria 22, Bihor County

Main scope of business: "Hotels and similar accommodation" (NACE Code 5510)

Company's management: Board of Directors consisting of 3 members

Main accommodation, public food service, treatment and leisure units

- 1 complex - 4 stars (International)
 - total capacity - 210 rooms;
 - 535 seats for public food services;
 - Conference rooms;
 - Balneotherapy and wellness&spa center
- 3 hospitality complexes - 3 stars (Termal, Nufarul and Poienița)
 - total capacity - 417 rooms;
 - 1,1258 spaces for public food services;
 - Conference rooms;
 - Balneotherapy and wellness&spa center
- 1 hospitality complex - 2 stars (Mureș)
 - total capacity - 360 rooms;
 - 650 seats for public food services;
 - Conference room, balneotherapy center;

- 2 hospitality complexes - 2 stars (Someș and Unirea)
- 3 swimming pools (Apollo, Felix and Venus);
- Poiana Public food services Complex, which includes the Dark Club, with 300 seats.

The company holds 30.33% of the share capital of Turism Lotus Felix S.A., a company which operates the only thermal complex classified as 5 stars in Romania, with an accommodation capacity of 180 rooms.

Synthetic financial data

The presentation is based on the financial statements prepared by the issuer, according to the annual financial reporting published until this report date.

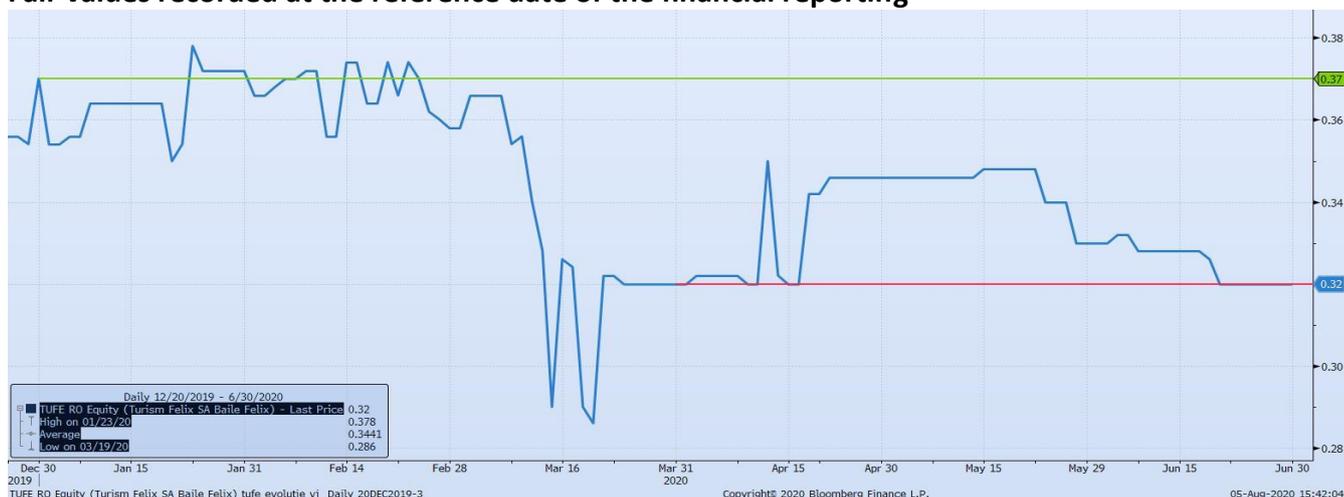
million RON	2016	2017	2018	2019
Operating income	62.6	60.8	79.6	93.5
- Accommodation	18.7	19.0	27.3	32.2
- Services (public food, treatment, leisure)	38.3	35.9	47.4	55.1
- Other revenues (not included above)	5.6	5.9	4.9	6.1
EBITDA*	13.1	10.2	18.2	22.1
%	21.0%	16.8%	22.9%	23.7%
EBIT	6.6	4.0	11.0	14.3
%	10.6%	6.5%	13.9%	15.3%
Net profit	5.5	3.7	10.3	14.2
%	8.8%	6.1%	12.9%	15.2%
<i>Occupancy rate (%)</i>	<i>61.0%</i>	<i>47.0%</i>	<i>63.0%</i>	<i>67.1%</i>
<i>Average number of employees</i>	<i>683</i>	<i>727</i>	<i>721</i>	<i>756</i>

* according to the information on Expenses related to depreciation, adjustments and provisions included in the Operating Expenses, communicated by the Company in the explanatory notes afferent to the annual financial statements published

Information regarding S.I.F. Transilvania's holding

- classification: assets measured at fair value through profit or loss;
- fair value calculated based on Level 1 input data;
- market approach - the last closing price of the main regulated market, recorded in the last 30 trading sessions, where it is available.

Fair values recorded at the reference date of the financial reporting



Source: Bloomberg

FEPER S.A.

The company is listed on the alternative trading system, administered by the Bucharest Stock Exchange – trading symbol **FEP**. The Company's subscribed and paid-in share capital amounts to RON 36,378,218.60 divided in 363,782,186 shares with a normal value of RON 0.10/share.

Registered office: Bucharest, Bd. Dimitrie Pompeiu 8, sector 2

Main scope of business: "Manufacture of computers and peripheral equipment" (NACE Code 2620)

Management of the company: The Executive Board of the Company consists of three members.

At the end of 2015, the merger by absorption of the companies Orizont Turism S.A. Predeal and T.H.R. Prahova S.A. Ploiești by Feper S.A. București was completed, therefore, Feper S.A.'s activity is currently carried out in three "Centers", as follows:

At the Bucharest headquarters:

- **Business center:** the main activity is space rental;
- **Production center:** carries out manufacturing activities and sale of fine metallic confections products under the Feper brand as well as other brands (DIRAK) according to the distribution agreements

At the Feper branches in Predeal and Ploiești:

- **Tourism Center:** provides services specific to tourism and event-planning in the assets taken over through the merger:
 - **Hospitality Complex Orizont in Predeal** consisting of:
 - Hotel: 139 4-star rated rooms, with a capacity of 260 spaces;
 - Orizont Restaurant, international restaurant (185 seats)
Miorița Restaurant, Romanian specific restaurant (188 seats), wine cellar (62 seats), Bar Lobby (50 seats), bar Sky Lounge (45 seats) and Billiard Club (25 seats);
 - Wellness center; leisure pool, fitness machines, jacuzzi, dry and wet sauna, infrared sauna, massage;
 - Conference center (4 rooms completely equipped with conference equipment);
 - **Hotel Central Ploiești** consisting of:
 - Hotel: 108 4-star rated rooms, with a capacity of 147 spaces and 58 3-stars rated rooms, with a capacity of 101 spaces;
 - Public food service: 4-star restaurant with 3 reception rooms, a tea room/café, a club / bar and a beer garden;
 - Conference center: 3 rooms completely equipped with conference equipment;
 - Wellness center: leisure pool, jacuzzi, sauna, fitness machines, massage.

As at 31 December 2019, FEPER S.A. held shareholdings in the companies TUSNAD S.A. and TRANSILVANIA HOTELS & TRAVEL S.A., as presented below:

- 28,093,228 shares with a nominal value of RON 0.10 lei/share (RON 2,809,322.80 total -at nominal value), accounting for 9.3085% of the share capital of TUȘNAD S.A;

- 71,405 shares with a nominal value of RON 2.5 lei/share (RON 178,512.50 total- at nominal value), accounting for 2.353% of the share capital of TRANSILVANIA HOTELS & TRAVEL S.A.

Synthetic financial data

The presentation hereby is prepared according to the financial statements of the issuer, according to the yearly financial reports published as of the present report date.

million RON	2016	2017	2018	2019
Operating income	33.7	36.2	43.4	45.5
- Bucharest (space rental + production)	17.5	18.9	21.4	24.3
- HORECA (Ploiești + Predeal)	16.2	17.3	22.1	21.2
- Other revenues (previously not included)	0.0	0.0	0.0	0.0
EBITDA*	5.0	6.2	8.5	8.4
%	14.9%	17.0%	19.6%	18.4%
EBIT	0.2	1.2	4.8	4.4
%	0.6%	3.2%	11.0%	9.7%
Net profit	-0.4	0.6	4.2	4.0
%	-1.3%	1.7%	9.7%	8.8%
Average number of employees	298	290	280	285

* according to the information regarding Depreciation, adjustments and provisions communicated by the Company in the explanatory notes related to the annual financial statements published

Information on S.I.F. Transilvania's holding

- classification: assets measured at fair value through profit or loss;
- Fair value calculated based on Level 3 input data;
- income approach – discounted cash-flows method

TURISM, HOTELURI ȘI RESTAURANTE MAREA NEAGRĂ S.A.

The company is listed on the main segment of the regulated market administered by the Bucharest Stock Exchange, Standard category, trading symbol **EFO**.

Registered office: Mangalia, str. Lavrion 29, Constanța County

Main scope of business: “Hotels and similar accommodation facilities” (NACE Code 5510)

Management of the company: a Supervisory Board consisting of 3 members, respectively an Executive Board, consisting of 3 members

Main accommodation capacity, public food service, treatment and leisure services of the company

- 2 4* hotels, total capacity of 992 accommodation spaces;
- 8 3* hotels, total capacity of 3,434 accommodation spaces;
- 6 2* hotels, total capacity of 1,546 accommodation spaces;

Public food service units

- 2 4* restaurants, total capacity of 992 seats;
- 5 3* hotels, total capacity of 2,300 seats;
- 5 2* hotels, total capacity of 1,418 seats;
- 2 1* restaurants, total capacity of 120 seats;
- 2 4* bars, total capacity of 120 seats;
- 8 3* bar, total capacity of 370 seats;
- 1 2* bar, total capacity of 60 seats;

Leisure time units

- 3 Aqua Parks: Complex Bran-Brad-Bega, Balada and Cleopatra with a total capacity of 850 seats.

Balneology treatment centers

- 4 Spas Complex Bran-Brad-Bega, Hora, Balada and Sirena with a total capacity of 5,350 medical procedures per day.
- Cold mud baths in Eforie Sud.

Synthetic financial data

The presentation hereby is prepared according to the financial statements of the issuer, according to the yearly financial reporting published as of the report date.

million RON	2016	2017	2018	2019
Operating income	47.8	38.7	63.3	59.2
- Accommodation	20.2	21.0	29.4	30.5
- Services (public food services, treatment, leisure)	13.4	12.5	15.6	16.6
- Other revenues (previously not included)	14.2	5.1	18.3	12.1
EBITDA*	12.4	8.7	20.8	16.3
%	26.0%	22.4%	32.9%	27.5%
EBIT	5.5	1.9	13.2	7.0
%	11.5%	4.8%	20.9%	11.9%
Net profit	4.5	1.7	9.8	5.6
%	9.3%	4.4%	15.5%	9.4%
Occupancy rate (%)	59.2%	67.3%	73.1%	71.4%
Average number of employees	354	322	316	360

* calculated according to the information regarding Depreciation, adjustments and provisions communicated by the Company in the explanatory notes related to the annual financial statements published

Information on S.I.F. Transilvania's holding

- classification: assets measured at fair value through profit or loss;
- Fair value calculated based on Level 1 input data;
- market approach - the last closing price on the main regulated market, reported during the last 30 trading sessions, where available.

Fair values recorded at the reference date of the financial reporting



Source: Bloomberg

ARO PALACE S.A.

The company is listed on the alternative trading system, administered by the Stock Exchange Bucharest (symbol **ARO**).

Registered office: City of Brașov, Bd. Eroilor 27

Main scope of business: “Hotels and similar accommodation facilities” (NACE Code 5510)

Management of the company: a Supervisory Board consisting of 3 members, respectively an Executive Board respectively, consisting of 3 members

Main accommodation capacity, public food service, and leisure services of the company

- 1 complex - 5 stars (Aro Palace)
 - total accommodation spaces: 195 rooms;
 - 4 restaurants, with a total public food service capacity of 576 seats;
 - 1 night-bar, with a total capacity of 190 seats;
 - Club Belvedere, with a total capacity of 85 seats;
 - modular conference room and a leisure and sports complex;
- 2 hospitality complexes - 3 stars
 - Capitol - total accommodation spaces: 183 rooms, one restaurant, total public food service capacity of 220 seats;
 - Aro Business total accommodation spaces 117 rooms (in preservation);
- 1 complex - 2 stars (Coroana)
 - total accommodation spaces: 73 rooms;
 - one conference room and reception of 30 seats;
- 2 1* hotels
 - Postăvarul - total accommodation spaces: 63 rooms;
 - Aro-Sport - total accommodation space: 36 rooms;
- 3 public food services units
 - Cerbul Carpatin Complex, total public food service capacity of 170 seats (wine cellar);
 - Restaurant Panoramic, total public food service capacity of 240 seats

Synthetic financial data

The presentation hereby is prepared according to the financial statements of the issuer, according to the yearly financial reporting published as of the report date.

million RON	2016	2017	2018	2019
Operating income	29.1	29.5	33.5	33.4
- Accommodation	12.3	15.0	15.6	17.3
- Services (public food services)	9.8	10.1	8.9	9.4
- Other revenues (not included previously)	7.1	4.3	8.9	6.7
EBITDA*	4.6	4.1	7.4	5.3
%	15.9%	13.9%	22.1%	15.9%
EBIT	1.1	1.4	4.3	1.6
%	3.9%	4.8%	13.0%	4.8%
Net profit	0.5	0.5	2.0	0.9
%	1.8%	1.8%	5.9%	2.7%
Occupancy rate (%)	45.0%	45.1%	45.3%	45.5%
Average number of employees	283	277	246	238

* calculated according to the information regarding Depreciation, adjustments and provisions communicated by the Company in the explanatory notes related to the annual financial statements published

Information on S.I.F.'s Transilvania holding

- classification: assets measured at fair value through profit or loss;
- Fair value calculated based on Level 3 input data;
- income approach – discounted cash-flows method

TURISM COVASNA S.A.

The company is listed on the alternative trading system, administered by the Bucharest Stock Exchange (symbol **TUAA**).

Registered office: Covasna Covasna County 1 Decembrie 1918 no. 1-2.

Main scope of business: “Hotels and similar accommodation facilities” (NACE Code 5510)

Management of the company: Executive Board consisting of 3 members

Main accommodation capacity, public food service, and leisure services of the company

- Hotel Caprioara 4*
 - total accommodation spaces: 140 rooms;
 - 2 restaurants, Transilvania 4* and Bucovina 4*, with a total public food service capacity of 252 seats;
 - 2 bars, Bar Capri 4* located in the lobby and Bar Panoramic 4*, located on the 9th floor of the hotel;
 - Hotelul Căprioara, through its own treatment base, carries facilities for hot carbonated water baths, mofettas, installations for electro-, kineto- and hydro-therapy;
 - 2 conference rooms - total capacity up to 120 seats;
- Hotel Cerbul 3*
 - total accommodation spaces: 129 rooms;

- Hotel Covasna 3*
 - total accommodation spaces: 124 rooms;
 - 1 restaurant - total capacity of 320 seats;

- The wellness, spa and treatment base of SC TURISM COVASNA SA is located in the center of the resort, being favored by the fact that it is located directly of the main source of moffeta gas and of carbonated sparkling water, which makes it unique, as compared with any other cardiovascular treatment units in the resort. It has been completely refurbished and it is equipped with state-of-the-art medical facilities, the wellness and treatment base being able to treat cardiovascular conditions and connected ailments;

- Camping Area Valea Zânelor - accommodation capacity: 7 double rooms;

Synthetic financial data

The presentation hereby is prepared according to the financial statements of the issuer, according to the yearly financial reporting published as of the report date.

million RON	2016	2017	2018	2019
Operating income	11.3	12.5	16.3	21.0
- Accommodation	5.0	5.5	7.8	10.0
- Services (public food services)	6.0	6.4	8.1	10.3
- Other revenues (not included previously)	0.3	0.6	0.4	0.6
EBITDA*	2.2	2.0	4.9	7.0
%	19.5%	15.9%	30.1%	33.3%
EBIT	0.7	-1.4	1.8	3.7
%	6.6%	-11.2%	10.8%	17.4%
Net profit	0.0	-2.3	0.7	2.8
%	0.0%	-18.0%	4.6%	13.2%
Occupancy rate (%)	54.6%	46.3%	44.4%	48.1%
Average number of employees	99	105	115	139

* According to the information regarding Depreciation, adjustments and provisions communicated by the Company in the explanatory notes related to the annual financial statements published

Information on S.I.F. Transilvania's holding

- classification: assets measured at fair value through profit or loss;
- Fair value calculated based on Level 3 input data;
- approach by income - updated cash flows method

CASA ALBA INDEPENDENTA S.A.

The company is listed on the alternative trading system, administered by the Bucharest Stock Exchange – trading symbol **CAIN**.

Registered office: Sibiu, str. Ocnei 33

Main scope of business: “Renting and subletting of own or leased real estate” (NACE Code 6820)

Company's management: Executive Board of the Company consisting of three members

Main holdings in the patrimony:

- Casa Albă Independența S.A. owns an 87,549 sqm land, largely occupied by constructions such as: the administrative office, buildings and industrial premises, storage facilities;
- The only operational asset is the **Technical and Administrative Wing**, which holds a rentable surface of 5,400 sqm; the company concluded in October 2019 with the Sibiu Tribunal, a rental agreement which exploits 4,950 sqm of the rentable surface;
- The Company filed a law suit against the Ministry of Culture and the Culture Directorate of Sibiu regarding 11 buildings classified as historical monuments; the case is pending before the Bucharest Court of Appeal.

During the period 2016-2019, the Company had no operational revenue related to the declared scope of activity.

Information on S.I.F.'s Transilvania holding

- classification: assets measured at fair value through profit or loss;
- Fair value calculated based on Level 3 input data;
- income approach – discounted cash-flows method

Corporate governance

S.I.F. Transilvania is an Alternative Investment Fund Manager (A.I.F.M.), authorized by the F.S.A., according to the provisions of Law no. 74/2015 *on alternative funds and investments managers*, pursuant to the F.S.A. authorization no. 40/15.02.2018.

The authorization of the Company as a Diversified Closed Fund of Alternative Investments, intended for retail investors, established as an investment company, self-managed, according to Law no. 243/2019 *on the regulation of alternative investment funds and for the amendment and supplementation of certain normative acts* is pending.

Governance structures

S.I.F. Transilvania is managed under a two-tier system by an Executive Board, under the control of a Supervisory Board.

As of 30 June 2020, the Supervisory Board of S.I.F. Transilvania consisted of five members, respectively Mr. Crinel-Valer Andănuț –President, Mr. Nicolae Petria – Vice President, Mr. Constantin Frățilă – member, Mr. Ștefan Szabo – member and Mr. Gheorghe Luțac – member.

Mr. Crinel-Valer Andănuț was appointed as President of the Supervisory Board, following the revocation of Mr. Ștefan Szabo from this position, and Mr. Nicolae Petria was appointed as Vice-President of the Supervisory Board, following the revocation of Mr. Dumitru Carapiti from this position, following the Resolutions of the Supervisory Board.

We would like to mention the fact that the Ordinary General Meeting of Shareholders of 28 April 2020 approved the commencement of the liability action against Mr. Dumitru Carapiti – Vice-President of the Supervisory Board and, as a result, the term of office of Mr. Carapiti ceased according to legal provisions.

However, following the F.S.A.'s Opinion no. 77/15.05.2020, authorizing the changes in the composition of S.I.F. Transilvania's Executive Board as a result of the appointment of Mr. Marius

Adrian Moldovan as a member of the Company's Executive Board, on 20 May 2020, Mr. Moldovan accepted the term of office as a member of the Executive Board, while simultaneously renouncing the term of office as a member of the Supervisory Board.

We would also like to note that the Extraordinary General Meeting of Shareholders of 29 June 2020 approved the reduction of the number of members in the Supervisory Board, from seven to five members. Currently, the Company's Articles of Incorporation, as amended and supplemented according to the E.G.M.S.'s Resolution above mentioned, is pending approval by the F.S.A.

The term of office of the members of the Supervisory Board expires on 27.04.2021.

By Decision no. 2 of 29 June 2020, the Supervisory Board appointed Mr. Crinel Valer Andănuț as President of the Remuneration Committee of the Supervisory Board. As a result, the current structure of the remuneration committee is as follows: Mr. Crinel Valer Andănuț - President, Mr. Gheorghe Luțac - member and Mr. Nicolae Petria - member.

According to the Articles of Incorporation, the Executive Board of the Company consists of three members, appointed by the Supervisory Board. On 30 June 2020, the Executive Board consisted of: Mr. Marius Adrian Moldovan - Executive President/CEO, Mr. Radu Claudiu Roșca - Executive Vice-President/Deputy CEO and Mr. Tony Cristian Răduță-Gib - Member of the Executive Board/Director.

The current composition of the Executive Board was approved by the F.S.A. through the Authorizations no. 77/15.05.2020, no. 78/15.05.2020 and no. 103/12.05.2020. The term of office of the Executive Board's members expires on 20.04.2024.

We mention that through the Decision no. 525/22.04.2020, the F.S.A. rejected the request for the authorization of Messrs. Mihai Fercală, Iulian Stan and Ștefan Szitas as members of S.I.F. Transilvania Executive Board.

Corporate events during the first half of 2020

- On 28 April 2020, the Ordinary General Meeting of Shareholders took place, which adopted the following resolutions:
 - approval of the annual financial statements prepared for the financial year 2019;
 - approval of the distribution by destinations of the net profit obtained in 2019 and of the gross dividend per share amounting to RON 0.0355/share; approval of the date of 6 October 2020 as the registration date (ex-date 5 October 2020), approval of the date of 26 October 2020 as the payment date;
 - approval of the Revenue and Expenditure Budget and the investment program for 2020;
 - approval of the commencement of the liability action against Mr. Dumitru Carapiti, Vice-President of the Supervisory Board and Mr. Mihai Fercală, President of the Executive Board.
- On 11 May 2020, the Extraordinary General Meeting of Shareholders took place, during which the shareholders rejected the proposal of the Executive Board regarding the amendment and completion of the Company's Articles of Incorporation.
- On 29 June 2020, the Extraordinary General Meeting of Shareholders took place, during which the shareholders approved a series of amendments and completions of the Articles of Incorporation, in order to improve the corporate governance of the company and comply with the legal provisions regarding A.I.F. and A.I.F.M. The main amendments to the Articles of Incorporation approved by the shareholders were the following:

- the classification of the company, according to the applicable regulations, as an Alternative Investment Fund intended for retail investors (R.I.A.I.F.), self-managed;
- elimination of the holding threshold for shares issued by the company starting with July 24, 2020, the abrogation date of Article 286¹ of Law no. 297/2004;
- reducing the number of members of the Supervisory Board from seven to five members;
- reduction of the monthly remuneration for the Supervisory Board members and the monthly remuneration limits for the Executive Board members;
- establishing the right of the members of the Supervisory Board, the Executive Board and of the company's personnel to receive a variable remuneration consisting of S.I.F. Transilvania shares, within Stock Option Plan programs approved annually by the shareholders, in full compliance with the provisions regarding the variable remuneration within the A.I.F.M.

Shareholders and investors relation

During the first half of 2020, the Company fulfilled its transparency, informing and reporting obligations, as set forth under the legal regulations and the B.S.E.'s Corporate Governance Code, both as an issuer traded on the Bucharest Stock Exchange, as well as an Alternative Investment Fund Manager (A.I.F.M.),

In this respect, during the reviewed period, the Company prepared, provided to the shareholders and investors and published on the B.S.E.'s website, the F.S.A.'s website and the Company's website current reports and press releases. The reports and press releases were disseminated simultaneously in Romanian and English languages.

The Company was permanently in contact with the shareholders and investors through the Shareholders Department, answering their questions and requests, via mail (113 answers), email (297 answers), telephone (2032 answers) and at the headquarters (131 answers). This activity has been significantly reduced due to the restrictions imposed by the state of emergency. Moreover, the stakeholders receive via email, based on subscription, a monthly newsletter with news regarding the Company's activity, the structure of the managed portfolio, the performance of SIF3 shares, the execution of the Revenue and Expenditure Budget, etc.

The Shareholders Department representatives can be contacted as follows:

- ✓ by phone: 0268 401141, 0268 401157, 0800800112 (toll-free telephone line available during business days from 9⁰⁰ to 11⁰)
- ✓ by e-mail: actionari@siftransilvania.ro, investitori@siftransilvania.ro;
- ✓ through the contact form available on the Company's website www.siftransilvania.ro, *Contact Section*.

The shareholders may also obtain information at the Company's headquarters, from Monday to Friday, during business days, from 11⁰⁰ to 13⁰⁰. We mention that starting on 16 March 2020, in the epidemiological context related to the spread of COVID-19, the shareholders relation was performed exclusively through remote communication means.

During the first half of 2020, S.I.F. Transilvania participated in a series of conferences dedicated to the Romanian capital market, as follows:

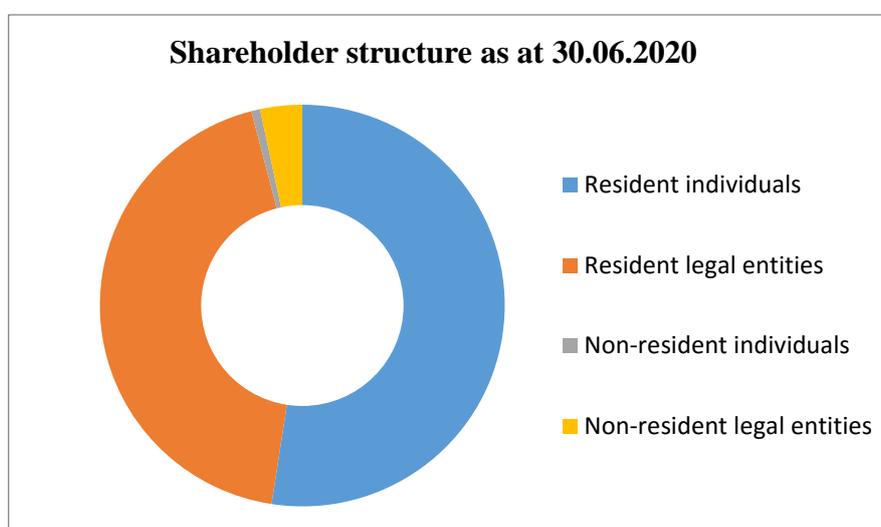
- Participation of the company as a partner and speaker in the conference "Infrastructure Financing through Capital Market Mechanisms", organized by "Bursa" newspaper, the Bucharest Stock Exchange and the Brokers Association;
- Participation of the company as a partner and speaker in the European Financial Services Conference - ECFS 2019, organized by the Institute of Financial Studies (ISF);

- Participation of the company as a partner and speaker in the Transilvania Law Conference, 2nd edition, Brașov, 6-7 March 2020.

Shareholder structure as at 30 June 2020

According to the data provided by Depozitarul Central S.A., S.I.F. Transilvania's shareholder structure as of 30 June 2020 was the following:

	Number of shareholders	Number of shares held	% of share capital
Resident individuals	6,964,553	1,133,784,311	52.43
Resident legal entities	249	940,912,231	43.51
Total resident shareholders	6,964,802	2,074,696,542	95.94
Non-resident individuals	2,374	15,234,901	0.71
Non-resident legal entities	32	72,512,354	3.35
Total non-resident shareholders	2,406	87,747,255	4.06
TOTAL	6,967,208	2,162,443,797	100.00



Shareholder Remuneration Policy

The shareholder remuneration policy focuses on the implementation of a mix of complementary instruments for the remuneration of the capital invested in SIF3 shares, which includes the distribution of cash dividends with an attractive yield by reference to the average trading price recorded in the financial year which the dividend is calculated for and the carrying out of own share buy-back programmes, conditioned by the Company's shareholders approval.

S.I.F. Transilvania's dividend policy focuses on the increase of SIF3 shares' attractiveness by ensuring a permanent balance between the remuneration of the company's shareholders and the financial resources needed to implement the annual investment programs, in line with the company's medium/long-term strategic objectives.

The company distributed dividends from the net profit recorded in each financial year, except for the financial years 2006 and 2013, when the profit was entirely distributed as reserves which were used, in 2007 and 2014, to double the share capital and to distribute free shares to the shareholders.

The statement of the dividends distributed from the net profit recorded in the last three financial years, paid until 30 June 2020, is as follows:

Year when the profit was recorded	Year when the dividend was paid	Dividends to be paid (total)			Dividends paid until 30 June 2020	
		RON/share	RON thousand	dividend yield ^{*)}	RON Thousand	%
2018	2019	0.0121	26,165	5.58%	17,412	66.54
2017	2018	0.01	21,843	3.95%	15,065	69.67
2016	2017	0.02	43,686	7.73%	31,898	73.02

^{*)} Dividend yield calculated by reference to the average trading price of SIF3 shares in the year when the profit was recorded.

On 30 June 2020, the dividends pertaining to the financial years 2016, 2017 and 2018 were available for payment, through the paying agent BRD - Groupe Société Générale, for the rest of the dividends not collected by the shareholders, the legal prescription term being reached.

According to the Resolution of the Ordinary General Meeting of Shareholders of 28 April 2020, the dividends distributed from the net profit achieved in 2019, in gross amount of RON 0.0355/share, will be made available to shareholders starting with 26 October 2020 (*payment date*), for the shareholders registered in the Shareholders Register on 6 October 2020 (*record date*). The dividend yield for 2019 is 12.65% by reference to the average trading price of SIF3 shares in 2019.

The company will publish in the press and on its website: www.siftransilvania.ro a press release to inform the shareholders on the methods of payment of the 2019 dividends and the designated paying agent. This information will be also available on the Central Depository's website www.rocLEAR.ro.

Regarding the own share buy-back programmes, the Company carried out in 2018 a first buy-back programme, under which the company bought-back shares representing 1% of the share capital. The second buy-back programme, approved by the E.G.M.S. of 6 March 2019, could not be implemented due to the rejection by the F.S.A. of the public offer document for share purchase.

Social responsibility

During the first half of 2020, S.I.F. Transilvania carried out a series of sponsorship activities, consisting in funding the organization of a series of conferences in the financial, legal and adoption areas, as well as funding a charity project and a series of surgeries.

Regarding the responsibility towards its employees, the Company pays significant importance to their professional training, with the two components - in-depth/life-long advanced training and professional development, as part of its general development strategy. This activity is carried out based on professional training plans, involving both the employees' attendance to conferences, seminars, classes, as well supporting them in their personal efforts of professional advanced training.

In the context of the COVID-19 pandemic, in order to protect its employees, the Company made available disinfectants and medical protective devices and periodically performed through-out

disinfection of the company's headquarters. Moreover, between 16 March and 15 May 2020, the employees performed their activity from home, and in July of the current year, they were tested free of charge in order to detect the IgG COVID-19 antibodies.

Internal auditor

S.I.F. Transilvania's internal audit function is separate and independent from other functions and activities of the Company, the internal audit activity being carried out based on a service contract concluded with an auditor – individual or legal entity.

The internal audit activity is subordinated to the Supervisory Board.

The internal auditor is selected by the Audit Committee and appointed by the Supervisory Board.

Between 1 January 2020 and 8 June 2020, the internal audit activity was carried out by ANB Consulting SRL, based on the Internal Audit Service Contract no. 10.176/03 December 2019.

Following the notification on the termination of the internal audit services contract by ANB Consulting S.R.L., the Supervisory Board, by Resolution no. 1 of 29 June 2020, appointed the company Mazars Romania S.R.L. as the internal auditor of S.I.F. Transilvania, until 31 December 2020.

In accordance with the provisions of the F.S.A. Regulation no. 1/2019 *regarding the assessment and approval of the members of management structures and of persons holding key-functions within entities regulated by the F.S.A.*, S.I.F. Transilvania submitted to the F.S.A. the notification on the new internal auditor of the company, which carries out its activity starting with 23 July 2020.

Compliance

The Compliance Department is subordinated to the Supervisory Board and is functionally and hierarchically independent from other organizational structures of the company.

The Compliance Officer is subject to the authorization by the F.S.A. and is registered with the F.S.A.'s Public Register.

By decision of S.I.F. Transilvania's management bodies, the Compliance Officer has also responsibilities regarding the observance of the obligations incumbent on the Company in the implementation of specific legislation on preventing and combating of money laundering and terrorism financing through the capital market.

The scope of the Compliance Department is to supervise and control the compliance of S.I.F. Transilvania and its employees with the legal provisions in force and the company's internal procedures in order to prevent the occurrence of legal and internal non-compliance events.

Between 1 January 2020 and 27 May 2020, Mr. Marcus Valeriu Marin held the key position as Compliance Officer. Starting with 27 May 2020, following the termination of Mr. Marcus Valeriu Marin's individual employment contract, the Company's Executive Board appointed Mr. Marius Adrian Moldovan – Executive President/CEO as a Compliance Officer, until the appointment of another person for this position.

We mention that by Decision no. 852/13.07.2020, the F.S.A. withdrew Mr. Marcus – Valeriu Marin's authorization as Compliance Officer and removed from the F.S.A. Register the records attesting his registration as a Representative of the Compliance Department of S.I.F. Transilvania S.A.

Risk management

S.I.F. Transilvania has implemented a risk management system that includes policies, procedures and measures for identifying, measuring and managing risks. Risk management policies and

procedures are part of the “Policies and procedures regarding S.I.F. Transilvania’s functioning as an A.I.F.M.” According to the internal policies and procedures, the internal risk management system integrates competencies and responsibilities across the entire organizational structure (Supervisory Board, Executive Board, Risk Management Department, Compliance Department, Internal Auditor, operational departments). Procedures are in place for the management and monitoring of all relevant risk categories of the company (market risk, credit risk, investment concentration risk, liquidity risk, operational risk).

The risk analyzes performed for Q2 2020 indicate the following risk profile of S.I.F. Transilvania:

Type of risk/ Risk Indicator		30.06.2020	Materiality threshold (own funds requirement/ own funds or internally established limits) conform apetit la risc	Risk appetite	Limit compliance
No.	Type of risk/exposure				
Market risk- subcategories:					
1	Position risk	11,06%	max. 50%	Medium	Yes
2	Foreign exchange risk	0,00%	max. 20%	Medium	Yes
3	Long-term Interest risk	0,00%	max. 10%	Medium	Yes
4	Commodity Risk	0,00%	max. 5%	Medium	Yes
5	VaR (Value at risk; historical simulation, 20 days, 99%)	21,07%	max. 13,5%	Medium	No
6	NAV per share volatility	15,77%	max. 18%	Medium	Yes
Credit Risk:					
1	Credit risk	78,21%	max. 100%	Medium	Yes
Liquidity risk- subcategories:					
1	LCR (Liquidity Cover Ratio) (net)	8,82	min. 1,3	Medium	Yes
2	LCR (Liquidity Cover Ratio) (gross)	1,30	min. 1,2	Medium	Yes
3	Financing from temporarily available resources (due and unclaimed dividends)	8,95%	max. 10%	Low	Yes
4	Portfolio liquidity (percentage of liquid portfolio in total assets)	46,42%	min. 20%	-	Yes
Counterparty risk					
			N/A	N/A	N/A
Concentration risk- subcategories:					
1	Exposure to high-insolvency risk companies	2,92%	max. 10%	Low	Yes
2	Exposure to non-listed companies	5,93%	max. 15%	Medium	Yes
3	Sector concentration risk (financial/tourism)	34,09% / 25,20%	max. 20%	Medium	Yes
4	Entity concentration risk	22,77%	10% / 40%	IAW FSA Norm nr. 15/2004	Yes
Operational risk					
1	Operational risk- standardised approach	3,75%	max. 10%	Medium	Yes

The structure of the financial instruments portfolio complies with the requirements and limitations provided for by the legislation in force applicable to financial investment companies. Regarding the internally set limits, however, the exceeding of the VaR indicator was not caused by the introduction of high-risk instruments in the portfolio, but by the current trading conditions (stock prices evolution in a market in crisis and their high volatilities), circumstances related to significant external shocks (unfolding of the COVID-19 pandemic crisis, divergences between OPEC and Russia). However, the level of the VaR indicator falls within the level estimated during the crisis scenario simulations previously performed (which took into account the reaction of the market value of the shares included in the portfolio of issuers listed on a regulated market to a decline in the local capital market index of 17.23% for the BET-XT index and of 18.30% for the BET-TR index), i.e., an estimated VaR of 50.39%.

Considering the current investment context, generated by the high volatilities on the financial markets, and the unpredictability of a financial market in crisis, we believe that an increased degree of volatility will be the common denominator of most trading environments. In the process of reviewing and updating the *Risk Management Policies and Procedures within S.I.F. Transilvania*, the level of the internally set limit for the VaR indicator has been increased to a maximum level of 25%.

The leverage indicator, determined according to the provisions of the Commission Delegated Regulation (EU) No. 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, showed- as at 30.06.2020- a low level according to the materiality threshold, as calculated by both methods required by the above-mentioned regulation. Since S.I.F. Transilvania S.A. does not hold positions on derivative financial instruments, the value of the leverage indicator as calculated by the commitment method does not considerably differ from the value as calculated by the gross method (there is no compensation between long and short positions; leverage according to the gross method = 1.10, leverage according to the commitment method = 1.13).

Gross Method= (Total Assets Exposure - Cash and Cash equivalents) / (Net Asset Value)		
30.06.2020		
Total Assets	Net Assets	Cash and Cash Equivalents
1.162.952.864,00	1.024.788.945,00	35.881.423,00
Leverage Ratio according to the Gross Method		1,10
Commitment Method= Total Assets Exposure / Net Asset Value		
30.06.2020		
Total Assets	Net Assets	
1.162.952.864,00	1.024.788.945,00	
Leverage Ratio according to the Commitment Method		1,13

REVIEW OF THE FINANCIAL STATEMENTS

Economic and financial position

At the end of the first half of 2020, the company's financial and economic position is summarized as follows:

Statement of assets, liabilities and equity

-RON-

INDICATORS	BALANCE AT THE END OF THE PERIOD		
	30.06.2020	31.12.2019	30.06.2019
NON-CURRENT ASSETS			
Intangible assets	72,526	82,501	64,812
Tangible assets	15,074,956	15,298,933	13,448,828
Financial assets	1,107,485,373	1,265,210,143	1,038,251,222
TOTAL NON-CURRENT ASSETS	1,122,632,855	1,280,591,577	1,051,764,862
CURRENT ASSETS			
Inventory	86,253	64,293	66,473
Receivables	3,962,730	593,329	11,101,772
Short-term financial investments	-	-	-
Petty cash and bank accounts	35,880,329	57,716,709	128,944,424
TOTAL CURRENT ASSETS	39,929,312	58,374,331	140,112,669
PREPAID EXPENSES	390,697	162,461	433,001

TOTAL ASSETS	1,162,952,864	1,339,128,369	1,192,310,532
LIABILITIES			
Liabilities due within less than one year (current liabilities)	105,785,031	30,652,398	62,826,982
Liabilities due within more than one year - total	32,378,888	52,929,271	37,520,042
TOTAL LIABILITIES	138,163,919	83,581,669	100,347,024
OTHER PROVISIONS	-	-	-
Tax provisions (registered in the reserves accounts)		-	
CAPITAL AND RESERVES			
Subscribed and paid-in share capital	216,244,380	218,428,666	218,428,666
Other equity	158,636,488	272,843,120	188,755,025
Revaluation reserve on financial investments measured at fair value through other comprehensive income	-	-	-
Revaluation reserve	12,236,120	12,238,274	11,133,834
Total reserves, of which:	657,209,454	555,403,888	554,812,747
Legal reserves	43,685,733	43,685,733	43,094,593
Own shares	-	(4,818,103)	(4,818,103)
Retained earnings	21,061,032	20,244,718	19,077,131
PROFIT/LOSS OF THE PERIOD	(40,598,489)	181,797,277	104,574,208
Profit appropriation	-	(591,140)	-
TOTAL EQUITY	1,024,788,945	1,255,546,700	1,091,963,508
TOTAL EQUITY AND LIABILITIES	1,162,952,864	1,339,128,369	1,192,310,532

As at 30 June 2020, the company's total assets decreased by RON 176.18 million as compared to the end of the previous year, of which:

- **Non-current assets** decreased by RON 157.96 million
- **Current assets** decreased by RON 18.45 million, of which:
 - ✓ receivables increased by RON 3.37 million;
 - ✓ inventory increased by RON 0.02 million;
 - ✓ petty cash and bank accounts decreased by RON 21.84 million.
- **Prepaid expenses** increased by RON 0.23 million.

The Company's **liabilities** recorded as at the end of the first half of 2020 amount to RON 138.16 million, being by RON 54.58 million higher than those recorded at the end of the previous year.

Out of total **current liabilities**, outstanding as of 30 June 2020, RON 104.12 million (98.42%) represent dividends due to the shareholders.

The company has no loans, and the liabilities with maturities higher than 1 year are represented by the deferred tax calculated on the gain from the fair value differences of the assets available for sale (RON 32.38 million).

As compared to the end of the previous year, the Company's equity as of 30 June 2020 is RON 230.76 million lower, the decrease being mainly generated by the loss on the fair value measurement of the financial assets in the portfolio at the end of the first half of 2020.

Net Asset Value evolution

The net asset value, calculated in accordance with the methodology provided for by the internal procedure compliant with the F.S.A. Regulation no. 9/2014, as compared to the same period of the previous year, recorded the following evolution:

INDICATORS	RESULTS AS AT:		-RON-
	30 June 2020	28 June 2019	EVOLUTION (%) Results 2020 / Results 2019
Total assets – calculated value	1,162,952,864	1,192,297,274	97.54
Total liabilities – calculated value	138,163,919	100,347,024	137.69
Calculated Net Asset	1,024,788,945	1,091,950,250	93.85
-RON-	0.4739	0.5050	93.84
-RON/share			

Source: S.I.F. Transilvania

*) Calculated according to the internal procedure compliant with F.S.A. Regulation no. 9/2014, procedure available on the Company's website: www.siftransilvania.ro.

Cash flow

During the first half of 2020, the Company recorded a positive cash flow. More details may be found in the Statement of Cash Flows.

Results for H1 2020 and execution of the Revenue and Expenditure Budget

- RON thousand -

INDICATORS	REB 2020	REB H1 2020	RESULTS H1 2020
Dividend income	47,100	29,600	16,619
Interest income	500	250	279
Gain/Loss on financial assets measured at fair value through profit or loss	15,000	2,000	(48,163)
Other operating income	10,000	-	278
Net operating income	72,600	31,850	(30,987)
Personnel expenses	13,500	6,750	5,810
Commissions and fees	1,750	875	733
Other expenses	6,350	3,175	3,068
Profit before tax	51,000	21,050	(40,598)

Source: S.I.F. Transilvania

As presented above, the **net income** recorded in the first half of 2020 (cumulated from the beginning of the financial year 2020) are by RON 62.84 million lower than the value estimated in the Revenue and expenditure budget for H1 2020.

The operating expenses as at 30 June 2020 amount to RON 9.61 million, being by RON 1.19 million lower than those estimated in the Revenue and expenditure budget for the first half of 2020, and represent 44.50% of those provided in the Budget approved for the current year.

The loss recorded as at 30 June 2020 amount to RON 40.60 million, lower than the result provided in the Revenue and expenditure budget for H1 2020.

Other relevant issues

Presentation and review of the trends, issues, events or uncertainty factors which have or are likely to have an impact on the Company's liquidity as compared to the same period of the previous year

At this time, we are not aware of any matters, events or uncertainty factors which have or are likely to have a negative significant impact on the Company's liquidity.

The financial statements prepared for H1 2020 are condensed interim financial statements prepared for the activity performed by the Company under the going concern principle.

FINANCIAL AND ECONOMIC RATIOS AS AT 30 JUNE 2020

RATIO	CALCULATION METHOD	RESULT
Current liquidity ratio ¹⁾ (coefficient)	Current assets/Current liabilities	0.38
Indebtedness indicator ²⁾ (%)	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	not applicable
Clients' debts rotation speed ³⁾ (days)	$\frac{\text{Average clients balance (total receivables)}}{\text{Turnover}} \times 180$	-
Non-current assets rotation speed ⁴⁾ (coefficient)	$\frac{\text{Turnover}}{\text{Non - current assets}}$	-
Result per share (RON) ⁵⁾	$\frac{\text{Net profit /Net loss}}{\text{Number of shares}}$	- 0.018
Net asset per share, calculated according to F.S.A. Regulation 9/2014 (RON/share) ⁶⁾	$\frac{\text{Calculated asset value}}{\text{Number of shares}}$	0.4739

Source: S.I.F. Transilvania

Note: The indicators are calculated according to Annex no. 13 to F.S.A Regulation no. 5/2018.

1) This indicator guarantees the covering of the current liabilities from current assets.

2) It reflects the effectiveness of credit risk management. S.I.F. Transilvania did not enter into any loan agreements. . .

3) It reflects the Company's effectiveness in collecting its receivables, respectively the average number of days during which the debtors pay their debts to the Company. In the case of SIFs, turnover means the total net income from the current activity and in order to establish the average clients' balance all net receivables included in the balance sheet were calculated, the highest values being held by the debts resulting from dividends and related accessories, due and not collected.

4) It reflects the effectiveness of the non-current assets management. In the total non-current assets registered under the Statement of Assets in the records, the weight of the shares measured at fair value and held in the portfolio companies in the total non-current assets is of 98.54%.

5) Calculated by reference to the average weighted number of issued ordinary shares existing during the period, excluding the average number of redeemed shares held by S.I.F. Transilvania at the reporting date. .

6) Calculated by reference to the number of issued and outstanding ordinary shares.

Executive President/
CEO
Marius Adrian MOLDOVAN

Executive Vice President/
Deputy CEO
Radu Claudiu ROȘCA

Member of the Executive
Board/Director
Tony Cristian RADUȚĂ-GIB

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA

**INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020**

prepared in accordance with the Financial Supervisory Authority (F.S.A.) Rule no. 39/2015 approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorised, regulated and supervised by the F.S.A. from the Financial Instruments and Investments Sector

Unaudited

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA S.A.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30.06.2020
(All amounts are expressed in RON, unless otherwise stated)

TABLE OF CONTENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN EQUITY	3 – 4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6 – 56

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA S.A.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30.06.2020
(All amounts are expressed in RON, unless otherwise stated)

Description	Note	30 June 2020	30 June 2019
Dividend income	4	16,618,730	60,846,021
Interest income	5	278,743	361,558
Interest income from bonds classified as financial assets measured at fair value through profit or loss	5	46,506	338,989
Net gain/loss on financial assets measured at fair value through profit or loss	6	(48,209,568)	53,263,421
Operating income	7	278,239	7,164,459
Total net income		(30,987,350)	121,974,448
Personnel expenses	8	(5,809,526)	(12,909,011)
Commissions and fees	9	(733,151)	(831,488)
Impairment losses/reversal of impairment losses of financial assets	10	178,858	-
Operating expenses	11	(3,247,320)	(3,014,125)
Profit before tax		(40,598,489)	105,219,824
Income tax (expense)/credit	12	-	(645,616)
Net Profit for the period		(40,598,489)	104,574,208
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net gain/(loss) on revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	23	(113,392,512)	44,567,336
Increases/(Decreases) in revaluation reserve of property, plant and equipment, net of deferred tax		(2,154)	-
Other comprehensive income for the period – total		(113,394,666)	44,567,336
Total comprehensive income for the period		(153,993,155)	149,141,544
Earnings per Share		(0.0188)	0.0484
Diluted Earnings per Share		(0.0188)	0.0484

Executive President/CEO
Marius Adrian MOLDOVAN

Executive Vice President/Deputy CEO
Radu Claudiu ROȘCA

Financial Manager
Diana VEREȘ

The attached Notes are an integral part of these financial statements.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA S.A.
STATEMENT OF FINANCIAL POSITION AS AT 30.06.2020
(All amounts are expressed in RON, unless otherwise stated)

	Note	30 June 2020	31 December 2019
Cash and cash equivalents	13	35,880,329	57,716,709
Financial assets measured at fair value through profit or loss	14	602,457,191	622,780,726
Bonds measured at fair value through profit or loss	14	-	2,090,066
Financial assets measured at fair value through other comprehensive income	15	505,028,182	640,339,351
Financial assets at amortised cost	16	3,573,753	364,961
Other assets	17	750,129	455,122
Current income tax assets		115,798	-
Intangible assets	19	72,526	82,501
Property, plant and equipment	18	15,074,956	15,298,933
Total assets		1,162,952,864	1,339,128,369
Financial liabilities	20	105,012,849	28,853,107
Deferred income tax liabilities	12	32,378,888	52,929,271
Current income tax liabilities		-	284,202
Other liabilities	21	772,182	1,515,089
Total liabilities		138,163,919	83,581,669
Share capital	22	216,244,380	218,428,666
Retained earnings		(19,537,457)	201,450,855
Revaluation reserves on financial assets at fair value through other comprehensive income	23	158,636,448	272,843,120
Revaluation reserve for property, plant and equipment	24	12,236,120	12,238,274
Other reserves	25	657,209,454	555,403,888
Own shares	26	-	(4,818,103)
Total equity		1,024,788,945	1,255,546,700
Total liabilities and equity		1,162,952,864	1,339,128,369

Executive President/CEO
Marius Adrian MOLDOVAN

Executive Vice President/Deputy CEO
Radu Claudiu ROȘCA

Financial Manager
Diana VEREȘ

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA S.A.
STATEMENT OF CHANGES IN EQUITY AS AT 30.06.2020
(All amounts are expressed in RON, unless otherwise stated)

	Note	Share capital	Revaluation reserve for property, plant and equipment	Revaluation reserve for financial assets at fair value through other comprehensive income	Other reserves	Retained earnings	Own shares	Total
Balance as at 1 January 2020		218,428,666	12,238,274	272,843,120	555,403,888	201,450,854	(4,818,103)	1,255,546,700
Comprehensive income:		-	-	-	-	(40,598,489)	-	(40,598,489)
Profit/(Loss) for H1								
Other comprehensive income:								
Gain/loss on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	23	-	-	(113,392,512)	-	-	-	(113,392,512)
Transfer of depreciation of revalued property, plant and equipment to retained earnings as a result of decommissioning, net of tax		-	(2,154)	-	-	2,154	-	-
Total comprehensive income for H1		-	(2,154)	(113,392,512)	-	(40,596,335)	-	(153,991,001)
Transfer of reserve to retained earnings as a result of the sale of financial assets measured at fair value through other comprehensive income, net of deferred tax	23	-	-	(814,160)	-	814,160	-	-
Transactions with shareholders, recognized directly in equity:								
Legal reserve								
Allocation of reserves from previous years' profits		-	-	-	104,439,382	(104,439,382)	-	-
Dividends distribution		-	-	-	-	(76,766,755)	-	(76,766,755)
Share capital reduction		(2,184,286)	-	-	(2,633,816)	-	4,818,103	-
Balance as at 30 June 2020		216,244,380	12,236,120	158,636,448	657,209,454	(19,537,457)	-	1,024,788,945

Executive President/CEO
Marius Adrian MOLDOVAN

Executive Vice President/Deputy CEO
Radu Claudiu ROȘCA

Financial Manager
Diana VEREȘ

The attached Notes are an integral part of these financial statements.

SOCIETATEA DE INVESTIȚI FINANCIARE TRANSILVANIA S.A.
STATEMENT OF CHANGES IN EQUITY AS AT 30.03.2020
(All amounts are expressed in RON, unless otherwise stated)

Note	Share capital	Revaluation reserve for property, plant and equipment	Revaluation reserve for financial assets at fair value through other comprehensive income	Other reserves	Retained earnings	Own shares	Total
Balance as at 1 January 2019	218,428,666	11,136,860	144,187,689	517,635,668	82,416,755	(4,818,103)	968,987,536
Comprehensive income:							
Profit for H1	-	-	-	-	104,574,208	-	104,574,208
Other comprehensive income:							
Net gain/loss on deferred tax, on revaluation of financial assets measured at fair value through other comprehensive income	-	-	44,567,336	-	-	-	44,567,336
Revaluation reserve on property, plant and equipment, net of deferred tax	-	(3,025)	-	-	3,025	-	-
Total comprehensive income for H1		(3,025)	44,567,336	-	104,577,233	-	149,141,544
Legal reserve	-	-	-	-	-	-	-
Allocation of reserves from previous years' profits	-	-	-	37,177,079	(37,177,079)	-	-
Own shares redeemed	-	-	-	-	-	-	-
Dividends distribution	-	-	-	-	(26,165,570)	-	(26,165,570)
Balance as at 30 June 2019	218,428,666	11,133,834	188,755,025	554,812,747	123,651,339	(4,818,103)	1,091,963,508

Executive President/CEO
Marius Adrian MOLDOVAN

Executive Vice President/Deputy CEO
Radu Claudiu ROȘCA

Financial Manager
Diana VEREȘ

The attached Notes are an integral part of these financial statements.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA S.A.
STATEMENT OF CASH FLOWS AS AT 30.06.2020
(All amounts are expressed in RON, unless otherwise stated)

	30 June 2020	30 June 2019
Cash flows from operating activities, total out of which:	(20,749,999)	104,157,472
Receipt from clients	-	-
Payment towards suppliers and employees	(6,791,874)	(10,766,903)
Proceeds from sale of equity investments	12,677,225	76,496,096
Proceeds from sale of bonds/ matured bonds	-	-
Payments for purchase of equity investments	(36,975,793)	(14,740,071)
Income tax paid	(400,000)	-
Interest received	380,491	703,313
Dividends received (net of withholding tax)	13,543,359	58,598,607
Payments of contributions, tariffs, taxes owed to the state budget	(2,783,466)	(5,620,150)
Other receipts/ (payments) related to the operation of the Company	(496,376)	(403,040)
Other receipts/ (payments) related to the investment activity (including trading commission)	96,434	(110,380)
Cash flows from investing activities, total out of which:	(113,470)	(131,886)
Payments for purchase of tangible and intangible assets	(118,588)	(131,886)
Proceeds from sale of tangible assets	5,118	-
Cash flows from financing activities, total out of which:	(972,911)	(1,884,139)
Dividends paid to shareholders (including dividend tax)	(972,911)	(1,884,139)
Payments for own shares redeemed	-	-
Net increase/(decrease) of cash and cash equivalents	(21,836,380)	102,141,447
Cash and cash equivalents at the beginning of the year	57,716,708	26,802,977
Cash and cash equivalents at the end of the year	35,880,329	128,944,424

Executive President/CEO
Marius Adrian MOLDOVAN

Executive Vice President/Deputy CEO
Radu Claudiu ROȘCA

Financial Manager
Diana VEREȘ

1. GENERAL INFORMATION

Societatea de Investiții Financiare Transilvania S.A. ("SIF Transilvania" or the "Company") is a collective investment undertaking established in 1996 in accordance with Law 133/1996, operating in Romania according to Law 31/1990 on companies and Law 297/2004 on capital market.

The Company is a joint-stock company from a legal point of view and is an entity with unlimited period of functioning.

The Company has its headquarters in Brașov, 2 Nicolae Iorga Street, Postal Code 500057

Contact details of the Company are:

Phone: 0268-415529, 0268-416171, 0268-413752, 0268-473210, 0268-401132

Fax: 0268-473215, 0268-473216

Web page: www.siftransilvania.ro

e-mail: transif@transif.ro

Registration code with the Trade Register: 3047687

Tax code: RO 3047687

Order number in the Trade Register: J08/3306/1992

The Company is registered with the National Securities Commission ("NSC") in Bucharest, currently known as the Financial Supervisory Authority ("FSA") as "other collective investment undertaking" with a diversified investment policy recorded through Certificate no. 258/14.12.2005 at NSC register under no. PJR09SIIR/080004 and at the Office of Securities from NSC with the register certificate no. 401/20.08.1999, respectively no. 401/12.07.2007. According to the Constitutive Act, the main activity of the Company is "Other financial brokerage" NACE code: 6499. The Company is registered with the FSA Registry in Section 7¹ – Alternative Investment Fund Managers, Sub-section 3 – Alternative investment fund Managers authorised by the FSA (A.F.I.A.A.) under no. PJR07¹ A.F.I.A.A./080005.

The Company performs its activity in Romania.

The regulated market on which the issued securities are traded is the Bucharest Stock Exchange (market symbol: SIF3).

At 30 June 2020, the subscribed and paid-in share capital as registered with the Trade Register is RON 216,244,380 (30 June 2019: RON 218,428,666 lei) and is divided into 2,162,443,797 shares (30 June 2019: 2,184,286,664 shares).

The main characteristics of the shares issued by the Company are as follows: the shares are common, registered, indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10 per share.

2. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied for preparing these separate financial statements in accordance with IFRS are presented below.

These Financial Statements are prepared on a going concern basis.

2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS") and in accordance with Rule no. 39 of 28 December 2015 on the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority ("A.S.F.") – Financial Instruments and investments Sector ("Rule 39/2015").

Starting with 1 January 2015, the Company applies the Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of interests in other entities and IAS 27 - Consolidated and Separate Financial Statements ("Amendments"), being the date at which the classification criteria as investment entity were fulfilled.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The Amendments introduced an exception to the principle from IFRS 10 "Consolidated Financial Statements", under which all subsidiaries must be consolidated. The Amendments define an investment entity and provide that a parent company that is classified as an investment entity has to measure its subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated financial statements, as such the Company no longer consolidates subsidiaries and associated entities and prepares only separate financial statements. The Company does not hold any subsidiary providing to the Company financial investment related services. The Management of SIF Transilvania annually assesses whether the Company maintains its investment entity status.

2.2 Basis of measurement

The Company's financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments recognised at fair value through profit or loss, the financial instruments recognised at fair value through other comprehensive income and for the fair value revaluation of land and buildings.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its activity in the foreseeable future as well. The Company's management considers that the Company will continue to operate normally in the future and, consequently, the financial statements have been prepared on this basis.

2.3 Foreign currency translation

a) Functional and presentation currency

The functional currency is the Romanian Leu ("RON). This is the currency of the primary economic environment in which the Company performs its activity. The financial statements are prepared and presented in RON, unless otherwise stated.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into RON using the official exchange rate of the National Bank of Romania ("NBR") at the end of the reporting period. The foreign currency non-monetary assets and liabilities measured at fair value, including participations, are translated into RON using the official exchange rate at the date of fair value measurement.

The exchange rates of the main foreign currencies were the following:

Currency	30 June 2020	30 June 2019	Increase/ (decrease) (%)
Euro (EUR)	1: RON 4.8423	1: RON 4.7351	1.02
US Dollar (USD)	1: RON 4.3233	1: RON 4.1587	1.04

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Foreign currency translation (continued)

b) Transactions and balances (continued)

The foreign exchange differences resulted from the monetary and non-monetary items are reported as follows:

- a) As part of "Net gains /(losses) on unrealised FX differences", recorded in "Other operating expenses" - for the FX differences registered following the revaluation of cash and cash equivalents in foreign currency;
- b) As part of "Net gains /(losses) on FX differences from transactions", recorded in "Other operating income";
- c) As part of "Net gains /(losses) from financial assets at fair value through profit or loss"- for the gains or losses from the revaluation of financial assets at fair value through profit or loss; and
- d) As part of "Net gains/(losses) on financial assets at fair value through other comprehensive income, net of deferred tax" - for the gains or losses on the revaluation of financial assets at fair value through other comprehensive income.

2.4 Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS requires the use by the management of estimates, judgments and assumptions that affect the amounts recognised in the financial statements, as well as the value of the assets and liabilities reported the next year. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods if the revision affects both current period and following periods.

Change in estimates, by its nature, is not related to prior periods and is not a correction of errors.

If these kinds of change in estimates give rise to changes in assets and liabilities or equity, the effect of changes will be recognized by adjusting the accounting value of assets, liabilities or the afferent equity item in the period of the change.

The main notes presenting estimates, judgments and assumptions with a significant impact on the amounts recognized in the financial statements are the following:

- Note 3.1 - Investment entity classification;
- Note 12 - Current income tax and deferred tax;
- Note 24 - Revaluation reserve for property, plant and equipment;
- Note 29 - Financial assets and financial liabilities fair values;
- Note 30 - Risk management;
- Note 32 - Commitments and contingent liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 General consideration regarding the accounting policies applied

If a standard or interpretation specifically applies to a transaction, to another event or a condition, then the accounting policies applied to that element are considered selected through the application of the standard or of the respective interpretation, taking into account any implementation guidance issued by the International Accounting Standards Board ("IASB") for the standard or interpretation in question.

The change in an accounting policy is permitted only under one of the following conditions:

- the change is imposed by a standard or an interpretation;
- the change will provide more reliable and relevant information on the effects of the transactions, events and conditions.

Any significant errors afferent to the previous periods identified with regards to the recognition, valuation, presentation or disclosure of financial statements elements must be corrected retroactively in the first financial statements that are authorized for issuance, through:

- adjusting the comparatives for the previous period or periods in which the error was identified; or
- adjusting the initial balances of the assets, liabilities and equity, for the most distant period presented, if the error has occurred before the most distant period presented.

2.6 Presentation of the financial statements

The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on liquidity in the *Statement of financial position* and a presentation of the revenues and expenses, according to their nature, in the *Statement of profit or loss and other comprehensive income*, considering that these methods of presentation provide information that is more relevant than other methods allowed by IAS 1 "Presentation of financial statements".

2.7 New accounting pronouncements – based on IASB effective date

The Company will present in the Notes to the Annual Financial Statements the newly issued standards and interpretations which are compulsory for the financial year ended and how they affect the financial statements prepared for the respective financial year.

2.8 Subsidiaries and associates

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has rights to the variable benefits that can be obtained from the involvement of the Company in the activity of its subsidiary and when the Company has the possibility to influence such benefits through the control owned over the subsidiary.

The associates are those entities in which the Company has significant influence over the financial and operational policies but does not have control, or shared control. The significant influence is determined, in each reporting period, through the analysis of the shareholder structure of the entities in which the Company owns more than 20% from the voting rights, the analysis of the constitutive acts and also of the Company's capabilities to participate in the decision making process over the financial and operational policies of the respective entity.

However, where the Company holds less than 20% of the voting rights in an entity, but it is considered a significant shareholder and exercises significant influence through representation in the Board of Directors and through participation in the decision making process regarding the policies of the respective entity, then such entity shall be considered an associate.

The Company does not exercise significant influence over a number of companies where it holds between 20% and 50% of the voting rights (Note 14). The companies falling in this category are the ones where the Company's rights as minority shareholder are protective and not participating and where the majority shareholder, or the group of shareholders that hold the majority of the shares in such entity, act without considering the Company's opinions.

The investments in subsidiaries and associates as at 30 June 2020 and 30 June 2019 are presented in Note 14.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets and liabilities

(i) Classification

a) Financial assets at fair value through profit or loss

The Company classifies its investments in subsidiaries and associates, as well as the financial instruments acquired mainly for active and frequent trading, the corporate bonds and the fund units as financial assets at fair value through profit or loss.

The Company deems as financial assets at fair value through profit or loss at initial recognition those financial instruments that are not classified as held for trading but are managed, and their performance is measured on a fair value basis, in accordance with the Company's investment strategy.

The Company's policy requires the Investment Manager and the Executive Board to evaluate the information about these financial assets on a fair value basis together with other related financial information.

b) Financial assets at amortised cost

Financial assets and financial liabilities are measured at amortised cost using the effective interest method less impairment losses (for financial assets). Financial assets and liabilities at amortised cost include cash and bank current accounts, bank deposits, dividends receivable, debts to shareholders, amounts owed to service providers and other receivables and payables.

The amortised cost of a financial asset or liability is the amount at which the asset or the financial liability is measured at the time of initial recognition, minus principal payments, plus or minus the accrued depreciation, determined based on the effective interest method, of any difference between the amount initially recognized and the maturity value, less any impairment losses of financial assets.

A financial asset must be measured at amortised cost, except for financial assets measured at fair value through profit or loss at initial recognition, if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset generate, at certain dates, cash flows representing exclusively payments of principal and interest related to the principal due.

Financial liabilities at amortised cost are recognized at the time of initial recognition and are not attributable to a trading activity.

The Company recognises an impairment afferent to the expected credit losses on financial assets at amortised cost, in accordance with IFRS 9.

These instruments are classified in Stage 1, Stage 2 or Stage 3, depending on their relative credit quality in respect to the initial payments. Thus:

- Stage 1: includes (i) newly recognized exposures; (ii) exposures for which the credit risk has not materially deteriorated since initial recognition; (iii) low credit risk exposures (reduced credit risk relief).
- Stage 2: includes exposures that, although performing, have experienced a significant deterioration in credit risk since initial recognition.
- Stage 3: includes impaired credit exposures

For Stage 1 exposures, depreciation is equal to the expected loss calculated over a time horizon of up to one year. For Stage 2 or 3 exposures, the depreciation is equal to the expected loss calculated over a time horizon corresponding to the full duration of the exposure.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9. Financial assets and liabilities (continued)

As regards bank deposits and bonds at amortised cost, the Company has opted to apply the low credit risk exemption, in full compliance with IFRS 9.

Adjustments for impairment of receivables are based on the discounted value of the expected cash flows of the principal. In order to determine the discounted value of future cash flows, the basic requirement is to identify the estimated receipts, the payments schedule and the discounted rate used.

The Company defined as "non-performing" exposures the receivables that meet one or both of the following criteria:

- exposures for which the Company estimates that it is unlikely that the debtor will fully pay its obligations, regardless of the exposure value and the number of days for which the exposure is delayed;
- unpaid amounts.

c) Financial assets at fair value through other comprehensive income

The Company's investments in equity instruments, other than those classified as financial assets at fair value through profit or loss, are classified as financial assets at fair value through other comprehensive income, based on the management decision, at initial recognition. The reason for the classification of the investments as financial assets measured at fair value through other comprehensive income is represented by the decision to hold the investments for a long term and collect the dividends. The method used to derecognise each category of financial assets at fair value through other comprehensive income is "first in, first out", given the measurement and evaluation of the Company's performance at fair value.

Dividends received from entities in which the Company holds shares are recognized in profit or loss account of the year when the Company has the right to receive dividends and it is probable that these will be collected.

All the other elements regarding changes in the fair value are recognized in other comprehensive income for the year until the investment is derecognized or depreciated, when the accumulated gain or loss is reclassified from other comprehensive income to a retained earnings account for the year.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value is the price in an active market. An active market is one in which transactions with assets or liabilities take place with sufficient frequency and volume to provide pricing information on an on-going basis.

The Company believes that the accurate determination of the fair value is an essential requirement for presenting useful information to the investors and to the Company's key personnel for proper decision-making purposes. In order to achieve this, a methodology was put in place to estimate the fair value of the financial instruments in compliance with the Asset Valuation Standards and the International Financial Reporting Standards regarding the fair value estimation (IFRS 13 "Fair value measurement").

The methodology was established separately for:

- a) Equity instruments (shares held in companies);
- b) Corporate bonds and
- c) Fund units.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9. Financial assets and liabilities (continued)

Fair value measurements are analysed by level of the fair value hierarchy as follows:

- ✓ level one measurements are valuations at quoted prices (unadjusted) in active markets for identical assets or liabilities,
- ✓ level two measurements are valuations techniques using all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and
- ✓ level three measurements are valuations not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

(ii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the "effective interest method" for any difference between that initial amount and the amount payable at maturity, minus any reduction from impairment of financial assets.

Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and depreciation discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying amount of related items in the statement of financial position.

(iii) Recognition

Financial assets and financial liabilities are initially recognised at fair value plus directly attributable transaction costs, for the financial assets and financial liabilities not carried at fair value through profit or loss.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The Company initially recognises bank deposits on the date that they are originated. All other financial assets and liabilities (including assets and liabilities carried at fair value through profit or loss) are initially recognised on the transaction date.

(iv) Derecognition

The Company derecognises a financial asset when the contractual rights to receive cash flows from that asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company fully derecognises a financial liability when its contractual obligations are discharged or cancelled or have expired.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9. Financial assets and liabilities (continued)

(v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances:

- (i) in the normal course of business,
- (ii) in the event of default and
- (iii) in the event of insolvency or bankruptcy.

2.10 Property, plant and equipment

(i) Recognition and measurement

The property, plant and equipment are presented at their revalued value less the accumulated depreciation and the provision for impairment losses. Capital expenditure on property, plant and equipment under construction is capitalized and depreciated once the assets enter into use.

Property, plant and equipment are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period. If there is no market based evidence of fair value, the fair value is estimated using an income approach. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity while all other decreases are charged to profit or loss for the year.

The revaluation reserve for property, plant and equipment included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the retirement or disposal of the asset.

Upon revaluation of property, plant and equipment, accumulated depreciation at the date of revaluation is treated as follows: accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the gross carrying amount after the recording of revaluation is equal to its revalued amount; this method is used when a detailed valuation of the land and building portfolio is performed.

The revaluation of property, plant and equipment is made at fair value, which is determined based on the valuations made by authorised external valuers.

The latest revaluation of the Company's land and buildings was performed at 31.12.2019 by REVALTEX SRL (independent valuer – ANEVAR member), which resulted in an increase of the revaluation reserve by RON 806,882, namely by 5.70%.

Gains and/or losses on the de-recognition of tangible assets is determined as difference between revenues from the sale of tangible assets and the expenses with their disposal and are recognized in profit or loss for the year (within other operating income or expenses).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Property, plant and equipment (continued)

(ii) Subsequent costs

The amounts paid or payable, generated by the repairs and daily maintenance costs of the owned tangible assets, are recorded as expense, according to the accrual accounting principle, accordingly changing the Company's profit or loss account of the period.

The amounts paid or payable, generated by activities that lead to an increase in the value and/or the useful life of the asset, through the upgrade of the owned tangible assets, and also the activities that lead to a significant increase in the technical parameters which increase the potential of obtaining future economic benefits are capitalised in the value of the tangible assets (accordingly increasing the accounting value of that asset).

The Company recognises the cost of a partial replacement of an item of property, plant and equipment in its carrying amount when such cost is incurred, if the IAS 16 recognition criteria are met, and the carrying amount of the replaced part is derecognised whether or not the replaced part was amortised separately. If the carrying amount of the replaced part cannot be determined, the replacement cost will be used as indication of the cost value of the replaced part upon acquisition or construction.

(iii) Depreciation

The depreciation expenses for each reporting period are recorded in the profit and loss account.

Depreciation is calculated using the accounting value (acquisition cost or revalued value) using the straight line depreciation method, on the entire useful life of the asset (starting with the date of putting into operation) and is recorded as expense on a monthly basis.

Depreciation of an asset begins when the asset is available for use, when it is in the location and condition necessary for it to operate in the manner intended by the management. The depreciation of an asset ceases at the earlier of the date the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), in accordance with IFRS 5 "*Non-current assets held for sale discontinued operations*" and the date that the asset is derecognised.

Each part of a tangible asset item that presents a significant cost to the total cost of that item, shall be depreciated separately.

Depreciation methods and useful lives are established at each reporting date.

Land is not depreciated.

Categories

Years

Buildings	50
Other equipment, furniture and other tangible assets	up to 12
Vehicles	up to 6

A tangible asset must be derecognised:

- a) upon sale, or
- b) when no future economic benefit is expected from its use or disposal.

The gain or loss that results from the derecognition of a tangible asset is included in the profit or loss account when the item is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Intangible assets

Intangible assets include software and licences.

Intangible assets acquired by the Company are initially valued at cost. Cost is represented either by the amount of cash or cash equivalents paid, or the fair value of other consideration given in order to acquire the asset at the time of its acquisition.

For measurement subsequent to initial recognition, the Company applies the cost model, meaning that intangible assets are carried at cost less the accumulated amortisation and impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life for software is between 1 and 3 years and licenses are amortised on the validity period, using the straight line method.

2.12 Impairment of non-financial assets

At each balance sheet date, the Company must verify if there are indications of asset impairment. Where such indication exists, the Company estimates the asset's recoverable amount as the greater of its value in use and its fair value less any associated costs incurred to sell the asset.

2.13 Cash and cash equivalents

Cash and cash equivalents consist of petty cash and bank accounts, including short-term deposits. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

For the purposes of preparing the statement of cash flows, cash and cash equivalents include petty cash, bank accounts, including deposits with original maturity up to 3 months, cash in transit, other short-term financial investments that are convertible into cash at any time and that are subject to an insignificant risk of change in value and overdraft facilities as well as their attached receivables.

2.14 Trade receivables

Trade receivables are included in the category of financial assets (refer to Note 2.9 *Financial assets and liabilities – b) Financial assets at amortised cost*). Trade receivables are carried at original invoice amount less any provision (impairment adjustment) created.

2.15 Provisions

Provisions for risks and charges are non-financial liabilities with uncertain maturity or value.

A provision is recognised in the statement of financial position when the Company has a current legal or implicit obligation generated by a past event, it is likely that an outflow of economic benefits will be required to settle the respective obligation and the amount can be reliably estimated.

2.16 Contingent liabilities and contingent assets

Contingent liabilities are not recognized in the financial statements. They are disclosed in Notes, unless the possibility of an outflow of economic benefits is removed.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Dividends payable (at amortised cost)

The Company records a liability to pay dividends in the year when the distribution of the profit for dividends is approved by the General Meeting of Shareholders.

Dividends payable recognized in the statement of financial position are financial liabilities. The said financial liability is extinguished either by the payment of the amounts owed to the shareholders or when the obligation expires, i.e. after 3 years from the dividend payment date, if the shareholders did not collect the dividends during this period. As such, the financial liability represented by the dividends prescribed after the end of the statutory period of 3 years from the payment date, is directly reversed into the Profit or Loss and included in "Other operating income".

2.18 Share capital

Ordinary shares are classified as equity.

2.19 Trade payables and other liabilities

Trade payables are recognised based on the accrual accounting when the counterparty has fulfilled its contractual obligations (except prepaid expenses) and are carried at amortised cost.

2.20 Employees benefits

Short-term benefits

Employee short-term benefits include salaries, bonuses and social security contributions. Employee short-term benefits are recognised as an expense when services are rendered.

In the normal course of business, the Company makes payments to the public pension, health care and unemployment systems. All employees of the Company are members of the State pension plan and have the legal obligation to contribute to the state scheme (through social contributions). All the contributions due by the Company are recognised in the profit or loss account of the year when the expenses are incurred.

In addition to salaries and other salary rights, according to the remuneration policy approved at the Company level, the members of the Supervisory Board, the members of the Executive Board and the Company's employees have the right to receive bonuses and incentives from the profit participation fund. The Company includes these benefits in the short-term benefits.

The Company does not operate any other pension scheme and, consequently, has no other obligation in respect of pensions.

2.21 Income tax expense

The current income tax includes both the current income tax and the deferred income tax. Income tax is recognised in profit or loss or in equity if the tax is afferent to equity items.

Current income tax is the tax payable on the taxable profits of the period, determined using the tax rates available at the balance sheet date and any adjustments related to previous periods.

2.22 Deferred tax

The deferred tax is determined using the balance sheet method, based on the temporary differences arising between the tax base for calculating the tax on assets and liabilities and their carrying amount. The deferred tax is calculated using the tax rates that are expected to be applied to temporary differences when achieving the carrying amount of assets and liabilities, as provided for by the legislation in force at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Deferred tax (continued)

Deferred tax receivables are recognized to the extent that sufficient future taxable profits allowing the existence of such receivables are likely to be obtained. Deferred tax receivables are properly reduced if it is considered that the benefit from afferent tax is not likely to be obtained. The main temporary differences arise from the changes in the fair value of the financial investments recognised at fair value through other comprehensive income. The Company registers deferred tax liabilities from equity investments classified as financial assets at fair value through other comprehensive income and from revaluation reserves of tangible assets.

On 30 June 2020, the tax rate used to calculate the current and deferred tax was 16% (30 June 2019: 16%).

2.23 Basic and diluted earnings per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary paid shares, outstanding during the year, excluding the average number of own ordinary shares redeemed by the Company.

The weighted average number of ordinary shares outstanding during the year is the number of ordinary paid shares outstanding at the beginning of the year, adjusted by the number of ordinary shares redeemed during the year (based on their settlement date) multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the reporting year.

2.24 Income recognition

The Company recognises income from financial instruments in accordance with IFRS 9. The Company took into account the provisions of IFRS 15 as of 2019 and the conclusion is that the Company did not obtain income from the contracts concluded with clients.

The revenues recorded by the Company are accounted for by their nature (operational, financial), on an accrual basis.

Revenues are measured at the fair value of the consideration received or receivable. When the result of a transaction involving the rendering of services cannot be reliably estimated, revenue shall be recognized only up to the limit of the expenses recognized that are recoverable.

2.25 Interest income and interest expense

Interest income and interest expenses corresponding to financial instruments are recognised in profit or loss using the effective interest method based on accrual basis. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future cash flows payable or receivable during the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. In order to calculate the effective interest rate, the Company estimates the cash flows, considering all contractual terms of the financial instrument, but does not account for future credit losses. The calculation includes all fees paid or received between the parties that are part of the effective interest rate, transaction costs, and all other premiums or discounts.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Dividend income

Dividends on equity instruments are recognised in profit or loss as "*Dividend income*" when the Company's right to receive such income is established.

2.27 Net gains/losses on disposal of financial instruments

- a) Net gains/(losses) from financial assets at fair value through profit or loss

Gains less losses from financial assets at fair value through profit or loss include both changes in fair value of financial instruments resulting from marking to market and the income from the sale of these financial instruments.

- b) Net gains/(losses) from disposal of financial assets at fair value through other comprehensive income

Gains less losses on disposal of financial assets at fair value through other comprehensive income include the revaluation reserve of financial assets at fair value through other comprehensive income.

Income on the sale /disposal of investments held are recognised at the date when the property right is transferred from seller to buyer, using the transaction date accounting.

2.28 Comparatives

Where necessary, corresponding figures have been adjusted to comply with the presentation of the current year IFRS amounts.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances. In addition to experience and historical information, the Company also considers in evaluating these effects the current conditions in the financial industry.

3.1 Investment entity classification

The Company applied the Amendments to IFRS 10, IFRS 12 and IAS 27 starting 1 January 2015 when, after considering the criteria mentioned in the Amendments, the Company's management concluded that the Company qualifies for classification as an investment entity.

The Management of SIF Transilvania annually re-assesses whether the Company maintains its investment entity status. Thus, the Company re-assessed in 2019 the investment entity criteria and concluded that it still meets these criteria, given that the Company:

- a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

3.1 Investment entity classification (continued)

In addition, the Company has other characteristics specific to an investment entity, as follows:

(a) Investment-related services

The Company is a joint stock company, which operates as a closed-end financial investment company, directly providing investment management services for its investors; the Company's main business activities are exclusively the activities specific to closed-end investment companies.

The Company does not provide advisory services and investment support or administrative services, directly or through a subsidiary, to third parties and/or its investors.

(b) Business purpose

The Company's scope is to carry out business activities specific to its object of activity and to obtain profit to be distributed to shareholders and/or to own sources to finance necessary and appropriate investments, permitted by the activity object and legal provisions.

The Company's multiannual strategic guidelines and annual investment program approved by the Annual General Meeting of Shareholders are public information presented on the Company's official website and can be consulted anytime by third parties and/or potential investors in order to support their decisions to invest in the Company.

The Company's objective is the management of the investment portfolio and the permanent identification of investment opportunities ensuring a reasonable level of the investment risk dispersion in order to offer its shareholders the opportunity to obtain attractive performance while increasing capital invested.

(c) Exit strategy

Starting with 1 January 2015, the Company applies an exit strategy based on continuous monitoring of the investments made under the approved investment programs and on continuous analysis of current market conditions, aiming to identify the optimal exit moments so as to achieve the objectives set by the annual revenue and expenditure budgets, respectively to achieve higher aggregate yields.

The Company applies an exit strategy adapted to the specificity of each investment category, which is defined based on the following elements: the strategy applied, the investment time horizon and the triggering factors of the exit transaction.

(d) Fair value measurement

Starting with 1 January 2015, all financial investments of the Company are measured at fair value. The investments in subsidiaries and associated entities, including the bonds issued by the latter, which are owned by the Company, are classified as financial assets at fair value through profit or loss. The other investments in shares, bonds and fund units are classified as financial investments available for sale and, as of 1 January 2018, further to the application of IFRS 9, they are classified as financial investments at fair value through other comprehensive income.

The fair value of the financial instruments held by SIF Transilvania is estimated according to the internal procedure and related methodology.

A company classified as an investment entity is not required to consolidate any of its subsidiaries. The information described above is presented in Note 14.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

4. DIVIDEND INCOME

The dividend income recorded by the Company as at 30 June 2020, compared to 30 June 2019, is as follows:

Entity	30 June 2020	%	30 June 2019	%
OMV PETROM SA BUCURESTI	7,244,451	43.59	2,649,645	4.35
S.N.NUCLEARELECTRICA	2,106,349	12.68	1,325,420	2.18
GASTRONOM SA	1,788,260	10.76	1,096,656	1.80
FONDUL PROPRIETATEA SA	1,779,523	10.71	2,144,625	3.52
CRISTIANA SA	920,460	5.54	3,068,200	5.04
UTILAJ GREU SA	578,900	3.48	234,684	0.39
BURSA DE VALORI BUCURESTI SA	532,541	3.20	729,243	1.20
ELECTRICA SA	512,382	3.08	-	-
MECANICA CODLEA SA	314,617	1.89	305,593	0.50
SIF OLTENIA SA	209,877	1.26	712,385	1.17
CONPET SA PLOIESTI	84,095	0.51	89,049	0.15
TRANSGAZ SA	80,037	0.48	-	-
GRUP BIANCA TRANS SA	76,942	0.46	-	-
DEPOZITARUL CENTRAL SA BUCURESTI	57,082	0.34	75,973	0.12
CASA DE BUCOVINA-CLUB DE MUNTE SA	53,200	0.32	-	-
OTP REAL ESTATE&CONSTRUCTIONS	50,768	0.31	10,981	0.02
INTERNATIONAL TRADE&LOGISTIC CENTER	48,365	0.29	384,030	0.63
TRANSELECTRICA SA	42,939	0.26	-	-
DIGI COMMUNICATIONS N.V.	30,875	0.19	23,750	0.04
FD.INCHIS DE INVEST. BET-FI INDEX INVEST	30,810	0.19	43,134	0.07
SOFT APLICATIV SI SERVICII SA	28,326	0.17	22,603	0.04
OIL TERMINAL	15,301	0.09	616	0.00
ALTELE	32,630	0.20	22,422	0.04
BRD - GROUPE SOCIETE GENERALE SA	-	-	35,860,271	58.94
S.N.G.N.ROMGAZ SA	-	-	6,140,325	10.09
VIROLA-INDEPENDENTA SIBIU	-	-	3,901,118	6.41
BANCA TRANSILVANIA	-	-	825,022	1.36
EMAILUL SA	-	-	806,373	1.33
TRANSILVANIA LEASING SI CREDIT IFN SA	-	-	353,282	0.58
ELECTROMAGNETICA SA	-	-	20,621	0.03
Total	16,618,730	100.00	60,846,021	100.00

5. INTEREST INCOME

	30 June 2020	30 June 2019
Interest income on bank deposits	278,743	361,558
Interest income on corporate bonds classified as financial assets at fair value through profit or loss	46,506	338,989
Total	325,249	700,547

6. GAINS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020	30 June 2019
Net gain/(loss) from the sale of financial assets measured at fair value through profit or loss	907,578	12,463,749
Net gain/(loss) from the revaluation of financial assets measured at fair value through profit or loss	(49,117,146)	40,799,672
Total	(48,209,568)	53,263,421

The net gain from the sale of financial assets measured at fair value through profit or loss was calculated as the difference between the amounts obtained from the sale of financial assets and their fair value at 31.12.2019.

The net loss from the revaluation of financial assets measured at fair value through profit or loss was generated by the decrease of the performance of portfolio investments, reflected in the change of the fair value.

7. OPERATING INCOME

	30 June 2020	30 June 2019
Gains on FX differences from transactions	177,185	47,718
Other operating income	101,054	7,116,741
Total	278,239	7,164,459

8. EMPLOYEES REMUNERATION EXPENSE

	30 June 2020	30 June 2019
Salary expense	5,681,688	12,624,931
Social contribution expense	127,838	284,080
Total	5,809,526	12,909,011

9. COMMISSIONS AND FEES EXPENSE

	30 June 2020	30 June 2019
Commissions on the net asset value paid to the F.S.A.	474,821	477,352
Depository commissions	150,170	172,468
Transaction costs	79,618	158,056
Financial services costs	6,542	7,396
Other commissions and fees	22,000	16,216
Total	733,151	831,488

10. IMPAIRMENT LOSSES/REVERSAL OF IMPAIRMENT LOSSES OF FINANCIAL ASSETS

	30 June 2020	30 June 2019
Impairment losses/reversal of impairment losses of financial assets	178,858	-
Total	178,858	-

11. OPERATING EXPENSES

	30 June 2020	30 June 2019
Legal expenses	603,611	542,538
Other tax expenses (i)	179,567	661,272
Depreciation and amortization expenses	329,141	285,961
Statutory audit and advisory expenses	268,187	313,792
Postal and telecommunication charges	165,886	173,681
Consumable materials expense	115,872	98,572
Insurance premium charges	73,862	79,270
Utilities expense	79,046	81,896
Travel expenses	16,502	40,437
Protocol, donation and sponsorship expenses	81,475	70,664
Rent	23,223	56,272
Maintenance and repairs expenses	137,387	51,612
Net gains/losses from unrealised FX differences	19	(54)
Other expenses (ii)	1,173,542	558,212
Total	3,247,320	3,014,125

- (i) Other tax expenses include local taxes for buildings, vehicles, land, as well as VAT collected on invoices from suppliers.
- (ii) Other expenses include IT system maintenance services, security, archiving and translation services etc.

12. CURRENT INCOME TAX AND DEFERRED TAX

The differences between regulations issued by the Romanian Ministry of Finance and the accounting rules applied in preparing these financial statements give rise to temporary differences between the carrying value and fiscal value of certain assets and liabilities.

The deferred tax will be calculated in case of temporary differences using the tax rate applicable at the date of such differences.

Income tax is represented by:

	30 June 2020	30 June 2019
Current income tax expense	-	645,616
Deferred tax income	-	-
Total	-	645,616

12. CURRENT INCOME TAX AND DEFERRED TAX (continued)

Deferred tax analysed by source of temporary difference

The differences between the regulations issued by the Romanian Ministry of Finance and the IFRS accounting principles give rise to temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

	1 January 2020	Credited/(charged) to other comprehensive income	30 June 2020
Tax effect of deductible/(taxable) temporary differences			
Fair valuation of financial assets measured through other comprehensive income (Note 23)	(51,739,471)	20,550,382	(31,189,089)
Fair valuation of tangible assets	(1,189,799)	-	(1,189,799)
Net deferred tax liability	(52,929,271)	20,550,382	(32,378,888)

13. CASH AND CASH EQUIVALENTS

	30 June 2020	31 December 2019
Current accounts at banks, in RON	1,390,777	1,579,312
Current accounts at banks, in foreign currency	7,521,207	7,218,932
Bank deposits, in RON	26,962,324	48,912,249
Petty cash, in RON	6,021	6,216
Total	35,880,329	57,716,709

Cash and cash equivalents presented in the Statement of financial position as at 30 June 2020 and 31 December 2019 are neither past due, nor impaired.

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition: cash in hand and bank deposits.

The ratings based on Fitch scale for the credit institutions at which the Company holds current accounts and deposits are as follows:

Bank	30 June 2020	31 December 2019	Rating	Rating
			30 June 2020 Short/long term	31 December 2019 Short/long term
BRD	26,863,717	22,280,527	F2/BBB+	F2/BBB+
ING Bank	3,409,215	10,360,589	F1/A+	F1/A+
B.Transilvania SA	176	13,254,209	B/BB+	B/BB+
Banca Comercială Română	594,486	308,888	F2/BBB+	F2/BBB+
OTP Bank (Romania)	5,005,812	8,143,567	A2/BBB	A2/BBB
UniCredit Bank	902	3,362,712	A2/BBB	F3/BBB-
Total	35,874,308	57,710,492		

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Following the classification of the Company as an investment entity, all its investments in subsidiaries and associates have been classified as financial assets at fair value through profit or loss and, therefore the Company has recognised them at fair value starting with 1 January 2015. For the financial year 2015, the fair value differences that were recognised in the previous years as reserve for the financial assets available for sale were derecognised as effect of deconsolidation.

Starting 1 January 2018, due to adoption of IFRS 9, the Company has reclassified as financial assets at fair value through profit or loss the fund units, the corporate bonds and some of the financial assets classified prior to 1 January 2018 as available for sale.

The structure of the financial assets at fair value through profit or loss as at 30 June 2020, compared to 31 December 2019, is presented as follows:

	30 June 2020	31 December 2019
Shares quoted on Romanian markets, of which:	519,448,707	526,854,606
- <i>quoted on BSE</i>	245,605,375	262,326,507
- <i>quoted on alternative markets (AeRO)</i>	273,843,332	264,528,099
Shares quoted on international markets	1,342,810	5,650,758
Unquoted shares	50,581,075	55,448,890
Quoted fund units	1,450,294	1,232,400
Unquoted fund units	29,634,305	33,594,072
	602,457,191	622,780,726
Corporate bonds issued by Romanian entities	0	2,090,066
Total	602,457,191	624,870,792

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The investments in subsidiaries as at 30 June 2020 are the following:

Entity	Fair value as at 30 June 2020	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	304,292	unquoted	100.00	99.998
CRISTIANA SA	22,271,128	unquoted	99.80	99.80
TERRACOTTA STAR SA	0	unquoted	97.48	97.48
ORGANE DE ASAMBLARE SA	0	AeRO	95.70	95.70
TURISM COVASNA SA	33,069,979	AeRO	93.33	95.15
TRATAMENT BALNEAR BUZIAS SA	9,100,986	AeRO	91.87	91.87
SEMBRAZ SA	770,221	AeRO	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	4,355,059	unquoted	87.30	87.30
FEPER SA	58,398,350	AeRO	85.80	96.83
ARO-PALACE SA	36,575,547	AeRO	85.74	85.74
MECANICA CODLEA SA	4,698,195	AeRO	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA	45,891,854	BSE	77.71	77.71
ROMRADIATOARE SA BRASOV	17,042,407	AeRO	76.51	76.51
TUSNAD SA	16,903,088	AeRO	76.41	76.41
GRUP BIANCA TRANS SA	2,654,499	unquoted	70.85	70.85
UTILAJ GREU SA	3,703,800	AeRO	70.39	70.39
GASTRONOM SA	9,648,222	AeRO	70.29	70.29
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	17,416,840	AeRO	68.51	68.51
TURISM FELIX SA	100,345,280	BSE	63.20	63.20
COMCM SA CONSTANTA	21,032,434	BSE	56.73	56.73
VIROLA-INDEPENDENTA SIBIU	4,904,946	AeRO	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	32,990,416	AeRO	53.35	53.35
INDEPENDENTA SA	1,824,824	AeRO	53.30	53.30
SIBAREX SA	0	unquoted	52.85	52.85
SANTIERUL NAVAL SA	19,761,555	BSE	50.00	50.00
Total	463,663,922			

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The investments in subsidiaries as at 30 June 2019 were the following:

Entity	Fair value as at 30 June 2019	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY	278,130	unquoted	99.998	99.998
CRISTIANA SA	22,464,010	unquoted	99.80	99.80
TERRACOTTA STAR SA	0	unquoted	97.48	97.48
ORGANE DE ASAMBLARE SA	0	AeRO	95.70	95.70
TURISM COVASNA SA	33,641,667	AeRO	93.33	95.15
TRATAMENT BALNEAR BUZIAS SA	14,503,331	AeRO	91.87	91.87
SEMBRAZ SA	778,428	AeRO	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	5,253,852	unquoted	87.30	87.30
FEPER SA	51,375,566	AeRO	85.80	96.83
ARO-PALACE SA	46,981,255	AeRO	85.74	85.74
MECANICA CODLEA SA	5,636,631	AeRO	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	52,190,736	BSE	77.71	77.71
ROMRADIATOARE SA BRASOV	23,887,374	AeRO	76.51	76.51
TUSNAD SA	18,655,659	AeRO	76.41	76.41
GRUP BIANCA TRANS SA	3,657,823	unquoted	70.85	70.85
UTILAJ GREU SA	3,647,796	AeRO	70.39	70.39
GASTRONOM SA	10,047,414	AeRO	70.29	70.29
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	16,462,976	AeRO	68.51	68.51
TURISM FELIX SA	85,920,646	BSE	63.20	63.20
COMCM SA CONSTANTA	2,654,189	BSE	56.73	56.73
VIROLA-INDEPENDENTA SIBIU	4,814,871	AeRO	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	14,734,107	AeRO	53.35	53.35
INDEPENDENTA SA	1,318,643	AeRO	53.30	53.30
SIBAREX SA	0	unquoted	52.85	52.85
SANTIERUL NAVAL SA	18,390,811	BSE	50.00	50.00
Total	437,295,914			

All the Company's subsidiaries are incorporated in Romania.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The fair value of companies quoted on alternative markets was determined according to the Company's accounting policies, through the valuation reports prepared as at 30 June 2020 and 31 December 2019 by the Company's internal valuers accredited by ANEVAR.

All the Company's subsidiaries are incorporated in Romania.

The investments in associates as at 30 June 2020 are the following:

Entity	Fair value 30 June 2020	Market type	%
CONCAS SA	12,302,606	Quoted	47.21
SIMEC SA	0	Quoted	45.78
NEPTUN-OLIMP SA	3,451,261	Quoted	41.18
APOLLO ESTIVAL 2002 SA	963,395	Unquoted	39.62
PRAHOVA ESTIVAL 2002 SA	295,730	Quoted	39.62
TOMIS ESTIVAL 2002 SA	414,759	Unquoted	39.62
SERVICE NEPTUN 2002 SA	1,429,365	Quoted	39.62
TURISM LOTUS FELIX SA	16,485,007	Unquoted	38.27
ROMAGRIBUZ VERGULEASA SA	0	Unquoted	37.30
TRANSILVANIA HOTELS & TRAVEL S.A.	0	Unquoted	37.01
HIDROMECHANICA SA	0	Unquoted	36.27
FELAM SA	0	Unquoted	36.22
DORNA TURISM SA	3,848,351	Quoted	32.01
HARGHITA SA	0	Unquoted	31.42
EMAILUL SA	5,132,610	Quoted	28.93
SOFT APLICATIV SI SERVICII SA	266,976	Unquoted	28.33
COMSIG SA	0	Unquoted	27.09
DUPLEX SA	335,589	Quoted	26.87
The Foundations Feeder	153,654	Unquoted	26.67
VERITAS PANCIU SA	0	Unquoted	26.33
LEGUME FRUCTE BUZAU S.A.	845,212	Unquoted	25.23
CNM PETROMIN SA CONSTANTA	0	Unquoted	23.83
FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRINDERI	1,867,094	Unquoted	23.02
Total	<u>47,791,608</u>		

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The investments in associates as at 30 June 2019 were the following:

Entity	Fair value 30 June 2019	Market type	%
CONCAS SA	13,826,461	Quoted	47.21
SIMEC SA	0	Quoted	45.78
NEPTUN-OLIMP SA	3,430,124	Quoted	41.19
APOLLO ESTIVAL 2002 SA	2,048,566	Unquoted	39.62
PRAHOVA ESTIVAL 2002 SA	230,012	Quoted	39.62
SERVICE NEPTUN 2002 SA	1,487,132	Quoted	39.62
TOMIS ESTIVAL 2002 SA	635,890	Unquoted	39.62
TURISM LOTUS FELIX SA	17,066,831	Unquoted	38.27
ROMAGRIBUZ VERGULEASA SA	0	Unquoted	37.30
TRANSILVANIA HOTELS & TRAVEL S.A.	0	Unquoted	37.01
HIDROMECHANICA SA	0	Unquoted	36.27
FELAM SA	0	Unquoted	36.22
TRANSIL SA	116,109	Unquoted	33.16
DORNA TURISM SA	5,460,127	Quoted	32.01
HARGHITA SA	0	Unquoted	31.42
SEMLACT SACELE SA	0	Unquoted	30.00
EMAILUL SA	4,650,888	Quoted	28.93
SOFT APLICATIV SI SERVICII SA	264,179	Unquoted	28.33
COMSIG SA	0	Unquoted	27.09
DUPLEX SA	329,772	Quoted	26.87
THE FOUNDATIONS FEEDER	229,635	Unquoted	26.67
VERITAS PANCIU SA	0	Unquoted	26.33
LEGUME FRUCTE BUZAU S.A.	629,347	Unquoted	25.23
CNM PETROMIN SA CONSTANTA	0	Unquoted	23.83
FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRINDERI	1,637,821	Unquoted	23.02
Total	52,042,894		

Corporate bonds measured at fair value through profit or loss held by the Company as at 30 June 2020, as compared to 31 December 2019, are as follows:

Entity	Currency	No. of units 31 December 2019	No. of units 30 June 2020	Fair value 31 December 2019	Fair value 30 June 2020
Organe de Asamblare SA	RON	2,200,000	2,200,000	-	-
Sibarex SA	RON	900,000	900,000	-	-
Banca Transilvania	EUR	688,362	-	2,090,066	-
Total				2,090,066	-

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

At 30 June 2020, the Company held corporate bonds issued by the following entities:

- *Organe de Asamblare SA Braşov* – corporate bonds with a nominal value of RON 5.5 million. The bonds are unquoted, non-convertible into shares and are issued at a nominal value of RON 2.50 per bond, with a maturity of 48 months (maturity date: 25 January 2017) and an annual interest rate represented by the variable interest of ROBOR 3 months plus 2.00%. Interest payments are made on an annual basis. At 30 June 2020, accrued interest related to these bonds is RON 835,189. The principal and interest must be repaid in full by the date of repayment, early repayment cannot be made without the written agreement of the owner. The bonds issued are secured by the assets held by Organe de Asamblare. As a result of the issuer's bankruptcy starting August 2016, the collection of principal and interest due became unlikely, the fair value of such receivables as at 30 June 2020 being zero (31 December 2019: zero). Through Civil Decision no. 1345 / SIND of 15.11.2017, the Company's reorganization plan, which will span on a period of three years, was approved.
- *Sibarex S.A.* – bonds with a nominal value of RON 2.25 million. The bonds are unquoted, non-convertible into shares, are issued at a nominal value of RON 2.50 per bond, having a maturity period of 3 years (maturity date: 21 November 2016) and the annual interest rate resulting from the variable interest of ROBOR at 6 months plus 2.00%. Interest payments are made quarterly. As at 30 June 2020, accrued interest related to these bonds was RON 211,247. Principal and interest must be repaid in full by the repayment date or anticipated (partial or total) at the issuer's request. Given the Resolution of the Extraordinary General Meeting of Shareholders of the issuer of 14.11.2016 on the company's dissolution followed by liquidation, the fair value of the bonds as at 30 June 2020 is zero (31 December 2019: zero). The bonds issued are secured with pledge without dispossession on the production equipment up to the value of the underwritten and paid bonds and plus the entire period estimated interest. Through Civil Decision 288/03.10.2017, the simplified procedure of bankruptcy and dissolution of the company was initiated.
- *Banca Transilvania* – The principal related to the bonds issued by Banca Transilvania which reached maturity and the last interest coupon due (EUR 421,720) have been collected in May 2020.

The fund units in the portfolio, carried at fair value through profit or loss, are as follows:

Entity	30 June 2020		31 December 2019	
	No. of units	Fair value	No. of units	Fair value
Fondul Inchis de Investitii Multicapital Invest	4,934	13,411,451	4,934	15,207,131
Fond Inchis de Investitii Bet-Fi Index Invest	2,054	1,450,294	2,054	1,232,400
Fondul Inchis de Investitii Star Value	13,713	14,565,537	13,713	16,637,297
Fondul Deschis de Investitii OTP Real Estate& Construction	3,313	1,657,317	3,288	1,749,644
Total	24,014	31,084,600	23,989	34,826,472

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Starting 1 January 2018, following the adoption of IFRS 9, the Company has classified as financial assets at fair value through other comprehensive income some of its financial assets classified prior to 1 January 2018 as financial assets available for sale. They are measured at fair value as at 30 June 2020, respectively as at 31 December 2019.

The structure of the financial assets at fair value through other comprehensive income, by asset type, is the following:

	30 June 2020	31 December 2019
Shares quoted on Romanian markets, of which:	486,702,334	617,040,872
- quoted on BSE	480,276,914	610,149,532
- quoted on AeRo	6,425,420	6,891,340
Unquoted shares	18,325,848	23,298,479
Total	505,028,182	640,339,351
Carrying amount as at 1 January	640,339,351	413,211,853
Net gains /losses on fair value, of which:		
- net gains/losses on mark-to-market during the year	(133,942,883)	154,226,101
Acquisitions	520,790	74,417,980
Financial assets sold and recognised at fair value through other comprehensive income	(1,889,075)	(1,516,583)
Carrying amount as at 30 June	505,028,182	640,339,351

16. FINANCIAL ASSETS AT AMORTISED COST

The Company applies the provisions of IFRS 9 regarding expected credit losses, thus it classifies its receivables in Stage 1, Stage 2 and Stage 3. No exposures, although performing, recording a significant deterioration of credit risk (Stage 2) that would require the presentation under Stage 2 were identified. For Stage 3 sundry debtors, for which the collection is uncertain, the Company has calculated the impairment allowances. By applying the estimations according to IFRS 9 in respect of Stage 1, the Company concluded that the expected loss allowance was not significant.

Sundry debtors include mainly amounts arising from final court sentences.

The statement of financial assets at amortised cost, not past due and not impaired (Stage 1), is the following:

	30 June 2020	31 December 2019
Other receivables	2,653,293	229,912
Dividends receivable	920,460	10,873
Receivables from disposal of shares	-	124,176
Total	3,573,753	364,961

16. FINANCIAL ASSETS AT AMORTISED COST (continued)

The statement of financial assets at amortised cost, past due and impaired (Stage 3), is the following:

30 June 2020	Receivables from group entities	Other receivables	Dividends receivable
Gross carrying amount	210,538	5,476,863	983,232
Loss allowance	(210,538)	(2,823,570)	(62,772)
Net carrying amount value	-	2,653,293	920,460
31 December 2019	Receivables from group entities	Other receivables	Dividends receivable
Gross carrying amount	210,538	274,943	152,296
Loss allowance	(210,538)	(45,031)	(141,423)
Net carrying amount	-	229,912	10,873

17. OTHER ASSETS

	30 June 2020	31 December 2019
Consumables and other inventories	86,253	64,293
Prepayments	391,404	162,461
Other assets	272,472	228,368
Total	750,129	455,122

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

18. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Total
Balance at 1 January 2020				
Gross carrying amount	14,647,752	354,257	115,634	15,117,643
Accumulated depreciation	-	-	-	-
Net carrying amount	14,647,752	354,257	115,634	15,117,643
Acquisitions	-	58,578	29,563	88,141
Tangible assets in progress	94,623	10,566	-	105,189
Advances for tangible assets	70,546	-	-	70,546
Sales or scraps	-	-1,779	-	-1,779
Depreciation recorded during the year	(213,458)	(75,335)	(16,308)	(305,100)
Depreciation for the assets sold	-	316	-	316
Balance as at 30 June 2020				
Gross carrying amount	14,812,921	421,622	145,198	15,379,740
Accumulated depreciation	(213,458)	(75,019)	(16,308)	(304,784)
Net carrying amount	14,599,463	346,603	128,890	15,074,956
Balance at 1 January 2019				
Gross carrying amount	13,657,692	670,731	181,881	14,510,304
Accumulated depreciation	(776,061)	(405,664)	(93,577)	(1,275,302)
Net carrying amount	12,881,631	265,067	88,304	13,235,002
Acquisitions	1,528,354	76,340	9,351	1,614,045
Tangible assets in progress	94,623	-	-	94,623
Advances for tangible assets	86,668	-	-	86,668
Sales or scraps	(9,845)	(20,398)	(15,360)	(45,603)
Depreciation recorded during the year	(388,912)	(121,393)	(13,675)	(523,980)
Depreciation for the assets sold	2,009	18,319	13,550	33,878
Revaluation of assets in 2019	637,095	136,322	33,464	806,882
Balance at 31 December 2019				
Gross carrying amount	14,829,042	354,257	115,634	15,298,933
Accumulated depreciation	-	-	-	-
Net carrying amount	14,829,042	354,257	115,634	15,298,933

The Company has no restrictions on its property titles. There are no cases of assets pledged as security for liabilities recorded.

At 30 June 2020 and 30 June 2019, the Company did not record contractual obligations in respect to the purchase of tangible assets.

The latest revaluation of land and buildings owned by the Company was performed as at 31 December 2019, and the differences from the revaluation were recorded in other comprehensive income.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

19. INTANGIBLE ASSETS

	Licences	Other intangible assets	Total
Balance at 1 January 2020			
Gross carrying amount	390,755	806,601	1,197,356
Accumulated amortisation	(327,957)	(786,898)	(1,114,855)
Net carrying amount	62,798	19,703	82,501
Acquisitions	14,232	-	14,232
Sales or scraps	(2,522)	-	(2,522)
Depreciation recorded during the year	-	-	-
Depreciation for the assets sold	(17,961)	(6,080)	(24,041)
	2,356	-	2,356
Balance as at 30 June 2020	402,465	806,601	1,209,066
Gross carrying amount			
Accumulated amortisation	(343,562)	(792,978)	(1,136,540)
Net carrying amount	58,903	13,623	72,526
	Licences	Other intangible assets	Total
Balance at 1 January 2019			
Gross carrying amount	367,920	806,601	1,174,521
Accumulated amortisation	(310,508)	(774,737)	(1,085,245)
Net carrying amount	57,412	31,864	89,276
Acquisitions	35,797	-	35,797
Sales or scraps	(12,962)	-	(12,962)
Depreciation recorded during the year	(30,411)	(12,161)	(42,572)
Depreciation for the assets sold	12,962	-	12,962
Balance at 31 December 2019			
Gross carrying amount	390,755	806,601	1,197,356
Accumulated amortisation	(327,957)	(786,898)	(1,114,855)
Net carrying amount	62,798	19,703	82,501

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

20. FINANCIAL LIABILITIES

Description	30 June 2020	31 December 2019
Trade payables	887,963	926,034
Dividend payables	104,121,655	27,836,083
Collections made in advance from third parties	20	68,986
Liabilities with related parties	3,211	22,004
Total	105,012,849	28,853,107

21. OTHER LIABILITIES

	30 June 2020	31 December 2019
Salaries liabilities	369,755	423,230
Taxes payable	79,861	599,837
Social contributions owed to the state budget	322,566	492,022
Total	772,182	1,515,089

22. SHARE CAPITAL

The Company's statutory share capital as at 30 June 2020 is RON 216,244,380, out of which RON 216,244,380 represents the subscribed and paid-in share capital (registered with the Trade Register).

The subscribed and paid-in share capital is divided into 2,162,443,797 shares.

The Company's shares are common, registered and indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10 per share.

	30 June 2020	31 December 2019
Share capital registered with the Trade Register	216,244,380	218,428,666
Share capital according to IFRS	216,244,380	218,428,666

Shareholder structure as at 30 June 2020

Shareholders	Number	Shares	Percentage out of total shares (%)
Resident shareholders	6,964,802	2,074,696,542	95.94
individuals	6,964,553	1,133,784,311	52.43
legal persons	249	940,912,231	43.51
Non-resident shareholders	2,406	87,747,255	4.06
individuals	2,374	15,234,901	0.71
legal persons	32	72,512,354	3.35
TOTAL	6,967,208	2,162,443,797	100.00
individuals	6,966,927	1,149,019,212	53.14
legal persons	281	1,013,424,585	46.86

23. FAIR VALUE REVALUATION RESERVE FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The fair value revaluation reserve of financial assets measured at fair value through other comprehensive income is net of tax.

	30 June 2020	31 December 2019
Gross fair value revaluation reserve of financial assets measured at fair value through other comprehensive income	189,825,536	324,582,591
Deferred tax liabilities	(31,189,088)	(51,739,471)
Net reserve	158,636,448	272,843,120

This Note presents the changes in the fair value revaluation reserve of financial assets measured at fair value through other comprehensive income.

	Revaluation reserves for financial assets at fair value through other comprehensive income		
	Gross	Deferred tax	Total net
Balance as at 1 January 2020	324,582,591	(51,739,471)	272,843,120
Gains on changes in fair value from mark-to-market	(133,861,160)	20,632,117	(113,392,512)
Transfer of reserve to retained earnings as a result of the sale of financial assets measured at fair value through other comprehensive income	(895,895)	81,735	(814,160)
Balance as at 30 June 2020	189,825,536	(31,189,089)	158,636,448

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

24. REVALUATION RESERVE FOR PROPERTY, PLANT AND EQUIPMENT

The last revaluation of tangible assets was performed by the Company at 31 December 2019, through REVALTEX SRL (independent valuer – ANEVAR member), which resulted in an increase of the revaluation reserve by RON 806,882, namely 5.70%.

The revaluation reserves cannot be distributed to shareholders.

	Gross	Deferred tax	Total net
Balance as at 1 January 2019	11,493,427	(356,567)	11,136,860
Transfer of the reserve to retained earnings	(82,372)	-	(82,372)
Revaluation differences	-	376,905	376,905
Revaluation reserve 2019	806,882	-	806,882
Balance as at 31 December 2019	12,217,937	20,337	12,238,274
Balance as at 1 January 2020	11,493,427	(356,567)	11,136,860
Transfer of the reserve to retained earnings	(2,154)	-	(2,154)
Revaluation differences	-	-	-
Balance as at 30 June 2020	12,215,783	20,337	12,236,120

25. OTHER RESERVES

Other reserves have been created as a result of the statutory profit allocation.

	30 June 2020	31 December 2019
Legal reserves (i)	43,685,733	43,685,733
Reserves from previous years' profits	609,611,627	507,806,061
Other reserves (ii)	3,912,094	3,912,094
Total	657,209,454	555,403,888

- (i) The statutory legal reserves represent the accumulated transfers from the retained earnings made according to the local legislation. These reserves cannot be distributed to shareholders.
- (ii) Fiscal facility generated by favourable exchange rate differences.

26. OWN SHARES

During 22.02.2018 - 06.08.2018, the Company carried out a buy-back programme in accordance with the E.G.M.S. Resolution no. 1/15.12.2017. The buy-back programme was carried out through the financial services company WOOD & Company Financial Services that performed daily transactions on the market, with the following results:

1. Number of shares bought back – 21,842,867 (representing 1% of the share capital);
2. Average acquisition price – RON 0.2206 /share;
3. Total value of shares bought back – RON 4,818,103

The reduction of the company's share capital by RON 2,184,286.70, from RON 218,428,666.40 to RON 216,244,379.70 was registered during the month of February 2020.

This Note presents the value of shares bought back as at 30 June 2020.

	30 June 2020	31 December 2019
Own shares bought back	-	4,818,103
Total	-	4,818,103

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

27. TRANSACTIONS WITH RELATED PARTIES

Entities or persons are generally deemed as related parties if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Subsidiaries and associates are presented in Note 14.

The transactions with related parties recorded as at 30 June 2020, compared to 30 June 2019, were as follows:

Expenses with subsidiaries	Transaction type	30 June 2020	30 June 2019
International Trade Center& Logistic Aro Palace S.A.	Renting services	11,424	26,161
Cristiana	Accommodation services	17,469	27,565
Turism Felix S.A.	Rent, utilities	53070	81,943
	Accommodation services	-	279
Total		81,963	135,948

Expenses with subsidiaries are included in the "Other operating expenses", in the statement of profit or loss and other comprehensive income.

Expenses with associates	Transaction type	30 June 2020	30 June 2019
Turism Lotus Felix S.A.	Accommodation services	-	2,677
Transilvania Hotels&Travel S.A.	Provision of services	-	805
Total		-	3,482

During Q2 2020, the Company did not conclude any transaction with the members of the Supervisory Board, members of the Executive Board or employees.

Dividend income from subsidiaries as at 30 June 2020, compared to 30 June 2019 is presented as follows:

Dividend income from subsidiaries	30 June 2020	30 June 2019
GASTRONOM SA	1,788,260	1,096,656
CRISTIANA SA	920,460	3,068,200
UTILAJ GREU SA MURFATLAR	578,900	234,684
MECANICA CODLEA SA	314,617	305,593
GRUP BIANCA TRANS SA BRASOV	76,942	-
INTERNATIONAL TRADE&LOGISTIC CENTER	48,364	384,030
VIROLA INDEPENDENTA SIBIU	-	3,901,118
TRANSILVANIA LEASING&CREDIT IFN	-	353,282
Total	3,727,543	9,343,563

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Dividend income from associates is presented as follows:

Dividend income from associates	30 June 2020	30 June 2019
SOFT APLICATIV SI SERVICII SA	28,326	22,602
EMAILUL MEDIAS		806,373
Total	28,326	828,975

Dividend income from related parties are included in "Dividend Income", in the statement of Profit or Loss and other Comprehensive income.

Key persons with managerial responsibilities

Paid or payable fixed indemnities are presented as follows:

	30 June 2020	30 June 2019
Supervisory Board	1,875,081	1,577,442
Executive Board	1,240,293	1,532,736
Employees	2,435,454	2,387,133
Other collaborators	130,860	127,620
Total	5,681,688	5,624,931

The Company did not grant loans or advances to the Supervisory Board members and the Executive Board members (except for advances for salaries and/or transportation), therefore, at 30 June 2020 no such obligations were registered (also applicable for 30 June 2019).

During Q1 2019, the Company paid the gross amount of RON 7,000,000 representing variable remuneration approved by the O.G.M.S. of 24.04.2019, as follows: Supervisory Board - RON 2,119,762, Executive Board - RON 1,966,219 and employees - RON 2,914,019.

During Q2 2020, the Company did not conclude any transactions with the Supervisory Board members, the Executive Board members, the managers or employees.

28. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES

For the purposes of measurement, IFRS 9 "Financial Instruments" classifies the financial assets into the following categories: (a) financial assets measured at amortised cost, (b) financial assets measured at fair value through other comprehensive income, (c) financial assets at fair value through profit or loss and (d) financial liabilities at amortised cost. The following table provides a reconciliation of financial assets and liabilities with these measurement categories as at 30 June 2020:

	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Cash and cash equivalents	35,880,329	-	-	-	35,880,329
Financial assets measured at fair value through other comprehensive income	-	505,028,182	-	-	505,028,182
Financial assets at fair value through profit or loss	-	-	602,457,191	-	602,457,191
Bonds measured at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	3,573,753	-	-	-	3,573,753
Total financial assets	39,454,082	505,028,182	602,457,191	-	1,146,939,455
Financial liabilities (at amortised cost)	-	-	-	105,012,849	105,012,849
Total financial liabilities	-	-	-	105,012,849	105,012,849

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

28. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES (continued)

The table below presents a reconciliation of the financial assets and liabilities with measurement categories as at 31 December 2019:

	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Cash and cash equivalents	57,716,709	-	-	-	57,716,709
Financial assets measured at fair value through other comprehensive income	-	640,339,351	-	-	640,339,351
Financial assets at fair value through profit or loss	-	-	622,780,726	-	622,780,726
Bonds measured at fair value through profit or loss	-	-	2,090,066	-	2,090,066
Financial assets at amortised cost	364,961	-	-	-	364,961
Total financial assets	58,081,670	640,339,351	624,870,792	-	1,323,291,813
Financial liabilities (at amortised cost)	-	-	-	28,853,107	28,853,107
Total financial liabilities	-	-	-	28,853,107	28,853,107

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUES

29.1 Hierarchy analysis of the fair value of financial instruments measured at fair value

In compliance with IFRS 13, according to the input data used in the valuation model, the fair value levels are defined as follows:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs: unobservable inputs for the asset or liability.

To estimate the fair value that uses Level 1 inputs, the Company uses the closing prices on the domestic and/or foreign regulated trading systems.

According to the International Financial Reporting Standards, the fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Determining the significance level of the inputs in the fair value estimation process as a whole requires the use of professional judgement considering the specific factors due to the complexity of measuring such investments, as well as reflecting the fair value changes in the financial statements.

The fair value of the financial instruments held by S.I.F. Transilvania is estimated according to the valuation policy, the internal procedure and the related methodology.

The Company included the following financial instruments in the category of financial instruments whose estimated fair value uses Level 3 inputs in the fair value hierarchy:

- (i) Financial assets at fair value through other comprehensive income:
 - 1. Shares (participations in the share capital of issuers of less than 20% classified in this category);
- (ii) Financial assets at fair value through profit or loss:
 - 1. Shares (participations in the share capital of issuers of more than 20% and less than 20% classified in this category);
 - 2. Bonds and
 - 3. Fund units

The methodology for estimating the fair value takes into account the structure of the portfolio of financial instruments managed by SIF Transilvania, as well as the specifics of the investments held.

The data and information used in the process of estimating the fair value will be based on reliable and relevant sources or database, information that is relevant at the reference date. The data and information will be obtained from independent sources, if possible and appropriate.

The models used in the process of estimating the fair value depend on the quality, quantity and reliability of the available data and information as well as on the professional judgment.

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUES (continued)

29.1. Hierarchy analysis of the fair value of financial instruments measured at fair value (continued)

For *shares* whose estimated fair value uses Level 3 inputs, the following approaches have been considered:

- Market approach - comparison with transactions with shares issued by similar companies;
- Income approach - discounted cash flow method;
- Asset approach - adjusted net asset method.

For *bonds* whose estimated fair value uses Level 3 inputs, the Income approach has been considered.

For *fund units* whose estimated fair value uses Level 3 inputs, the Asset approach has been considered.

As at 30 June 2020, the Company owned financial assets measured at fair value classified on Level 1 and Level 3 in the fair value hierarchy, as follows:

FINANCIAL ASSETS	Level 1	Level 3	Total
Financial assets at fair value through other comprehensive income, out of which:	480,276,914	24,751,268	505,028,182
<i>Shares</i>	480,276,914	24,751,268	505,028,182
Financial assets at fair value through profit or loss, out of which:	225,915,750	376,541,441	602,457,191
<i>Shares</i>	225,915,750	345,456,841	571,372,591
<i>Fund units</i>	0	31,084,600	31,084,600
<i>Corporate bonds</i>	0	0	0
Total financial assets	706,192,664	401,292,709	1,107,485,373
NON-FINANCIAL ASSETS			
Property, plant and equipment	0	15,074,956	15,074,956
Total assets measured at fair value	706,192,664	416,367,665	1,122,560,329

During H1 2020, the following transfers between the two levels took place: COMCM SA and Fondul Inchis de Investitii Bet-Fi Index Invest have been transferred from Level 1 to Level 3 as a result of not being traded for a period longer than 30 days.

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUES (continued)

29.1. Hierarchy analysis of the fair value of financial instruments measured at fair value (continued)

As at 30 June 2019, the Company owned financial assets measured at fair value classified on Level 1 and Level 3 in the fair value hierarchy, as follows:

FINANCIAL ASSETS	Level 1	Level 3	Total
Financial assets at fair value through other comprehensive income, out of which:	441,163,191	25,310,390	466,473,581
<i>Shares</i>	<i>441,163,191</i>	<i>25,310,390</i>	<i>466,473,581</i>
Financial assets at fair value through profit or loss, out of which:	200,447,667	371,329,974	571,777,641
<i>Shares</i>	<i>200,447,667</i>	<i>332,836,615</i>	<i>533,284,282</i>
<i>Fund units</i>	<i>0</i>	<i>28,744,411</i>	<i>28,744,411</i>
<i>Corporate bonds</i>	<i>0</i>	<i>9,748,948</i>	<i>9,748,948</i>
Total financial assets	641,610,858	396,640,364	1,038,251,222
NON-FINANCIAL ASSETS			
Property, plant and equipment	-	13,448,828	13,448,828
Total assets measured at fair value	641,610,858	410,089,192	1,051,700,050

During H1 2019, no transfers between the two levels took place.

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUES (continued)

29.1. Hierarchy analysis of the fair value of financial instruments measured at fair value (continued)

The Company has estimated the fair value of its investments held in companies undergoing bankruptcy, insolvency or reorganisation procedures as zero, in accordance with the F.S.A. Regulation 9/2014 and the Company's internal procedures.

During H1 2020, the following movements in the assets included in Level 3 took place:

	Shares	Bonds	Fund units	Total
Balance as at 1 January 2020	350,166,808	2,090,066	33,594,072	385,850,946
Acquisitions during H1	-	-	12,667	12,667
Sales during H1	814,458	-	-	814,458
Bonds at maturity date	-	2,101,784	-	2,101,784
Transfers from level 3	19,437,240	-	1,201,590	20,638,830
Gain / (loss) recognised in:				
Net gain / (loss) from financial assets at fair value through other comprehensive income	(4,624,093)	-	-	(4,624,093)
Net gain / (loss) from financial assets at fair value through profit or loss	6,042,612	11,718	(3,723,729)	2,330,601
- realized gain	690,096	-	-	690,096
- unrealized gain	5,352,516	11,718	(3,723,729)	1,640,505
Balance as at 30 June 2020	370,208,109	0	31,084,600	401,292,709

29.2. Financial assets and liabilities not measured at fair value

The following table summarizes the fair value of those financial assets and financial liabilities that are not recognised at fair value in the statement of financial position of the Company. Purchase prices are used to estimate the fair values of assets and sale prices are applied for liabilities.

Assets and liabilities for which the fair value is presented as at 30 June 2020:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	6,021	35,874,308	-	35,880,329
Financial assets at amortised cost	-	-	3,573,753	3,573,753
Total financial assets	6,021	35,874,308	3,573,753	39,454,082
Financial liabilities				
Financial liabilities at amortised cost	-	-	105,012,849	105,012,849
Total financial liabilities	-	-	105,012,849	105,012,849

29.2. Financial assets and liabilities not measured at fair value (continued)

Assets and liabilities for which the fair value is presented as at 30 June 2019:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	10,394	28,559,102	-	28,569,496
Financial assets at amortised cost	-	-	2,846,700	2,846,700
Total financial assets	10,394	28,559,102	2,846,700	31,416,196
Financial liabilities				
Financial liabilities at amortised cost	-	-	35,807,574	35,807,574
Total financial liabilities	-	-	35,807,574	35,807,574

(i) *Cash and cash equivalents*

Cash and cash equivalents include petty cash and bank current account or bank deposits with original maturity less than 3 months. The fair value of the short-term deposits is equal to their carrying amount.

30. FINANCIAL RISK MANAGEMENT

The risk management activity is part of the Company's organizational structure and it encompasses both general and specific risks, as set forth in Law no. 297/2004, Law no. 74/2015 and NSC Regulation no. 15/2004, as further amended and supplemented.

In the process of identifying and assessing financial risks, as well as the ratios used in risk management, EU Directive 2011/61 regarding the managers of alternative investment funds (DAFIA), EU Regulation no. 231/2013, Directive no. 2013/36/EU on capital adequacy and EU Regulation no. 575/2013 regarding prudential requirements for credit institutions and investment companies were considered. In choosing the approach regarding the management of financial and operational risks, the application of the provisions of EU Directive 2011/61 regarding the managers of alternative investment funds, the references in DAFIA to Directive 2013/36/EU, the requirements regarding the risk management provided in EU Regulation no. 231/2013 in the case of SIF Transilvania were considered.

The most important financial risks to which the Company is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk. This note provides information regarding the Company's exposure to every risk mentioned above, the Company's objectives and policies, the risk assessment and risk management processes.

30.1 Credit risk

Credit risk is the risk of a financial loss of the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations. Issuer risk represents the risk of losing the value of a financial instrument in a portfolio, as a result of the deterioration of its economic-financial situation, which can be determined by the business conditions or the general situation of the economy.

The main concentration to which the Company is exposed arises from the Company's investments in corporate bonds. The Company is also exposed to counterparty credit risk on cash and cash equivalents and other financial assets.

The maximum amount of credit exposure is represented by the carrying amounts of the financial assets recognized in the statement of financial position. The Company is not exposed to credit risk from off-balance sheet.

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 Credit risk (continued)

The credit risk related to investment activities is managed in compliance with the market risk management procedures. This risk is controlled both through the manner of selecting the partners, by monitoring their activities and through the monitoring of the exposure limits.

Given that through its activity, the Company has long-term exposure in relation to its holdings in financial and non-financial entities, the Company's management is permanently reviewing the risk the Company is exposed to by maintaining it at prudent and manageable level. Thus, the Company's management uses from case to case, depending on the debtor/entity characteristics, appropriate instruments to reduce the credit risk and in the same time permanently monitors the debtor's financial evolution. As of today, the Company has not used derivative financial instruments in order to reduce the credit risk related to exposure to any debtor.

The maximum exposure to credit risk as at 30 June 2020 is the carrying amount of the financial assets as set out below:

	30 June 2020
Corporate bonds	-
Cash and cash equivalents	35,880,329
Financial assets at amortised cost	3,573,753
Total	39,453,902

These financial assets are neither impaired nor past due (Stage 1).

30.2 Market risk and position risk

Market risk is the present or future risk of recording losses related to balance sheet and off-balance sheet items due to adverse movements in market caused by changes in share prices, fluctuation of interest rates, exchange rates or price of goods. The Company's management sets the limits of the risk value that may be accepted, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements. As at 30.06.2020, within the approach based on the internally set limits, in respect of the market risk, the level of VaR indicator was 21.07%, above the maximum of 13.5% assumed by SIF Transilvania through the internally set limits. However, this overrun was not caused by the entry of high-risk instruments in the portfolio, but by the current trading conditions (the evolution of stock prices on a market facing crisis and the high volatility recorded by them). However, the VaR level falls within the level estimated in the crisis simulations performed (which took into account the reaction of the market value of the portfolio of shares listed on a regulated market to a decline in local capital market indices of 17.23% for BET-XT index and 18.30% for BET-TR index), respectively an estimated VaR of 50.39%. Given the current context, generated by extreme volatility in financial markets and the unpredictability of a financial market in crisis, there is a high probability that, at least in the coming months, the risk limits remain at crisis-specific levels. The Value at Risk (VaR) indicator measures the risk afferent to a portfolio for short periods assuming normal market conditions.

Position risk is associated with the portfolio of financial instruments quoted on a regulated market, measured at fair value and which uses Level 1 inputs, held by the Company with intention to benefit from favourable performance of prices of the financial assets or from potential dividends/coupons granted by entities. The Company is exposed to both general and specific position risk, due to short-term investments made in bonds and quoted shares and fund units.

The Company's management permanently seeks to minimize the potential adverse effects associated to this financial risk, through an active policy of diversifying the investment portfolio and by using one or more technics of diminishing the risk, depending on the dynamics of the trading venues or of the evolution of the market prices of the financial instruments held by the Company.

30.3 Concentration risk

Concentration risk relates to all financial assets held by the Company regardless the holding period and, by diminishing this risk, the Company seeks to avoid large exposure against the same debtor/entity at the Company level.

The Company's policy on diversifying exposures is applied to the portfolio structure, the business model structure as well as to the structure of financial risks exposure. Thus, this diversifying policy implies: diversifying the portfolio by avoiding excessive exposures against the same debtor, issuer or geographical area; diversifying the business plan structure implies avoiding at Company's level excessive exposure against a specific type of business or sector; diversifying the structure of financial risks intends to avoid excessive exposure against a specific type of financial risk.

In order to reach this goal, starting 2014, the Company has initiated a process of restructuring the portfolio and re-modelling the business policies. As at 30.06.2020 the portfolio recorded concentrations on the financial sector - as the main income-generating sector and on the tourism sector - due to the historical holdings of SIF Transilvania. From the information available at this time, the collection of dividends in the financial year 2020 from the issuers in the financial sector is not maintained in line with the previous financial years, as the shareholders general meetings of these issuers approved the distribution of the profit to retained earnings and not dividend distributions to shareholders. These sectors are included in the portfolio restructuring programmes, consisting in sales on the market and reduction of their weight in total portfolio by increasing the weight of other sectors in the total portfolio.

30.4 Currency risk

The Company is slightly exposed to exchange rate fluctuations, primarily in the case of shares acquired from foreign markets, foreign currency current accounts, receivables and liabilities in other currencies, as well as receivables and liabilities in RON, but which according to contracts are consolidated in relation to other currencies, usually EUR and/or USD.

The Company did not use and is not currently using derivative financial instruments to protect itself from exchange rate fluctuations against other currencies.

By computing and monitoring the foreign currency net position and the foreign currency rate volatility, the Company aims to maintain a balance between foreign currency assets and liabilities against total assets and liabilities of the Company.

The Company's financial assets and liabilities, held in RON and in foreign currencies, as at 30 June 2020 are the following:

	RON	EUR	GBP	CAD	USD	Total
Financial assets						
Cash and bank accounts	28,359,122	2,307,792	511	-	5,212,904	35,880,329
Financial assets at fair value through other comprehensive income	505,028,182	-	-	-	-	505,028,182
Financial assets at fair value through profit or loss	600,960,728	532,043	-	-	964,420	602,457,191
Bonds measured at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost	3,557,284	16,469	-	-	-	3,573,753
Total financial assets	1,137,905,316	2,856,304	511	-	6,177,324	1,146,939,455
Financial liabilities						
Financial liabilities at amortised cost	105,012,849	-	-	-	-	105,012,849
Total financial liabilities	105,012,849	-	-	-	-	105,012,849
Net foreign currency position	1,032,892,467	2,856,304	511	-	6,177,324	1,041,926,606

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

30. FINANCIAL RISK MANAGEMENT (continued)

30.4 Currency risk (continued)

The Company's financial assets and liabilities held in RON and in foreign currencies as at 30 June 2019 can be analysed as follows:

	RON	EUR	GBP	CAD	USD	Total
Financial assets						
Cash and bank accounts	119,904,591	5,909,251	509	-	3,130,073	128,944,424
Financial assets at fair value through other comprehensive income	466,473,581	-	-	-	-	466,473,581
Financial assets at fair value through profit or loss	557,796,447	1,649,929	-	483,311	2,099,006	462,028,693
Bonds measured at fair value through profit or loss	7,660,284	2,088,664	-	-	-	9,748,948
Financial assets at amortised cost	6,883,266	-	-	-	22,422	6,905,688
Total financial assets	1,160,806,833	7,559,180	509	483,311	5,251,501	1,174,101,334
Financial liabilities						
Financial liabilities at amortised cost	61,980,755	-	-	-	-	61,980,755
Total financial liabilities	61,980,755	-	-	-	-	61,980,755
Net foreign currency position	1,098,826,078	7,559,180	509	483,311	5,251,501	1,112,120,579

30.5 Interest rate risk

Interest rate risk is the current or future risk that profits and equity are negatively affected by adverse changes in interest rates. The Company's operational cash flows are affected by interest rates fluctuations, especially in the case of cash placed in bank deposits and corporate bonds.

Based on interest rate management strategy, the Company aims to optimize the gap between the assets and liabilities that are sensitive to interest rate fluctuation, overall and on time horizon, so as the impact of interest rate fluctuation on the net interest income is minimum, thus ensuring the risk impact is maintained within limits. The Company did not use and is not using at this date derivative financial instruments to protect against interest rate fluctuation.

The Company adopted risk management policies as well as a procedure on risk management, with focus on prudential diversification of the portfolio, in the context of both capital market regulator's requirements and financial markets evolution.

The table below shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during H1 2020:

	RON		EUR	
	Interval Min	Max	Interval Min	Max
Financial assets				
Cash and cash equivalents	1.00	2.40	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Bonds measured at fair value through profit or loss	-	-	5.91	5.93

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 5 Interest rate risk (continued)

The table below shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during H1 2019:

	RON		EUR	
	Interval Min	Max	Interval Min	Max
Financial assets				
Cash and cash equivalents	0.60	2.95	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Bonds measured at fair value through profit or loss	-	7.00	5.98	6.01

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Interest rate risk (continued)

The table below summarizes the Company's exposure to interest rate risks. The table presents the Company's assets and liabilities at carrying amounts, classified according to the most recent date between the date of the change in interest rates and the maturity date.

30 June 2020	< 1 month	1 month- 3 months	3 months- 1 year	1 year – 5 years	No interest	Total
Financial assets						
Cash and bank accounts	35,874,308	-	-	-	6,021	35,874,308
Financial assets at fair value through other comprehensive income	-	-	-	-	505,028,182	505,028,182
Financial assets at fair value through profit or loss	-	-	-	-	602,457,191	602,457,191
Bonds measured at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	3,573,753	3,573,753
Total financial assets	35,874,308	-	-	-	1,111,065,147	1,146,939,455
Financial liabilities						
Financial liabilities at amortised cost	-	-	-	-	105,012,849	105,012,849
Total financial liabilities	-	-	-	-	105,012,849	105,012,849
Net position	35,874,308	-	-	-	1,006,052,298	1,041,926,606

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Interest rate risk (continued)

30 June 2019	< 1 month	1 month- 3 months	3 months- 1 year	1 year – 5 years	No interest	Total
Financial assets						
Cash and bank accounts	128,934,008	-	-	-	10,416	128,944,424
Financial assets at fair value through other comprehensive income	-	-	-	-	466,473,581	466,473,581
Financial assets at fair value through profit or loss	-	-	-	-	562,028,693	562,028,693
Bonds measured at fair value through profit or loss	-	-	9,748,948	-	-	9,748,948
Financial assets at amortised cost	-	-	-	-	6,905,688	6,905,688
Total financial assets	128,934,008	-	9,748,948	-	1,035,418,378	1,174,101,334
Financial liabilities						
Financial liabilities at amortised cost	-	-	-	-	61,980,755	61,980,755
Total financial liabilities	-	-	-	-	61,980,755	61,980,755
Net position	128,934,008	-	9,748,948	-	973,437,623	1,112,120,579

30. FINANCIAL RISK MANAGEMENT (continued)

30.6 Liquidity risk

Liquidity risk is the current or future risk that profits and equity are negatively affected by the Company's inability to meet its obligations at maturity.

The focus was placed on the Company's ability to invest in liquid assets in a reasonable period, enabling the Company to face easier the challenges on the financial markets such as high volatility, discrepancies between markets, reduced level of transactions on Bucharest Stock Exchange, inability of liquidity suppliers /market makers to perform their roles, etc.

The Company's strategy on liquidity risk management is focused on portfolio restructuring, so that the most important weight in portfolio, both in terms of quantity and value, is represented by assets with high liquidity.

The table below presents the financial liabilities as at 30 June 2020 according to their remaining contractual maturities. The amounts included in the table are undiscounted future cash flows. Undiscounted future cash flows are different to the amounts from the statement of financial position because the amount from the later represents discounted cash flows.

However, given that the Company's only financial liabilities are represented by trade payables, the expected future cash flows are similar with the carrying amounts of these items.

The table below presents an analysis of non-derivative financial assets at their carrying value and according to their contractual maturities. These financial assets are included in the maturity analysis according to the future expected sale day.

When the payable amount is not fix, the amount presented is determined based on the existing conditions at the end of the reporting period. The payments in foreign currency are translated using the exchange rate at the end of the reporting period.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

30. FINANCIAL RISK MANAGEMENT (continued)

30.6 Liquidity risk (continued)

30 June 2020	< 1 month	1 month- 3 months	3 months – 1 year	1 year- 5 years	No fixed maturity	Total
Financial assets						
Cash and bank accounts	35,880,329	-	-	-	-	35,880,329
Financial assets at fair value through other comprehensive income	-	-	-	-	505,028,182	505,028,182
Financial assets at fair value through profit or loss	-	-	-	-	602,457,191	602,457,191
Bonds measured at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost	-	-	3,573,753	-	-	3,573,753
Total financial assets	35,880,329	-	3,573,753	-	1,107,485,373	1,146,939,455
Financial liabilities						
Financial liabilities at amortised cost	891,194	104,121,655	-	-	-	105,012,849
Total financial liabilities	891,194	104,121,655	-	-	-	105,012,849
Net liquidity impact	34,989,135	(104,121,655)	3,573,753	-	1,107,485,373	1,041,926,606

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020
(All amounts are expressed in RON, unless otherwise stated)

30. FINANCIAL RISK MANAGEMENT (continued)

30.6 Liquidity risk (continued)

30 June 2019	< 1 month	1 month- 3 months	3 months – 1 year	1 year- 5 years	No fixed maturity	Total
Financial assets						
Cash and bank accounts	118,398,432	-	-	-	10,545,992	128,944,424
Financial assets at fair value through other comprehensive income	-	-	-	-	466,473,581	466,473,581
Financial assets at fair value through profit or loss	-	-	-	-	562,028,693	562,028,693
Bonds measured at fair value through profit or loss	-	-	9,748,948	-	-	9,748,948
Financial assets at amortised cost	-	-	-	-	6,905,688	6,905,688
Total financial assets	118,398,432	-	9,748,948	-	1,045,953,954	1,174,101,334
Financial liabilities						
Financial liabilities at amortised cost	680,515	-	61,300,240	-	-	61,980,755
Total financial liabilities	680,515	-	61,300,240	-	-	61,980,755
Net liquidity impact	117,717,917	-	(51,551,292)	-	1,045,953,954	1,112,120,579

30. FINANCIAL RISK MANAGEMENT (continued)

30.7 Business environment

In the last years, the European financial sector faced a significant public debt crisis, triggered by major fiscal imbalance and high public debt in several European countries. Current fears that deteriorating financial conditions could contribute to a further reduction at a later stage of the investor confidence, led to a joint effort of governments and central banks to adopt special measures to counter the vicious circle of increasing risk aversion to ensure the normal operation of the market.

The Company's debtors can also be affected by the liquidity crisis that could affect their ability to pay their own current liabilities. The deterioration of the operating conditions of creditors is also affecting the management of cash flow forecasts and the assessment of the impairment of financial and non-financial assets. To the extent to which that information is available, the Company's management has reflected the revised estimates of future cash flows in its investment impairment policy.

30.8 Capital adequacy

As regards the financial risks to which it is exposed, SIF Transilvania applied in H1 2020 also a capital-based approach, according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms. The impact of financial risks takes into account the size of the financial resources that are affected by the respective financial risks (resulting from dividing the level of the capital adequacy ratio by the minimum level required by law, i.e. 8%). SIF Transilvania's intention is that the solvency ratio, determined as a ratio between capital requirements afferent to the financial risks and own funds (financial resources), is at least three times than the required minimum level (resulting in a minimum of 24% of the capital adequacy). As at 30.06.2020, S.I.F. Transilvania recorded a high level of capital adequacy ratio, i.e. 37.98%. The level of the capital adequacy ratio indicates that the financial institution has a level of potential losses afferent to the financial risks to which it is exposed that can be covered by its own funds.

SIF Transilvania's own funds as at 30 June 2020, calculated in accordance with the methodology laid down in EU Regulation no. 575/2013, amounted to RON 522,637,273. SIF Transilvania's own funds are Level 1 own funds, namely share capital, reserves, retained earnings, other comprehensive income, less the deductions provided for by the same regulation.

31. CAPITAL MANAGEMENT

The Company's objectives related to capital management are to protect the Company's ability to continue as a going concern in order to provide added value for shareholders and benefits for other users of information regarding the Company's activity, as well as to maintain an optimal capital structure so as to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may opt to adjust the amount of dividends to be paid to shareholders, to change the added value created for shareholders, to issue shares or to sell assets in order to reduce debt. The equity managed by the Company as at 30 June 2020 amounted to RON 1,024,788,945 (30 June 2019: RON 1,091,963,508).

Consistent with others in the industry, the Company monitors the capital on net asset value per share basis. This value is calculated as a ratio between total net assets and the number of shares issued by the Company.

32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1. Litigations

During 2020, the Company continued to be involved in legal actions specific to the activity performed. The Company's management believes that these litigations will not have a material adverse effect on the economic and financial position of the Company, as reflected in these financial statements. As at 30 June 2020, the Company did not create any provision for litigation (also applicable for 30 June 2019).

During the reviewed period, the number of litigations in which the Company was involved and the structure thereof were similar to those recorded in the previous year, the litigations for defending the company's corporate rights and the litigations for protecting other rights of the Company being predominant.

32.2 Contingent liabilities

As at 30 June 2020, the Company did not record contingent liabilities.

32.3 Transfer pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the "market value" principle in relation to transactions between affiliates, as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Company cannot measure the result of such verifications.

33. SUBSEQUENT EVENTS

In accordance with the Resolution of the General Meeting of Shareholders of 28 April 2020, the Company will allocate the net profit achieved in the financial year 2019 as follows:

No.	Destination	Amount (RON)
1.	Legal reserves	591,140
		76,766,755
2.	Dividends	(RON 0.0355 /share)
3.	Other reserves – own financing sources from profit	104,439,382
	TOTAL profit, achieved and allocated	181,797,277

The Company registered no other subsequent events requiring adjustments or presentation in the financial statements.

STATEMENT

The undersigned, Marius Adrian Moldovan -Executive President/CEO and Radu Claudiu Roşca-Executive Vice President/Deputy CEO, in our capacity as legal representatives of SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A., with its headquarters in Brasov, 2, Nicolae Iorga Street, Unique Registration Code 3047687, under article 126 (1) of the F.S.A. Regulation no.5/2018 on issuers of financial instruments and market operations

we hereby give this statement on the extent to which the half-year financial statements reflect in an accurate manner, from all significant points of view, the Company's financial position as at 30 June 2020 and the result of its operations completed at this date in accordance with the provisions of the Romanian accounting rules, namely the Accounting Law no. 82/1991, republished and the F.S.A. Rule no. 39/2015 on the approval of the Accounting regulations complying with the I.F.R.S. applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from the Financial Instruments and Investments Sector.

We hereby declare that we take full responsibility for the preparation of the separate half-year financial statements as at 30 June 2020 and we confirm that:

a) The accounting policies used to prepare the separate half-year financial statements are compliant with the Accounting regulations approved by the F.S.A. Rule no. 39/2015;

b) The separate half-year financial statements as at 30 June 2020, prepared by the Company under the legal regulations in force mentioned above, provide a fair, accurate and reality-based image of the Company's assets, liabilities, financial position, profit or loss and other comprehensive income, changes in the shareholders' equity, cash flows, informative data, statement of non-current assets and of the other information included in the explanatory notes;

c) The Executive Board's Report (accompanying the half-year financial statements) comprises a correct analysis of the Company's development and achievements and describes the main risks and uncertainties specific to the activity carried out by the Company as "Other collective investment undertakings" with a diversified investment policy, set up by Articles of Incorporation;

d) The Company carries out its activity under the going concern principle.

Therefore, on behalf of the Company's Executive Board, we give this statement that will accompany the separate half-year financial statements as at 30 June 2020.

The half-year financial statements are not audited.

Ec. Marius-Adrian Moldovan
Executive President/CEO

Ec. Radu Claudiu Roşca
Executive Vice President/Deputy CEO



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



According to the F.S.A. Regulation no. 9/2014

Certified by BRD - Groupe Société Générale S.A. Bucharest

STATEMENT OF ASSETS AND LIABILITIES OF S.I.F. TRANSILVANIA			
as of June 30, 2020			
		RON	% of total assets
1	NON-CURRENT ASSETS, of which:	232,559,672	20.00
1.1	Intangible Assets	72,526	0.01
1.2	Tangible Assets	15,074,956	1.30
1.3	Financial Non-Current Assets, of which:	217,412,190	18.70
1.3.1	Listed Shares	120,498,765	10.36
1.3.2	Unlisted Shares	68,906,917	5.93
1.3.3	Government Securities	0	0.00
1.3.4	Certificates of Deposit	0	0.00
1.3.5	Bank Deposits (Guarantees)	4,215	0.00
1.3.6	Municipal Bonds	0	0.00
1.3.7	Corporate Bonds (including Accrued Interest)	0	0.00
1.3.8	Newly Issued Securities	0	0.00
1.3.9	UCITS and/or non-UCITS Equity Securities	27,976,988	2.41
1.3.10	Other Non-Current Financial Assets - Total, of which:	25,305	0.00
1.3.10.1	Shares and Bonds from subscription to public offerings, share capital increases and bond issues (subscribed amount)	0	0.00
1.3.10.2	Shares from dividend capitalization (valued amount)	0	0.00
1.3.10.3	Shares Receivable (valued amount)	0	0.00
1.3.10.4	Other Non-Current Financial Assets	25,305	0.00

2	CURRENT ASSETS, of which:	930,002,495	79.97
2.1	Inventory	86,253	0.01
2.2	Receivables- Total, of which:	3,933,210	0.34
2.2.1.	Bills of Exchange Receivable	0	0.00
2.2.2.	Dividends or Other Receivable Rights	3,075,027	0.26
2.2.3.	Amounts Receivable from the sale of shares with settlement date in the next month	0	0.00
2.2.4.	Other Receivables	858,183	0.07
2.3	Cash and Cash Equivalents	8,919,099	0.77
2.4	Short-term Financial Investments, of which:	920,242,596	79.13
2.4.1	Listed Shares	875,511,289	75.28
2.4.2	Unlisted Shares	0	0.00
2.4.3	Municipal Bonds	0	0.00
2.4.4	Corporate Bonds	0	0.00
2.4.5	UCITS and/or non-UCITS Equity Securities	44,731,307	3.85
2.4.6	Preference Rights	0	0.00
2.5	Newly Issued Securities	0	0.00
2.6	Government Securities	0	0.00
2.7	Bank Deposits	26,962,324	2.32
2.8	Certificates of Deposit	0	0.00
2.9	Other Current Assets	-30,140,987	-2.59
3	Derivatives	0	0.00
4	Prepaid Expenses	390,697	0.03
5	TOTAL ASSETS	1,162,952,864	100.00
6	TOTAL LIABILITIES, of which:	138,163,919	
6.1	Debenture Loans	0	
6.2	Amounts Owed to Credit and Leasing Institutions	0	
6.3	Advance Payments from Customers	20	

6.4	Trade Liabilities	230,333	
6.5	Bills of Exchange Payable	0	
6.6	Amounts Owed to Group Companies	3,211	
6.7	Amounts Owed related to Participation Interests	0	
6.8	Other Liabilities-Total, of which:	137,930,355	
6.8.1	Dividends Payable	104,121,655	
6.8.2	Amounts Subscribed and not paid-in to share capital increases and bond issues	0	
6.8.3	Amounts Payable for Acquisition of Shares with settlement date in the next month	0	
6.8.4	Other Liabilities	33,808,700	
7	PROVISIONS FOR EXPENSES AND TAXES	0	
8	DEFERRED INCOME, of which:	0	
8.1	Investment Subsidies	0	
8.2	Deferred income	0	
9	SHAREHOLDERS' EQUITY, of which:	1,024,788,945	
9.1	Subscribed and Paid-in Share Capital	216,244,380	
9.2	Changes in the Fair Value of non-monetary financial assets measured at fair value through other comprehensive income	158,636,448	
9.3	Premium related to Capital	0	
9.4	Revaluation Differences	12,236,120	
9.5	Reserves	657,209,454	
9.6	Retained Earnings	21,061,032	
9.6.1	Retained Earnings (including from the application of IFRS 9)	21,061,032	
9.6.2	Retained Earnings- Profit Carried Forward	0	
9.7	Profit (loss) for the Period	-40,598,489	
9.8	Profit Appropriation (to be deducted)	0	
9.9	Own shares	0	
10	Total Liabilities and Shareholders' Equity	1,162,952,864	

11	NET ASSET VALUE	1,024,788,945	
12	NUMBER OF SHARES ISSUED AND OUTSTANDING	2,162,443,797	
13	NET ASSET VALUE PER SHARE (RON/share)	0.4739	
14	Number of Companies in Portfolio- total, of which:	97	
14.1	Companies Admitted to trading on a Regulated Market	29	
14.2	Companies Admitted to trading on an Alternative Trading System	28	
14.3	Companies not Admitted to Trading	40	
15	Number of Companies for which Financial Statements have not been available*	0	
16	Number of Investment Funds in which the Company holds Fund Units- total, of which:	4	
16.1	Number of Open-End Investment Funds in which the Company holds Fund Units	1	
16.2	Number of Closed-End Investment Funds in which the Company holds Fund Units	3	

* These companies are included in NAV at zero (0) value.

Note: The methodology for the calculation of the net asset value is available on the Company's website: www.siftransilvania.ro – “Rules and methods regarding the valuation of S.I.F. Transilvania’s financial assets”.

EXECUTIVE PRESIDENT/CEO

Marius Adrian MOLDOVAN

EXECUTIVE VICE PRESIDENT/

Deputy CEO

Radu Claudiu Roşca

Certified by the

Depository Company

BRD-Groupe Société

Générale S.A. Bucharest

Director Claudia

IONESCU

FINANCIAL MANAGER,

Diana VEREŞ

PORTFOLIO MANAGEMENT DIVISION

Manager

Sorin Ion Rădulescu

This is a translation of the "Statement of assets and liabilities of SIF Transilvania as at 30.06.2020" which was prepared in Romanian. In case of discrepancies between the Romanian version and the English version, the Romanian version shall prevail.



According to Annex no. 17
to the N.S.C. Regulation 15/2004

REPORT AS AT 30 JUNE 2020 Statement of Assets

RON 1,339,128,369 Total Assets (Annex 16) = RON 1,162,952,864

RON 1,255,546,700 Net Assets (Annex 16) = RON 1,024,788,945

Item		Beginning of the reporting period				End of the reporting period				Differences
		% of net assets	% of total assets	Currency - (equivalent in RON)	RON	% of net assets	% of total assets	Currency - (equivalent in RON)	RON	% of net assets
1	2	3	4	5	6	7	8	9	10	11
I.	Total assets	106.66	100.00	15,061,219	1,324,067,150	113.48	100.00	9,367,091	1,153,585,773	-176,175,505
1.	Securities and money market instruments, of which:	93.27	87.45	5,650,758	1,165,360,042	97.19	85.64	1,675,766	994,334,287	-175,000,747
1.1.	Securities and money market instruments admitted or traded on a regulated market in Romania, of which:	92.82	87.02	-	1,165,360,042	97.03	85.50	-	994,334,287	-171,025,755
1.1.1.	- shares	92.82	87.02	-	1,165,360,042	97.03	85.50	-	994,334,287	-171,025,755
1.1.2.	- bonds	-	-	-	-	-	-	-	-	-
1.2.	Securities and money market instruments admitted or traded on a regulated market in a member state, of which:	0.35	0.33	4,367,086	-	0.07	0.06	711,346	-	-3,655,740



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



1.2.1.	- shares	0.35	0.33	4,367,086	-	0.07	0.06	711,346	-	-3,655,740
1.2.2.	- bonds	-	-	-	-	-	-	-	-	-
1.3.	Securities and money market instruments admitted to a stock exchange in a non-member state or negotiated on another regulated market in a non-member state	0.10	0.10	1,283,673	-	0.09	0.08	964,420	-	-319,252
1.3.1.	- shares	0.10	0.10	1,283,673	-	0.09	0.08	964,420	-	-319,252
1.3.2.	- bonds	-	-	-	-	-	-	-	-	-
2.	Newly issued securities	-	-	-	-	-	-	-	-	-
3.	Other securities and money market instruments referred to in art. 187 indent a), of which:	6.43	6.03	2,180,656	78,595,714	6.72	5.93	153,648	68,753,269	-11,869,452
3.1.	- securities: unlisted shares	6.27	5.88	151,652	78,595,714	6.72	5.93	153,648	68,753,269	-9,840,449
3.2.	- unlisted bonds	0.16	0.15	2,029,004	-	-	-	-	-	-2,029,004
4.	Bank deposits, of which:	3.90	3.65	-	48,912,249	2.63	2.32	-	26,962,324	-21,949,925
4.1.	bank deposits held at credit institutions in Romania, total, of which:	3.90	3.65	-	48,912,249	2.63	2.32	-	26,962,324	-21,949,925
4.1.1.	- bank deposits in RON	3.90	3.65	-	48,912,249	2.63	2.32	-	26,962,324	-21,949,925
5.	Derivatives traded on a regulated market	-	-	-	-	-	-	-	-	-
6.	Current bank accounts and cash, total, of which:	0.70	0.66	7,218,932	1,585,528	0.87	0.77	7,521,207	1,397,892	114,640
6.1.	in RON	0.13	0.12	-	1,585,528	0.14	0.12	-	1,397,892	-187,636
6.2.	in USD, equivalent in RON	0.39	0.37	4,888,468	-	0.51	0.45	5,212,904	-	324,436
6.3.	in EUR, equivalent in RON	0.19	0.17	2,329,923	-	0.23	0.20	2,307,792	-	-22,131
6.4.	in GBP, equivalent in RON	0.00	0.00	541	-	0.00	0.00	512	-	-30



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



7.	Money market instruments, other than those traded on a regulated market, in accordance with article 101 paragraph (1) indent g) of Law no. 297/2004 - Government securities	0.00	0.00	-	0	0.00	0.00	-	0	0
8.	Equity securities held with NON-UCITS/ UCITS, total, of which:	6.34	5.94	-	79,567,942	7.09	6.25	-	72,708,295	-6,859,648
8.1.	Shares listed on BSE	3.56	3.34	-	44,741,470	4.06	3.58	-	41,623,695	-3,117,775
8.2.	Fund units – Investment Funds	2.77	2.60	-	34,826,472	3.03	2.67	-	31,084,600	-3,741,873
9.	Other assets (amounts in transit, amounts at distributors, amounts at financial investment service firms, tangible and intangible assets, receivables, etc.)	-3.98	-3.73	10,873	-49,954,325	-1.03	-0.91	16,469	-10,570,294	39,389,627

Net Asset Value per Share

Item	30.06.2020	28.06.2019	Differences
Net Asset Value	1,024,788,945	1,091,950,250	-67,161,305
Number of issued shares	2,162,443,797	2,162,443,797	0
Net Asset Value per share (RON/share)	0.4739	0.5050	-0.0311



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



Detailed Statement of Investments

Securities admitted or traded on a regulated market in Romania										
No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value RON/share	Share value RON/share	Total value - RON -	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
Securities and money market instruments admitted or traded on a regulated market in Romania										
1	ALUMIL ROM INDUSTRY BUCURESTI	ALU	29/06/2020	323,367	0.2000	0.8450	273,245.12	1.035	0.02	0.03
2	ANTIBIOTICE	ATB	30/06/2020	21,907,119	0.1000	0.5350	11,720,308.67	3.263	1.01	1.14
3	ARMAX GAZ SA	ARAX	30/06/2020	88,135	10.0000	1.3100	115,456.85	1.435	0.01	0.01
4	ARO-PALACE SA	ARO	03/04/2020	345,704,600	0.1000	0.1058	36,575,546.68	85.740	3.15	3.57
5	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	BRD	30/06/2020	22,903,889	1.0000	11.5600	264,768,956.84	3.287	22.77	25.84
6	BANCA TRANSILVANIA SA	TLV	30/06/2020	13,350,774	1.0000	2.1300	28,437,148.62	0.256	2.45	2.77
7	BIROUL DE TURISM PENTRU TINERET (BTT) SA	BIBU	09/03/2020	576,540	2.5000	0.0000	0.00	10.644	0.00	0.00
8	BURSA DE VALORI BUCURESTI SA	BVB	30/06/2020	681,769	10.0000	24.1000	16,430,632.90	8.470	1.41	1.60
9	CASA ALBA INDEPENDENTA SIBIU	CAIN	26/06/2020	782,468	2.5000	48.0000	37,558,464.00	53.348	3.23	3.66
10	CASA DE BUCOVINA-CLUB DE MUNTE SA	BCM	29/06/2020	4,000,000	0.1000	0.0800	320,000.00	2.390	0.03	0.03
11	COCOR SA	COCR	22/06/2020	30,911	40.0000	78.5000	2,426,513.50	10.246	0.21	0.24
12	COMCM SA CONSTANTA	CMCM	05/05/2020	134,049,930	0.1000	0.1569	21,032,434.02	56.725	1.81	2.05
13	COMP.NAT.DE TRANSP.A ENERGIEI EL.TRANSELECTRICA SA	TEL	30/06/2020	94,165	10.0000	20.3000	1,911,549.50	0.128	0.16	0.19
14	COMPA SA SIBIU	CMP	30/06/2020	3,353,936	0.1000	0.6300	2,112,979.68	1.533	0.18	0.21
15	CONCAS SA	CONK	17/10/2013	336,756	2.5000	36.5327	12,302,605.92	47.207	1.06	1.20
16	CONDMAG BRASOV	COMI	29/06/2020	19,000,000	0.1000	0.0085	161,500.00	4.982	0.01	0.02

CUI / CIF: RO 3047687 • R.C. J08/3306/92 • Capital social subscris și vărsat: 216.244.379,70 lei • Număr Registru A.S.F.: PJR09SIIR/080004/06.03.2006
IBAN: RO08 RNCB 0053 0085 8144 0001, BCR Braşov • Codul LEI (Legal Entity Identifier): 254900E2IL36VM93H128
Autorizată ca A.F.I.A. conform Autorizației A.S.F. nr. 40/15.02.2018 • Înscrisă în Registrul A.S.F. cu nr. PJR07'AFIAA/080005/15.02.2018



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



17	CONPET SA PLOIESTI	COTE	30/06/2020	12,552	3.3000	77.8000	976,545.60	0.145	0.08	0.10
18	DIGI Communications N.V.	DIGI	30/06/2020	50,000	0.0100	35.0000	1,750,000.00	0.141	0.15	0.17
19	DORNA TURISM SA	DOIS	04/05/2020	455,793	2.5000	8.4432	3,848,351.46	32.014	0.33	0.38
20	DUPLEX SA	DUPX	12/03/2020	32,772	2.5000	10.2401	335,588.56	26.867	0.03	0.03
21	ELECTROMAGNETICA S.A.	ELMA	30/06/2020	5,426,452	0.1000	0.1330	721,718.12	0.803	0.06	0.07
22	EMAILUL SA	EMAI	29/06/2020	729,551	2.5000	12.6000	9,192,342.60	28.926	0.79	0.90
23	FEPER SA	FEP	09/06/2020	312,123,729	0.1000	0.1640	51,188,291.56	85.800	4.40	5.00
24	GASTRONOM SA	GAOY	15/06/2020	215,453	2.5000	75.0000	16,158,975.00	70.288	1.39	1.58
25	INDEPENDENTA SA	INTA	24/06/2020	1,530,636	2.5000	3.8000	5,816,416.80	53.301	0.50	0.57
26	MECANICA CODLEA SA	MEOY	11/05/2020	60,156,150	0.1000	0.0781	4,698,195.32	81.072	0.40	0.46
27	MECON SA	MECP	12/03/2020	58,966	11.6000	26.4802	1,561,431.47	12.284	0.13	0.15
28	MED LIFE S.A.	M	30/06/2020	50,000	0.2500	35.0000	1,750,000.00	0.249	0.15	0.17
29	NEPTUN-OLIMP SA	NEOL	10/06/2020	30,194,757	0.1000	0.6300	19,022,696.91	41.185	1.64	1.86
30	OIL TERMINAL	OIL	30/06/2020	8,249,697	0.1000	0.2000	1,649,939.40	1.416	0.14	0.16
31	OMV PETROM SA BUCURESTI	SNP	30/06/2020	245,991,554	0.1000	0.3240	79,701,263.50	0.434	6.85	7.78
32	ORGANE DE ASAMBLARE SA	ORAS	15/06/2020	129,845,110	0.1000	0.0900	11,686,059.90	95.697	1.00	1.14
33	PRAHOVA ESTIVAL 2002 SA	PRAH	23/08/2019	1,288,584	0.1000	0.2295	295,730.03	39.624	0.03	0.03
34	PROSPECTIUNI SA BUCURESTI	PRSN	30/06/2020	41,129,011	0.1000	0.0400	1,645,160.44	5.728	0.14	0.16
35	PURCARI WINERIES PUBLIC COMPANY Ltd	WINE	30/06/2020	190,000	0.0100	22.0000	4,180,000.00	0.950	0.36	0.41
36	ROMRADIATOARE SA BRASOV	RRD	10/04/2020	11,477,141	1.6300	1.4849	17,042,406.67	76.514	1.47	1.66
37	S.N. NUCLEARELECTRICA	SNN	30/06/2020	1,341,273	10.0000	15.6800	21,031,160.64	0.445	1.81	2.05
38	S.N.G.N. ROMGAZ S.A.	SNG	30/06/2020	1,573,667	1.0000	31.9000	50,199,977.30	0.408	4.32	4.90
39	SANTIERUL NAVAL CONSTANTA SA	SNC	29/06/2020	471,605	2.5000	2.2400	1,056,395.20	0.726	0.09	0.10
40	SANTIERUL NAVAL SA	SNO	30/06/2020	5,711,432	2.5000	3.4600	19,761,554.72	50.000	1.70	1.93
41	SEMBRAZ SA	SEBZ	23/04/2020	719,900	2.0000	1.0699	770,221.01	90.968	0.07	0.08



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



42	SERVICE NEPTUN 2002 SA	SECE	23/08/2019	3,610,420	0.1000	0.3959	1,429,365.28	39.624	0.12	0.14
43	SOCIETATEA ENERGETICA ELECTRICA SA	EL	30/06/2020	744,136	10.0000	10.3500	7,701,807.60	0.215	0.66	0.75
44	TRANSGAZ SA	TGN	30/06/2020	5,446	10.0000	292.0000	1,590,232.00	0.046	0.14	0.16
45	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	TSLA	30/06/2020	353,282,752	0.1000	0.0265	9,361,992.93	68.507	0.81	0.91
46	TRATAMENT BALNEAR BUZIAS SA	BALN	16/06/2020	145,615,772	0.1000	0.0980	14,270,345.66	91.871	1.23	1.39
47	TURISM COVASNA SA	TUAA	29/06/2020	439,760,355	0.1000	0.0550	24,186,819.53	93.326	2.08	2.36
48	TURISM FELIX SA	TUFE	30/06/2020	313,579,000	0.1000	0.3200	100,345,280.00	63.203	8.63	9.79
49	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	EFO	30/06/2020	449,920,140	0.1000	0.1020	45,891,854.28	77.713	3.95	4.48
50	TUSNAD SA	TSND	12/05/2020	230,601,476	0.1000	0.0733	16,903,088.19	76.408	1.45	1.65
51	UTILAJ GREU SA	UTGR	11/12/2019	476,226	2.5000	7.7774	3,703,800.09	70.387	0.32	0.36
52	VIROLA-INDEPENDENTA SIBIU	VIRO	24/06/2020	74,307	2.5000	91.0000	6,761,937.00	53.616	0.58	0.66
TOTAL Securities and money market instruments admitted or traded on a regulated market in Romania							994,334,287		85.50	97.03
UCITS/NON-UCITS equity securities										
1	FONDUL PROPRIETATEA SA	FP	30/06/2020	29,177,293	0.5200	1.2600	36,763,389.18	0,383	3.16	3.59
2	SOCIETATEA DE INVESTITII FINANCIARE OLTENIA S.A.	SIF5	30/06/2020	2,209,230	0.1000	2.2000	4,860,306.00	0,381	0.42	0.47
TOTAL UCITS/NON-UCITS equity securities							41,623,695		3.58	4.06
TOTAL SHARES							1,035,957,982		89.08	101.09

includes both the shares presented in Chapter I row 1.1. and the shares presented in Chapter I row 8.1.



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



Securities admitted or traded on a regulated market in a member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
1	TOTAL SA	FP FP	30/06/2020	2,300	1.0000	164.5171	378,389.33	0.000	0.03	0.04
2	Wirecard A.G.	WDI	30/06/2020	12,000	0.9994	27.7464	332,956.80	0.010	0.03	0.03
	TOTAL SHARES						711,346		0.06	0.07

Securities admitted or traded on a regulated market in a non-member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
1	CHEVRON CORP	CVX	30/06/2020	2,500	0.7500	385.7681	964,420.25	0.000	0.08	0.09
	TOTAL SHARES						964,420.25		0.08	0.09

Money market instruments admitted or traded on a regulated market in Romania

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



Money market instruments admitted or traded on a regulated market in a member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Money market instruments admitted or traded on a regulated market in a non-member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Instruments referred to in art. 187, indent a)

No.	Issuer	No. of shares/bonds held	Acquisition date ³⁾	Maturity date	Acquisition price RON/share ²⁾ (RON/bond)	Share (bond) value (RON or equivalent RON)	Total value RON ¹⁾ or equivalent RON	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
TOTAL SHARES, of which:							68,906,917		5.93	6.72
1	APOLLO ESTIVAL 2002 SA CT	2,350,890	31.07.2002		0.4098	0.4098	963,394.72	39.62	0.08	0.09
2	ARCOM S.A. BUCURESTI BU	667	27.07.2007		0.0000	0.0000	0.00	0.19	0.00	0.00
3	BANCA DE EXPORT IMPORT A ROMANIEI SA EXIMBANK BU	414,740	01.11.1996		2.1752	2.1752	902,142.45	0.31	0.08	0.09
4	CCP.RO BUCHAREST S.A. BU	142,500	06.11.2019		10.0000	10.0000	1,425,000.00	1.79	0.12	0.14
5	CNM PETROMIN SA CONSTANTA CT	5,358,861	01.11.1996		0.0000	0.0000	0.00	23.83	0.00	0.00
6	COMSIG SA MS	29,304	01.11.1996		0.0000	0.0000	0.00	27.09	0.00	0.00
7	CONTINENTAL HOTELS SA BUCURESTI BU	2,729,171	31.12.1997		4.8785	4.8785	13,314,260.72	9.30	1.14	1.30

CUI / CIF: RO 3047687 • R.C. J08/3306/92 • Capital social subscris și vărsat: 216.244.379,70 lei • Număr Registru A.S.F.: PJR09SIIR/080004/06.03.2006
IBAN: RO08 RNCB 0053 0085 8144 0001, BCR Braşov • Codul LEI (Legal Entity Identifier): 254900E2I136VM93H128
Autorizată ca A.F.I.A. conform Autorizației A.S.F. nr. 40/15.02.2018 • Înscrisă în Registrul A.S.F. cu nr. PJR07AFIAA/080005/15.02.2018



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



8	CRISTIANA SA BV	153,410	01.11.1996		145.1739	145.1739	22,271,128.00	99.80	1.92	2.17
9	DEPOZITARUL CENTRAL SA BUCURESTI BU	10,128,748	12.08.1999		0.0294	0.0294	297,785.19	4.00	0.03	0.03
10	DIVERSIS SA VN	11,149	01.11.1996		0.0000	0.0000	0.00	6.68	0.00	0.00
11	ENERGO SA BV	317,061	01.11.1996		0.0000	0.0000	0.00	15.00	0.00	0.00
12	FELAM SA SB	374,907	01.11.1996		0.0000	0.0000	0.00	36.22	0.00	0.00
13	FERMIT SA BZ	151,468	01.11.1996		11.5158	11.5158	1,744,275.19	16.37	0.15	0.17
14	FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRI BU	3,697,948	21.12.2006		0.5049	0.5049	1,867,093.95	23.02	0.16	0.18
15	GRUP BIANCA TRANS SA BV	7,694,200	31.07.2006		0.3450	0.3450	2,654,499.00	70.84	0.23	0.26
16	HARGHITA SA HR	45,633	01.11.1996		0.0000	0.0000	0.00	31.42	0.00	0.00
17	HIDROMECHANICA SA BV	1,170,304	01.11.1996		0.0000	0.0000	0.00	36.27	0.00	0.00
18	ICIM SA BV	29,748	01.11.1996		0.0000	0.0000	0.00	3.59	0.00	0.00
19	INTERNATIONAL TRADE&LOGISTIC CENTER SA BV	81,708,428	01.11.1996		0.0533	0.0533	4,355,059.21	87.30	0.37	0.42
20	IRUCOM SA HR	6,269	01.11.1996		1.8832	1.8832	11,805.78	17.41	0.00	0.00
21	LEGUME FRUCTE BUZAU S.A. BZ	207,822	01.11.1996		4.0670	4.0670	845,212.07	25.23	0.07	0.08
22	MECANICA SA SB	422,503	01.11.1996		0.0000	0.0000	0.00	10.89	0.00	0.00
23	REUTCOM UTB SA BV	2,134,920	23.02.2000		0.0317	0.0317	67,676.96	8.99	0.01	0.01
24	ROMAGRIBUZ RIMNICU SARAT S.A. BZ	83,146	01.11.1996		0.0000	0.0000	0.00	7.88	0.00	0.00
25	ROMAGRIBUZ VERGULEASA SA BZ	280,631	01.11.1996		0.0000	0.0000	0.00	37.30	0.00	0.00
26	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA BV	44,999	26.03.2014		6.7622	6.7622	304,292.24	100.00	0.03	0.03
27	SIBAREX SA VN	1,215,711	01.11.1996		0.0000	0.0000	0.00	52.85	0.00	0.00
28	SIMARO-SIB SA SB	20,732	31.03.1998		0.0000	0.0000	0.00	10.02	0.00	0.00
29	SIMEC SA SB	197,044	01.11.1996		0.0000	0.0000	0.00	45.78	0.00	0.00



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



30	SIRETUL PASCANI IS	17,116,533	23.03.2004		0.0000	0.0000	0.00	10.78	0.00	0.00
31	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A. B1	1,125	11.11.2014		82.9759	82.9759	93,347.89	15.63	0.01	0.01
32	SOFT APLICATIV SI SERVICII SA SB	47,728	01.11.1996		5.5937	5.5937	266,976.11	28.33	0.02	0.03
33	TERRACOTTA STAR SA CV	2,209,017	01.11.1996		0.0000	0.0000	0.00	97.48	0.00	0.00
34	TOMIS ESTIVAL 2002 SA CT	522,893	31.07.2002		0.7932	0.7932	414,758.73	39.62	0.04	0.04
35	TRANSILVANIA ESTIVAL 2002 SA CT	3,589,861	31.07.2002		0.1308	0.1308	469,553.82	11.14	0.04	0.05
36	TRANSILVANIA HOTELS & TRAVEL S.A. BU	1,123,180	01.11.1996		0.0000	0.0000	0.00	37.01	0.00	0.00
37	TURISM LOTUS FELIX SA BH	484,853,142	09.12.2009		0.0340	0.0340	16,485,006.83	38.27	1.42	1.61
38	The Foundations Feeder AA	124,000	23.02.2015		1.2391	1.2391	153,648.40	26.67	0.01	0.01
39	VERITAS PANCIU SA VN	656,693	01.11.1996		0.0000	0.0000	0.00	26.33	0.00	0.00
40	VITIVINICOLA BASARABI SA CT	342,580	01.11.1996		0.0000	0.0000	0.00	10.86	0.00	0.00
TOTAL Instruments referred to in art. 187, indent a) (total shares + total bonds)							68,906,917		5.93	6.72

*) For all companies in the portfolio on the date of S.I.F. Transilvania's setting up (through reorganization of the former F.P.P. III Transilvania, according to Law no. 133/1996), the acquisition date is considered 1 November 1996; for all the other companies, the acquisition date is considered the date of first acquisition (irrespective of whether the stock existing on the reporting date was acquired through several acquisitions). In the case of bonds, the acquisition date is the payment date of the amount subscribed.

**) "Acquisition price" represents the average acquisition price for the securities in portfolio on the reporting date.

***) In the case of bonds, the total value includes the interest accrued up to the reporting date



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



Bonds or other traded debt securities issued or guaranteed by the State or by central public administration authorities

No.	Series and number of issue	No. of securities	Acquisition date	Maturity date	Initial value	Daily increase	Accrued interest	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %	Intermediary bank

Bonds or other traded debt securities issued or guaranteed by the State or by central public administration authorities

No.	Issuer	No. of securities	Acquisition date	Maturity date	Initial value	Daily increase	Accrued interest	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Bank deposits

No.	Bank name	Currency	Set-up date	Maturity*	Initial value		Daily interest		Accrued interest		Discounted value		Weight in the SIF total assets %	Weight in the SIF net assets %
					Currency	RON	Currency	RON	Currency	RON	Currency	RON		
1	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	24.06.2020	01.07.2020		4,502,669		156.34		1,094		4,503,764	0.39	0.44
2	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	25.06.2020	02.07.2020		6,744,182		299.74		1,798		6,745,981	0.58	0.66
3	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	26.06.2020	03.07.2020		5,015,039		243.79		1,219		5,016,258	0.43	0.49
4	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	29.06.2020	06.07.2020		1,502,625		73.04		146		1,502,771	0.13	0.15
5	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	30.06.2020	07.07.2020		3,036,044		151.80		152		3,036,196	0.26	0.30
	TOTAL BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON				20,800,560				4,410		20,804,969	1.79	2.03

CUI / CIF: RO 3047687 • R.C. J08/3306/92 • Capital social subscris și vărsat: 216.244.379,70 lei • Număr Registru A.S.F.: PJR09SIIR/080004/06.03.2006
IBAN: RO08 RNCB 0053 0085 8144 0001, BCR Braşov • Codul LEI (Legal Entity Identifier): 254900E2IL36VM93H128
Autorizată ca A.F.I.A. conform Autorizației A.S.F. nr. 40/15.02.2018 • Înscrisă în Registrul A.S.F. cu nr. PJR07AFIAA/080005/15.02.2018



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



1	ING BANK	RON	30.06.2020	01.07.2020		1,157,000		53.03		53		1,157,053	0.10	0.11
	TOTAL ING BANK	RON				1,157,000				53		1,157,053	0.10	0.11
1	OTP BANK ROMANIA SA	RON	30.06.2020	31.08.2020		5,000,000		301.37		301		5,000,301	0.43	0.49
	TOTAL OTP BANK ROMANIA SA	RON				5,000,000				301		5,000,301	0.43	0.49
TOTAL DEPOSITS IN RON						26,957,560				4,764		26,962,324	2.32	2.63
GRAND TOTAL DEPOSITS						26,957,560				4,764		26,962,324	2.32	2.63

* Maturity date represents the last day of the deposit (the amount being available in the current account the next day).

Fund units held in investment funds

No.	Issuer	No. of fund units	Acquisition date	Acquisition price	Value /fund unit - RON or equivalent RON-	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
1	OTP Real Estate & Construction	3,313	14.12.2018	500.2598	500.2598	1,657,317	13.05	0.14	0.16
	Subtotal open-end funds					1,657,317		0.14	0.16
1	FOND INCHIS DE INVESTITII BET-FI INDEX INVEST	2,054	01.09.2014	706.0830	706.0830	1,450,294	14.85	0.12	0.14
2	FONDUL INCHIS DE INVESTITII MULTICAPITAL INVEST	4,934	14.11.2012	2,718.1700	2,718.1700	13,411,451	29.47	1.15	1.31
3	FONDUL INCHIS DE INVESTITII STAR VALUE	13,713	07.08.2015	1,062.1700	1,062.1700	14,565,537	27.63	1.25	1.42
	Subtotal closed-end funds					29,427,282		2.53	2.87
TOTAL Fund Units						31,084,600		2.67	3.03



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



Securities pending the sale according to Law no. 151/2014

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	TOTAL SHARES									

Money market instruments referred to in art. 187 indent a)

No.	Issuer	Acquisition date	Maturity	Initial value	Daily increase	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Newly issued securities

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	TOTAL									



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov, 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

Societate administrată în sistem dualist



NAV and NAV/share in the last 3 years

	30.06.2018	30.06.2019	30.06.2020
Net Asset Value	1,001,167,964.00	1,091,950,250.00	1,024,788,944.84
Net Asset Value per share (RON/share)	0.4622	0.5050	0.4739

Executive President / CEO,
MOLDOVAN MARIUS ADRIAN

Executive Vice President/Deputy CEO
ROSCA RADU-CLAUDIU

Financial Manager
VERES DIANA

Portfolio Management Division
Manager,
RADULESCU SORIN ION