



SOCIETATEA DE INVESTIȚII FINANCIARE
TRANSILVANIA S.A.

QUARTERLY REPORT
for the quarter ended as at
30 September 2021

QUARTERLY REPORT FOR THE QUARTER ENDED AS AT 30 SEPTEMBER 2021

Quarterly report prepared in accordance with Law no. 24/2017 on issuers of financial instruments and market operations, F.S.A. Regulation no. 5/2018 regarding issuers of financial instruments and market operations, B.S.E. (Bucharest Stock Exchange) Rulebook - regulated market operator, 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: 12.11.2021

Company's name	Societatea de Investiții Financiare Transilvania S.A.
Registered office	Brașov, Str. Nicolae Iorga nr. 2, Cod poștal 500057
Telephone no./Fax	0268 416 171 / 0268 473 215
Website	www.siftransilvania.ro
Sole Registration Code	3047687
Tax Registration Code	RO3047687
Trade Register Number:	J08/3306/1992
Registered with the Securities Registration Office within F.S.A.	Registration Certificate no. 401/05.02.2020
Registered with F.S.A. Register - Section 8 - Alternative Investment Fund Managers	Subsection Alternative Investment Fund Managers authorized by F.S.A. (A.I.F.M.A.A.) - under no. PJR07 ¹ AFIAA/080005
Registered with F.S.A. Register - Section 9 - Alternative Investment Funds	Subsection Alternative Investment Funds dedicated to retail investors and established in Romania (F.I.A.I.R.) - under no. PJR09FIAIR/080006
Subscribed and paid-up 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	Bucharest Stock Exchange, Main Segment, Premium Category (market symbol: SIF3)

The depository services with respect to the portfolio of financial instruments are provided by BRD Groupe Société Générale, and the company's annual financial statements are audited by the financial auditor Deloitte Audit S.R.L. Bucharest. The internal auditor of the company is Mazars Romania S.R.L.

The company's Shareholders Register is kept, under contract and as provided by law, by the company Depozitarul Central S.A. Bucharest.

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INTRODUCTION

Due to its specific scope of business, S.I.F. Transilvania relates to both the national economic and legislative context of Romania and the regional/global macroeconomic context, a series of events which occurred during the first nine months of 2021 having a direct or indirect impact on the Company's results and performance.

General macroeconomic context

At a global level, from a macroeconomic point of view, general trends/events with impact on 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.

The Company's activity was carried out in an internal and international context characterized by a high degree of unpredictability. All these events were triggered by the health crisis generated by COVID-19 pandemic accompanied by the internal political crisis.

Impact of COVID-19 pandemic on the Company's activity

General framework

Globally, during the first nine months of 2021, a number of overall developments focused on measures to manage the crisis caused by COVID-19 pandemic have continued. The general context has maintained in close-up the recovery instruments that had a contribution in the positive adjustment of the prognosis related to the post-pandemic development. All these developments remain dependant on fragile balance between the success of the currently implemented vaccination campaigns and the possibility for more aggressive virus variants to occur.

The general context continues to be dominated by both the general recovery trend and the risks related to such trend (risks that the actual developments significantly differ by reference to the consensus as of the actual reporting date, risks for the currently manifested inflationist trends to force the main central banks to abandon the monetary policies that were relaxed earlier than it was initially estimated) amid the reports on COVID-19 pandemic (number of new cases, workload in the medical system, new implemented restrictions / relaxation measures, pandemic-induced fatality, success of vaccination campaigns, possibility for dominant strains characterized by high aggressiveness to occur and not to be covered by the implemented vaccination schemes, chances of implementing efficient treatment schemes).

Most of the governments have maintained support measures addressed to both population and economic environment. Moreover, the main Central Banks have maintained, at both rhetoric and adopted efficient measures level, relaxed monetary policies implemented by means of the entire range of instruments available to them.

As a result of the liquidity excess induced by the measures adopted by the Central Banks and also of the improvement of the investors' sentiment amid the reports on the success of vaccination campaigns, positive developments have continued at the level of the main capital markets, which have determined new historical maximum levels for a series of stock indices. However, there are signals that the period dominated by relaxed monetary policies is coming to an end.

The observation on the asymmetrical character of the current recovery trends remains valid, the general context continuing to be characterized by a high degree of unpredictability.

At national level, during the first nine months of 2021, there was a number of significant developments generated by the attempt to synchronize the locally adopted measures with the general pandemic development context at global level.

The Romanian government has continued to implement measures designed to support the local economy focused, inter alia, on social protection of vulnerable categories, consolidation of the healthcare system and recovery of the economic activity. In parallel, NBR (National Bank of Romania) has maintained a relaxed monetary policy by adopting measures focused on the mitigation of the negative effects of the crisis caused by COVID-19 pandemic on the Romanian companies and population: maintenance of monetary policy interest at minimal level by reference to historic milestone, supply of liquidity to banks, acquisition of government securities in RON from the secondary market, all these being intended to finance the real economy and public sector in good conditions.

These measures have determined a general context characterized by a sustained recovery of the economy that comes with number of significant risks like those regarding the re-inflammation of inflationist trends. Under these conditions, the discussions regarding the end of the period characterized by relaxed monetary policies are starting to monopolise the close-up of the monetary context.

Economic impact of 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. The main uncertainties maintain within the area of the estimates regarding the general architecture of the economic recovery (actual form, asymmetrical profile, sustainable character of accrued structural deficits, and the opportunity cost associated to significant reforms).

Under these conditions, S.I.F. Transilvania has continued to implement a proactive strategy designed to manage the current and estimated market conditions.

The management of the Company considers that the financial position and investment activity of S.I.F. Transilvania have been and could also be within the following periods negatively affected by the development of COVID-19 pandemic. The unfavourable consequences could materialize at the level of the negative adjustments of the value of some holdings from the managed portfolio and at the level of the revenues from dividends distributed by the number of issuers from the portfolio (which have adjusted their dividend policies based on either the decisions communicated by the regulatory bodies, or in response to the general macroeconomic context).

The Company shall continue to closely monitor the development of the economic environment and the effects of the economic measures applied at both national and international level. Nevertheless, the management of the Company considers that the monitoring measures pose a number of specific risks considering that they still expect an economic environment characterized by high degree of unpredictability.

Impact of COVID-19 pandemic on the portfolio managed by the Company

The investment activity of the Company has adapted to the national and international context characterized by high degree of unpredictability.

The management of the Company cannot credibly estimate the impact on the financial statements induced by a series of relevant factors like future declines of the liquidity of financial markets and of the quotations of financial assets determined by the increase of volatility on the capital and foreign currency markets.

Nevertheless, the management of S.I.F. Transilvania does not estimate difficulties in complying with its undertakings in relation to the shareholders and with the obligations towards third parties, the current cash flows and those estimated for the future period being sufficient to cover the debts towards third parties, and the undertakings resulted from the implementation of the shareholders' remuneration policy.

By reference to the sectors of interest for the portfolio managed by the Company, the implications of COVID-19 afferent to the tourism sector stand out as concerns their importance.

According to the latest data published by the National Institute of Statistics (having as the reference date September 2021), the tourism sector has recorded the following significant developments:

- ⇒ the arrivals recorded in the tourist reception structures during the first nine months of 2021 have totalized 7,510.3 thousand people, increasing by 45.5% as compared to the similar period of the previous year; out of the total number of arrivals during the reviewed period, the arrivals of the Romanian tourists in the tourist reception structures with accommodation functions accounted for 91.8%, while the arrivals of the foreign tourists accounted for 8.2%;
- ⇒ the night-stays recorded in the tourist reception structures during the first nine months of 2021 have totalized 17,122.9 thousand, increasing by 41.8% as compared to the similar period of the previous year; out of the total number of night-stays during the reviewed period, the night-stays of the Romanian tourists in the tourist reception structures with accommodation functions accounted for 92.2%, while the night stays of the foreign tourists accounted for 7.8%;
- ⇒ the average stay during the reviewed period was of 2.3 days for the Romanian tourists, and 2.2 days for the foreign tourists;
- ⇒ the index regarding the net use of the accommodation places during the first nine months of 2021 was of 28.5% for all tourist accommodations structures, increasing by 2.6 percentage points as compared to the similar period of the previous year; higher indexes regarding the use of accommodation places during the reviewed period were recorded for hotels (34.3%), tourist villas (27.6%), bungalows (26.5%), ship accommodation (24.5%), tourist cottages (21.7%), camping (20.9%), lay-bys (19.8%), inns (19.5%), hostels (19.3%) and agritourist boarding houses (18.7%);
- ⇒ by county, during the first nine months of 2021, the number of tourist arrivals in the tourist reception structures with accommodation functions have recorded higher values in Constanța (1,226.0 thousand persons), Brașov (784.6 thousand persons), Bucharest (673.2 thousand persons), Bihor (343.7 thousand persons), Prahova (330.1 thousand persons), Sibiu (327.9 thousand persons), Suceava (313.9 thousand persons), Cluj (313.0 thousand persons), Vâlcea (302.7 thousand persons) and Mureș (282.4 thousand persons);
- ⇒ the night stays of the tourists have recorded higher values in: Constanța (4,422.4 thousand persons), Brașov (1,532.9 thousand persons), Bucharest (1,203.7 thousand persons), Bihor (945.6 thousand persons), Vâlcea (852.8 mii thousand persons), Prahova (688.7 thousand persons), Suceava (636.8 thousand persons), Mureș (578.9 thousand persons), Sibiu (565.6 thousand persons), Cluj (556.4 thousand persons), Caraș Severin (460.7 thousand persons), Covasna (367.9 thousand persons) and Timiș (307.1 thousand persons).

Considering:

- ⇒ the current economic context as a result of COVID-19 pandemic,
- ⇒ the classification of S.I.F. Transilvania as an investment entity,

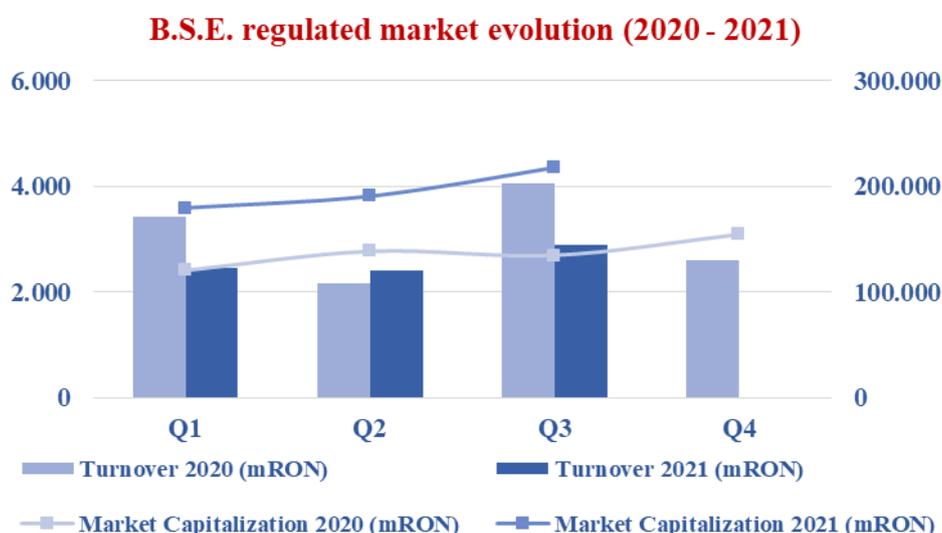
- ⇒ the fact that an investment entity measures and evaluates the performance of most of its investments on a fair-value basis (I.F.R.S. 10.27),

during the first nine months of 2021, the Company has reflected the performance of the fair values afferent to each holding from its managed portfolio. At the end of the reviewed period, the fair values afferent to all the holdings from the managed portfolio (for which level 3 input data are used) were based on valuation reports prepared in accordance with the International Valuation Standards.

Romanian capital market context

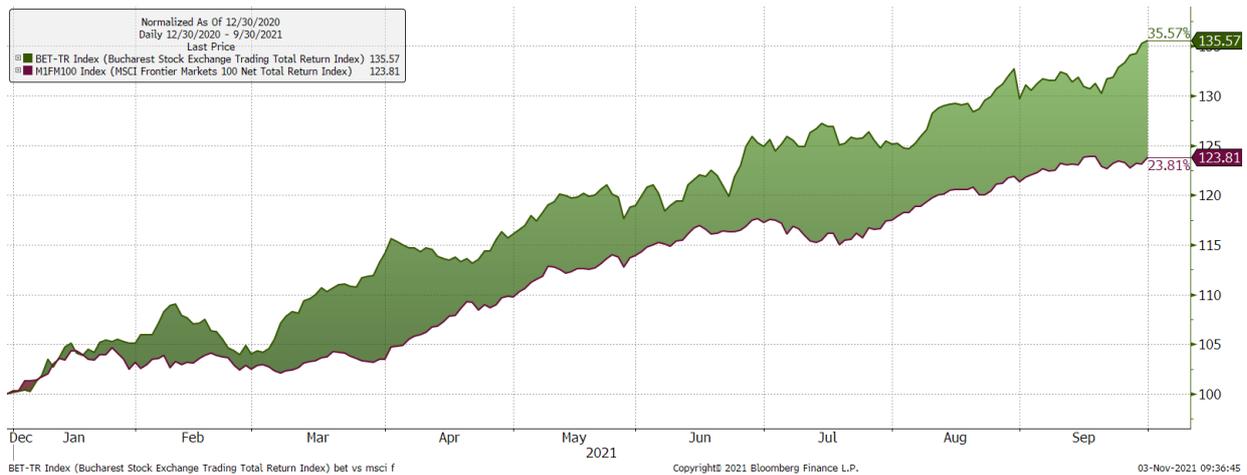
During the first nine months of 2021, the performance of the shares listed on the regulated market - the main segment of the Bucharest Stock Exchange - as compared to the performance recorded in the previous financial year, has revealed the following key aspects:

- ⇒ as compared to the similar period of the previous year, the value of the transactions carried out during the first nine months of 2021 on B.S.E.'s regulated segment recorded a low aggregate level;
- ⇒ at the end of the reviewed period, the regulated market's capitalization was higher than the one recorded at the end of 2020 (ytd advance), and higher than the one recorded at the end of the similar period from the previous year (yoy advance).



Source: Bucharest Stock Exchange

During the first nine months of 2021, the TOTAL RETURN performance (calculated in local currencies), recorded by the main index of the regulated market (BET) recorded a positive trend, resulting at the end of the period in a yield net superior to the one marked by the reference index MSCI FM10.



Source: Bloomberg

PERFORMANCE OF S.I.F. TRANSILVANIA SHARES DURING THE FIRST NINE MONTHS OF 2021

During the first nine months of 2021, SIF3 shares' performance recorded a trend characterized by the following trading key aspects:

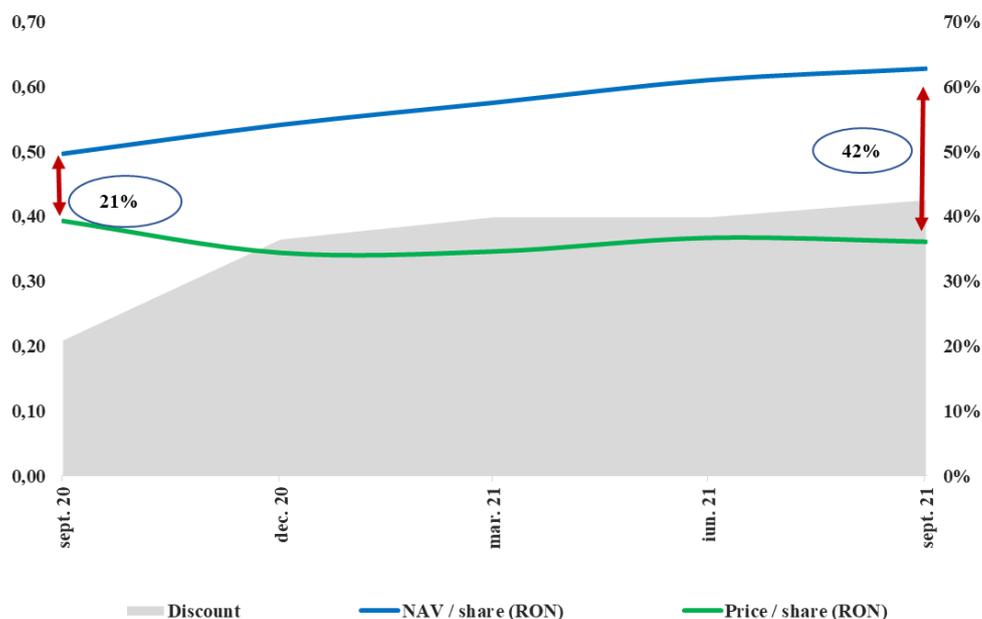
- ⇒ minimum closing price RON 0.3350/share
- ⇒ average price RON 0.3551/share
 RON 0.3558/share, if DEAL transactions are not considered
- ⇒ maximum closing price RON 0.3970/share
- ⇒ traded volume 73.9 million shares
 50.6 million shares, if DEAL transactions are not considered
- ⇒ number of trading sessions 190 sessions
- ⇒ daily average trading volume 0.4 million shares/session
 0.3 million shares, if DEAL transactions are not considered



Source: Bloomberg

During the reviewed period, SIF3 shares recorded a generally positive trend, materialized at the end of the period in a closing price higher than the reference price of the period (i.e. the closing price of the trading session of 30.12.2020).

Changes in SIF3 shares' trading discount during the last 12 months



Source: S.I.F. Transilvania

During the last 12 months, SIF3 share trading discount has recorded an increasing trend, which had as catalyst the positive trend reflected at the level of the net asset value regularly reported by the Company.

Review of SIF3 shares' trading discount as at 30.09.2021



Source: S.I.F. Transilvania

By reference to the Net Asset communicated for the reference period 30.09.2021, SIF3 share price records a significant discount. The discount remains significant also by reference to another relevant

term of reference, i.e. the most important 10 holdings from the share sub-portfolio to which fund units and financial instruments providing immediate liquidity are added.

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

General framework

S.I.F. Transilvania is a Romanian legal person organised in the form of joint stock company (S.A.). The Company is listed on the Bucharest Stock Exchange, on the Main segment, in Premium category, with symbol SIF3, the trading of the shares issued by the Company being subject to the rules applicable to regulated market and closed-end alternative investment funds.

S.I.F. Transilvania 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, under F.S.A. Authorization no. 40/15.02.2018. At the same time, the Company is authorized as a closed-end Retail Investor Alternative Investment Fund (R.I.A.I.F.), diversified, established as an investment company, self-managed, according to the provisions of Law no. 243/2019 on the regulation of alternative investment funds, under F.S.A. Authorization no. 150/09.07.2021.

S.I.F. Transilvania manages an investment portfolio which has a predominant exposure on the Romanian capital market, mainly on listed shares of companies from *Banks, Tourism and leisure, Real-estate* and *Energy* supersectors (classification according to FTSE Russell methodology). Moreover, the Company invests in units of undertakings for collective investment in transferable securities, units/shares of alternative investment funds, in non-listed securities and money market instruments.

The structure of the aggregate portfolio managed by the Company complies with the investment limitations undertaken through its risk profile, respectively those derived from it being a Retail Investor Alternative Investment Fund, and it therefore remains focused on shares listed on the Romanian capital market selected based on consistent substantiation criteria.

The main investment goals of S.I.F. Transilvania are the maximization of the aggregate returns obtained by the current and potential shareholders that invest in the Company's shares, and the increase of the unitary net asset value by using the entire range of instruments permitted by the applicable legislation, while maintaining a significant share of the annual investment programs concentrated on financial instruments listed on the Bucharest Stock Exchange.

Investment entity

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 *for the approval of the accounting regulations compliant with International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority from the financial instruments and investments sector.*

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". Within the process of reassessing the investment entity status, 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, starting with the financial year 2015, S.I.F. Transilvania prepares a single set of financial statements, respectively separate financial statements in accordance with I.F.R.S.

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;
- 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 as 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 specific documents approved by the General Meeting of Shareholders: the 2020-2024 Strategy, the 2020-2024 Investment Policy Statement and the annual investment programs.

In July 2021, S.I.F. Transilvania was authorized by the Financial Supervisory Authority in the capacity of Retail Investor Alternative Investment Fund (R.I.A.I.F.). The operation of S.I.F. Transilvania in the capacity of R.I.A.I.F. of closed-end type, diversified, established as an investment company, self-managed, is based on a series of rules regarding the risk profile, investment exposure limits, measurement of the financial assets from portfolio and their presentation in the net asset of the Company, the transparency and reporting obligations.

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

- i. publishes, on a monthly basis the statement of assets and liabilities, namely reports regarding the net asset value and unitary net asset value calculated by the company and certified by the depository (Annex no. 10 according to F.S.A. Regulation no. 7/2020), together with the statement of assets for which valuation methods compliant with the international standards and fair value principle were considered (Annex according to Article 38, paragraph (4) of Law no. 243/2019);
- ii. calculates on a monthly basis and publishes on a quarterly, half-yearly and yearly basis, within the time-limits provided by the applicable legislation in this respect for publishing quarterly, half-yearly and yearly reports, the detailed statement of investments (Annex no. 11 to the F.S.A. Regulation no. 7/2020).

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 on 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 assets measurement policy, internal procedure and the related methodology.

As at 30.09.2021, S.I.F. Transilvania's financial assets measured at fair value, classified under Level 1 and Level 3 in the fair value hierarchy, are the following:

- RON -	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	691,029,668	-	26,882,277	717,911,945
Shares	691,029,668	-	26,882,277	717,911,945
Corporate bonds	-	-	-	-
Fund units	-	-	-	-
Financial assets measured at fair value through profit or loss	248,287,855	-	412,151,311	660,439,166
Shares	248,287,855	-	371,162,813	619,450,668
Corporate bonds	-	-	0	0
Fund units	-	-	40,988,498	40,988,498
Total financial assets measured at fair value as at 30.09.2021	939,317,523	-	439,033,588	1,378,351,111

The structure of the portfolio of financial assets owned by S.I.F. Transilvania is dominated by shares, their value as at 30.09.2021 accounting for 97% of the total portfolio value. As concerns the financial assets whose fair value is determined based on the Level 1 input data, their weight in the total value of S.I.F. Transilvania portfolio as at 30.09.2021 is of 68.1%.

Key considerations on the performance of the financial instrument portfolio during the first nine months of 2021

- ❖ Increase of the total assets value, with an un-annualized increase rate of approximately 16.2% corresponding to the first nine months of financial year 2021;

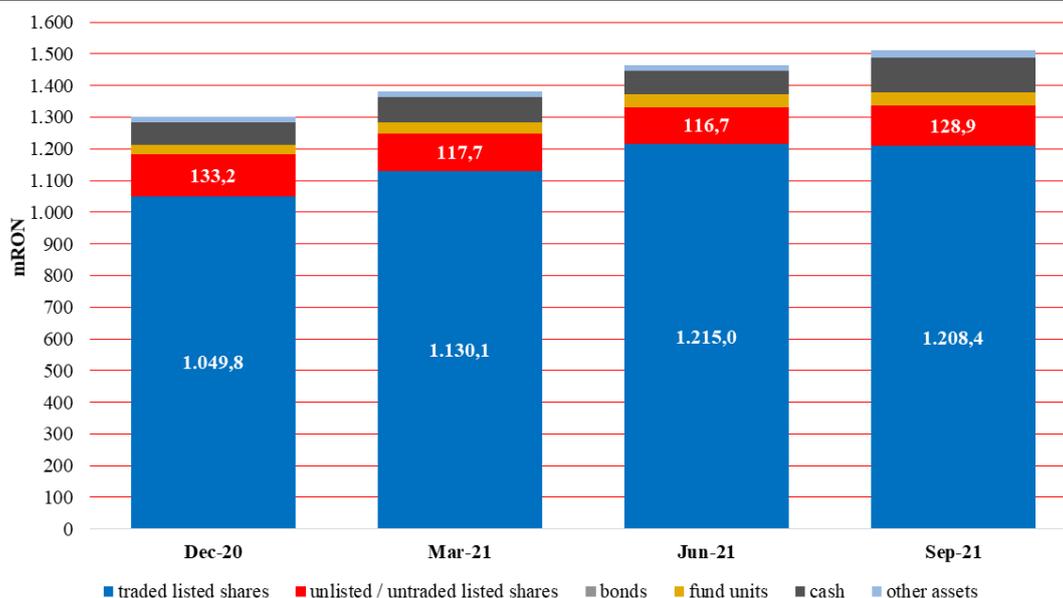
Performance and components of S.I.F. Transilvania portfolio

- million RON -	Dec.-20	performance	Mar.-21	performance	Jun.-21	performance	Sep.-21
total assets	1,300.3	↗	1,381.9	↗	1,463.6	↗	1,510.9
net asset value	1,170.3	↗	1,244.0	↗	1,319.4	↗	1,357.5
number of companies in portfolio *	94	↘	93	↘	91	↘	90
financial instrument portfolio (incl. cash)	1,283.3	↗	1,364.2	↗	1,445.4	↗	1,488.3
financial instrument portfolio	1,212.8	↗	1,284.9	↗	1,371.3	↗	1,378.4
cash and equivalent	70.5	↗	79.3	↘	74.1	↗	110.0

* including shares pending sale

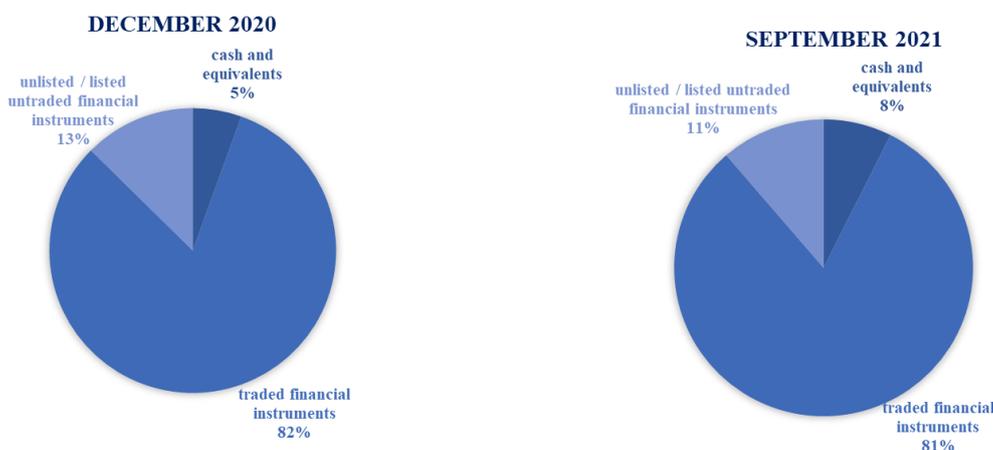
Source: S.I.F. Transilvania, I.F.R.S. fair values, Annex no. 10 according to F.S.A. Regulation no. 7 / 2020, F.S.A. Regulation no. 9/2014

Performance of S.I.F. Transilvania portfolio structure



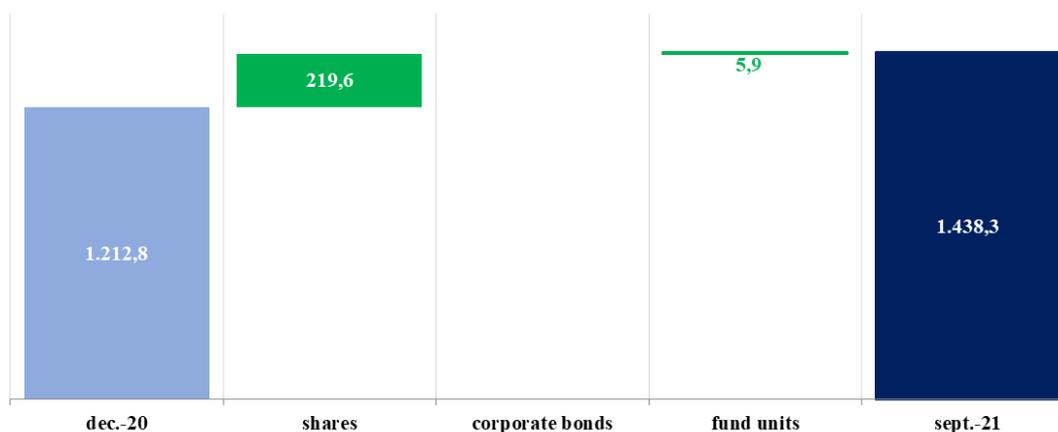
Source: S.I.F. Transilvania, I.F.R.S. fair values, Annex no. 10 according to F.S.A. Regulation no. 7/2020, F.S.A. Regulation no. 9/2014

- ❖ in terms of structure, the weight of cash increased by comparison with the beginning of the financial year;



Source: S.I.F. Transilvania, I.F.R.S. fair values, Annex no. 10 according to F.S.A. Regulation no. 7 / 2020, F.S.A. Regulation no. 9/2014

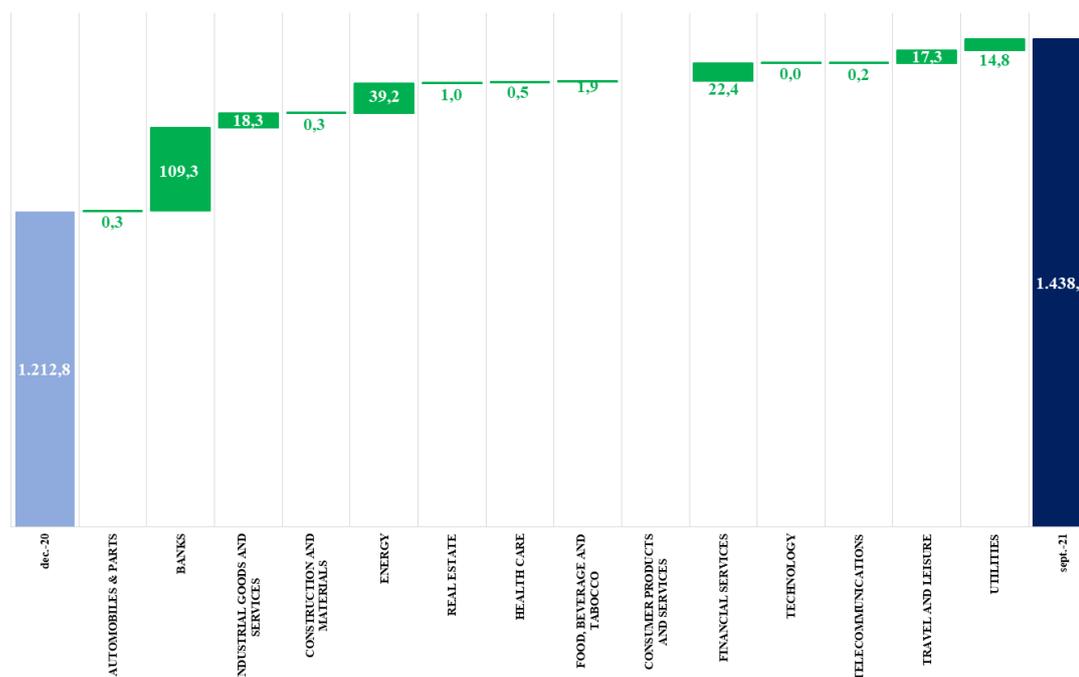
- ❖ the aggregate liquidity profile shows slight improvement;
- ❖ migrations have generally occurred at the level of the sub-portfolio of shares listed on an alternative trading system;
- ❖ analysis of financial instruments portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - breakdown by financial instruments



Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the financial instrument portfolio is calculated according to IFRS fair values. The final value (Sep.-21) of the financial instrument portfolio is calculated by adding to the IFRS fair values the contribution of each sector, 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 instrument portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - breakdown by activity sectors

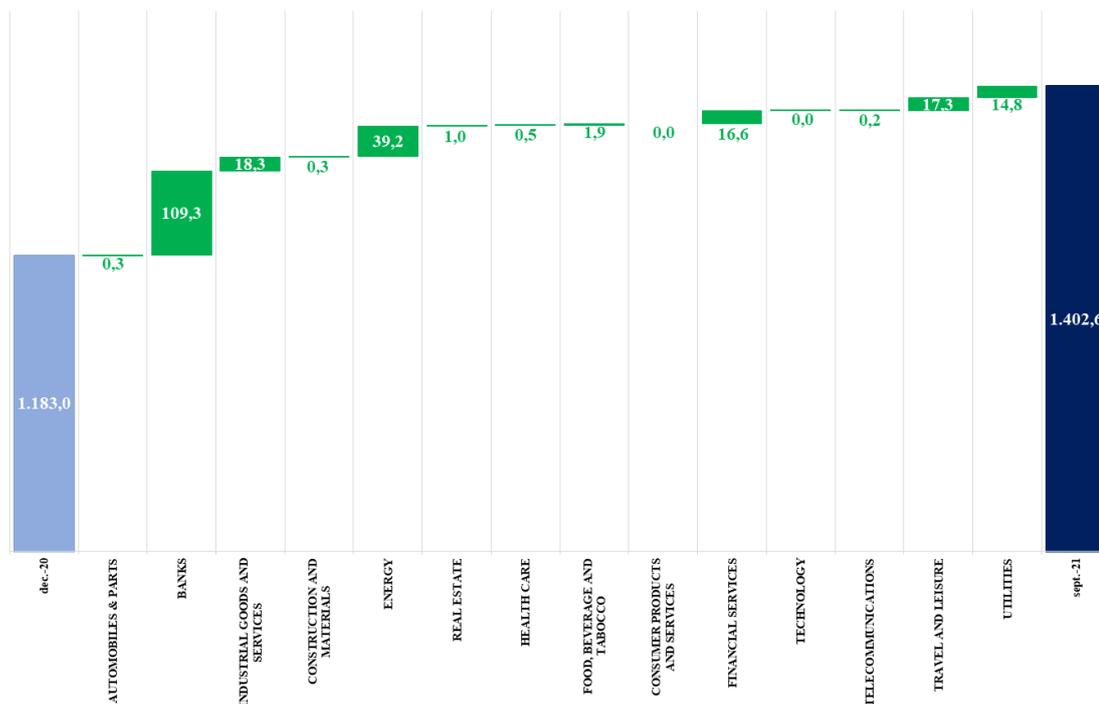


Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the financial instrument portfolio is calculated according to IFRS fair values. The final value (Sep.-21) of the financial instrument portfolio is calculated by adding to the IFRS fair values the contribution of each sector, 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.

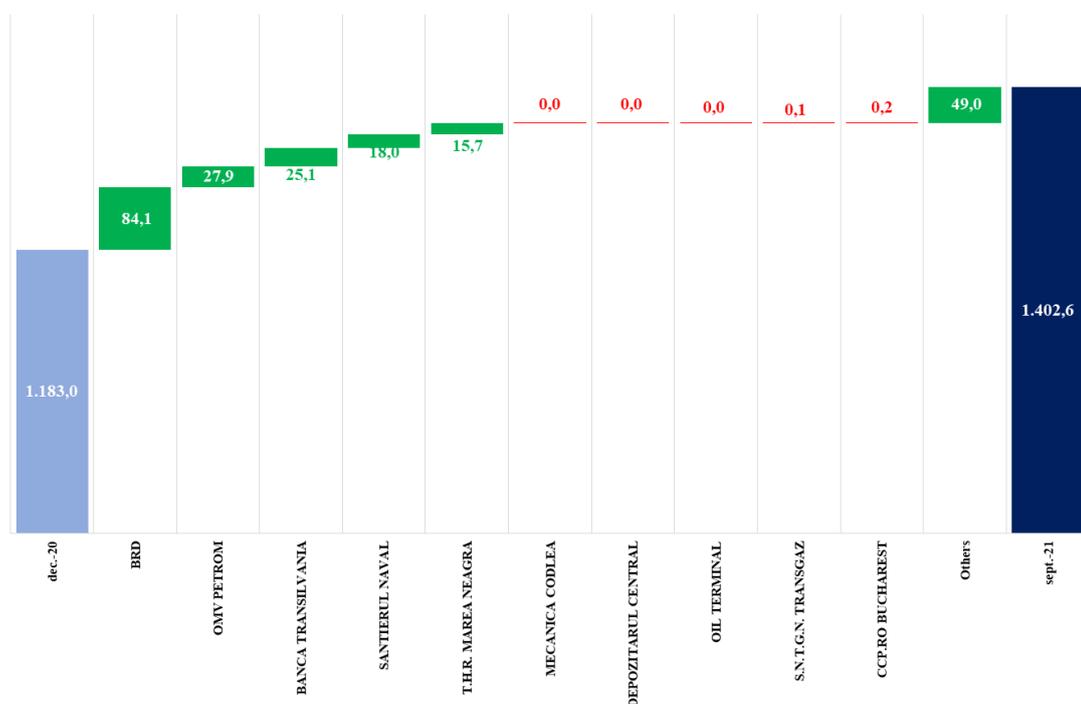
- ❖ analysis of share sub-portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - breakdown by activity sectors



Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the share sub-portfolio is calculated according to IFRS fair values. The final value (Sep.-21) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each sector, 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 share sub-portfolio variation (fair value + generated cash + attached receivables deducted from fair value) - top 5 positive/negative performances

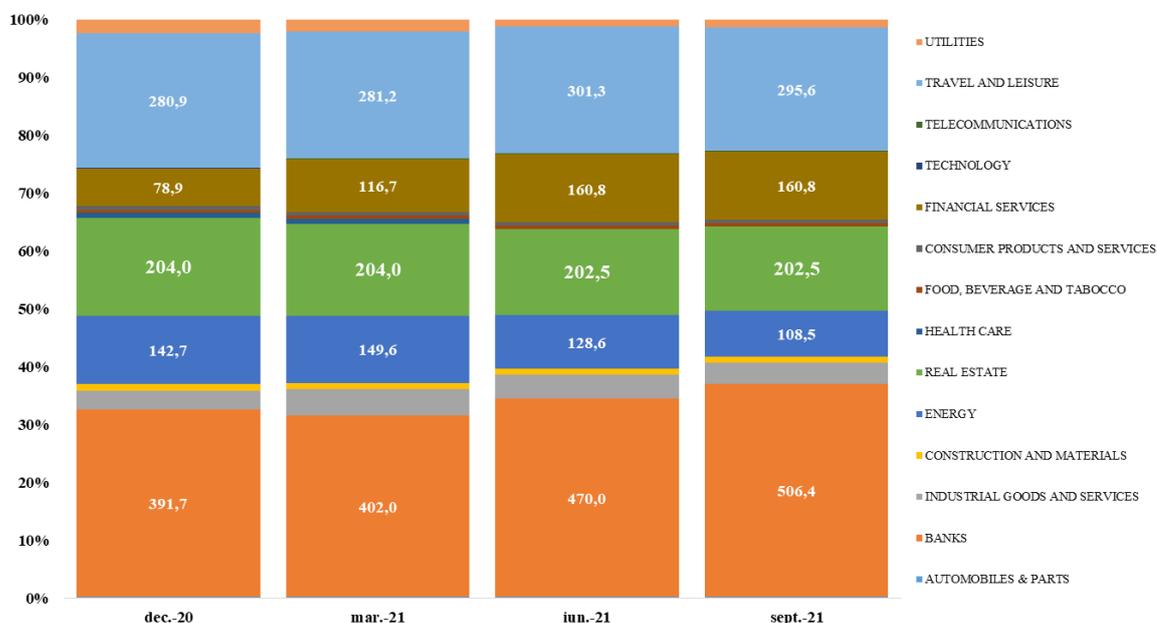


Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-20) of the share sub-portfolio is calculated according to IFRS fair values. The final value (Sep.-21) of the share sub-portfolio is calculated by adding to the IFRS fair values the contribution of each sector, 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.

- the sub-portfolio of shares generated, in terms of value of assets managed, a net positive impact amounting to RON 219.6 million;
 - the impact is determined based on the fair values recorded by the financial instruments in 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 related to sale/acquisition operations), attached receivables (dividends to be collected, deducted from the fair value of the financial instruments);
 - amid the recovery from the crisis generated by COVID-19 pandemic, none of the sectors continues to record negative net adjustment;
 - all supersectors record positive adjustments; the positive adjustments recorded by pro-cyclical sectors stand out (Banks: + RON 109.3 million, Energy: + RON 39.2 million);
 - the breakdown by supersectors of the performance of share sub-portfolio is similar to the one afferent to the aggregate financial instrument portfolio, and it captures the same context characterized by a slightly asymmetrical return subsequent to COVID-19 crisis;
 - top 5 negative performances include issuers whose negative net adjustment remains insignificant;
 - top 5 positive performances generally include pro-cyclical issuers;
- ❖ the aggregate treasury (cash and cash equivalents) has significantly improved as compared to the beginning of 2021, as a result of the prudent implementation of the investment program;

- ❖ during the first nine months of 2021, the number of companies in the share portfolio managed by S.I.F. Transilvania had a relatively downward tendency; the analysis also takes into account the shares pending sale;
- ❖ at the level of the operational portfolio, the investments' structure is characterized by concentration on sectors deemed strategical in the Company's 2020 - 2024 Investment Policy Statement and 2020 - 2024 Strategy;



Source: S.I.F. Transilvania

Obs.: IFRS fair values reported for Dec.- 20, Mar.- 21, Jun. - 2021, Sept. 2021 (expressed in RON million)

Investment strategy

The 2021 Investment Program fully complies with S.I.F. Transilvania's 2020 - 2024 Investment Policy Statement and 2020 - 2024 Strategy, approved by the shareholders in the General Shareholders Meeting of December 2020.

The investment program considers the goals provided in 2020 - 2024 Investment Policy Statement, which bring to the fore an optimal capitalization of the investment potential generated by holdings in the managed portfolio, and an improvement of the corporate governance system at the level of both Company and its subsidiaries. Also, it is intended for the program to represent an anchorage element for the investment activity of the Company in the current national and international context characterized by excessive volatility and a high degree of unpredictability.

By implementing the Investment Program, S.I.F. Transilvania reconfirms its commitment to increase the value of the managed assets by maximizing the aggregate risk-adjusted yields, and it intends:

- ▶ to provide quality for the managed portfolio;
- ▶ to significantly increase the quality of the managed portfolio and of its market value;
- ▶ to ensure the structural balance of the portfolio;
- ▶ to improve an optimal level of aggregate liquidity of the portfolio;
- ▶ to promote the instruments for efficient and competitive remuneration of the shareholders and to adequately manage the financial resources necessary to implement this strategy.

Also, the top management of S.I.F. Transilvania is aware of the exceptional character of the current trading conditions and, therefore, it adapts the work instruments specific to the investment program to the current local and international macroeconomic context.

In the light of 2020 - 2024 Investment Policy Statement, 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, action lines and strategic guidelines regarding the shareholders remuneration to the existing and projected liquidity conditions.

The action lines provided in 2020 - 2024 Investment Policy Statement represent the basic instruments for the continuous improvement of S.I.F. Transilvania's activity.

As the portfolio restructuring by sectoral and liquidity criteria generates additional financing resources, the general objectives of the investment strategy migrate towards the area of efficient management of diversifiable risks associated to the managed portfolio.

The **funding sources** of the investment program target the active management of the entire portfolio of the company, and they 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 the implementation of punctual speculative strategies at the level of sub-portfolios within the aggregate portfolio managed by the Company;
- ⇒ amounts resulted from the active management of the managed portfolio, with details on the following components:
 - resources resulting from the portfolio restructuring process by accelerating the sale of shares without relevant investment potential held in unlisted companies or listed companies with low liquidity (according to S.I.F. Transilvania's exit strategy – a basic element of the process of classification as an investment entity); by reference to the current and estimated investment process, an optimal balance between the resources generated by the restructuring operations and the impact of such operations on the implementation of the Revenue and Expenditure Budget shall be intended;
 - sale of listed shares with high liquidity, conditioned by market circumstances and current funding requirements (according to the same exit strategy); this approach shall be based on relevant criteria for the restructuring of sub-portfolios which the concerned shares are part of, in line with strict principles of strategic allocation;
- ⇒ attracted funding sources allowed by the legislation in force applicable to the sector in which S.I.F. Transilvania operates.

The **investments** targeted under the investment program consider:

- ⇒ implementation of punctual strategies based on rigorous principles regarding strategic allocation for the sub-portfolios focused on medium - long investment horizons;
- ⇒ implementation of punctual speculative strategies for the sub-portfolios focused on short investment horizons, supported by a wide range of financial instruments permitted by the capital market regulations, in order to make use of favourable market conditions and circumstances;
- ⇒ continuation of the process of developing and increasing the efficiency of portfolio companies by using the entire range of operations permitted 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;

- ⇒ investments in companies operating in sectors with favourable growth/recovery perspectives;
- ⇒ 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 permitted by the capital market regulations, in order to implement a market risk management strategy.

Investment program implementation as at 30.09.2021

During the first three quarters of 2021, the S.I.F. Transilvania's investments were mainly directed towards acquisitions of financial instruments listed on the local regulated market and characterized by high liquidity.

The investments made during the first nine months of 2021 consisted mainly in acquisitions at the level of long-term portfolio classified in FVTOCI category, in amount of RON 119.14 million, being focused on consolidation of shareholdings in issuers with stable dividend policy: Banca Transilvania (TLV) and Evergent Investments (SIF Moldova).

The sales carried out during the same period, at the level of FVTOCI long-term portfolio totalize RON 121.81 million, the most important ones being intended to mark profit in the case of issuers BRD Groupe Societe Generale, Romgaz, Nuclearelectrica, Electrica, SNP Petrom and Fondul Proprietatea. Moreover, the shareholdings in Casa de Bucovina, Alumil and Antibiotice Iasi were fully sold considering the performance of their share price within the last few years, and the limited upside resulted from the fundamental analysis.

As concerns the short-term portfolio classified in FVTPL category, the Company acquired shares issued by Sphera Francise Group, decreased the weight of the holdings in Groupe Societe Generale and OMV Petrom and sold the entire holdings owned in Conpet and Teraplast. The total value of sales was of RON 31.88 million. In addition, SIF Transilvania participated in the IPO carried out by Transport Trade Services, acquiring shares in amount of RON 1.9 million, shares which were subsequently sold, during the same quarter. Thus, at the level of the entire portfolio classified in FVTPL category, the recorded gain is of RON 1.8 million.

Also, on 30.09.2021, a position at the level of "newly issued securities" is recorded, being acquired by subscription in a private investment by issuing new shares in order to increase the share capital and list the shares on the AeRO multilateral trading system administered by BSE.

For the following period, we estimate that market volatility shall increase, the macro signals shall be mixed. Until now, the recovery was conducted by the US markets, and we estimate that investors shall focus more on the emerging and border markets, which Romania is part of, where multiples are much more attractive. Moreover, the expectations regarding the inflation were tempered during the 3rd quarter 2021, and all these decisively contribute to creating an environment adequate for economic recovery.

S.I.F. Transilvania's portfolio is structured so that its value can increase in the context of a post-Covid economic recovery, having a dominant exposure on banks, travel and leisure, real-estate and energy supersectors (according to FTSE Russell methodology). Nevertheless, in case of new turbulent periods determined by the increasing number of Covid cases with the new Delta strain, S.I.F. Transilvania shall

reposition itself on the stages of the new economic cycle in order to benefit from recovery during the following quarters.

Portfolio management during January - September 2021

During January-September 2021, S.I.F. Transilvania continued the implementation of the actions outlined in 2020 - 2024 Strategy approved by the General Meeting of Shareholders with regard to portfolio management, i.e.:

- ⇒ monitoring and assessment of the portfolio companies' activity, based on the financial results recorded at the end of financial year 2020 and at the end of the first semester of 2021, in the context of COVID-19 pandemic;
- ⇒ substantiation of the voting options exercised in the General Meetings of Shareholders held for the closure of 2020 financial year regarding the distribution of the net profit and other items on the agenda, based on the documents provided by portfolio companies and by reference to S.I.F. Transilvania's interests;
- ⇒ promotion of modern management policies in the companies in which S.I.F. Transilvania is a majority shareholder, which are meant to:
 - consolidate the enforcement of the corporate governance principles oriented towards transparency, objective assessment of performance and adequate risk management;
 - optimize the management systems and performance indicators in line with the specificity of the field in which the issuer operates, and with the amplitude of its activity, and also in accordance with the efficient remuneration practices (including by approving the Remuneration Policies), orientation towards promoting medium/long term sustainable performance;
 - ensure the financial sources for the implementation of competitive shareholders' remuneration policies, having as an effect the increase of revenues generated by dividends granted by this category of companies, without affecting their capacity to generate profit during the following period;
- ⇒ approval of balanced dividend distributions in the case of subsidiaries, which to determine the increase of S.I.F. Transilvania's dividend income, but without affecting their capacity to generate profit during the following period;
- ⇒ appointment in management and supervisory positions of people with professional expertise and qualification based on clearly predefined criteria and in accordance with the internal selection procedure, including independent managers;
- ⇒ identification and steering of synergies existing at the level of the companies which operate in the same sector/supersector in order to improve the operational efficiency;
- ⇒ approval in the General Meetings of Shareholders of performance criteria and objectives for 2021 for each company depending on the specificity of the activity, the Revenue and Expenditure Budget and Investment Programs for 2021, aligned with the provisions of the Remuneration Policy established at the level of each entity;
- ⇒ carrying on the restructuring and improvement of the portfolio managed by S.I.F. Transilvania;
- ⇒ definition and implementation of a standardized sectoral classification system - on three levels: sector/supersector/industry - aligned with the similar systems used by the main platforms which provide financial information (Bloomberg, Capital IQ etc.), and repositioning of portfolio companies depending on the actual specificity of the activity.

Following the analysis of the share sub-portfolio of S.I.F. Transilvania, it resulted that it is necessary to use a standardized sectoral classification system which to be in line with the similar systems used by the main platforms providing financial information (Bloomberg, Capital IQ). Therefore, the Company internally redefined the economic sectors and repositioned the portfolio companies within such sectors, based on the following clear, unitary and objective principles:

- use of the Industry Classification Benchmark (ICB) system developed by FTSE Russell;
- use of the following breakdown: Industry - Supersector - Sector; the reference point of the present analysis is the ICB supersector;
- the methodology used is focused on providing an accurate and relevant picture of the portfolio managed by S.I.F. Transilvania;
- use of a classification system able to provide relevant information on the strategic allocation used by reference to the general investment context, and to delimitate the pro-cyclical sectors from the defensive sectors;

Within the process of internal redefinition of the economic sectors, it resulted as being opportune the separate definition of the Banks sector, in which to include the companies authorized and supervised by the National Bank of Romania, whose main activity is represented by credit granting and other forms of cash loans, based on own and/or attracted sources (banks and NBFIs).

The Financial Supersector includes the Investment Fund Sector (closed-end and open-end funds, FP, SIFs) and the Financial Service Sector (market operators, financial services companies, related institutions).

In the case of companies operating within the consumer goods sector, a clear delimitation is made between the goods/services intended for basic consumption (defensive) and the goods/services intended for discretionary consumption (pro-cyclical).

Similarly, the companies classified in the Energy Sector were reclassified depending on their offensive profile (Industry: Energy – Supersector: Energy) / defensive (Industry: Utilities – Supersector: Utilities), with the afferent sectors.

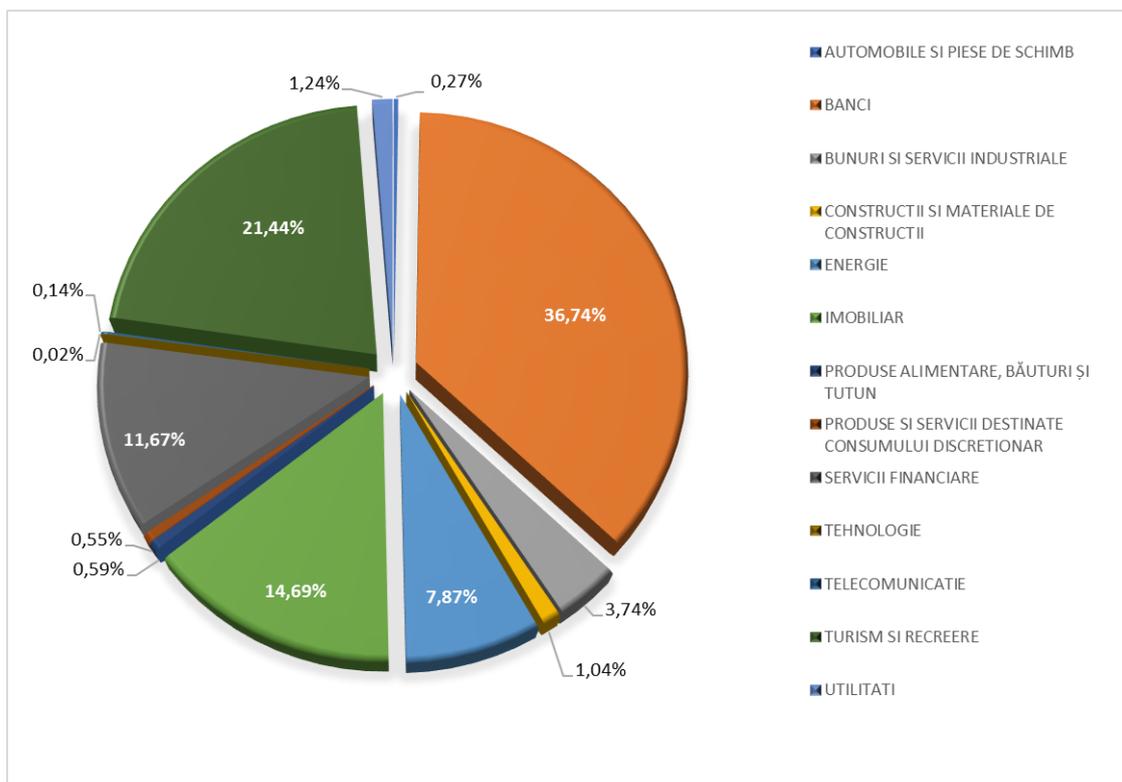
Portfolio structure changes (shares and fund units) by supersectors

Portfolio structure by activity supersectors	31.12.2020		30.09.2021	
	No. of issuers	%	No. of issuers	%
Automobiles and Parts	3	0.29	3	0.27
Banks	5	32.29	5	36.74
Industrial Goods and Services	11	3.29	11	3.74
Constructions and Materials	10	1.25	8	1.04
Energy	9	11.77	7	7.87
Real-estate	20	16.82	20	14.69
Health Care	1	0.88	0	0.00
Food, Beverages and Tobacco	6	0.54	6	0.59
Consumer Products and Services	2	0.70	2	0.55
Financial services*	12	6.51	14	11.67
Technology	1	0.02	1	0.02
Telecommunications	1	0.14	1	0.14
Travel and Leisure	16	23.16	16	21.44
Utilities	2	2.34	2	1.24
TOTAL	99	100.00	96	100.00
Share issuers	94	97.55	90	97.11
Fund units	5	2.45	6	2.89
Newly issued securities	0.00	x	1	x

Source: S.I.F. Transilvania Obs.: According to IFRS fair value *including fund units

The number of fund units increased during June - September 2021, from 5 as at 01.01.2021, to 6 as at 30.09.2021, following the closing of one position and acquisition of two new fund units. Moreover, changes took place in the share sub-portfolio that led to the decrease in the number of shareholdings from 94 (as at 31.12.2020) to 90 (as at 30.09.2021). The efforts to restructure and make the portfolio more efficient have concretized in the capitalisation of the opportunities provided by the capital market, entries and exits from portfolio being recorded only for the companies admitted to trading on the regulated market or international markets.

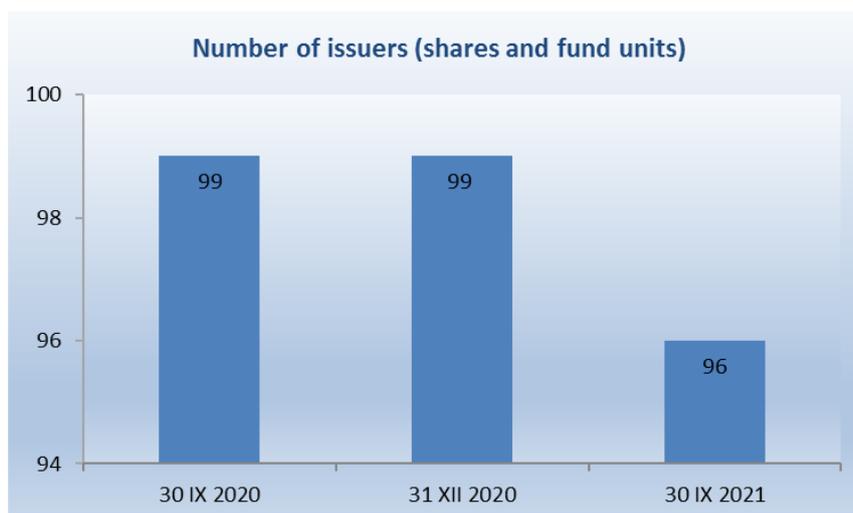
Portfolio structure by supersectors (shares and fund units) as at 30.09.2021



Source: S.I.F. Transilvania

Obs.: According to IFRS fair value

Changes in the number of issuers in portfolio



Source: S.I.F. Transilvania

Between January 2021 and September 2021, the number of issuers in the portfolio decreased, amid the decrease of the shareholdings in companies listed on the national and international regulated markets and the increase of the number of fund units.

Also, on 30.09.2021, a position at the level of “*newly issued securities*” is recorded, being acquired by subscription in a private investment by issuing new shares in order to increase the share capital and list the shares on the AeRO multilateral trading system administered by BSE.

The recommendation of the European Central Bank with regard to the non-distribution of dividends until September 2021 had a major impact also in 2021 on the drawing-up of the Revenue and Expenditure Budget of S.I.F. Transilvania, which does not include the dividends afferent to the shareholdings in BRD Groupe Societe Generale S.A. Bucharest and Banca Transilvania S.A. Cluj-Napoca.

The performance of dividend income in FY 2015-2021 is presented in the table below.

Dividend income	-thousand RON-	%
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	39,998	-43.71%
2021 (estimated)	32,916	-17.71%

The amount of the dividends foreseen to be collected in 2021 is of RON 32,916 million, by 17.71% lower than the one collected in 2020. The dividend income as at 30.09.2021 amounts to RON 32,916 thousand. On this date, other dividend distributions are not announced or anticipated, although, considering the decision of the European Central Bank to lift the prohibition for the commercial banks to distribute dividends, it was expected for the issuers from *Banks* supersector to distribute in the 4th quarter of 2021 an important share of the net profit from 2019 and 2020 in the form of dividends.

Thus, we record the second consecutive year in which the dividend income has decreased, especially due to administrative considerations induced by the European regulatory and supervisory authorities.

Top 10 holdings as at 30.09.2021

Seq. no.	Company name	SIF's holding percentage	% of the Total Assets*
1	BRD – Groupe Societe Generale	2.81%	24.36%
2	BANCA TRANSILVANIA	0.68%	7.65%
3	TURISM FELIX	63.75%	6.55%
4	OMV PETROM	0.30%	5.09%
5	EVERGENT INVESTMENTS	4.88%	4.58%
6	T.H.R. MAREA NEAGRA	78.11%	4.53%
7	FEPER	85.80%	3.75%
8	COMCM CONSTANȚA	56.72%	2.85%
9	CASA ALBA INDEPENDENȚA SIBIU	53.35%	2.82%
10	ORSOVA SHIPYARD	50.00%	2.23%
Top 10 holdings			64.41%
Total financial instrument portfolio			91.23%

Source: S.I.F. Transilvania

*according to IFRS fair values reported for September 2021, (expressed in RON)

Corporate governance

Governance structures

S.I.F. Transilvania is managed under a two-tier system by an Executive Board which carries out its activity under the control of the Supervisory Board.

As at 30.09.2021, the Supervisory Board of S.I.F. Transilvania consisted of: Mr. Paul-George Prodan - President, Mr. Radu Momanu - Vice-President, Mr. Patrițiu Abrudan - Member, Mr. Marius-Petre Nicoară - Member, and Mr. Constantin Frățilă - Member.

The members of the Supervisory Board were elected by the Ordinary General Meeting of Shareholders of 04.12.2020 for a 4-year mandate as of the date the structure of the Board was authorized by the Financial Supervisory Authority. The members of the Supervisory Board were authorized by F.S.A. under Authorizations nos. 69/19.04.2021 and 80/27.04.2021.

According to the Articles of Incorporation, the Executive Board of the Company consists of three members, appointed by the Supervisory Board. As at 30.09.2021, the Executive Board was composed of two members, namely, Mr. Radu Claudiu Roşca – Executive President/CEO and Mr. Tony Cristian Răduță-Gib – Executive Vice-President/Deputy CEO, who carry out the activity under the F.S.A. Authorizations no. 78/15.05.2020 and 103/12.06.2020.

Detailed information on the corporate governance structures of the Company can be found on the webpage www.siftransilvania.ro, Section *About SIF Transilvania*.

Important corporate events during the third quarter of 2021

- Under Authorization no. 150/09.07.2021, S.I.F. Transilvania was authorized by the Financial Supervisory Authority in the capacity of Retail Investor Alternative Investment Fund (R.I.A.I.F.), having BRD Groupe Société Générale as depository. Also, under the abovementioned authorization, F.S.A. has authorized the amendments made to the Articles of Incorporation of the Company in accordance with the Resolution of the Extraordinary General Meeting of Shareholders no. 1 of 04.12.2020 and the Simplified Prospectus of S.I.F. Transilvania.
- On 13.08.2021, S.I.F. Transilvania has published the financial results for the 1st semester of 2021, the net profit generated until 30.06.2021, being in amount of RON 58.27 million as compared to the loss of RON 40.6 million recorded during the first semester of 2020; the profit before tax, in amount of RON 59.58 million is higher than the one provided in the Revenue and Expenditure Budget for the whole year 2021 (RON 19 million).
- On 11.09.2021, the mandate as member of the Executive Board of Mr. Marius - Adrian Moldovan – Executive President/CEO was terminated with the consent of the parties.
- Under the resolution of the Supervisory Board of 12.08.2021, Mr. Radu-Claudiu Rosca was appointed Executive President/CEO of the company, the prerogatives of the position being exercised as of 13.09.2021.
- The Company has notified the shareholders that the mandate as member of the Executive Board/Director of Mr. Tony-Cristian Răduță-Gib would be terminated with the consent of the parties starting on 11.11.2021.
- Under the resolution of the Supervisory Board of 12.08.2021, Mr. Tony-Cristian Răduță-Gib was appointed as Executive Vice-President/ Deputy CEO starting on 13.09.2021, the function being exercised until the termination of the mandate of member of the Executive Board.

- Under the resolution of the Supervisory Board of 12.08.2021, Mr. Dragoș Călin was appointed Member of the Executive Board/Director for a mandate starting on the date of his approval in this position by the Financial Supervisory Authority, but no earlier than 13.09.2021, until 20.04.2024.
- Under the abovementioned resolution, the Supervisory Board has decided to abolish the Nomination and Remuneration Committee and to establish two other committees, namely, the Nomination Committee and the Remuneration Committee, having the following structure:
 - Nomination Committee: Mr. Paul-George Prodan – President, Mr. Constantin Frățilă - Member and Mr. Patrițiu Abrudan – Member;
 - Remuneration Committee: Mr. Paul-George Prodan – President, Mr. Marius-Petre Nicoară - Member and Mr. Radu Momanu – Member.
- On 13.09.2021, the individual employment contract of Mrs. Anda Cristina Cioroianu, occupying the position of Risk Manager within the Risk Management Office, was terminated with the consent of the parties.
- Under the resolution of the Supervisory Board of 30.09.2021, Mr. Alexandru Gavrilă was appointed as Risk Manager of S.I.F. Transilvania. Until the date of authorization by F.S.A., Mr. Alexandru Gavrilă occupies the position of Provisional Risk Manager.
- The Company has notified the shareholders with regard to the termination of the employment contract of Mrs. Loredana Floriana Baston, occupying the position of Compliance Officer within the Compliance Department, as of 01.10.2021.
- Under the resolution of the Supervisory Board of 30.09.2021, Mr. Theo-Dorian Buftea was appointed as Executive Vice-President/ Deputy CEO of S.I.F. Transilvania for a mandate between the date of his authorization by F.S.A., but no earlier than 12.11.2021, and 20.04.2024.
- On 30.09.2021, the Supervisory Board has endorsed the decision of the Executive Board regarding the establishment of a branch office/working point in Bucharest, Ana Tower Building, and the proper amendment of Article 3, paragraph (3) of the Articles of Incorporation of the Company.

Relationship with shareholders and investors

During the third quarter of 2021, the Company has fulfilled its transparency, information 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 current reports, press releases and periodical reports, which were notified to the shareholders and investors by publishing them on the B.S.E., F.S.A. and the Company's websites. The reports and press releases were disseminated simultaneously in Romanian and English language.

Moreover, as a result of the authorization of S.I.F. Transilvania in the capacity of retail investor alternative investment fund (R.I.A.I.F.), the updated Articles of Incorporation, Simplified Prospectus, Fund's Rules and Key Investor Information Document afferent to the operation of the company in the capacity of R.I.A.I.F. were published on the company's website. The Company also published on its website the Involvement Policy, in accordance with provisions of Article 91⁹ of Law no. 24/2017, and the updated form of the Policy regarding Integration of Sustainability Risks.

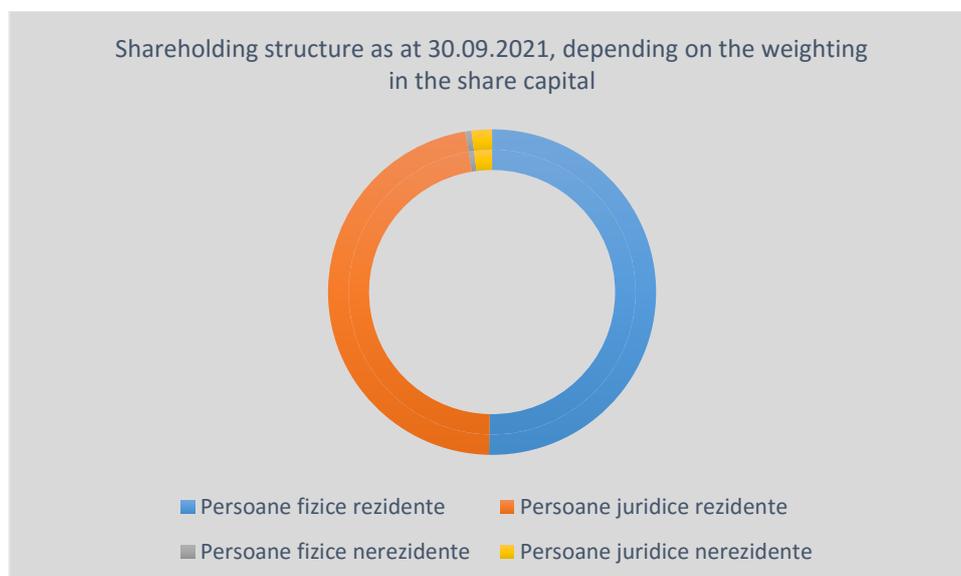
The Company was permanently in contact with the shareholders and investors through the Corporate Governance Office, answering their questions and requests, via post services, e-mail, by phone and at the Company's headquarters. Moreover, the stakeholders receive via email, based on subscription, a

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.

Shareholding structure as at 30.09.2021

According to the data provided by Depozitarul Central S.A., S.I.F. Transilvania's shareholding structure as at 30.09.2021 was as follows:

Shareholders	Number of shareholders	Number of shares held	% of the share capital
Resident individuals	6,961,229	1,087,681,777	50.30
Resident legal entities	220	1,018,132,717	47.08
Total resident shareholders	6,961,449	2,105,814,494	97.38
Non-resident individuals	2,397	13,070,269	0.61
Non-resident legal entities	23	43,559,034	2.01
Total non-resident shareholders	2,420	56,629,303	2.62
TOTAL	6,963,869	2,162,443,797	100.00



Remuneration of shareholders in 2021

The Ordinary General Meeting of Shareholders dated 28.04.2021 has approved the proposal of the Executive Board regarding the distribution of the entire net profit generated by the Company in FY 2020 in amount of RON 34,541,911.98 to *Other reserves - own financing sources set-up from profit*, the provided arguments being as follows:

- the current macroeconomic context characterized by significant investment opportunities,
- the general trading context which shall continue to be affected by a high degree of volatility,
- the implementation of the investment strategy, with focus also on medium-long term financial instruments (private equity),
- the general context specific to the sectors deemed strategic from the perspective of S.I.F. Transilvania's investment policy (tourism, real-estate, financial).

The dividends pertaining to the financial years 2017, 2018 and 2019 shall continue to be paid via Central Depository and Banca Transilvania. According to the legal provisions and Articles of Incorporation of the company, the abovementioned dividends shall be prescribed on the following due

dates: dividends afferent to FY 2017 - on 26.12.2021, dividends afferent to FY 2018 - on 24.12.2022, and dividends afferent to FY 2019 - on 26.10.2023.

The situation of the dividends distributed from the net profit generated during the financial years 2017, 2018 and 2019, actually paid until 30.09.2021, is as follows:

Financial year when the profit was generated	Year when the dividend was paid	Distributed gross dividends		Paid gross dividends	
		RON/share	thousand RON	thousand RON	%
2017	2018	0.0100	21,624*	15,175	70.18
2018	2019	0.0121	26,165	17,804	68.04
2019	2020	0.0355	76,767	50,675	66.01

^{*)} It does not include the amount of RON 218.4 thousand representing dividends afferent to a number of 21,842,867 shares held by the Company as at the registration date, an amount that was not paid by the company as a result of the fact that the own shares do not entitle the shareholders to receive dividends.

Social responsibility

During the first nine months of 2021, S.I.F. Transilvania has carried out a series of activities focused on social responsibility, in accordance with the Code of Corporate Governance of the company and with its own policy regarding social responsibility. The activities resulted in sponsoring foundations and associations for organisation of a number of legal conferences, and also for the deployment of humanitarian projects.

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 involves both the employees' attendance to conferences, seminars, classes, as well supporting them in their personal efforts of professional advanced training.

Moreover, considering the requirements of the F.S.A. Regulation no. 28/2020 *regarding vocational education, training and up-skilling on the capital market* in the third quarter of 2021, the members of the Supervisory Board have participated in the "Risk Manager" initial vocational training program, and the members of the Supervisory Board and Executive Board have participated in the 2021 continuous vocational education/training and up-skilling program.

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.

During the 3rd quarter of 2021, the internal audit activity was carried out by Mazars Romania S.R.L., their mandate expiring on 31.12.2021. In accordance with the resolution of the Ordinary General Meeting of Shareholders of 28.04.2021, Mazars România S.R.L. shall take over the position of financial auditor of S.I.F. Transilvania for a 3-year mandate, as of 01.01.2022 until 31.12.2024, in order to audit the financial statements afferent to FY 2022, 2023 and 2024.

The activity of the internal auditor is carried out based on the 2021 Internal Audit Plan endorsed by the Audit Committee and approved by the Supervisory Board.

Compliance

The Compliance Office 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.

Under the decision of the top management, S.I.F. Transilvania's compliance officer also has responsibilities concerning the fulfilment of the Company's obligations with respect to the application of the specific laws on the prevention and combating of money laundering and financing of terrorist acts by means of the capital market, and also for enforcing the international sanctions.

The scope of the Compliance Office 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 01.01.2021 and 30.09.2021, the key position of Compliance Officer was occupied by Mrs. Loredana Floriana Baston, who has fulfilled the function's tasks based on the F.S.A. Authorization no. 161/14.09.2020.

As a result of the termination, with the consent of the parties, of the employment contract of Mrs. Loredana Floriana Baston starting on 01.10.2021, the position of Compliance Officer is provisionally exercised by Mr. Tony-Cristian Răduță-Gib - Deputy General Manager/Chief Executive Office starting on 01.10.2021 until the approval by F.S.A. of the person who shall occupy the position, but no later than the termination of Mr. Răduță's mandate as member of the Executive Board/Director.

The activity of the Compliance Office during the third quarter of 2021 consisted mainly in monitoring the compliance with the legal requirements, F.S.A. regulations, Policies and procedures regarding S.I.F. Transilvania operation in its capacity of A.I.F.M., and of the goals provided in the Investment Plan approved by the Supervisory Board, focusing mainly on: compliance with the legislation and internal regulations, compliance with the reporting deadlines afferent to the activity of the Company, implementation of the provisions of Law no. 243/2019 on regulation of alternative investment funds (A.I.F.), organisation and deployment of the general shareholders meetings, observance of legislation and internal procedures regarding anti-money laundering and terrorism financing activities and management of the international sanctions on the capital market.

Risk management

The Risk Management Office is subordinated to the Supervisory Board and is functionally and hierarchically independent from other organizational structures of the company.

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

Between 01.01.2021 and 12.09.2021, the key position of Risk Manager was occupied by Mrs. Anda Cristina Cioroianu, who has fulfilled the function's tasks based on the F.S.A. Authorization no. 6/16.01.2019.

As a result of the termination, with the consent of the parties, of the employment contract of Mrs. Anda Cristina Cioroianu starting on 13.09.2021, the position of Risk Manager is provisionally exercised by Mr. Alexandru Gavrilă.

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 integral part of the "Policies and Procedures regarding S.I.F. Transilvania's Operation 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 Office, Compliance Office, 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 analyses performed at the end of the third quarter of 2021 indicate the following risk profile of S.I.F. Transilvania:

Type of risk/ Risk Indicator		Materiality threshold (own funds requirement / own funds or internally established limits)	Risk appetite	30.09.2021	Limit compliance
No.	Type of risk/exposure				
Market risk- subcategories:					
1	Position risk	max. 38,75%	Medium	9,91%	yes
2	Foreign exchange risk	max. 15%	Medium	0,00%	yes
3	Long-term Interest risk	max. 7,5%	Medium	0,00%	yes
4	Commodity Risk	max. 3,75%	Medium	0,00%	yes
5	VaR (historical simulation, 20 days, 99%)	max. 25%	Medium	8,48%	yes
6	NAV per share volatility	max. 18%	Medium	14,87%	yes
Credit risk:					
1	Credit risk	max. 75%	Medium	60,77%	yes
Liquidity risk- subcategories:					
1	LCR (net)	min. 1,3	Medium	45,49	yes
2	LCR (brut)	min. 1,2	Medium	5,27	yes
3	Financing from temporary resources	max. 20%	Low	5,47%	yes
4	Portfolio liquidity (percentage of liquid portfolio in total assets)	min. 35%	Mediu	48,86%	yes
Risc de contrapartidă					
Counterparty risk:					
1	Exposure to high-insolvency risk companies	max. 10%	Low	0,14%	yes
2	Exposure to non-listed companies	max. 40%	According to law	4,48%	yes
3	Sector concentration risk	max. 40%	Medium	33,51%	yes
4	Entity concentration risk	10% / 40%	According to law	24,36%	yes
Operational risk					
1	Operational risk- standardised approach	max. 7,5%	Medium	2,54%	yes
Leverage					
1	Leverage - Gross Method	max. 1,5	Low	1,04	yes
2	Leverage - Commitment Method	max. 1,5	Low	1,11	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. As concerns the internally established limits, all indicators are within the undertaken maximum levels. The capital markets continue to be characterized by a high degree of unpredictability, remaining vulnerable from the perspective of high volatility periods (a fact that could determine an increase of VaR or NAVPS Volatility indicators as compared to the current level). We emphasize the fact that the level of NAVPS Volatility indicator is influenced by the fact that the observation period (3 years) reflects the behaviour of the portfolio assets, i.e. the performance of the Net Asset Value of S.I.F. Transilvania under the influence of periods of significant crisis (crisis generated by the adoption of Government Emergency Ordinance no. 114/2018 and the one generated by Covid-19 pandemic).

The leverage indicator, determined according to the provisions of the EU Regulation No. 231/2013 supplementing Directive 2011/61/EU with regard to general operating conditions, depositaries, leverage, transparency and supervision, recorded - as at 30.09.2021- a low level according to the materiality threshold, as calculated by both methods. 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 = 1.04, leverage according to the commitment method = 1.11).

Gross Method = (Total assets exposure - cash and cash equivalents) / (Net Asset Value)		
30.09.2021		
Total assets	Net asset	Cash and cash equivalent (adjusted)
1,510,928,538.82	1,357,518,057.16	96,425,945.44
Leverage Ratio according to the gross method		1.04
Commitment Method = (Total assets exposure) / (Net Asset Value)		
30.09.2021		
Total assets	Net asset	
1,510,928,538.82	1,357,518,057.16	
Leverage Ratio according to the commitment method		1.11

REVIEW OF FINANCIAL STATEMENTS

The interim condensed financial statements for the period 01.01.2021 – 30.09.2021 have been prepared in accordance with the Financial Supervisory Authority Rule no. 39/2015 on the approval of the accounting regulations compliant with I.F.R.S., applicable to entities authorized, regulated and supervised by F.S.A. from the Financial Instruments and Investments Sector, as subsequently amended and supplemented, and they were not audited.

At the end of the third quarter of 2021, the economic and financial situation of the company is summarized as follows:

Statement of Financial Position

Description	-RON-		
	30 September 2021	31 December 2020	30 September 2020
Cash and cash equivalents	109,956,254	70,509,230	57,567,694
Financial assets measured at fair value through profit or loss	660,439,166	643,472,124	606,851,068
Financial assets measured at fair value through other comprehensive income	717,911,945	569,320,156	535,104,530
Financial assets at amortised cost	5,343,968	565,462	1,056,942
Other assets	1,136,339	709,698	576,408
Current income tax receivables	-	-	115,798
Intangible assets	107,145	89,986	80,573
Property, plant and equipment	14,345,320	14,805,752	15,070,492
Rights of use assets under leases	1,688,402	805,298	-
Total assets	1,510,928,539	1,300,277,705	1,216,423,505
Financial liabilities	42,169,469	44,013,728	104,886,911
Bank loans	39,998,108	39,951,153	-
Lease liabilities	1,785,794	718,324	-

Deferred tax liabilities	57,967,951	42,943,700	36,767,704
Current income tax liabilities	10,188,724	132,456	-
Other liabilities	1,300,435	2,210,142	711,425
Risk and expenditure provisions	-	86,955	-
Total liabilities	153,410,481	130,056,458	142,366,040
Share capital	216,244,380	216,244,380	216,244,380
Retained earnings	135,244,549	67,347,597	3,523,182
Reserve from revaluation of financial assets measured at fair value through other comprehensive income	297,961,736	217,865,635	184,899,606
Revaluation reserve for property, plant and equipment	11,948,738	11,991,040	12,178,844
Other reserves	691,314,508	656,772,596	657,209,454
Other equity	4,804,147	-	-
Total equity	1,357,518,058	1,170,221,247	1,074,057,465
Total liabilities and equity	1,510,928,539	1,300,277,705	1,216,423,505

On 30.09.2021, the **total assets** of the company have increased by RON 294.50 million as compared to the same period of 2020, and by RON 210.65 million as compared to the end of the previous year mainly due to the significant increase of the value of financial assets measured at fair value through other comprehensive income (34.16% as compared to 30.09.2020, and 26.10% as compared to 31.12.2020), determined by an increase in the price of the listed shares.

The Company's **liabilities** recorded as at the end of the third quarter of 2021 totalize RON 153.41 million, being by RON 11.04 million higher than those recorded during the same period of the previous year.

Out of total **current liabilities**, outstanding as at 30.09.2021, RON 40.90 million (26.66%) represent dividends due to the shareholders for the previous years. The Company has contracted a short-term loan (intended for the payment of dividends, and ratified by the Extraordinary General Meeting of Shareholders in December 2020), due in October 2021, in amount of RON 39.99 million, accounting for 26.07% of the short-term liabilities.

The liabilities with maturities longer than 1 year are represented by the deferred tax calculated for the gain from fair value differences for the financial assets measured at fair value through other comprehensive income (RON 57.97 million), increasing by 57.66% as compared to 30.09.2020.

As compared to the same period of the previous year, the Company's **equity** as at 30.09.2021 is RON 283.46 million higher, the increase being mainly generated by the positive difference recorded based on the fair value measurement of the financial assets in the portfolio.

Performance of the net asset value

The Company's Statement of assets and liabilities is prepared in RON, on a monthly basis, by complying with the valid applicable regulations and, if applicable, for other reference 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 Annex no. 10 to F.S.A. Regulation no. 7/2020). The net asset value is calculated by the Company on a monthly basis, it is certified by the depository company BRD – Groupe Societe Generale S.A. Bucharest and submitted to 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.

The net asset value as at 30.09.2021, as compared to the same period of the previous year, performed as follows:

-RON-

INDICATORS		Results as at:		Performance (%) Results 2021 / Results 2020
		30 September 2021	30 September 2020	
Total assets - calculated amount		1,510,928,539	1,216,423,505	124.21
Total liabilities - calculated amount		153,410,481	142,336,040	107.78
Calculated net asset	RON	1,357,518,057	1,074,057,465	126.39
	RON/share	0.6278	0.4967	126.39

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.

Statement of profit or loss and other comprehensive income

-RON-

Description	30 September 2021	31 December 2020	30 September 2020
Dividend income	32,915,652	39,997,694	30,367,199
Interest income	450,179	629,891	441,352
Interest income from bonds classified as financial assets at fair value through profit or loss	-	46,506	46,506
Net gain / (Net loss) from financial assets measured at fair value through profit and loss	42,884,384	(381,414)	(35,060,996)
Operating income	711,312	11,605,698	203,021
Total net income	76,961,527	51,898,376	(4,002,918)
Total employee remuneration expense, out of which:	(13,760,546)	(10,848,150)	(8,505,547)
<i>Benefits granted in the form of equity instruments</i>	<i>(4,804,147)</i>	-	-
Commissions and fees	(1,485,711)	(1,533,934)	(1,120,493)
(Loss)/ Reversal of impairment losses on financial assets	490	373,711	378,858
Operating expenses	(4,027,012)	(6,990,533)	(4,632,099)
Financing costs	(866,177)	(266,849)	-
Provision loss	-	(86,955)	-
Profit before tax	56,822,571	32,545,665	(17,882,199)
Income tax (expense)/credit	(1,384,418)	1,996,247	-
Net profit for the period	55,438,153	34,541,912	(17,882,199)
Other comprehensive income – items that will not be subsequently reclassified to profit or loss:			
Gain/(loss) from revaluation of financial assets measured at fair value through other comprehensive income, net of deferred tax	142,078,762	(43,193,856)	(86,840,279)
Increase / (Decrease) of the reserve from revaluation of property, plant and equipment, net of deferred tax	-	93,246	(59,430)
Other comprehensive income - total	142,078,762	(43,100,610)	(86,899,709)
Total comprehensive income for the period	197,516,915	(8,558,698)	(104,781,908)
Earnings per share	0.0256	0.0160	0.0083
Diluted earnings per share	0.0256	0.0160	0.0083

Execution of 2021 Revenue and Expenditure budget

-thousand RON-

INDICATORS	REB Year 2021	REB Q3 2021	Results Q3 2021
Dividend income	30,700	30,700	32,916
Interest income	500	375	450
Gain/Loss on financial assets measured at fair value through profit or loss	-	-	42,884
Other operating income	6,500	-	711
Net operating income	37,700	31,075	76,961
Personnel cost	10,500	7,875	13,761
Commissions and fees	1,600	1,200	1,471
Other expense	6,600	4,950	4,907
Profit before tax	19,000	17,050	56,822

Source: S.I.F. Transilvania

As presented above, the **net income** generated in the third quarter of 2021 (cumulated as of the beginning of financial year 2021) is by RON 45.88 million higher than the value estimated in the Revenue and expenditure budget for the third quarter of 2021.

The **operating expenses** as at 30.09.2021 amount RON 20.14 million, being by RON 6.11 million higher than those provided in the Revenue and expenditure budget for the third quarter of 2021. Exceeded forecasted values are determined by the recognition of the amount of RON 4.8 million as estimated maximum expense with the benefits granted in the form of equity instruments in accordance with the Resolution of the Extraordinary General Meeting of Shareholders dated 04.12.2020 regarding the approval of a share redemption program (maximum 10,443,797 shares for the maximum price of RON 0.46/share), shares to be distributed to the members of the Supervisory Board, Executive Board and the identified personnel within a Stock Option Plan, in accordance with the remuneration policy approved at company level.

The **gross profit** recorded as at 30.09.2021, in amount of RON 56.82 million, exceeds by RON 39.77 million the amount provided in the Revenue and Expenditure Budget for Q3 2021, mainly due to the net gain on financial assets measured at fair value through profit or loss amounting to 42,88 million RON.

Statement of cash flows

In the third quarter of 2021, the Company recorded a positive cash flow. More details may be found in the Statement of Cash Flows provided below.

-RON-

Description	30 September 2021	30 September 2020
Cash flows from operating activities, total, out of which:	43,453,457	1,312,058
Receipts from clients	3,293	-
Payments to suppliers and employees	(8,730,310)	(9,486,044)
Receipts from sale of bonds/matured bonds	-	2,000,036
Receipts from sale of equity investments	154,873,782	24,031,925
Payments for purchase of equity investments	(128,396,731)	(40,941,923)
Income tax paid	(272,609)	(400,000)
Interest received	450,178	543,122
Dividends received (net of withholding tax)	29,638,748	30,332,034
Payments for contributions, fees, taxes owed to state budget	(3,343,202)	(3,927,270)
Other payments related to Company's operation	(882,880)	(723,760)
Other payments afferent to investment activity (including brokerage fees pertaining to sales)	113,188	(116,062)

Cash flows from investment activities, total, out of which:	23,271	(284,790)
Payments for purchase of tangible and intangible assets	(115,440)	(289,908)
Receipts from sale of tangible assets	138,711	5,118
Cash flows from financing activities, total, out of which:	(4,029,704)	(1,176,282)
Dividends paid to shareholders (including dividend tax)	(3,041,975)	(1,176,282)
Short-term credits	-	-
Interest paid	(804,890)	-
Payments pertaining to leasing contracts	(182,839)	-
Net increase/(decrease) of cash and cash equivalents	39,447,024	(149,014)
Cash and cash equivalents at the beginning of financial year	70,509,230	57,716,708
Cash and cash equivalents at the end of financial year	109,956,254	57,567,694

ECONOMIC AND FINANCIAL INDICATORS AS AT 30 SEPTEMBER 2021

INDICATOR	CALCULATION METHOD	RESULT
Current liquidity ratio ¹⁾ (coefficient)	Current assets/Current liabilities	0.75
Indebtedness indicator ²⁾ (%)	$\frac{\text{Loan capital}}{\text{Equity}} \times 100$	2.94
Clients' debt rotation speed ³⁾ (days)	$\frac{\text{Average clients balance (total receivables)}}{\text{Turnover}} \times 180$	-
Non-current assets rotation speed ⁴⁾ (coefficient)	$\frac{\text{Turnover}}{\text{Non-current assets}}$	-
Earnings per share (RON) ⁵⁾	$\frac{\text{Net profit /Net loss}}{\text{Number of shares}}$	0.0256
NAV per share, calculated according to F.S.A. Regulation no. 9/2014 (RON / share) ⁶⁾	$\frac{\text{Calculated asset value}}{\text{Number of shares}}$	0.6278

Source: S.I.F. Transilvania

Obs.: 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 the credit risk management. At 30.09.2021, S.I.F. Transilvania has a RON 40 million loan registered in the accounting.

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 98.85%.

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.

Radu Claudiu ROȘCA
Executive President/CEO

Tony Cristian RADUȚĂ-GIB
Executive Vice-President/Deputy CEO

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA

INTERIM CONDENSED FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2021

Prepared in accordance with the Financial Supervisory Authority (F.S.A.) Rule no. 39/2015 approving the accounting regulations compliant with IFRS, applicable to the entities authorised, regulated and supervised by the F.S.A. from the Financial Investments and Instruments Sector, with subsequent amendments

Unaudited

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021

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SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

Description	Note	30 September 2021	30 September 2020
Dividend income	4	32,915,652	30,367,199
Bank interest income	5	450,179	441,352
Interest income from bonds measured as financial assets at fair value through profit or loss	5	-	46,506
Net (loss)/gain on financial assets at fair value through profit or loss	6	42,884,384	(35,060,996)
Operating income	7	711,312	203,021
Total net income		76,961,527	(4,002,918)
Total employee remuneration expense, out of which:	8	(13,760,546)	(8,505,547)
- <i>Benefits granted in the form of equity instruments</i>		(4,804,147)	-
Fees and commissions expense	9	(1,485,711)	(1,120,493)
Impairment losses / Reversal of impairment losses of financial assets	10	490	378,858
Operating expenses	11	(4,027,012)	(4,632,099)
Financing costs		(866,177)	-
Profit before tax		56,822,571	(17,882,199)
Income tax (expense)/credit	12	(1,384,418)	-
Net profit for the period		55,438,153	(17,882,199)
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	27	142,078,762	(86,840,279)
Increases/(Decreases) in revaluation reserve of property, plant and equipment, net of deferred tax	28	-	(59,430)
Other comprehensive income/(loss) for the period – total		142,078,762	(86,899,709)
Total comprehensive income for the period		197,516,915	(104,781,908)
Earnings per Share		0.0256	(0.0083)
Diluted Earnings per Share		0.0256	(0.0083)

Executive President/ CEO
Roșca Radu Claudiu

Executive Vice-President/ Deputy CEO
Răduță-Gib Tony-Cristian

Head of Financial Department
Vereș Diana

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

	Note	30 September 2021	31 December 2020
Cash and cash equivalents	13	109,956,254	70,509,230
Financial assets measured at fair value through profit or loss	14	660,439,166	643,472,124
Financial assets measured at fair value through other comprehensive income	15	717,911,945	569,320,156
Financial assets at amortised cost	16	5,343,968	565,462
Other assets	17	1,136,339	709,698
Intangible assets	18	107,145	89,986
Property, plant and equipment	19	14,345,320	14,805,752
Rights of use assets under leases	20	1,688,402	805,298
Total assets		1,510,928,539	1,300,277,705
Financial liabilities	21	42,169,469	44,013,728
Loans from banks	22	39,998,108	39,951,153
Lease liabilities	20	1,785,794	718,324
Deferred income tax liabilities	12	57,967,951	42,943,700
Current income tax liabilities		10,188,724	132,456
Other liabilities	23	1,300,435	2,210,142
Provisions for risks and charges	24	-	86,955
Total liabilities		153,410,481	130,056,458
Share capital	25	216,244,380	216,244,380
Retained earnings		135,244,549	67,347,597
Revaluation reserves on financial assets at fair value through other comprehensive income	26	297,961,736	217,865,635
Revaluation reserve for property, plant and equipment	27	11,948,738	11,991,040
Other reserves	28	691,314,508	656,772,596
Other equity items		4,804,147	-
Total equity		1,357,518,058	1,170,221,247
Total liabilities and equity		1,510,928,539	1,300,277,705

Executive President/ CEO
Roșca Radu Claudiu

Executive Vice-President/ Deputy CEO
Răduță-Gib Tony-Cristian

Șef Departament Financiar
Vereș Diana

SOCIETATEA DE INVESTIȚI FINANCIARE TRANSILVANIA SA
STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2021
(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	Other equity items	Total
Balance as at 1 January 2021		216.244.380	11.991.039	217.865.635	656.772.596	67.347.597	-	1.170.221.247
Comprehensive income:								
Profit/(Loss) for the period		-	-	-	-	55,438,153	-	55,438,153
Other comprehensive income:								
Net gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	26	-	-	127,054,511	-	-	-	127,054,511
Revaluation reserve on property, plant and equipment, net of deferred tax	27	-	-	-	-	-	-	-
Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax	27	-	(42,301)	-	-	42,301	-	-
Other equity items		-	-	-	-	-	4,804,147	4,804,147
Total comprehensive income for the period		-	(42,301)	127,054,511	-	55,480,454	4,804,147	187,296,811
Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax	26	-	-	(46,958,410)	-	46,958,410	-	-
Transactions with shareholders, recognized directly in equity:								
Legal reserve		-	-	-	-	-	-	-
Allocation of reserves from previous years' profits		-	-	-	34,541,912	(34,541,912)	-	-
Dividends distribution		-	-	-	-	-	-	-
Decrease of share capital		-	-	-	-	-	-	-
Balance as at 30 September 2021		216,244,380	11,948,738	297,961,736	691,314,508	135,244,549	4,804,147	1,357,518,058

Executive President/ CEO
Roșca Radu Claudiu

Executive Vice-President/ Deputy CEO
Răduță-Gib Tony-Cristian

Head of Financial Department
Vereș Diana

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2021
(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:		-	-	-	-	(17,882,199)	-	(17,882,199)
Profit/(Loss) for the period								
Other comprehensive income:								
Net gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of deferred tax	23	-	-	(86,840,279)	-	-	-	(86,840,279)
Depreciation transfer to retained earnings on property, plant and equipment upon disposal, net of deferred tax		-	(59,430)	-	-	59,430	-	-
Total comprehensive income for the period		-	(59,430)	(86,840,279)	-	(17,822,769)	-	(104,722,478)
Transfer of reserve to retained earnings upon the sale of financial assets at fair value through other comprehensive income, net of deferred tax	23	-	-	(1,103,234)	-	1,103,234	-	-
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)
Decrease of share capital		(2,184,286)	-	-	(2,633,816)	-	4,818,103	-
Balance at 30 September 2020		216,244,380	12,178,844	184,899,606	657,209,454	3,525,182	-	1,074,057,465

Executive President/ CEO
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Executive Vice-President/ Deputy CEO
Răduță-Gib Tony-Cristian

Head of Financial Department
Vereș Diana

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
STATEMENT OF CASH FLOWS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

	30 September 2021	30 September 2020
Cash flows from operating activities, total out of which:	43,453,457	1,312,058
Receipts from clients	3,293	-
Payment towards suppliers and employees	(8,730,310)	(9,486,044)
Proceeds from disposal of bonds/ matured bonds	-	2,000,036
Proceeds from sale of equity investments	154,873,782	24,031,925
Payments for purchase of equity investments	(128,396,731)	(40,941,923)
Income tax paid	(272,609)	(400,000)
Interest received	450,178	543,122
Dividends received (net of withholding tax)	29,638,748	30,332,034
Payments of contributions, tariffs, taxes, owned to the state budget	(3,343,202)	(3,927,270)
Other payments from operating activities	(882,880)	(723,760)
Other payments from investment activities (including trading sales commission)	113,188	(116,062)
Cash flows from investing activities, total out of which:	23,271	(284,790)
Payments for purchase of tangible and intangible assets	(115,440)	(289,908)
Receipts from sale of tangible assets	138,711	5,118
Cash flows from financing activities, total out of which:	(4,029,704)	(1,176,282)
Dividends paid to shareholders (including dividend tax)	(3,041,975)	(1,176,282)
Short-term credits	-	-
Interest paid	(804,890)	-
Payments related to lease contracts	(182,839)	-
Net increase/(decrease) of cash and cash equivalents	39,447,024	(149,014)
Cash and cash equivalents at the beginning of the year	70,509,230	57,716,708
Cash and cash equivalents at the end of the period	109,956,254	57,567,694

Executive President/ CEO
Roșca Radu Claudiu

Executive Vice-President/ Deputy CEO
Răduță-Gib Tony-Cristian

Head of Financial Department
Vereș Diana

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

1. GENERAL INFORMATION

Societatea de Investiții Financiare Transilvania S.A. (“S.I.F. Transilvania” or the “Company”) has been established in 1996 in accordance with Law 133/1996 and carries out its activity in Romania, in accordance with Law 31/1990 on companies, Law 297/2004 on capital market and Law no. 243/2019 on the regulation of alternative investment funds.

The Company is a joint-stock company from a legal point of view.

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

Contact details of the Company are:

Phone: 0268-416171

Fax: 0268-473215

Web page: www.siftransilvania.ro

E-mail: siftransilvania@siftransilvania.ro

Unique Registration Code with the Trade Register: 3047687

Tax code: RO 3047687

Registration number with the Trade Register: J08/3306/1992

The Company is registered with the Securities Registration Office within the Financial Supervisory Authority, under Certificate no. 401/05.02.2020 and with the F.S.A. Register in Section 8 – Alternative Investment Fund Managers, Sub-section – Alternative investment fund Managers authorised by the FSA (A.F.I.A.A.) under no. PJR07¹ AFIAA/080005 and in Section 9 – Alternative investment funds, Sub-section – Retail Investor Alternative Investment Funds (R.I.A.I.F.) established in Romania, under no. PJR09FIAIR/080006. According to the Articles of Incorporation, the Company’s main field of activity is Other financial service activities not elsewhere classified – CAEN Code 6499.

The Company carries out its activity in Romania.

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

At 30 September 2021 the subscribed and paid-in share capital as registered with the Trade Register is RON 216,244,379.80 (30 September 2020: RON 216,244,379.80) and is divided into 2,162,443,797 shares (30 September 2020: 2,162,443,797 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied for preparing these 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 in accordance with the International Financial Reporting Standards, applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority ("A.S.F.") – Instruments and financial investments sector ("Rule 39/2015").

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

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 associates and prepares only separate financial statements. The Company does not have any subsidiary providing to the Company financial investment related services. The Company's management 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, 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 currency at 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 equity investments, are translated into RON using the official exchange rate at the date of fair value measurement.

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (continued)

b) Transaction and balances (continued)

The exchange rates of major foreign currencies were the following:

Currency	30 September 2021	30 September 2020	Increase/ (decrease) (%)
Euro (EUR)	1: RON 4.9471	1: RON 4.8698	1.58
US Dollar (USD)	1: RON 4.2653	1: RON 4.1617	2.49

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

- a) As part of "Net gains /(losses) on unrealised FX differences" in "Other operating expenses" for the registered FX differences from revaluation of cash and cash equivalents in foreign currency;
- b) As part of "Net gains /(losses) on FX differences realised 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) from 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 separate 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 following year reported value of the assets and liabilities. 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, in its nature, is not related to prior periods and is not a correction of errors.

To the extent these kinds of change in estimates give rise to changes in assets and liabilities or equity, the effect of changes is recognized by adjusting the carrying amount of the related assets, liabilities or equity item in the period of the change.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Use of estimates and judgements (continued)

The main Notes that present estimates with material impact on the amounts recognised in the financial statements are the following:

- Note 3.1 – Investment entity classification;
- Nota 12 – Current income tax and deferred tax;
- Nota 27 – Revaluation reserve for property, plant and equipment;
- Nota 31 – Fair values of financial assets and liabilities;
- Nota 32 – Risk management;
- Nota 34 – Commitments and contingencies.

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 of 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 transactions, events and conditions.

Any significant errors of the previous period 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 revenue 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 that have been 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 that are compulsory for the financial year ended and how they affect the financial statements prepared for the respective financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 variable benefits that can be obtained as a result of the Company's involvement in the activity of its subsidiary and when the Company has the possibility to influence such benefits through the control held over that subsidiary.

The associates are those entities over which the Company has significant influence over the financial and operational policies but does not have control, or shared control. The existence of significant influence is determined, in each reporting period, through the analysis of the shareholder structure of the entities in which the Company owns 20% or more of the voting rights, analysis of the constitutive acts and also of the Company 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 is considered a significant shareholder and exercises significant influence through representation on the Board of Directors and through participation in the decision-making regarding the entity's policies, then such entity shall be considered an associate.

The Company does not exercise significant influence on a number of companies where it holds from 20% to 50% of the voting rights (Note 14). In this category fall companies where the Company's rights as minority shareholder are protective and the majority shareholder does not participate, 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 at 30 September 2021 and 30 September 2020 are presented in Note 14.

2.9 Financial assets and liabilities

(i) Classification

a) Financial assets measured at fair value through profit or loss

The Company classifies its investments in subsidiaries and associates and 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 being 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

b) Financial assets at amortised cost

Financial assets and 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 current accounts, deposits with banks, dividends to be received, bonds, 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 financial liability is measured at the time of initial recognition minus principal payments plus or minus cumulative depreciation, determined by the effective interest method, of any difference between the amount initially recognized and maturity value less any impairment losses with financial assets.

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

- (i) the financial asset is held within a business model whose objective is to hold the financial assets to collect the contractual cash flows; and
- (ii) the contractual terms of the financial asset generate, at certain dates, cash flows that are exclusively payments of principal and interest on 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 with 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 terms of initial payments. Thus:

- Stage 1: includes (i) newly recognized exposures; (ii) exposures for which 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, impairment is equal to the expected credit 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

b) Financial assets at amortised cost (continued)

Allowances for impairment of receivables are based on the present value of the expected cash flows of the principal. To determine the present value of future cash flows, the basic requirement is to identify estimated collections, payment maturity and discount 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 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 asset 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 equity investments 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 period.

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 fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Company believes that the accurate determination of the fair value is an essential requirement for presenting information that is useful to the investors and the Company's key personnel for proper decision-making purposes. The estimation of fair value of financial instruments held by S.I.F. Transilvania is performed according to the related policy, procedure and methodology on the valuation of assets for financial reporting purposes.

The methods were established separately for:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

c) Financial assets at fair value through other comprehensive income (continued)

According to IFRS 13, the fair value levels are defined, according to the inputs used in the valuation model, 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.

(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 for impairment losses in the case 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 designated 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. Financial assets and liabilities (continued)

c) *Financial assets at fair value through other comprehensive income (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 revaluation surplus recognised 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 it is performed a detailed valuation of the land and building portfolio.

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

The latest revaluation of the Company's land and buildings was performed at December 31, 2019 by REVALTEX SRL (independent valuator – ANEVAR member), which resulted in an increased revaluation reserve by RON 806,882, namely 5.70%.

Gains and/or losses from de-recognition of tangible assets is determined as difference between the revenues from sales 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Property, plant and equipment (continued)

(ii) Subsequent costs

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

The amounts paid or to be paid, generated by activities that will lead to an increase in the value and/or the useful life of the asset, through the upgrade of the tangible assets owned, 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 (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 expense for each reporting period is 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 entering 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 and discontinued operations" and the date 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
Building	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 benefits are expected from its use or sale.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets

Intangible assets include software and licences.

Intangible assets that are 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, 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 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 estimate useful life for software is between 1 to 3 years and licenses are amortised on the validity period, using the straight-line method.

2.12 Leases

(i) Recognition

Starting with the year 2019, the Company applies IFRS 16 - Leases ("IFRS 16"), which replaces IAS 17. Thus, according to IFRS 16, a contract is or contain a lease if it conveys the right to use an identified asset for a period of time in exchange for consideration. At the date of commencement of the contract a lessee shall recognise an asset relating to the right of use and a liability arising from the contract lease.

As previously under IAS 17, lessors classify leases as operating or financial. A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to the ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. For finance leases, a lessor recognizes financial income over the lease term, based on a pattern that reflects a constant periodic rate of return on net investment. The lessor recognizes operating lease payments as income on a straight-line basis or, if more representative of the pattern in which the profit from the use of the underlying asset is diminished, another systematic basis.

The Company has decided, as allowed by the standard, not to apply the provisions of IFRS 16 for short term lease agreements with a term of less than 1 year and those with a low value of the asset (less than USD 5,000).

(ii) Valuation

Initially, the right to use the underlying asset is valued at cost.

The cost of the right-of-use asset includes:

- a) the amount of the initial assessment of the debt arising from the leasing contract;
- b) any lease payments made on or before the date of lease commencement, minus any leasing incentives received;
- c) any initial direct costs incurred by the lessee; and
- d) an estimate of the costs (disassembly, restoration of premises) to be borne by the lessee either on the date of commencement or on the date of the end of the contract.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, using the rate implicit in the lease if it is readily determinable. If this rate cannot be easily determined, the lessee will use its incremental borrowing rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(ii) Valuation (continued)

At the time of commencement, the lease payments included in the assessment of the debt arising from the lease shall comprise the following payments relating to the right to use the underlying asset during the term of the lease which are not paid on the date of commencement of the lease:

- a) fixed payments;
- b) variable lease payments which depend on an index or rate, initially assessed on the basis of the index or rate from the date of commencement of the course;
- c) residual value amounts;
- d) the exercise price of a purchase option if the lessee is reasonably certain to exercise the option;
- e) payments of penalties for termination of the lease, if the duration of the lease reflects the exercise by the lessee of an option to terminate the lease.

iii) Further assessment of the right-of-use asset

It is based on the cost model, the right-of-use asset is valued at the initial cost minus any accumulated depreciation and any accumulated depreciation losses respectively adjusted for any debt revaluations.

Depreciation shall be calculated in accordance with IAS 16 and shall be carried out throughout the contract period, i.e. the useful life of the underlying asset, applying the linear depreciation method.

After the start date of the contract, the debt increases to reflect interest and decreases to reflect the lease payments made. Interest expense on the debt arising from the lease is reflected in the profit or loss account.

2.13 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.

2.14 Cash and cash equivalents

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

For the purposes of preparing the cash flow statement, cash and cash equivalents include petty cash, current bank accounts, including deposits with original maturity up to 3 months, cash in transit, other short-term 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 accompanying receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 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 allowance (impairment adjustment) created.

2.16 Provisions

Provisions for liabilities 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.

2.17 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.

2.18 Dividends payable (at amortised cost)

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

Dividends payable recognized in the statement of financial position are financial liabilities. The 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, when dividends are prescribed in accordance with Romanian law, if the shareholders did not collect them within 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 in profit or loss and included in "Other operating income".

2.19 Share capital

Ordinary shares are classified as equity.

2.20 Trade payables and 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.

2.21 Employee benefits

Short-term benefits

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee 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 and loss account of the year when the expenses are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits (continued)

Short-term benefits (continued)

In addition to salaries and other salary rights, the members of the Supervisory Board, the members of the Executive Board and the Company's employees have the right to receive a variable remuneration, in accordance with the remuneration policy approved at the Company level. The Company includes these benefits in the short-term benefits.

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

2.22 Income tax expense

Current income tax includes both current income tax and deferred income tax. Income tax is recognized in profit or loss or in equity if the tax is related 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 prior periods.

2.23 Deferred tax

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.

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 investments classified as financial assets at fair value through other comprehensive income and from revaluation reserves of tangible assets.

At 30 September 2021, the tax rate used to calculate the current and deferred tax was 16% (30 September 2020: 16%).

2.24 Basic and diluted earnings per share

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

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 bought back 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.

At 30 September 2021 and 30 September 2020, none of the Company's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

2.25 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 2020 and the conclusion is that the Company did not obtain income from the contracts concluded with clients.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Income recognition (continued)

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 to the limit of the expenses recognized that are recoverable.

2.26 Interest income and interest expense

Interest income and interest expenses corresponding to financial instruments are recognized 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 of time.

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 gross carrying amount of the financial asset or to the amortised cost of a 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.

2.27 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.

2.28 Net gains/losses from the sale of financial instruments

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

Net gains/(losses) from financial assets at fair value through profit or loss include both the changes in fair value from marking-to-market and the income from sale of these financial instruments.

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

Net gains or losses from 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 from the sale /disposal of investments held will be recognized at the date when the property right is transferred from seller to buyer, using the accounting value at the transaction date.

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. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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 provided for by the Amendments, the Company's management concluded that the Company qualifies for classification as an investment entity. Thus, a company classified as an investment entity is not required to consolidate any of its subsidiaries.

The Management of S.I.F. Transilvania assesses annually whether the Company maintains its investment entity status. Thus, the Company re-assessed in 2020 the investment entity criteria and concluded that it meets such criteria, since the Company still:

- 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.

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 increase the value of the invested capital through an efficient management of its own assets.

The Company's Strategy for 2020 – 2024, the Investment Policy Statement for 2020 – 2024 and the annual investment program approved by the Annual General Meeting of Shareholders, are public information which are 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 main investment objectives of the Company are the maximization of the aggregate returns achieved by the current and potential shareholders as a result of investing in SIF3 shares and the increase of the unitary net asset value by using the entire range of instruments provided for by the capital market legislation.

(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 fulfil the objectives set by the annual revenue and expenditure budgets, respectively achieving aggregate higher yields.

The Company applies an exit strategy adapted to the specificity of each category of investment, 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.

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

3.1 Investment entity classification (continued)

The investments in subsidiaries and associates, as well as the corporate bonds issued by the latter and 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 have been classified as financial investments available for sale and, starting 1 January 2018, further to the application of IFRS 9, they have been classified as financial investments at fair value through other comprehensive income.

The fair value of the financial instruments held by S.I.F. 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.

4. DIVIDEND INCOME

The dividend income recorded by the Company at 30 September 2021, compared to 30 September 2020, is the following:

Entity	30 September 2021	%	30 September 2020	%
OMV PETROM SA BUCURESTI	6,429,538	19.53	7,244,451	23.86
SANTIERUL NAVAL ORSOVA	5,711,432	17.35	1,370,744	4.51
BANCA TRANSILVANIA SA	3,245,162	9.86		
THR MAREA NEAGRA SA	3,149,441	9.57	2,474,561	8.15
S.N.G.N.ROMGAZ SA MEDIAS	1,986,060	7.38	2,406,924	7.93
EVERGENT INVESTMENTS SA	1,549,940	6.03	-	-
BRD GROUPE SOCIETE GENERALE BUC	1,484,661	4.71	-	-
CRISTIANA SA	1,380,690	4.51	920,460	3.03
FONDUL PROPRIETATEA SA	2,428,200	4.19	1,779,523	5.86
S.N.NUCLEARELECTRICA	899,950	2.73	2,106,349	6.94
EMAILUL SA SIBIU	890,818	2.71	806,373	2.66
GRUP BIANCA TRANS SA	757,278	2.30	76,942	0.25
BURSA DE VALORI BUCURESTI SA	691,205	2.10	532,541	1.75
GASTRONOM SA	570,951	1.73	1,788,260	5.89
MECANICA CODLEA SA	431,620	1.31	314,617	1.04
CONCAS SA BUZAU	286,243	0.87	-	-
SOCIETATEA ENERGETICA ELECTRICA SA	269,196	0.82	512,382	1.69
PURCARI WINERIES	247,000	0.75		
UTILAJ GREU SA	120,866	0.37	578,900	1.91
SIF OLTENIA SA	92,988	0.28	209,877	0.69
SPHERA FRANCHISE GROUP	55,705	0.17		
TURISM FELIX SA BAILE FELIX	-	-	3,167,148	10.43
FEPER SA	-	-	2,809,113	9.25
ALTELE	236,708	0.72	1,268,034	4.16
Total	32,915,652	100.00	30,367,199	100.00

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5. INTEREST INCOME

	30 September 2021	30 September 2020
Interest from bank deposits	450,179	441,352
Interest income from corporate bonds classified as financial assets at fair value through profit or loss	-	46,506
Total	450,179	487,858

6. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2021	30 September 2020
Net gain / (loss) from the sale of financial assets measured at fair value through profit or loss	3,464,440	2,152,667
Net gains from the revaluation of financial assets measured at fair value through profit or loss	39,419,944	(37,213,663)
Total	42,884,384	(35,060,996)

The differences arising from the measurement of holdings at fair value through profit or loss for the first nine month of 2021 have been generated by the favorable evolution of some issuers. The most important favourable fair value adjustment (unrealized profit) has been recorded in the case of the issuer TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA (+RON 12.60 million). The most important negative fair value adjustment (unrealized loss) has been recorded in the case of an issuer acting in the renting sector (CRISTIANA SA – RON 1.38 million, ex-dividend correction with a value equivalent to the value of the dividend collected).

Net gains and losses from the sale of holdings measured at fair value through profit or loss have been calculated as the difference between the amounts cashed from the sale of the holdings and their fair value at the date of the last annual financial statements.

During January - September 2020, the Company recorded fair value negative adjustments amounting to RON 37.21 million, mainly generated by the unfavourable impact of the COVID-19 pandemic.

7. OPERATING INCOME

	30 September 2021	30 September 2020
Net gains / losses on foreign exchange differences from transactions	412,333	(5,141)
Other operating income	298,979	208,162
Total	711,312	203,021

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8. EMPLOYEES REMUNERATION EXPENSE

	<u>30 September 2021</u>	<u>30 September 2020</u>
Salary expense	8,759,314	8,318,383
Social contribution expense	197,085	187,164
Benefits granted in the form of equity instruments	4,804,147	-
Total	13,760,546	8,505,547

9. COMMISSIONS AND FEES EXPENSE

	<u>30 September 2021</u>	<u>30 September 2020</u>
Commission on the net asset value, paid to the Financial Supervisory Authority	894,279	719,697
Depository commissions	233,230	222,837
Transaction costs	299,139	109,798
Financial services costs	12,838	11,027
Other fees and commissions	46,225	57,134
Total	1,485,711	1,120,493

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

	<u>30 September 2021</u>	<u>30 September 2020</u>
Impairment losses/reversal of impairment losses of financial assets	490	378,858
Total	490	378,858

11. OPERATING EXPENSES

	<u>30 September 2021</u>	<u>30 September 2020</u>
Legal expenses	167,138	689,765
Other tax expenses (i)	234,275	289,154
Depreciation and amortization expenses	676,259	505,369
Audit expenses	327,225	273,945
Postal and telecommunication charges	54,772	187,411
Consumable materials expense	220,512	271,211
Insurance premium charges	100,880	114,012
Utilities expense	103,450	103,137
Transportation expenses	47,942	31,318
Protocol, donation and sponsorship expenses	86,649	95,600
Rent	83,176	41,092
Maintenance and repairs expenses	42,055	300,338
Net gains/(losses) from unrealised foreign exchange differences	(147)	(41)
Other expenses (ii)	1,882,826	1,729,784
Total	4,027,012	4,632,099

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11. OPERATING EXPENSES (CONTINUED)

- (i) Other tax expenses line includes local taxes for buildings, vehicles, land.
- (ii) Other expenses line includes consulting services, IT system maintenance, financial expenses, 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 income tax will be calculated in case of temporary differences using the taxing rate applicable at the date of such differences.

Income tax comprises the following:

	<u>30 September 2021</u>	<u>30 September 2020</u>
Current corporate income tax expense		
Deferred tax income	1,384,418	-
Total	1,384,418	-

Deferred tax analysed by source of temporary difference

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.

	<u>1 January 2020</u>	<u>Credited/ (charged) to other comprehensive income</u>	<u>30 September 2021</u>
Tax effect of deductible/(taxable) temporary differences			
Fair valuation of financial assets measured through other comprehensive income (Note 26)	(41,847,147)	(15,024,251)	(56,871,398)
Fair valuation of tangible assets (Note 27)	(1,096,553)	-	(1,096,553)
Net deferred tax liability	(42,943,700)	(15,024,251)	(57,967,951)

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13. CASH AND CASH EQUIVALENTS

	30 September 2021	31 December 2020
Current accounts at banks, in RON	1,629,011	2,816,513
Current accounts at banks, in foreign currency	8,510,175	7,322,527
Bank deposits, in RON	99,816,346	60,367,057
Petty cash	722	3,133
Total	109,956,254	70,509,230

Cash and cash equivalents presented in the financial statements as at 30 September 2021 and 31 December 2020 are neither past due, nor impaired.

The bank deposits, as at 30 September 2021 and 31 December 2020, have a contractual maturity of up to 1 month.

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, as such the Company has recognised them at fair value starting with 1 January 2015. For the financial year 2015, the fair value differences, previously recognised as reserve for the financial assets available for sale, were derecognised as effect of deconsolidation.

The structure of the financial assets at fair value through profit or loss at 30 September 2021, compared to 31 December 2020, is the following:

	30 September 2021	31 December 2020
Shares quoted on Romanian markets, of which:	572,156,614	564,759,708
- quoted on the Bucharest Stock Exchange (BSE)	291,371,503	282,911,444
- quoted on the alternative trading system of the BSE (AeRO)	280,785,111	281,848,265
Shares quoted on international markets	-	837,322
Unquoted shares	47,294,054	48,099,581
Quoted unit funds	1,792,688	1,459,710
Unquoted unit funds	39,195,810	28,315,803
	660,439,166	643,472,124
Corporate bonds issued by Romanian entities	-	-
Total	660,439,166	643,472,124

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

Investments in subsidiaries as at 30 September 2021 are the following:

Entity	Fair value 30 September 2021	Market type	Shareholding %	Voting rights %
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	303,662	unquoted	100.00	100.00
CRISTIANA SA	18,421,734	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	26,297,669	AeRO	93.33	95.15
TRATAMENT BALNEAR BUZIAS SA	8,635,015	AeRO	91.87	91.87
SEMBRAZ SA	799,305	AeRO	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	4,150,788	unquoted	87.30	87.30
FEPER SA	56,650,457	AeRO	85.80	85.80
ARO-PALACE SA	31,908,535	AeRO	85.74	85.74
MECANICA CODLEA SA	4,463,586	AeRO	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	68,387,861	BSE	78.11	78.11
GRUP BIANCA TRANS SA	2,009,311	unquoted	77.47	77.47
ROMRADIATOARE SA BRASOV	13,889,636	AeRO	76.51	76.51
TUSNAD SA	14,481,773	AeRO	76.41	76.41
UTILAJ GREU SA	3,511,548	AeRO	70.39	70.39
GASTRONOM SA	8,606,787	AeRO	70.29	70.29
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	18,088,077	AeRO	68.64	68.64
TURISM FELIX SA	98,973,739	BSE	63.75	63.77
COMCM SA CONSTANTA	43,083,648	BSE	56.72	56.72
VIROLA-INDEPENDENTA SIBIU	5,783,514	AeRO	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	42,589,499	AeRO	53.35	53.35
INDEPENDENTA SA	6,086,421	AeRO	53.30	53.30
SIBAREX SA	0	unquoted	52.85	52.85
SANTIERUL NAVAL SA	33,697,449	BSE	50.00	50.00
Total	510,820,014			

All the Company's subsidiaries are incorporated in Romania.

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

Investments in subsidiaries as at 30 September 2020 were the following:

Entity	Fair value 30 September 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	55,838,935	AeRO	85.80	85.80
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	58,264,658	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	98,192,085	BSE	62.24	62.24
COMCM SA CONSTANTA	21,032,434	BSE	56.73	56.73
VIOLA-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	19,076,183	BSE	50.00	50.00
Total	470,638,743			

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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, based on valuation reports.

All the Company's subsidiaries are incorporated in Romania.

Investment in associates as at 30 September 2021 are the following:

Entity	Fair value 30 September 2021	Market Type	Shareholding %
CONCAS SA	13,694,048	Quoted	47.21
SIMEC SA	0	Unquoted	45.78
NEPTUN-OLIMP SA	10,888,229	Quoted	41.18
APOLLO ESTIVAL 2002 SA	2,077,717	Unquoted	39.62
PRAHOVA ESTIVAL 2002 SA	646,096	Quoted	39.62
TOMIS ESTIVAL 2002 SA	623,498	Unquoted	39.62
SERVICE NEPTUN 2002 SA	2,044,942	Quoted	39.62
TURISM LOTUS FELIX SA	14,545,594	Unquoted	38.27
ROMAGRIBUZ VERGULEASA SA	0	Unquoted	37.30
TRANSILVANIA HOTELS & TRAVEL S.A.	0	Unquoted	37.01
HIDROMECANICA SA	0	Unquoted	36.27
FELAM SA	0	Unquoted	36.22
DORNA TURISM SA	3,492,104	Quoted	32.01
HARGHITA SA	0	Unquoted	31.42
EMAILUL SA	7,654,741	Quoted	28.93
SOFT APLICATIV SI SERVICII SA	259,354	Unquoted	28.33
COMSIG SA	0	Unquoted	27.09
DUPLEX SA	573,130	Quoted	26.87
The Foundations Feeder	171,517	Unquoted	26.67
VERITAS PANCIU SA	0	Unquoted	26.33
LEGUME FRUCTE BUZAU S.A.	2,322,037	Unquoted	25.23
CNM PETROMIN SA CONSTANTA	0	Unquoted	23.83
FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRINDERI	2,408,843	Unquoted	23.02
Total	61,401,849		

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

Investment in associates as at 30 September 2020 were the following:

Entity	Fair value 30 September 2020	Market Type	Shareholding %
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	4,678,975	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	154,527	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	47,338,846		

Corporate bonds measured at fair value through profit or loss, held by the Company as at 30 September 2021, as compared to 30 September 2020, are the following:

Entity	Currency	No. of units 30 September 2021	No. of units 30 September 2020	Fair value 30 September 2021	Fair value 30 September 2020
Organe de Asamblare SA	RON	2,200,000	2,200,000	-	-
Sibarex SA	RON	900,000	900,000	-	-
Total				-	-

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

At 30 September 2021, the Company held corporate bonds issued by the following entities:

- *Organe de Asamblare SA Braşov* – corporate bonds with a total 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 2021, the 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 from the patrimony of 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 September 2021 being zero (30 September 2020: 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 SA* – bonds with a total 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 2021, 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 issuer's Extraordinary General Meeting of Shareholders of 14.11.2016 regarding the company's dissolution followed by liquidation, the fair value of the bonds as at 30 September 2021 is zero (30 September 2020: zero). The bonds issued are secured with pledge without dispossession on the production equipment up to the value of bonds underwritten and paid and plus the entire period estimated interest. Through Civil Decision no. 288/03.10.2017, the simplified procedure of bankruptcy and dissolution of the company was initiated.

The fund units held by the Company, carried at fair value through profit or loss, are as follows:

Entity	30 September 2021		31 December 2020	
	No. of units	Fair value	No. of units	Fair value
Fondul Inchis de Investitii Multicapital Invest	4,934	16,574,391	4,934	13,486,102
Fond Inchis de Investitii Bet-Fi Index Invest	2,054	1,792,688	2,054	1,459,710
Fondul Inchis de Investitii Star Value	13,713	16,471,096	13,713	14,329,674
Fondul Deschis de Investitii Napoca	413,087	313,409	413,087	250,950
Fondul Inchis de Investitii Fondul Privat Comercial	10,644	5,545,965	543	249,077
Fondul Deschis de Investitii GlobUS BlueChips	27,487	290,949	-	-
Total	471,919	40,988,498	434,331	29,775,513

The portfolio managed by the Company includes investment funds with a diversified investment policy. The funds register a high exposure on shares, which places them in a medium / medium-high risk class. Of these, only the BET-FI Index follows the evolution of a stock index (the BET-FI index).

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

- Multicapital Invest

The fund aims to create added value by identifying shares with high potential in the medium or long term, in sectors with positive development forecasts. At the same time, the Fund seeks to capitalize opportunities on short-term by actively managing the portfolio. The Fund focuses its resources on a limited number of companies. The Fund may not invest in financial instruments issued by SAI STAR ASSET MNANAGEMENT SA. The fund will not invest in Total Return Swap instruments. The synthetic risk indicator places the fund in risk class 4.

- BET – FI Index

The Fund is listed on the Bucharest Stock Exchange and gives access to the yield of the BET-FI index. The Fund is based on the risk dispersion across the 5 financial investment companies (SIFs) and the shares of Fondul Proprietatea, traded on the BSE regulated market, by correlating the performances with those obtained by their index, BET-FI index. Certinvest BET-FI Index has a high degree of risk, determined by the exposure of over 90% on shares.

- Star Value

The fund invests in financial instruments such as: shares listed on a regulated market or ATS, listed or unlisted corporate bonds, credit instruments issued by listed or unlisted central and local public authorities, money market instruments, bank deposits, derivative financial instruments, securities of Collective Investment Undertakings, shares issued by closed-end companies and other financial instruments allowed by the FSA regulations, by observing the investment limits for each asset. The fund cannot invest in financial instruments issued by SAI STAR ASSET MANAGEMENT SA. The fund cannot make short sales. The fund will not invest in Total Return Swap instruments. The synthetic risk indicator places the fund in risk class 4.

- Fondul Privat Comercial

The Private Commercial Fund is an alternative investment fund, which places the resources attracted in listed shares issued by financial companies, bonds, fund units and bank deposits. The objective of the fund is to increase the value of the invested capital and to obtain income. The Fund will not invest in: promissory notes and other money market instruments such as bills of exchange, structured products, derivative financial instruments, traded outside regulated markets, corporate bonds not admitted to trading on a regulated market, Swap instruments and SFT - securities financing transaction. The synthetic risk indicator places the fund in risk class 5.

- Fondul Deschis de Investitii Napoca

FDI Napoca is an open-end investment fund with the fundamental objective of increasing the value of invested capital and which places a majority share of the resources attracted in shares listed on regulated markets in Romania. The Fund states that the investment objective can be achieved through an investment policy oriented in the medium and long term in listed shares, aiming to obtain profits as a result of the increase in the value of the investments made. The synthetic risk indicator places the fund in risk class 5.

- Fondul Deschis de Investitii GlobUS BlueChips

FDI GlobUS Blue Chips invests in fund units with exposure on Blue Chips from USA; the fund invests in shares listed on the USA regulated markets, mainly in shares issued by the most renowned companies. The fund purchases shares issued by companies included in the main American indexes, characterized by a high market capitalization, a high capacity of management to produce profit and a high return on the capital invested, a good dividend remuneration policy, so as to ensure a return specific to the capital market. The fund invests in USD without hedging. The synthetic risk indicator places the fund in the risk class 5.

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15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	<u>30 September 2021</u>	<u>31 December 2020</u>
Shares listed on Romanian markets, out of which:	697,494,525	549,075,377
- listed on Bucharest Stock Exchange (BSE)	691,029,668	542,588,268
- listed on the alternative trading system of the BSE (AeRO)	6,464,856	6,487,108
Unlisted shares	20,417,420	20,244,780
Total	<u>717,911,945</u>	<u>569,320,156</u>

(i) Out of the shares listed on the Bucharest Stock Exchange, the following shares have been used as collateral for the loan contracted from Banca Transilvania in 2020 (See Note 22 "Loans from banks"):

- 3,180,380 shares issued by BRD-Groupe Societe Generale SA, with a market value of RON 47,260,447 (calculated based on the closing price published on the Bucharest Stock Exchange on the last working day of December 2020);
- 61,300,310 shares issued by OMV Petrom SA, with a market value of RON 22,282,663 (calculated at the closing price published on the Bucharest Stock Exchange on the last working day of December 2020).

	<u>30 September 2021</u>	<u>30 September 2020</u>
Carrying amount as at 1 January	<u>569,320,156</u>	<u>640,339,351</u>
Net gains /losses on fair value, of which:		
- net gains/losses on mark-to-market during the period	151,023,222	(103,005,873)
Acquisitions	119,383,920	520,789
Sale of financial assets measured at fair value through other comprehensive income	(121,815,353)	(2,479,737)
Carrying amount as at 30 September	<u>717,911,945</u>	<u>535,104,530</u>

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16. FINANCIAL ASSETS AT AMORTISED COST

The Company applies the provisions of IFRS 9 regarding the expected credit losses, thus it classifies its receivables in Stage 1, Stage 2 and Stage 3. No exposures were identified that, although performing, recorded a significant deterioration of credit risk (Stage 2) that would require the presentation under Stage 2. 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 mainly include amounts arising from final court sentences.

	30 September 2021	31 December 2020
Other receivables	480,817	562,527
Dividends receivable	3,288,127	2,935
Receivables from disposal of shares	1,575,024	-
Total	5,343,968	565,462

The amount of RON 1,575,024 represents the consideration of the shares held in the company SOFT APLICATIV SI SERVICII SA, in accordance with the sale agreement concluded on 28.05.2019, amount for which foreclosure of the Arbitration award no. 9/ 13.11.2019 regarding the claims for non-complying with the contractual terms has been initiated in 2021.

17. OTHER ASSETS

	30 September 2021	31 December 2020
Consumables and other inventories	4,934	7,351
Prepayments	389,387	500,352
Other assets	742,018	201,995
Total	1,136,339	709,698

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18. INTANGIBLE ASSETS

	Licenses	Other intangible assets	Total
<i>Balance at 1 January 2021</i>			
Gross carrying amount	432,615	787,053	1,219,668
Accumulated amortisation	(350,413)	(779,268)	(1,129,682)
Net carrying amount	82,202	7,784	89,986
Acquisitions	58,841	-	58,841
Sales or scraps	(2,377)	-	(2,377)
Amortisation recorded during the year	(33,897)	(7,784)	(41,682)
Amortisation for the assets sold	2,377	-	2,377
<i>Balance at 30 September 2021</i>			
Gross carrying amount	489,079	787,053	1,276,132
Accumulated amortisation	(381,934)	(787,053)	(1,168,987)
Net carrying amount	107,145	-	107,145
<i>Balance at 1 January 2020</i>			
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	57,344	-	57,344
Sales or scraps	(15,484)	(19,548)	(35,033)
Amortisation recorded during the year	(37,775)	(11,918)	(49,694)
Amortisation for the assets sold	15,319	19,548	34,867
<i>Balance at 31 December 2020</i>			
Gross carrying amount	432,615	787,053	1,219,668
Accumulated amortisation	(350,413)	(779,268)	(1,129,682)
Net carrying amount	82,202	7,784	89,986

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19. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Total
<i>Balance at 1 January 2021</i>				
Gross carrying amount	14,647,752	522,022	164,720	15,334,494
Accumulated depreciation	(426,916)	(139,333)	(35,246)	(601,495)
Net carrying amount	14,220,836	382,689	129,474	14,732,999
Acquisitions	-	71,986	30,296	102,282
Tangible assets in progress	33,816	-	-	33,816
Advances for tangible assets	-	-	-	-
Sales or scraps	-	(95,475)	-	(95,475)
Depreciation recorded during the year	(320,187)	(111,953)	(32,486)	(464,626)
Depreciation for the assets sold	-	36,324	-	36,324
<i>Balance at 30 September 2021</i>				
Gross carrying amount	14,681,568	498,533	195,016	15,375,117
Accumulated depreciation	(747,103)	(214,962)	(67,732)	(1,029,797)
Net carrying amount	13,934,465	283,571	127,284	14,345,320
<i>Balance at 1 January 2020</i>				
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	-	209,260	50,346	259,607
Tangible assets in progress	94,623	(83,621)	-	11,002
Advances for tangible assets	61,750	-	-	61,750
Sales or scraps	-	(41,495)	(1,260)	(42,755)
Depreciation recorded during the year	(426,916)	(163,121)	(35,666)	(625,703)
Depreciation for the assets sold	-	23,789	420	24,209
<i>Balance at 31 December 2020</i>				
Gross carrying amount	14,804,125	438,400	164,720	15,407,245
Accumulated depreciation	(426,916)	(139,333)	(35,246)	(601,495)
Net carrying amount	14,377,209	299,067	129,474	14,805,752

The Company has no restrictions on its property titles. There are no cases of tangible assets pledged.

At 30 September 2021 and 30 September 2020, the Company did not record any contractual obligations in respect to the purchase of tangible assets. The latest revaluation of the land, buildings and other tangible assets owned by the Company was performed as at 31 December 2019 and the revaluation differences were recorded in other comprehensive income.

20. RIGHT-OF-USE ASSET UNDER LEASES; LEASE LIABILITIES

The Company signed leasing contracts mainly for vehicles and rented an office space in Bucharest.

Right-of-use assets under leases:

Balance at 1 January 2021

Gross carrying amount	825,014
Accumulated amortisation	(19,716)
Net carrying amount	805,298
Purchases	1,053,054
Amortisation during the year	(169,950)

Balance at 30 September 2021

Gross carrying amount	1,878,068
Accumulated amortisation	(189,666)
Net carrying amount	1,688,402

Balance at 1 January 2020

Gross carrying amount	-
Accumulated amortisation	-
Net carrying amount	-
Purchases	825,014
Amortisation during the year	(19,716)

Balance at 31 December 2020

Gross carrying amount	825,014
Accumulated amortisation	(19,716)
Net carrying amount	805,298

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20. RIGHT-OF-USE ASSET UNDER LEASES; LEASE LIABILITIES (CONTINUED)

Liabilities from leasing contracts:

Balance at 1 January 2021	718,324
Debt recognition	718,324
Increase	1,126,321
Debts paid	(119,411)
Expenses with exchange rate differences	60,560
Balance at 30 September 2021	1,785,794
Due in less than one year	248,908
Due in more than one year	1,536,885
Year	30 September 2021
Year 1	248,908
Year 2	262,421
Year 3	257,796
Year 4	378,420
Year 5	112,632
Year 6	112,632
Year 7	112,632
Year 8	112,632
Year 9	112,632
Year 10	75,155
Total debt	1,785,794
Balance at 1 January 2020	-
Debt recognition	740,751
Debts paid	(22,657)
Expenses with exchange rate differences	268
Income from exchange rate differences	(498)
Balance at 31 December 2020	718,324
Due in less than one year	157,583
Due in more than one year	560,741
Year	31 December 2020
Year 1	157,582
Year 2	149,789
Year 3	145,164
Year 4	265,788
Total debt	718,323

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21. FINANCIAL LIABILITIES

Description	30 September 2021	31 December 2020
Dividend payables (i)	40,902,943	42,465,622
Trade payables	1,262,404	1,535,252
Collections made in advance from third parties	20	20
Liabilities with related parties	4,102	12,834
Total	42,169,469	44,013,728

(i) The movement in dividends payable is presented in the following table:

	30 September 2021	31 December 2020
Balance at 1 January	42,465,622	27,836,083
Dividends approved to be distributed	-	76,766,755
Dividends returned	1,021	58
Dividends paid during the current year, including tax	(1,563,700)	(50,551,222)
Dividends prescribed (recorded as income)	-	(11,586,052)
Balance at the end of the period	40,902,943	42,465,622

22. LOANS FROM BANKS

Description	30 September 2021	31 December 2020
Loans from banks	39,998,108	39,951,153
Balance	39,998,108	39,951,153

In October 2020, the Company contracted a short-term loan (for one-year period, with maturity on 11.10.2021) from Banca Transilvania, amounting to RON 40,000,000, with a variable annual interest rate of 3.33% (depending on the 1-month ROBOR index), intended for the payment of dividends afferent to the financial year 2019, operation performed in October 2020. The Company makes monthly interest payments, the principal being repaid at maturity. Thus, being a short-term loan, the Company considers that its book value is similar to the fair value.

The loan has been contracted with the following guarantee structure:

- Movable mortgage over the current accounts opened by the Company at Banca Transilvania, with registration in the National Register of Mobile Advertising ("RNPM");
- Movable mortgage over 3,180,380 shares issued by BRD-Groupe Societe Generale SA held by the Company, blocked at the Central Depository and registered with the RNPM;
- Movable mortgage over 61,300,310 shares issued by OMV Petrom SA held by the Company, blocked at the Central Depository and registered with the RNPM.

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23. OTHER LIABILITIES

	30 September 2021	31 December 2020
Salaries liabilities	305,883	291,062
Taxes payable	167,786	1,588,025
Social contributions owed to the state budget	826,766	331,055
Total	1,300,435	2,210,142

24. PROVISIONS FOR RISKS AND CHARGES

	30 September 2021	31 December 2020
Provisions for risks and charges	-	86,955
Total	-	86,955

The amount of RON 86,955 represents the value of the provision created for a litigation with a former employee.

25. SHARE CAPITAL

The Company's share capital as at 30 June 2021 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 shares issued by the Company are common, registered, indivisible, of equal value and dematerialized, issued at nominal value of RON 0.10 per share.

	30 September 2021	31 December 2020
Share capital registered with the Trade Register	216,244,380	216,244,380
Share capital according to IFRS	216,244,380	216,244,380

Shareholding structure as at 30 September 2021

Shareholders	Number of shareholders	Shares held	Percentage out of total shares
			(%)
Resident shareholders	6,961,449	2,105,814,494	97.38
natural persons	6,961,229	1,087,681,777	50.30
legal persons	220	1,018,132,717	47.08
Non-resident shareholders	2,420	56,629,303	2.62
natural persons	2,397	13,070,269	0.61
legal persons	23	43,559,034	2.01
TOTAL	6,963,869	2,162,443,797	100.00
natural persons	6,963,626	1,100,752,046	50.91
legal persons	243	1,061,691,751	49.09

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26. FAIR VALUE REVALUATION RESERVE OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	30 September 2021	31 December 2020
Gross fair value revaluation reserve of financial assets at fair value through other comprehensive income	354,833,134	259,712,782
Deferred tax liabilities (Note 12)	(56,871,398)	(41,847,147)
Net reserve	297,961,736	217,865,635

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

	Revaluation reserves of financial assets measured at fair value through other comprehensive income		
	Gross	Deferred tax	Total net
Balance at 1 January 2021	259,712,782	(41,847,147)	217,865,635
Gain on fair value changes arising from mark-to-market	152,006,032	(24,951,521)	127,054,511
Transfer of reserve to retained earnings upon the sale of financial assets measured at fair value through other comprehensive income	(56,885,680)	9,927,270	(46,958,410)
Balance at 30 September 2021	354,833,134	(56,871,398)	297,961,736

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27. REVALUATION RESERVE FOR PROPERTY, PLANT AND EQUIPMENT

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

The revaluation reserves cannot be distributed to shareholders as dividends.

	Gross	Deferred tax	Total net
Balance at 1 January 2020	12,217,937	20,337	12,238,274
Transfer of the reserve to retained earnings	(340,481)	-	(340,481)
Revaluation differences	-	93,246	93,246
Balance at 31 December 2020	11,877,456	113,583	11,991,040
Balance at 1 January 2021	11,877,456	113,583	11,991,040
Transfer of the reserve to retained earnings	(42,301)	-	(42,301)
Revaluation differences	-	-	-
Balance at 30 September 2021	11,835,155	113,583	11,948,738

28. OTHER RESERVES

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

	30 September 2021	31 December 2020
Legal reserve (i)	43,248,876	43,248,876
Reserves from previous years' profits	644,153,538	609,611,626
Other reserves (ii)	3,912,094	3,912,094
Total	691,314,508	656,772,596

(i) The statutory legal reserves represent the accumulated transfers from the retained earnings made according to the national legislation. These reserves cannot be used to remunerate the shareholders with dividends. The national legislation provides that at least 5% of the Company's profit must be transferred to legal reserves until this reserve reaches up to 20% of the Company's share capital.

(ii) Tax facilities generated by favourable exchange rate differences.

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29. 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 a 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.

The transactions with related parties, recorded as at 30 September 2021, compared to 30 September 2020, are as follows:

Expenses with subsidiaries	Transaction type	30 September 2021	30 September 2020
International Trade Center& Logistic	Renting services	15,232	17,243
Aro Palace S.A.	Hotel services	49,470	24,895
Cristiana	Rent, utilities	46,472	55,769
Tusnad	Hotel services	311	-
THR Marea Neagra	Hotel services	2099	1,977
Total		113,584	99,884

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

Dividend income from subsidiaries and associates as at 30 September 2021, compared to 30 September 2020, is presented as follows:

Dividend income from subsidiaries	30 September 2021	30 September 2020
SANTIERUL NAVAL ORSOVA	5,711,432	1,370,744
T.H.R MAREA NEAGRA	3,149,441	2,474,561
CRISTIANA SA	1,380,690	920,460
GRUP BIANCA TRANS SA	757,278	76,942
GASTRONOM SA	570,951	1,788,260
MECANICA CODLEA SA	431,620	314,617
UTILAJ GREU SA	120,866	578,900
INTERNATIONAL TRADE&LOGISTIC CENTER	-	48,364
TURISM FELIX SA BAILE FELIX	-	3,167,148
FEPER SA	-	2,809,113
Total	12,122,278	13,549,109

Dividend income from associates	30 September 2021	30 September 2020
EMAILUL SA SIBIU	890,818	806,373
CONCAS SA BUZAU	286,243	-
SOFT APLICATIV SI SERVICII SA	14,163	28,326
Total	1,191,224	834,699

Dividend income from related parties is included in "Dividend Income", in the Statement of Profit or Loss and Other Comprehensive Income on line.

Key management

The fixed paid or payable remuneration is as follows:

	30 September 2021	30 September 2020
Consiliul de Supraveghere	1,644,783	2,663,233
Directorat	3,608,149	1,811,637
Total	5,252,932	4,474,870

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30. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES

For the purposes of measurement, IAS 39 “Financial Instruments: recognition and measurement” 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 measured 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 September 2021:

	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	109,956,254	-	-	-	109,956,254
Financial assets measured at fair value through other comprehensive income	-	717,911,945	-	-	717,911,945
Financial assets at fair value through profit or loss	-	-	660,439,166	-	660,439,166
Bonds measured at fair value through profit or loss	-	-	-	-	-
Other financial assets at amortised cost	5,343,968	-	-	-	5,343,968
Total financial assets	115,300,222	717,911,945	660,439,166	-	1,493,651,333
Financial liabilities (at amortised cost)	-	-	-	43,955,263	43,955,263
Loans from banks	-	-	-	39,998,108	39,998,108
Total financial liabilities	-	-	-	83,953,371	83,953,371

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30. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES (CONTINUED)

The following table provides a reconciliation of financial assets and liabilities with these measurement categories as at 31 December 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	70,509,230	-	-	-	70,509,230
Financial assets measured at fair value through other comprehensive income	-	569,320,156	-	-	569,320,156
Financial assets at fair value through profit or loss	-	-	643,472,124	-	643,472,124
Bonds measured at fair value through profit or loss	-	-	-	-	-
Other financial assets at amortised cost	565,462	-	-	-	565,462
Total financial assets	71,074,692	569,320,156	643,472,124	-	1,283,866,972
Financial liabilities (at amortised cost)	-	-	-	44,013,728	44,013,728
Loans from banks	-	-	-	39,951,153	39,951,153
Total financial liabilities	-	-	-	83,964,881	83,964,881

31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES

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

According to IFRS 13, according to the input 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 relates to the closing /reference prices on the domestic and/or foreign regulated trading systems.

According to the International Financial Reporting Standards, 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 materiality level of the inputs in the estimation of fair value as a whole is established by using professional judgment, taking into account specific factors, due to the complexity of the valuation of such investments and to the fact that changes in fair value are reflected in the financial statements.

The fair value of the financial instruments held by S.I.F. Transilvania is estimated according to the Company's policy, procedure and methodology regarding the assets valuation for financial reporting purposes.

During Q3 2021, the Financial Supervisory Authority authorized S.I.F. Transilvania as a Retail Investor Alternative Investment Fund (R.I.A.I.F.). The Rules regarding S.I.F. Transilvania's operation as a closed-end, diversified R.I.A.I.F., established as an investment company, self-managed include information on how the financial assets in the portfolio are valued and reflected in the Company's net assets.

The Company has 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, consisting of shares (participations in the share capital of issuers of less than 20% classified in this category);
- (ii) Financial assets at fair value through profit and loss, consisting of:
 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 S.I.F. 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 available data and information as well as on the professional judgment.

31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

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

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

- Market approach - comparison with similar companies' equity transactions;
- Income approach - discounted cash flow method, discounted dividends method and dividend capitalisation method;
- Asset approach - adjusted net asset method.

The process of estimating the fair values relates to an economic environment characterized by volatility and a high degree of unpredictability determined by the effects of the COVID-19 pandemic. Another relevant element in this respect is the periodicity and the degree of complexity of the financial reports published by issuers from the managed portfolio. The general context characterized by unpredictability may continue in the next period. Consequently, the impact and evolution of the COVID-19 pandemic will be a significant assumption to be considered in the future valuation reports.

For S.I.F. Transilvania's holdings whose estimated fair value uses Level 3 inputs, during Q3 2021 any changes in each asset class caused by trading activity or changes in the issuers' characteristics have been considered.

At 30 September 2021, the fair value of the portfolio of shares for which Level 1 input data have been used represents approximately 68.15% of the total value of the portfolio of financial assets held by the Company.

The *bonds* whose estimated fair value uses Level 3 inputs maintained during Q3 2021 in the "default" stage determined by the exceeding of the terms provided in the issue prospectuses for the payment of the principal and the coupons. Consequently, they are recorded at nil value.

For the *fund units* whose estimated fair value uses Level 3 inputs, the asset approach, respectively the unitary value of the net asset, as calculated and published or communicated by the fund administrator, was considered.

At the level of the entire portfolio of financial instruments held by S.I.F. Transilvania, at 30 September 2021 the value of the financial assets recognized at fair value through profit and loss amounts to RON 660.44 million, of which 37.59% represents the value of financial instruments classified at level 1 in the fair value hierarchy.

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

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

As at 30 September 2021, the Company had 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:	691,029,668	26,882,277	717,911,945
<i>Shares</i>	<i>691,029,668</i>	<i>26,882,277</i>	<i>717,911,945</i>
Financial assets at fair value through profit or loss, out of which:	248,287,855	412,151,311	660,439,166
<i>Shares</i>	<i>248,287,855</i>	<i>371,162,813</i>	<i>619,450,668</i>
<i>Fund units</i>	<i>-</i>	<i>40,988,498</i>	<i>40,988,498</i>
<i>Corporate bonds</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total financial assets	939,317,523	439,033,588	1,378,351,000
NON-FINANCIAL ASSETS			
Property, plant and equipment	-	14,345,320	14,345,320
Total assets measured at fair value	939,317,523	453,378,908	1,392,696,431

As at 30 September 2020, the Company had 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:	510,353,262	24,751,268	535,104,530
<i>Shares</i>	<i>510,353,262</i>	<i>24,751,268</i>	<i>535,104,530</i>
Financial assets at fair value through profit or loss, out of which:	234,969,363	371,881,705	606,851,068
<i>Shares</i>	<i>234,969,363</i>	<i>342,444,663</i>	<i>577,414,026</i>
<i>Fund units</i>	<i>-</i>	<i>29,437,042</i>	<i>29,437,042</i>
<i>Corporate bonds</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total financial assets	745,322,625	396,632,973	1,141,955,598
NON-FINANCIAL ASSETS			
Property, plant and equipment	-	15,070,492	15,070,492
Total assets measured at fair value	745,322,625	411,703,465	1,157,026,090

During 2021, no transfers between the two levels took place.

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

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

The Company estimated the fair value of its investments 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 the first nine months of 2021, the following movements between Level 3 assets took place:

	Shares	Bonds	Fund units	Total
Balance at 1 January 2021	399,763,381	-	29,775,513	429,538,894
Acquisitions performed during the year	-	-	5,300,001	5,300,001
Sales during the year	(35,644)	-	-	(35,644)
Bonds upon maturity	-	-	-	-
Transfers to/from level 3	-	-	-	-
Gain / (loss) recognised in:	-	-	-	-
Net gain / (loss) from financial assets at fair value through other comprehensive income	186,032	-	-	186,032
Net gain / (loss) from financial assets at fair value through profit or loss	(1,868,679)	-	5,912,984	4,044,305
- realized gain	-	-	-	-
- unrealized gain/(loss)	(1,868,679)	-	5,912,984	4,044,305
Balance at 30 September 2021	398,045,090	-	40,988,498	439,033,588

During Q3 2020, the following movements between Level 3 assets took place:

	Shares	Bonds	Fund units	Total
Balance at 1 January 2020	350,166,808	2,090,066	33,594,072	385,850,946
Acquisitions performed during the year	-	-	18,904	18,904
Sales during the year	(814,458)	-	(1,675,551)	(2,490,009)
Bonds upon maturity	-	(2,101,784)	-	(2,101,784)
Transfers in/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	3,030,434	11,718	(3,701,973)	(659,821)
- realized gain	690,096	-	(92,997)	597,099
- unrealized gain	2,340,338	11,718	(3,608,976)	(1,256,920)
Balance at 30 September 2020	367,195,931	-	29,437,042	396,632,973

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31. FINANCIAL ASSETS AND LIABILITIES FAIR VALUES (CONTINUED)

31.2. Financial assets and liabilities not measured at fair value

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

Assets and liabilities as at 30 September 2021:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	722	109,955,532	-	109,956,254
Financial assets at amortised cost	-	-	5,343,968	5,343,968
Total financial assets	722	109,955,532	5,343,968	115,300,222
Financial liabilities				
Financial liabilities at amortised cost	-	-	43,955,263	43,955,263
Loans from banks	-	-	39,998,108	39,998,108
Total financial liabilities	-	-	83,953,371	83,953,371

Assets and liabilities as at 30 September 2020:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents (i)	7,954	57,559,740	-	57,567,694
Financial assets at amortised cost	-	-	1,056,942	1,056,942
Total financial assets	7,954	57,559,740	1,056,942	58,624,636
Financial liabilities				
Financial liabilities at amortised cost	-	-	104,886,911	104,886,911
Total financial liabilities	-	-	104,886,911	104,886,911

(i) *Cash and cash equivalents*

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

32. FINANCIAL RISK MANAGEMENT

The risk management activity is carried out within the Company's organizational structure and it focuses on both general and specific risks, as set forth in Law no. 297/2004, Law no. 74/2015 and NSC Regulation no. 15/2004, as amended and supplemented, and Law no. 243/2019 regulating alternative investment funds and amending and supplementing acts of legislation.

The identification and measurement of the financial risks, as well as the measurement of the risk management ratios are carried out in compliance with the EU Directive 2011/61 regarding the alternative investment fund managers (DAFIA), EU Regulation no. 231/2013, Directive no. 2013/36 / EU on capital adequacy and EU Regulation no. 575/2013 regarding the prudential requirements for credit institutions and investment companies.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

The approach used by the Company in respect to the management of the financial and operational risks complies with the provisions of the EU Directive 2011/61 regarding the alternative investment fund managers, the references in DAFIA to Directive 2013/36/EU and the requirements regarding the risk management provided for by the EU Regulation no. 231/2013.

The most important types of 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 objectives and policies of the Company and evaluation and risk management processes.

32.1 Credit risk

Credit risk is the risk of 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 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 monitoring 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 a 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, at 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 Company's maximum exposure to the credit risk afferent to its current accounts and bank deposits is the following:

	Rating 30 September 2021 Short/ long-term	30 September 2021	Rating 31 December 2020 Short/ long-term	31 December 2020
Cash and cash equivalents:				
BRD	F2/BBB+	84,542,873	F2/BBB+	36,590,695
ING Bank	A-1/A+	6,907,457	A1/A+	7,495,399
Banca Transilvania	B/BB+	2,661,858	B/BB+	11,172,965
Banca Comercială Română	F2/BBB+	5,632,772	F2/BBB+	141,485
OTP Bank	A-2/BBB+	5,187,498	A2/BBB	15,104,651
Banca Credit Agricole	A-1/A+	5,022,346	-	-
UniCredit Bank	A-2/BBB+	728	B/BB+	902
Total		109,955,532		70,506,097

The above-mentioned assets are neither past due, nor impaired, being included in Stage 1.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (continued)

Credit risk is diversified also by placing cash with several banks. At the same time, the current accounts and deposits are held at Romanian banks, these institutions having a satisfactory rating. Under these conditions, the Company's current accounts and bank deposits have a low credit risk because they are held at renowned banking institutions.

	30 September 2021	30 September 2020
Corporate bonds	-	-
Financial assets at amortised cost	5,343,968	1,056,942
Total	5,343,968	1,056,942

32.2 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 and 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.

Position risk is associated with the portfolio of financial instruments measured at fair value and which uses Level 1 input, held by the Company with intention to benefit from favourable evolution of prices of the financial assets or from potential dividends/coupons granted by entities. The Company is exposed to general position risk as well as specific, due to short term investments made in bonds, 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 managing the risk depending on the dynamics of the trading venues or on the evolution of the market prices of the financial instruments held by the Company.

32.3 Concentration risk

Concentration risk concerns all financial assets held by the Company, regardless the holding period and, through diminishing this risk, the Company seeks to avoid large exposure against the same debtor/entity or sector.

The Company's policy on exposure diversifying is applied to the portfolio structure, the business model, as well as to the structure of financial risks exposures.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.3 Concentration risk (continued)

Thus, this diversifying policy implies: diversifying the portfolio by avoiding excessive exposures against the same debtor/issue 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 meet these objectives, the Company has initiated an extensive process for portfolio restructuring and business policies re-modelling. As at 30 September 2021, the Company's portfolio recorded concentrations on *Banks* sector, as the main income-generating sector and on *Travel and leisure* sector, due to the historical holdings of S.I.F. Transilvania.

These sectors are included in 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 overall portfolio.

32.4 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 does not use at this time 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.

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32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.4 Currency risk (continued)

The Company's financial assets and liabilities, in RON and foreign currencies as at 30 September 2021, are the following:

	RON	EUR	GBP	USD	Total
Financial assets					
Cash and cash equivalents	101,446,080	4,062,291	554	4,447,329	109,956,254
Financial assets at fair value through other comprehensive income	717,911,945	-	-	-	717,911,945
Financial assets at fair value through profit or loss	660,267,649	171,517	-	-	660,439,166
Bonds measured at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	5,332,713	11,255	-	-	5,343,968
Total financial assets	1,484,958,387	4,245,063	554	4,447,329	1,493,651,333
Financial liabilities					
Financial liabilities (at amortised cost)	42,169,470	-	-	-	42,169,470
Loans from banks	39,998,108	-	-	-	39,998,108
Lease liabilities	-	1,785,794	-	-	1,785,794
Total financial liabilities	82,167,578	1,785,794	-	-	83,953,371
Currency net position	1,402,790,809	2,459,269	554	4,447,329	1,402,697,961

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

	RON	EUR	GBP	USD	Total
Financial assets					
Cash and cash equivalents	50,282,947	2,308,668	515	-	4,975,564
Financial assets at fair value through other comprehensive income	535,104,530	-	-	-	-
Financial assets at fair value through profit or loss	605,620,380	481,582	-	-	749,106
Bonds measured at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	1,040,541	16,401	-	-	-
Total financial assets	1,192,048,398	2,806,651	515	-	5,724,670
Financial liabilities					
Financial liabilities (at amortised cost)	104,886,911	-	-	-	-
Total financial liabilities	104,886,911	-	-	-	-
Currency net position	1,087,161,487	2,806,651	515	-	5,724,670

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 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 case of cash placed in bank deposits and corporate bonds. In October 2020, the Company contracted a short-term loan for the payment of dividends due to its shareholders (value as at 30 September 2021: RON 39,998,108).

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 nor is using at this date derivative financial instruments to protect against interest rate fluctuation.

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

The following table shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during Q3 2021:

	RON		EUR	
	Interval Min	Max	Interval Min	Max
Financial assets				
Cash and cash equivalents	0.50	1.70	-	-
Bonds measured at fair value through profit or loss	-	-	-	-

The following table shows the annual interest rates obtained or offered by the Company for its interest-bearing assets and liabilities during Q3 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

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Interest rate risk (continued)

30 September 2021	< 1 month	1 month - 3 months	3 months - 1 year	1 year – 5 years	No interest	Total
Financial assets						
Cash and cash equivalents	109,955,532	-	-	-	722	109,956,254
Financial assets at fair value through other comprehensive income	-	-	-	-	717,911,945	717,911,945
Financial assets at fair value through profit or loss	-	-	-	-	660,439,166	660,439,166
Bonds at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	5,343,968	5,343,968
Total financial assets	109,955,532	-	-	-	1,383,695,801	1,493,651,333
Financial liabilities						
Financial liabilities (at amortised cost)	-	-	-	-	42,169,469	42,169,469
Loans from banks	39,998,108	-	-	-	-	39,998,108
Lease liabilities	13,280	45,332	190,296	1,536,886	-	1,785,794
Total financial liabilities	40,011,388	45,332	190,296	1,536,886	42,169,469	83,953,371
Net position	69,944,144	(45,332)	(190,296)	(1,536,886)	1,341,526,332	1,409,697,962

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Interest rate risk (continued)

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

30 September 2020	< 1 month	1 month - 3 months	3 months - 1 year	1 year – 5 years	No interest	Total
Financial assets						
Cash and cash equivalents	57,559,740	-	-	-	7,954	57,567,694
Financial assets at fair value through other comprehensive income	-	-	-	-	535,104,530	535,104,530
Financial assets at fair value through profit or loss	-	-	-	-	606,851,068	606,851,068
Bonds at fair value through profit or loss	-	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	1,056,942	1,056,942
Total financial assets	57,559,740	-	-	-	1,143,020,494	1,200,580,234
Financial liabilities						
Financial liabilities (at amortised cost)	-	-	-	-	104,886,911	104,886,911
Total financial liabilities	-	-	-	-	104,886,911	104,886,911
Net position	57,559,740	-	-	-	1,038,133,583	1,095,693,323

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.6 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.

Given that S.I.F. Transilvania is a closed-end investment fund, the related liquidity risk is lower than in the case of an open-end investment fund, due to the fact that shareholders do not have the option to buy back their holdings individually; liquidity requirements are relatively low, thus reducing the impact of the potentially low liquidity of the portfolio and / or the occurrence of a very high liquidity requirement.

The main focus was placed on Company's ability to invest in liquid assets in a reasonable time frame, enabling the Company to face easier 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.

S.I.F. Transilvania's shares portfolio includes:

- shares held in companies listed on a regulated market, which are constantly analysed from the perspective of liquidity risk. As at 30.09.2021, the weight of the high liquidity assets in total assets, namely those participations which meet the criteria established at the level of the Company to be considered liquid, was 48.86% (as at 30.09.2020: 47.88%)
- other shares (unlisted and listed on an alternative trading system) that do not meet the criteria specific to assets considered liquid
- the Company includes among the illiquid assets also the majority ownerships in companies listed on a regulated market.

Both in the context generated by the triggering of the COVID-19 pandemic, and in normal market conditions, the Company monitors the liquidity conditions specific to the managed portfolio, where its holding is below the 20% threshold, according to specific regulations regarding the risk management.

At 30 September 2021, the level of available liquidity (immediate and buffer) is sufficient to cover the payment obligations related to the repayment of the contracted loan.

The table below presents the financial liabilities as at 30 September 2021, 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.

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

When the amount to be paid is not fix, the presented amount 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 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.6 Liquidity risk (continued)

30 September 2021	< 1 month	1 month - 3 months	3 months – 1 year	1 year – 5 years	No fixed maturity	Total
Financial assets						
Cash and cash equivalents	109,956,254	-	-	-	-	109,956,254
Financial assets at fair value through other comprehensive income	-	-	-	-	717,911,945	717,911,945
Financial assets at fair value through profit or loss	-	-	-	-	660,439,166	660,439,166
Bonds at fair value through profit or loss	-	-	-	-	-	-
Financial assets (at amortised cost)	-	-	5,343,968	-	-	5,343,968
Total financial assets	109,956,254	-	5,343,968	-	1,378,351,111	1,493,651,333
Financial liabilities						
Financial liabilities (at amortised cost)	1,266,526	40,902,943	-	-	-	42,169,469
Loans from banks	39,998,108	-	-	-	-	39,998,108
Lease liabilities	13,280	45,332	190,296	1,536,886	-	1,785,794
Total financial liabilities	41,277,914	40,948,275	190,296	1,536,886	-	83,953,371
Net liquidity impact	68,678,340	(40,948,275)	5,153,672	(1,536,886)	1,378,351,111	1,409,697,962

SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021
(All amounts are expressed in RON, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.6 Liquidity risk (continued)

30 September 2020	< 1 month	1 month - 3 months	3 months – 1 year	1 year – 5 years	No fixed maturity	Total
Financial assets						
Cash and cash equivalents	57,567,694	-	-	-	-	57,567,694
Financial assets at fair value through other comprehensive income	-	-	-	-	535,104,530	535,104,530
Financial assets at fair value through profit or loss	-	-	-	-	606,851,068	606,851,068
Bonds at fair value through profit or loss	-	-	-	-	-	-
Financial assets (at amortised cost)	-	-	1,056,942	-	-	1,056,942
Total financial assets	57,567,694	-	1,056,942	-	1,141,955,598	1,200,580,234
Financial liabilities						
Financial liabilities (at amortised cost)	888,480	103,918,284	-	80,147	-	104,886,911
Total financial liabilities	888,480	103,918,284	-	80,147	-	104,886,911
Net liquidity impact	56,679,214	(103,918,284)	1,056,942	(80,147)	1,141,955,598	1,095,693,323

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.7 Business environment

The Company's investment activity has been adapted to the domestic and international context, characterized by a high degree of unpredictability. By reference to the sectors of interest for the portfolio managed by the Company, the implications of COVID-19 pandemic on the travel and leisure sector stand out as important.

The Company's management cannot reliably estimate the impact on the financial statements of some relevant factors such as the future declines in the financial market liquidity and in the financial assets market prices induced by the increased volatility of the capital and foreign exchange markets. However, S.I.F. Transilvania's management does not estimate difficulties in fulfilling its commitments to shareholders and obligations to third parties, the current and estimated cash flows for the future being sufficient to cover the Company's debts to third parties, respectively the commitments resulting from the implementation of the shareholders' remuneration policy.

32.8 Operational risk

Operational risk is defined as the risk of loss caused either by the use of inadequate or inaccurate processes, systems and human resources that have not performed their function properly, or by external events and actions and includes also the legal risk. S.I.F. Transilvania implemented a risk management system which relies on three lines of defence:

- the first line is provided by the Company's departments, which have the first responsibility and importance for the effective management and control of the risks in the daily activities performed;
- the second line is represented by the Risk Management Office, which identifies, analyses and monitors the risks at the level of the entire company. The second line of defence also include the compliance function which ensures the compliance of the Company's activity with the legal regulations in force and verifies the accomplishment of the controls from the first line and the third line of defence;
- the third line of defence is represented by the Internal Audit, which periodically examines the fulfilment of the risk management function and controls the activities and all the systems that generated the respective operational risks.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.8 Operational risk (continued)

In the context of the epidemiological situation in Romania determined by the spread of COVID-19 and subsequently the signing of the decree on establishing the state of emergency and subsequently state of alert on the Romanian territory, the Company implemented relevant measures recommended by the authorities to reduce the risk of employees infection with the new virus: disinfection of the premises, providing employees with appropriate hygienic materials, as well as hand sanitization solutions, protective masks. Measures to manage a possible infection of one or more employees or the hospitalisation / quarantine / isolation of one or more employees consist of providing substitutes according to the job description, ensuring the possibility of working remotely, implementing hardware and software solutions that allow IT administration remotely, purchase of mobile IT equipment.

The operational risks at the level of the organizational structures are assessed quarterly, in order to monitor, manage and maintain a high level of awareness. During Q3 2021, there were no events of actual occurrence of operational risk at the level of the functional departments of the Company or situations that would prevent the Company from continuing its activity.

32.9 Capital adequacy

As regards the financial risks to which it is exposed, S.I.F. Transilvania also applied in Q3 2021 a capital-based approach, according to EU Regulation no. 575/2013 on prudential requirements for credit institutions and investment firms. The impact of the financial risks takes into account the size of the financial resources that are affected by the respective financial risks (calculated by dividing the level of the capital adequacy ratio by the minimum level required by law, i.e. 8%). S.I.F. Transilvania seeks that the solvency ratio, determined as a ratio between capital requirements afferent to financial risks and own funds (financial resources) is at least three times the required minimum level (resulting in a minimum capital adequacy rate of 24%). At 30 September 2021, S.I.F. Transilvania recorded a high level of capital adequacy ratio of 56.21%.

S.I.F. Transilvania's own funds as at 30 September 2021, calculated in accordance with the methodology laid down in EU Regulation no. 575/2013, amount to RON 678,442,168. The Company'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.

33. CAPITAL MANAGEMENT

The Company's objectives regarding the capital management are to maintain the Company's ability to continue as a going concern in order to generate added value for shareholders and benefits for other users of information regarding the Company's activity and to maintain an optimal capital structure so as to reduce the cost of capital to the optimal level. 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 new shares or to sell assets in order to reduce debt. The equity managed by the Company as at 30 September 2021 amounted to RON 1,357,518,058 (30 September 2020: RON 1,074,057,465).

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

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34. COMMITMENTS AND CONTINGENCIES

34.1. Litigations

During Q3 2021, the Company continued to be involved in legal actions specific to the activity performed. The Company's management considers that these litigations will not have a material adverse effect on the economic and financial position of the Company, as they are reflected in these financial statements.

At 30 September 2021, the Company had no provisions for litigations created.

34.2 Contingent liabilities

At 30 September 2021 and 30 September 2020, the Company did not record contingent liabilities.

34.3 Transfer pricing

The Romanian tax legislation has been providing rules on transfer pricing between related parties ever since 2000. The current legislative framework defines the "market value" principle in relation to transactions between related parties, as well as the methods of determining transfer prices. Thus, it is likely that the tax authorities conduct verifications of the transfer pricing to make sure 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 related parties. The Company cannot measure the result of such verifications.

35. SUBSEQUENT EVENTS

In accordance with the Resolution of the General Meeting of Shareholders of 28 April 2021, the Company allocated the net profit achieved in the financial year 2020 as follows:

No.	Destination	Amount (RON)
1.	Other reserves – own financing sources from profit	34,541,912
	TOTAL profit - achieved and allocated	34,541,912

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

This version of the Financial Statements as at 30.09.2021 is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

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Societate administrată în sistem dualist



According to the F.S.A. Regulation no. 7/2020

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

STATEMENT			
OF ASSETS AND LIABILITIES OF SIF TRANSILVANIA SA BRASOV			
as of 30.09.2021			
		RON	% of total assets
1	Intangible Assets	107,145.13	0.01
2	Tangible Assets	14,345,320.20	0.95
3	Real Estate Investments	0.00	0.00
4	Biological Assets	0.00	0.00
5	Right-Of-Use Assets Under Leases	1,688,401.75	0.11
6	Financial Assets, out of which:	1,380,418,206.87	91.36
6.1	Financial Assets at Amortized Cost, out of which:	2,067,096.22	0.14
6.1.1	Accounts Receivable from Share Sales to be settled during the next month	0.00	0.00
6.2	Financial Assets at Fair Value through Profit or Loss	660,439,166.11	43.71
6.2.1	Shares	619,450,668.26	41.00
6.2.1.1	Listed Shares	572,156,614.01	37.87
6.2.1.1.1	Shares Listed on Romanian Markets	572,156,614.01	37.87
6.2.1.1.2	Shares Listed on Markets in EU Member States	0.00	0.00
6.2.1.1.3	Shares Listed on Markets in Third Countries	0.00	0.00
6.2.1.3	Unlisted Shares	47,294,054.25	3.13
6.2.1.3.1	Domestic Unlisted Shares	47,122,537.45	3.12
6.2.1.3.2	Foreign Unlisted Shares	171,516.80	0.01
6.2.2	UCITS and/or AIF Equity Securities	40,988,497.85	2.71
6.2.2.1	Listed Shares	0.00	0.00
6.2.2.2	Listed Fund Units	1,792,688.27	0.12
6.2.2.2.1	Fund Units Listed on Romanian Markets	1,792,688.27	0.12
6.2.2.2.2	Fund Units Listed on Markets in EU Member States	0.00	0.00
6.2.2.2.3	Fund Units Listed on Markets in Third Countries	0.00	0.00
6.2.2.3	Unlisted Fund Units	39,195,809.58	2.59
6.2.3	Bonds	0.00	0.00

CUI/CIF: RO 3047687 • R.C. J08/3306/1992 • Capital social 216,244,379,70 lei • IBAN: RO08 RNCB 0053 0085 8144 0001, B.C.R. Braşov
Cod LEI (Legal Entity Identifier): 254900E2IL36VM93H128 • Autorizată A.F.I.A. conform Autorizaţiei ASF nr. 40/15.02.2018 • Nr. Registru
ASF: PJR071AFIAA / 080005 • Autorizată F.I.A.I.R. conform Autorizaţiei ASF nr. 150/09.07.2021 • Nr. Registru ASF: PJR09FAIR / 080006

6.2.3.1	Municipal Bonds	0.00	0.00
6.2.3.2	Corporate Bonds	0.00	0.00
6.2.3.2.1	Listed Corporate Bonds	0.00	0.00
6.3	Financial Assets at Fair Value Through Other Comprehensive Income	717,911,944.54	47.52
6.3.1	Shares	617,393,033.16	40.86
6.3.1.1	Listed Shares	596,975,613.15	39.51
6.3.1.1.1	Shares Listed on Romanian Markets	596,975,613.15	39.51
6.3.1.1.2	Shares Listed on Markets in EU Member States	0.00	0.00
6.3.1.1.3	Shares Listed on Markets in Third Countries	0.00	0.00
6.3.1.3	Unlisted Shares	20,417,420.01	1.35
6.3.2	UCITS and/or AIF Equity Securities	100,518,911.38	6.65
6.3.2.1	Listed Shares	100,518,911.38	6.65
6.3.2.2	Unlisted Shares	0.00	0.00
7	Cash and Cash Equivalents	10,141,547.48	0.67
8	Bank Deposits	99,816,346.24	6.61
9	Other Assets	4,022,184.14	0.27
9.1	Dividends or Other Accounts Receivable	3,276,871.91	0.22
9.2	Newly issued securities	299,710.00	0.02
9.3	Other Assets	445,602.23	0.03
10	Prepaid Expenses	389,387.01	0.03
11	TOTAL ASSETS	1,510,928,538.82	100.00
12	TOTAL LIABILITIES, out of which:	153,410,481.66	
12.1	Financial Assets at Amortized Cost	83,953,371.22	
12.1.1	Dividends Payable	40,902,943.09	
12.1.2	Amounts Owed to Credit and Leasing Institutions	41,783,901.68	
12.1.3	Trade Payables	1,262,404.47	
12.1.4	Advance Payments from Customers	20.00	
12.1.5	Accounts Payable to Companies within the Group	4,101.98	
12.1.6	Accounts Payable Related to Participation Interests	0.00	
12.1.7	Accounts Payable for Share Acquisitions to be settled during next month	0.00	
12.2	Deferred Income Tax Liabilities	57,967,951.31	
12.3	Other Liabilities- total, out of which:	11,489,159.13	
12.3.1	Amounts Subscribed and Not Paid-In to Share Capital Increases and Bond Issues	0.00	
12.3.2	Other Liabilities	11,489,159.13	
13	Provisions for Risks and Taxes	0.00	

14	Deferred Income	0.00	
15	Shareholders' Equity, out of which:	1,357,518,057.25	
15.1	Subscribed and Paid-in Share Capital	216,244,379.70	
15.2	Equity- related Items	0.00	
15.3	Other Shareholders' Equity Items	302,765,882.59	
15.3.1	Changes in the Fair Value of Non-Monetary Financial Assets Measured at Fair Value through Other Comprehensive Income	297,961,735.97	
15.4	Capital-Related Premium	0.00	
15.5	Revaluation Reserves	11,948,738.05	
15.6	Reserves	691,314,508.18	
15.7	Own Shares	0.00	
15.8	Retained Earnings	79,806,396.44	
15.9	Profit (Loss) For the Period	55,438,152.29	
15.10	Profit Appropriation	0.00	
16	NET ASSET VALUE	1,357,518,057.16	
17	NUMBER OF ISSUED SHARES	2,162,443,797	
18	NET ASSET VALUE PER SHARE (RON/share)	0.6278	
19	Number of Companies in Portfolio - total, out of which:	90	
19.1	Companies Admitted to Trading on an EU Trading Venue	50	
19.2	Companies Admitted to Trading on a Stock Exchange in a Third Country	0	
19.3	Companies Not Admitted to Trading	40	
20	Number of Investment Funds in which the Company holds Fund Units - total, of which:	6	
20.1	Number of Open-End Investment Funds	2	
20.2	Number of Closed-End Investment Funds	4	
21	Newly issued securities (Number of Companies)	1	

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,
ROSCA RADU-CLAUDIU

EXECUTIVE VICE-PRESIDENT/
DEPUTY CEO,
RADUTA-GIB TONY-CRISTIAN

FINANCIAL DEPARTMENT
Head of Department,
VERES DIANA

PORTFOLIO MANAGEMENT
DEPARTMENT
Head of Department,
RADULESCU SORIN ION

CERTIFIED BY THE DEPOSITORY
COMPANY
BRD-Groupe Societe Generale S.A.
Bucuresti
SECURITIES DIVISION
Director Claudia IONESCU
Verified by _____

SIF Transilvania's portfolio assets valued based on valuation methods in accordance with the International Valuation Standards, as at 30.09.2021											
Pos.	Tax Code	Company name	Symbol	No. of shares held	Value		Valuation Report Number and Date	Valuation Report	Remarks	Weight in issuer's share capital (%)	Weight in SIF's total assets (%)
					RON / share	Total value					
Listed on AeRO (SMT/SOT)											
1	1102041	ARO-PALACE SA	ARO	345,704,600	0.0923	31,908,534.58	1616 / 25.02.2021	YES *		85.74	2.11
2	23058338	CASA ALBA INDEPENDENTA SIBIU	CAIN	782,468	54.4297	42,589,498.50	1617 / 25.02.2021	YES *		53.35	2.82
3	327763	COCOR SA	COCR	30,911	151.0489	4,669,072.55	1618 / 25.02.2021	YES *		10.25	0.31
4	1153932	CONCAS SA	CONK	336,756	40.6646	13,694,048.04	1622 / 25.02.2021	YES *	Dividends May 2021	47.21	0.91
5	742395	DORNA TURISM SA	DOIS	455,793	7.6616	3,492,103.65	1625 / 25.02.2021	YES *		32.01	0.23
6	1118838	DUPLEX SA	DUPX	32,772	17.4884	573,129.84	3638 / 05.05.2021	YES **		26.87	0.04
7	803115	EMAILUL SA	EMAI	729,551	10.4924	7,654,740.91	1626 / 25.02.2021	YES *	Dividends May 2021	28.93	0.51
8	752	FEPER SA	FEP	312,123,729	0.1815	56,650,456.81	1627 / 25.02.2021	YES *		85.80	3.75
9	1154474	GASTRONOM SA	GAOY	215,453	39.9474	8,606,787.17	1628 / 25.02.2021	YES *	Dividends April 2021	70.29	0.57
10	2577677	INDEPENDENTA SA	INTA	1,530,636	3.9764	6,086,420.99	8076 / 30.12.2020	YES **		53.30	0.40
11	1122928	MECANICA CODLEA SA	MEOY	60,156,150	0.0742	4,463,586.33	1629 / 25.02.2021	YES *	Dividends May 2021	81.07	0.30
12	1113237	MECON SA	MECP	58,966	15.9299	939,322.48	8079 / 30.12.2020	YES **		12.28	0.06
13	2423562	NEPTUN-OLIMP SA	NEOL	30,194,757	0.3606	10,888,229.37	1630 / 25.02.2021	YES *		41.18	0.72

14	14662490	PRAHOVA ESTIVAL 2002 SA	PRAH	1,288,584	0.5014	646,096.02	4524 / 04.06.2021	YES **		39.62	0.04
15	1108834	ROMRADIATOARE SA BRASOV	RRD	11,477,141	1.2102	13,889,636.04	1631 / 25.02.2021	YES *		76.51	0.92
16	1879871	SANTIERUL NAVAL CONSTANTA SA	SNC	456,755	1.8751	856,461.30	8081 / 30.12.2020	YES **		0.70	0.06
17	790619	SEMBRAZ SA	SEBZ	719,900	1.1103	799,304.97	8082 / 30.12.2020	YES **		90.97	0.05
18	14686600	SERVICE NEPTUN 2002 SA	SECE	3,610,420	0.5664	2,044,941.89	4526 / 04.06.2021	YES **		39.62	0.14
19	9845734	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	TSLA	353,282,752	0.0512	18,088,076.90	1632 / 25.02.2021	YES *	Share capital reduction February 2021	68.64	1.20
20	1849307	TRATAMENT BALNEAR BUZIAS SA	BALN	145,615,772	0.0593	8,635,015.28	1633 / 25.02.2021	YES *		91.87	0.57
21	559747	TURISM COVASNA SA	TUAA	439,760,355	0.0598	26,297,669.23	1634 / 25.02.2021	YES *		93.33	1.74
22	4241753	TUSNAD SA	TSND	230,601,476	0.0628	14,481,772.69	1636 / 25.02.2021	YES *		76.41	0.96
23	2410198	UTILAJ GREU SA	UTGR	476,226	7.3737	3,511,547.66	1637 / 25.02.2021	YES *	Dividends May 2021	70.39	0.23
24	23058320	VIROLA-INDEPENDENTA SIBIU	VIRO	74,307	77.8327	5,783,514.44	1638 / 25.02.2021	YES *		53.62	0.38
Listed on BSE											
25	1868287	COMCM SA CONSTANTA	CMCM	134,049,930	0.3214	43,083,647.50	1621 / 25.02.2021	YES *		56.72	2.85
Unlisted											
26	14662474	APOLLO ESTIVAL 2002 SA		2,350,890	0.8838	2,077,716.58	5193 / 28.06.2021	YES **		39.62	0.14
27	405195	ARCOM S.A. BUCURESTI		667	100.7424	67,195.18	7903 / 05.10.2021	YES **		0.19	0.00

28	361560	BANCA DE EXPORT IMPORT A ROMANIEI EXIMBANK S.A.		414,740	5.3553	2,221,057.12	8071 / 30.12.2020	YES **		0.31	0.15
29	41850416	CCP.RO BUCHAREST S.A.		142,500	8.7736	1,250,238.00	3636 / 05.05.2021	YES **		1.79	0.08
30	1559737	CONTINENTAL HOTELS SA BUCURESTI		2,729,171	5.0393	13,753,111.42	1623 / 25.02.2021	YES *		9.30	0.91
31	7800027	CRISTIANA SA		153,410	120.0817	18,421,733.60	1624 / 25.02.2021	YES *	Dividends April 2021	99.80	1.22
32	9638020	DEPOZITARUL CENTRAL SA BUCURESTI		10,128,748	0.0614	621,905.13	8072 / 30.12.2020	YES **	Dividends May 2021	4.00	0.04
33	1170151	FERMIT SA		151,468	10.2193	1,547,896.93	8073 / 30.12.2020	YES **		16.37	0.10
34	3682077	FONDUL ROMAN DE GARANTARE A CREDITELOR PTINTREPRI		3,697,948	0.6514	2,408,843.33	8074 / 30.12.2020	YES **		23.02	0.16
35	18846755	GRUP BIANCA TRANS SA		8,414,200	0.2388	2,009,310.96	8075 / 30.12.2020	YES **	Dividends April 2021	77.47	0.13
36	8012400	INTERNATIONAL TRADE&LOGISTIC CENTER SA		81,708,428	0.0508	4,150,788.14	8077 / 30.12.2020	YES **		87.30	0.28
37	515406	IRUCOM SA		6,269	9.9690	62,495.66	4523 / 04.06.2021	YES **		17.41	0.00
38	1154806	LEGUME FRUCTE BUZAU S.A.		207,822	11.1732	2,322,036.77	8078 / 30.12.2020	YES **		25.23	0.15
39	12430826	REUTCOM UTB SA		2,134,920	0.0891	190,221.37	4525 / 04.06.2021	YES **		8.99	0.01
40	32947925	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA		44,999	6.7482	303,662.25	8080 / 30.12.2020	YES **		100.00	0.02
41	33782418	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A.		1,125	176.1829	198,205.76	5190 / 28.06.2021	YES **		15.63	0.01
42	14630120	TOMIS ESTIVAL 2002 SA		522,893	1.1924	623,497.61	5191 / 28.06.2021	YES **		39.62	0.04
43	14686589	TRANSILVANIA ESTIVAL 2002 SA		3,589,861	0.1407	505,093.44	5988 / 03.08.2021	YES **		11.14	0.03

44	26261034	TURISM LOTUS FELIX SA		484,853,142	0.0300	14,545,594.26	1635 / 25.02.2021	YES *		38.27	0.96
45	B187535	The Foundations Feeder		124,000	1.3832	171,516.80	3641 / 05.05.2021	YES **		26.67	0.01
TOTAL						397,785,735.45					26.33

Explanatory note:

For the holdings whose value is estimated based on a valuation report, the valuation approaches and methodology used are those defined by the valuation standards in force, these being included in the 'Asset valuation policy and procedure.'

SIF Transilvania's leverage and exposure, calculated in accordance with the Regulation (EU) no. 231/2013

Method	Leverage ratio	Exposure
Gross method	104.20%	1,414,502,593
Commitment method	111.30%	1,510,928,539

EXECUTIVE PRESIDENT / CEO,
ROSCA RADU-CLAUDIU

EXECUTIVE VICE-PRESIDENT /
DEPUTY CEO,
RADUTA-GIB TONY-CRISTIAN

Head of Department,
RADULESCU SORIN ION

Certified by BRD-Groupe Societe Generale
S.A.
Securities Division
Director: Claudia IONESCU

Caption

YES* = PricewaterhouseCoopers Management Consultants S.R.L. Bucuresti

YES** = SIF Transilvania

Remark = Valuation report + correction according to corporate event

Note: This statement is prepared only for companies whose share price used for the calculation of the Net Asset Value was determined based on a Valuation Report



DETAILED STATEMENT OF INVESTMENTS AS AT 30.09.2021

According to Annex no. 11
to the F.S.A. Regulation no. 7/2020

STATEMENT OF ASSETS AND LIABILITIES AS AT 30.09.2021										
No.	Item	Beginning of the reporting period (31.12.2020)				End of the reporting period (30.09.2021)				Differences RON
		% of net assets	% of total assets	Currency	RON	% of net assets	% of total assets	Currency	RON	
1	I. Total assets	111.114	100.000	8,325,442	1,291,952,264	111.301	100.000	8,692,946	1,502,235,592	210,650,830
2	I.1. Securities and money market instruments, out of which:	92.599	83.337	837,322	1,082,770,096	86.123	77.378	0	1,169,132,227	85,524,809
3	I.1.1. Securities and money market instruments admitted to trading or traded on a regulated market in Romania, out of which:	92.527	83.272	0	1,082,770,096	86.123	77.378	0	1,169,132,227	86,362,131
4	I.1.1.1. - Shares	92.527	83.272	0	1,082,770,096	86.123	77.378	0	1,169,132,227	86,362,131
5	I.1.1.2. - Bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
6	I.1.2. Securities and money market instruments admitted to trading or traded on a regulated market in a Member State, out of which:	0.000	0.000	0	0	0.000	0.000	0	0	0
7	I.1.2.1. - Shares	0.000	0.000	0	0	0.000	0.000	0	0	0
8	I.1.2.2. - Bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
9	I.1.3. Securities and money market instruments admitted to official stock exchange listing in a Third Country or negotiated on another regulated market in a Third Country	0.072	0.064	837,322	0	0.000	0.000	0	0	-837,322



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10	I.1.3.1. - Shares	0.072	0.064	837,322	0	0.000	0.000	0	0	-837,322
11	I.1.3.2. - Bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
12	I.2. Newly issued securities	0,000	0.000	0	0	0.020	0.019	0	299,710	299,710
13	I.3. Other securities and money market instruments referred to in art. 83 para. (1) indent a) of G.E.O no. 32/2012, out of which:	5.840	5.256	154,514	68,189,847	4.988	4.481	171,517	67,539,957	-632,887
14	I.3.1. - Unlisted shares	5.840	5.256	154,514	68,189,847	4.988	4.481	171,517	67,539,957	-632,887
15	I.3.2. - Unlisted bonds	0.000	0.000	0	0	0.000	0.000	0	0	0
16	I.4. Bank deposits, out of which:	5.159	4.643	0	60,367,057	7.353	6.606	0	99,816,346	39,449,289
17	I.4.1. Bank deposits set up with credit institutions in Romania	5.159	4.643	0	60,367,057	7.353	6.606	0	99,816,346	39,449,289
18	I.4.2. Bank deposits set up with credit institutions in a Member State	0.000	0.000	0	0	0.000	0.000	0	0	0
19	I.4.3. Bank deposits set up with credit institutions in a Third Country	0.000	0.000	0	0	0.000	0.000	0	0	0
20	I.5. Derivatives traded on a regulated market	0.000	0.000	0	0	0.000	0.000	0	0	0
21	I.6. Current accounts and cash	0.867	0.780	7,322,528	2,819,645	0.747	0.671	8,510,174	1,631,373	-626
22	I.7. Money market instruments, other than those traded on a regulated market, in accordance with art. 82 indent g) of G.E.O. no. 32/2012 - Repo type contracts on securities	0.000	0.000	0	0	0.000	0.000	0	0	0
23	I.8. AIF/UCITS equity securities	5.199	4.679	0	60,840,501	10.424	9.366	0	141,507,409	80,666,908
24	I.8.1. Shares listed on the stock exchange	2.655	2.389	0	31,064,988	7.405	6.653	0	100,518,911	69,453,923
25	I.8.2. Fund units - Investment Funds	2.544	2.290	0	29,775,513	3.019	2.713	0	40,988,498	11,212,985
26	I.9. Structured products	0.000	0.000	0	0	0.000	0.000	0	0	0



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27	I.10. Dividends or other receivable rights	0.000	0.000	0	0	0.241	0.217	0	3,276,872	3,276,872
28	I.11. Preemptive/assignment rights	0.000	0.000	0	0	0.000	0.000	0	0	0
29	I.12. Other assets (amounts in transit, amounts at distributors, amounts at financial investment service firms, tangible and intangible assets, receivables etc.)	1.451	1.306	11,078	16,965,118	1.405	1.279	11,255	19,031,698	2,066,757
30	II. Total liabilities	11.114	10.002	0	130,056,458	11.301	10.153	0	153,410,482	23,354,024
31	II.1. Fees due to the A.I.F.M.	0.000	0.000	0	0	0.000	0.000	0	0	0
32	II.2. Fees due to the Depositary	0.002	0.002	0	20,051	0.002	0.001	0	22,278	2,227
33	II.3. Fees due to the intermediaries	0.000	0.000	0	0	0.000	0.000	0	0	0
34	II.4. Turnover fees and other bank service fees	0.000	0.000	0	0	0.000	0.000	0	0	0
35	II.5. Interest expense	0.062	0.056	0	730,909	0.131	0.118	0	1,784,197	1,053,288
36	II.6. Issue expense	0.000	0.000	0	0	0.000	0.000	0	0	0
37	II.7. Fees and tariffs owed to the F.S.A.	0.008	0.007	0	91,333	0.008	0.007	0	104,600	13,267
38	II.8. Financial auditing expenses	0.000	0.000	0	0	0.000	0.000	0	0	0
39	II.9. Other approved expenses	11.042	9.937	0	129,214,165	11.160	10.027	0	151,499,407	22,285,242
40	II.10. Redemptions payable	0.000	0.000	0	0	0.000	0.000	0	0	0
41	III. Net Asset Value (I-II)	100.000	89.998	8,325,442	1,161,895,806	100.000	89.847	8,692,946	1,348,825,110	187,296,808



Net Asset Value per Share			
Item	Current period (30.09.2021)	Corresponding period of the previous year (30.09.2020)	Differences
NET ASSET VALUE	1,357,518,057.16	1,074,057,465.00	283,460,592.16
NUMBER OF ISSUED SHARES	2,162,443,797	2,162,443,797	0
NET ASSET VALUE PER SHARE (RON/share)	0.6278	0.4967	0.1311

DETAILED STATEMENT OF INVESTMENTS

I. Securities admitted to or traded on a regulated market in Romania

1. Shares traded during the last 30 trading days (working days)

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 RIAIF's total assets
					RON	RON	RON	%	%
1	ARMAX GAZ SA **	ARAX	30.09.2021	88,135	10.0000	0.0000	0.00	1.435	0.000
2	ARO-PALACE SA *	ARO	30.08.2021	345,704,600	0.1000	0.0923	31,908,534.58	85.740	2.112
3	BANCA TRANSILVANIA SA	TLV	30.09.2021	43,119,354	1.0000	2.6800	115,559,868.72	0.683	7.648



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4	BIROUL DE TURISM PENTRU TINERET (BTT) SA	BIBU	16.09.2021	576,540	2.5000	0.0000	0.00	10.644	0.000
5	BRD - GROUPE SOCIETE GENERALE S.A.	BRD	30.09.2021	19,578,977	1.0000	18.8000	368,084,767.60	2.809	24.361
6	BURSA DE VALORI BUCURESTI SA	BVB	30.09.2021	681,769	10.0000	25.0000	17,044,225.00	8.470	1.128
7	CASA ALBA INDEPENDENTA SIBIU *	CAIN	13.09.2021	782,468	2.5000	54.4297	42,589,498.50	53.348	2.819
8	COCOR SA *	COCR	30.09.2021	30,911	40.0000	151.0489	4,669,072.55	10.246	0.309
9	COMPA SA SIBIU	CMP	30.09.2021	3,353,936	0.1000	0.6420	2,153,226.91	1.533	0.143
10	CONDMAG BRASOV **	COMI	30.09.2021	19,000,000	0.1000	0.0000	0.00	4.982	0.000
11	DIGI Communications N.V.	DIGI	30.09.2021	50,000	0.0100	38.0000	1,900,000.00	0.141	0.126
12	DORNA TURISM SA *	DOIS	17.09.2021	455,793	2.5000	7.6616	3,492,103.65	32.014	0.231
13	DUPLEX SA *	DUPX	07.09.2021	32,772	2.5000	17.4884	573,129.84	26.867	0.038
14	ELECTROMAGNETICA S.A.	ELMA	30.09.2021	5,426,452	0.1000	0.1190	645,747.79	0.803	0.043
15	EMAILUL SA *	EMAI	17.09.2021	729,551	2.5000	10.4924	7,654,740.91	28.926	0.507
16	EVERGENT INVESTMENTS S.A.	EVER	30.09.2021	47,892,245	0.1000	1.4450	69,204,294.03	4.881	4.580
17	FEPER SA *	FEP	30.09.2021	312,123,729	0.1000	0.1815	56,650,456.81	85.800	3.749



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18	FONDUL PROPRIETATEA SA	FP	30.09.2021	15,300,000	0.5200	1.8100	27,693,000.00	0.212	1.833
19	GASTRONOM SA *	GAOY	20.09.2021	215,453	2.5000	39.9474	8,606,787.17	70.288	0.570
20	INDEPENDENTA SA *	INTA	13.09.2021	1,530,636	2.5000	3.9764	6,086,420.99	53.301	0.403
21	MECANICA CODLEA SA *	MEOY	21.09.2021	60,156,150	0.1000	0.0742	4,463,586.33	81.072	0.295
22	NEPTUN-OLIMP SA *	NEOL	30.09.2021	30,194,757	0.1000	0.3606	10,888,229.37	41.185	0.721
23	OIL TERMINAL	OIL	30.09.2021	2,214,572	0.1000	0.1785	395,301.10	0.380	0.026
24	OMV PETROM SA BUCURESTI	SNP	30.09.2021	168,320,492	0.1000	0.4570	76,922,464.84	0.297	5.091
25	ORGANE DE ASAMBLARE SA **	ORAS	02.09.2021	12,984,511	0.1000	0.0000	0.00	95.697	0.000
26	PROSPECTIUNI SA BUCURESTI **	PRSN	30.09.2021	41,129,011	0.1000	0.0000	0.00	5.728	0.000
27	PURCARI WINERIES PUBLIC COMPANY Ltd	WINE	30.09.2021	380,000	0.0100	15.2500	5,795,000.00	0.950	0.384
28	ROMRADIATOARE SA BRASOV *	RRD	28.09.2021	11,477,141	1.6300	1.2102	13,889,636.04	76.514	0.919
29	S.N. NUCLEARELECTRICA	SNN	30.09.2021	400,000	10.0000	38.2500	15,300,000.00	0.133	1.013
30	S.N.G.N. ROMGAZ S.A.	SNG	30.09.2021	853,667	1.0000	34.8000	29,707,611.60	0.221	1.966
31	S.N.T.G.N. TRANSGAZ SA	TGN	30.09.2021	5,446	10.0000	264.0000	1,437,744.00	0.046	0.095



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32	SANTIERUL NAVAL CONSTANTA SA *	SNC	30.09.2021	456,755	2.5000	1.8751	856,461.30	0.703	0.057
33	SANTIERUL NAVAL SA	SNO	30.09.2021	5,711,432	2.5000	5.9000	33,697,448.80	50.000	2.230
34	SOCIETATEA DE INVESTITII FINANCIARE OLTENIA S.A.	SIF5	30.09.2021	1,957,631	0.1000	1.8500	3,621,617.35	0.392	0.240
35	SOCIETATEA ENERGETICA ELECTRICA SA	EL	30.09.2021	153,825	10.0000	11.4000	1,753,605.00	0.044	0.116
36	SPHERA FRANCHISE GROUP	SFG	30.09.2021	65,000	15.0000	16.0000	1,040,000.00	0.168	0.069
37	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV *	TSLA	22.09.2021	353,282,752	0.1000	0.0512	18,088,076.90	68.635	1.197
38	TRATAMENT BALNEAR BUZIAS SA *	BALN	21.09.2021	145,615,772	0.1000	0.0593	8,635,015.28	91.871	0.572
39	TURISM COVASNA SA *	TUAA	22.09.2021	439,760,355	0.1000	0.0598	26,297,669.23	93.326	1.740
40	TURISM FELIX SA	TUFE	28.09.2021	313,208,036	0.1000	0.3160	98,973,739.38	63.750	6.551
41	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	EFO	30.09.2021	449,920,140	0.1000	0.1520	68,387,861.28	78.110	4.526
42	TUSNAD SA *	TSND	28.09.2021	230,601,476	0.1000	0.0628	14,481,772.69	76.408	0.958
43	UTILAJ GREU SA *	UTGR	14.09.2021	476,226	2.5000	7.3737	3,511,547.66	70.387	0.232
44	VIROLA-INDEPENDENTA SIBIU *	VIRO	23.09.2021	74,307	2.5000	77.8327	5,783,514.44	53.616	0.383
TOTAL							1,208,443,777.64		79.981

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* in accordance with the Fund Rules at the fair value determined based on a Valuation Report according to the valuation standards

** in accordance with the Fund Rules at 0 (zero) value – companies undergoing judicial reorganization

2. Shares not traded during the last 30 trading days (working days)

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 RIAIF's total assets
					RON	RON	RON	%	%
1	COMCM SA CONSTANTA	CMCM	13.08.2021	134,049,930	0.1000	0.3214	43,083,647.50	56.725	2.851
2	CONCAS SA	CONK	17.10.2013	336,756	2.5000	40.6646	13,694,048.04	47.207	0.906
3	MECON SA	MECP	30.06.2021	58,966	11.6000	15.9299	939,322.48	12.284	0.062
4	PRAHOVA ESTIVAL 2002 SA	PRAH	23.08.2019	1,288,584	0.1000	0.5014	646,096.02	39.624	0.043
5	SEMBRAZ SA	SEBZ	23.04.2020	719,900	2.0000	1.1103	799,304.97	90.968	0.053
6	SERVICE NEPTUN 2002 SA	SECE	05.04.2021	3,610,420	0.1000	0.5664	2,044,941.89	39.624	0.135
TOTAL							61,207,360.90		4.050

3. Shares not traded during the last 30 trading days (working days) for which the financial statements are not obtained within 90 days from the legal submission dates

Not applicable

4. Preemptive / assignment rights

Not applicable



5. Bonds admitted to trading, issued or guaranteed by local public administration authorities / corporate bonds

Not applicable

6. Bonds admitted to trading, issued or guaranteed by central public administration authorities

Not applicable

7. Other securities admitted to trading on a regulated market

Not applicable

8. Amounts under settlement for securities admitted to trading or traded on a regulated market in Romania

Not applicable

II. Securities admitted to trading or traded on a regulated market in another Member State

1. Shares traded during the last 30 trading days (working days)

Not applicable

2. Bonds admitted to trading, issued or guaranteed by local public administration authorities / corporate bonds

Not applicable

3. Bonds admitted to trading, issued or guaranteed by central public administration authorities

Not applicable



4. Other securities admitted to trading on a regulated market in another Member State

Not applicable

5. Amounts under settlement for securities admitted to trading or traded on a regulated market in another Member State

Not applicable

III. Securities admitted to trading or traded on a regulated market in a Third Country

1. Shares traded during the last 30 trading days (working days)

Not applicable

2. Bonds admitted to trading, issued or guaranteed by local public administration authorities / corporate bonds, traded during the last 30 trading days

Not applicable

3. Other securities admitted to trading on a regulated market in a Third Country

Not applicable

4. Amounts under settlement for securities admitted to trading or traded on a regulated market in a Third Country

Not applicable

IV. Money market instruments admitted to trading or traded on a regulated market in Romania

Not applicable

Amounts under settlement for money market instruments admitted to trading or traded on a regulated market in Romania

Not applicable

V. Money market instruments admitted to trading or traded on a regulated market in another Member State

Not applicable

Amounts under settlement for money market instruments admitted to trading or traded on a regulated market in another Member State

Not applicable

VI. Money market instruments admitted to trading or traded on a regulated market in a Third Country

Not applicable

Amounts under settlement for money market instruments admitted to trading or traded on a regulated market in a Third Country

Not applicable

VII. Newly issued securities

1. Newly issued shares

Issuer	No. of shares receivable	Nominal value	Share value	Total value	Weight in the issuer's share capital / total bonds of an issuer	Weight in RIAIF's total assets
		RON		RON	%	%
GOCAB SOFTWARE SA	697,000	0.1000	0.4300	299,710.00	1.033	0.020
TOTAL				299,710.00		0.020



2. Newly issued bonds

Not applicable

3. Preemptive rights (after registration with the central depository, prior to admission to trading)

Not applicable

VIII. Other securities and money market instruments

VIII.1 Other securities

1. Shares not admitted to trading

No.	Issuer	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital / total bonds of an issuer	Weight in RIAIF's total assets
			RON		RON	%	%
1	APOLLO ESTIVAL 2002 SA	2,350,890	0.1000	0.8838	2,077,716.58	39.624	0.138
2	ARCOM S.A. BUCURESTI	667	7.2100	100.7424	67,195.18	0.187	0.004
3	BANCA DE EXPORT IMPORT A ROMANIEI EXIMBANK S.A.	414,740	6.0000	5.3553	2,221,057.12	0.311	0.147
4	CCP.RO BUCHAREST S.A.	142,500	10.0000	8.7736	1,250,238.00	1.786	0.083
5	CNM PETROMIN SA CONSTANTA	5,358,861	2.5000	0.0000	0.00	23.830	0.000
6	COMSIG SA	29,304	2.5000	0.0000	0.00	27.094	0.000
7	CONTINENTAL HOTELS SA BUCURESTI	2,729,171	3.3000	5.0393	13,753,111.42	9.302	0.910
8	CRISTIANA SA	153,410	100.0000	120.0817	18,421,733.60	99.798	1.219
9	DEPOZITARUL CENTRAL SA BUCURESTI	10,128,748	0.1000	0.0614	621,905.13	4.005	0.041
10	DIVERSIS SA	11,149	2.5000	0.0000	0.00	6.680	0.000
11	ENERGO SA	317,061	2.5000	0.0000	0.00	15.000	0.000



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12	FELAM SA	374,907	2.5000	0.0000	0.00	36.223	0.000
13	FERMIT SA	151,468	2.5000	10.2193	1,547,896.93	16.372	0.102
14	FONDUL ROMAN DE GARANTARE A CREDITELOR PT INTREPRI	3,697,948	1.0000	0.6514	2,408,843.33	23.018	0.159
15	GRUP BIANCA TRANS SA	8,414,200	0.1000	0.2388	2,009,310.96	77.474	0.133
16	HARGHITA SA	45,633	2.5000	0.0000	0.00	31.422	0.000
17	HIDROMECHANICA SA	1,170,304	2.5000	0.0000	0.00	36.267	0.000
18	ICIM SA	29,748	2.5000	0.0000	0.00	3.590	0.000
19	INTERNATIONAL TRADE&LOGISTIC CENTER SA	81,708,428	0.1000	0.0508	4,150,788.14	87.302	0.275
20	IRUCOM SA	6,269	2.5000	9.9690	62,495.66	17.412	0.004
21	LEGUME FRUCTE BUZAU S.A.	207,822	2.5000	11.1732	2,322,036.77	25.227	0.154
22	MECANICA SA	422,503	2.5000	0.0000	0.00	10.892	0.000
23	REUTCOM UTB SA	2,134,920	0.1000	0.0891	190,221.37	8.987	0.013
24	ROMAGRIBUZ RIMNICU SARAT S.A.	83,146	2.5000	0.0000	0.00	7.878	0.000
25	ROMAGRIBUZ VERGULEASA SA	280,631	2.5000	0.0000	0.00	37.298	0.000
26	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	44,999	10.0000	6.7482	303,662.25	99.998	0.020
27	SIBAREX SA	1,215,711	1.6000	0.0000	0.00	52.853	0.000
28	SIMARO-SIB SA	20,732	2.5000	0.0000	0.00	10.019	0.000
29	SIMEC SA	197,044	2.5000	0.0000	0.00	45.775	0.000
30	SIRETUL PASCANI	17,116,533	0.1000	0.0000	0.00	10.781	0.000
31	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A.	1,125	200.0000	176.1829	198,205.76	15.625	0.013
32	SOFT APLICATIV SI SERVICII SA	47,728	2.5000	5.4340	259,353.95	28.326	0.017
33	TERRACOTTA STAR SA	2,209,017	1.8000	0.0000	0.00	97.483	0.000
34	TOMIS ESTIVAL 2002 SA	522,893	0.1000	1.1924	623,497.61	39.624	0.041
35	TRANSILVANIA ESTIVAL 2002 SA	3,589,861	0.1000	0.1407	505,093.44	11.136	0.033



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36	TRANSILVANIA HOTELS & TRAVEL S.A.	1,123,180	2.5000	0.0000	0.00	37.014	0.000
37	TURISM LOTUS FELIX SA	484,853,142	0.1000	0.0300	14,545,594.26	38.268	0.963
38	The Foundations Feeder	124,000	1.0000	0.2796	171,516.80	26.667	0.011
39	VERITAS PANCIU SA	656,693	2.5000	0.0000	0.00	26.333	0.000
40	VITIVINICOLA BASARABI SA	342,580	2.5000	0.0000	0.00	10.860	0.000
TOTAL					67,711,474.26		4.480



2. Shares traded within other systems than regulated markets

Not applicable

3. Shares not admitted to trading measured at zero value (lack of updated financial statements submitted to the Trade Register)

Not applicable

4. Bonds not admitted to trading

Not applicable

5. Amounts under settlement for shares traded within other systems than regulated markets

Not applicable

VIII.2. Other money market instruments referred to in art. 83 para. (1) indent a) of G.E.O. no. 32/2012

1. Commercial papers

Not applicable

IX. Current accounts and cash

1. Current accounts and cash, in RON

No.	Bank name	Present value	Weight in RIAIF's total assets
		RON	%
1	BANCA COMERCIALA ROMANA SA Sucursala BRASOV	202,154.46	0.013
2	BANCA CREDIT AGRICOLE Sucursala BRASOV	572.79	0.000
3	BANCA TRANSILVANIA SA	1,360,664.48	0.090



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4	BRD - GROUPE SOCIETE GENERALE S.A.	57,269.91	0.004
5	ING BANK	8,501.97	0.001
6	OTP BANK ROMANIA SA Sucursala Brasov	758.84	0.000
7	SIF TRANSILVANIA - Petty cash	722.37	0.000
8	UNICREDIT TIRIAC BANK	728.06	0.000
TOTAL		1,631,372.88	0.108

2. Current accounts and cash, in foreign currency

No.	Bank name	Present value	NBR exchange rate	Present value RON	Weight in RIAIF's total assets
		Currency			%
Current accounts and cash in EUR					
1	BANCA COMERCIALA ROMANA SA	5,020.03	4.9471	24,834.59	0.002
2	BRD - GROUPE SOCIETE GENERALE S.A.	813,810.96	4.9471	4,026,004.20	0.266
3	ING BANK	2,314.97	4.9471	11,452.39	0.001
Current accounts and cash in GBP					

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1	BANCA COMERCIALA ROMANA SA Sucursala BRASOV	96.49	5.7431	554.15	0.000
Current accounts and cash in USD					
1	BANCA COMERCIALA ROMANA SA	93.45	4.2653	398.59	0.000
2	BRD - GROUPE SOCIETE GENERALE S.A.	1,042,583.33	4.2653	4,446,930.68	0.294
TOTAL				8,510,174.60	0.563

X. Bank deposits by categories: deposits set up with credit institutions in Romania / in another Member State / in a Third Country

1. Bank deposits in RON

No.	Bank name	Set up date	Maturity date	Initial value	Daily increase	Accrued interest	Total value	Weight in RIAIF's total assets
				RON	RON	RON	RON	%
BANCA COMERCIALA ROMANA SA								
1	BANCA COMERCIALA ROMANA SA	03.09.2021	06.10.2021	5,400,000.00	172.50	4,830.00	5,404,830.00	0.358
Total BANCA COMERCIALA ROMANA SA							5,404,830.00	0.358
BANCA CREDIT AGRICOLE								
1	BANCA CREDIT AGRICOLE Sucursala BRASOV	02.09.2021	04.10.2021	5,015,000.00	233.58	6,773.68	5,021,773.68	0.332
Total BANCA CREDIT AGRICOLE							5,021,773.68	0.332
BANCA TRANSILVANIA SA								
1	BANCA TRANSILVANIA SA	03.09.2021	06.10.2021	1,300,000.00	42.61	1,193.11	1,301,193.11	0.086

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Total BANCA TRANSILVANIA SA							1,301,193.11	0.086
BRD - GROUPE SOCIETE GENERALE S.A.								
1	BRD - GROUPE SOCIETE GENERALE S.A.	24.09.2021	01.10.2021	10,539,367.78	234.21	1,639.46	10,541,007.24	0.698
2	BRD - GROUPE SOCIETE GENERALE S.A.	27.09.2021	04.10.2021	7,241,297.45	160.92	643.67	7,241,941.12	0.479
3	BRD - GROUPE SOCIETE GENERALE S.A.	28.09.2021	05.10.2021	23,404,227.76	650.12	1,950.35	23,406,178.11	1.549
4	BRD - GROUPE SOCIETE GENERALE S.A.	29.09.2021	06.10.2021	14,263,810.62	356.60	713.19	14,264,523.81	0.944
5	BRD - GROUPE SOCIETE GENERALE S.A.	30.09.2021	07.10.2021	20,560,143.61	514.00	514.00	20,560,657.61	1.361
Total BRD - GROUPE SOCIETE GENERALE S.A.							76,014,307.89	5.031
ING BANK								
1	ING BANK	17.09.2021	18.10.2021	3,000,000.00	63.33	886.67	3,000,886.67	0.199
2	ING BANK	24.09.2021	05.10.2021	3,000,000.00	69.17	484.17	3,000,484.17	0.199
3	ING BANK	30.09.2021	01.10.2021	886,109.00	22.89	22.89	886,131.89	0.059
Total ING BANK							6,887,502.73	0.457
OTP BANK ROMANIA SA								
1	6,887,502.73	27.09.2021	27.10.2021	5,186,000.00	184.71	738.83	5,186,738.83	0.343
Total OTP BANK ROMANIA SA							5,186,738.83	0.343
TOTAL							99,816,346.24	6.607

2. Bank deposits in foreign currency

Not applicable

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XI. Derivatives traded on a regulated market

- by categories: on a regulated market in Romania/in a Member State/in a Third Country

1. Futures contracts

Not applicable

2. Options

Not applicable

3. Amounts under settlement for derivatives traded on a regulated market

Not applicable

XII. Derivatives negotiated outside the regulated markets

1. Forward contracts

Not applicable

2. Swaps contracts

- valuation based on quotation

Not applicable

- valuation based on the determination of the present value of payments under the contract

Not applicable

3. Contracts for difference (CFD)

Not applicable



4. Other derivative contracts in relation to securities, currencies, interest or profitability rates or other derivatives, financial indexes or indicators/other derivative contracts in relation to commodities that have to be settled in cash or can be settled in cash at the request of one of the parties
Not applicable

XIII. Money market instruments, other than those traded on a regulated market, in accordance with art. 82 indent g) of G.E.O. no. 32/2012
Not applicable

XIV. UCITS/AIF equity securities

1. Equity securities denominated in RON

No.	Fund name	Date of last trading session	No. of fund units/shares held	Fund unit value (NAV per unit)	Market price	Total value	Weight in UCITS/AIF's total equity securities	Weight in RIAIF's total assets
				RON	RON	RON	%	%
1	FDI GlobUS BlueChips		27,486.870000	10.5850		290,948.52	7.230	0.019
2	FDI NAPOCA		413,086.580000	0.7587		313,408.79	1.717	0.021
3	FII FONDUL PRIVAT COMERCIAL		10,643.770000	521.0527		5,545,965.10	3.069	0.367
4	FOND INCHIS DE INVESTITII BET-FI INDEX INVEST	16.03.2020	2,054.000000	872.7791		1,792,688.27	14.852	0.119
5	FONDUL INCHIS DE INVESTITII MULTICAPITAL INVEST		4,934.000000	3,359.2200		16,574,391.48	29.478	1.097
6	FONDUL INCHIS DE INVESTITII STAR VALUE		13,713.000000	1,201.1300		16,471,095.69	25.862	1.090
Total						40,988,497.85		2.713



2. Equity securities denominated in foreign currency

Not applicable

3. Amounts under settlement for equity securities denominated in RON

Not applicable

4. Amounts under settlement for equity securities denominated in foreign currency

Not applicable

XV. Dividends or other receivable rights

1. Dividends receivable

No.	Issuer	Ex-dividend date	No. of shares held	Gross dividend	Amount receivable	Weight in RIAIF's total assets
1	BANCA TRANSILVANIA SA	22.09.2021	43,119,354	3,415,960.25	3,245,162.24	0.215
2	DEPOZITARUL CENTRAL SA BUCURESTI	27.05.2021	10,128,748	33,378.67	31,709.67	0.002
Total					3,276,871.91	0.217

2. Shares distributed without consideration in cash

Not applicable

3. Shares distributed with consideration in cash

Not applicable

4. Amounts payable for shares distributed with consideration in cash

Not applicable



5. Preemptive rights (prior to admission to trading and after the trading period)

Not applicable

Evolution of Net Asset Value and NAV per share during the last 3 reporting periods

	30.09.2019	30.09.2020	30.09.2021
NET ASSET VALUE	1,203,225,638.00	1,074,057,465.00	1,357,518,057.16
NET ASSET VALUE PER SHARE (RON/share)	0.5564	0.4967	0.6278



SIF Transilvania's leverage and exposure, calculated in accordance with the Regulation (EU) no. 231/2013 (in accordance with art. 38, para. (4) of Law no. 243/2019).

Method	Leverage ratio	Exposure value
Gross method	104.20%	1,414,502,593
Commitment method	111.30%	1,510,928,539

EXECUTIVE PRESIDENT / CEO,
ROSCA RADU-CLAUDIU

EXECUTIVE VICE-PRESIDENT / DEPUTY CEO,
RADUTA-GIB TONY-CRISTIAN

FINANCIAL DEPARTMENT
Head of Department,
VERES DIANA

PORTFOLIO MANAGEMENT DEPARTMENT
Head of Department,
RADULESCU SORIN ION

CERTIFIED BY THE DEPOSITORY
COMPANY
BRD-Groupe Societe Generale S.A. Bucuresti
SECURITIES DIVISION
Director Claudia IONESCU
Verified by _____