



**ANNUAL REPORT  
OF THE MANAGER SAI MUNTENIA INVEST SA  
REGARDING THE ACTIVITY OF SIF MUNTENIA SA  
IN 2023**

Report date: 31.12.2023

*This report is a translation from its Romanian version. In case of any difference between the Romanian and the English versions, the Romanian version shall prevail.*

## GENERAL

NAME	Societatea de Investiții Financiare Muntenia SA
REGISTRATIONS	<ul style="list-style-type: none"> <li>• Unique registration code: 3168735</li> <li>• Registered with the Trade Register under no. J40/27499/1992</li> <li>• RON code: 2549007DHG4WLBMAAO98</li> <li>• Registered with the FSA register under no. PJR09FIAIR/400005/09.07.2021 obtained based on the FSA Authorisation no. 151/09.07.2021 under which SIF MUNTENIA SA has been authorised as an Alternative Investment Fund intended for Retail Investors (AIFRI). SIF Muntenia SA was established according to the provisions of Law no. 133/1996 on the transformation of Private Property Funds into financial investment companies, called SIFs, and was later classified as another collective investment undertaking (non-UCITS) under Law no. 297/2004 on the capital market and reclassified as AIFRI according to the provisions of Law no. 243/2019. The fund has kept its object represented by the collective investment in transferable securities of the capital collected from the public.</li> </ul>
SHARE CAPITAL	<p>RON 78,464,520.10 – subscribed and paid-in share capital</p> <p>784,645,201 – issued shares in circulation</p> <p>RON 0.1 – the face value</p>
SHARE FEATURES	Common, registered, indivisible, dematerialised
THE TRADING MARKET	The Company is listed on the regulated market of the Bucharest Stock Exchange (BVB), the main segment, the premium category, SIF4 symbol
NACE CLASSIFICATION	According to the classification of activities of the national economy (NACE), the Company activity has been classified as: Financial service activities, except insurance and pension funding (NACE code 64), and the main object of activity: Trusts, funds and similar financial entities (NACE code 6430).
THE SHAREHOLDING STRUCTURE	100% private
FREE - FLOAT	100%
DEPOSIT AND CUSTODY SERVICES	BRD Groupe Societe Generale SA
THE REGISTER OF SHARES AND SHAREHOLDERS	Depozitarul Central SA
THE FINANCIAL AUDITOR	Deloitte Audit SRL
THE REGISTERED OFFICE	<p>Romania, Bucharest, 46-48 Serghei Vasilievici Rahmaninov St., the ground floor, room 2, 2<sup>nd</sup> District, postal code 020199</p> <p>Tel: +40 213 873 210</p> <p>Fax: +40 213 873 209</p> <p><a href="http://www.sifmuntenia.ro">www.sifmuntenia.ro</a></p> <p>Email: <a href="mailto:sai@munteniainvest.ro">sai@munteniainvest.ro</a></p>

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## ABBREVIATIONS

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Alternative Investment Fund Manager	AIFM
SIF Muntenia SA Shareholders' General Meeting	SGM
SIF Muntenia SA Shareholders' Extraordinary General Meeting	SEGM
SIF Muntenia SA Shareholders' Ordinary General Meeting	SOGM
Financial Supervisory Authority	FSA
The European Central Bank	ECB
The National Bank of Romania	NBR
BRD Groupe Société Générale SA	The Depositary
The Bucharest Stock Exchange (regulated market)	BVB
The Board of Directors of SAI Muntenia Invest SA	BoD
Auxiliary market of the regular negotiation market in which deals are concluded, for which BVB establishes a minimum value of the transaction	The DEAL market
Alternative Investment Fund	AIF
Alternative Investment Fund intended for Retail Investors	AIFRI
Gross domestic product	GDP
The main (regular) market of the Bucharest Stock Exchange	The REGS market
Return on Assets	ROA
Return on Equity	ROE
Romanian Interbank Bid Rate 1 month	ROBID 1M
SAI Muntenia Invest SA	The Manager
SIF Muntenia SA	The Company
Multilateral Trading Facility	MTF
International Financial Reporting Standards	IFRS
The European Union	EU
Certified net asset value	NAV
Certified net asset value per unit	NAVU
Value at Risk	VaR

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## THE APPLICABLE LEGISLATION

The Annual Report of SIF Muntenia SA has been prepared in accordance with:

- Directive no. 2011/61/EU on Alternative Investment Fund managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) no. 1060/2009 and (EU) no. 1095/2010 (Directive 2011/61/EU);
- Directive 2013/34/EU on annual financial statements, consolidated financial statements and related reports of certain types of undertakings (Directive 2013/34/EU);
- Directive 2004/39/EC on markets in financial instruments (Directive 2004/39/EC);
- Regulation (EU) 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (Regulation 231/2013);
- Regulation (EU) 2088/2019 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Regulation 2088/2019);
- Regulation (EU) no. 2365/2015 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) no. 648/2012 (Regulation 2365/2015);
- Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (Regulation 537/2014);
- Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and the Regulation (EU) no. 236/2012 (Regulation 909/2014);
- Commission Regulation (EC) no. 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to transactions and definitions of terms for the purposes of that Directive (Regulation 1287/2006);
- Law no. 243/2019 on the regulation of alternative investment funds and amending and supplementing certain legislative acts (Law no. 243/2019);
- Law no. 24/2017 on issuers of financial instruments and market operations (Law no. 24/2017);
- Law no. 74/2015 on alternative investment fund managers (Law no. 74/2015);
- Law no. 126/2018 on markets in financial instruments (Law no. 126/2018);
- Law no. 31/1990 on companies (Law no. 31/1990);
- Law no. 129/2019 for the prevention and combating of money laundering and terrorist financing, and for the amendment and supplementing of various legislative acts, with the subsequent amendments and additions (Law no. 129/2019);
- FSA Regulation no. 9/2014 on the authorisation and operation of investment management companies, undertakings for collective investment in transferable securities and depositaries of undertakings for collective investment in transferable securities (Regulation no. 9/2014);
- FSA Regulation no. 7/2020 on the authorisation and operation of alternative investment funds (Regulation no. 7/2020);
- FSA Regulation no. 5/2018 on issuers of financial instruments and market operations (Regulation no. 5/2018);
- FSA Regulation no. 10/2015 on the management of alternative investment funds (Regulation no. 10/2015);
- FSA Regulation no. 2/2016 on the application of corporate governance principles by entities authorised, regulated and supervised by the Financial Supervisory Authority (Regulation no. 2/2016);
- FSA Regulation no. 1/2019 regarding the assessment and approval of the members of management structures and of persons holding key functions within entities regulated by the FSA (Regulation 1/2019);
- FSA Regulation no. 13/2019 on the establishment of measures in the field of anti-money laundering and countering the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority (Regulation 13/2019);

- FSA Regulation no. 18/2022 amending and supplementing FSA Regulation no. 13/2019 on the establishment of measures in the field of anti-money laundering and countering the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority (Regulation 18/2022);
- FSA Rule no. 39/2015 for the approval of Accounting Regulations in compliance with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the FSA in the Financial Instrument and Investment Sector (Rule no. 39/2015);
- FSA Rule no. 13/2019 on the uniform framework for the conduct of the statutory audit of entities authorised, regulated and supervised by the FSA (Rule 13/2019);
- FSA Rule no. 39/2020 on the application of the ESMA Guidelines on liquidity stress testing in UCITSs and AIFs (Rule 39/2020);

# 1 GENERAL

SIF Muntenia SA is a Romanian legal entity, established as a joint stock company with fully private capital. The operation of SIF Muntenia SA is regulated by the provisions of ordinary and special Romanian laws applicable to the capital market in Romania. SIF Muntenia is enrolled with the register of the Financial Supervisory Authority in section 9 – Alternative Investment Funds, Subsection I – Alternative Investment Funds intended for Retail Investors established in Romania (AIFRI) under no. PJR09FIAIR/400005 (SIF Muntenia was authorised as an AIFRI on 09 July 2021 under the FSA authorisation no. 151/09.07.2021<sup>1</sup>).

During the reporting period, the Company was managed by SAI Muntenia Invest SA, certified as an Alternative Investment Fund Manager (AIFM) with number PJR07 1AFIAI/400005, under the Management Contract in force, approved by Company shareholders within the SOGM of 23 April 2020 and endorsed by FSA by way of Opinion no. 165/22.07.2020 and also in accordance with the applicable laws. The Company Depositary is BRD Groupe Société Générale SA.

The Company's priority strategic objectives are, as approved by the SOGM of 27.04.2023, the following:

- Continuing the process of restructuring the portfolio and managing it effectively, so as to ensure a long-term sustainable growth;
- Continuing the investment process, focusing on investment in Romania and in listed shares.

The differentiated approach adopted by the Company for each of its shareholdings aims at fully benefitting from an aggregate return, generated by dividend income and capital gain.

In 2023 there were no reorganisations, mergers or divisions of the Company.

The acquisitions and disposals of assets carried out by the Company, in 2023, refer to transactions of sale and purchase of securities. Details of these transactions are set out below in Chapter 4 of this Report.

During the period ended 31 December 2023, the Company continued meeting the conditions to be an investment entity. There were no changes in the criteria of classification as an investment entity.

In applying the Company investment policy, the Manager neither carries out securities financing transactions (SFTs), nor does it use total return swap instruments, as defined in Regulation (EU) no. 2015/2365.

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<sup>1</sup> [https://bvb.ro/infocont/infocont21/SIF4\\_20210709150751\\_Raport-Anexa-RO.pdf](https://bvb.ro/infocont/infocont21/SIF4_20210709150751_Raport-Anexa-RO.pdf)

## 2 THE ECONOMIC FRAMEWORK

### THE INTERNATIONAL ECONOMIC FRAMEWORK<sup>2</sup>

Throughout 2023, the **global economy** proved to be surprisingly resilient to the overlapping shocks of recent years, with steadily declining inflation and persistent economic growth. Large economies managed to cope with the fastest rise in interest rates in 40 years, allaying fears of a strong constraint on the economic activity and, thus, an excessive rise in unemployment rates. Global inflation has also been tamed without triggering a recession. In this context, the ECB (European Central Bank) believes that a ‘soft landing’ of inflation is becoming increasingly likely.

However, growth of the global economy in 2023 was modest, and international trade growth was exceptionally slow against the background of a weakened industrial manufacturing sector and weak demand. According to winter estimates from the International Monetary Fund (IMF), the world economy grew by 3.1% y/y in 2023, below the 3.4% y/y level of 2022. Growth was supported by the performance well above expectation of the US during the second half of the year and the recovery of the Chinese economy, albeit at a slower pace than expected.

According to estimates, growth of trade in goods shrank in 2023, while global trade in services outpaced annual GDP growth, with a strong recovery for tourism and international travel, which reached 90% of pre-pandemic levels.

The expansion of the conflict in the Middle East through the recent attacks on cargo ships transiting the Red Sea have disrupted maritime trade routes. Major shipping companies have suspended the passage of ships through the Suez Canal and have diverted them around Africa via the Cape of Good Hope, which brings about an increase in transport costs and can act as an obstacle to global trade.

Average prices of most goods declined in 2023 amid moderation in demand, while remaining more than 40% above pre-pandemic levels. Oil prices were volatile throughout 2023, including under the impact of the conflict in the Middle East, but by the end of the year they had dropped by 10%. Moreover, natural gas and coal prices fell considerably as a result of lower energy demand in European countries, and metal prices fell by about 10% amid the more modest demand from major economies, particularly China, which accounts for 60% of the global metal consumption.

In 2023, the **European Union economy** had a slower evolution than the previous estimates. The European economic context was still marked by Russia’s military aggression against Ukraine, its effects becoming more and more visible. According to the latest available data<sup>3</sup>, the Gross Domestic Product (GDP) grew by a mere 0.5% in 2023 compared to the previous year in both the European Union and the euro area, after a technical recession (two consecutive quarters of GDP contraction) was narrowly avoided in the second half of last year. European economic growth was slowed down primarily by the erosion of household purchasing power, a sharp monetary tightening and a drop in external demand. An important aspect to mention in the context of the decline in purchasing power is Russia's membership in OPEC (Organization of the Petroleum Exporting Countries) and its ability to influence prices in this position. Furthermore, the war in the Middle East and the recent involvement of the Houthi rebels have generated another upward pressure on prices, impacting the European economy.

### THE NATIONAL ECONOMIC FRAMEWORK

In Romania, according to data presented by the Ministry of Finance<sup>4</sup>, the execution of the general consolidated budget in late 2023 recorded a deficit of RON 89.90 billion. Expressed as a percentage of the Gross Domestic Product, the budget deficit decreased by 0.08 percentage points, from 5.76% of GDP in 2022 to 5.68% of GDP in 2023. Revenues of the general consolidated budget increased by 13.3% compared to those recorded in 2022, while expenses increased in nominal terms by 13.0% compared to the previous year.

As shown in the latest report on economic forecasts for Romania published by the European Commission<sup>5</sup>, economic growth for 2023 is estimated at 1.8%, i.e. 0.4 percentage points lower than previous forecasts. Economic activity slowed

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<sup>2</sup> [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2024-economic-forecast-delayed-rebound-growth-amid-faster-easing-inflation\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2024-economic-forecast-delayed-rebound-growth-amid-faster-easing-inflation_en);  
<https://www.imf.org/-/media/Files/Publications/WEO/2024/Update/January/English/text.ashx>;  
<https://bit.ly/GEP-Jan-2024>

<sup>3</sup> <https://ec.europa.eu/eurostat/documents/2995521/18404141/2-30012024-AP-EN.pdf/90da3cfd-0c61-d735-3d27-2597bd170e28>

<sup>4</sup> [https://mfinante.gov.ro/static/10/Mfp/buletin/executii/nota\\_bgc31122023.pdf](https://mfinante.gov.ro/static/10/Mfp/buletin/executii/nota_bgc31122023.pdf)

<sup>5</sup> [https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania_en)



down in the context of weak external demand and domestic demand constrained by high inflation and weak private loan growth. Gross capital formation recorded strong growth, boosted by EU-funded investment in public infrastructure, which offset the slowdown in private consumption and decline in inventories, while the negative contribution of net exports diminished. After a weak third quarter, data and analyses for the final months of 2023 suggest that the economy has regained some momentum on the back of retail sales, services to the population and the solid construction sector.

Annual inflation rate dropped to 6.61%<sup>6</sup> in December of 2023, from 6.72% during the previous month, on account of the continued slowdown in the increase of processed food and energy prices, which managed to outweigh the negative impact of the significant re-increase in annual fuel price dynamics, driven by a base effect.

Throughout 2023, the annual inflation rate decreased by 9.76 percentage points (from 16.38% in December of 2022), mainly as a result of declines in processed food and energy price dynamics. Moreover, a modest disinflationary action was also exerted by LFO and fuel segments, while opposite influences, but of small magnitude, came from the subcomponents of non-food goods and market services of the core inflation.

The NBR maintained the monetary policy interest rate at 7% throughout 2023, after being raised from 6.75% during the first month of the year. Moreover, interest rates on credit (Lombard) and deposit facilities remained unchanged after the increase of January of 2023, remaining at 8.00% p.a. and 6.00% p.a., respectively.

The recent monetary policy stance of the NBR aimed to bring the annual inflation rate back in line with the stationary target of 2.5%  $\pm$  1 percentage point. Based on the latest analyses, it is estimated that the upper limit of the target range will be reached by the end of 2025 (i.e. 3.5%), while the projected value for the end of the current year is 4.7%.

As for the number of start-ups, the data of the National Trade Register<sup>7</sup> show that, in Romania, in 2023, there were 147,026 new registrations, down by 3.78% from 2022. On the other hand, the number of companies that suspended their activity in 2023 was 16,335, up by 4.04% from the previous year, and companies in insolvency were 6,650, a number similar to the previous year (2022: 6,649 companies).

## THE CAPITAL MARKET

In order to outline the international context regarding equity markets, below we present the annual dynamics at the end of 2023 of some representative indices. In the US, the S&P 500 grew by 24.23%, while in the UK, the FTSE 100 appreciated by 3.78%. Across the euro area, the German DAX index saw a positive performance of 20.31%, while the MSCI Emerging Markets index experienced an appreciation of 7.04%.

The reference index of the domestic capital market – BET – increased by 31.79%<sup>8</sup> as at 31 December 2023 compared to the end of 2022, and the BET-TR index (including both the evolution of the prices of the most traded companies on the BVB regulated market and the dividends offered by them) increased by 39.93%. The BET-TR index ranked first in the region in terms of performance.

In 2023, the largest initial public offering (IPO) in Europe was carried out on the Bucharest Stock Exchange, amounting to RON 9.28 billion (EUR 1.87 billion) with the listing of 20% of Hidroelectrica.

The number of investors reached 178,545 by the end of December<sup>9</sup>, up by 34.27% compared to December of 2022 (2022: 132,972 investors), with most new investors attracted in Q2 (+18,000 investors), during the Hidroelectrica IPO discount period. They made 1.98 million transactions<sup>10</sup> across all markets in 2023, including 1.46 million transactions in shares on the Main Market.

The total amount of the transactions on both BVB markets and for all types of financial instruments carried out in 2023 exceeded RON 38 billion (2022: approximately RON 24 billion), of which RON 37.45 billion were transactions on the main market (2022: RON 23.17 billion).

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<sup>6</sup> <https://www.bnr.ro/page.aspx?prid=23842>

<sup>7</sup> <https://www.onrc.ro/index.php/ro/>

<sup>8</sup> [https://www.bvb.ro/press/2024/Raport\\_Preliminar\\_2023.zip](https://www.bvb.ro/press/2024/Raport_Preliminar_2023.zip)

<sup>9</sup> <https://www.fond-fci.ro/docs/Comunicat/Comunicat%20de%20presa%20%20decembrie%202023.pdf>

<sup>10</sup> [https://bvb.ro/press/2024/BVB\\_Raport%20lunar%20decembrie%202023.pdf](https://bvb.ro/press/2024/BVB_Raport%20lunar%20decembrie%202023.pdf)

The chart below shows the developments of the equity market, within the main segment, during the 12 months of 2023.

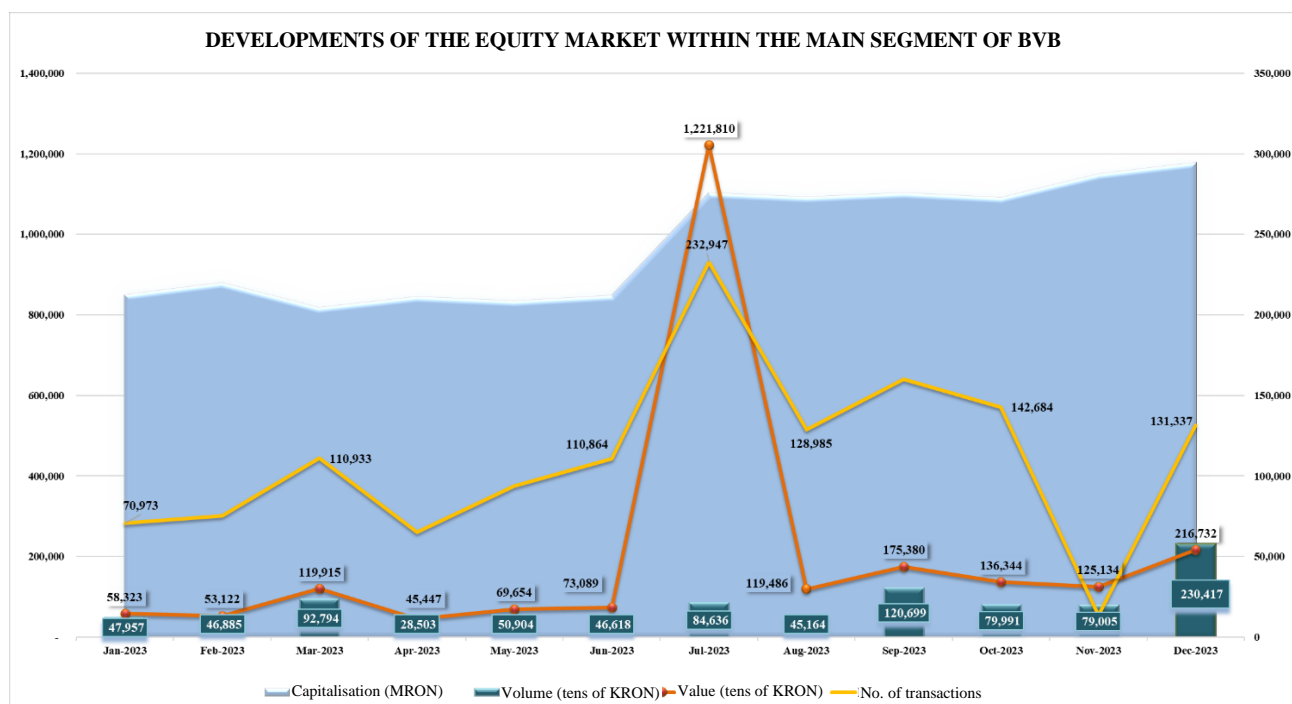


Chart no. 2.1 Transactions in shares in 2023, the main segment

Source: data taken from BVB, processed by SAI Muntenia Invest SA

In a report<sup>11</sup> of 13.05.2022 published by ESMA, the European supervisory and regulatory authority recommends that all participants in the European capital market take into account the impact of Russia's military aggression against Ukraine and, if applicable, disclose the impact of such event in their financial statements or management reports. SIF Muntenia has no stakes in Russian companies and no company in its portfolio has been punished following sanctions against Russia. Likewise, the effects of the current situation are not expected to have a major impact, exceeding the impact generated by the economic context, on the financial statements of SIF Muntenia.

However, we specify that Russia's military aggression against Ukraine had a strong impact on the entire Romanian economy. Among the major effects of the war on the territory of Ukraine felt in the Romanian economy in 2023, we mention the pressure of exports of goods from Ukraine and the increased price of oil.

Moreover, it is expected that the group of economies that supports Russia's approach will continue to exert pressure, aiming for a reset of power relations at the international level, something that will also materialize in the reorganization of the financial markets. The state of economic peace is under tremendous pressure, and as Russia has shifted to a war economy, the European economy will begin to follow suit. Therefore, Russia's military aggression against Ukraine continues to generate major uncertainties and risks regarding the economic prospects for Romania, but also for the European Union and even at the global level.

<sup>11</sup> <https://www.esma.europa.eu/search/site/public%20statement>

### 3 MAJOR EVENTS REGARDING THE COMPANY ACTIVITY IN 2023

#### THE COMPLETION OF THE SALE OF SHARES OF MUNTENIA MEDICAL COMPETENCES SA

In January of 2023, by way of the current report of 10.01.2023, the Manager of SIF Muntenia SA informed investors that, on 09.01.2023, all conditions precedent of the Sale and Purchase Agreement concluded on 14.07.2022 between SIF Muntenia SA and Vita Care Flav SRL were met. Thus, the ownership of 1,882,496 shares held by SIF Muntenia SA within Muntenia Medical Competences SA, representing 99.76% of the share capital of Muntenia Medical Competences SA, was transferred to Vita Care Flav SRL. The Manager has duly informed investors, since 2022, about the status of this transaction, as well as any event leading to changes in terms of that transaction, until its completion.

#### THE AUTHORISATION OF THE CHANGE IN THE EXECUTIVE MANAGEMENT OF SAI MUNTENIA INVEST SA

In March of 2023, by way of the current report of 20.03.2023, SIF Muntenia SA, through its Manager, informed investors that, on 17.03.2023, FSA submitted Authorisation no. 24/16.03.2023 authorising the changes in the organisation and functioning of SAI Muntenia Invest SA as a result of changes in the composition of the management following the appointment of Mrs. Cristina-Gabriela Gagea as a Company executive, in accordance with the Decision of the Board of Directors no. 25/2/14.11.2022.

#### DECISIONS OF THE COMPANY SHAREHOLDERS' ORDINARY GENERAL MEETING OF 27 APRIL 2023

Within the SOGM, convened by publication in the Official Journal of Romania, Part IV, no. 1360/22.03.2023, in *Ziarul Financiar* no. 6139/22.03.2023, on the [www.sifmuntenia.ro](http://www.sifmuntenia.ro) Company website and on the BVB website, validly convened on 27.04.2023, on the first convening day, in the presence of shareholders holding 280,329,905 valid voting rights, representing 36.83% of all voting rights<sup>12</sup>, and 35.73% of the Company share capital, as of the reference date of 13.04.2023, under the Companies Law no. 31/1990 and Law no. 24/2017, and FSA regulations in force and the provisions of the Company Instrument of Incorporation, subject to legal and statutory conditions for the validity of the convocation, of the holding of the meeting and of the adoption of decisions, the following decisions were adopted:

- The approval of the election of the secretariat for the meeting consisting of three members. The elected persons are shareholders of SIF Muntenia SA;
- The approval of the election of the committee for counting votes cast by shareholders on items on the agenda of the meeting;
- The approval of the Company annual financial statements for the 2022 financial year, based on reports submitted by the manager SAI Muntenia Invest SA, the financial auditor Deloitte Audit SRL and the Board of Shareholders' Representatives ("BoSR");
- The approval of the coverage of the accounting loss reported in the financial statements for the 2022 financial year, amounting to RON 33,221,299 from reserves distributed from the net profit amounting to RON 846,991,907, reserves established from the net profits of 2007 – 2021;
- The approval of the Company Management Programme and the Company revenue and expenditure budget for the 2023 financial year;
- The approval of the Remuneration Report for the 2022 financial year;
- The approval of the remuneration of the Board of Shareholders' Representatives for the 2023 financial year;
- The approval of the date of 19.05.2023 as the registration date and of the date of 18.05.2023 as the Ex date, in accordance with the provisions of art. 87(1) of Law no. 24/2017 and the FSA Regulation no. 5/2018.

The current report on SOGM Decisions of 27.04.2023 listed above is available for consultation on the Company website, i.e. [www.sifmuntenia.ro](http://www.sifmuntenia.ro), in the dedicated section, i.e. *Investor's Section/Corporate Events/Shareholders' General Meetings/2023* and on the BVB website.

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<sup>12</sup> For the calculation of total voting rights was taken into account the total number of issued shares, respectively 784,645,201 shares, of which 23,539,356 shares were redeemed

## THE DECISIONS OF THE COMPANY SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING OF 21 JUNE 2023

Within the SEGM, convened by publication in the Official Journal of Romania, Part IV, no. 2072/08.05.2023, in *Ziarul Financiar* no. 6171/08.05.2023, on the [www.sifmuntenia.ro](http://www.sifmuntenia.ro) Company website and on the BVB website, validly convened on 21.06.2023, on the first convening day, in the presence of shareholders holding 241,050,995 valid voting rights, representing 31.6712% of all voting rights, and 30.7210% of the Company share capital, as of the reference date of 07.06.2023, under the Companies Law no. 31/1990 and Law no. 24/2017, and FSA regulations in force and the provisions of the Company Instrument of Incorporation, subject to legal and statutory conditions for the validity of the convocation, of the holding of the meeting and of the adoption of decisions, the following decisions were adopted:

- The approval of the election of the secretariat for the meeting consisting of three members. The elected persons are shareholders of SIF Muntenia SA;
- The approval of the election of the committee for counting votes cast by shareholders on items on the agenda of the meeting;
- The approval of the decrease in the subscribed share capital of SIF Muntenia SA from RON 78,464,520.10 to RON 76,110,584.5, by cancelling 23,539,356 own shares acquired by the Company following the public offering for the purchase of own shares between 14.07.2022 and 27.07.2022 in application of the buy-back programme approved by the Shareholders' General Meeting. After the share capital decrease, the subscribed and paid-up share capital of SIF Muntenia SA will be in the amount of RON 76,110,584.5, divided into 761,105,845 registered shares with a value of RON 0.1 each;
- The approval of the change of Company name from Societatea de Investiții Financiare Muntenia SA to Bedrock Investment Group SA and the approval of the corresponding amendment of art. 1(1)-(6) of the Company Instrument of Incorporation reading as follows;

“(1) The Company name is ‘BEDROCK INVESTMENT GROUP - SA’, hereinafter referred to as ‘the Company’. In all documents originating from BEDROCK INVESTMENT GROUP - SA, the identification details and the information required by the laws in force shall be stated;

(2) The legal form of BEDROCK INVESTMENT GROUP - SA (hereinafter referred to as ‘the Company’) is that of a joint stock company, a Romanian private legal person, classified according to applicable regulations as an Alternative Investment Fund in the form of Investment Companies – AIFC, the category of Alternative Investment Funds intended for Retail Investors – AIFRI, with a diversified investment policy, of the closed-end type and managed externally;

(3) BEDROCK INVESTMENT GROUP - SA shall operate in compliance with the provisions of capital market laws, the Companies Law no. 31/1990, as republished with the subsequent amendments and additions, the present Instrument of Incorporation, ‘Company’ Rules (herein referred to as ‘Rules’) and the Simplified Prospectus of the ‘Company’ (herein referred to as ‘the Prospectus’);

(4) The Company shall operate on the basis of a management contract to be concluded with Societatea de Administrare a Investițiilor Muntenia Invest SA;

(5) The ‘Company’ registered office is in Bucharest, 46-48 Serghei Vasilievici Rahmaninov St., the ground floor, room 2, 2<sup>nd</sup> District, code 020199. The Shareholders’ Extraordinary General Meeting may decide to relocate the headquarters of BEDROCK INVESTMENT GROUP - SA anywhere in Romania. BEDROCK INVESTMENT GROUP - SA may establish subsidiaries, branches, agencies, representative offices, as well as places of business, both in the country and abroad, in accordance with legal requirements and the provisions of the present Instrument of Incorporation regarding authorisation and registration;

(6) The ‘Company’ operating life is 100 years. Shareholders have the right to extend the ‘Company’ operating life before its expiry, by way of a Decision of the Shareholders’ Extraordinary General Meeting to that effect.” In case of approval by the SEGM of the name change, the new name shall be used in all documents, invoices, announcements, publications and other similar documents issued by the Company only starting from the date of authorisation/approval by the FSA of the new name. When updating the Instrument of Incorporation, as a result of approving the new Company name, the phrase Societatea de Investiții Financiare MUNTENIA - SA/SIF MUNTENIA - SA will be replaced by the phrase ‘BEDROCK INVESTMENT GROUP - SA’ or the term ‘the Company’, as the case may be, depending on the context.

- The approval of the amendment of the Company Instrument of Incorporation, i.e. art. 6(15), as follows:  
 “Each share gives the right to one vote. For each adopted decision the Shareholders’ General Meeting shall establish at least the number of shares for which valid votes have been cast, the share of the share capital represented by those votes, the total number of valid votes cast, as well as the number of votes cast ‘for’ and ‘against’ each decision and, if applicable, the number of abstentions. The ‘abstention’ position adopted by a shareholder on any item on the agenda of a Shareholders’ General Meeting shall constitute one vote cast. In the Notice to attend the Shareholders’ General Meeting, the Company shall include indications on the qualification of the abstention position adopted by a shareholder as a vote cast if legal provisions require such indications”;
- The approval of the implementation of the Own Share Buy-back Programme by SIF Muntenia SA with the following main characteristics: the purpose of the programme: the reduction in the share capital, the maximum number of shares – 18,000,000 shares, the minimum price per share – RON 0.1, the maximum price per share – RON 2.5183, the duration of the programme – a maximum of 18 months after the publication of the decision in the Official Journal of Romania, part IV; the payment of shares redeemed under the Programme shall be made from sources provided for by the law, i.e. Company available reserves;
- The approval of the date of 12.07.2023 as the registration date and of the date of 11.07.2023 as the Ex date, in accordance with the provisions of art. 87(1) of Law no. 24/2017 and the FSA Regulation no. 5/2018.

For details, please check the Company website (<http://www.sifmuntenia.ro>), under *Investor’s Section/Corporate Events/Shareholders’ General Meetings/2023*, or the Company page on the BVB website.

#### **THE INITIATION OF THE PROCEDURE FOR THE SELECTION OF THE FINANCIAL AUDITOR**

In June of 2023, taking into account the provisions of Regulation (EU) no. 537/2014 and of Rule no. 13/2019, the Board of Directors of SAI Muntenia Invest SA, as the Manager of SIF Muntenia SA, decided to initiate the procedure for the selection of the financial auditor for the 2024 – 2025 financial years in order to be appointed by the Shareholders’ Ordinary General Meeting and to set the duration of the financial audit contract. Details on the conduct of this procedure may be found in the press release<sup>13</sup> on the procedure for the selection of the financial auditor published on 26.06.2023.

#### **STEPS IN THE SALE OF THE STAKE HELD WITHIN ALSTOM TRANSPORT SA**

In September of 2023, SAI Muntenia Invest SA, the Manager of SIF Muntenia SA, informed investors that, on 11.10.2023, at the address in Bucharest, 46-48 Serghei Vasilievici Rahmaninov St., 2<sup>nd</sup> District, it was holding the open outcry competitive tender for the sale of the 2.18% stake in the share capital, i.e. 20,775 shares held by SIF Muntenia SA within Alstom Transport SA. Subsequently, investors were informed that, at the tender of 11.10.2023 for the sale of the stake held by SIF Muntenia SA within Alstom Transport SA, no bids had been submitted.

#### **THE DECISIONS OF THE COMPANY SHAREHOLDERS’ ORDINARY GENERAL MEETING OF 25 OCTOBER 2023**

During the SOGM, convened by publication in the Official Journal of Romania, Part IV, no. 4189 of 20.09.2023, in *Ziarul Financiar* no. 6268 of 20.09.2023, on the Company website, at [www.sifmuntenia.ro](http://www.sifmuntenia.ro), and on the Company page on the Bucharest Stock Exchange website, legally convened on the first convening day, with the participation of shareholders holding 240,989,783 valid voting rights, representing 31.66% of all voting rights and 30.71% of the Company share capital as of the reference date of 12.10.2023, under the Companies Law no. 31/1990 and Law no. 24/2017, and FSA regulations in force and the provisions of the Company Instrument of Incorporation, subject to legal and statutory conditions for the validity of the convening, of the holding of the meeting and of the adoption of decisions, the following decisions were adopted:

- The approval of the election of the secretariat for the Shareholders’ General Meeting consisting of three members. The proposed persons are shareholders of SIF Muntenia SA;
- The approval of the election of the committee for counting the open votes/secret ballots cast by shareholders on items on the agenda of the Shareholders’ General Meeting;
- The approval of the appointment of the KPMG Audit SRL financial auditor, according to the recommendation of the Audit Committee, approved by the Board of Directors of the Manager, SAI Muntenia Invest SA, for a period of two

<sup>13</sup> <https://bvb.ro/FinancialInstruments/SelectedData/NewsItem/SIF4-Initiere-procedura-de-selectie-auditor-financiar/81686>

years, starting from 01.05.2024, for the 2024 – 2025 financial years, and the empowerment of SAI Muntenia Invest SA to negotiate and conclude the Audit Contract;

- The approval of the date of 15.11.2023 as the registration date and of the date of 14.11.2023 as the Ex date, in accordance with the provisions of art. 87(1) of Law no. 24/2017 and of FSA Regulation no. 5/2018.

#### **STEPS IN THE FULFILMENT OF THE OBLIGATION LAID DOWN BY ART. 39 OF LAW NO. 24/2017 REGARDING THE ȘANTIERUL NAVAL ORȘOVA SA ISSUER**

In November of 2023, through the current report of 28.11.2023, SIF Muntenia SA, through its Manager, SAI Muntenia Invest SA, informed investors, given the obligation laid down by the provisions of art. 39 of Law no. 24/2017, that, on 28.11.2023, it concluded a Cooperation Agreement with Sea Container Services SRL for:

- Exercising a common policy in relation to the Șantierul Naval Orșova SA issuer (symbol: SNO) until 30.04.2024;
- Launching, together with Sea Container Services SRL, the mandatory takeover public offering, according to art. 39 of Law no. 24/2017, to all SNO shareholders, in concert, given that each Agreement signatory individually holds more than 33% of the voting rights of the SNO issuer.

## **4 THE ANALYSIS OF THE COMPANY ACTIVITY**

The priority strategic objectives for 2023, according to the Management Programme approved by the SOGM of 27 April 2023, were:

- Continuing the process of restructuring the portfolio and effectively managing it, so as to ensure long-term sustainable growth;
- Continuing the investment process, with a focus on investment in Romania and in listed shares.

The main benchmarks, from an operational and financial point of view, of the developments of Company assets/share price, in the 2021-2023 period, are presented below.

<b>in RON</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Total certified asset value (TA)</b>	2,372,869,620	1,935,756,313	2,071,035,584
<b>Net asset value (NAV)</b>	2,277,074,918	1,854,569,500	1,982,585,519
<b>Net asset value per unit (NAVU)</b>	2.9918	2.4367	2.5267

Table no. 4.1. *Developments of the assets*

The value of the asset certified by the Depositary is calculated according to valuation rules<sup>14</sup> approved by the Manager according to applicable legal regulations. The Company reported a total certified asset value up by 22.58% compared to the one recorded at the end of the previous year and up by 14.57% compared to 2021. The NAV increased by 22.78% compared to 31.12.2022 and by 14.85% compared to the same period of 2021.

<b>in RON</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>End-of-period closing price</b>	1.515	1.200	1.565
<b>Market capitalisation (million RON)</b>	1,153.08	913.33	1,227.97
<b>Discount on net assets</b>	49.4%	50.8%	38.1%

Table no. 4.2. *Developments of the SIF4 share*

The closing price of Company shares increased by 26.25% at the end of 2023 compared to the end of 2022, and, compared to 31.12.2021, it decreased by 3.19%. The total trading value of Company shares in 2023 was RON 25.65 million, trading shares representing 2.34% of the number of shares issued and in circulation as at 31.12.2023. Of these, shares amounting to RON 15.56 million were traded on the regular market, and shares amounting to RON 10.09 million were traded on the deals market. The average price of a share as at 29.12.2023 was RON 1.495, whereas, as at 30.12.2022, it was RON 1.220.

<sup>14</sup> <http://www.sifmuntenia.ro/investitii/activ-net/reguli-privind-evaluarea-activelor>



in RON	2023	2022	2021
<b>Total assets</b>	2,329,691,647	1,939,605,922	2,065,321,150
<b>Total liabilities</b>	95,699,636	81,186,813	88,450,065
<b>Total equity</b>	2,233,992,011	1,858,419,109	1,976,871,085
<b>Net profit/(Net loss)</b>	212,803,021	(33,221,299)	266,187,637

Table no. 4.3. *Financial results*

As at 31.12.2023, the main elements of the financial position recorded increases compared to the same period of the previous year. Total assets increased by 20.11%, representing a variation of RON 390.09 million; liabilities increased by 17.88%, i.e. by RON 14.51 million, and the equity increased by 20.21%, i.e. RON 375.57 million.

Details may be found in this Report and in the Notes to the annual Financial Statements as at 31.12.2023.

## ASSET ALLOCATION

The investment made by the Company was in line with the provisions of the laws in force, applicable to the Romanian capital market. The Company portfolio meets applicable legal limits and indicative limits, as defined by the Company target portfolio, as approved by the 2023 SIF Muntenia SA Management Programme.

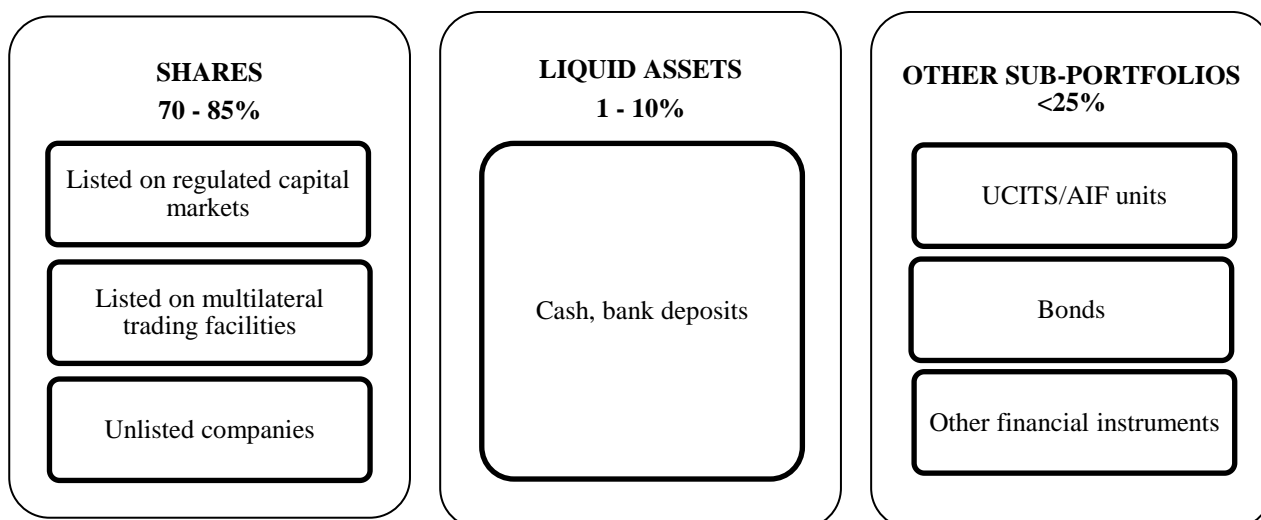


Chart no. 4.1. *The target portfolio, for 2023, according to the Management Programme*

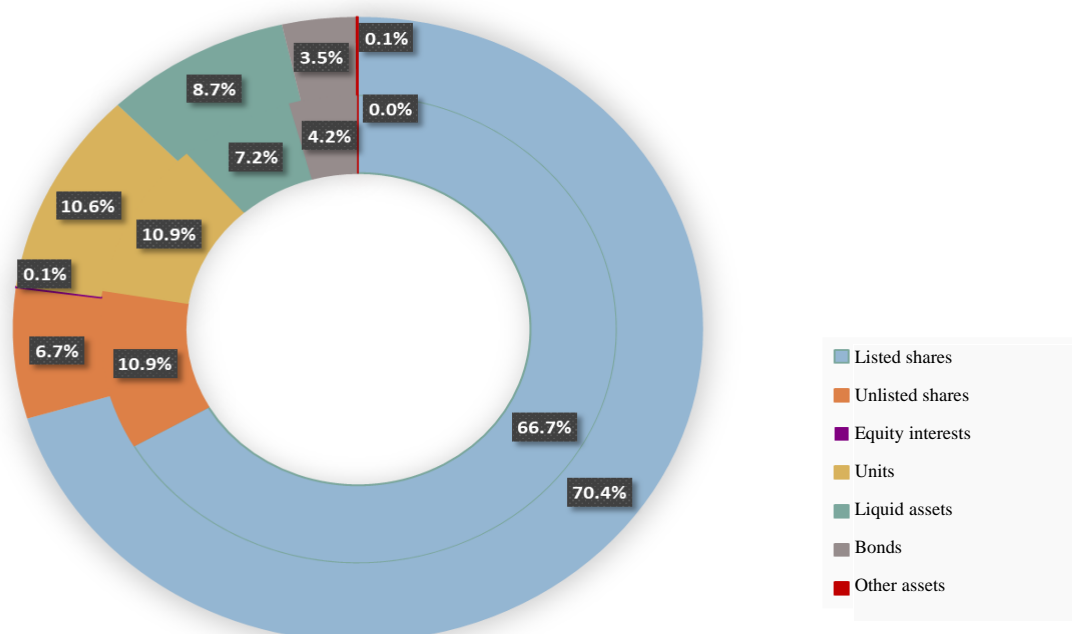
The main sub-portfolios<sup>15</sup> that make up the Company portfolio are presented below, as values and percentages, of the total certified assets:

in RON/%	2023		2022		2021	
<b>Listed shares</b>	1,669,981,296	70.4%	1,291,367,636	66.7%	1,489,757,315	71.9%
<b>Unlisted shares</b>	160,115,356	6.7%	211,813,440	10.9%	176,681,309	8.5%
<b>Equity interests</b>	1,374,427	0.1%	-	-	-	-
<b>Listed bonds</b>	82,252,022	3.5%	81,900,851	4.2%	87,868,461	4.3%
<b>Liquid assets</b>	20,710,600	0.9%	7,593,814	0.4%	13,046,863	0.6%
<b>Bank deposits</b>	186,091,746	7.8%	131,997,151	6.8%	81,853,590	4.0%
<b>Units</b>	250,664,091	10.6%	210,984,517	10.9%	207,692,401	10.0%
<b>Other assets</b>	1,680,082	0.1%	98,904	0.01%	14,135,645	0.7%
<b>TOTAL ASSETS</b>	<b>2,372,869,620</b>	<b>100%</b>	<b>1,935,756,313</b>	<b>100%</b>	<b>2,071,035,584</b>	<b>100%</b>

Table no. 4.4. *The SIF Muntenia SA portfolio (value/percentage comparison)*

<sup>15</sup> The detailed statement of SIF Muntenia SA investment as at 31 December 2023, prepared in accordance with Annex no. 11 of Regulation no. 7/2020 is attached hereto.

## THE ALLOCATION OF SIF MUNTENIA PORTFOLIO ASSETS



Note: values calculated as at 31 December 2023 (the outer ring of the chart), and as at 31 December 2022 (the inner ring of the chart), respectively

Chart no. 4.2. The allocation of assets from the Company portfolio, 31 December 2023 compared to 31 December 2022

In 2023 the degree of liquidity of the portfolio<sup>16</sup> was within the limits required by prudent liquidity risk management and within the limits of the Company target portfolio (within the **6.6-8.7%** range).

The maintenance of a low degree of liquidity is due to the decision to invest in listed financial instruments that offer returns which are higher than the interest on bank deposits offered by credit institutions in Romania.

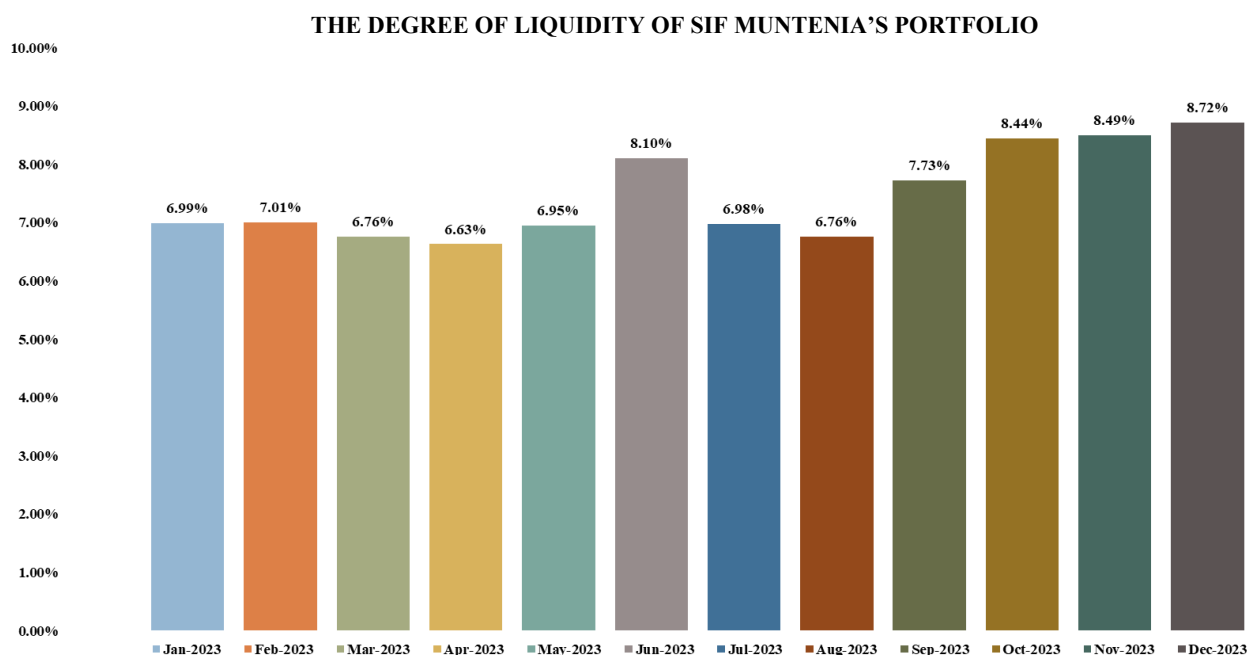


Chart no. 4.3 The degree of liquidity of the Company portfolio for each month of 2023<sup>17</sup>

<sup>16</sup> Liquid assets (cash + deposits)/Certified total assets

<sup>17</sup> In accordance with art. 3(3)(d) and art. 24 of Directive no. 2011/61/EU and Annex IV of Regulation no. 231/2012



In 2023, the Company invested in financial instruments issued and traded in Romania. As at 31 December 2023, the share of instruments not traded on the Romanian capital market (i.e. Opus Chartered Issuances SA bonds) represented 3.6122% of the Company certified net assets (31.12.2022: 4.4162%, 31.12.2021: 4.4320%).

## THE TOTAL ASSETS AND THE CERTIFIED NET ASSETS

The monthly values of the assets, certified by the Depositary BRD-Groupe Societe Generale SA, were published on the [www.sifmuntenia.ro](http://www.sifmuntenia.ro) website and reported according to legal provisions to FSA – the Financial Instrument and Service Sector and to BVB no later than 15 calendar days after the end of the reporting month. The rules regarding the methods of valuation of the assets in the Company portfolio are presented on its website<sup>18</sup>. Changes in the valuation rules are notified to investors and the FSA, in accordance with regulations in force.

in RON	2023	2022	2021
<b>Certified total assets</b>	<b>2,372,869,620</b>	<b>1,935,756,313</b>	<b>2,071,035,584</b>
Total liabilities	95,794,702	81,186,813	88,450,065
<b>Net assets</b>	<b>2,277,074,918</b>	<b>1,854,569,500</b>	<b>1,982,585,519</b>
Net asset value per unit (NAVU)	2.9918	2.4367	2.5267
ECB EUR exchange rate <sup>19</sup>	4.9756	4.9495	4.9490
Certified total assets (EUR)	476,901,202	391,101,387	418,475,568
Certified net assets (EUR)	457,648,307	374,698,353	400,603,257

Table no. 4.5. Total assets and net assets (value comparison)

The chart below shows the developments in the certified net assets between January and December of 2023.

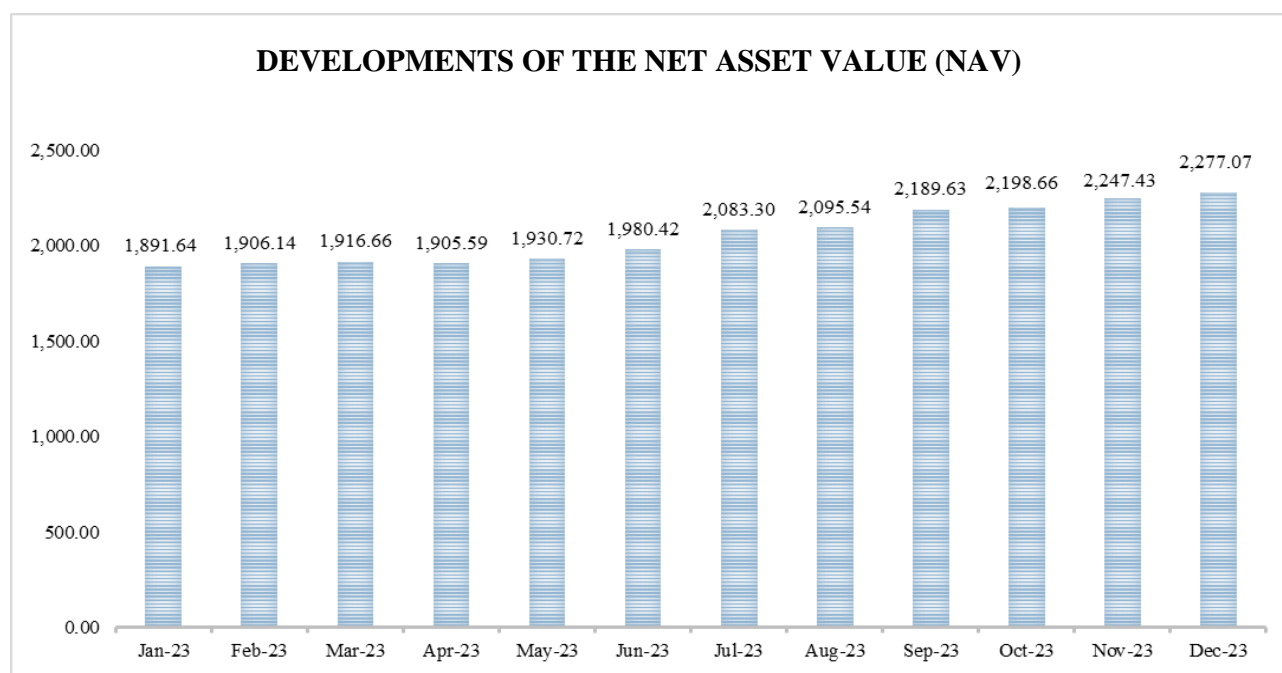


Chart no. 4.3. Developments of NAV between January and December of 2023 (MRON)

<sup>18</sup> <http://www.sifmuntenia.ro/investitii/activ-net/reguli-privind-evaluarea-activelor/>

<sup>19</sup> According to ESMA Guidelines on reporting obligations under Art. 3(3)(d) and 24(1), (2) and (4) of AIFMD, chapter XII, para. 59

## 4.1 THE SHARE SUB-PORTFOLIO

Holdings in equity, especially if listed on regulated markets and multilateral trading facilities, continued being the most significant ones, both in terms of the value and in terms of the revenues in the Company portfolio.

The management of this sub-portfolio aimed at achieving the objectives presented in the Management Programme approved for 2023, subject to the current economic conditions.

	2023	2022	2023/2022	
in RON			by value	%
<b>Listed shares</b>	1,669,981,296	1,291,367,636	378,613,660	29.32
<b>Unlisted shares</b>	160,115,356	211,813,440	-51,698,084	-24.41
<b>TOTAL</b>	<b>1,830,096,652</b>	<b>1,503,181,076</b>	<b>326,915,576</b>	<b>21.75</b>

Table no. 4.6. *Developments in the share sub-portfolio – 2023/2022 comparison*

	2022	2021	2022/2021	
in RON			by value	%
<b>Listed shares</b>	1,291,367,636	1,489,757,315	(198,389,679)	-13.32
<b>Unlisted shares</b>	211,813,440	176,681,309	35,132,131	19.88
<b>TOTAL</b>	<b>1,503,181,076</b>	<b>1,666,438,624</b>	<b>(163,257,548)</b>	<b>-9.80</b>

Table no. 4.7. *Developments in the share sub-portfolio – 2022/2021 comparison*

The trends in the share sub-portfolio, when comparing the end of 2023 with the end of 2022, were the following:

- The total amount of the shares listed on the BVB Regulated Market increased by 33.58%, respectively by a value of RON 351,46 million mainly as a result of an increase in the price of listed portfolio shares;
- The total amount of the shares listed on the BVB Multilateral Trading System increased by 11.10%, representing a value of RON 27.15 million, mainly as a result of the increase in the prices of the shares in the portfolio;
- The total amount of unlisted shares decreased by 24.41% compared to the end of 2022 as a result of sale transactions carried out during the 2023 financial year. The share sale transactions were carried out in compliance with the exit strategy presented in the Administration Program, approved within the SOGM of 27 April 2023.

### TRANSACTIONS AND OTHER EVENTS IN THE SHARE SUB-PORTFOLIO

In 2023, the following operations regarding the share sub-portfolio were registered:

- Shares listed on the BVB Regulated Market worth RON 36.89 million were purchased (BRD Groupe Societe Generale, Șantierul Naval Orșova, SNGN Romgaz SA of Mediaș, SPEEH Hidroelectrica SA, Casa de Bucovina – Club de Munte SA, OMV Petrom SA, Electromagnetica SA);
- Unlisted shares worth RON 0.63 million were bought within Mătășari Holding SA;
- Shares listed on the Multilateral Trading System of the BVB worth RON 0.57 million were sold (Primcom SA of Bucharest, Inox SA, Helios SA of Aștileu);
- Shares listed on the BVB Regulated Market were sold in the amount of 10.45 million lei (SNGN Romgaz SA Mediaș and SSIF BRK Financial Group SA);
- The full packages of shares listed on Regulated Market totalling RON 15.50 million held within the following companies were sold: Antibiotice SA of Iași, Transport Trade Services SA, Electromagnetica SA of Bucharest, Societatea Energetică Electrica SA. The sale transactions complied with the Company's exit strategy, which aims to restructure the portfolio, including by selling the stakes held in listed companies in which SIF Muntenia holds less than 20% of the share capital. At the moment, the full packages of listed share that were sold in 2023 represented for SIF Muntenia holdings of less than 10% of the share capital of the issuing companies;
- The full package of shares listed on Multilateral Trading System totalling RON 11.71 million held within ARO Palace SA of Brașov were sold;
- The full packages of unlisted shares totalling RON 71.99 million held within the following companies were sold: Muntenia Medical Competences SA, Compania de Librării SA of Bucharest, IFMA Imobiliare SA, and Turism Lotus Felix SA, respectively;
- There were share capital increases for Banca Transilvania SA and Societatea Națională de Transport Gaze Naturale “Transgaz” SA, free of charge, carried out by increasing the number of shares. Following the increase within

Societatea Națională de Transport Gaze Naturale “Transgaz” SA, SIF Muntenia received 312,000 shares, and, following the increase of the share capital of Banca Transilvania, SIF Muntenia received 2,408,938 shares;

- The share capital increase of Vrancart SA of Adjud was registered, based on cash contribution, achieved by increasing the number of shares, and in this increase the Company acquired 10,940,449 shares worth RON 1.10 million;
- Resial SA of Alba Iulia and Piscicola SA of Oltenița were deregistered;
- 1,000 shares were purchased, following the subscription to the newly established Finagrom IFN SA, for a total price of RON 5.00 million;
- Dividends amounting to RON 77.03 million were received from portfolio companies.

We note that the 2023 sales of stakes complied with the exit strategies outlined in the Company Management Programme approved under the Decision of SOGM of 27.04.2023.

According to exit strategies approved by Company shareholders within the 2023 Management Programme, the Manager continued the activity of restructuring the portfolio by selling shareholdings in which the Company held shares below 49%, with accounting losses, which had not distributed dividends in recent years, or which did not have a transparent policy of communication with minority shareholders. Thus, as at the end of 2023, the Company had in its portfolio a number of 102 companies compared to 109 companies as at the end of 2022.

## THE STRUCTURE BY BUSINESS SECTORS

As one can see in the chart below, the shares in the financial and banking category represent the largest share in the Company share sub-portfolio.

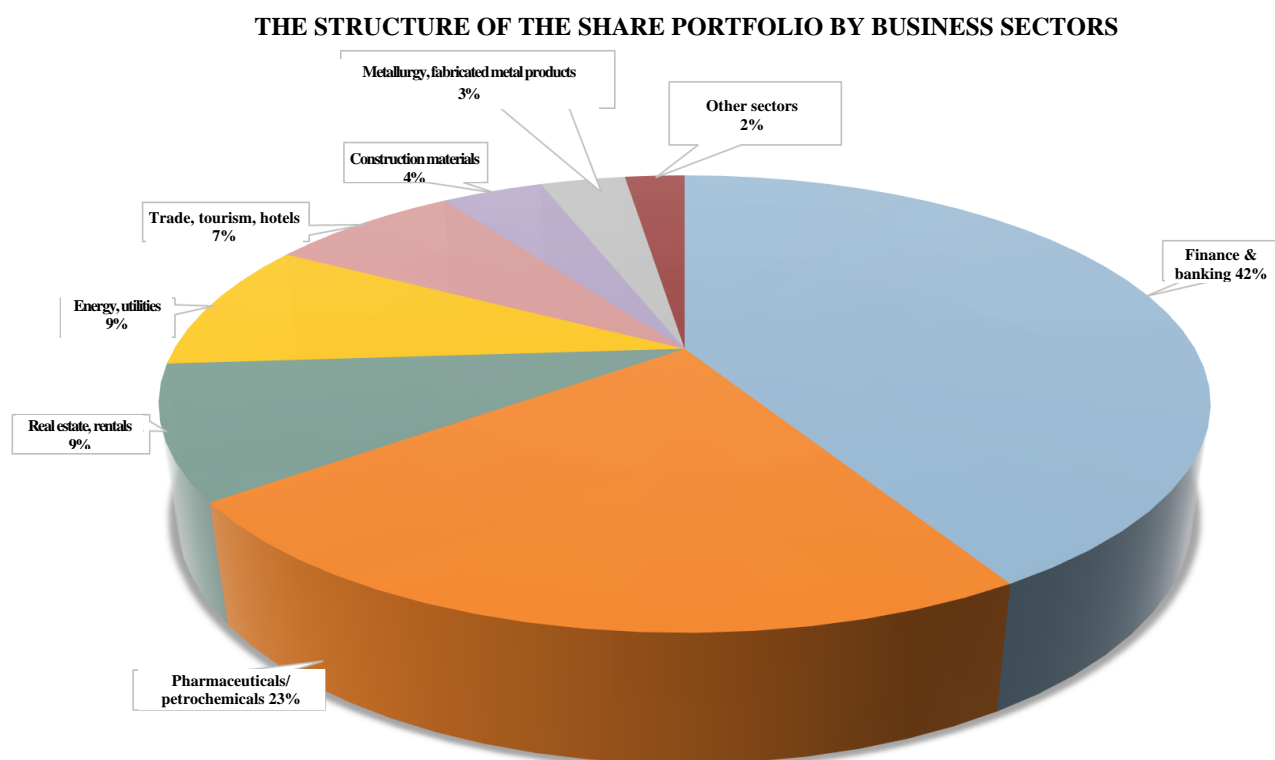


Chart no. 4.5 *The main business sectors – shares (% in the share sub-portfolio, 102 issuers)*

## TOP 10 SHAREHOLDINGS WITHIN THE COMPANY PORTFOLIO

As at 31 December 2023, the top 10 shareholdings with a total value of RON 1,458.51 million accounted for 61.47% of the total certified Company assets (31 December 2022: RON 1,120.24 million, i.e. 57.91%).

	I	II	III	IV	V
1.	<b>Banca Transilvania S.A.</b>	Finance and banking	512.90	21.62	2.65
2.	<b>Biofarm SA</b>	The pharmaceutical industry	418.78	17.65	51.58
3.	<b>BRD – Groupe Societe Generale</b>	Finance and banking	100.56	4.24	0.81
4.	<b>OMV Petrom SA</b>	Energy-utilities	80.93	3.41	0.23
5.	<b>Lion Capital SA</b>	Other financial intermediation services	66.69	2.81	5.07
6.	<b>SNGN Romgaz SA</b>	Energy-utilities	60.75	2.56	0.31
7.	<b>Bucur SA of Bucharest</b>	Trade, tourism, hotels	57.17	2.41	67.98
8.	<b>Volutheima Property Developer SA</b>	Real estate, rentals	54.96	2.32	99.97
9.	<b>CI-CO SA of Bucharest</b>	Real estate, rentals	54.26	2.29	97.34
10.	<b>Firos SA of Bucharest</b>	The construction material industry	51.50	2.17	99.69
	<b>TOTAL</b>		<b>1,458.51</b>	<b>61.47</b>	

Table no. 4.8. *Top 10 holdings in equity as at 31.12.2023*

### Legend

I- Name

IV- % of the total Company assets

II- Industry

V- % of the share capital of the entity held by the Company

III- Value of the shareholding, in MRON, as certified by the Depositary

Next, we present the preliminary financial results of 2023 for companies required to prepare them, and, for those not required to do so, we present the financial results for the first half of 2023. For a more detailed presentation of the financial results of companies included in the top 10 shareholdings of the SIF Muntenia SA portfolio, data have been taken from the latest reports published on BVB.

### 1. Banca Transilvania SA

in MRON (individual)	2023 preliminary	2022	2021
Total assets	161,785	133,960	125,062
Net interest income	4,319	3,658	2,740
Net income from expenses and fees	815	998	806
<b>Net profit</b>	<b>2,491</b>	<b>2,178</b>	<b>1,783</b>
NPL (non-performing loans)	1.98%	2.44%	2.71%
Non-performing exposure total provision coverage ratio	198%	195%	166%

Table no. 4.9 *Banca Transilvania SA financial results (value comparison)*

At Group level<sup>20</sup>, total assets recorded an increase by 20.4% compared to the assets registered at the end of the previous year (20.8% at individual level), primarily because of investment with the central bank and other credit institutions. Total liabilities followed the same upward trend (+19% at individual level), against the background of the increase in deposits from customers and banks. Within Banca Transilvania, equity increased by 48.7% from RON 7,958 million to RON 11,829 million.

The net profit recorded at Group level in 2023 was 19.9% higher than the one recorded during the previous year, mainly thanks to the increase in operating income and interest income (+14.3% at individual level).

According to information presented<sup>21</sup>, the cost/income ratio remained at a comfortable level of 45.6% (49.7% in 2022), and the solvency ratio (including profit) was 23.58%, above the banking sector average of 22.5%<sup>22</sup>.

<sup>20</sup> [https://bvb.ro/infocont/infocont24/TLV\\_20240226181206\\_Rezultate-financiare-preliminare-2023.pdf](https://bvb.ro/infocont/infocont24/TLV_20240226181206_Rezultate-financiare-preliminare-2023.pdf)

<sup>21</sup> [https://bvb.ro/infocont/infocont24/TLV\\_20240226181226\\_Sinteza-informatii-financiare-la-31-12-2023.pdf](https://bvb.ro/infocont/infocont24/TLV_20240226181226_Sinteza-informatii-financiare-la-31-12-2023.pdf)

<sup>22</sup> <https://www.bnr.ro/Indicatori-agregati-privind-institutiile-de-credit-3368-Mobile.aspx>

### Major events:

On 21 April 2023, BT raised EUR 500 million from investors within the international issuance of eligible MREL bonds (minimum requirement for own funds and eligible liabilities), being the bank's first issuance on the international market. The issuance was supplemented by EUR 290 million in 2023, due to the high interest from investors.

On 26 April 2023<sup>23</sup>, the Shareholders' Extraordinary General Meeting approved, *inter alia*, the increase in the share capital by RON 910 million (the incorporation of reserves established from the net profit of 2022), by issuing new shares with a nominal value of RON 10/share, and the date of 21 July 2023 as the registration date. Following the share capital increase, the Company received 2,408,938 free shares on 27 July 2023.

In September of 2023, during the Banca Transilvania Shareholders' Ordinary General Meeting<sup>24</sup>, the distribution of cash dividends amounting to RON 902.46 million (RON 897.54 million from the 2022 net profit reserves and RON 4.9 million from the net profit reserves of previous years) was approved. The gross dividend was set at RON 1.13/share, and, in November of 2023, the Company received RON 21.98 million representing net dividends (2022: RON 20.12 million).

On 29 September 2023, during the Shareholders' Extraordinary General Meeting, an issuance programme was approved for corporate bonds, denominated in EUR and/or RON and/or in any other currency, as the case may be, subject to market conditions in terms of interest rate, with a maximum maturity of 10 years, with annual or semi-annual coupon frequency, for an amount not exceeding EUR 1.5 billion or the equivalent, based on a flexible structure, through several separate issuances over a maximum period of five years.

In January of 2024, Banca Transilvania announced<sup>25</sup> the acquisition of BCR Chişinău (a subsidiary of Banca Comercială Română SA) by Banca Comercială Victoria SA. The integration of BCR Chişinău into Victoriabank will take place over a period of six months, with the contribution of both banks and based on the expertise of the Banca Transilvania Financial Group in Romanian banking acquisitions and integrations.

In the press release<sup>26</sup> of 9 February 2024, Banca Transilvania announced the conclusion of the transaction regarding the acquisition of 100% of OTP Bank Romania shares, and of other OTP Romania Group companies. The total transaction price was EUR 347.5 million.

### Non-financial reporting – ESG

Banca Transilvania SA presents detailed information about key non-financial performance indicators, objectives and the sustainability strategy for 2023 in the *2023 Sustainability Report*, available on the Company website, i.e. [www.bancatransilvania.ro](http://www.bancatransilvania.ro), under *Investor Relations*.

## 2. Biofarm SA<sup>27</sup>

In MRON	2023 preliminary	2022	2021
Total assets	493.81	466.54	418.78
Total liabilities	59.40	86.48	85.99
Sales revenues	280.29	276.98	239.04
<b>Net profit/(loss)</b>	<b>77.01</b>	<b>70.92</b>	<b>60.36</b>

Table no. 4.10 *Biofarm SA financial results* (value comparison)

Biofarm SA primarily operates in the OTC (over-the-counter medicine) and dietary supplement market. Biofarm product sales are mostly distributed to the retail segment.

According to Biofarm SA Directors' Report for the third quarter of 2023<sup>28</sup>, the share of the three categories of products manufactured by Biofarm SA of the company turnover was as follows: over-the-counter (OTC) medicines had a share of 61%, dietary supplements (DS) had a share of 34%, and the share of prescription drugs (RX) was 5%.

According to unaudited preliminary financial results as at 31.12.2023, the sales revenues in 2023 were in the amount of RON 280.29 million, with an increase by 1.20% (RON 3.31 million) compared to those of 2022, whereas operating

<sup>23</sup> [https://bvb.ro/infocont/infocont23/TLV\\_20230426182248\\_raport-curent-HOTARARI-AGA-2023.pdf](https://bvb.ro/infocont/infocont23/TLV_20230426182248_raport-curent-HOTARARI-AGA-2023.pdf)

<sup>24</sup> [https://bvb.ro/infocont/infocont23/TLV\\_20230929161618\\_raport-curent-HOTARARI-AGA-2023.pdf](https://bvb.ro/infocont/infocont23/TLV_20230929161618_raport-curent-HOTARARI-AGA-2023.pdf)

<sup>25</sup> <https://www.bancatransilvania.ro/news/comunicate-de-presa/victoriabank-a-achizitionat-bcr-chisinau>

<sup>26</sup> [https://bvb.ro/infocont/infocont24/TLV\\_20240209104612\\_Raport-curent-Moon.pdf](https://bvb.ro/infocont/infocont24/TLV_20240209104612_Raport-curent-Moon.pdf)

<sup>27</sup> The data are taken from reports and information published on BVB

<sup>28</sup> [https://bvb.ro/infocont/infocont23/BIO\\_20231114170021\\_2023-09-30-Situatii-financiare.pdf](https://bvb.ro/infocont/infocont23/BIO_20231114170021_2023-09-30-Situatii-financiare.pdf)

expenses saw a decrease by 1.06% (RON 2.20 million) by the end of 2023 (RON 205.06 million) compared to the 2022 expenses (RON 207.26 million).

Thus, in 2023 the company recorded a net profit of RON 77.01 million, i.e. 8.60% (RON 6.10 million) higher than the 2022 one.

In 2023, SIF Muntenia received dividends from Biofarm SA in the amount of RON 15.25 million (2022: RON 12.20 million).

#### Major events:

- According to Biofarm SA Directors' Report for the third quarter of 2023<sup>29</sup> on 05.08.2023, the company Shareholders' Extraordinary General Meeting was held which decided to ratify the bilateral promise to sell the real estate owned by Biofarm SA in 40-42 Iancu de Hunedoara Blvd., 1<sup>st</sup> District, Bucharest, for the price of EUR 5 million. The promise to sell was signed on 24.08.2023;
- On 30.08.2023, the Board of Directors of Biofarm SA informed shareholders about the addition to the secondary objects for the registered office in Bucharest, 3<sup>rd</sup> District, 99 Logofat Tautu St. of the following NACE code: 6810 - Buying and selling of own real estate.

#### Non-financial reporting – ESG

Biofarm SA publishes an annual report on the ESG activity, in accordance with GRI Standards. This report may be checked on the company website: [www.biofarm.ro](http://www.biofarm.ro).

### 3. BRD - Groupe Societe Generale

In MRON (individual)	2023 preliminary <sup>30</sup>	2022	2021
Total assets	81,381	71,523	67,015
Net interest income	2,592	2,239	1,953
Net income from expenses and fees	719	719	706
<b>Net profit</b>	1,634	1,286	1,279
NPL (non-performing loans)	1.9%	2.5%	3.1%
Non-performing exposure total provision coverage ratio	76%	76.5%	75%

Table no. 4.11 BRD-Groupe Societe Generale financial results (value comparison)

At the end of 2023, the bank's total assets saw an increase by 13.78% compared to the level recorded as at 31 December 2022 (a 13.55 percentage increase at Group level), primarily due to available funds and claims on the NBR and assets measured at amortised cost, and loans and advances granted to customers, respectively.

The total liabilities registered by the bank by the end of 2023 increased by 12.27% compared to the same date of 2022, which was mainly generated by customer deposits. BRD-Groupe Societe Generale's equity remained solid, registering an increase by 28.71% y/y, with the same trend preserved for Group equity (27.33%), too.

According to the information<sup>31</sup> presented by the bank, the value of the cost/income ratio saw a slight decrease, from 50.4% in 2022 to 49.4% in 2023, amid the favourable effect of revenues.

In 2023, net profit, at individual level, saw an increase by 27.08% compared to the one recorded in 2022 (23.84% at Group level), an increase mainly supported by the net cost of risk (2023: +RON 47.92 million; 2022: -RON 92.70 million).

#### Major events

On 27 April 2023, the Shareholders' Ordinary General Meeting for BRD-Groupe Societe-Generale decided<sup>32</sup>, *inter alia*, to approve the distribution of the profit for 2022, amounting to RON 1,285.94 million, in retained earnings, as well as the renewal of director mandates, for a period of four years, for two of the independent members of the Board of Directors.

The Shareholders' Ordinary General Meeting, held on 14 December 2023, decided<sup>33</sup> to approve the distribution as dividends of RON 642.96 million (50% of the retained earnings of 2022), as an exceptional payment. The approved gross

<sup>29</sup> [https://bvb.ro/infocont/infocont23/BIO\\_20231114170021\\_2023-09-30-Situatii-financiare.pdf](https://bvb.ro/infocont/infocont23/BIO_20231114170021_2023-09-30-Situatii-financiare.pdf)

<sup>30</sup> [https://bvb.ro/infocont/infocont24/BRD\\_20240208075350\\_BRD-IFRS-Decembrie-2023-RO.pdf](https://bvb.ro/infocont/infocont24/BRD_20240208075350_BRD-IFRS-Decembrie-2023-RO.pdf)

<sup>31</sup> [https://bvb.ro/infocont/infocont24/BRD\\_20240208083232\\_BRD-Press-release---FY2023-RO.pdf](https://bvb.ro/infocont/infocont24/BRD_20240208083232_BRD-Press-release---FY2023-RO.pdf)

<sup>32</sup> [https://bvb.ro/infocont/infocont23/BRD\\_20230427162226\\_BRD-Rap-curent-AGA-27042023-ro.pdf](https://bvb.ro/infocont/infocont23/BRD_20230427162226_BRD-Rap-curent-AGA-27042023-ro.pdf)

<sup>33</sup> [https://bvb.ro/infocont/infocont23/BRD\\_20231215084147\\_BRD-Rap-curent-AGOA-14122023.pdf](https://bvb.ro/infocont/infocont23/BRD_20231215084147_BRD-Rap-curent-AGOA-14122023.pdf)



dividends amounted to RON 0.9226/share, and the Company received RON 4.76 million on 26 January 2024 (2022: RON 19.35 million). We note that, in 2022, the bank's shareholders approved the distribution of the profit from the retained earnings both for 2020 and 2019 (gross dividends: RON 2.4164/share) and for 2021 (RON 1.2850/share).

#### *Non-financial reporting – ESG*

BRD-Societe Generale SA prepares a Sustainability Report in accordance with the requirements of Romanian laws on non-financial reporting, in conjunction with GRI (Global Reporting Initiative) Standards<sup>34</sup>. The report is published on the company website: [www.brd.ro](http://www.brd.ro), under *Responsibility/Lumea 9*.

#### **4. OMV PETROM SA<sup>35</sup>**

<b>In MRON (consolidated)</b>	<b>2023 preliminary</b>	<b>2022</b>	<b>2021</b>
Total assets	58,157	58,505	49,970
Sales revenues	38,808	61,344	26,011
Operating result	7,554	12,039	3,709
<b>Net profit</b>	<b>4,030</b>	<b>10,301</b>	<b>2,864</b>

Table 4.12 OMV Petrom SA financial results (value comparison)

According to the preliminary consolidated financial statements as at 31 December 2023, total company assets recorded a decrease by 0.59% (RON 348 million) compared to the balance recorded as at 31 December 2022. This change was due to a decrease in current assets (RON 3,504 million), which was counterbalanced by an increase in non-current assets (RON 3,155 million).

Changes in the balance of non-current assets were primarily due to the increase in tangible assets as a result of the reclassification from intangible assets to tangible assets for crude oil and natural gas assets in the amount of approximately RON 2.4 billion, based on the final investment decision for the Neptun Deep project.

The changes in current assets were mainly caused by the decrease in cash and cash equivalents compared to the balance recorded as at the end of 2022, by the decrease in the balance of trade receivables (as a result of the decrease in sales – especially for the Gas and Energy segment), and by the decrease in the balance of inventories (as a result of the registration of a lower volume of natural gas, but also as a result of the decrease in petroleum products purchased from third parties).

Sales revenues saw a decrease by 36.74% (RON 22,536 million) in 2023 compared to the revenues recorded in 2022. This change was caused by the decrease in commodity prices, as well as the decrease in volumes related to electricity and natural gas sales.

The operating result saw a decrease in 2023 by 37.25% (RON 4,485 million) compared to 2022, mainly due to lower market prices, and lower availability of company assets (due to scheduled maintenance activities for the Petrobrazi refinery and the Brazi power plant), respectively.

The company recorded a net profit in 2023 down by 60.88% (RON 6,271 million) compared to the net profit recorded in 2022.

In 2023, SIF Muntenia received net dividends in the amount of RON 10.69 million (2022: RON 4.61 million).

#### *Major events<sup>36</sup>:*

- In March of 2023, OMV Petrom and Transgaz signed a contract for the transmission of natural gas from the Black Sea. The contract is to be implemented for a period of 17 years and covers capacity reservation and natural gas transmission services, with the amount of the contract being RON 1.4 billion (approx. EUR 276 million).
- On 26 April 2023, the Shareholders' Extraordinary General Meeting approved the delisting of Global Depositary Receipts (GDRs) issued by Citibank NA, listed on the standard segment of the Official List of the UK Financial Conduct Authority and traded on the main market of financial instruments listed on the London Stock Exchange. The Managing Board of OMV Petrom was also empowered to establish the details of the withdrawal from trading of the GDRs and the subsequent termination of the company's GDR programme.

<sup>34</sup> <https://www.globalreporting.org/>

<sup>35</sup> The data are taken from reports and information published on BVB

<sup>36</sup> Data are taken from reports and information published on BVB

- OMV Petrom signed with Renovatio the largest acquisition of green projects in Romania in the field of renewable energy and electric mobility.
- In June of 2023, OMV Petrom signed an agreement for the acquisition of several solar farms in Romania, with a planned installed capacity of approximately 710 MW.
- In June of 2023, OMV Petrom announced the discovery of new crude oil and natural gas resources in Romania, amounting to over 30 mn boe.
- In June of 2023, OMV Petrom paid an additional charge of RON 1.5 billion representing the solidarity contribution on processed crude oil for 2022.
- During the first half of 2023, OMV Petrom took the final investment decision for the Neptun Deep project and, consequently, the related crude oil and natural gas assets worth approximately RON 2.4 billion were reclassified from intangible assets to tangible assets.
- In July of 2023, the financing contracts for the development of four solar farms with a cumulative capacity of ~450 MW were signed by the Ministry of Energy, as the Contracting Authority, and by the four legal entities benefitting from such financing and responsible for the project implementation. The total investment required for the development of the four solar farms amounts to over EUR 400 million, with 70% financed through the Modernisation Fund. OMV Petrom SA and Complexul Energetic Oltenia SA are equal partners in these entities, each holding a 50% stake.
- OMV Petrom signed the contract for the acquisition of 50% of “Respira Verde”, a local leader in waste food oil collection.

#### *Non-financial reporting – ESG*

The OMV Group publishes an annual Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards, the Core option. The report may be checked at: [www.omvpetrom.com/ro](http://www.omvpetrom.com/ro).

## **5. Lion Capital SA**

<b>In MRON</b>	<b>2023 preliminary</b>	<b>2022</b>	<b>2021</b>
Total assets	4,305.79	3,405.26	3,607.39
Income, of which:	166.28	174.92	135.55
Dividend income	151.90	166.19	130.45
Investment gain/(loss)	296.85	(47.40)	288.29
<b>Net profit</b>	<b>417.26</b>	<b>95.47</b>	<b>387.00</b>

Table no. 4.13. *Lion Capital SA financial results (value comparison)*

According to preliminary data published by the company<sup>37</sup>, as at 31.12.2023, total assets saw an increase by 26.45% (RON 900.52 million) compared to late 2022, mainly as a result of the increase in the position of *Cash and cash equivalents* (by RON 382.20 million) and of the amount of *Financial assets measured at fair value through other comprehensive income* (by RON 352.81 million).

The company income in 2023 was 4.94% (RON 8.64 million) lower than during the previous year as a result of the decrease in dividend income by RON 14.28 million, a decrease mainly resulting from the registration in 2024 of dividends granted by BRD (with the payment date set for 26.01.2024).

As at 31.12.2023, Lion Capital achieved a Net Investment Gain of RON 296.85 million, compared to a Net Investment Loss of RON 47.40 million during the previous year, which is mainly the result of measuring financial assets from the portfolio at fair value through the profit or loss account (listed and unlisted shares – subsidiaries, associates and fund units). 2023 was marked by both the positive evolution of issuers listed on BVB (Vrancart and Biofarm) and an increase in the fair value of shareholdings without an active market or unlisted shareholdings, especially for real estate entities.

The 2023 financial year ended with a preliminary net profit of RON 417.26 million, which was higher than the 2022 result by RON 321.79 million, thanks to the increase in the fair value of financial assets measured through the profit or loss account and to the positive impact of dividend and interest income.

<sup>37</sup> [https://bvb.ro/infocont/infocont24/LION\\_20240229154218\\_rezultate-preliminare-2023.pdf](https://bvb.ro/infocont/infocont24/LION_20240229154218_rezultate-preliminare-2023.pdf)



#### Major events:

- Between 16.02.2023 and 01.03.2023, a Public Offering for the Purchase of own shares was carried out, in accordance with the SEGM Decisions of 11.10.2021 and of 22.04.2022, as approved by FSA Decision no. 123/08.02.2023<sup>38</sup>. 1.87 million shares were redeemed, at a price of RON 2.52 per share.
- By way of the Current Report published on BVB on 13.03.2023, shareholders were informed about the free offering to the members of the management structure of 990,000 shares, within a Stock Option Plan, based on SEGM Decisions of 28.04.2022; the transfer of shares shall be made at the time of fulfilment of the conditions of the Stock Option Plan and the exercise of the option by each beneficiary, after the elapse of 12 months after the signing of the payment agreements.<sup>39</sup>
- Through the Current Report published on BVB on 14.03.2023, shareholders were informed about the free transfer to the members of the management structure of 880,000 shares, within a Stock Option Plan adopted in accordance with SEGM Decisions of 11.10.2021.<sup>40</sup>
- Starting on 24.03.2023<sup>41</sup>, entries were ordered to be made in the Trade Register regarding the change of the company name from Societatea de Investitii Financiar Banat-Crişana SA to Lion Capital SA. On 15.05.2023, the ticker symbol under which company shares are traded changed from SIF1 to LION<sup>42</sup>.
- SEGM Decision of 27.04.2023<sup>43</sup> approved the development of the Programme 7 for the redemption by the company of 990,000 shares to be used for the distribution free of charge to company management within a Stock Option Plan.

#### Non-financial reporting – ESG

Lion Capital SA does not publish a separate sustainability report, but presents some information related to the incorporation of ESG factors into the decision-making process in the annual report, which can be checked at: [www.lion-capital.ro](http://www.lion-capital.ro).

#### 6. SNGN Romgaz SA of Medias<sup>44</sup>

In MRON (consolidated)	2023 preliminary	2022	2021
Total assets	16,257.0	14,328.1	11,293.0
Turnover	9,001.9	13,359.7	5,852.9
EBITDA	5,374.2	4,532.4	2,784.6
EBITDA margin	59.70%	33.93%	47.58%
<b>Net profit</b>	<b>2,812.1</b>	<b>2,546.7</b>	<b>1,915.0</b>

Table no. 4.14 SNGN Romgaz SA financial results (value comparison)

Total company assets saw an increase by 13.46% (RON 1,928.9 million) as at 31.12.2023 compared to the balance recorded as at 31.12.2022. The changes were due to the increase in non-current assets by 9.41% (RON 980.84 million – as a result of the investment made in 2023 for well rehabilitation, investment for the Neptun Deep project and investment in the new power plant at Iernut), and the increase in current assets by 24.27% (RON 948.11 million).

The turnover saw a decrease by 32.62% (RON 4,357.8 million) in 2023 compared to 2022.

These changes were due to the decrease by 31.31% (RON 3,515.4 million) in the revenues from the sale of natural gas (both from Romgaz production and purchased for resale), and in revenues from the sale of electricity by 69.41% (RON 923.6 million), while consolidated revenues from storage services saw an increase by 17.66% (RON 82.9 million).

Compared to 2022, the Group recorded decreases in expenses related to the cost of goods sold by 41.64% (RON 76.75 million), with expenses related to the oil royalty also recording a decrease (RON 1,039.56 million).

<sup>38</sup> [https://www.bvb.ro/infocont/infocont23/SIF1\\_080223.pdf](https://www.bvb.ro/infocont/infocont23/SIF1_080223.pdf)

<sup>39</sup> [https://www.bvb.ro/infocont/infocont23/SIF1\\_20230313155305\\_2023-03-13-RC-Dokument-informare-oferire-actiuni.pdf](https://www.bvb.ro/infocont/infocont23/SIF1_20230313155305_2023-03-13-RC-Dokument-informare-oferire-actiuni.pdf)

<sup>40</sup> [https://bvb.ro/infocont/infocont23/SIF1\\_20230314145757\\_2023-03-14-RC-finalizare-SOP.pdf](https://bvb.ro/infocont/infocont23/SIF1_20230314145757_2023-03-14-RC-finalizare-SOP.pdf)

<sup>41</sup> [https://bvb.ro/infocont/infocont23/SIF1\\_20230324161718\\_2023-03-24-RC-Modific-denumire-ORC.pdf](https://bvb.ro/infocont/infocont23/SIF1_20230324161718_2023-03-24-RC-Modific-denumire-ORC.pdf)

<sup>42</sup> [https://www.bvb.ro/infocont/infocont23/RO\\_Precizari\\_BVB\\_site\\_LION\\_25042023.pdf](https://www.bvb.ro/infocont/infocont23/RO_Precizari_BVB_site_LION_25042023.pdf)

<sup>43</sup> <https://bvb.ro/FinancialInstruments/SelectedData/NewsItem/SIF1-Hotararile-AGEA-din-data-de-27-aprilie-2023/48395>

<sup>44</sup> Data are taken from reports and information published on BVB

Operating expenses saw an increase by 41.75% (RON 24.93 million) in 2023 compared to 2022, mainly as a result of expenses related to a 3D minimum seismic programme, under the Addendum signed between ANRM (the National Agency for Mineral Resources) and Romgaz for the extension of the operating period for eight oil blocks until 2027.

The preliminary net profit for 2023 is RON 2,812.1 million, up by 10.42% compared to the net profit earned in 2022, of RON 2,546.7 million.

In 2023, SIF Muntenia SA received net dividends in the amount of RON 3.66 million (2022: RON 4.20 million).

*Major events<sup>45</sup>:*

- *3 February 2023:* Romgaz and Socar Trading, the subsidiary of the national oil company of the Republic of Azerbaijan, signed a new individual contract for the delivery of Azerbaijani natural gas to Romania. The conclusion of this legal document represents a continuation and strengthening of the good cooperation relations between the two companies and of the contractual relations based on an indefinite framework agreement concluded in November of 2022. The contract provides for the possibility of delivering quantities of up to 1 billion cubic meters until 31 March 2024, with this new contractual arrangement serving the strategic objectives of safety of natural gas supply and diversification of sources.
- *16 March 2023:* Romgaz Black Sea Limited concluded the transmission framework contract for the takeover into the National Transmission System (NTS) of natural gas to be exploited from the Neptun Deep field. The natural gas transmission framework contract was concluded with the national gas transmission system operator, SNTGN Transgaz SA, following the successful implementation and conclusion of an incremental capacity reservation process, in accordance with the procedure approved by the National Energy Regulatory Authority (ANRE). By concluding this contract, the technical capacity required for taking over gas into the NTS is reserved, which will allow the capitalisation on the market of natural gas from fields from the Neptun Deep perimeter. The contract was concluded for the period from September of 2026 to September of 2042.
- *29 March 2023:* according to Decisions no. 36 and no. 37, the Board of Directors agreed to the conclusion of the Procurement Contract concerning “The completion of works and commissioning of the investment project: Development of the Iernut Thermal Power Plant through the construction of a new combined cycle thermal power plant with gas turbines”, with Duro Felguera SA.
- *20 June 2023:* The Board of Directors issued the consent for the adoption of the Decision of the Sole Shareholder of Romgaz Black Sea Limited in relation to the approval by Romgaz Black Sea Limited, in accordance with procedures regulated by the Joint Operating Agreement for the Neptun XIX perimeter, the deep water area.
- *1 August 2023:* The Iernut Electricity Production Branch issued the order for commencement of the works on the investment project “The development of the Iernut Thermal Power Plant through the construction of a new combined cycle thermal power plant with gas turbines” and handed over the site to the Duro Felguera SA contractor for the commencement of the works of completion of the facility. The deadline for completion is 16 months after the date of the work commencement order, with the possibility of extension according to contract provisions.
- *3 August 2023:* The plan for the development of the Domino and Pelican South natural gas commercial fields is confirmed by the National Agency for Mineral Resources. This represents the stage from which the actual development of the commercial fields begins and involves drilling works and the construction of the infrastructure required for the exploitation and recovery of natural gas.
- *18 December 2023:* The SEGM approved the increase of the share capital of SNGN Romgaz SA by RON 3,468,801,600, by issuing 3,468,801,600 shares, with a nominal value of RON 1/share, with 9 free shares for each shareholder per share held as at the registration date. The total value of the share capital increases from the current value of RON 385,422,400 to the value of RON 3,854,224,000. The registration date for this operation is 29 May 2024.

*Non-financial reporting – ESG*

The Romgaz Group reports ESG-related aspects in the annual Sustainability Report, prepared in accordance with the GRI international non-financial reporting standards. The report may be found on the group website: [www.romgaz.ro](http://www.romgaz.ro).

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<sup>45</sup> Data are taken from reports and information published on BVB

## 7. Bucur SA of Bucharest

in MRON	H1 2023	2022	2021
Total assets	116.02	114.26	114.91
Turnover	4.28	7.67	7.69
EBITDA	1.60	3.03	2.78
EBITDA margin	37.41%	39.43%	36.19%
<b>Net profit/(loss)</b>	<b>1.31</b>	<b>2.32</b>	<b>1.98</b>

Table no. 4.15. *Bucur SA financial results (value comparison)*

During the first half of 2023<sup>46</sup>, Bucur SA recorded operating revenues in the amount of RON 5.49 million, higher by 17.74% compared to the same period of 2022 (the first half of 2022: RON 4.66 million), as a result of the increase in revenues from rent and services to customers.

The revenues from renting owned spaces, amounting to RON 4.12 million, were 11.54% higher than the first half of 2022, as a result of the increase in the rented area and rent indexation.

Revenues from services were recorded in the amount of RON 1.21 million, i.e. 49.72% higher than the first half of 2022 (RON 0.81 million), mainly as a result of the increase in prices for utilities reinvoiced to customers (electricity, gas, water).

Operating expenses, amounting to RON 4.26 million, were 29.57% higher than the first half of 2022 (RON 3.29 million), mainly due to the increase in staff, utility and non-current asset depreciation expenses.

During the first half of 2023, Bucur SA earned a net profit of RON 1.31 million, almost the same as the net profit recorded during the first half of 2022.

### Major events:

- The SOGM of 25.04.2023<sup>47</sup> approved the distribution of gross dividends of RON 0.036/share, resulting from the net profit of 2022, reserves and undistributed profit from previous years. On the date of the payment (13.10.2023), SIF Muntenia received net dividends of RON 2.04 million (2022: RON 1.25 million).
- During the first half of 2023, Bucur SA completed the full repayment of the long-term loan taken from Intesa Sanpaolo Bank to finance the “Bucur Retail Park Shopping Centre” project. The original loan amount was RON 6.97 million.

### Non-financial reporting – ESG

Bucur SA does not publish sustainability reports.

## 8. Voluthema Property Developer SA

In MRON	H1 2023	2022	2021
Total assets	76.85	74.95	50.68
Turnover	3.30	4.66	3.92
EBITDA	1.50	1.46	1.32
EBITDA margin	45.57%	31.20%	33.72%
<b>Net profit/(loss)</b>	<b>1.08</b>	<b>0.91</b>	<b>0.50</b>

Table no. 4.16 *Voluthema Property Developer SA financial results (value comparison)*

During the first half of 2023<sup>48</sup> the company earned a turnover of RON 3.30 million, i.e. 49.71% higher than the same period of 2022, on account of an increase in revenues from rent and services to customers.

Rental income amounting to RON 3.00 million was 59.22% higher than the amounts earned during the first half of 2022 (RON 1.88 million) and was positively influenced by the addition to the company real estate portfolio of the Floreasca Lake Office Building and the increase in occupancy for the Muntenia Business Centre building.

The company earned other operating revenues in the amount of RON 0.06 million, representing utility reinvoicing, advertising and services.

<sup>46</sup> [https://bvb.ro/info/Raportari/BUCV/BUCV\\_20230809105511\\_Raport-semestru-I-2023.pdf](https://bvb.ro/info/Raportari/BUCV/BUCV_20230809105511_Raport-semestru-I-2023.pdf)

<sup>47</sup> [https://bvb.ro/info/Raportari/BUCV/BUCV\\_20230425121909\\_Raport-curent-Hotarari-AGOA--25-04-2023.pdf](https://bvb.ro/info/Raportari/BUCV/BUCV_20230425121909_Raport-curent-Hotarari-AGOA--25-04-2023.pdf)

<sup>48</sup> The data are taken from the information provided by the company, calculations of SAI Muntenia Invest S.A.

Operating expenses amounting to RON 2.42 million were 18.45% higher than expenses recorded during the first half of 2022 (RON 2.04 million), mainly due to an increase in utility expenses and the depreciation of tangible assets.

During the first half of 2023, the company registered a net profit of RON 1.08 million, compared to a net profit of RON 0.05 million during the same period of the previous year.

*Major events:*

- The SOGM of 29.05.2023 approved the distribution of gross dividends of RON 0.17/share, resulting from the net profit of 2022 and the retained earnings from previous years. SIF Muntenia received net dividends in the amount of RON 1.09 million. In 2022, the company did not distribute any dividends.

*Non-financial reporting – ESG*

Voluthema Property Developer SA does not publish sustainability reports.

## 9. CI-CO SA of Bucharest

in MRON	H1 2023	2022	2021
Total assets	63.64	64.64	63.59
Turnover	6.55	11.04	11.44
EBITDA	2.31	3.04	3.41
EBITDA margin	35.28%	27.56%	29.82%
<b>Net profit</b>	2.04	1.80	2.09

Table no. 4.17. *CI-CO SA financial results (value comparison)*

As at 30.06.2023<sup>49</sup>, total company assets amounting to RON 63.64 million had not undergone any significant changes compared to the end of 2022 (RON 64.64 million).

The turnover, amounting to RON 6.55 million, increased by 10.92% compared to the one recorded during the first half of 2022 (RON 5.91 million), on the back of the increase in revenues from renting spaces and services.

Compared to the first half of 2022, rental income in the amount of RON 4.89 million increased by RON 0.59 million (13.68%), and revenues from services to tenants (re invoicing of utilities, security, etc.) in the amount of RON 1.66 million increased by RON 0.06 million (3.56%).

The EBITDA margin increased by around 8 percentage points during the first half of 2023 compared to the margin achieved during the first half of 2022.

During the first half of 2023, CI-CO SA earned a net profit of RON 2.04 million, i.e. 44.66% higher than the net profit earned during the same period of the previous year (RON 1.41 million).

*Major events:*

- The Decision of the Shareholders' Ordinary General Meeting of 24.04.2023<sup>50</sup> approved the distribution from the net profit of 2022 of gross dividends in the amount of RON 1.69 million and from the retained earnings representing the surplus from revaluation reserves of gross dividends of RON 1.60 million, i.e. a gross dividend per share of RON 1.218;
- On 23.06.2023 (the payment date), SIF Muntenia received the amount of RON 3.21 million as dividends due (2022: RON 1.91 million).

*Non-financial reporting - ESG*

CI-CO SA does not publish sustainability reports.

<sup>49</sup> [https://bvb.ro/info/Raportari/CICO/CICO\\_20230906134042\\_RAPORT-SEMESTRIAL-AF-SEM-I-2023.pdf](https://bvb.ro/info/Raportari/CICO/CICO_20230906134042_RAPORT-SEMESTRIAL-AF-SEM-I-2023.pdf)

<sup>50</sup> [https://bvb.ro/info/Raportari/CICO/CICO\\_20230425075429\\_RAPORT-CURRENT-Hotarari-AGOA-CI-CO-S-A-din-24-04-2023.pdf](https://bvb.ro/info/Raportari/CICO/CICO_20230425075429_RAPORT-CURRENT-Hotarari-AGOA-CI-CO-S-A-din-24-04-2023.pdf)

## 10. FIROS SA<sup>51</sup>

In MRON	H1 2023	2022	2021
Total assets	94.7	83.8	83.9
Turnover	43.9	102.9	81.7
EBITDA	5.8	15.88	9.1
EBITDA margin	13.6%	15.4%	11.1%
<b>Net profit</b>	<b>4.36</b>	<b>11.62</b>	<b>7.46</b>

Table no. 4.18 *FIROS SA financial results (value comparison)*

Firos SA is a Romanian entirely privately owned company focused on the production and marketing of building materials.

During the first half of 2023, total company assets reached a value of RON 94.7 million, i.e. an increase by 12.96% compared to the end of the previous year. This change was mainly due to an increase by 22.6% (RON 9.4 million) in current assets and by 2.9% (RON 1.2 million) in non-current assets.

The turnover decreased during the first half of 2023 by 14.4% (RON 7.4 million) compared to the first half of 2022. The change in turnover can be explained by the decrease by RON 6.9 million in revenues from production sold and the decrease by RON 0.9 million in revenues from the sale of goods, respectively.

For 2023, the company budgeted the production and sale of 103,000 tonnes of mortars/adhesives/putties/blankets, as well as the production and sale of 130,000 cubic meters of expanded cellular polystyrene. The production of mortars and adhesives generated sales of approximately 53,036 tonnes during the first six months of 2023, achieving 51.5% of the budgeted quantity for the whole of 2023. Sales of expanded cellular polystyrene were about 44,115 cubic meters, accounting for 33.9% of the budgeted quantity for 2023.

The net profit earned during the first six months of 2023 was 41.1% (RON 3 million) lower than the one earned during the first half of 2022, accounting for 60.1% of the amount budgeted for 2023.

In 2023 SIF Muntenia SA received net dividends in the amount of RON 4 million (2022: RON 3.38 million).

### *Non-financial reporting – ESG*

Firos SA does not publish sustainability reports.

## 4.2 CONTROLLED COMPANIES/SUBSIDIARIES

Considering the definitions given in Law no. 24/2017 to notions of ‘group’<sup>52</sup>, ‘parent company’<sup>53</sup> and ‘subsidiaries’<sup>54</sup>, we inform that, as at 31.12.2023, the Company holds in its portfolio shareholdings representing over 50% of the share capital within 15 companies, all of which are operational.

Subsidiaries are monitored analytically, aiming to increase their fair value by taking immediate action, especially in case of failing to meet the indicators in the revenue and expenditure budgets approved by the entity Shareholders’ General Meetings. The aim at all times is subsidiary growth, both in terms of the result and the position in the market in which the subsidiaries operate, so that their fair value variation should not have a negative influence on the annual result recorded by the Company.

All controlled companies<sup>55</sup> are based in Romania. For them, the percentage of holding of the Company in the entity share capital is not different from the percentage of the number of votes held. As at 31.12.2023, no subsidiary holds shares issued by the Company.

<sup>51</sup> The data are taken from the information provided by the company, calculations of SAI Muntenia Invest SA.

<sup>52</sup> A parent company and all its subsidiaries (art. 2(1)(12) of Law no. 24/2017)

<sup>53</sup> A company that controls one or more subsidiaries (art. 2(1)(36) of Law no. 24/2017)

<sup>54</sup> An entity defined according to the provisions of art. 3(1)(25) of Law no. 126/2018 (art. 2(1)(9) of Law no. 24/2017), i.e. an entity controlled by a parent company, including any subsidiary of the parent company which runs them, including any subsidiary of a subsidiary of the parent company which runs them

<sup>55</sup> This means the relationship between a parent company and a subsidiary, in all cases provided for in art. 22(1) and (2) of Directive 2013/34/EU or a similar relationship between any natural or legal person and a company, any subsidiary of a subsidiary company also being considered a subsidiary of the parent company which runs them (art. 3(1)(39)(b) of Law no. 126/2018)

Of the 15 subsidiaries, as at 31.12.2023:

- Two subsidiaries are listed on the BVB regulated market: Biofarm SA (BIO), Casa de Bucovina Club de Munte SA (BCM);
- Six subsidiaries are listed on AERO, the BVB multilateral trading facility: Bucur S.A. (BUCV), CI-CO SA (CICO), Mindo SA (MINO), Germina Agribusiness SA (SEOM), Semrom Oltenia SA (SEOL), Unisem SA (UNISEM);
- Seven subsidiaries are not listed: Firos SA, Mătășari Holding SA (the former name for Fondul Român de Garantare a Creditelor pentru Întreprinzătorii Privati - IFN SA), Voluthema Property Developer SA, Avicola SA of Bucharest, ICPE SA, ICPE Electric Motors SRL, Finagrom IFN SA.

In 2023, the Company received dividends from its subsidiaries in the amount of RON 35.80 million, i.e. 46.48% of the total dividends received during the year.

As at 31.12.2023, the net asset value of these subsidiaries, as certified by the Depositary, was RON 747.74 million (31.12.2022: RON 614.56 million), and the percentage of the total Company assets was 31.51% (31.12.2021: 31.77%).

<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
1. <b>Biofarm SA</b>	Manufacture of pharmaceutical preparations	418.78	17.65	51.58
2. <b>Bucur SA</b>	Non-specialised wholesale of food, beverages and tobacco	57.17	2.41	67.98
3. <b>Voluthema Property Developer SA</b>	Renting and operating of own or leased real estate	54.96	2.32	99.97
4. <b>CI-CO SA</b>	Renting and operating of own or leased real estate	54.26	2.29	97.34
5. <b>Firos SA</b>	Manufacture of mortars	51.50	2.17	99.69
6. <b>Unisem SA of Bucharest</b>	Wholesale of grains, seeds, feed and unmanufactured tobacco	22.95	0.97	76.91
7. <b>Germina Agribusiness SA</b>	Wholesale of grains, seeds, feed and unmanufactured tobacco	20.58	0.87	90.68
8. <b>Semrom Oltenia SA</b>	Growing of cereals (except rice), leguminous plants and oil seeds	18.47	0.78	88.69
9. <b>Mătășari Holding SA</b>	Renting and operating of own or leased real estate	15.24	0.64	90.67
10. <b>Casa de Bucovina-Club de Munte SA</b>	Hotels and other short-stay accommodation	11.89	0.50	73.98
11. <b>ICPE SA</b>	Research	11.66	0.49	50.32
12. <b>Finagrom IFN SA</b>	Other credit granting	4.83	0.20	99.90
13. <b>Mindo SA</b>	Manufacture of mortars	3.69	0.16	98.02
14. <b>ICPE Electric Motors SRL</b>	Manufacture of electric motors, generators and transformers	1.37	0.06	100.00
15. <b>Avicola București SA</b>	Raising of poultry	0.39	0.02	89.97
<b>TOTAL</b>		<b>747.74</b>	<b>31.51</b>	

Table no. 4.19. *List of subsidiaries of SIF Muntenia SA and their certified net asset value as at 31.12.2023*

*Legend*

**I-** Name

**II-** Industry

**III-** Value of the shareholding, in MRON, as certified by the Depositary

**IV-** % of the total Company assets

**V-** % of the share capital of the entity held by the Company

According to art. 38(4) of Law no. 243/2019, in 2023, the assets in the Company portfolio that were measured using valuation methods in accordance with International Valuation Standards are:

	<b>Name</b>	<b>No. of shares</b>	<b>Date of the valuation</b>	<b>Value/ share</b>	<b>Value of the stake</b>	<b>Valuation method</b>
1	Avicola SA of Bucharest	385,837	31.10.2023	0.9994	385,619	The asset-based approach - the adjusted net asset method
2	Finagrom IFN SA	1,000	31.10.2023	4.833.5320	4,833,532	The asset-based approach - the adjusted net asset method
3	Firos SA	2,815,576	31.10.2023	18.2897	51,495,955	The income-based approach - the discounted cashflow method
4	ICPE Electric Motors SRL	10,000	31.10.2023	137.4427	1,374,427	The asset-based approach - the adjusted net asset method
5	ICPE SA	2,996,939	31.10.2023	3.8906	11,659,750	The income-based approach - the discounted cashflow method
6	Mătășari Holding SA	14,566,005	31.10.2023	1.0464	15,242,469	The asset-based approach - the adjusted net asset method
7	Mindo SA	32,595,770	31.10.2023	0.1131	3,685,436	The income-based approach - the discounted cashflow method
8	Voluthema Property Developer SA	6,462,487	31.10.2023	8.5042	54,958,541	The income-based approach - the discounted cashflow method

Table no. 4.20 *List of subsidiaries measured by valuation methods in line with International Valuation Standards as at 31.12.2023*

The measurement of the shareholding of SIF Muntenia SA within the above-mentioned companies was performed using the income-based approach – the discounted cashflow method, except Avicola SA of Bucharest, Finagrom IFN SA, ICPE Electric Motors SRL and Mătășari Holding SA, where the measurement was performed using the asset-based approach – the adjusted net asset method.

SAI Muntenia Invest SA does not use the leverage in the investment policy adopted in connection with the management of SIF Muntenia SA.

The leverage and exposure of SIF Muntenia SA are calculated according to the provisions of Regulation (EU) no. 231/2013, i.e. using the gross method and the commitment method.

<b>Method type</b>	<b>Leverage</b>	<b>Value of the exposure</b>
The gross method	101.94%	2,352,211,534.58
The commitment method	102.84%	2,372,922,135.01

Table no. 4.21 *Leverage and exposure in accordance with International Valuation Standards as at 31.12.2023*

## RELATED PARTY TRANSACTIONS

In 2023, the Company did not carry out any related party transactions.

## 4.3 OTHER SUB-PORTFOLIOS

The developments in terms of the amount of other Company sub-portfolios in 2023 is presented in the chart below:

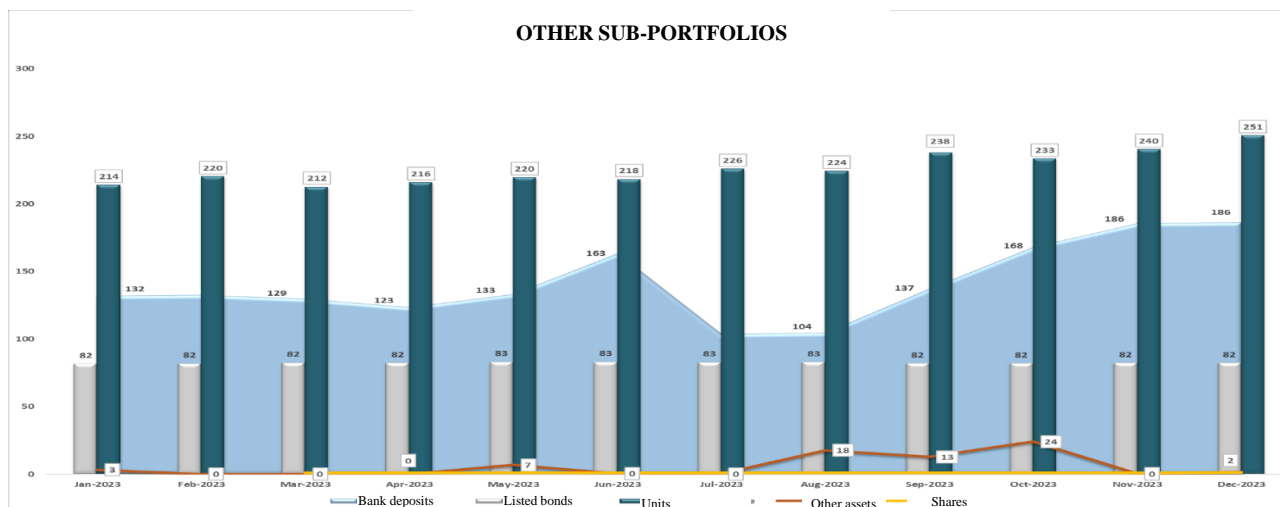


Chart no. 4.6. Developments in terms of the amount of other Company sub-portfolios in 2023 (in MRON)

### BANK DEPOSITS

The chart below shows the value of the average monthly interest rate for Company deposits in 2023, compared to ROBID 1M published by the BNR:

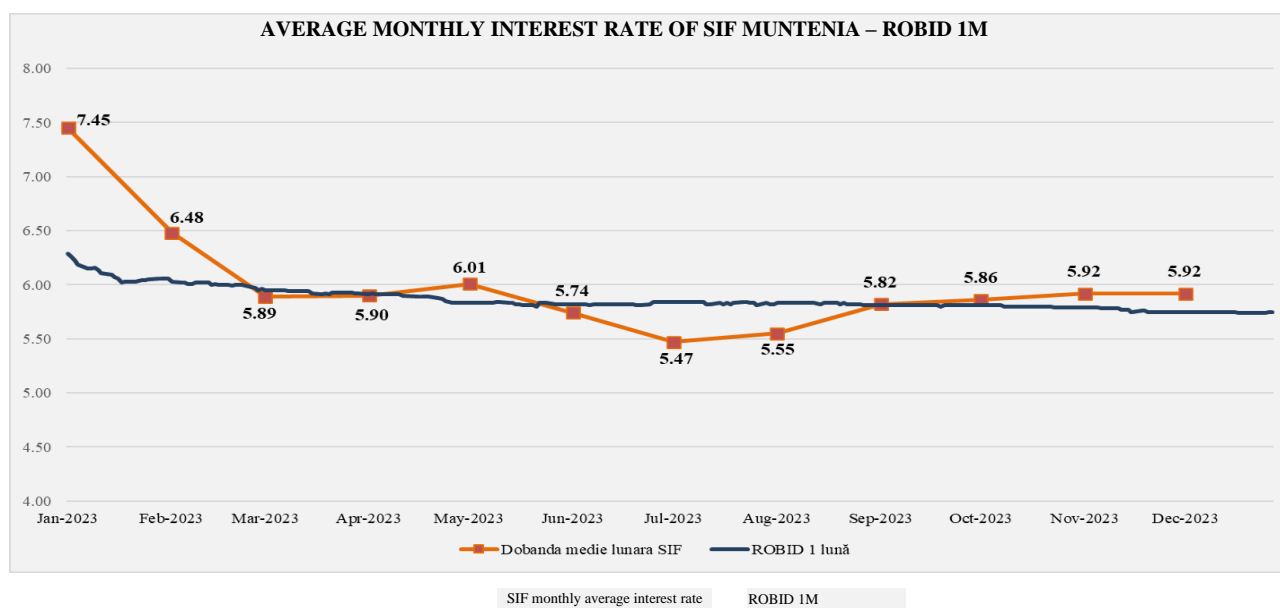


Chart no. 4.7. ROBID 1M (max. 6.29%, min. 5.74%) compared to the average monthly interest on Company deposits

Source: Data taken from the NBR website, the Statistics section, processed by SAI Muntenia Invest SA

In 2023, the average monthly interest on Company deposits recorded values higher than ROBID 1M for most of the year. At the end of 2023, the Company held RON 186.09 million in bank deposits (the total amount of deposits for all currencies, i.e. RON, USD and EUR), representing 7.84% of the total certified assets. The credit institutions where these deposits are set up are part of groups with good capitalisation, at both national and European level.

### BONDS

During the period under review, coupons were collected for bond issues by Opus - Chartered Issuances SA, totalling RON 1.63 million (EUR 328,200).



The table below shows the statement of bonds as at 31 December 2023:

Issuer	Maturity	Issue date	Date of purchase	Number of bonds	Nominal value	Currency	Annual interest rate
<b>Opus-Chartered Issuances SA</b>	26/09/2024	23/09/2015	25/08/2017	501	10,000.00	EUR	EUR 200/bond
<b>Opus-Chartered Issuances SA</b>	05/09/2024	02/09/2016	06/09/2016	1,140	10,000.00	EUR	EUR 200/bond

Table no. 4.23. *The statement of current bonds as at 31.12.2023*

The total net asset value of the bonds as at 31.12.2023 was RON 82,252,022 while the value from the financial statements was RON 88,503,863.

There were no purchases or sales of bonds during the reported period.

## UNITS

As at 31 December 2023, the Company holds units in its portfolio with 12 investment funds (five open-end investment funds and seven closed-end investment funds).

Fund	No. of units	NAVU (RON)	Date of NAVU	Amount (RON)	Currency
<b>FDI Active Dinamic</b>	2,938,476.90	7.41	29.12.2023	21,764,123.04	RON
<b>FDI Prosper Invest</b>	100,085.11	23.05	29.12.2023	2,306,591.58	RON
<b>FDI Star Next</b>	323,767.87	9.61	29.12.2023	3,112,833.81	RON
<b>FIA Muntenia Trust</b>	460.00	12,744.30	31.12.2023	5,862,379.52	RON
<b>Privately-owned FIA Agricultural Fund</b>	80.00	2,391.48	31.12.2023	951,732.51	EUR

Table no. 4.24. *The status of current units as at 31.12.2023 with open-end investment funds*

Fund	No. of units	NAVU (RON)	Date of NAVU	Amount (RON)	Currency
<b>FIA Active Plus</b>	4,096.47	16,424.25	31.12.2023	67,281,421.12	RON
<b>FIA Certinvest Actiuni</b>	114.19	321,758.59	31.12.2023	36,743,041.36	RON
<b>FIA Multicapital Invest</b>	4,337.00	3,634.36	31.12.2023	15,762,219.32	RON
<b>FIA Optim Invest</b>	2,782.41	11,965.01	31.12.2023	33,291,563.47	RON
<b>FIA Romania Strategy Fund Class B</b>	56,000.00	681.72	31.12.2023	38,176,320.00	RON
<b>FIA Star Value</b>	15,134.00	1,220.18	31.12.2023	18,466,204.12	RON
<b>FII BET-FI Index Invest</b>	8,297.00	837.13	31.12.2023	6,945,660.97	RON

Table no. 4.25. *The status of current units as at 31.12.2023 with alternative investment funds*

In 2023, the following transactions regarding units were recorded:

- The whole package of units held with Star Focus was redeemed for a total price of RON 1,064,374.99;
- 133,228.39 units were bought from FDI Star Next for a total price of RON 1,064,375;
- 80 units were bought from the privately-owned FIA Agricultural Fund for a total price of EUR 200,000.

The total value of units in net assets as at 31.12.2023 was RON 250,664,091 (31.12.2022: RON 210,984,517). In 2023 there was a net gain of RON 39,679,573.85 originating from the increase in the value of these units, classified as financial assets measured at fair value through profit or loss.

## THE SHARE SUPPORTFOLIO

In 2023, SIF Muntenia SA subscribed to the newly established ICPE Electric Motors SRL, through the purchase of 10,000 shares, with the total amount of the transaction being RON 1,000,000.

As at 31.12.2023, the shares held by SIF Muntenia SA totalled RON 1,374,427.

## 5 DISPUTES

The Manager ensures the defence, exercise and capitalisation of Company rights. To this end, the activity of legal services is ensured by legal advisers and lawyers.

In the records of the Division for the Management of Special Situations, as at 31.12.2023, there were 26 court case-files, of which 17 files covered disputes with professionals, 7 civil disputes and 2 criminal ones. Regarding the 2 criminal disputes, we mention the fact that in these files SIF Muntenia acts as the plaintiff, respectively the injured party.

For most disputes, the Company acts as the plaintiff or appellant, the subject-matter of the disputes being the annulment/declaration of the absolute nullity of various decisions of the Shareholders' General Meetings for entities from the Company portfolio. In this regard we illustrate the disputes with Unirea Shopping Center SA, Metalurgica SA and Inox SA. We note that there are several disputes pending before courts with some of the companies listed above.

As at 31.12.2023, three files were pending before courts concerning the annulment of decisions of SIF Muntenia SGMs, as follows:

1. File 18956/3/2021 pending before the Bucharest Court concerning the declaration of the absolute nullity of Decisions no. 1-10 of 28.04.2021 of SIF Muntenia SA SGM. Plaintiffs: Behboud Madadi, Munteanu Florian, Alexandru Ionel Secară and Andrei Viorel Orlando. Defendant: SIF Muntenia. On 07.03.2022, under Judgment no. 424, the Bucharest Court upheld the plea of lack of legal standing of the plaintiffs and dismissed the action as having been brought by people without standing to bring proceedings. The Judgment was served on 22.01.2024;
2. File 18494/3/2022 concerning the annulment of the Decision of the SIF Muntenia SOGM of 22.06.2022. Appellant: Unirea Shopping Center SA. Respondent: SIF Muntenia. On 16.11.2023, the Bucharest Court of Appeal dismissed the appeal as unfounded and ordered the appellant to pay to the respondent the sum of RON 4,165 as legal costs. The judgment had not been served by the date of publication of this report;
3. File 21616/3/2023 concerning the declaration of the absolute nullity of the Decisions of SIF Muntenia SEGM no. 1-7 of 21.06.2023 and, in the alternative, the annulment of SEGM Decisions no. 1-7 of 21.06.2023. Plaintiff: Unirea Shopping Center SA. Defendant: SIF Muntenia SA. At the hearing of 23.02.2024, the court rendered judgment no. 327 dismissing the application brought by the plaintiff Unirea Shopping Center SA as unfounded and dismissed the defendant's request to have the plaintiff pay legal costs as unfounded. The judgment may be appealed.

The management of the Manager shall continue ensuring that all steps are taken to defend the Company and shareholders' legitimate interests in all these disputes according to legal provisions.

## 6 RISK MANAGEMENT

Risk management means all the activities aimed at identifying, quantifying, monitoring and controlling risks, so as to ensure compliance with the principles of the general risk policy. The Company risk management system includes a set of analyses and charts of diversification of the exposures for the financial instruments in the portfolio, together with the identification and assessment of financial risks, as well as proposals for the mitigation of the effects of risks related to the general and investment activities of the Manager.

The Manager has implemented the permanent risk management function within its organisational structure, which also covers the Company risk management. Within this structure there are procedures that guide the risk management activity in order to identify, assess, manage and properly monitor all relevant risks, in accordance with the provisions of art. 30-37 of Regulation (EU) no. 231/2013.

In 2023 there were no changes in the Risk Profile for the Company. The risk profile is defined according to the level of the risk appetite associated with each category of major risks, depending on the Company risk tolerance and business strategy.

## RISKS WITH MAJOR IMPLICATIONS

The main macroeconomic risks present in 2023 were inflation and geopolitical uncertainty, factors with major economic, financial and social implications. The still high price levels, especially for food and energy products, fuelled inflation, and the evolution of Russia's military aggression against Ukraine, together with the conflict between Hamas and Israel, are among the additional geopolitical risks.

Inflation remains an economic factor affecting the entire Romanian economy, but mainly final consumers. The annual inflation rate stood at 6.6% at the end of 2023 and is forecasted to keep to a downward trajectory in 2024, even though it should temporarily increase during the first months of 2024 (following the increase in indirect taxes in January and the removal of the cap on the mark-up on some basic food in February). However, uncertainty around these forecasts remains high.

In this slightly disinflationary context, the NBR is expected to initiate the cycle of reducing the reference interest rate in the middle of this year, and the monetary policy rate is expected to be in the range of 5.75%-6% at the end of 2024.

The evolution of the Hamas group - Israel conflict, the Russia's military aggression against Ukraine and the perpetuating Russia's attacks generate considerable uncertainties and risks to the outlook for economic activity, and implicitly the medium-term evolution of inflation, through the potentially higher effects exerted, in multiple ways, on purchasing power and consumer confidence, as well as on the activity of companies, but also through the more severe potential impact on the economy and on the risk perception of economic indicators, with an adverse impact on financing costs. At the moment it is very difficult to estimate an end to the military conflicts, and as far as the conflict in Ukraine is concerned, one can assume that the effects on the economic evolution will be felt long beyond the moment of a ceasefire.

In terms of economic activity, it should be noted that in recent quarters the Romanian economy has performed better than other economies in the region, with the growth trend remaining intact despite the major adverse shocks it has faced.

We also note that the implications and expressions of the events listed above require continuous monitoring by the Manager, as well as corrective measures adapted to crisis situations.

## MAJOR RISKS

The risk management policy is based on a system of limits used to monitor and control risks. The developments in the level of portfolio share prices did not lead to exceeded risk limits.

In 2023, the following categories of potential or existing risks to which the Company is exposed were analysed and assessed:

### 1. The market risk

**The market risk** is the risk of recording losses on positions in the profit or loss statement, in the balance sheet and off-balance sheet, due to fluctuations in the prices at which the securities in the portfolio are traded. These fluctuations are attributed to changes in market variables: share prices, developments in interest rates or exchange rates, which could change the value of the financial instruments held.

For the measurement and assessment of market risks, a tradable sub-portfolio VaR is calculated, i.e. an indicator that expresses the maximum potential loss, with a certain probability of error, expected over a certain period of time, on the assumption that past developments in prices will determine the future price behaviour. The calculated VaR was 1.63% with a probability of 99%, placing the Company within the limits of a low risk, according to the risk profile.

### 2. The currency risk

**The currency risk** is the current or future risk of a negative impact on profits and capital due to the possible adverse influence of changes in the exchange rate, with an adverse impact on investment. It is determined by adding up all the investment exposed to currency risk, which is then related to the value of the total assets. The currency risk of the Company portfolio as at the end of December of 2023 was 7.37%. It falls within the limits of a medium risk (7.01-15.00%) undertaken based on the risk profile.

### 3. The interest rate risk

**The interest rate risk** is the current or future risk of an adverse impact on profits and capital as a result of adverse changes in interest rates. The bank deposits held by the Company are interest-bearing assets, generally invested at short-term

interest rates and are not exposed to any major risk of change. The Company does not use financial derivatives to protect itself against interest rate fluctuations.

#### 4. The credit risk

**The credit risk** is the current or future risk of an adverse impact on profits and capital as a result of the debtor's failure to meet contractual obligations. The exposure to credit risk in relation to units was reduced by taking the following steps:

- Conducting a prior check in terms of the investees, so as to ensure that there is a sound and prudent investment strategy, correlated with the Company investment strategy;
- Monitoring the return on funds, as well as the individual return on the most significant investment;
- Monitoring events that could indicate a decrease in the value of units, such as the decline of the market in which it invests or of a business sector that corresponds to a significant sub-portfolio.

The exposure to credit risk related to equity securities is mainly due to the possibility of an inability to meet outstanding obligations, as a result of the loss-making conclusion of previous years, which completely exhausted the equity. For the Company, the Risk Management Division within the Manager calculates indicators that determine the value of exposures to shares issued by listed and unlisted portfolio companies, with a high level of bankruptcy risk, in relation to the value of the equity. Thus, both the rate of exposure to listed issuers with a high risk of bankruptcy and the rate of exposure to unlisted issuers with a high risk of bankruptcy fall within the limits set by the approved risk profile.

#### 5. The concentration risk

**The concentration risk** is the risk arising from exposures to each counterparty, including central counterparties, groups of associated counterparties and counterparties in the same economic sector, the same geographical region, or carrying out the same activity, supplying the same commodity or to the same issuer. It is analysed using the ratio between the value of that exposure and the value of the total assets, and it falls within certain predetermined limits. The concentration risk is divided into six indicators that are part of the risk profile, which are listed below. All these indicators fall within the limit of the degree of risk undertaken.

No.	Risk indicators	Risk appetite	Risk appetite range	Risk tolerance range	Current level	Risk tolerance compliance	Level of risk recorded
1	Unlisted securities/Total assets	Low	8.01 - 16%	0 - 24%	6.75%	Yes	Very low
2	Holdings with the same issuer/Total assets	Low	12.01 - 24%	0 - 36%	21.62%	Yes	Low
3	Holdings with issuers of the same group/Total assets	Low	15.01 - 30%	0 - 45%	21.62%	Yes	Low
4	Current accounts/Total assets	Very low	0 - 4%	0 - 8%	0.87%	Yes	Very low
5	Liquid assets with the same bank/Total assets	Very low	0 - 4.50%	0 - 9%	3.09%	Yes	Very low
6	Level of units issued by a single UCITS/Total assets	Very low	0 - 8%	0 - 16%	0.92%	Yes	Very low

Table no. 5.1 *Risk indicators as at 31.12.2023*

#### 6. The country risk

**The country risk** is the risk of exposure to losses arising from the economic, social and political conditions of the home country of the entity issuing the portfolio securities, or from the economic, social and political conditions of the country in which the capital markets where they are traded operate. Romania's sovereign rating is currently ranked on the last notch of the 'Investment grade' category by all three main rating agencies (Moody's, Fitch and Standard & Poor's). In early October of 2023, the S&P rating agency reconfirmed the rating of Romania's government debt as BBB-/A3 for the long- and short-term foreign currency debt, as well as the stable outlook. The decision to reconfirm the sovereign rating and maintain the stable outlook is supported, in the agency's view, by the low level of external and government debt, as well as solid growth prospects.

Moreover, in early November of 2023, the Moody's rating agency kept the rating assigned to Romania's foreign currency debt (Baa3), as well as its 'stable' outlook unchanged. Moody's listed as positive aspects for Romania: the prospects for a robust medium-term growth of the economy, supported by ample allocations of EU funds and high inflows of direct foreign investment, together with a manageable level of public debt. These favourable developments are counterbalanced, according to Moody's, by the poor quality of state institutions, by the government's continued difficulties to sustainably and significantly reduce the high levels of public deficit and current account deficit, by geopolitical risks and external vulnerability.

#### Romania's sovereign rating

The name of the rating agency	Latest action	Date	In foreign currency	In RON	Outlook
Moody's	Confirmation of rating and outlook	Nov. of 2023	Baa3	Baa3	Stable
Standard & Poor's	Confirmation of rating and outlook	Oct. of 2023	BBB-	BBB-	Stable
Fitch	Change of outlook	Mar. of 2023	BBB-	BBB-	Stable

Table no. 5.2 *The classification of Romania's country risk by the main rating agencies*

The end of 2023 also confirmed major accumulated uncertainties and risks, mostly caused by inflation, energy security and geopolitical uncertainty.

#### 7. The counterparty risk

**The counterparty risk** is the risk that one of the parties to the contract may not meet its contractual obligations, leading to a loss for the other party; this risk arises in particular from OTC derivative transactions or financial instrument financing transactions. Moreover, the exposure to the risk of credit institutions results primarily from the relationships with the institutions where the available cash is deposited. In order to manage this risk, the Manager has chosen local credit institutions for depositing the available cash, whose financial soundness it monitors on the basis of publicly available information.

In 2023 the Company did not carry out financial derivative transactions, as defined in Section C, sub-sections 4 to 10 of Annex I to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, implemented by Articles 38 and 39 of Regulation no. 1287/2006.

Moreover, one analyses the possibility of insolvency for institutions providing services (such as asset custody ones) or situations where transactions are carried out involving shares/bonds issued by unlisted companies on a regulated market or within a multilateral trading facility. According to calculations made, the results are within the scope of the parameters set in the Risk Profile. The lack of a portfolio of derivatives or pending (unsettled) transactions places the Company in the very low risk area.

#### 8. The liquidity risk

**The liquidity risk** is the current or future risk of an adverse impact on profits and capital, determined by the Company's inability to meet its obligations when due.

The Risk Management Division of the Manager monitors liquid assets in the form of cash and highly liquid assets against its short-term liabilities. The main liquidity calculation indicator is "*Liquid assets/Average monthly expenses*", which, as at 31.12.2023, was 45.26, expressing the fact that the Company can meet its current obligations using the liquid assets which it holds. This indicator falls within the very low risk level according to the risk profile, which means that the amount of the cash or cash equivalents represents at least five times the amount of the average monthly expenses.

Another liquidity indicator pursued is the grouping of assets in liquidity bands specified in the Guidelines on reporting obligations in accordance with art. 3(3)(d) and art. 24(1), (2) and (4) of AIFM - ESMA/2014/869 (118, 119), i.e. the percentage of the Company portfolio that can be liquidated in each of the specified liquidity periods. In order to mitigate/avoid the liquidity risk, the Manager adopts a prudential policy in terms of cash outflows.

The liquidity bands are those set out in the Regulation no. 231/2013, as follows:

Percentage of the portfolio that can be liquidated within:						
0-1 day	2-7 days	8-30 days	31-90 days	91-180 days	181-365 days	over 365 days
0.03%	1.01%	2.01%	6.01%	12.25%	26.093%	52.60%

Table 6.3. *Liquidity bands*

For the Company, one calculated the percentages of assets falling within the liquidity bands in relation to the total assets managed. Portfolio positions were assigned to one or more periods, based on the length of time during which they could reasonably be liquidated, at book value or at a value close to it, the total being equal to 100%. The calculations made for 2023 show that the fund falls within medium risk, for six maturity bands, and very low risk (181-365 days), for one band. Please note that, for all bands, the portfolio falls within the risk tolerance set by way of the Risk Profile.

#### 9. The operational risk

**The operational risk** is the risk of loss resulting either from the use of internal processes, people or systems that are inadequate or that have not performed their function properly, or from external events and actions. The legal risk is also included in this category of risks.

In 2023, the main macroeconomic risks present were inflation and geopolitical uncertainty, factors with major economic, financial and social implications. These risk factors have been described in the chapter on Risks with Major Implications.

Throughout 2023, the Manager ensured the IT security protection, through its own architecture incorporating firewalls, applications for protecting against data loss, intrusion prevention systems, antimalware and antivirus solutions. The set of policies and procedures of the Manager is adapted to maintaining an optimal level of cyber security, implicitly reducing the risks generated by cyber security incidents.

In 2023, no risks of loss were reported, resulting either from the use of internal processes, people or systems that were inadequate or that did not perform their function properly, or from external events.

#### 10. The strategic risk

**The strategic risk** is the current or future risk of an adverse impact on profits and capital due to a lack of response to changes in the business environment, unfavourable business decisions or their inappropriate implementation. Under conditions of extensive capital market volatility, there is the risk of non-fulfilment of the management plan according to communications to investors, due to the non-realisation of the dividend income expected when preparing the revenue and expenditure budget, as well as the negative influence of the decrease in shareholdings measured at fair value through the profit and loss account. Macro influences can be reflected on the business of companies within the Company portfolio and implicitly on the investment activity.

#### 11. The reputational risk

**The reputational risk** is the current or future risk of an adverse impact on profits and capital caused by the unfavourable perception of the institution image by customers, counterparties, shareholders, investors or supervisory authorities.

The Company press coverage is monitored daily, through a dedicated PR firm, and is notified to the executive management and the Board of Directors of the Manager, in order to take steps in handling potential risk situations, if necessary.

#### 12. The systemic and contagion risk

**The systemic and contagion risks** are defined by the non-fulfilment of obligations devolving on an entity from its participation in a system or in the financial market, which leads to the non-fulfilment of obligations taken on by other participants in due time. Such failure to meet obligations may cause significant liquidity or credit problems and, as a result, it may jeopardise the stability or trust in the financial system.

In terms of systemic and contagion risk, both Russia's war against Ukraine and the armed attacks generated by the Hamas group against Israel should be mentioned. The conflict between Hamas group and Israel raises concerns about its expansion on a wider scale, but also through the negative impact on the economy, trade and tourism in countries in the region such as Egypt, Lebanon and Jordan, effects that can generate concerns and other possible international economic consequences with effects that are difficult to quantify (an oil crisis, an energy crisis, a crisis of the freight and passenger transport and related industries) or may attract a global liquidity crisis.

According to analyses carried out by the NBR, the main systemic risks that can affect the domestic economy are related to:

- The deterioration of the domestic macroeconomic balance, as a result of geopolitical developments;
- The uncertain and unpredictable legislative framework in the financial and banking field, with implications on the solvency of the banking sector;

- The risk of an increase in financing cost as a result of the increase in interest rates and/or the depreciation of the national currency with negative effects on debtors' ability to pay;
- The risk associated with cyber security and financial innovation challenges;
- The default risk for loans taken by the non-governmental sector.

On the other hand, within the portfolio of SIF Muntenia, Banca Transilvania SA can be deemed to be an exposure that adds systemic risk, especially due to the size of the bank, as it is the largest bank within the Romanian banking system at the moment, with 19.91% market share in terms of assets, according to data provided by the NBR. The business model of the bank focuses on the sector of small and medium enterprises, entrepreneurs and individual customers. For the constant monitoring of the systemic risk generated by this exposure, the Company has access to and analyses the assessments made by rating agencies and public ones performed by the NBR. As regards the rating assessments of Banca Transilvania, this indicator is rated 'BB+', with a stable outlook, by the Fitch Ratings rating agency, and 'Baa3' by Moody's.

SIF Muntenia has an exposure for Banca Transilvania of 22.73% of all assets certified by the Depositary Bank as at 31.12.2023. As regards this exposure, we believe that the analysis of the complex assessments of the NBR, as well as the assessments made by rating agencies leads to constant monitoring of the systemic risk generated by this exposure.

## **THE COMPLIANCE BY CATEGORIES OF ASSETS WITHIN THE PORTFOLIO WITH LEGAL HOLDING LIMITS**

The holding limits for the Company portfolio and the categories of assets in which the Company may invest are defined by the applicable laws, namely:

- Law no. 243/2019;
- FSA Regulation no. 7/2020.

Based on conducted analyses, the Company investment portfolio complied with the requirements provided for by the applicable laws throughout 2023.

## **THE LEVERAGE**

Leverage involves any method whereby the Company increases the exposure of the portfolio which it manages, either through a loan of cash or securities, or through positions in financial derivatives or by any other means. Leverage is expressed as the ratio between the overall exposure of the portfolio of financial instruments (calculated using both the gross method and the commitment method) and the net asset value.

The policy of the Manager is not to use the leverage in the management of the Company portfolio, i.e. not to employ methods to increase the portfolio exposure. In 2023, no securities financing transactions (SFTs) took place and no transactions with total return swap instruments were carried out, as defined by EU Regulation 2365/2015.

## **STRESS TESTING**

### **The stress test**

In accordance with the Risk Management Policy and the laws on AIFM, regular stress testing in normal situations shall be carried out at least annually, on the date set in accordance with working procedures and notified to the FSA. In 2023, the Risk Management Division within the Manager performed a stress test for the Company for 31.10.2023.

The purpose of this test was to obtain an estimate of the impact of a crisis situation on the Company portfolio and the value of the assets under management. The types of risk covered by this test were the market risk and the credit risk. For the creation of the crisis scenario, stress factors that could influence the portfolio, i.e. events which, despite being rather infrequent, could have a major impact on Company assets, were identified and approved. As a conclusion to the test, we can note that the Company has a major investment component exposed to the risk of falling share prices and also to the credit risk. The materialisation of certain scenarios could also lead to the exceeding of certain limits set out in the risk profile for certain indicators.

## The liquidity test

In 2023, according to the laws in force<sup>56</sup>, a liquidity test was performed for the Company, by simulating a series of conditions, the purpose of this test being to obtain an estimate of the impact of a liquidity crisis situation on the assets, liabilities and overall liquidity of the Company. The risk covered by this test is the liquidity risk, which is the risk that a position may be beyond selling, liquidating or closing at limited costs.

Even though the Company has a major component of exposure to the liquidity risk and the risk of falling share prices, it is not, by nature, exposed to redemption requests. This means that the potential impact of obligations undertaken by the Company has a limited effect, and they can be met at any time. The results obtained underline the fact that the Company is a sufficiently liquid fund to be able to meet its obligations arising from balance sheet liabilities. It is also worth noting that the materialisation of the scenarios taken into account will not lead to the exceeding of holding limits, as specified in the legal regulations applicable to the Company activity.

## 7 SHARES ISSUED BY THE COMPANY

### THE SHARE CAPITAL

The subscribed and paid-in share capital is RON 78,464,520.10, divided into 784,645,201 common shares, with a face value of RON 0.1000/share.

### CHARACTERISTICS OF THE SHARES ISSUED BY THE COMPANY

All shares are ordinary ones.

During the period under review, the financing of the entire activity was achieved solely using own funds.

The shares issued by the Company are listed on the BVB regulated market (SIF4 symbol), within the main segment, in the Premium category, in accordance with the provisions of the BVB Decision no. 200/1999 and have been traded in this market since 01.11.1999.

The records of Company shares and shareholders are kept by Depozitarul Central SA, a company authorised by the Financial Supervisory Authority (FSA), as the competent authority, the National Bank of Romania (NBR) and the European Central Bank (ECB), as the relevant authorities, in accordance with (EU) Regulation no. 909/2014, under Authorisation no. 176/19.12.2019, and is enrolled in the Register of Central Depositories kept by ESMA.

The shares are included in a series of indices calculated by BVB, i.e. BET-FI<sup>57</sup> (the index comprising SIF-type investment funds and Fondul Proprietatea), BET-XT (the index that reflects the prices of the 25 most traded companies in the BVB regulated market, including financial investment companies), BET-XT-TR (the index that reflects both the developments in the prices of component companies and the dividends offered by them; it is the total return version of the BET-XT index), BET-BK (the index created to be used as a benchmark by fund managers, but also by other institutional investors, the calculation methodology reflects legal requirements and investment limits of the funds). The table below shows details of SIF4 share transactions of 2023.

	REGS <sup>58</sup>	DEALS <sup>59</sup>
<b>Number of transactions</b>	5.106	5
<b>Number of traded shares (M)</b>	10.79	6.98
<b>Total amount of the transactions (MRON)</b>	15.56	10.09
<b>% of the total number of shares<sup>60</sup></b>	1.4	0.9

Table no. 7.1. Transactions in SIF Muntenia SA shares in 2023

<sup>56</sup> FSA Rule no. 39/2020

<sup>57</sup> As at 08.12.2023 (the last adjustment of 2023) the share of SIF4 of the index was 17.21%

<sup>58</sup> The main (Regular) market of BVB

<sup>59</sup> The auxiliary market to the Regular market, of negotiation where Deals are concluded, for which BVB establishes a minimum amount for the transaction

<sup>60</sup> Traded and in circulation



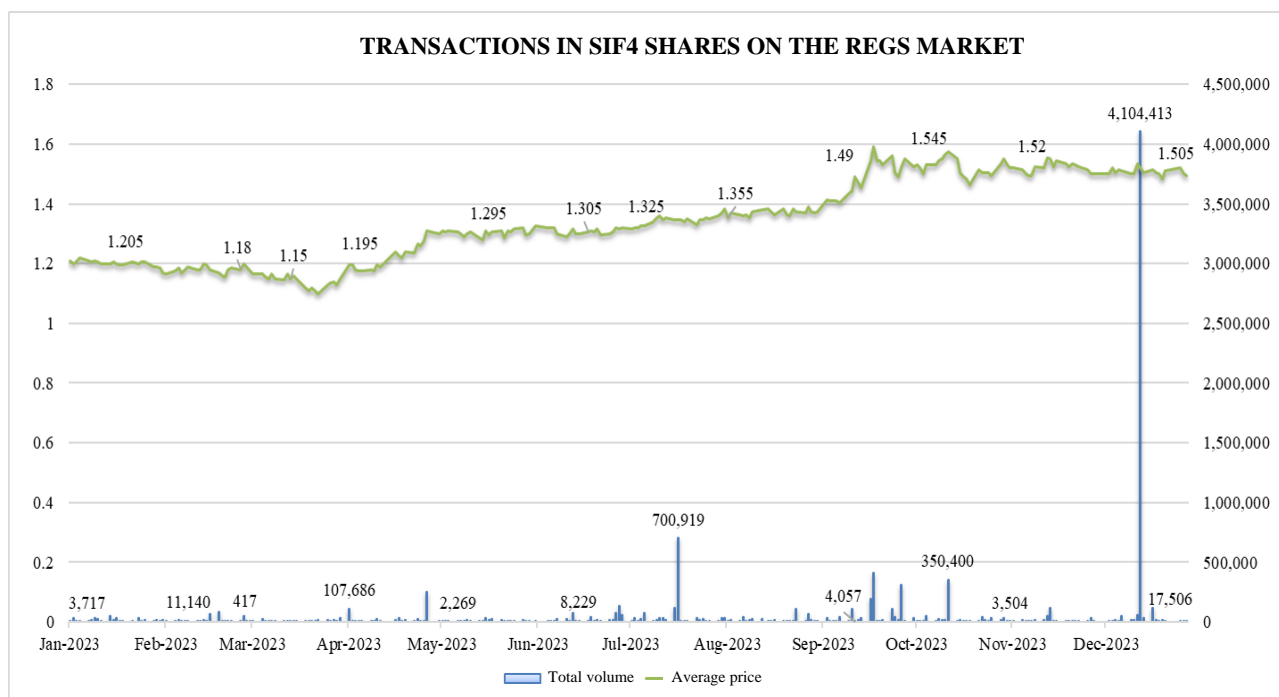


Chart no. 7.1. The average trading price and the volume of transactions in REGS of the SIF4 share in 2023

## COMPANY SHAREHOLDERS

The table below shows the summary structure of Company shareholders, as at 31 December 2023.

31/12/2023			
	Number of shareholders	Shares held	% held of total shares
Resident individuals	5,930,511	455,857,404	58.10
Non-resident individuals	2,032	1,670,443	0.21
Resident legal entities	110	275,656,639	35.13
Non-resident legal entities	9	51,460,715	6.56
<b>TOTAL</b>	<b>5,932,662</b>	<b>784,645,201</b>	<b>100</b>

Table no. 7.2. The shareholding structure as at 31.12.2023

Source: Depozitarul Central SA

Company shareholders' rights are protected in accordance with laws in force. The Company adheres to a policy of effective and active communication with its shareholders and ensures that all shareholders are treated fairly in terms of the access to public information.<sup>61</sup>

<sup>61</sup> <http://www.sifmuntenia.ro/despre-noi/guvernanta-corporativa/documente-la-zi/>

## 8 CORPORATE GOVERNANCE

The Manager is committed to maintaining and developing the best practices in corporate governance, for ensuring an effective decision-making process that leads to the long-term viability of the business, to achieving Company objectives and to creating a sustainable value for all stakeholders.

The Manager believes that compliance with the Corporate Governance Code of BVB ensures the accuracy and transparency of the Company's decision-making process and allows equal access for all shareholders to relevant information, being a means of maintaining the Company's competitiveness in an environment which is increasingly affected by accelerated changes.

The Company's Rules of Corporate Governance present the corporate governance structures, the decision-making rules and procedures, the governance standards that ensure the application of the general management and control principles of the Company activity for the shareholders' benefit. The Rules can be checked on the Company website, under *Corporate Governance*<sup>62</sup>.

The set of corporate governance rules defines the structure by means of which Company objectives are set, the means by which they can be achieved efficiently and transparently in dealings with the shareholders and for activity and performance monitoring.

### Corporate Governance Structures

The Company management is carried out on a uniform basis, in compliance with the provisions of the Companies Law no. 31/1990 and the Instrument of Incorporation. In accordance with the Instrument of Incorporation, the Company management is achieved under a Management Contract concluded with the Manager.

During the periods between Shareholders' General Meetings (SGM), the Manager's activity is supervised by the Board of Shareholders' Representatives (BoSR), a supervisory body consisting of three individuals elected by the SGM, for a four-year term of office. The duties and responsibilities of the BoSR are laid down in the Company Instrument of Incorporation.

### The Shareholders' General Meeting

The Shareholders' General Meeting is the Company's supreme governing body.

General Meetings are ordinary and extraordinary. The SOGM shall meet at least once a year within four months of the end of the financial year. The SEGM shall be convened whenever necessary. The SOGM or the SEGM, as the case may be, shall be convened by the Manager's BoD, under the law, and based on the requests of shareholders representing at least 5% of the share capital, if the relevant request contains provisions falling within the duties of the meeting, or based on requests from the FSA.

The duties of the SGM are specified in the Instrument of Incorporation and comply with legal provisions in force. The updated Instrument of Incorporation is published on the Company website, [www.sifmuntenia.ro](http://www.sifmuntenia.ro), in the dedicated section. SGM Decisions are taken by open vote or secret ballot. The secret ballot is mandatory for the appointment of BoSR members or for their dismissal, for the appointment or dismissal of the Director, and for the appointment or dismissal of the financial auditor and for making decisions regarding the liability devolving on the members of the administrative bodies. SGM Decisions, taken in compliance with the law and the Instrument of Incorporation, are binding on all shareholders, including those who do not attend the meeting or who vote against such decision.

The SGM is chaired by one of the permanent representatives appointed by the Manager and registered with the Trade Register as a legal representative of the Company.

Shareholders' General Meetings (SGMs) are convened by the Manager at least 30 days before the date set for them. The BoD of the Manager approves procedures regarding the orderly and effective organisation and performance of SGM proceedings, in accordance with legal provisions and relevant FSA regulations. The procedures for participation and voting at the SGM are made available to shareholders at the headquarters of the Company and displayed on the Company website, together with the information and materials regarding the SGM: the Notice to attend the SGM, informative

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<sup>62</sup> <https://www.sifmuntenia.ro/despre-noi/guvernanta-corporativa/documente-la-zi/>

materials and documents subject to SGM debates and approvals, special power of attorney forms and postal vote ballot papers, decisions taken by SGM and the result of the vote for each item on the agenda. The decisions taken within SGMs are reported to the FSA and BVB, and are published in a national daily newspaper and in the Official Journal, Part IV.

The Manager uses its best efforts to ensure a fair treatment of all Company shareholders, regardless of the number of shares held, including non-resident shareholders, providing them with relevant and up-to-date information.

In 2023, the following Company SGMs took place:

1. The SOGM of 27 April 2023; the decisions are published in the current report of 27 April 2023, both on the BVB website and on the Company website;
2. The SEGM of 21 June 2023; the decisions are published in the current report of 21 June 2023, both on the BVB website and on the Company website;
3. The SOGM of 25 October 2023; the decisions are published in the current report of 25 October 2023, both on the BVB website and on the Company website.

Current reports related to the Company Shareholders' General Meetings listed above are available, for consultation, on the Company website, i.e. [www.sifmuntenia.ro](http://www.sifmuntenia.ro), in the dedicated section, and on the BVB website.

### **The Board of Shareholders' Representatives (BoSR)**

The BoSR is a body that represents Company shareholders' interests in relation to the Manager.

The BoSR mainly has the following duties:

- To represent the Company in relation to its Manager;
- To negotiate and conclude the Management Contract;
- To monitor compliance with contractual clauses and commitments undertaken by the Manager under the Management Contract and under the management programme approved by the Company SGM;
- To analyse the regular reports drawn up by the Manager regarding the way in which it has exercised its duties in terms of:
  - The Company management;
  - The exercise of the rights granted by the holding of securities in the Company portfolio;
  - The defence of Company rights and interests before courts, arbitration courts, and any bodies with jurisdictional and administrative powers.
- To ask for actions designed to ensure compliance by the Manager's activity with the provisions of the Management Contract, FSA regulations, annual management programmes, revenue and expenditure budgets approved by the Company SGM and the applicable laws;
- To verify the conclusion of the contract with the financial auditor according to the decision of the Company SGM;
- To verify the preparation of the annual financial statements by the Manager and the proposals for the distribution of the profit to be submitted to the Company SGM for approval purposes;
- To verify the preparation of the annual programme regarding the management of the Company portfolio;
- To verify the preparation of the Company revenue and expenditure budget in order to submit it to the Company SGM;
- To verify the preparation by the Manager of half-yearly and quarterly reports in accordance with legal provisions and FSA regulations;
- To verify the preparation of materials to be submitted to the Company SGM;
- To verify the conclusion of the Depositary Contract or the contract with Depozitarul Central.

According to the SOGM Decision of 22.06.2022, the composition of the Company Board of Shareholders' Representatives is as follows: Mr. Gioga Ștefan Dragoș, Mr. Pană Robert-Cosmin and Mr. Ștefan George-Alin. The members of the BoSR were elected for a four-year term. As a result of the decision adopted in the meeting of 10.08.2022, BoSR members elected Mr. Ștefan Dragoș GIOGA as the Chair of BoSR. Mr. Ștefan Dragoș GIOGA also held the position of Chair of BoSR during the previous term of office.

## **The Company Manager**

Throughout 2023, the Company was managed by SAI Muntenia Invest SA under the Management Contract endorsed by FSA through Opinion no. 165/22.07.2020, with a 4-year validity.

The Manager is represented by the three members of the BoD and by permanent appointed representatives. The members of the BoD of the Manager are elected by the SGM of the Manager for a period of four years, with the possibility of being re-elected. The members of the BoD should cumulatively meet the general conditions provided for by the Companies Law no. 31/1990 and those applicable to entities regulated by the FSA. The members of the BoD of the Manager are authorised by the FSA.

The BoD Chair is elected by the SOGM of the Manager. The structure and composition of the BoD are in accordance with the requirements of specific applicable laws, so that the Manager should effectively meet its obligations. The structure of the BoD ensures a balance between executive and non-executive members, so that the decision-making process of the Board should not be dominated by any one person or small group of people.

The Manager's obligations are regulated by provisions regarding the term of office and provisions specifically laid down in the Companies Law no. 31/1990, as subsequently amended and supplemented, by capital market laws, by applicable FSA regulations, by provisions of the Instruments of Incorporation of the Manager and of the Company, as well as provisions of the Management Contract.

There are no family agreements or arrangements by which SAI Muntenia Invest SA has been appointed as the Company Manager.

The Manager does not own shares within the Company or within other companies where the Company has control.

As at the time of preparation of this report, the Manager has the following contractual obligations regarding the Company management:

- a) To manage the Company investment, and, in managing it, to carry out the following activities:
  - To exercise the rights arising from the ownership of financial instruments on behalf of the Company;
  - To purchase financial instruments on behalf of the Company, using its financial resources;
  - To trade financial instruments from the Company portfolio, on a temporary or permanent basis, either partially or fully, including those establishing real rights.
- b) To carry out activities regarding:
  - The legal and accounting services related to the Company management;
  - Market research;
  - The assessment of the Company portfolio and the determination of the value of financial instruments issued by the Company, including tax matters;
  - The monitoring of compliance with regulations in force;
  - The conclusion of a contract with a company that keeps records of holders of financial instruments issued by the Company;
  - The distribution of revenues due to Company shareholders;
  - The issuance of Company shares;
  - The keeping of Company records.
- c) To carry out specific activities regarding the marketing of financial instruments issued by the Company;
- d) To carry out any other activities regarding the Company management, in compliance with the provisions of laws in force.

The Manager's main objectives are defined by the annual programmes regarding the Company management and are subject to approval by the SGM.

In 2023, the composition of the Manager's BoD and its members' professional training were as follows:

Surname and first name	Position	Term of office validity*	Qualifications
<b>Adrian Simionescu</b>	Chair	20.08.2025	PhD in Economics (PhD), the Faculty of International Economic Relations, the Bucharest Academy of Economic Studies; Bachelor of Laws, the Faculty of Law, the Bioterra University; BA in Economics, the Bucharest Academy of Economic Studies; MA in Quality and Crisis Management, the Bucharest Academy of Economic Studies; The CV can be checked <a href="#">here</a> <sup>63</sup> .
<b>Dorina Teodora Mihăilescu</b>	Member	27.12.2025	The National University of Political Studies and Public Administration, the Faculty of Political Sciences; The National Defence College; The Bucharest Academy of Economic Studies, the Faculty of Commerce; The CV can be checked <a href="#">here</a> .
<b>Sergiu Mihailov</b>	Member	05.10.2024	Bachelor of Laws, the Faculty of Law, the University of Bucharest; BA in Finance & Insurance, the Faculty of Economic Sciences, the West University of Timișoara; Member of the Association of Chartered Certified Accountants, the UK; Member of the Chamber of Financial Auditors of Romania and of the Chamber of Tax Consultants of Romania; The CV can be checked <a href="#">here</a> .

\*The expiration date for the authorisation issued by the FSA.

Table no. 8.1. *Composition of the Manager's BoD*

In 2023, the meetings of the BoD took place at the Manager's headquarters. In 2023, the BoD had a number of 44 meetings<sup>64</sup>, during which matters related to the proper operation of the Company and its prospects for development were analysed.

#### **The Management Contract concluded with SAI Muntenia Invest SA (the Manager)**

The price of the Management Contract concluded between the Company and the Manager is represented by the management fee, consisting of a monthly management fee and a performance fee, determined and paid according to criteria presented in Chapter V of the Management Contract approved within the SOGM of 23 April 2020.

The management fee consists of a monthly fee and an annual performance fee granted, where appropriate, subject to the conditions set out in the Management Contract:

- The monthly fee is calculated and paid on a monthly basis and is equal to 0.125% of the value of the total asset as certified by the Company Depositary for the last business day of the month;
- The annual performance fee is calculated at the end of the year and is paid after the approval by the SGM of the financial statements and is equal to 10% of the value by which the gross profit earned exceeds the gross profit

<sup>63</sup> <https://www.sifmuntenia.ro/despre-noi/conducere/administratorii-si-conducerea-executiva-sif-muntenia/>

<sup>64</sup> According to section A- *Responsibilities* of the Stage of compliance with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange

provided for in the revenue and expenditure budget approved by the Company SGM for the year in which the profit was recorded.

The management fee for the 2023 financial year amounted to RON 50.23 million, representing 2.45% of the average net assets and 2.39% of the average total assets of the Company in 2023, respectively.

### **The Company Remuneration Policy**

During the SOGM of 28 April 2021, the Company Remuneration Policy was approved, as prepared by the Manager and endorsed by the BoSR of SIF Muntenia SA, in accordance with Law no. 24/2017.

The purpose of the Remuneration Policy is to establish corporate governance principles in terms of the remuneration for:

- The Fund Manager,
- The members of the BoSR,

as provided for in the laws in force, as well as the Corporate Governance Code of the Bucharest Stock Exchange (BVB).

In order to promote the development of corporate governance subject to best practices and prudent management, also considering the fact that representatives of the Manager are paid in accordance with the Remuneration Policy of the Manager and Directive 2011/61/EU, SIF Muntenia SA has to observe certain requirements underlying the application of corporate governance principles related to the remuneration of the executive/senior management, as follows:

- The Company Remuneration Policy has been prepared by the Manager, but analysed and endorsed by the BoSR so that it should match the business strategy, objectives and long-term interests of the Company and so that it should incorporate actions designed to prevent conflicts of interests;
- The BoSR ensures that all remuneration-related commitments are properly and responsibly structured and that remuneration policies allow and promote effective risk management without leading to risk-taking that exceeds the level of risk tolerance of the regulated entity;
- The level of remuneration is established in close connection to the responsibilities and commitments related to the duties.

The Remuneration Policy of the Manager of SIF Muntenia SA reflects sound remuneration principles, aligning its employees' personal objectives with the long-term interests of the Manager and of SIF Muntenia SA.

#### *The remuneration of BoSR members*

The net monthly remuneration of each BoSR member is RON 5,500 net and RON 10,000 net for the Chair of the BoSR, as approved by the Company SGM.

The Company Remuneration Policy has been drafted based on the principle of avoiding conflicts of interests and includes actions that ensure a professional and responsible behaviour within SIF Muntenia SA:

- The level of the remuneration for the Manager and BoSR members is set in close connection with the responsibilities and commitments related to duties, in accordance with the provisions of the Management Contract and of the Mandate Contract;
- The shareholder who is also a members of the BoSR will not participate in the decision-making regarding the remuneration package and/or the Mandate Contract thereof;
- The elimination of any direct tie between the remuneration of relevant persons carrying out mainly one activity and the remuneration of other relevant persons carrying out mainly another activity, when the activities in question may give rise to a conflict of interests;
- The ban on using the position held within SIF Muntenia SA in the interests of people with whom there are kinship or other extra-professional relations within remuneration practices; in order to avoid conflicts of interests, the aim is to avoid appointing people to such positions, which is why each candidate to the position of BoSR member must provide a questionnaire on his/her independence which will be the basis of the independence analysis carried out by the BoSR.

#### *The remuneration of SIF MUNTENIA SA employees*

SIF Muntenia SA has only one employee of its own with a fixed monthly remuneration related to the national minimum wage, on a part-time basis (2 hours/day, 10 hours/week), with duties specific to the cashier position. All other necessary services are provided by the Manager of SIF Muntenia SA through its own employees and contractors.

### *The Management Contract of the Manager of SIF Muntenia SA*

The Management Contract of the Manager of SIF Muntenia SA was approved by shareholders within the SOGM of 23 April 2020 and its amount is represented by the management fee, consisting of a monthly management fee and a performance fee, if the criteria set out in Chapter V of the Management Contract are met.

The monthly management fee is determined according to the following formula:

The monthly management fee =  $ATc \times C$

*ATc* represents the amount of the total assets of SIF Muntenia SA as certified by the Depositary for the last business day of the month

*C* represents a percentage coefficient. Starting from the date of entry into force of such Contract, the value of this coefficient is 0.125%

Depending on the way in which the Manager meets the performance criteria and objectives established annually by the SGM of SIF Muntenia SA through the Management Programme and the revenue and expenditure budget, SIF Muntenia SA will pay a performance fee to the Manager, in accordance with the provisions of the Instrument of Incorporation of SIF Muntenia SA, calculated as follows:

Performance fee = (Achieved gross profit – Budgeted gross profit) x 10%

The management fee of the Manager for the 2023 financial year totalled RON 50.23 million, of which the performance fee is RON 18.71 million.

### *The remuneration of the employees of the Manager SAI Muntenia Invest SA*

The Board of Directors (BoD) of SAI Muntenia Invest SA appoints an advisory committee composed of two members whose role is to consult/assist the BoD in establishing and supervising remuneration policies and practices, as well as policies and practices for nominating and assessing people from the management structure, referred to as the Nomination and Remuneration Committee (NRC). NRC members are BoD members not holding executive positions within SAI Muntenia Invest SA.

The composition of NRC considers the fact that, at aggregate level, NRC should have sufficient professional skills and experience in terms of risk management and control activities, specifically with reference to the mechanism of aligning the remuneration structure with the risk and capital profiles of SAI Muntenia Invest SA or of the entities managed, respectively.

### **The Manager's Remuneration Policy**

The BoD has approved the remuneration policy to ensure that the remuneration of the Manager's staff promotes sound and effective risk management and does not encourage risk-taking contrary to the Company risk profile, rules or Instrument of Incorporation.

The Remuneration Policy and remuneration practices apply to the management of the Manager and to categories of staff whose professional activities have a significant impact on the Company risk profile and are subject to internal assessment at least annually, and changes to be made shall take into account the economic context, the Company activity, as well as its strategy and objectives.

The following prerequisites were taken into account in drawing up the Remuneration Policy:

- For management services, the Manager obtains a monthly fee from managed entities and an annual performance fee, if applicable, according to the provisions of the Management Contract concluded with SIF Muntenia SA;
- The principle of proportionality in relation to the various characteristics of the Manager and of managed entities, as well as the principle of proportionality regarding the various categories of staff of the Manager (in accordance with chapter VII of the Guidelines on sound remuneration policies in line with AIFMD (03.07.2013/ESMA/2013/232) and chapter 7 of the Guidelines on sound remuneration policies in line with the UCITS Directive (14.10.2016/ESMA/2016/575));
- The BoD, within its supervisory role, adopts the remuneration policies and practices which it submits at least once a year to an independent internal assessment, based on which reviews can be made;
- The Remuneration Policy regarding the Manager's staff should not have a significant impact on the results obtained by the Manager or by entities managed by it;

- The remuneration of people holding control positions shall be based on the fulfilment of objectives related to their positions, there being no direct correlation with the results of areas which they monitor and control;
- Staff remuneration is based on a fixed component (the tariff salary) and an additional component (premiums or bonuses); the additional component is occasional and may be granted based on the results of the annual staff assessment; the additional component is correlated with the Manager's financial results and within the limits approved by the SGM in the Manager's annual revenue and expenditure budget; other types of benefits (monetary and non-monetary ones) are part of the Manager's general and non-discretionary policy and do not have any incentive effects in terms of risk-taking;
- The Manager has a predictable remuneration policy that is easy to manage in terms of financial/operational risks managed by the Company. In this respect, the variable staff remuneration is limited to a maximum ceiling which relates to the Manager's annual salary/remuneration fund, instead of other indicators, in order to eliminate the possibility of encouraging employees to take additional risks in achieving the objectives set.

The main principles underlying the Remuneration Policy:

- Pursuing the compatibility with the sound and effective risk management and promoting this type of management without encouraging risk-taking that is not in line with the risk profile, prospects, rules or Instrument of Incorporation of entities managed;
- The compatibility with the business strategy, objectives, values and interests of the Manager and of entities managed, as well as the interests of investors thereof, including actions for avoiding conflicts of interests.

The Remuneration Policy does not lead to conflicts of interests. Thus, the Manager takes actions designed to avoid conflicts of interests, such as:

- The staff is remunerated according to the results obtained by the Manager, instead of according to the results obtained by entities managed. This way, excessive risk-taking in the management of the entities managed is not stimulated and, implicitly, the achievement of the objectives set out in the risk profile of the entities managed and of the Manager, respectively, is ensured;
- The Risk Management Division monitors and assesses semi-annually whether total amounts granted as remuneration structures affect the risk profile of the Manager and, as the case may be, submits proposals for compliance with the limits imposed by the risk profile of the Manager to the Executive Management;
- The elimination of any direct tie between the remuneration of relevant people mainly carrying out a particular activity and the remuneration of other relevant people, or the earnings generated by them, mainly carrying out another activity, when the activities in question may give rise to a conflict of interests;
- BoD members who have an executive role within the Manager shall not participate in the decision-making regarding their remuneration;
- Any situation that may cause a conflict of interests in the remuneration process shall be brought to the attention of those responsible according to the procedure of "Policies and Procedures in terms of Conflicts of Interests".

*The structure of the remuneration for the Manager's staff*

The staff remuneration includes the basic remuneration (the basic pay) and may also include an additional remuneration or other monetary or non-monetary benefits.

*The basic fixed remuneration (the salary):* The net fixed remuneration of an employee may not exceed 2.5 times the maximum net salary at Company level as of the signing of the Employment Agreement or any Addendum amending the salary.

The fixed remuneration of management structure members is based on the following benchmarks:

- BoD members can have a maximum net fixed remuneration which is 2.5 times the maximum net salary at Company level and is established under a Management/Mandate Contract, according to a SGM decision. Any amendment to BoD members' remuneration shall be approved by the SGM;
- Members appointed to the advisory committees of the BoD, as well as the Chair of the BoD benefit from an additional net fixed remuneration representing 25% of their net fixed remuneration (for each committee);
- The CEO's net fixed remuneration may be at most eight times the maximum net salary at Company level and shall be approved by the BoD;
- The other members of the Executive Management may have a net fixed remuneration which is at most six times the maximum net salary at Company level and shall be approved by the BoD.



The level of the basic net fixed remuneration may be revised annually based on the results of the analysis and assessment of performance and/or market conditions (e.g., inflation, salary levels in the industry, etc), based on an approval from the relevant management structure, according to the Procedure on the decision-making process.

*The additional remuneration* means additional payments or allowances depending on performance or, in some cases, other contractual criteria.

The additional remuneration is an occasional component of the total annual remuneration that can only reward the performance of the Manager's employees. Both financial and non-financial criteria are taken into account in the process of assessing individual performance. Employee assessment is carried out according to the Procedure on the assessment of the professional performance of the Manager's employees. The assessment of Executive Management members is carried out by NRC based on annual reports regarding the activity carried out by them during the previous year by reference to the duties and responsibilities provided for in the Procedure on the decision-making process. BoD members may benefit from an additional annual remuneration subject to the approval of the SGM of the Manager. BoD members' total additional remuneration may be set within the limit of a maximum of 5% of the Manager's net profit recorded in the financial statements concluded during the previous financial year.

#### *Other types of benefits*

The Manager's employees, the Executive Management and the BoD, as the case may be, additionally receive monetary and non-monetary benefits.

#### *The remuneration for control positions*

The Manager shall ensure a level of the net fixed remuneration for staff holding control positions so that it should be able to hire qualified and experienced staff in such positions. If the staff holding the control positions receives additional remuneration, it will be based on achieving position-specific objectives and it will not be determined based on the performance criteria within the Manager.

The remuneration structure of staff with control roles shall be established in such a way as not to compromise the staff's independence or to generate conflicts of interests in the current activity.

#### *The Identified Staff*

The Manager (through the Executive Management, with the involvement of key functions, namely the Risk Management Division, the Compliance Division, the HR Division, and managers/officers within Company divisions) identifies and reviews the categories of staff whose professional activities have a significant impact on the risk profile of the Manager and of managed entities, respectively, on an annual basis or whenever there are significant changes.

The following categories of staff within the Manager fall into the category of identified staff, unless they are proven not to have a significant impact on the risk profile of the Manager, or the entities managed by it:

- Executive and non-executive members of the governing body (BoD members and members of the Executive Management who are not part of the BoD, as the case may be);
- The staff holding control positions (the Compliance Officer; the Representative of the Risk Management Division, the internal auditor);
- The staff in charge of running the Divisions;
- Other risk-takers such as: staff members whose professional activities – either separately or jointly, as members of a group (e.g. a unit or section of a department) – may have a significant influence on the risk profile of the Manager or of the entities managed by it, including people who can conclude contracts/positions and make decisions that significantly affect the risk positions of the Manager or of the entities managed by it;
- Other employees/people whose total remuneration falls within the same remuneration category as that of people in management positions and risk-takers.

In 2023, the remuneration was granted in compliance with remuneration principles as set out in the Remuneration Policy and remuneration practices in force of 23 January 2023 and in accordance with legal provisions. The 2023 Remuneration Report of the Manager is attached to the annual report.

Moreover, details regarding the remuneration of the Manager's staff are also provided in the BoD Report of the Manager as at 31.12.2023, which can be found on the [www.munteniainvest.ro](http://www.munteniainvest.ro) website. Likewise, the Report of the Nomination and Remuneration Committee (NRC) is attached to the aforementioned report, as provided for in art. 49(2) of Regulation no. 2/2016.

## **Advisory Committees of the Manager's BoD**

### ***The Audit Committee***

The Audit Committee is a standing committee subordinated to the BoD. It assists the Manager's BoD in fulfilling its responsibilities in the area of financial reporting, internal control and risk management and supports the BoD in monitoring the credibility and integrity of the financial information provided by the Company. The duties of the Audit Committee are detailed in the Company internal regulations.

The Audit Committee consists of independent non-executive members of the BoD and had the following composition in 2023: Mr. Adrian Simionescu (Chair) and Mrs. Dorina Teodora Mihăilescu (Member).

In 2023, the Audit Committee had 12 meetings<sup>65</sup> at the Company headquarters, which analysed and adopted the necessary measures according to the exercise of its duties and responsibilities, including, but not limited to:

- Monitoring the financial reporting process, i.e. the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) approved by the FSA Rule no. 39/2015;
- Monitoring the quarterly and 2023 H1 simplified interim financial statements;
- Analysing service contracts;
- Analysing risk reports on the management of significant risks;
- Monitoring the activity of the internal auditor;
- Monitoring and assessing the efficiency of the internal control and risk management system for 2023;
- Assessing and monitoring the independence of the audit company in accordance with relevant regulations in force.

The annual report of the Audit Committee for 2023 shall be submitted to the FSA on time, according to regulations in force.

### ***The Nomination and Remuneration Committee (NRC)***

The NRC is a standing committee, with an advisory position, subordinated to the BoD, which operates within the Manager's BoD, whose role is that of assisting the BoD in fulfilling its responsibilities regarding the nomination of candidates to management positions, as well as their assessment and remuneration. Moreover, the NRC recommends to the BoD the appointment or dismissal from office of staff holding key and control positions within the Company, the level of remuneration, their rights and duties. NRC participates in the preparation and revision of remuneration policies applicable within the Manager and at Company level. The duties of NRC are detailed in the Company Manager Internal Regulations.

The NRC mainly has the following responsibilities:

- To assess the initial suitability of those proposed for the management structure and for key positions within the Manager, in accordance with the provisions of FSA Regulation no. 1/2019;
- To continuously monitor the suitability of those in the management structure and those holding key positions within the Manager in order to identify any relevant new facts, as well as cases requiring a reassessment of their suitability, according to the provisions of Regulation no. 1/2019;
- To prepare and recommend guidelines for the selection of BoD members/managers, including criteria for assessing their independence;
- To make recommendations to the BoD regarding the remuneration of members of the governing body, as well as staff members with the highest level of remuneration within the Company;
- To monitor the implementation of and compliance with the Manager's remuneration system;
- To assess the mechanisms adopted so as to ensure that:
  - The remuneration system takes due account of all types of risks and the level of liquidity and assets managed;
  - The overall remuneration policy matches the strategy, objectives, values and professional interests of the Manager and the entities managed by it, as well as the interests of the investors thereof
- To directly supervise the remuneration of those holding risk management and internal control/compliance positions.

The NRC consists of two members elected from among non-executive directors, subject to the condition of independence provided for by the Companies Law no. 31/1990. The status of Committee member shall not prevent members from

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<sup>65</sup>According to section A- *Responsibilities* of the Stage of compliance with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange

participating in the activity of other Committees of the Board. The Committee shall meet at least once a year to draw up the annual report, as well as whenever it deems it appropriate.

The composition of the NRC in 2023: Mrs. Dorina Teodora Mihăilescu – Chair, Mr. Adrian Simionescu – Member.

In 2023, the NRC met<sup>66</sup> nine times at the Company headquarters, and during these meetings matters incumbent on the Committee were analysed, such as:

- The monitoring of the individual adequacy of those assessed, i.e. members of the management structure and those holding key positions, throughout 2023;
- Moreover, while assessing and monitoring the individual adequacy of those holding positions within the management structure and those holding key positions within the Company, the NRC found that they had the knowledge, skills and professional experience and complied with the reputation, honesty, integrity and governance requirements set out in Regulation no. 1/2019, as necessary for the performance of duties specific to the positions held;
- The prior assessment of the adequacy of the nominees to the management structure and key positions for which the Manager requests approval or which it notifies to the FSA, i.e. people with responsibilities in terms of preventing and combating money laundering and terrorist financing (as a result of changes in terms of the Executive Management and people with responsibilities in terms of preventing and combating money laundering and terrorist financing).

At the end of 2023, the NRC reviewed the granting of the additional remuneration to employees and managers for the achievement of the objectives in 2023, in compliance with the remuneration policies applicable at Company level, and found that the performance-based remuneration was granted in a way that promoted an effective risk management and did not encourage excessive risk-taking.

### **The Executive Management**

The Executive Management of the Manager's activity is ensured in accordance with the provisions of legal regulations in force and the Manager's Internal Regulations by three managers: the CEO, the Corporate Administration Manager and the Investment Director.

The Executive Management informs the BoD about the activity carried out between its regular meetings.

The Executive Management is empowered to run and manage the daily activity of the Manager and may give rise to its liability within the limit of the mandate granted by the BoD. The Executive Management is liable to ensure compliance with work procedures set out in the Manager's Internal Regulations.

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<sup>66</sup> According to section A- *Responsibilities* of the Stage of compliance with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange

In 2023, the Manager's Executive Management was ensured by the following people, authorised by the FSA:

Surname and first name	Position	FSA authorisation no.	Qualifications
<b>Nicuşor Marian Buică</b>	CEO	307/21.12.2017	Assistant Engineer, <i>Politehnica</i> University of Bucharest, Mechanical Track, Specialty: Materials and Defectoscopy; BA in Financial & Banking Management, the University of Craiova, the Faculty of Economic Sciences; MBA, City University, Washington State, the US; The CV including information on the professional experience is available <a href="#">here</a> <sup>67</sup> .
<b>Sergiu Mihailov</b>	Corporate Administration Manager	16/22.01.2021	Bachelor of Laws, the Faculty of Law, the University of Bucharest; BA in Finance & Insurance, the Faculty of Economic Sciences, the West University of Timişoara; Member of the Association of Chartered Certified Accountants, the UK; Member of the Chamber of Financial Auditors of Romania and of the Chamber of Tax Consultants of Romania; The CV including information on the professional experience is available <a href="#">here</a> .
<b>Cristina Gabriela Gagea*</b>	Investment Director	24/16.03.2023	BA in Economics of Commerce, Tourism and Services, the Faculty of Commerce, the Bucharest Academy of Economic Studies; MA in Capital Market Transactions and Regulations, the Faculty of Finance, Insurance, Banking and Stock Exchanges, the Bucharest Academy of Economic Studies; She passed the Chartered Financial Analyst Level II exam; Authorised Valuer, ANEVAR full member, specialty: Evaluations of Enterprises, Goodwill and Other Intangible Assets; The CV including information on the professional experience is available <a href="#">here</a> .

\*Mrs. Cristina Gabriela Gagea filled this position in 2023 after the delivery of the FSA Authorisation, namely between 16.03.2023 and 31.12.2023.

The participation of directors and managers in the Company share capital as at 31.12.2023:

Name	Position	Number of SIF4 shares	% of the share capital
Adrian Simionescu	Non-executive Director	-	-
Dorina Teodora Mihăilescu	Non-executive Director	38	0.000005%
Sergiu Mihailov	Director	-	-
Nicușor-Marian Buică	CEO	-	-
Cristina Gabriela Gagea	Investment Director	-	-

Table no. 8.2. *Directors' and managers' participation in the Company share capital as at 31.12.2023*

There are no known agreements, arrangements or family ties for directors and managers between the relevant person and another person as a result of which that person has been appointed in that capacity.

<sup>67</sup> <https://www.sifmuntenia.ro/despre-noi/conducere/administratorii-si-conducerea-executiva-sif-muntenia/>

## **Key positions**

Within the Manager, people holding key-positions are the ones whose duties have a significant influence on the achievement of strategic Company objectives, who are not part of the management structure, and fulfil the duties of:

- Risk assessment and management;
- Compliance;
- Internal audit.

Under the laws in force, in 2023, the Manager had people appointed for the application of legal provisions for preventing and combating money laundering and terrorist financing (ML/TF) for the application of Law no. 129/2019.

The duties of key positions are assigned, according to specific laws applicable to the Company, to people with the necessary skills and professional experience. The Company applies internal procedures to assess the good repute and integrity for both its own staff in key positions and for the staff in outsourced key positions. The Company has included provisions regarding the transmission of information required to fulfil the duties of key positions in internal procedures.

## ***The Risk Management Function***

The risk management function is functionally and hierarchically separate from business units, including portfolio management functions.

Risk management covers all activities aiming to identify, quantify, monitor and control risks, so as to ensure the observance of the principles of the general risk policy. Effective risk management is considered vital to achieving strategic objectives and to ensuring the quality of shareholders' benefits on an ongoing basis. In this context, the strategy for the management of significant risks provides the framework to identify, assess, monitor and control these risks, in order to maintain them at acceptable levels depending on the risk appetite and the ability to cover (absorb) these risks.

The risk management system and its effectiveness are monitored by the Executive Management, by the Audit Committee and by the BoD of the Manager.

Within the Manager, the person in charge of risk management is Mr. Valentin Vrînceanu. Under Authorisation no. 158/02.08.2017, Mr. Valentin Vrînceanu was authorised to the key-position of officer in charge of risk assessment and management (Risk Management Officer) within the Manager (enrolled in the FSA Register under no. PFR132FARA/400016). The officer in charge of risk management has the necessary authority, and access to all relevant information and maintains regular contact with the Managers and the BoD of the Manager and has the responsibility to provide up-to-date data based on which immediate remedial actions can be taken, if necessary.

The risk management policies implemented include the procedures required to be able to assess the exposure to the market risk, the liquidity risk, the operational risk and the credit and counterparty risk, as well as the exposure to all other relevant risks that may have a significant level, taking into account investment objectives and strategies, management styles or methods for managing assets and which may directly affect shareholders' interests.

The Risk Management Policy comprehensively includes the measures designed to protect against potential conflicts of interests, the corrective measures taken, the reasons why such measures should lead, according to reasonable expectations, to the independent exercise of the risk management function and how the constant effectiveness of protection measures is to be ensured.

In 2023, risk management procedures applicable by the Risk Management Division were analysed for review purposes. Following this process, out of the procedures applicable to the risk management activity which were analysed, the Risk Management Policy of SAI Muntenia Invest SA, the Market Risk Procedure, the Operational Risk Management Procedure and the Operational Risk Self-assessment Procedure were amended.

The performance of the risk management function is regularly reviewed by the internal and external audit function, as well as the Audit Committee.

## ***The Compliance Verification Function***

The Manager establishes and maintains in operation the compliance verification function which is exercised independently of other activities at all times. In the fulfilment of its duties, the Compliance Division reports to the BoD and notifies managers and has the main responsibilities listed below:

- Regularly monitoring and assessing the effectiveness and adequate implementation of established control measures and procedures, as well as the measures ordered to solve any situations of non-fulfilment of the Manager's obligations;
- Providing advice and support to the relevant people responsible for carrying out the services and activities in order to comply with the requirements imposed on the Manager according to legal provisions in force.

The Compliance Officer has carried out the activity thereof in accordance with the provisions of the 2023 Control Plan, approved by the Manager's BoD, the provisions of the FSA Regulations no. 9/2014 and no. 10/2015, of the EU Regulation 231/2013 and internal regulations.

The Compliance Officer is subject to authorisation by the FSA and is enrolled in the public register of the FSA. Authorisation no. 723/23.03.2006 authorised Mrs. Claudia Jianu in the key position of representative of the Compliance Division within the Manager (enrolled in the FSA Register under no. PFR13RCCI/400091).

The activity carried out focused on checking compliance with the regulations in force specific to the capital market and/or internal procedures, ensuring the notification of the Company and the staff of the legal regime of the capital market, endorsing documents submitted by the Manager to the FSA for obtaining the authorisations provided for by FSA regulations, endorsing informative and advertising Company materials, and other activities in connection with the compliance by the Company and its staff with laws in force specific to the capital market and internal regulations.

Within the compliance verification activity, in 2023, the compliance with internal regulations and laws specific to the capital market was verified in terms of the activity related to:

- The compliance with transparency and reporting rules;
- The fulfilment of the Manager's obligations relating to investment due diligence;
- The compliance with transparency and reporting rules regarding changes in the organisation and operation documents and significant events;
- The compliance with legal provisions and internal procedures regarding the avoidance and/or management of conflicts of interests, the regime of inside information and personal transactions;
- The fulfilment of the Manager's obligations regarding the registration of transactions;
- Checks related to the risk control system;
- The organisation and conduct of the activity of handling requests.

The performance of the compliance verification function is regularly reviewed by the internal and external audit function, as well as the Audit Committee.

As a result of the actions of conformity control and verification, it was found that, within the activities subject to control, capital market laws and internal regulations and procedures were observed. On the basis of the control activities, proposals and recommendations were made to improve the activity and working procedures applicable to the Manager.

### ***Internal Audit***

Company activities are subject to regular internal audit for an independent assessment of operations carried out, the control and management processes and possible risk exposures for various business segments (asset security, compliance with regulations and contracts, operational and financial information integrity, etc.), and for issuing recommendations that may aim at improving the systems, controls and procedures for the purposes of streamlining and increasing the degree of effectiveness of the operations and of monitoring the proposed corrective actions and results obtained.

The internal audit is carried out under these forms: the assessment of management and control systems; the assessment of results regarding the objectives pursued and the examination of the actual impact; the provision of conformity for procedures and operations with legal rules.

The internal audit activity is an independent and objective activity that gives the Company assurance regarding the degree of control over operations and is carried out according to procedures developed for the purposes of carrying out the activity. For each internal audit mission, a detailed programme is drawn up which includes the scope, objectives, resources allocated and the period of its conduct. The audit plan and the resources required for carrying out the activity are endorsed by the Audit Committee and approved by the BoD, and the aim is to include all activities and operations performed by the Company.

The internal audit aims at supporting the Company in identifying and assessing significant risks in order to provide an independent assessment of the risk management, control and management processes and in assisting the Company in maintaining an efficient and effective control system.

Within the Company, the internal audit function is separate and independent of other functions and activities.

This activity was outsourced by the Company to ANB Consulting SRL, according to the Internal Audit Contract no. 789/113385/04.11.2021. The initial mandate of the internal auditor – ANB Consulting SRL was for a period of two years, starting on 01.01.2022 and ending on 31.12.2023. In November of 2023, Addendum no. 2496/126959/08.11.2023 was concluded whereby the Parties agreed that the duration of the Internal Audit Contract was extended for a period of two years, until 31.12.2025.

In the case of the Manager, the internal audit function is also separate and independent of other functions and activities.

This activity was outsourced by the Manager to ANB Consulting SRL, according to the Internal Audit Service Contract no. 1004/113386/04.11.2021. The initial mandate of the internal auditor – ANB Consulting SRL was for a period of two years, starting on 01.12.2021 and ending on 30.11.2023. In November of 2023, Addendum no. 1036/126958/08.11.2023 to the Internal Audit Service Contract no. 1004/113386/04.11.2021 was concluded whereby the Parties agreed that the duration of the Internal Audit Contract was extended until 31.12.2025.

The main activities and operations of the Company and the Manager subject to internal audit in 2023 were as follows:

*The Risk Management Division:*

- The roles and responsibilities of the risk management team;
- Assessing the risk assessment methodology and models, as well as using the results of risk assessments in decision-making processes;
- Assessing the fulfilment of compliance criteria regarding risk management, in relation to applicable legal provisions and regulations;
- Analysing the process of updating the risk assessment and the method of communication and query in the decision-making process;
- Analysing process effectiveness and identifying opportunities for improvement;
- Using specific systems and applications, information processing automation opportunities;
- Assessing performance indicators of the Risk Management Division.

*Investment Portfolio Management – the Investment Opportunity Analysis and Asset Investment Division:*

- Organising the Investment Opportunity Analysis and Asset Investment Division;
- The roles and responsibilities of the investment portfolio management team;
- Assessing the system for internal control of portfolio management, determining the extent to which activities comply with the policies of the organisation and protect its interests (exercising control/influence over controlled entities);
- Analysing process effectiveness and identifying opportunities for improvement.

*Regular reporting – the Finance and Accounting Division:*

- Organising the Finance and Accounting Division in financial reports;
- The roles and responsibilities of the finance and accounting team and other structures involved in the process;
- Analysing process effectiveness and identifying opportunities for improvement;
- Making effective use of division resources;
- Using specific systems and applications, opportunities to automate information processing;
- Checking regular reports.

*IT Infrastructure and Systems*

- The organisation of the IT Division, in particular in terms of the coordination of activities of IT system and infrastructure (hardware and software) management;
- The roles and responsibilities of those involved in the management of IT activities;
- The verification of the development/review and implementation of IT policies;
- The analysis of the compliance and completeness of IT policies;
- The identification of opportunities for improvement;
- The monitoring of the implementation of recommendations to IT activities;

- The assessment of existing control systems in order to ensure information security;
- The effective use of the resources available to the division;
- The use of specific systems and applications, opportunities to automate information processing.

#### *Compliance*

- The analysis of internal procedures and policies;
- The assessment of cross-departmental communication flows in case of compliance, integrity and fraud-related reports;
- The assessment of the process of updating internal procedures;
- The assessment of the adequacy of the structures with duties in terms of Compliance;
- The random check of compliance with procedures for a sample of transactions.

#### *Remuneration and Governance*

- The organisation of the HR Division, in particular in terms of remuneration activities performed;
- The roles and responsibilities of those involved in the remuneration process;
- The verification of the development, implementation and effects of the Company remuneration policy and practices;
- The analysis of remuneration policy compliance and completeness;
- The analysis of process effectiveness and implementation;
- The identification of opportunities for improvement;
- The monitoring of the implementation of recommendations for the remuneration activity;
- The assessment of existing control systems;
- The effective use of division resources;
- The use of specific systems and applications, opportunities to automate information processing;
- The assessment of the Internal Rules and a sample of procedures.

#### *The Strategy and Net Asset Calculation Division*

- The organisation of the Strategy and Net Asset Calculation Division;
- The roles and responsibilities of the team within the Strategy and Net Asset Calculation Division;
- The assessment of internal controls of calculation processes;
- The analysis of process effectiveness and the identification of opportunities for improvement.

#### *The Operations Division*

- The organisation of the Operations Division;
- The roles and responsibilities of the team within the Operations Division;
- The verification of activities carried out within the Operations function;
- The analysis of process effectiveness and the identification of opportunities for improvement.

#### *The Special Situations Management Division*

- The organisation of the Special Situations Management Division;
- The analysis of legal case management processes;
- The verification of special situation handling within the portfolio;
- The analysis of process effectiveness and the identification of opportunities for improvement.

Also, in 2023, the internal auditor drew up an Independent Audit Report on the observance of the compliance requirements imposed by Law no. 129/2019 and Implementing Rules. This audit mission consisted of testing the policies, internal rules, mechanisms and procedures applied by the Company under Law no. 129/2019 and the Implementing Rules approved by Order no. 37/02 March 2021, issued by the President of the National Office for the Prevention and Combating of Money Laundering (“ONPCSB”).

The internal auditor reports to the Audit Committee and to the BoD of the Manager about the purpose of the audit activity, its results, conclusions, recommendations and proposals made. No significant situations have been identified that would require BoD intervention.

The Internal Audit believes the activities and operations carried out by the Company in 2023, which were subject to audit, to be in accordance with Company policies, programmes and management, in keeping with legal provisions and internal regulations.



The Audit Committee monitors and assesses how the internal auditor complies with contractual provisions. The Audit Committee informs the BoD of any deficiencies found in the performance of the Internal Audit Contract.

The internal audit activity is carried out in accordance with applicable legal requirements, internal Company rules and regulations and complies with the guidelines issued by CAFR and International Audit Standards issued by the Institute of Internal Auditors (IIA Global), respectively. International internal audit rules are based on the (conceptual) International Professional Practices Framework (IPPF), developed and published by the Institute of Internal Auditors (IIA Global).

The effectiveness of the control and risk management system is assessed by the Audit Committee based on reports received from the Risk Management and Compliance Divisions and from the internal auditor. Those reports include relevant and complete information on the main activities carried out by those divisions. Having reviewed the content of the reports presented by the key functions, the Audit Committee has concluded that, within the Manager and the Company, respectively, there are procedures in place that allow the rapid identification of any situations potentially generating risks/nonconformities, but also mechanisms of action that allow their rapid and effective management.

The ability to monitor risks at all times, materialised in regular risk reports, as well as stress testing, by means of which crisis impact estimates are obtained, and also materialised in the due diligence at the time of the investment, leads to the conclusion that the risk management system within the Manager/the Company is effective, and the measures adopted to monitor and control exposures to risks identified are appropriate and timely, and the recommendations and issues of concern are given the necessary attention.

***The person designated for the prevention and combating of money laundering and terrorist financing (AML/CFT)<sup>68</sup>***

The person designated for the prevention and combating of money laundering and terrorist financing within the Manager, in dealings with the National Office for the Prevention and Combating of Money Laundering and the FSA, has direct access in due time to the data and information required to perform the duties established by Law no. 129/2019 and has specific duties established based on a decision of the Executive Management and based on internal procedures.

The Manager approves and implements internal policies and rules, internal control mechanisms and procedures for managing the risks of money laundering/terrorist financing, which ensure the establishment of the risk profile associated with the activity carried out, KYC and the submission of reports to the competent authorities.

The Manager keeps the records (secondary or operational) and the records of all financial operations that are the subject of Law no. 129/2019 for a period of five years after the conclusion of the business relationship or after the performance of the occasional transaction, respectively, or even longer, at the request of the Office or other authorities, regardless of whether the relevant account has been closed or the customer relationship has ended, in an appropriate form. The records shall be sufficient to enable the reconstruction of the individual transaction, including the amount and type of currency, to provide evidence in court, if necessary. In fulfilling the duties established by Law no. 129/2019 and FSA Regulation no. 13/2019, the person responsible has direct access at all times to all the records drawn up by the Company in accordance with applicable legal provisions and checks customer records and draws up and keeps records of in-house reports and may be assisted by a support structure within the Manager.

The persons in charge of the application of legal provisions for the prevention and punishment of money laundering **and the financing of terrorism (AML/CFT)** within SAI Muntenia Invest SA in 2023 were as follows:

- The AML/CFT Compliance Officer (01.01.2023 – 31.12.2023) and the AML/CFT manager who was directly responsible<sup>69</sup> (26.04.2023 – 31.12.2023): Mr. Nicușor Marian Buică, CEO;
- The AML/CFT designated person: Mrs. Elena Daniela Topor, Legal Advisor (01.01.2023 – 08.02.2023).

The person responsible for the application of the Government Emergency Ordinance no. 202/2008 regarding the application of international sanctions in 2023 was Mrs. Elena Daniela Topor, Legal Advisor.

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<sup>68</sup> Within the meaning of Regulation no. 13/2019 for implementing Law no. 129/2019, and the FSA Regulation no. 18/2022

<sup>69</sup> Appointed as the manager that is directly responsible after the entry into force of the amendments to FSA Regulation no. 13/2019 under FSA Regulation no. 18/2022

## **Financial Reporting**

The financial statements of 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) and the FSA Rule no. 39/2015, which applies together with the Accounting Law no. 82/1991 (as republished and amended). In 2023, financial audit services for SAI Muntenia Invest SA were provided by Deloitte Audit SRL, appointed according to the SOGM Decision of 19.10.2021 and in accordance with the provisions of the “Contract for Audit and Other Insurance Services” no. 964/113163/27.10.2021. The Contract is valid until 01.05.2024.

On 28 April 2023, the Manager published the Financial Statements as at 31.12.2023 in accordance with the FSA Rule no. 39/2015, audited by Deloitte Audit SRL and approved by SOGM of 27 April 2023, accompanied by the Annual Directors’ Report and the Report of the Independent Auditor.

On 15 May 2023, the Manager published the Report on the management of SIF Muntenia SA for the first quarter of 2023, as well as the unaudited Interim Financial Statements as at 31 March 2023, prepared in accordance with the FSA Rule no. 39/2015.

On 31 August 2023, the Manager published the Report on the management of SIF Muntenia for the first half of 2023, in accordance with the provisions of Law no. 24/2017, Regulation no. 15/2004, FSA Regulation no. 5/2018 and FSA Rule no. 39/2015, as well as the unaudited Interim Financial Statements as at 30 June 2023, drawn up in accordance with FSA Rule no. 39/2015.

On 15 November 2023, the Manager published the Report on the management of SIF Muntenia SA for the third quarter of 2023, in accordance with the provisions of Law no. 24/2017, Regulation no. 15/2004, FSA Regulation no. 5/2018 and FSA Rule no. 39/2015, as well as the unaudited Interim Financial Statements as at 30 September 2023, drawn up in accordance with FSA Rule no. 39/2015.

## **Conflicts of Interests and Transactions in Financial Instruments of Relevant Persons**

The Manager has no holdings that entail a conflict of interests with the Company. BoD members and members of the Executive Management of the Manager may only take up their duties after having obtained the relevant approval from the FSA.

The documentation submitted to the FSA by each BoD member and by each member of the Executive Management, in order to obtain the authorisation, includes statements showing any potential conflicts of interests.

The Manager establishes the main rules and measures which it may adopt in the decision-making process for the prevention and management of conflicts of interests and is responsible for implementing and observing the working procedure regarding the prevention and management of conflicts of interests.

In order to comply with legal provisions in force regarding the prevention and proper management of conflicts of interests, within the Manager, there are a Risk Management Division and a Compliance Division, whose purpose is that of ensuring the prevention or proper management of situations with a possible negative impact on the Manager and, implicitly, the entities managed, by using specific processes, mechanisms and techniques related to the prevention and management of conflicts of interests posing a significant risk of harm to investors.

Through the functional divisions with specific duties, through the reports drawn up by them according to their duties, the BoD has access at all times to relevant information regarding potential conflicts of interests that affect or may affect the activity of the Manager or the Company, and is also notified of any legal, material, operational and financial aspects that could have an impact.

Upon the occurrence of a conflict of interests among directors, they inform the BoD about it and refrain from debating and voting on those issues, in accordance with the relevant legal provisions; these situations are recorded in the minutes of the BoD meeting.

BoD members, the Executive Management or anyone with whom the Manager/the Company has concluded an employment agreement, or a mandate/services contract may not use inside information related to the Company investment policy when carrying out transactions in financial instruments of one’s own portfolio.

BoD members, members of the Executive Management for the Manager and anyone with whom the Manager has concluded an employment agreement, or a mandate/services contract may not disseminate information regarding

transactions which the Manager is going to carry out involving financial instruments included in the portfolio of managed entities.

In the case of all personal transactions carried out by the relevant persons within the Manager, regardless of the financial instrument, all relevant persons shall provide the Manager with a report containing information on such transactions. These transactions shall be recorded in the register of personal transactions, together with any authorisation or prohibition, notified to it by third parties, in connection with such transactions.

The Company fulfils institutional obligations of reporting and information, in the ways specified by FSA and BVB regulations, including by posting on the website and disseminating information on the fulfilment of these obligations in the specialised press.

The internal rules and procedures of the Manager, as well as the Regulation on corporate governance include regulations on avoiding conflicts of interests in the Company management, rules of professional ethics to be observed by one's own employees so that the decisions taken by directors/the Executive Management and the implementation of such decisions, respectively, should be performed while respecting the interests of Company shareholders as a matter of priority.

### **The Regime of Corporate Information**

The BoD has an effective system of communication and transmission of information, which prevents the disclosure of confidential information. To this end, the Manager has adopted a procedure for ensuring the security, integrity and confidentiality of the information.

The management of information security is undertaken both by the management at the highest level and by managers of the functional structures of the Manager. Everyone has the obligation to designate the responsibilities required by the security policy and procedures, to allocate and use the necessary resources efficiently, so as to ensure genuine protection for the data and information, as well as adequate control of the services. The responsibility for the protection and security of Company assets rests directly with the owners of these resources.

Company information and its infrastructure are secured against threats, such as mishandling or destruction, corruption, unauthorised access, unauthorised processing or suspicious transactions, unauthorised dissemination of customer-related information and other confidential information, accidental or deliberate errors.

These protection measures govern internal and external information and information systems and provide information management practices in accordance with domestic legal requirements and international best practices.

The securing of the information belonging to the Manager/the Company and computer systems is of strategic and critical importance for the efficiency and continuity of the Manager/Company activity. In this regard, the following principles are taken into account:

- The measures to protect IT resources are in accordance with business requirements, the level of risk exposure, the efficiency and the value of the resource;
- The implementation of information security is practical and achievable through a balance between the level of protection and efficiency;
- Information security starts from a process of managing incidents, threats and inherent risks;
- Employees, consultants, business partners and other related parties providing services to the Manager/Company shall ensure that their actions are in accordance with information security policies and applicable procedures.

The Division with duties in this regard draws up communications or current/regular reports that are available according to specific laws applicable to the Company, within the period of reporting of the information stated. The information disseminated to the public is complete, accurate, timely, so that objective investment decisions should be made.

The Manager constantly updates the *“Investor’s Section”* on the Company website.

## Delegations/Outsourcing

For 2023 the Company had the following contracts in force:

- The Framework Contract no. 84500/5429/02.08.2018, with CMF Consulting SA, an authorised valuer, regarding the preparation of valuation works and valuation-related activities, for a period of 12 months from the date of its signing, with the possibility of automatic extension by 12-month periods. The two Parties agreed on terminating Contract no. 84500/5429/02.08.2018 starting on 15.12.2023 by concluding Addendum no. 1;
- The Framework Contract no. 3220/104435/16.10.2020, with Veridio SRL, an authorised valuer, regarding the preparation of valuation works and valuation-related activities, for a period of 36 months. Thus, this Contract ceased through the expiration of the term on 15.10.2023. Later, the Company concluded Framework Contract no. 2316/126490 of 16.10.2023 with Veridio SRL for the preparation of one or several valuation works and valuation-related activities;
- The Manager concluded the Archiving Service Contract no. 1109/89395/05.12.2018 on behalf of the Company, for a period of five years from the date of its signing, with Global Storage Solution SRL. Since the Contract ceased through the expiration of the term on 05.12.2023, Global Storage Solution SRL and SAI Muntenia Invest SA concluded an Addendum to Contract no. 1109/89395/05.12.2018, whereby the duration of the Contract was extended by a period of five years, i.e. until 05.12.2028;
- The Company has also outsourced the internal audit activity to ANB Consulting SRL, in accordance with the Internal Audit Contract no. 789/113385/04.11.2021 and Addendum no. 2496/126959/08.11.2023 until 31.12.2025.

## The Policy on the Annual Distribution of Dividends or Other Benefits to Shareholders<sup>70</sup>

The dividend policy implemented by SIF Muntenia SA aims at maintaining a balance between shareholders' remuneration through dividends and the need to finance new investment using the profit obtained. Keeping this balance aims both at increasing the long-term investment attractiveness and at maintaining the potential for future development of the Company, ensuring the long-term sustainable profitability of the business, in the interest of increasing the value created for shareholders.

The determination of the method and share of distribution of the net profit is subject to the approval of the Shareholders' General Meeting, and the proposal of the Company Manager takes into account the sustainability, the macroeconomic context, as well as the market.

The remuneration of the shareholders of SIF Muntenia SA is provided both through the dividend distribution policy and through the decision to reinvest the profit or to buy back securities, for the declared purpose of increasing the value of the shares.

In 2023, there were no dividend distributions to the shareholders.

Further details are presented on the Company website, in the dedicated section.

## The Relationship with Shareholders and Capital Market Institutions

The sections on the relationship with investors on the Company website include up-to-date information on *corporate governance* and provide access to documents regulating Company governance. Governance-related information is regularly reported through the corporate governance statement of the annual report and kept up to date at all times through current reports and the website. This section also shows the Forecast Policy and the Policy on the Distribution of Dividends or Other Benefits to Shareholders.

*The obligations of transparency, reporting and information* to shareholders and capital market institutions have been observed and ensured through press releases distributed in financial newspapers with national coverage, by publishing regular and constant reports of the information provided in the electronic system both on the [www.sifmuntenia.ro](http://www.sifmuntenia.ro) website and in the electronic system of the capital market where Company shares are listed, by informing the FSA and by way of an activity of written and electronic correspondence with the shareholders, by means of the dedicated division of the Manager.

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<sup>70</sup> The payment of dividends in accordance with applicable legal provisions is and will be performed by the Central Depository, and the payment agent designated by the Company is Banca Comercială Română SA.

At the start of each financial year, the Manager notifies BVB of, and posts the financial schedule, according to regulations in force, on the Company website ([www.sifmuntenia.ro](http://www.sifmuntenia.ro)).

At its headquarters, the Manager holds and keeps a single register of petitions, in secure electronic format, where all petitions, as well as their status, date and handling method are recorded chronologically, in the order of receipt. Any investor in the entities managed by the Manager may submit petitions, free of charge. Information on the procedure for handling petitions received from investors shall be made available to them, free of charge, at the headquarters of the Manager and at <https://www.sifmuntenia.ro/informatii-pentru-investitori/petitii/>. Petitions may be sent to the headquarters of the Manager using the following channels: post, fax, courier, directly to the general registry at the registered office or via email.

### **Sustainability-related Information**

Regulation (EU) 2019/2088 of the European Parliament and of the Council lays down rules for financial market participants and financial advisors on transparency in relation to the incorporation of sustainability risks and the consideration of adverse effects on sustainability within their activities and on the provision of information on sustainability with regard to financial products. Sustainability factors relate to environmental, social and labour issues, respect for human rights, anti-corruption issues and bribery.

The sustainability risk is an environmental, social or governance event or condition which, if it were to materialise, could cause a significant actual or potential negative effect on the value of the investment.

Sustainability risks can be influenced by environmental changes (a reduction in the effects of climate change, adaptation to climate change, low carbon emissions, the protection of biodiversity and resource management), social issues (inequality, inclusion, labour relations, investment in the human capital, accident prevention, change in customer behaviour) or governance deficiencies (significant recurrent violations of international agreements, corruption, product quality and safety, sales practices).

Sustainability risks may pose a genuine, separate risk, but may also have an impact on other risks, such as those to which the Manager and the Company are subject, such as market, credit, operational risks, etc., as the major risks to which the Manager is exposed are identified.

Sustainability risk assessment is a complex process that can be carried out on the basis of available data on environmental, social and governance issues. For the purposes of collecting raw data on sustainability, the Manager can rely on data made available by external providers.

The Manager aims at involving the FSA in the issuance of recommendations and best practices to facilitate the incorporation of sustainability risks into the risk management system of investment management companies and the implementation of legal requirements that create the necessary framework for implementing sustainable financing.

FSA recommendations are a first step taken in the area of regulation and supervision of activities for the purposes of sustainable financing and sustainability, in the context of the fight against climate change and awareness raising in terms of the impact of climate change on society and the financial system.

The objective of FSA recommendations is to meet the needs of supervised entities by providing a first set of information on sustainable financing, in particular on the growing importance of sustainability risks.

FSA recommendations which the Manager follows for the purposes of incorporation as good practices in terms of non-financial/sustainability reporting over the coming period are:

- Addressing climate issues; analysing the need to implement plans for transition and adaptation to environmental protection recommendations;
- Preparing for reporting the alignment of the taxonomy in 2024<sup>71</sup>.

The Manager also learned about the publication on 22.12.2023 in the Official Journal of the European Union of Delegated Regulation (EU) 2023/2772 of the Commission of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, which apply from 1 January 2024. This

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<sup>71</sup> The annual public statement on common European supervisory priorities issued by ESMA on 28.10.2022 underlines the importance of disclosures in accordance with Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

Regulation sets out sustainability reporting standards which companies should use to carry out their sustainability reporting in accordance with art. 19a and 29a of Directive 2013/34/EU, according to the schedule provided for in art. 5(2) of Directive (EU) 2022/2464. The Manager shall examine the standards presented in Regulation (EU) 2023/2772, in order to apply them within the term provided for by the laws.

Within the Manager, there is a Policy regarding the identification of sustainability-related risks, which aligns it with the requirements of Regulation (EU) 2019/2088 regarding the identification of sustainability-related risks in the investment process within the Company.

The materialisation of sustainability risks may lead to an effect on assets placed under the management of managed entities, which may vary in intensity depending on other specific risks and the asset class being influenced. The materialisation of sustainability risks for an asset class can generate a loss in value for that class and can indirectly have a negative influence on the value of the net assets of the funds managed. Considering the diversification of the assets of funds managed, we believe that the materialisation of sustainability risks has a low probability of significantly affecting the value of net Company assets. Sustainability risks are not wholly eliminated, but the estimated likely effect of sustainability risks for the funds managed by SAI Muntenia Invest SA is at a low level.

Considering the low degree of complexity of the activity, as well as the diversification of the assets of SIF Muntenia SA, we believe that the materialisation of a single sustainability risk has a low probability of significantly affecting the value of Company assets. For the reasons listed above, and taking into account the size, complexity and nature of its activities, but also based on the consideration of protecting investors by not using potentially inaccurate and incomplete information, the policy of SAI Muntenia Invest SA shall identify sustainability risks, but shall not take into account the negative effects of investment decisions on sustainability factors for the time being.

However, with the uniform application of disclosure requirements on the way and the extent to which activities of non-financial undertakings are associated with economic activities that qualify as environmentally sustainable, SAI Muntenia SA shall remember to provide non-financial information on the share of exposures aligned with the taxonomy within the deadline laid down in the Delegated Regulation (EU) 2021/2178.

The Manager of SIF Muntenia shall reassess this situation on a regular basis and shall make a decision on the consideration of the negative effects of investment decisions on sustainability factors, informing investors about any new concrete steps taken in this regard.

### **Environmental, Social and Governance (ESG) Aspects**

The European Union has initiated a legislative programme aimed at integrating environmental, social and governance aspects into the regulation of the financial services sector.

As part of this programme, the EU Regulation 2019/2088 was issued, which had March of 2021 as the deadline for implementation. Subsequently, the EU Regulation 2020/852 (“the Taxonomy Regulation”) was published on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. The aspects related to the fulfilment of EU objectives on the mitigation of and adaptation to climate change entered into force on 1 January 2022, and the provisions on the transition to a circular economy, the sustainable use and protection of water and marine resources, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems entered into force on 1 January 2023. Considering Member States’ various interpretations of the definition of ‘sustainable investment’, the European Commission deemed a common taxonomy to be necessary.

The emergence of Commission Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 establishes an obligation for participants, who do not take into account the adverse effects of their investment decisions on sustainability factors, to publish the following on their website, in a separate section entitled “Disregard of the adverse effects of investment decisions on sustainability factors”:

- (a) A prominent statement that the financial market participant disregards all adverse effects of its investment decisions on sustainability factors;
- (b) The reasons why the financial market participant disregards all adverse effects of its investment decisions on sustainability factors and, where applicable, information on whether the financial market participant intends to take such adverse impacts into account or not by reference to the indicators listed in Table 1 of Annex I, and, if so, information about the time when they are taken into account.

## **The Environmental Impact of the Activity**

In the investment process, SIF Muntenia does not take into account EU criteria on environmentally sustainable economic activities, including transitional activities, within the meaning of the Taxonomy Regulation. The sole object of the Company consists of activities specific to investment companies, the main field of activity being NACE code 64 - Financial service activities, except insurance and pension funding. As such, the Company activity does not have a significant direct impact on the environment. As for the activity of portfolio companies, SIF Muntenia aims at tracking and informing investors about their ESG reporting.

## **Social Responsibility**

The Company carries out activities regarding corporate social responsibility at all times, and supports disadvantaged categories within the community where it operates, either directly or through specialised foundations/associations, every year. The Company also helps support scientific, cultural, sports, medical, educational and environmental actions, events of national or zonal interest.

## **The Forecast Policy**

Financial forecasts underlying the directions for action are made public to all Company shareholders and refer at least to considerations regarding the internal and external macroeconomic framework relevant for the structuring of management programmes and revenue and expenditure budgets of SIF Muntenia SA, which includes, but is not limited to:

- Forecasts on the developments and/or level of the main macroeconomic indicators (e.g. GDP, unemployment, inflation, etc.);
- Forecasts on the developments of specific economic sectors deemed to be relevant for the activity, the existing portfolio and the investment policy of SIF Muntenia SA;
- Forecasts of the level and developments of specific financial indicators including but not limited to: the expected exchange rate, changes in the monetary policies of the National Bank of Romania, the developments of relevant stock market indices;
- Risks related to geopolitical instability, changes in the political class that affect the business environment (monetary, economic, tax, legal, infrastructure-related, etc.);
- Changes in the legislative framework applicable to the business field of SIF Muntenia SA and portfolio companies.

Analyses of the economic context, of global, national and regional trends generate the information support for forecasts that are presented as assumptions, developed on the basis of public data, with a significant degree of uncertainty, as future developments may be different from the expectations originally presented.

The information on the financial forecasts of SIF Muntenia SA are subject to the corporate information system and its publication is achieved through annual, half-yearly or quarterly reports of SIF Muntenia SA.

Any changes to the original assumptions underlying the forecasts and estimates used may result in adjustments thereof over the established horizon, without this process routinely leading to changes in the approved objectives, programmes or budgets.

The Management Programme and the revenue and expenditure budget proposed within this programme are published each year as part of the documentation subject to the approval of the Shareholders' General Meeting and are available on the Company website<sup>72</sup>.

Forecast-related information refers to factors, trends, events, costs and related revenues that have influenced the result of the relevant period or may influence the results of subsequent reporting periods. The original assumptions underlying the development of the budget and the management programme are regularly re-examined by the Manager and, if potential changes in the expected results are identified, the new assumptions are made public in the reports regarding the management of SIF Muntenia SA.

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<sup>72</sup> <https://www.sifmuntenia.ro/informatii-pentru-investitori/evenimente/adunari-generale-ale-actionarilor/2023-2/>

## **The Involvement Policy and Principles in terms of Exercising Voting Rights for Managed Undertakings for Collective Investment<sup>73</sup>**

The Manager applies the following Involvement Policy in terms of the investment of the UCIs which it manages, in accordance with the provisions of Law no. 158/2020, which requires fund managers to develop and provide unit holders/shareholders with information on the involvement policy, describing how shareholders' involvement is incorporated into investment strategies, as well as the principles regarding the exercise of voting rights related to instruments held in the portfolios of managed UCIs.

The Manager publishes information both on its website and in the annual report regarding its exercise of the voting right within SGM of issuers in which the UCIs under management hold shares, except for secret ballots according to legal provisions, ones where it does not hold a stake of at least 50%+1 of the voting rights, as well as ones undergoing insolvency proceedings.

The fund manager acts in the best interest of investors of the managed UCIs and in this regard it pursues a strategy of active involvement in dealings with companies in which it invests in order to improve their potential to create value in the medium and long term.

The Manager distinguishes three levels of participation in the case of companies covered by the Involvement Policy. The qualification for one of these three levels of involvement is performed semi-annually on the basis of total assets of the UCIs under management.

These three levels of involvement are determined by the following criteria:

- ✓ The influence (the holding and/or share of voting rights) within the company and
- ✓ The Company share within the portfolio of UCIs under management.

	<b>The share of the UCI portfolio – no more than 0.1%, inclusive, of the total assets, but not lower than RON 250,000</b>	<b>The share of the UCI portfolio – 0.1 to 5%, inclusive, of the total assets, but not lower than RON 250,000</b>	<b>The share of the UCI portfolio – over 5% of the total assets, but not lower than RON 250,000</b>
<b>Less than 10%, inclusive, of the Issuer's voting rights</b>	<b>No shareholder involvement</b>	<b>Basic shareholder involvement</b>	<b>Basic shareholder involvement</b>
<b>10 to 25%, inclusive, of the Issuer's voting rights</b>	<b>Basic shareholder involvement</b>	<b>Basic shareholder involvement</b>	<b>Basic shareholder involvement</b>
<b>Over 25% of the Issuer's voting rights</b>	<b>Key shareholders' involvement</b>		

Table no. 8.3 *Levels of participation for the investment of UCIs managed by SAI Muntenia SA*

### ***No shareholder involvement***

In the case of investment in this category, the fund manager makes its investment decisions primarily on the basis of publicly available information and market analyses, and it is not involved in the operation and management of the company at operational or strategic level. The manager may decide to exercise its voting right if it believes that the exercise of such right may have a significant impact on the interests of investors in the managed UCIs. Since, in the case of companies belonging to this category, the vote of the fund manager is not of strategic importance, the fund manager will not provide information concerning these votes on its website.

### ***Basic shareholder involvement***

In the case of investment in this category, the fund manager appears in part as a financial investor and in part as a long-term strategic investor, making its investment decisions mainly based on publicly available information and market analyses, but not participating in the operation of the companies at operational level.

<sup>73</sup> [http://www.munteniainvest.ro/doc/reguli/20210922/Politica%20de%20implicare\\_RO.pdf](http://www.munteniainvest.ro/doc/reguli/20210922/Politica%20de%20implicare_RO.pdf)



In general, the manager participates in the strategic decisions made within SGM, acting on behalf of the funds, exercising voting rights in person, by power of attorney or via electronic/postal votes. Since, in the case of companies belonging to this category, the vote of the fund manager is not (usually) of strategic importance, the manager will not provide information concerning such votes on its website.

The exercise of the voting right shall be prominently carried out in terms of issues that have a financial impact on the activity of companies/shareholders' interests. In current matters, without any financial impact on the activity of the company/shareholders' interests, if the Manager assesses that it is in the Company's interest not to vote within the SGM, it may decide not to exercise the right to vote. If the fund Manager believes that it is in investors' interest to vote for/against or to abstain from a decision subject to a vote, then it will act accordingly.

In making the decision to exercise the right to vote, the Manager shall also take into account additional elements such as:

- ✓ The strategy behind the decision to invest in the relevant company (short-term investment versus long-term investment);
- ✓ The administrative or other related costs connected with the exercise of the right to vote;
- ✓ The percentage of the share capital/voting rights held.

### ***Key shareholders' involvement***

The Manager believes that the investment in this category is the investment covered by this Involvement Policy and acts according to the principles set out below:

#### **a) The monitoring of the business pursued by companies within the UCI portfolio**

As an integral part of the investment process, the Manager carefully monitors and examines all issuers that fall within this category, according to the previously established classification. The analysis covers, *inter alia*, the strategy, the financial and non-financial performance and the risk, the capital structure, the social and environmental impact and corporate governance.

This may include the assessment of its own data and the issuers' market, taking into account the research conducted by analysts, discussions within individual and group meetings, the review of the competition.

In addition to the foregoing, the Manager regularly monitors the financial data and other information published by companies from the portfolio of UCIs and additional information which is relevant to the company in question.

As part of the sustainability component, the objective is to identify potential risks, in particular with regard to environmental, social and corporate governance factors. The Manager believes that these factors can have a significant impact on the performance of companies in the medium and long term.

#### **b) The dialogue with companies involved in investment**

The Manager deems it crucial to have a dialogue with the companies in which the managed UCIs have investment, e.g. to influence the Company to improve its corporate governance practices, to ensure long-term value creation or in any other area of interest identified.

The Manager normally engages in dialogues during meetings with the senior managers of the Company, during annual general meetings and other shareholder events.

#### **c) The exercise of voting and other rights related to shares of companies in the UCI portfolio**

#### **d) The cooperation with other shareholders of companies from the UCI portfolio**

The Manager may cooperate with other shareholders of companies from the UCI portfolio to promote the best corporate governance, risk management, performance or adequacy of disclosed information. Such cooperation may not lead to a breach of any laws, regulatory requirements or recommendations or of the internal rules of the Manager and shall ensure that all shareholders' rights are observed.

#### **e) The communication with relevant stakeholders of companies from the UCI portfolio**

The Manager may start a dialogue with the relevant stakeholders within companies from the UCI portfolio in order to get a clearer picture of the Company financial position and sustainability-related issues. It shall decide on the approach that best serves the interests of investors in the managed UCIs without violating any legislative act or internal regulation. Dialogues with company representatives may take place through direct or indirect contact, visits to the company

headquarters, correspondence, conferences and teleconferencing. The relevant stakeholders include professional working groups, credit rating agencies, public authorities and non-governmental organisations.

In the event of potential conflicts of interests arising in the exercise of voting rights, the Manager shall ensure that investors' interests are not affected. The rules on conflicts of interests set out in legal regulations and the internal procedures of the Manager shall be taken into account.

As regards the involvement of SIF Muntenia SA in companies listed or traded on a regulated market, in which it holds a stake of over 50% of voting rights, we note that the Company participated in all Shareholders' General Meetings of 2023, exercising its the vote on all items on the agenda.

The most significant items on the SGM agenda are listed below:

#### 1. BIOFARM SA

Within the SOGM of 26.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the individual financial statements for the year ended 31 December 2022, prepared in accordance with IFRS adopted by the EU, based on reports submitted by the Board of Directors and the financial auditor;
- The discharge from administration of directors for the period from 01.01.2022 to 31.12.2022;
- The approval of the Remuneration Report for the managers of Biofarm SA for 2022;
- The approval of the distribution of the net profit earned in 2022 and of the gross dividends of RON 0.03 per share;
- The approval of the distribution of dividends starting on 08.09.2023, subject to shareholders bearing the distribution expenses, as well as the establishment of the period for keeping dividends at shareholders' disposal;
- The approval of the 2023 revenue and expenditure budget;
- The approval of the 2023 management and investment programme;
- The approval of the empowerment of the Board of Directors to identify new opportunities for company development through the acquisition of local pharmaceutical companies or local brands that would lead to an increase in market share and the development of the Biofarm product portfolio and/or of international pharmaceutical companies or brands for the development the company internationally.

Within the SEGM of 26.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its the Manager, for:

- The approval of the amendment of art. 5 of the Instrument of Incorporation of Biofarm SA by changing the phrase referring to the duration of operation of the company from 'unlimited' to 'indefinite', in accordance with the provisions of art. 1885(1) of the Civil Code and art. 8(j) of Law no. 31/1990, as republished.

Within the SEGM of 05.10.2023, SIF Muntenia SA, as a shareholder, voted, by way of its the Manager, for:

- The approval of the sale of the real estate owned by Biofarm SA in 40-42 Iancu de Hunedoara Blvd., 1<sup>st</sup> District, Bucharest, to Iancu de Hunedoara Residence SRL or to any other natural or legal person related to it, within the meaning of art. 7(26) of the Tax Code, for a price of EUR 5 (five) million; the approval of the signing of the Sale and Purchase Agreement no later than 13 April 2025;
- The approval of the amendment of Article 3 of the company Instrument of Incorporation by adding NACE code 6810 – Buying and selling of own real estate to the section of secondary activities.

#### 2. BUCUR SA

Within the SOGM of 25.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its the Manager, for:

- The approval of the complete annual financial statements for 2022 (the balance sheet, the profit and loss account, the statement of changes in equity, the cash flow statement, policies and explanatory notes);
- The approval of the distribution of the net profit for the 2022 financial year;
- The approval of the value of the total gross dividends in the amount of RON 0.036/share, resulting from the accumulation of the gross value of the dividends to be distributed from the net profit earned in 2022, from the profit distributed to other reserves and earned in 2020 and from the undistributed profit of 2021;
- The approval of the date of 13.10.2023 as the date of payment of dividends;
- The approval of the discharge from administration of the members of the Board of Directors for the 2022 financial year;

- The approval of the remuneration for the directors/members of the Board of Directors for the 2023 financial year and the establishment of the insurance premium for professional civil liability, respectively;
- The approval of the 2023 revenue and expenditure budget;
- The approval of the 2023 Investment and Repair Plan.

Within the SOGM of 04.09.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The establishment of the termination of the term of office as Director for Mr. Dan Florin Marinescu following his resignation registered under no. 1531/17.07.2023, starting on 17.07.2023;
- The approval of the remuneration for the new director/member of the Board of Directors of Bucur SA at the level of the remuneration established for acting directors according to the SOGM Decision of 25.04.2023;
- The approval of the date of 20.09.2023 as the registration date for identifying shareholders affected by SOGM decisions; the approval of the date of 19.09.2023 as the Ex date, in accordance with the provisions of art. 2(2)(I) of FSA Regulation no. 5/2018.

### 3. CASA DE BUCOVINA CLUB DE MUNTE SA

Within the SOGM of 24.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the company annual financial statements for 2022, based on the report drawn up by the Board of Directors of Casa de Bucovina Club de Munte SA and the report drawn up by the financial auditor;
- The approval of the proposal for the distribution of net profit related to the 2022 financial year;
- The approval of the discharge from administration of the Company Board of Directors for the 2022 financial year;
- The presentation and approval of the company revenue and expenditure budget for the 2023 financial year;
- The establishment of the remuneration of the members of the Board of Directors for 2023;
- The approval of the Remuneration Report for company managers for the 2022 financial year.

Within the SEGM of 24.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the exchange of the following pieces of real estate owned: (i) land with an area of 25,490 sqm, located in Gura Humorului Town, the Ariniș Dendrological Park, land within the built-up area, with a ban on construction, registered in the Land Register no. 45051 of Gura Humorului, Suceava County, with cadastral no. 45051, and (ii) land with an area of 46,486 sqm, located in Gura Humorului, the Ariniș Dendrological Park, land within the built-up area, with a ban on construction, registered in the Land Register no. 44163 of Gura Humorului, Suceava County, with cadastral no. 44163; with the following pieces of real estate owned by Gura Humorului Town: (i) land with an area of 10,000 sqm, located in Voroneț, land within the built-up area, registered in the Land Register no. 44767 of Gura Humorului, Suceava County, with cadastral no. 44767 and (ii) land with an area of 5,000 sqm, located in Voroneț, land within the built-up area, registered in the Land Register no. 45059 of Gura Humorului, Suceava County, with cadastral no. 45059; (iii) land with an area of 4,600 sqm, located in Voroneț, Suceava County, County Road (DJ) 177D, land within the built-up area, registered in the Land Register no. 45045 of Gura Humorului, Suceava County, with cadastral no. 45045.

Within the SEGM of 16.08.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the revocation of Decision no. 1 of SEGM of Casa Bucovina Club de Munte SA of 24.04.2023 regarding the approval of the exchange of various pieces of real estate, as published in the Official Journal of Romania, Part IV, no. 2458/6.06.2023;
- The approval of the exchange of the following pieces of real estate owned by the company: (i) land with an area of 25,490 sqm, located in Gura Humorului, the Ariniș Dendrological Park, land within the built-up area, registered in the Land Register no. 45051 of Gura Humorului, Suceava County, with cadastral no. 45051; (ii) land with an area of 46,486 sqm, located in Gura Humorului, the Ariniș Dendrological Park, land within the built-up area, registered in the Land Register no. 44163 of Gura Humorului, Suceava County, with cadastral no. 44163; (iii) land with an area of 994 sqm, located in Gura Humorului, the Ariniș Dendrological Park, land within the built-up area, registered in the Land Register no. 44974 of Gura Humorului, Suceava County, with cadastral no. 44974; and (iv) land with an area of 142 sqm, located in Gura Humorului, the Ariniș Dendrological Park,

land within the built-up area, registered in the Land Register no. 44976 of Gura Humorului, Suceava County, with cadastral no. 44976; with the following pieces of real estate owned by Gura Humorului Town: (i) land with an area of 10,000 sqm, located in Gura Humorului, the Ariniș area, land within the built-up area, registered in the Land Register no. 44767 of Gura Humorului, Suceava County, with cadastral no. 44767; (ii) land with an area of 5,000 sqm, located in Gura Humorului, the Ariniș area, land within the built-up area, registered in the Land Register no. 45059 of Gura Humorului, Suceava County, with cadastral no. 45059; (iii) land with an area of 4,600 sqm, located in Voroneț, Suceava County, DJ (county road) 177D, land within the built-up area, registered in the Land Register no. 45045 of Gura Humorului, Suceava County, with cadastral no. 45045.

#### 4. CI-CO SA

Within the SOGM of 24.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the 2022 financial statements, based on the Directors' Report and the Report of the financial auditor;
- The approval of the distribution of the net profit for 2022;
- The approval of the date of 23.06.2022 as the date of payment of dividends;
- The approval of the time-barring of dividends related to the 2018 financial year established by SOGM of 22.04.2019, not collected by 06.06.2022, in the amount of RON 8,918.81 and their registration, according to regulations applicable to Order no. 1802/2014, under "Other revenues";
- The approval of the revenue and expenditure budget and the investment budget for 2023;
- The discharge from administration of directors for the 2022 financial year;
- The approval of the directors' remuneration for the current financial year.

#### 5. GERMINA AGRIBUSINESS SA

Within the SEGM of 30.01.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the sale of the asset (real estate) owned by: Complex Agrosem Prahova – the "Agrosem Prahova" Station, located in Ploiești, 4 Depozitelor St., Prahova County, according to the proposal of the Board of Directors, based on the result obtained following the competitive outcry tender of 16.01.2023;
- The approval of the date of 21.02.2023 as the registration date, according to the provisions of art. 123 in conjunction with art. 87(1) of Law no. 24/2017, as republished, for the identification of shareholders affected by the decisions adopted within this SEGM and of the date of 20.02.2023 as the Ex-date, in accordance with the provisions of art. 2(2)(l) of FSA Regulation no. 5/2018.

Within the SOGM of 24.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the company individual financial statements for the financial year ended 31 December 2022, drawn up in accordance with the Order of the Minister of Public Finance no. 1802/2014, based on the Report of the Board of Directors and the Report of the Financial Auditor of the company;
- The approval of the coverage of the loss for the 2022 financial year in the amount of RON 405,452 from account 11713 "Retained earnings" for the 2021 profit;
- The approval of the 2022 annual Financial Report including the Report of the Board of Directors for the financial year ended 31 December 2022, drawn up in accordance with the provisions of Annex no. 15 of FSA Regulation no. 5/2018;
- The approval of the distribution of the amount of RON 9,051,092 from account 11713 "Retained earnings" for the 2021 profit, as dividends, i.e. of gross dividends per share in the amount of RON 0.67/share, payable on the date of payment to shareholders registered as of the Registration Date set by the SOGM;
- The approval of the discharge from administration of the members of the company Board of Directors who operated in 2022 for the activity carried out in the 2022 financial year, based on submitted reports;
- The approval of the Remuneration Report for company managers for the 2022 financial year, drawn up in accordance with the Remuneration Policy provided for in art. 106 of Law no. 24/2017;
- The approval of the company revenue and expenditure budget for 2023, according to the proposal of the Board of Directors

- The approval of the remuneration of the members of the Board of Directors for the 2023 financial year, of the amount insured by the professional risk insurance of directors and the coverage of the amount of the insurance premium of directors by the Company, as proposed by the Board of Directors.

Within the SEGM of 30.08.2023, SIF Muntenia SA, as a shareholder, voted, by means of its Manager, for:

- The approval of the sale of the asset owned by the company: a plot of land with cadastral no. 209 and the construction built on it, registered in the Land Register no. 100646 of Tecuci Municipality, located on the premises of the Agrosem Tecuci Complex, Tecuci Municipality, 8D Mures Street, Galați County, according to the proposal of the Board of Directors, based on the result obtained following the competitive outcry tender of 16.08.2023;
- The approval of the sale of the real estate owned by the company, consisting of 6 (six) apartments located at the address in Bucharest, 2<sup>nd</sup> District, 218-222 Mihai Eminescu St., identified with cadastral numbers 213934-C1-U3, 213934-C1-U7, 213934-C1-U8, 213934-C1-U9, 213934-C1-U10 and 213934-C1-U11 and registered in the Land Registers no. 213934-C1-U3, 213934-C1-U7, 213934-C1-U8, 213934-C1-U9, 213934-C1-U10 and 213934-C1-U11 of Bucharest, the 2<sup>nd</sup> District, for a total price of at least EUR 1,050,000, according to the proposal of the Board of Directors.

## 6. MINDO SA

Within the SOGM of 18.04.2023, SIF Muntenia SA, as a shareholder, voted, by means of its Manager, for:

- The approval of the company annual financial statements for 2022, based on the report prepared by the Board of Directors of Mindo SA and the report of the financial auditor;
- The approval of the distribution of the profit for 2022;
- The approval of the discharge from administration of the Board of Directors for the 2022 financial year;
- The approval of the framework management contract concluded by the company with elected directors;
- The approval of the company revenue and expenditure budget for the 2023 financial year;
- The approval of the company investment budget for the 2023 financial year.

Within the SEGM of 29.06.2023, SIF Muntenia SA, as a shareholder, voted, by means of its Manager, for:

- The approval of the taking of a line of credit within the SME Invest Programme, from Banca Comercială Română SA, for a total of RON 2,000,000, intended to be used as working capital, for a period of 36 months, based on a Loan Agreement to be concluded by Mindo SA, as the borrower, and the Bank, as the lender ("the Loan Agreement").

## 7. SEMROM OLTENIA SA

Within the SOGM of 24.04.2023, SIF Muntenia SA, as a shareholder, voted, by means of its Manager, for:

- The approval of the financial statements (the balance sheet, the profit and loss account and balance sheet notes) for the 2022 financial year, based on the Management Report of the Board of Directors and the Independent Auditor's Report for the 2022 financial year;
- The approval of the profit distribution for the 2022 financial year;
- The approval of the distribution of the retained earnings representing non-distributed profit for the 2021 financial year;
- The approval of the revenue and expenditure budget for 2023;
- The approval of the remuneration of the members of the Board of Directors for the 2023 financial year, of the level of the sum insured for directors' professional risk insurance and the coverage of the amount of the insurance premium by the company, according to a proposal from the Board of Directors;
- The approval of the Remuneration Report for the managers of Semrom Oltenia SA for 2022.

Within the SEGM of 24.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of the sale of the asset located in Pitesti, 19 Calea Depozitelor, Arges County, consisting of land within the built-up area and constructions, with a total surface area of 20,090 sqm, with cadastral no. 83649,

- listed in the Land Register no. 83649 of Pitesti, Arges County, for a price of EUR 2,100,000, excluding VAT, according to the tender presentation file and the awarding minutes of 29.03.2023;
- The approval of the sale of the asset located in Plenița, Dolj County, consisting of land within the built-up area and constructions, with a surface area of 491 sqm, with cadastral no. 27, listed in the Land Register no. 33817 of Plenița, Dolj County, real estate consisting of land within the built-up area and constructions, with a surface area of 600 sqm, with cadastral no. 28, listed in the Land Register no. 33818 of Plenița, Dolj County, real estate – Grain Warehouse consisting of land within the built-up area, with a surface area of 635 sqm, with cadastral no. 29, a share of 1/2, listed in the Land Register no. 33816 of Plenița, Dolj County, for a minimum price of EUR 7,000, excluding VAT;
- The approval of the cancellation of 25,431 own shares, acquired by the company as part of the buy-back programme of 2003, 2004 and 2005;
- The approval of the reduction of the company share capital, according to art. 207(1)(C) of Law no. 31/1990 by RON 2,543.10, from RON 1,116,425.60 to RON 1,113,882.50, i.e. by 25,431 shares, from 11,164,256 shares to 11,138,825 shares.

Within the SEGM of 30.10.2023, SIF Muntenia SA, as a shareholder, voted, by means of its Manager, for:

- The approval of the sale of the asset located in Craiova, 7 Eugeniu Carada St., Dolj County, i.e. real estate consisting of land within the built-up area and constructions with a total surface area of 925 sqm, with cadastral no. 5876, mentioned in the Land Register no. 235959 of Craiova, Dolj County, for a minimum price of EUR 570,000, plus VAT, depending on legal provisions;
- The approval of the sale of the following assets:
  - An asset located in Caracal, 8 Silozului St., premises 1, Olt County, real estate consisting of land within the built-up area and constructions with a total surface area of 31,549 sqm, with cadastral no. 58117, listed in the Land Register no. 58117 of Caracal, Olt County;
  - An asset located in Caracal, 8 Silozului, premises 2, Olt County, real estate consisting of land within the built-up area, with a total surface area of 10,060 sqm, with cadastral no. 50806, listed in the Land Register no. 50806 of Caracal, Olt County;
  - An asset located in Arcești, Olt County, real estate consisting of land within the built-up area, with a surface area of 40,255 sqm, with cadastral no. 499, listed in the Land Register no. 50280 of Pleșoiu, Olt County;
  - An asset located in Arcești, Olt County, real estate consisting of land within the built-up area, with a surface area of 6,780 sqm, with cadastral no. 498, listed in the Land Register no. 0282 of Pleșoiu, Olt County.

## 8. UNISEM SA

Within the SEGM of 26.04.2023, SIF Muntenia SA voted, by way of its Manager, for:

- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Craiova, located in Craiova, 2 Alea Muntenilor, Dolj County, for a minimum starting price of EUR 430,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Drobeta Turnu Severin, located in Drobeta Turnu Severin Municipality, 4 Banoviței Street, Mehedinți County, for a minimum starting price of EUR 145,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Fălticeni, located in Fălticeni, 92 Sucevei Street, Suceava County, for a minimum starting price of EUR 70,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Giurgiu, located in Giurgiu, the Bucharest road – km 5, Giurgiu County, for a minimum starting price of EUR 50,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Oradea, located in Oradea Municipality, 4 Dimitrie Cantemir Street, partly – Retail Space, Bihor County, for a minimum starting price of EUR 100,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Orăștie, located in Orăștie Municipality, 10 Gării Street, Hunedoara County, for a minimum starting price of EUR 350,000, according to the proposal of the Board of Directors;

- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Rădăuți, located in Rădăuți, 1 Putnei Street, building 21 – Retail Space, Suceava County, for a minimum starting price of EUR 100,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Roman, located in Roman Municipality, 309 Ștefan cel Mare Street, Neamț County, composed of area 1 (1,948 sqm), with cadastral no. 53085, for a minimum starting price of EUR 220,000, and area 2 (1,767 sqm), with cadastral no. 53174, for a minimum starting price of EUR 250,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Zalău, located in Zalău, 102 Mihai Viteazu Street – Industrial Premises, Sălaj County, for a minimum starting price of EUR 250,000, according to the proposal of the Board of Directors;
- The approval of the sale of the asset (land and buildings) owned by Activ Unisem SA of Zalău, located in Zalău, 36 Tudor Vladimirescu Street, building P63, apt. 13 – Retail Space, Sălaj County, for a minimum starting price of EUR 90,000, according to the proposal of the Board of Directors.

Within the SOGM of 26.04.2023, SIF Muntenia SA, as a shareholder, voted, by way of its Manager, for:

- The approval of company individual financial statements for the financial year ended 31 December 2022, drawn up in accordance with the Order of the Minister of Public Finance no. 1802/2014, based on the Report of the Board of Directors and the Report of the Financial Auditor of the company;
- The approval of the 2022 Annual Financial Report, which includes the Report of the Board of Directors for the financial year ended 31 December 2022, drawn up in accordance with the provisions of Annex no. 15 of FSA Regulation no. 5/2018;
- The approval of the profit distribution for 2022;
- The approval of the discharge from administration of the members of the company Board of Directors who operated in 2022 for the activity carried out in the 2022 financial year, based on reports submitted;
- The approval of the Remuneration Report for company managers for 2022;
- The approval of the company revenue and expenditure budget for 2023, according to the proposal of the Board of Directors;
- The approval of the remuneration for the members of the Board of Directors for the 2023 financial year, and of the level of the sum insured for directors' professional risk insurance and the coverage of the amount of directors' insurance premium by the company, according to a proposal from the Board of Directors.

## 9 THE ACCOUNTS

The Company prepared the financial statements as at 31.12.2023 in accordance with the FSA Rule no. 39/2015 for the approval of Accounting Regulations in line with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the FSA in the Financial Instrument and Investment Sector, with the subsequent amendments and additions.

The financial statements as at 31.12.2023 have been audited by Deloitte Audit SRL.

Below there is a summary of the Company financial statement as at 31 December 2023. For details, check the Notes to the Financial Statements as at 31 December 2023 attached hereto.

### THE STATEMENT OF FINANCIAL POSITION

In RON	31 December 2023	31 December 2022
<b>Assets</b>		
Cash and cash equivalents	46,871,575	4,513,714
Deposits with banks	159,986,022	131,997,371
Financial assets at fair value through profit or loss	1,058,064,333	911,914,156
Financial assets at fair value through other comprehensive income	1,062,061,318	888,016,951
Other assets	2,708,399	3,163,730
<b>Total assets</b>	<b>2,329,691,647</b>	<b>1,939,605,922</b>
<b>Liabilities</b>		
Dividends payable	567,056	567,056
Deferred income tax liabilities	71,444,815	31,091,052
Other liabilities	23,687,765	49,528,705
<b>Total liabilities</b>	<b>95,699,636</b>	<b>81,186,813</b>
<b>Equity</b>		
Share capital	859,471,059	859,471,059
Own shares	(38,175,588)	(38,175,588)
Retained earnings	1,070,950,729	824,016,476
Reserves from revaluation of financial assets at fair value through other comprehensive income	341,745,811	213,107,162
<b>Total equity</b>	<b>2,233,992,011</b>	<b>1,858,419,109</b>
<b>Total liabilities and equity</b>	<b>2,329,691,647</b>	<b>1,939,605,922</b>

Table no. 9.1. *The Statement of Financial Position*

The total asset value as at 31 December 2023 increased by RON 390.09 million, i.e. by 20.11%, compared to the value as at 31 December 2022.

The main changes in terms of assets as at 31.12.2023 compared to the end of 2022 are as follows:

- *The cash and cash equivalents and deposits with banks* increased compared to 31.12.2022 by RON 70.35 million, due to the Manager's decision, noting that the strategy regarding the Company portfolio liquidity was observed (% of total assets as at 31.12.2023 – 8.88%);
- *The financial assets at fair value through profit or loss* appreciated by RON 146.15 million, i.e. 16.03%, compared to the value recorded as at 31 December 2022, as a result of the increase in the value of assets in this class. At the end of 2023, Biofarm SA accounted for 17.98% of the total Company assets (31.12.2022: 16.14%);
- *The financial assets at fair value through other comprehensive income* increased by RON 174.04 million, i.e. 19.60%, as a result of favourable differences in fair value, in particular with issuers traded on the regulated market or MTF. As at 31.12.2023 the stake held with Banca Transilvania SA accounted for 22.02% of the total Company assets (31.12.2022: 19.24%).

*The equity* holds the largest share in the structure of liabilities. It increased by 20.21% compared to the end of the previous year, which is a variation of RON 375.57 million, mainly thanks to the positive differences in the fair value of financial



assets recorded in the category of *Financial assets at fair value through other comprehensive income* as at 31 December 2023 and retained earnings.

#### The difference in net assets according to accounting regulations/net assets certified by the Depositary

Since in the accounts the entries are according to the FSA Rule no. 39/2015 and valuation procedures approved by the Manager, and the monthly net asset calculation is based on the requirements of the FSA Regulation no. 7/2020, the FSA Regulation no. 10/2015, the FSA Regulation no. 9/2014 and valuation rules approved by the Manager, as at 31.12.2023 there are differences between the net asset value calculated according to accounting rules and the net asset value certified by the Depositary.

A summary of the differences between the net assets according to accounts and the certified net assets is presented below.

	<b>Amount (in MRON)</b>
Net assets according to accounts	2,233.99
Certified net assets according to FSA regulations	2,277.07
<b>Differences, of which:</b>	<b>(43.08)</b>
Fair value difference for the share sub-portfolio	(50.53)
Fair value difference for the bond sub-portfolio	6.25
Difference in dividends due from unlisted companies	1.10
Difference in liabilities	0.10

Table no. 9.2. *Differences between the certified net assets and the net assets according to accounts*

#### THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<b>In RON</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Income</b>		
Gross dividend income	82,513,919	95,371,319
Interest income	6,581,063	3,933,391
Other operating income	12,265	100,169
<b>Investment gain</b>		
Net foreign exchange (loss)/gain	(348,116)	199,770
Net gain/(Net loss) on financial assets at fair value through profit or loss	187,959,686	(96,956,230)
<b>Expenses</b>		
Management fees	(50,226,268)	(29,414,617)
Expenses on the remuneration of the members of the Board of Shareholders' Representatives and salaries	(449,905)	(451,005)
(Establishments) / Reversals of impairment of assets	(920,478)	2,532,118
Other operating expenses	(4,170,567)	(4,573,461)
<b>Profit/(Loss) before tax</b>	<b>220,951,599</b>	<b>(29,258,546)</b>
Profit tax	(8,148,578)	(3,962,753)
<b>Net profit/(Net loss) for the period</b>	<b>212,803,021</b>	<b>(33,221,299)</b>
<b>Other comprehensive income</b>		
<b>Items that cannot be reclassified as profit or loss</b>		
Revaluation at fair value of financial assets at fair value through other comprehensive income	198,310,166	(77,638,761)
Deferred tax for the reserve related to financial assets at fair value through other comprehensive income transferred to retained earnings	(35,540,285)	17,857,409
<b>Other comprehensive income</b>	<b>162,769,881</b>	<b>(59,781,352)</b>
<b>Total comprehensive income for the period</b>	<b>375,572,902</b>	<b>(93,002,651)</b>

Table no. 9.3. *The Statement of profit or loss and other comprehensive income*

The evolution of the main elements that make up the Statement of profit or loss and other comprehensive income is as follows:

- Dividend income decreased, compared to the same period of the previous year, by RON 12.86 million, i.e. 13.48%;
- The *Interest income* category saw an increase by RON 2.65 million (i.e. by 67.31%), caused by the increase in interest rates on bank deposits and cash at bank;
- Investment gains are structured as follows:
  - *Net foreign exchange loss* of RON 0.35 million compared to a gain of RON 0.20 million for the same period of the previous year;
  - *Net gain on financial assets at fair value through profit or loss* of RON 187.96 million compared to a loss of RON 96.96 million during the same period of 2022.

The combined effect of the aforementioned items is a positive net result in the amount of RON 212.80 million.

## THE CASH FLOW STATEMENT

When preparing the Cash Flow Statement, one considered the following as cash and cash equivalents: the petty cash, the cash at bank, the deposits with an initial maturity shorter than 90 days.

In RON	2023	2022
<b>Operating activities</b>		
Profit/(Loss) before tax	220,951,599	(29,258,546)
<i>Adjustments:</i>		
Establishments/(Reversals) of impairment of other assets	920,478	(2,532,118)
(Net gain)/Net loss on financial assets at fair value through profit or loss	(187,959,686)	96,956,230
Gross dividend income	(82,513,919)	(95,371,319)
Interest income	(6,581,063)	(3,933,391)
Net foreign exchange loss / (gain)	348,116	(199,770)
Interest expense related to the leasing contract liability	1,171	1,932
Adjustments for suppliers – invoiced to be received	21,672,737	2,417,979
Other adjustments	8,680	9,006
<b>Changes in assets and liabilities related to operating activities</b>		
Net receipts of financial assets at fair value through profit or loss	41,817,620	14,121,214
Net receipts/(Net payments) of financial assets at fair value through other comprehensive income	24,265,799	(24,289,518)
Receipts from financial assets measured at amortised cost	-	5,919,900
Net receipts / (Net payments) of other assets	1,934,998	(623,599)
Net receipts / (Net payments) of other liabilities	(47,502,460)	19,724,427
Net investment in deposits with a maturity of more than 3 months and less than a year	(54,440,768)	(22,878,914)
Dividends received	77,031,268	92,638,687
Interest received	6,018,252	3,447,454
<b>Net cash resulting from operating activities</b>	<b>15,972,822</b>	<b>56,149,653</b>
<b>Investment activities</b>		
Payments for purchases of tangible and intangible assets	(417)	(329)
<b>Net cash used in investment activities</b>	<b>(417)</b>	<b>(329)</b>
<b>Financing activities</b>		
Payments related to the leasing contract liability, including interest	(10,324)	(10,298)
Payments for the redemption of own shares	-	(38,175,588)
<b>Net cash used in financing activities</b>	<b>(10,324)</b>	<b>(38,185,886)</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,962,081</b>	<b>17,963,438</b>
Effect of exchange rate changes on cash and cash equivalents	(358,292)	228,128
Cash and cash equivalents as at the 1 <sup>st</sup> of January	31,267,786	13,076,220
<b>Cash and cash equivalents as at the 31<sup>st</sup> of December</b>	<b>46,871,575</b>	<b>31,267,786</b>

Table no. 9.4. *The Cash Flow Statement*

Throughout 2023, the operating activity generated cash as a result of dividend receipts from portfolio companies and the sale of shares (details in the relevant chapters and the Notes to the annual Financial Statements as at 31.12.2023).

## ECONOMIC AND FINANCIAL INDICATORS

Indicator	2023	2022	2021
<b>Current ratio</b>	3.11	2.75	2.00
<b>Debt ratio</b>	Not applicable	Not applicable	Not applicable
<b>Non-current asset turnover ratio</b>	0.1755	0.1503	0.2237
<b>Net profit/certified net assets (%)</b>	9.35	-	13.43
<b>ROA (%)</b>	9.13	-	12.89
<b>ROE (%)</b>	9.53	-	13.47

Table no. 9.5. *Economic and financial indicators*

### *The calculation method*

*Current ratio* - Current assets/Current liabilities

*Debt ratio* - Borrowed capital/Equity x 100

*Non-current asset turnover ratio* - Turnover/Non-current assets (turnover = total (current) Company income).

*ROA* - Net profit/Total accounting assets (this is one of the main indicators of a company's profitability and measures the efficiency of use of the assets, in terms of profit earned, and shows how many units a unit invested in assets brings, in terms of profit).

*ROE* - Net profit/Equity (this is one of the most important indicators that measures a company's performance. This indicator is calculated as the ratio between the net profit obtained by the company and the equity, basically expressing the way in which and the efficiency with which shareholders have invested their money).

## 10 THE IMPLEMENTATION OF THE REVENUE AND EXPENDITURE BUDGET

The revenue and expenditure budget for the 2023 financial year was approved within the Shareholders' Ordinary General Meeting (SOGM) of 27 April 2023, based on Decision no. 5.

In RON	2023 revenue & expenditure budget	Achieved in 2023	%
<b>1. Total revenues</b>	<b>65,100,000</b>	<b>89,107,247</b>	<b>136.88</b>
1.1. Investment income	65,000,000	89,094,982	137.07
1.1.1 Gross dividend income	62,000,000	82,513,919	133.09
1.1.2 Interest income	3,000,000	6,581,063	219.37
1.2 Other revenues	100,000	12,265	12.27
<b>2. Total expenses</b>	<b>34,550,000</b>	<b>54,846,739</b>	<b>158.75</b>
2.1 Management expenses	29,500,000	50,226,268	170.26
2.2 External expenses	3,600,000	3,447,543	95.77
2.3 Portfolio management expenses	900,000	711,206	79.02
2.4 BoSR expenses	500,000	461,717	92.34
2.5 Other expenses	50,000	5	0.01
<b>3. Net gain from the valuation of financial assets at fair value through profit or loss</b>	<b>-</b>	<b>186,691,091</b>	<b>-</b>
<b>4. Gross profit</b>	<b>30,550,000</b>	<b>220,951,599</b>	<b>723.25</b>
5. Profit tax (current and deferred), including dividend income tax	-	8,148,578	-
<b>6. Net profit</b>	<b>-</b>	<b>212,803,021</b>	<b>-</b>

Table no. 10.1. *The implementation of the revenue and expenditure budget in 2023*

The total Company income registered in 2023 exceeded the budgeted value approved by shareholders by 36.88%.

Total expenses reached a level of 158.75% of the 2023 budgeted value and consisted mainly of the following subcategories:

- Management expenses representing the fee collected by SAI Muntenia Invest SA, calculated according to the Management Contract in force between the Company and the Manager, i.e.:
  - The management fee calculated and paid on a monthly basis is equal to 0.125% of the total asset value, as certified by the Company Depository for the last working day of the month. In 2023, the amount of this fee was RON 31.52 million;
  - The performance fee calculated at the end of the year and paid after the approval of the financial statements by the Company SGM is equal to 10% of the amount by which the gross profit earned exceeds the gross profit provided for in the revenue and expenditure budget approved by SGM for the year for which the profit was recorded. In 2023, the amount of this fee was RON 18.71 million. The performance fee was not budgeted for.

The management fee of the Manager for the 2023 financial year was in a total amount of RON 50.23 million, representing 2.45% of the average net assets and 2.39% of the average total assets of the Company in 2023, respectively.

- External expenses representing expenses relating to third party services, i.e. expenses relating to service providers: BRD – the depository (the fees are calculated as a percentage of the certified net assets, which increased in 2023), FSA fees<sup>74</sup> (the fees are calculated as a percentage of the certified net assets, which increased in 2023), the custodian, the Central Depository, the financial auditor of the Company, the internal auditor, expenses incurred for the relationship with investors, expenses incurred on mandatory advertising (which decreased in 2023 because there were fewer current reports and press releases published according to the applicable legal framework), payments to the Trade Register, consultancy expenses;
- Portfolio management expenses including SSIF transaction fees, expenses related to debt collection services, legal assistance expenses, expenses relating to valuation services performed by external valuers, etc.

The net gain on the measurement of assets at fair value through profit or loss was in the amount of RON 186.69 million as at 31.12.2023.

By combining the above-mentioned items, as at 31.12.2023, the Company registered a net profit of RON 212.80 million.

## 11 SUBSEQUENT EVENTS

### DECISIONS OF THE COMPANY SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING OF 3 FEBRUARY 2024

During the SEGM of 3 February 2024, convened by publication in the Official Journal of Romania, part IV, no. 5737/22.12.2023, in *Ziarul Financiar* no. 6335/22.12.2023, on the Company website, i.e. [www.sifmuntenia.ro](http://www.sifmuntenia.ro), and on the Company page on the BVB website, convened on the first convening day, with the participation of shareholders holding 271,247,523 valid voting rights, representing 35.6386% of all voting rights and 34.5694% of the share capital of the Company as of the reference date of 16.01.2024, pursuant to the Companies Law no. 31/1990 and Law no. 24/2017, FSA regulations in force and the provisions of the Company Instrument of Incorporation, subject to legal and statutory conditions for the validity of the convening, of the holding of the meeting and of the adoption of decisions, the following decisions were adopted:

- The approval of the election of the meeting secretariat consisting of two members. The selected persons are shareholders of SIF Muntenia SA;
- The approval of the election of the committee for counting the votes cast by shareholders on items on the agenda of the meeting;

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<sup>74</sup> According to FSA Regulation no. 16/2014 on the revenues of the Financial Supervisory Authority

- The approval of the revocation of the Decision of the Shareholders' Extraordinary General Meeting no. 4 of 21.06.2023 published according to the Current Report no. 1479/124552 of 21.06.2023 on the BVB website;
- The approval of the change of Company name from Societatea de Investiții Financiare Muntenia - SA to Longshield Investment Group - SA and the approval of the corresponding amendment of Art. 1(1)-(6) of the Company Instrument of Incorporation, which shall read as follows:

“(1) The Company name is ‘Longshield Investment Group – SA’, hereinafter referred to as ‘the Company’. In all documents issued by Longshield Investment Group - SA, the identification details and information required by applicable laws shall be stated;

(2) The legal form of Longshield Investment Group - SA (hereinafter referred to as ‘the Company’) is that of a joint stock company, a private Romanian legal person, classified according to applicable regulations as an Alternative Investment Fund in the form of Investment Companies – A.I.F.C., the category of Alternative Investment Funds intended for Retail Investors – A.I.F.R.I., with a diversified investment policy, of the closed-end type and managed externally;

(3) Longshield Investment Group - SA shall operate in compliance with the provisions of capital market laws, of the Companies Law no. 31/1990, as republished, with the subsequent amendments and addition, of this Instrument of Incorporation, of ‘Company’ Rules (herein referred to as ‘Rules’) and of the Simplified Prospectus of ‘the Company’ (herein referred to as ‘the Prospectus’);

(4) The Company shall operate on the basis of a Management Contract to be concluded with Societatea de Administrare a Investițiilor Muntenia-Invest - SA;

(5) ‘The Company’ registered office is in Bucharest, 46-48 Serghei Vasilievici Rahmaninov St., the ground floor, room 2, 2<sup>nd</sup> District, code 020199. The Shareholders' Extraordinary General Meeting may decide to relocate the headquarters of Longshield Investment Group - SA anywhere else in Romania. Longshield Investment Group - SA may establish subsidiaries, branches, agencies, representative offices, as well as places of business, both in the country and abroad, in compliance with legal requirements and this Instrument of Incorporation, regarding authorisation and registration;

(6) The duration of operation of ‘the Company’ is 100 years. Shareholders may extend the duration of operation of ‘the Company’ before its expiry, based on a decision of the Shareholders' Extraordinary General Meeting.”

The new name shall be used in all documents, invoices, announcements, publications and the like issued by the Company only starting from the date of authorisation/approval of the new name by the FSA.

When updating the Instrument of Incorporation, as a result of the approval of the new Company name by SEGM, the phrase ‘Societatea de Investiții Financiare Muntenia - SA’/‘SIF Muntenia - SA’ will be replaced with the phrase ‘Longshield Investment Group – SA’ or with the term ‘the Company’, as the case may be, depending on the context. The change of name for the Company website from ‘www.sifmuntenia.ro’ to ‘www.longshield.ro’ is approved. When updating the Instrument of Incorporation, as a result of changing the Company website, instead of ‘www.sifmuntenia.ro’, ‘www.longshield.ro’ will be entered throughout the updated Instrument of Incorporation.

- The approval of the empowerment of the Company legal representative, i.e. the Company Manager, SAI Muntenia Invest - SA, through its legal representative, to take all necessary steps to carry out the decisions regarding the change of name and the amendment of the Company Instrument of Incorporation, to sign the amended and updated form of the Company Instrument of Incorporation and any other related documents, to represent the Company and to carry out all acts and formalities of registration and implementation of decisions adopted by SEGMS with the Trade Register Office, the FSA, Depozitarul Central - SA and any other authorities, including, but not limited to: the registration, enforceability and enforcement of decisions, the preparation, signing and transmission of all documents to this end, the amendment of any other Company identification elements, if applicable (e.g. the amendment of the graphical appearance of the logo, trademark, ticker symbol, as well as any other such distinctive elements), the completion of any and all required formalities, before any competent authority, for the implementation of the decisions adopted by SEGMS;
- The approval of the date of 23.02.2024 as the registration date and of the date of 22.02.2024 as the Ex date, in accordance with the provisions of art. 87(1) of Law no. 24/2017 and FSA Regulation no. 5/2018.

## **DECISIONS OF THE COMPANY SHAREHOLDERS' ORDINARY GENERAL MEETING OF 13 FEBRUARY 2024**

Within the SOGM of 13 February 2024, convened by publication in the Official Journal of Romania, Part IV, no. 159/12.01.2024 and no. 288/19.01.2024, in *Ziarul Financiar* no. 6341/12.01.2024, on the Company website, i.e. [www.sifmuntenia.ro](http://www.sifmuntenia.ro), and on the Company page on the BVB website, convened on the first convening day, with the participation of shareholders holding 271,726,926 valid voting rights, representing 35.70% of all voting rights and 34.63% of the Company share capital as of the reference date of 05.02.2024, pursuant to the Companies Law no. 31/1990 and Law no. 24/2017, FSA regulations in force and the provisions of the Company Instrument of Incorporation, subject to legal and statutory conditions for the validity of the convening, of the holding of the meeting and of the adoption of decisions, the following decisions were adopted:

- The approval of the election of the meeting secretariat consisting of two members. The elected persons are shareholders of SIF Muntenia SA;
- The approval of the election of the committee for counting the votes cast by shareholders on items on the agenda of the meeting;
- The approval of the re-election as sole director of the Company of SAI Muntenia Invest SA, based in Bucharest, 46-48 Serghei Vasilevici Rahmaninov St., the ground floor, rooms 3, 4 and 5 and the 2<sup>nd</sup> floor, 2<sup>nd</sup> District, registered with the Trade Register under number J40/3307/1997 and with the unique registration code 9415761, which shall also exercise the function of alternative investment fund manager, for a term of four years, from 24.04.2024 to 24.04.2028;
- The approval of the remuneration due to the manager of SAI Muntenia Invest SA, for its term of office from 24.04.2024 to 24.04.2028 in an amount equal to the one set out in the Management Contract concluded on 27.04.2020 between SIF Muntenia SA and SAI Muntenia Invest SA, i.e. the maintenance of the amount set out in the aforementioned contract;
- The approval of the extension by four years of the Management Contract concluded on 27.04.2020 between SIF Muntenia SA and SAI Muntenia Invest SA, i.e. the extension for the period from 24.04.2024 to 24.04.2028, following the re-election of the sole director and the conclusion of the Addendum to the Management Contract amending the duration of the aforementioned contract and updating it to the legal framework in force, in accordance with the content presented in the documents and information materials of the meeting;
- The approval of the empowerment of the Chair of the Board of Shareholders' Representatives of SIF Muntenia SA to sign the Addendum to the Management Contract concluded on 27.04.2020 between SIF Muntenia SA and SAI Muntenia Invest SA, as approved and with the content presented in the documents and information materials of the meeting;
- The approval of the empowerment of the Company Manager and of Mr. Buică Nicușor Marian, the legal representative of the Manager SAI Muntenia Invest SA, to sign the Decisions of the Company Shareholders' Ordinary General Meetings and any other related documents, to represent the Company and to carry out all acts and formalities of registration and implementation of the Decisions adopted by the Company Shareholders' Ordinary General Meetings before any authorities or people;
- The approval of the date of 07.03.2024 as the registration date and of the date of 06.03.2024 as the Ex date, in accordance with the provisions of art. 87(1) of Law no. 24/2017 and FSA Regulation no. 5/2018.

## 12 2024 PROSPECTS

According to the World Economic Outlook (WEO) report of January of 2024<sup>75</sup>, **global growth** is projected at 3.1% in 2024 and 3.2% in 2025, with a 0.2% improved 2024 forecast compared to the one of October of 2023. However, the expected growth is below the historical average (2000-2019) of 3.8%, in the context of high interest rates aimed at fighting inflation, a withdrawal of tax support amid high debt weighing on the economic activity, and weak global trade and investment. Inflation is declining faster than expected in most regions, with global inflation rate estimated at 5.8% in 2024 and 4.4% in 2025.

As a result of modest growth in 2023, the **EU economy** entered 2024 at a lower level than expected. In its winter interim forecasts<sup>76</sup>, the European Commission revised growth in the EU and euro area for 2024 downwards to 0.9% in the EU (compared to 1.3%) and to 0.8% in the euro area (compared to 1.2%). However, in 2025, economic activity growth forecasts remain at 1.7% for the EU and 1.5% for the euro area. EU inflation estimates point to a faster than previously projected decline from 6.3% in 2023 to 3.0% in 2024 and 2.5% in 2025, and, in the euro area, from 5.4% in 2023 to 2.7% in 2024 and 2.2% in 2025.

In **Romania**, based on prospects for stronger private loan growth and continued real disposable income growth, the real GDP is expected to increase by 2.9% in 2024 – slightly below the European Commission’s autumn expectations. While private consumption is expected to accelerate, investment will remain the main contributor to GDP growth this year, too. The monetary policy is expected to remain tight in 2024 and to only ease gradually as inflationary pressures ease. According to forecasts, this relaxation of monetary and financial conditions, accompanied by stronger external demand, should lead to real GDP growth of 3.2% in 2025.

Forecasts for global economic developments are affected by uncertainty in the context of prolonged geopolitical tensions and the risk of escalation of the conflict in the Middle East. Worsened trade disruptions in the Red Sea may lead to new bottlenecks in supply chains, which could stifle production and put pressure on prices. Moreover, any possible escalation of the conflict in the Middle East could also affect oil supplies, leading to an increase in oil prices.

Moreover, a worsening of Chinese real estate problems or a number of developments in other advanced economies, such as unexpectedly persistent inflation, could lead to weaker than projected global economic growth. Likewise, climate change-related risks and the increasing frequency of extreme weather events also continue posing threats to the global economy.

At national level, significant uncertainties and risks to the prospects for economic growth and inflation developments are associated with the future conduct of the tax and revenue policy, stemming from public sector salary dynamics and the implications of new pension laws, as well as corrective tax and budget measures that could be supplemented to continue budget consolidation, especially in the context of the excessive deficit procedure and the conditions attached to other agreements concluded with the European Commission. Another significant source of domestic uncertainty and risk is the degree of absorption of European funds, especially those related to the Next Generation EU programme. In addition to this, there are external risks and uncertainties as listed above, but also economic developments in Europe.

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<sup>75</sup> <https://www.imf.org/-/media/Files/Publications/WEO/2024/Update/January/English/text.ashx>,

<sup>76</sup> [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2024-economic-forecast-delayed-rebound-growth-amid-faster-easing-inflation\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2024-economic-forecast-delayed-rebound-growth-amid-faster-easing-inflation_en);

## 13 PRIORITY STRATEGIC OBJECTIVES FOR 2024

The priority strategic objectives and directions of action for 2024 will be presented, in detail, in the *Management Programme and the Revenue and Expenditure Budget of SIF Muntenia SA for 2024*, which will be submitted to the shareholders for approval purposes.

### Summary

The investment strategy aims at ensuring that the Company portfolio has well-defined characteristics of a balanced fund, which combines assets (different types of financial instruments) with the potential to increase the value of the assets under management and the investment income. The Company strategy and portfolio meet the requirements of European regulations applicable to alternative investment funds.

The Manager does not invest in derivatives (traded in regulated markets, within organised trading facilities (OTFs) or over the counter (OTC)) on its behalf or on behalf of the Company and does not use the leverage in the investment policy adopted in connection with the Company management.

The financial objective of the Company is the effective management of the asset portfolio, so as to ensure a constant flow of income, the preservation and medium to long-term increase of the capital, in order to increase the value for shareholders and to obtain the highest possible returns on the invested capital.

### **PRIORITY STRATEGIC OBJECTIVES FOR 2024**

- Continuing the process of restructuring the portfolio and effectively managing it, so as to ensure long-term sustainable growth;
- Continuing the investment process, with a focus on investment in Romania and in listed shares.



## ANNEXES

- The Financial Statements as at 31 December 2023 prepared in accordance with the provisions of the FSA Rule no. 39/28 December 2015, with the subsequent amendments and additions, which have not been audited, including:
  - The Statement of Financial Position,
  - The Statement of Profit or Loss and Other Comprehensive Income,
  - Statement of Changes in Equity,
  - The Cash Flow Statement,
  - Notes to the Financial Statements
- The Detailed Statement of the Investment of SIF Muntenia SA as at 31 December 2023, prepared in accordance with Annex no. 11 of Regulation no. 7/2020;
- The Statement on the responsibility for preparing the financial statements as at 31 December 2023;
- The Statement on the application of corporate governance principles for SIF Muntenia SA (according to the Annex to the FSA Regulation no. 2/2016, as subsequently amended and supplemented);
- The status of the compliance with the provisions of the Code of Corporate Governance of BVB as at 31 December 2023;
- The Report of the remuneration of SAI Muntenia Invest SA for the 2023 financial year according to the Remuneration Policy.

SIF Muntenia SA by way of its Manager  
SAI Muntenia Invest SA

CEO,  
Marian Nicușor BUICĂ

SIF Muntenia SA by way of its Manager  
SAI Muntenia Invest SA

Chief Accountant,  
Irina MIHALCEA

**DETAILED STATEMENT OF INVESTMENTS AS AT 31.12.2023 AS COMPARED TO 31.12.2022**

No.	Item denomination	Currency	Beginning of the reporting period (31.12.2022)				End of the reporting period (31.12.2023)				Differences
			% of net asset	% of total asset	Currency	LEI	% of net asset	% of total asset	Currency	LEI	
1	<b>I. Total asset</b>	RON	104,378	100,000	0,00	1.935.756.313,10	104,207	100,000	0,00	2.372.869.619,85	437.113.306,75
2	<b>I.1. Securities and money market instruments of which:</b>	RON	69,632	66,711	0,00	1.291.367.636,24	73,339	70,378	0,00	1.669.981.295,95	378.613.659,71
3	I.1.1. Securities and money market instruments admitted or traded on a regulated market in Romania, of which:	RON	69,632	66,711	0,00	1.291.367.636,24	73,339	70,378	0,00	1.669.981.295,95	378.613.659,71
4	I.1.1.1. Shares listed on BSE	RON	50,898	48,763	0,00	943.929.512,36	56,522	54,240	0,00	1.287.055.529,88	343.126.017,52
5	I.1.1.2. AIF listed on BSE	RON	5,544	5,311	0,00	102.816.067,68	4,881	4,684	0,00	111.147.775,84	8.331.708,16
6	I.1.1.3. Shares listed on ATS	RON	9,968	9,550	0,00	184.858.766,45	11,386	10,927	0,00	259.278.319,72	74.419.553,27
7	I.1.1.4. Listed shares, but not traded during the last 30 days	RON	3,222	3,087	0,00	59.763.289,75	0,549	0,527	0,00	12.499.670,51	-47.263.619,24
8	I.1.1.5. Shares listed and suspended for trading for more than 30 days	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
9	I.1.1.6. Listed municipal bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
10	I.1.1.7. Listed corporate bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
11	I.1.1.8. Listed municipal bonds and not traded during the last 30 days	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
12	I.1.1.9. Listed corporate bonds and not traded during the last 30 days	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
13	I.1.2. securities and money market instruments admitted or traded on a regulated market in a Member State	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
14	I.1.2.1 Listed corporate bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00

**DETAILED STATEMENT OF INVESTMENTS AS AT 31.12.2023 AS COMPARED TO 31.12.2022**

No.	Item denomination	Currency	Beginning of the reporting period (31.12.2022)				End of the reporting period (31.12.2023)				Differences
			% of net asset	% of total asset	Currency	LEI	% of net asset	% of total asset	Currency	LEI	
15	I.1.3. securities and money market instruments admitted to official listing on a non-member stock exchange or traded on another regulated market in a third country	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
16	<b>I.1. Securities and money market instruments of which:</b>	EUR	4,416	4,231	16.554.321,55	81.900.850,46	3,612	3,466	16.534.399,18	82.252.022,18	351.171,72
17	I.1.2. securities and money market instruments admitted or traded on a regulated market in a Member State	EUR	4,416	4,231	16.554.321,55	81.900.850,46	3,612	3,466	16.534.399,18	82.252.022,18	351.171,72
18	I.1.2.1 Listed corporate bonds	EUR	4,416	4,231	16.554.321,55	81.900.850,46	3,612	3,466	16.534.399,18	82.252.022,18	351.171,72
19	<b>I.2. newly issued securities</b>	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
20	<b>I.3. other securities and money market instruments mentioned under art. 83 paragraph (1) letter a) of the E.G.O. no. 32/2012 of which</b>	RON	11,421	10,942	0,00	211.813.439,59	7,032	6,748	0,00	160.115.355,75	-51.698.083,84
21	I.3.1. Unlisted shares (closed)	RON	11,421	10,942	0,00	211.813.439,59	7,032	6,748	0,00	160.115.355,75	-51.698.083,84
22	I.3.2. Unlisted municipal bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
23	I.3.3. Unlisted corporate bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
24	<b>I.4. Bank deposits, of which:</b>	RON	2,330	2,232	0,00	43.206.378,95	4,143	3,976	0,00	94.349.895,66	51.143.516,71
25	I.4.1. . bank deposits with credit institutions in Romania;	RON	2,330	2,232	0,00	43.206.378,95	4,143	3,976	0,00	94.349.895,66	51.143.516,71
26	I.4.2. bank deposits with credit institutions in a Member State;	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
27	I.4.3. bank deposits with credit institutions in a third country;	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
28	<b>I.4. Bank deposits, of which:</b>	EUR	3,523	3,375	13.206.723,97	65.338.946,17	2,984	2,864	13.660.537,62	67.955.710,44	2.616.764,27

**DETAILED STATEMENT OF INVESTMENTS AS AT 31.12.2023 AS COMPARED TO 31.12.2022**

No.	Item denomination	Currency	Beginning of the reporting period (31.12.2022)				End of the reporting period (31.12.2023)				Differences
			% of net asset	% of total asset	Currency	LEI	% of net asset	% of total asset	Currency	LEI	
29	I.4.1. . bank deposits with credit institutions in Romania;	EUR	3,523	3,375	13.206.723,97	65.338.946,17	2,984	2,864	13.660.537,62	67.955.710,44	2.616.764,27
30	<b>I.4. Bank deposits, of which:</b>	USD	1,265	1,212	5.060.161,90	23.451.826,32	1,045	1,002	5.290.746,82	23.786.139,54	334.313,22
31	I.4.1. . bank deposits with credit institutions in Romania;	USD	1,265	1,212	5.060.161,90	23.451.826,32	1,045	1,002	5.290.746,82	23.786.139,54	334.313,22
32	<b>I.5. Derivative financial instruments traded on a regulated market</b>	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
33	<b>I.6. Current accounts and cash</b>	RON	0,242	0,232	0,00	4.483.485,13	0,909	0,872	0,00	20.699.621,69	16.216.136,56
34	<b>I.6. Current accounts and cash</b>	EUR	0,000	0,000	1.664,48	8.234,85	0,000	0,000	1.830,52	9.106,10	871,25
35	<b>I.6. Current accounts and cash</b>	GBP	0,000	0,000	1,00	5,59	0,000	0,000	1,00	5,72	0,13
36	<b>I.6. Current accounts and cash</b>	USD	0,000	0,000	450,69	2.088,77	0,000	0,000	415,26	1.866,92	-221,85
37	<b>I.7. Money market instruments, other than those traded on a regulated market, according to art. 82 letter g) of the E.G.O no. 32/2012 - Repo type contracts on securities</b>	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
38	<b>I.8. AIF / UCITS participation titles</b>	RON	11,376	10,899	0,00	210.984.516,98	10,966	10,524	0,00	249.712.358,31	38.727.841,33
39	<b>I.8. AIF / UCITS participation titles</b>	EUR	0,000	0,000	0,00	0,00	0,042	0,040	191.318,40	951.732,51	951.732,51
40	<b>I.9. Dividends or other receivables</b>	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
41	I.9.1 Shares distributed with cash contribution	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
42	I.9.2 Bonus shares	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
43	I.9.3 Dividends	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
44	I.9.4 Preference / allocation rights	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00

**DETAILED STATEMENT OF INVESTMENTS AS AT 31.12.2023 AS COMPARED TO 31.12.2022**

No.	Item denomination	Currency	Beginning of the reporting period (31.12.2022)				End of the reporting period (31.12.2023)				Differences
			% of net asset	% of total asset	Currency	LEI	% of net asset	% of total asset	Currency	LEI	
45	I.9.5 Amounts to be received following the decrease of the share capital	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
46	<b>I.10. Equity interests</b>	RON	0,000	0,000	0,00	0,00	0,060	0,058	0,00	1.374.427,00	1.374.427,00
47	<b>I.11. Other assets (amounts in transit, amounts at distributors, amounts at brokers, tangible and intangible assets, receivables, etc.)</b>	RON	0,172	0,165	0,00	3.198.904,05	0,074	0,071	0,00	1.680.082,08	-1.518.821,97
48	<b>II. Total liabilities</b>	RON	4,378	4,194	0,00	81.186.813,02	4,207	4,037	0,00	95.794.701,80	14.607.888,78
49	II.1. Expenses for payment of commissions due to AIFM	RON	0,130	0,125	0,00	2.417.979,09	0,953	0,914	0,00	21.693.043,59	19.275.064,50
50	II.2. Expenses for payment of commissions due to the depositary	RON	0,002	0,002	0,00	31.678,42	0,002	0,001	0,00	34.676,12	2.997,70
51	II.3. Expenses with commissions due to intermediaries	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
52	II.4. Expenses with running commissions and other banking services	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
53	II.5. Interest expenses	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
54	II.6. Issue expenses	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
55	II.7. Expenses for paying the commissions/tariffs due to the FSA	RON	0,008	0,007	0,00	144.576,59	0,008	0,008	0,00	179.984,06	35.407,47
56	II.8. Financial auditing expenses	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
57	II.9. Other approved expenses	RON	4,238	4,060	0,00	78.592.578,92	3,245	3,114	0,00	73.886.998,03	-4.705.580,89
58	II.10. Buy-back payable	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
59	<b>III. Net asset value (I-II)</b>	RON	100,000	95,806	0,00	1.854.569.500,08	100,000	95,963	0,00	2.277.074.918,05	422.505.417,97

Net asset value per share statement			
Item denomination	Current period (31.12.2023)	Corresponding period of the previous year (31.12.2022)	Differences
Net Asset	2.277.074.918,05	1.854.569.500,07	422.505.417,98
Number of issued shares	761.105.845,00	761.105.845,00	0,00
Net asset value per share	2,9918	2,4367	0,5551

## DETAILED STATEMENT OF INVESTMENTS AT 31.12.2023

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

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

No. crt.	Issuer	Share symbol	Date of the last trading session	Number of shares owned	Nominal value	Share value	Total value	Share in the share capital of the issuer	Share in the total assets of the AIFR
					lei	lei	lei	%	%
1	24 IANUARIE SA PLOIESTI	IANY	21.12.2023	71.479	2,5000	16,0000	1.143.664,00	14,640	0.048
2	BANCA TRANSILVANIA	TLV	29.12.2023	21.141.965	10,0000	24,2600	512.904.070,90	2,647	21.615
3	BIOFARM SA BUCURESTI	BIO	29.12.2023	508.231.323	0,1000	0,8240	418.782.610,15	51,577	17.649
4	BRD - GROUPE SOCIETE GENERALE	BRD	29.12.2023	5.611.471	1,0000	17,9200	100.557.560,32	0,805	4.238
5	BUCUR SA BUCURESTI	BUCV	29.12.2023	56.608.888	0,1000	1,0100	57.174.976,88	67,978	2.410
6	BURSA DE VALORI BUCURESTI	BVB	29.12.2023	359.500	10,0000	65,6000	23.583.200,00	4,466	0.994
7	CASA DE BUCOVINA-CLUB DE MUNTE S.A.	BCM	29.12.2023	120.079.482	0,1000	0,0990	11.887.868,72	73,977	0.501
8	CI-CO SA BUCURESTI	CICO	29.12.2023	2.634.060	2,5000	20,6000	54.261.636,00	97,342	2.287
9	COCOR SA BUCURESTI	COCR	14.12.2023	30.206	40,0000	98,0000	2.960.188,00	10,012	0.125
10	COMPANIA ENERGOPETROL SA CAMPINA	ENP	27.12.2023	160.256	2,5000	0,4240	67.948,54	7,915	0.003
11	COMREP SA PLOIESTI	COTN	06.12.2023	120.605	2,5000	5,5000	663.327,50	17,178	0.028
12	CONPET SA PLOIESTI	COTE	29.12.2023	35.596	3,3000	81,8000	2.911.752,80	0,411	0.123
13	DIASFIN SA BUCURESTI	DIAS	06.12.2023	42.314	2,5000	19,1000	808.197,40	18,604	0.034

No. crt.	Issuer	Share symbol	Date of the last trading session	Number of shares owned	Nominal value	Share value	Total value	Share in the share capital of the issuer	Share in the total assets of the AIFR
					lei	lei	lei	%	%
14	GERMINA AGRIBUSINESS S.A.	SEOM	29.12.2023	12.250.246	0,1000	1,6800	20.580.413,28	90,681	0.867
15	HELIOS SA Astileu	HEAL	24.11.2023	102.487	2,5000	9,0000	922.383,00	7,081	0.039
16	IMPACT DEVELOPER & CONTRACTOR	IMP	29.12.2023	67.250.000	0,2500	0,2630	17.686.750,00	2,843	0.745
17	INFINITY CAPITAL INVESTMENTS SA	INFINITY	29.12.2023	23.400.000	0,1000	1,9000	44.460.000,00	4,680	1.874
18	INOX SA	INOX	12.12.2023	225.676	2,5000	2,1400	482.946,64	3,522	0.020
19	INSTITUTUL DE CERCETARI IN TRANSPORTURI - INCERTRANS SA BUCURESTI	INCT	14.12.2023	270.392	2,5000	3,0000	811.176,00	22,759	0.034
20	IOR SA BUCURESTI	IORB	29.12.2023	7.327.025	0,1000	0,2400	1.758.486,00	1,327	0.074
21	LION CAPITAL SA	LION	29.12.2023	25.748.176	0,1000	2,5900	66.687.775,84	5,073	2.810
22	MACOFIL SA TIRGU JIU	MACO	29.12.2023	627.909	4,1000	17,5000	10.988.407,50	17,377	0.463
23	OMV PETROM SA	SNP	29.12.2023	140.875.080	0,1000	0,5745	80.932.733,46	0,226	3.411
24	PRIMCOM SA BUCURESTI	PRIB	29.12.2023	177.111	0,1000	11,8000	2.089.909,80	14,466	0.088
25	PROSPECTIUNI SA BUCURESTI	PRSN	29.12.2023	84.917.900	0,1000	0,1675	14.223.748,25	11,826	0.599
26	ROMAERO SA BUCURESTI	RORX	28.12.2023	1.614.693	2,5000	16,0000	25.835.088,00	23,241	1.089
27	S.N.G.N. ROMGAZ-S.A. Medias	SNG	29.12.2023	1.212.565	1,0000	50,1000	60.749.506,50	0,315	2.560
28	S.P.E.E.H. HIDROELECTRICA S.A.	H2O	29.12.2023	125.000	10,0000	128,0000	16.000.000,00	0,028	0.674
29	SANTIERUL NAVAL ORSOVA	SNO	29.12.2023	4.704.937	2,5000	5,4000	25.406.659,80	41,189	1.071
30	SEMROM OLTENIA SA CRAIOVA	SEOL	28.12.2023	9.879.418	0,1000	1,8700	18.474.511,66	88,694	0.779
31	SINTOFARM SA BUCURESTI	SINT	14.11.2023	502.180	2,5000	4,3200	2.169.417,60	13,007	0.091
32	SOCIETATEA ENERGETICA ELECTRICA S.A.	EL	29.12.2023	158.998	10,0000	11,4800	1.825.297,04	0,046	0.077
33	SOCIETATEA NATIONALA DE TRANSPORT GAZE NATURALE "TRANSGAZ" SA	TGN	29.12.2023	332.800	10,0000	18,8600	6.276.608,00	0,177	0.265
34	SSIF BRK FINANCIAL GROUP S.A.	BRK	29.12.2023	8.423.532	0,1500	0,1495	1.259.318,03	2,496	0.053
35	UNIREA SHOPPING CENTER SA BUCURESTI	SCDM	27.12.2023	322.841	2,5000	65,0000	20.984.665,00	11,742	0.884
36	UNISEM SA BUCURESTI	UNISEM	20.12.2023	60.701.527	0,1000	0,3780	22.945.177,21	76,909	0.967
37	VRANCART S.A. ADJUD	VNC	29.12.2023	37.267.339	0,1000	0,1670	6.223.645,61	2,204	0.262
<b>TOTAL</b>							<b>1.657.481.625,44</b>		<b>69,851</b>

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

No. crt.	Issuer	Share symbol	Date of the last trading session	Number of shares owned	Nominal value	Share value	Total value	Share in the share capital of the issuer	Share in the total assets of the AIFR
					lei	lei	lei	%	%
1	COMCEREAL SA BUCURESTI	CMIL	08.11.2023	143.589	2,5000	3,9870	572.486,05	11,589	0.024
2	COMTURIST SA BUCURESTI	COUT	07.11.2023	16.693	2,5000	54,8989	916.428,04	9,867	0.039
3	GEROM SA BUZAU	GROB	21.10.2016	742.591	1,3100	0,0000	0,00	3,823	0.000
4	METALURGICA SA BUCURESTI	MECA	21.09.2021	34.127	2,5000	14,6358	499.475,04	8,906	0.021
* 5	MINDO SA DORHOI	MINO	29.06.2023	32.595.770	0,1000	0,1131	3.685.436,00	98,018	0.155
6	SINTER REF SA AZUGA	SIEP	27.05.1997	790.462	2,5000	6,2004	4.901.215,79	19,401	0.207
7	STICLOVAL SA VALENII DE MUNTE	STOZ	15.10.2021	884.478	2,5000	2,1760	1.924.629,59	34,933	0.081
<b>TOTAL</b>							<b>12.499.670,51</b>		<b>0,527</b>

\* The evaluation of companies from SIF Muntenia's portfolio for which evaluation reports were prepared in accordance with the international evaluation standards was performed using income approach - the discounted cash-flows method.

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

Not applicable

## 4. Preference rights / allocation 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 or traded on a regulated market in Romania

Not applicable

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

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

Not applicable

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

Issuer	ISIN Code	Date of the last trading session	No. of bonds owned	Purchase date	Coupon date	Coupon maturity date	Initial value	Daily increase	Cumulative interest	Discount / premium cumulative	Market price	NBR foreign exchange rate	Total value	Share in total bonds issue	Share in the total assets of the AIFR
							foreign currency	foreign currency	foreign currency	foreign currency	foreign currency	lei	lei	%	%
<b>Bonds in EUR</b>															
Opus-Chartered Issuances S.A.	DE000A17LGN6		501	16.08.2017	26.09.2023	26.09.2024	10.000,00	272,59	26.441,67	-1.379.253,00		4,9746	25.767.172,39	0,711	1,086
Opus-Chartered Issuances S.A.	DE000A185GT6		1.140	30.08.2016	05.09.2023	05.09.2024	10.000,00	622,95	73.508,20	1.399.920,00		4,9746	56.484.849,78	1,618	2,380
<b>Total bonds in EUR</b>													<b>82.252.022,18</b>		<b>3,466</b>
<b>TOTAL</b>													<b>82.252.022,18</b>		<b>3,466</b>

### 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 or traded on a regulated market in another Member State

Not applicable

## III. Securities admitted or traded on a regulated market in a third country

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

Not applicable

**2. Bonds admitted to trading issued or guaranteed by local public administration authorities, corporate bonds, traded during the last 30 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 or traded on a regulated market in a third country**

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

**VI. Money market instruments admitted or traded on a regulated market in a third country**

Not applicable

**Amounts under settlement for money market instruments admitted or traded on a regulated market in a third country**

Not applicable

**VII. Newly issued securities**

**1. Newly issued shares**

Not applicable

**1. Newly issued bonds**

Not applicable

### 3. Preference 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. crt.	Issuer	No. of shares owned	Nominal value	Share value	Total value	Share in the issuer's share capital / total bonds of an issuer	Share in the total assets of the AIFR
			lei		lei	%	%
1	AGAM INVESTITII S.A.	80.000	2,1000	31,1911	2.495.284,49	3,600	0,105
2	AGROEXPORT SA CONSTANTA	203.045	2,5000	0,0000	0,00	18,529	0,000
3	AGROIND UNIREA SA MANASTIREA	187.098	2,5000	0,0000	0,00	18,804	0,000
4	AGROSEM SA TIMISOARA	834	2,5000	0,0000	0,00	0,044	0,000
5	ALEXANDRA TURISM SA BUCURESTI	4.811	2,5000	0,0000	0,00	1,529	0,000
6	ALSTOM TRANSPORT SA BUCURESTI	20.775	10,0000	191,2798	3.973.838,52	2,180	0,167
7	APOLODOR SA BUCURESTI	843.382	0,1000	0,3626	305.799,17	9,850	0,013
* 8	AVICOLA SA BUCURESTI	385.837	2,5000	0,9994	385.619,00	89,970	0,016
9	BANCA COMERCIALA ROMANA (BCR)	1	0,1000	0,8200	0,82	0,000	0,000
10	BRAIFOR SA STEFANESTI	1.016	2,5000	18,1600	18.450,57	0,969	0,001
11	CCP.RO Bucharest SA	142.500	10,0000	5,9784	851.920,32	1,572	0,036
12	COMPAN SA	1.430.288	2,5000	0,0000	0,00	72,711	0,000
13	COMPANIA NATIONALA DE TRANSPORTURI AERIENE ROMANE TAROM SA OTOPENI	752.795	2,5000	0,0000	0,00	0,083	0,000
14	CONTOR GROUP SA	3.839.316	0,1000	0,0000	0,00	1,981	0,000
15	DEPOZITARUL CENTRAL SA	10.584.609	0,1000	0,1000	1.058.338,85	4,185	0,045
16	ENERGOCONSTRUCTIA SA BUCURESTI	136.045	5,6000	0,0000	0,00	1,766	0,000
17	EUROTEST SA BUCURESTI	74.888	2,5000	13,4938	1.010.522,23	30,000	0,043

No. crt.	Issuer	No. of shares owned	Nominal value	Share value	Total value	Share in the issuer's share capital / total bonds of an issuer	Share in the total assets of the AIFR
			lei		lei	%	%
18	EXIM BANCA ROMANEASCA S.A.	564.870	6,0000	8,7155	4.923.138,28	0,439	0,207
* 19	FINAGROM IFN SA	1.000	5.000,0000	4.833,5320	4.833.532,00	99,900	0,204
* 20	FIROS S.A BUCURESTI	2.815.576	2,5000	18,2897	51.495.955,00	99,685	2,170
21	HIDROJET SA BREAZA	291.387	2,5000	0,0000	0,00	8,986	0,000
22	I.C.T.C.M. SA BUCURESTI	119.750	2,5000	0,0000	0,00	30,000	0,000
* 23	ICPE SA BUCURESTI	2.996.939	2,5000	3,8906	11.659.750,00	50,315	0,491
24	INDUSTRIALEXPORT SA BUCURESTI	80.000	12,0000	0,0000	0,00	3,600	0,000
25	ISORAST TECHNOLOGY SA	778.563	10,0000	0,0000	0,00	25,000	0,000
26	MARC TRUST CONSID SA CALARASI	148.009	2,5000	0,0000	0,00	24,856	0,000
27	MASTER SA BUCURESTI	1.501.668	2,5000	3,6368	5.461.186,39	12,773	0,230
* 28	MATASARI HOLDING S.A.	14.566.005	1,0000	1,0464	15.242.469,00	90,666	0,642
29	MUNTENIA SA FILIPESTII DE PADURE	388.840	2,5000	0,0000	0,00	25,935	0,000
30	RAFINARIA SA DARMANESTI	45.059	2,5000	0,0000	0,00	1,136	0,000
31	RAFO SA ONESTI	4.453	0,2600	0,0000	0,00	0,001	0,000
32	ROM VIAL SA BUCURESTI	400	2,5000	0,0000	0,00	0,764	0,000
33	ROMSUINTEST SA PERIS	6.155.903	2,5000	0,0000	0,00	40,046	0,000
34	RULMENTI SA BIRLAD	58.893	2,7500	2,2633	133.294,59	0,147	0,006
35	SANEVIT SA ARAD	45.282	0,1000	0,0000	0,00	0,759	0,000
36	SEMINA S.A ALBESTI	3.254.150	2,5000	0,0000	0,00	70,027	0,000
37	SIDERCA SA CALARASI	3.676.136	2,5000	0,0000	0,00	18,383	0,000
38	STIMAS SA SUCEAVA	70.356	2,5000	0,0000	0,00	5,993	0,000
39	TURNATORIA CENTRALA -ORION SA CIMPINA	332.300	2,5000	0,0000	0,00	22,893	0,000
40	UPETROLAM SA BUCURESTI	38.873	4,0000	2,4617	95.693,00	1,131	0,004
41	VALEA CU PESTI SA	230.781	2,5000	5,2518	1.212.022,53	24,806	0,051
* 42	VOLUTHEMA PROPERTY DEVELOPER SA	6.462.487	10,0000	8,5042	54.958.541,00	99,966	2,316

No. crt.	Issuer	No. of shares owned	Nominal value	Share value	Total value	Share in the issuer's share capital / total bonds of an issuer	Share in the total assets of the AIFR
			lei		lei	%	%
43	WORLD TRADE CENTER SA BUCURESTI	26.746	78,7800	0,0000	0,00	2,677	0,000
<b>TOTAL</b>					<b>160.115.355,75</b>		<b>6,747</b>

\* The evaluation of companies from SIF Muntenia's portfolio for which evaluation reports were prepared in accordance with the international evaluation standards was performed using income approach - the discounted cash-flows method, except for AVICOLA SA BUCURESTI FINAGROM IFN SA MATASARI HOLDING S.A. where the valuation was performed using asset approach - the adjusted net asset method.

## 2. Shares traded on systems other than regulated markets

Not applicable

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

No. crt.	Issuer	No. of shares owned	Nominal value	Share value	Total value	Share in the issuer's share capital / total bonds of an issuer	Share in the total assets of the AIFR
			lei		lei	%	%
1	ALUNIS SA BUCURESTI	2.653	2,5000	0,0000	0,00	1,962	0,000
2	BANCA INTERNATIONAL A RELIGIILOR SA BUC	690.743	1,0000	0,0000	0,00	3,454	0,000
3	BUCHAREST FILM STUDIOS SA	806.372	2,5000	0,0000	0,00	0,700	0,000
4	BUENO PANDURI SA BUCURESTI	107.900	2,5000	0,0000	0,00	9,939	0,000
5	CONCORDIA A4 SA BUCURESTI	296.185	2,5000	0,0000	0,00	32,550	0,000
6	CONTRANSIMEX SA BUCURESTI	26.588	11,7517	0,0000	0,00	10,000	0,000
7	CORMORAN - PROD IMPEX	30.632	100,0000	0,0000	0,00	24,528	0,000
8	ELECTRONUM SA BUCURESTI	8	100,0000	0,0000	0,00	0,440	0,000
9	HORTICOLA SA BUCURESTI	51.845	2,5000	0,0000	0,00	1,224	0,000
10	INSTITUTUL NATIONAL DE STICLA SA BUCURES	124.654	2,5000	0,0000	0,00	24,228	0,000
11	PROED SA BUCURESTI	134.450	1,0000	0,0000	0,00	10,628	0,000
12	ROMSIT SA BUCURESTI	75.739	0,1000	0,0000	0,00	10,728	0,000
13	VULCAN SA BUCURESTI	2.119.143	2,5000	0,0000	0,00	7,130	0,000

No.c rt.	Issuer	No, of shares owned	Nominal value	Share value	Total value	Share in the issuer's share capital / total bonds of an issuer	Share in the total assets of the AIFR
			lei		lei	%	%
14	ZECASIN SA BUCURESTI	15.921	15,3000	0,0000	0,00	11,620	0,000
<b>TOTAL</b>					<b>0,00</b>		<b>0,000</b>

#### 4.Bonds not admitted to trading

Not applicable

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

Not applicable

### VIII.2. Other money market instruments mentioned under art. 83 paragraph (1) letter a) of the G.E.O. no. 32/2012

#### 1. Commercial papers

Not applicable

### IX. Bank accounts and cash balance

#### 1. Lei bank accounts and cash balance

No. crt.	Bank denomination	Current value	Share in the total assets of the AIFR
		lei	%
1	BANCA COMERCIALA INTESA SANPAOLO ROMANIA SA - RO88WBANXXXXXXXXXXXXXXXXXX	1.804,77	0,000
2	BANCA COMERCIALA ROMANA (BCR) Sucursala UNIREA - RO81RNCBXXXXXXXXXXXXXXXXXX	1.776,52	0,000
3	BANCA TRANSILVANIA Sucursala SMB - RO91BTRLXXXXXXXXXXXXXXXXXX	971,87	0,000
4	BRD - GROUPE SOCIETE GENERALE Sucursala MARI CLIENTI CORPORATIVI - RO59BRDEXXXXXXXXXXXXXXXXXX	5.317,91	0,000
5	BRD - GROUPE SOCIETE GENERALE Sucursala MARI CLIENTI CORPORATIVI - RO81BRDEXXXXXXXXXXXXXXXXXX	1.553,29	0,000

No. crt.	Bank denomination	Current value	Share in the total assets of the AIFR
		lei	%
6	CEC BANK - RO09CECEXXXXXXXXXXXXXXXXXX	0,00	0,000
7	CREDIT EUROPE BANK - RO20FNNBXXXXXXXXXXXXXXXXXX	20.624.546,18	0,869
8	CREDIT EUROPE BANK - RO47FNNBXXXXXXXXXXXXXXXXXX	0,00	0,000
9	EXIM BANCA ROMANEASCA S.A. - RO66BRMAXXXXXXXXXXXXXXXXXXX	838,94	0,000
10	LIBRA INTERNET BANK Sucursala FUNDENI - RO41BRELXXXXXXXXXXXXXXXXXX	51.103,12	0,002
11	PROCREDIT BANK S.A. - RO49MIROXXXXXXXXXXXXXXXXXX	96,32	0,000
12	PROCREDIT BANK S.A. - RO86MIROXXXXXXXXXXXXXXXXXX	10.309,28	0,000
13	SOCIETATEA DE INVESTITII FINANCIARE MUNTENIA S.A. - Casa	1.303,49	0,000
<b>TOTAL</b>		<b>20.699.621,69</b>	<b>0,871</b>

## 2. Foreign currency bank accounts and cash balance

No. crt.	Bank denomination	Current value	NBR foreign exchange rate	Updated value in lei	Share in the total assets of the AIFR
		foreign currency			%
<b>EUR bank accounts and cash balance</b>					
1	BANCA TRANSILVANIA Sucursala SMB - RO40BTRLXXXXXXXXXXXXXXXXXX	631,45	4,9746	3.141,21	0,000
2	BRD - GROUPE SOCIETE GENERALE Sucursala MARI CLIENTI CORPORATIVI - RO06BRDEXXXXXXXXXXXXXXXXXXX	993,24	4,9746	4.940,97	0,000
3	CEC BANK - RO19CECEXXXXXXXXXXXXXXXXXX	122,48	4,9746	609,29	0,000
4	EXIM BANCA ROMANEASCA S.A. - RO77BRMAXXXXXXXXXXXXXXXXXXX	83,35	4,9746	414,63	0,000
5	SOCIETATEA DE INVESTITII FINANCIARE MUNTENIA S.A. - Casa	0,00	4,9746	0,00	0,000
<b>GBP bank accounts and cash balance</b>					
1	SOCIETATEA DE INVESTITII FINANCIARE MUNTENIA S.A. - Casa	1,00	5,7225	5,72	0,000

No. crt.	Bank denomination	Current value	NBR foreign exchange rate	Updated value in lei	Share in the total assets of the AIFR
		foreign currency			%
<b>USD bank accounts and cash balance</b>					
1	BRD - GROUPE SOCIETE GENERALE Sucursala MARI CLIENTI CORPORATIVI - RO04BRDEXXXXXXXXXXXXXXXXXX	396,84	4,4958	1.784,11	0,000
2	EXIM BANCA ROMANEASCA S.A. - RO37BRMAXXXXXXXXXXXXXXXXXXX	18,42	4,4958	82,81	0,000
3	SOCIETATEA DE INVESTITII FINANCIARE MUNTENIA S.A. - Casa	0,00	4,4958	0,00	0,000
<b>TOTAL</b>				<b>10.978,74</b>	<b>0,000</b>

#### X. Bank deposits by distinct categories: set up at credit institutions in Romania / in another Member State / in a third country

##### 1. Bank deposits in lei

No. crt.	Bank denomination	Deposit date	Maturity date	Initial value	Daily increase	Cumulative interest	Total value	Share in the total assets of the AIFR
				lei	lei	lei	lei	%
1	EXIM BANCA ROMANEASCA S.A.	24.10.2023	18.01.2024	5.000.000,00	861,11	59.416,67	5.059.416,67	0,213
2	BANCA COMERCIALA INTESA SANPAOLO ROMANIA SA	11.10.2023	15.01.2024	5.300.000,00	772,92	63.379,17	5.363.379,17	0,226
3	EXIM BANCA ROMANEASCA S.A.	09.11.2023	14.02.2024	6.000.000,00	1.016,67	53.883,33	6.053.883,33	0,255
4	EXIM BANCA ROMANEASCA S.A.	21.11.2023	26.02.2024	5.058.000,00	850,03	34.851,03	5.092.851,03	0,215
5	EXIM BANCA ROMANEASCA S.A.	12.12.2023	12.03.2024	5.077.000,00	846,17	16.923,33	5.093.923,33	0,215
6	EXIM BANCA ROMANEASCA S.A.	14.12.2023	18.03.2024	5.078.000,00	860,44	15.487,90	5.093.487,90	0,215
7	BANCA COMERCIALA ROMANA (BCR)	24.10.2023	19.01.2024	5.000.000,00	791,67	54.625,00	5.054.625,00	0,213
8	BANCA COMERCIALA ROMANA (BCR)	20.12.2023	22.01.2024	5.880.000,00	865,67	10.388,00	5.890.388,00	0,248
9	CEC BANK	24.10.2023	29.01.2024	5.000.000,00	801,37	55.294,52	5.055.294,52	0,213
10	CEC BANK	24.10.2023	31.01.2024	5.000.000,00	801,37	55.294,52	5.055.294,52	0,213
11	CEC BANK	09.11.2023	13.02.2024	5.000.000,00	808,22	42.835,62	5.042.835,62	0,213
12	CEC BANK	09.11.2023	06.02.2024	5.000.000,00	808,22	42.835,62	5.042.835,62	0,213
13	BANCA TRANSILVANIA	24.10.2023	18.01.2024	5.000.000,00	847,22	58.458,33	5.058.458,33	0,213
14	BANCA TRANSILVANIA	09.11.2023	08.02.2024	6.000.000,00	1.016,67	53.883,33	6.053.883,33	0,255



No. crt.	Bank denomination	Deposit date	Maturity date	Initial value	Daily increase	Cumulative interest	Total value	Share in the total assets of the AIFR
				lei	lei	lei	lei	%
15	BANCA TRANSILVANIA	14.11.2023	13.02.2024	5.052.000,00	856,03	41.089,60	5.093.089,60	0,215
16	BANCA TRANSILVANIA	14.12.2023	21.03.2024	5.078.000,00	860,44	15.487,90	5.093.487,90	0,215
17	BANCA TRANSILVANIA	13.12.2023	14.03.2024	5.077.000,00	860,27	16.345,12	5.093.345,12	0,215
18	EXIM BANCA ROMANEASCA S.A.	24.10.2023	30.01.2024	5.000.000,00	861,11	59.416,67	5.059.416,67	0,213
<b>TOTAL</b>							<b>94.349.895,66</b>	<b>3,978</b>

## 2. Bank deposits in foreign currency

No. crt.	Bank denomination	Deposit date	Maturity date	Initial value	Daily increase	Cumulative interest	NBR foreign exchange rate	Total value	Share in the total assets of the AIFR
				foreign currency	foreign currency	foreign currency	lei	lei	%
<b>Deposits in EUR</b>									
1	CEC BANK	04.10.2023	10.01.2024	1.979.900,00	157,31	14.000,33	4,9746	9.918.856,60	0,418
2	CEC BANK	20.11.2023	22.02.2024	4.181.000,00	355,10	14.914,14	4,9746	20.872.994,49	0,880
3	EXIM BANCA ROMANEASCA S.A.	15.11.2023	15.02.2024	2.952.500,00	246,04	11.563,96	4,9746	14.745.032,57	0,621
4	CEC BANK	14.12.2023	20.03.2024	2.363.800,00	200,76	3.613,70	4,9746	11.776.936,19	0,496
5	CEC BANK	11.10.2023	10.01.2024	2.124.450,00	180,43	14.795,48	4,9746	10.641.890,59	0,448
<b>Deposits in USD</b>									
1	EXIM BANCA ROMANEASCA S.A.	12.12.2023	19.03.2024	2.111.350,00	278,58	5.571,62	4,4958	9.517.256,21	0,401
2	EXIM BANCA ROMANEASCA S.A.	11.10.2023	15.01.2024	3.139.500,00	418,60	34.325,20	4,4958	14.268.883,33	0,601
<b>TOTAL</b>								<b>91.741.849,98</b>	<b>3,865</b>

**XI. Derivative financial instruments traded on a regulated market**

- on distinct categories: on a regulated market in Romania/in a Member State/in a third country

**1. Futures**

Not applicable

**2. Options**

Not applicable

**3. Amounts under settlement for derivative financial instruments traded on a regulated market**

Not applicable

**XII. Derivative financial instruments traded outside regulated markets****1. Forwards**

Not applicable

**2. SWAPs**

- valued according to the quotation

Not applicable

- valued according to the determination of the present value of the payments within the contract

Not applicable

**3. Contracts for difference**

Not applicable

**4. Other derivative contracts on securities, currencies, interest or return rates or other derivative instruments, financial indices or financial indicators / other derivative contracts on goods that must be settled in cash or may 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, according to art. 82 letter g) of the E.G.O. no. 32/2012**

Not applicable

**XIV. Participation titles in UCITS and/or AIFs**

### 1. Participation titles in lei

No. crt.	Fund denomination	Last trading session date	No. of fund units owned	Fund unit value (NAV per SHARE)	Market price	Total value	Share in total participation titles of UCITS/AIFs	Share in the total assets of the AIFR
				lei	lei	lei	%	%
1	ACTIVE DINAMIC		2.938.476,904300	7,4066		21.764.123,04	95,44	0,917
2	ACTIVE PLUS		4.096,468400	16.424,2500		67.281.421,12	24,58	2,835
3	FII BET-FI INDEX INVEST		8.297,000000	837,1292		6.945.660,97	71,85	0,293
4	FDI PROSPER Invest		100.085,114900	23,0463		2.306.591,58	34,48	0,097
5	FII OPTIM INVEST		2.782,410000	11.965,0100		33.291.563,47	41,12	1,403
6	STAR VALUE		15.134,000000	1.220,1800		18.466.204,12	42,14	0,778
7	FIA MUNTENIA TRUST		460,000000	12.744,3033		5.862.379,52	92,00	0,247
8	ROMANIA STRATEGY FUND CLASS B		56.000,000000	681,7200		38.176.320,00	49,12	1,609
9	STAR NEXT		323.767,870000	9,6144		3.112.833,81	18,93	0,131
10	FII MULTICAPITAL INVEST		4.337,000000	3.634,3600		15.762.219,32	82,32	0,664
11	CERTINVEST ACTIUNI		114,194438	321.758,5900		36.743.041,36	22,04	1,548
<b>TOTAL</b>						<b>249.712.358,31</b>		<b>10,522</b>

### 2. Participation titles in foreign currency

Nr. crt.	Denumire fond	Data ultimei sedinte de tranzactionare	Nr. unitati de fond detinute	Valoare unitate de fond (VUAN)	Pret piata	Curs valutar BNR	Valoare totala	Pondere in total titluri de participare ale O.P.C.V.M./AO PC	Pondere in activul total al F.I.A.I.R.
				valuta	valuta	lei	lei	%	%

Titluri de participare denominate in EUR									
1	FIA cu capital privat Agricultural Fund		80,000000	2.391,4800		4,9746	951.732,51	23,53	0,040
Total titluri de participare denominate in EUR							951.732,51		0,040
Total							951.732,51		0,040

### 3. Amounts under settlement for participation titles denominated in lei

Not applicable

### 4. Amounts under settlement for participation titles denominated in foreign currency

Not applicable

## XV. Dividends or other rights receivables

### 1. Dividend receivables

Not applicable

### 2. Amounts to be received following the withdrawal from the company

Not applicable

### 3. Shares distributed without cash consideration

Not applicable

### 4. Shares distributed with cash consideration

Not applicable

### 5. Amount to be paid for shares distributed with cash consideration

Not applicable

### 6. Preference rights (before admission to trading and after the trading period)

Not applicable

## 7. Amounts to be received following the decrease of the share capital

Not applicable

## 16. Equity interests

No.	Issuer	No. of equity interests	Acquisition date	Unit value	Valued amount	Date of last valuation	Weight in RIAIF's total assets
				RON	RON		%
*1	ICPE ELECTRIC MOTORS S.R.L.	10,000	16.03.2023	137.4427	1,374,427.00	31.12.2023	0.058
<b>TOTAL</b>					<b>1,374,427.00</b>		<b>0.058</b>

\* The evaluation of companies from SIF Muntenia's portfolio for which evaluation reports were prepared in accordance with the international evaluation standards was performed using asset approach - the adjusted net asset method.

## Evolution of net assets and NAV per SHARE in the last 3 reporting periods

	31.12.2023	31.12.2022	31.12.2021
<b>Activul Net</b>	2.277.074.918,05	1.854.569.500,07	1.982.585.518,96
<b>Valoarea unitara a activului net</b>	2,9918	2,4367	2,5267

The leverage level and the exposure value of SIF Muntenia calculated according to the provisions of Regulation (EU) No. 231/2013

Method type	Leverage	Exposure value
Gross method	103,30%	2.352.159.019,42
Commitment method	104,21%	2.372.869.619,85

SAI Muntenia Invest SA does not use leverage in the investment policy adopted in the management of SIF Muntenia.

## Statement of responsibility

### for the preparation of the financial statements

In accordance with Article 10, paragraph (1) of the Accounting Law no. 82/1991, republished, as subsequently amended and supplemented, the responsibility for organizing and conducting the accounting is the responsibility of the administrator, the authorizing officer or other person who has the obligation to manage the respective unit.

As administrator of SIF MUNTENIA S.A., according to the provisions of the Article 30 of the Accounting Law no. 82/1991, republished, as subsequently amended and supplemented and Regulation no.5/2018 regarding issuers of financial instruments and market operations, article 223, letter A, paragraph (1), letter c), I assume the responsibility for the preparation of the annual financial statements and confirm that:

a) the accounting policies used in the preparation of the annual financial statements as at 31 December 2023 are in accordance with the Financial Supervisory Authority Norm no. 39/2015 for 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 in the Financial Instruments and Investments Sector, as subsequently amended and supplemented;

b) the annual financial statements as at 31 December 2023 provide a true view of the financial position, financial performance and other information regarding the activity carried out by SIF Muntenia S.A.;

c) SIF Muntenia S.A. carries out its activity under conditions of continuity;

d) the annual report of SAI MUNTENIA INVEST S.A. regarding the administration of SIF Muntenia S.A. in the year 2023 includes a correct analysis of the development and performance of SIF Muntenia S.A., as well as a description of the main risks and uncertainties specific to the activity carried out.

**SAI MUNTENIA INVEST S.A.**  
**Administrator of**  
**SIF MUNTENIA S.A.**

**General Director**  
**Nicușor-Marian BUICĂ**

## Annex to the annual Report of SAI Munténia Invest S.A. on the management of SIF Munténia S.A. during 2023 financial exercise

### Statement on the application of corporate governance principles for SIF MUNTENIA S.A.

(According to the Annex to the FSA Regulation No. 2/2016, as subsequently amended and supplemented)  
Updated December 2023

No. crt.	Rules for the application of the principles of corporate governance	Compliance		If NOT - explain
		YES	NO	
1.	The regulated entity defined in its articles of incorporation the basic responsibilities of the Board on the implementation and compliance with the principles of corporate governance.		NO	SIF Munténia S.A. is managed by SAI Munténia Invest S.A. according to the provisions of the special legislation. SAI Munténia Invest S.A. takes over the functions of corporate governance, and in the articles of incorporation of the company, the Shareholders' Representatives Council has specific attributions
2.	The internal policies and/or internal regulations lay down the corporate governance structures, functions, competences and responsibilities of the Board and the executive management/senior management	YES		By the Administrator SAI Munténia Invest S.A.
3.	The annual financial statements of the regulated entity is accompanied by the annual report of the Remuneration Committee and an explanatory note that describes the relevant events in connection with the application of the principles of corporate governance, occurring over the financial year.	YES		By the Administrator SAI Munténia Invest S.A.
4.	The regulated entity has a communication strategy with the parties concerned to ensure proper information.	YES		By the Administrator SAI Munténia Invest S.A.
5.	The structure of the Board assures, as appropriate, a balance between executive and non-executive members so that no person or small group of persons influences the decision-making process.	YES		By the Administrator SAI Munténia Invest S.A.
6.	The Board is convened at least every three months to monitor the performance of the regulated entity's activity.	YES		Both the Shareholders Representatives Council and the Board of Directors of SAI Munténia Invest S.A.
7.	The Board or the executive management/ senior management, as appropriate, regularly reviews the policies on the financial reporting, internal control and risk management system adopted by the regulated entity.	YES		By the Administrator SAI Munténia Invest S.A.
8.	In its activity, the Board has the support of a remuneration committee that issues recommendations.	YES		By the Administrator SAI Munténia Invest S.A.
9.	The Remuneration Committee submits to the council annual reports about its activity.	YES		By the Administrator SAI Munténia Invest S.A.

10.	In fulfilling its duties, the Board is assisted by other consultative committees that issue recommendations on various topics subject to decision-making process.	YES		By the Administrator SAI Muntenia Invest S.A.
11.	The consultative committees submit to the Board materials/ reports on the topics entrusted by it.	YES		Through the Administrator SAI Muntenia Invest S.A.
12.	In the internal procedures/ policies/ regulations of the regulated entity regulated entity there are provisions for the selection of applications for the persons of the executive management/ senior management, appointment of new persons or renewal of the existing mandates.	YES		By the Administrator SAI Muntenia Invest S.A.
13.	The regulated entity ensures the professional training of the executive management/ senior management so that it efficiently performs its tasks.	YES		By the Administrator SAI Muntenia Invest S.A.
14.	Key functions are established so as to be adequate to the organizational structure of the regulated entity compliant with the applicable regulations.	YES		By the Administrator SAI Muntenia Invest S.A.
15.	The Board regularly reviews the efficiency and update of the internal control system of the regulated entity to ensure a rigorous management of the risks to which the regulated entity is exposed.	YES		By the Administrator SAI Muntenia Invest S.A.
16.	The audit committee makes recommendations to the Board on the selection, appointment and replacement of the financial auditor, and on the terms and conditions of its remuneration.	YES		By the Administrator SAI Muntenia Invest S.A.
17.	The Board reviews at least once a year and ensures that the remuneration policies are consistent with an efficient risk management.	YES		By the Administrator SAI Muntenia Invest S.A.
18.	The remuneration policy of the regulated entity is set out in the internal regulations regarding the implementation and compliance with the principles of corporate governance.	YES		By the Administrator SAI Muntenia Invest S.A.
19.	The Board has adopted a procedure for the identification and proper settlement of any conflict of interest.	YES		By the Administrator SAI Muntenia Invest S.A.
20.	The executive management/ senior management, as appropriate, informs the Board about potential or consumed conflict of interest in which they could be / is involved and does not participate in the decision-making process which is related to the state of conflict, if these structures or persons are involved in the respective state of conflict.	YES		By the Administrator SAI Muntenia Invest S.A.
21.	The Board analyses at least once a year the efficiency of the risk management system of the regulated entity.	YES		By the Administrator SAI Muntenia Invest S.A.
22.	The regulated entity has procedures for the identification, assessment and management of the significant risks to which it is, or it is likely to be, exposed.	YES		By the Administrator SAI Muntenia Invest S.A.
23.	The regulated entity has in place clear action plans for business continuity and for any emergency situations.	YES		By the Administrator SAI Muntenia Invest S.A.
24.	The branch Board applies internal governance principles and policies similar to those of the parent company, unless there are other legal requirements that lead to the establishment of own policies.		NO	Not the case (SIF Muntenia S.A. is not a subsidiary.)

SIF Muntenia S.A.  
By its Administrator  
SAI Muntenia Invest S.A.

Nicușor Marian BUICĂ,  
General Director



## Annex to the annual Report of SAI Muntenia Invest S.A. on the management of SIF Muntenia S.A. during 2023 financial exercise

### Status of compliance with the provisions of the new Corporate Governance Code of the BSE on 31 December 2023

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
<b>SECTION A – RESPONSIBILITIES</b>			
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	X		SIF Muntenia S.A. is managed by SAI Muntenia Invest S.A., an investment management company that operates in compliance with the provisions of the general and special legislation for investment management companies. The activity of SAI Muntenia Invest S.A. is carried out under the supervision of the FSA and in compliance with the Internal Rules and Procedures that have been notified to the FSA. SAI Muntenia Invest S.A. took over the corporate governance obligations for SIF Muntenia S.A. within its own activity. The below references to the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee apply to the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee of SAI Muntenia Invest S.A.
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	X		SAI Muntenia Invest S.A. has no holdings that enter into conflict of interest with SIF Muntenia S.A. The members of the Board of Directors of SAI Muntenia Invest S.A. can take over their attributions only after obtaining the FSA authorization. The documentation submitted to the FSA by each member of the Board of Directors, in order to obtain the approval, includes statements from which possible conflicts of interest result.
A.3. The Board of Directors should have at least five members.		X	SIF Muntenia S.A. is managed by a legal entity, investment management company, regulated entity, authorized and supervised by the FSA, according to the legislation applicable to the capital market.
A.4. The majority of the members of the Board of Directors should be non-executive Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors should submit a	X		

<b>BSE CGC provisions</b>	<b>Complies</b>	<b>Does not comply or partially complies</b>	<b>Observations</b>
declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement.			
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	X		
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	X		
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board	X		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	X		
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	X		The information will be presented in the annual report that will be presented to the General Meeting of Shareholders.
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.	X		The information will be presented in the annual report that will be presented to the General Meeting of Shareholders.

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	X		
<b>SECTION B – RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM</b>			
B.1 The Board should set up an audit committee, and at least one member should be an independent non-executive. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.		X	The Audit Committee of the Administrator is composed of two independent non-executive members of the Board of Directors of SAI Muntenia Invest S.A.
B.2. The audit committee should be chaired by an independent non-executive member.	X		
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	X		
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	X		
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	X		
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	X		
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	X		

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	X		
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	X		
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	X		
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	X		
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	X		
<b>SECTION C – FAIR REWARDS AND MOTIVATION</b>			
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in due time.	X		The Remuneration Policy of SAI Muntenia Invest S.A. for the services provided as Administrator of SIF Muntenia S.A. is presented under art. 13 of the Articles of Incorporation of SIF Muntenia S.A., in the annual report and also on the company website <a href="http://www.sifmuntenia.ro">www.sifmuntenia.ro</a> Details about the Nomination and Remuneration Committee and its attributions can be found in the Corporate Governance section, within the annual report, as well as in the Corporate Governance Regulation of SIF Muntenia S.A.

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
<b>SECTION D – BUILDING VALUE THROUGH INVESTORS’ RELATIONS</b>			
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	X		
D.1.1. Principal corporate regulations: the articles of association, general shareholders’ meeting procedures;	X		
D.1.2. Professional CVs of the members of its governing bodies, a Board member’s other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	X		
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	X		
D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials;	X		
D.1.5. Information on corporate events;	X		
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request;	X		
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	X		
D.2. A company should have an annual dividend distribution or policy or other benefits to the shareholders. The annual dividend distribution policy to the shareholders should be published on the corporate website.	X		

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	X		
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	X		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	X		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	X		
D . 7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	X		
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.		X	Society is considering developing a policy on how to organize meetings and teleconferences with analysts and investors.

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.		X	The Company does not have a policy of supporting various forms of artistic and cultural expression, sporting activities, educational or scientific activities, but it is considering the opportunity to draw up of such a policy.

SIF Muntenia S.A.  
By its Administrator  
S.A.I. Muntenia Invest S.A.

Nicușor Marian BUICĂ,  
General Director

## Annex to the Annual Report of SAI Muntenia Invest S.A. regarding remunerations during 2023 financial exercise

Indicators/gross amounts	Amounts related to the activity carried out in the year subject to reporting (2023) - RON	Amounts actually paid during the year subject to reporting (2023) - RON	Amounts payable during the year of submission of the reporting (2024 estimated) or deferred* - RON	Number of beneficiaries
<b>1. Remuneration granted to all SAI/AFIA staff (including outsourced positions <sup>1)</sup>)</b>	<b>8,889,507</b>	<b>8,781,949</b>	<b>10,292,324</b>	
<i>Fixed remuneration</i>	6,838,201	6,730,643	7,413,240	41
<i>Variable <sup>2)</sup> remuneration excluding performance fees, of which:</i>	2,051,306	2,051,306	2,879,084	37
- cash	2,051,306	2,051,306	2,879,084	37
- other forms (separately indicating each category) <sup>3)</sup>	-	-	-	
<i>Variable <sup>2)</sup> remuneration representing performance fees</i>	-	-	-	
<b>2. Remuneration granted to the SAI/AFIA identified staff** (including outsourced positions)</b>	<b>5,683,016</b>	<b>5,650,077</b>	<b>6,797,456</b>	
<b>A. Member of the Board of Directors (CA)/Supervisory Board (CS), of which</b>	<b>1,230,791</b>	<b>1,230,791</b>	<b>1,231,294</b>	<b>3</b>
<i>Fixed remuneration</i>	820,536	820,536	820,536	3
<i>Variable <sup>2)</sup> remuneration excluding performance fees, of which:</i>	410,255	410,255	410,758	3
- cash	410,255	410,255	410,758	3
- other forms (separately indicating each category) <sup>3)</sup>	-	-	-	
<i>Variable <sup>2)</sup> remuneration representing performance fees</i>	-	-	-	
<b>B. Managers/Managing Board members, of which:</b>	<b>2,870,262</b>	<b>2,870,262</b>	<b>3,912,062</b>	<b>3</b>
<i>Fixed remuneration</i>	1,801,887	1,801,887	2,202,660	3
<i>Variable <sup>2)</sup> remuneration excluding performance fees, of which:</i>	1,068,375	1,068,375	1,709,402	3
- cash	1,068,375	1,068,375	1,709,402	3
- other forms (separately indicating each category) <sup>3)</sup>	-	-	-	
<i>Variable <sup>2)</sup> remuneration representing performance fees</i>	-	-	-	
<b>C. Positions with control duties (expressly indicating all positions included in this category)***</b>	<b>632,916</b>	<b>620,088</b>	<b>658,000</b>	<b>3</b>
<i>Fixed remuneration</i>	567,106	554,278	574,100	3



Indicators/gross amounts	Amounts related to the activity carried out in the year subject to reporting (2023) - RON	Amounts actually paid during the year subject to reporting (2023) - RON	Amounts payable during the year of submission of the reporting (2024 estimated) or deferred* - RON	Number of beneficiaries
<i>Variable<sup>2)</sup> remuneration excluding performance fees, of which:</i>	65,810	65,810	83,900	2
- cash	65,810	65,810	83,900	2
- other forms (separately indicating each category) <sup>3)</sup>	-	-	-	
<i>Variable<sup>2)</sup> remuneration representing performance fees</i>	-	-	-	
<b>D. Other positions than those indicated in letters A-C above, included in the category of identified staff (expressly indicating all positions included in this category)****</b>	<b>949,047</b>	<b>928,936</b>	<b>996,100</b>	<b>5</b>
<i>Fixed remuneration</i>	848,154	828,043	853,800	5
<i>Variable<sup>2)</sup> remuneration excluding performance fees, of which:</i>	105,980	105,980	142,300	5
- cash	105,980	105,980	142,300	5
- other forms (separately indicating each category) <sup>3)</sup>	-	-	-	
<i>Variable<sup>2)</sup> remuneration representing performance fees</i>	-	-	-	

\* see the provisions of art. 34<sup>2)</sup>(1)(p) and (q) of Government Emergency Ordinance no. 32/2012, those of section 1(n) of Annex 1 to Law no. 74/2015, respectively;

\*\* related to the category of *identified staff* established at the level of each SAI/AFIA taking into account the definition retained in the ESMA/2013/232 and ESMA/2016/575 guidelines;

\*\*\* related to the *control positions* represented by the compliance officer, the risk manager and the internal auditor;

\*\*\*\* see the above mentions related to the *identified staff*. Within SAI Muntenia Invest SA, this category included the functions corresponding to department managers.

<sup>1)</sup> In the category of outsourced functions within SAI Muntenia Invest S.A. enters the position of internal auditor according to the service contract no. 1004/113386/04.11.2021.

<sup>2)</sup> SAI Muntenia Invest SA gives additional remuneration, which is an occasional component of the total annual remuneration, which may or may not be given, not being guaranteed and is granted only if it is sustainable according to the financial situation of SAI Muntenia Invest SA.

<sup>3)</sup> SAI Muntenia Invest SA does not grant variable remuneration.

Note: The remuneration received by SAI Muntenia Invest S.A. for the administration of SIF Muntenia S.A. is presented in the “Annual remuneration report of SIF Muntenia S.A. for 2023” according to art. 107 of Law 24/2017.

Nicușor Marian BUICĂ  
General Director