



KPMG Audit SRL
DN1, Bucharest - Ploiești Road no. 89A
Sector 1, Bucharest
013685, P.O.Box 18 - 191
Tel: +40 372 377 800
Fax: +40 372 377 700
www.kpmg.ro

Independent Auditors' Report

To the Shareholders of Longshield Investment Group S.A.

46-48 Serghei Vasilievici Rachmaninov, ground floor, Room 2, District 2, Bucharest
Unique Registration Code: 3168735

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of Longshield Investment Group S.A. ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The financial statements as at and for the year ended 31 December 2024 are identified as follows:
 - Total equity: Lei 2,473,718,178
 - Net profit for the year: Lei 86,849,260
3. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union and with the Norm of the Financial Supervisory Authority no. 39/2015 for approval of accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector and of Investors' Compensation Fund and related amendments ("FSA Norm no. 39/2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing ("ISAs"), Regulation (EU) no. 537/2014 of the European Parliament and of the Council and related amendments ("the Regulation") and Law no. 162/2017 and related amendments ("the Law"). Our responsibilities under those standards and regulations are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for*

Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial assets

As at 31 December 2024, the Company has:

- Financial assets at fair value through profit or loss (FVTPL assets) of RON 1,165,702,124 (31 December 2023: RON 1,083,470,993),
- Financial assets at fair value through other comprehensive income (FVOCI assets) of RON 1,230,669,391 (31 December 2023: RON 1,036,654,658),
- Fair value reserves for financial assets at fair value through other comprehensive income: RON 489,956,029 (31 December 2023: RON 344,084,174),
- Net gain from FVTPL assets recognized in 2024: RON 36,127,258 (2023: RON 187,959,686).
- Net gain recognised in other comprehensive income in 2024 in respect of financial assets at fair value through other comprehensive income of RON 153,122,182 (2023: RON 162,769,881).

Refer to the following notes to the financial statements:

- Note 3 (e) Material accounting policies, Financial assets and liabilities
- Note 5 Accounting estimates and significant judgments
- Note 8 Net gain/(Net loss) on financial assets at fair value through profit or loss
- Note 13 Financial assets
- Note 18 Capital and Reserves

The key audit matter	How the matter was addressed in our audit
<p>As described in Note 13 Financial assets, as at 31 December 2024, financial assets carried at fair value, include primarily equity instruments and units in mutual funds and represent some of the most significant asset categories in the Company's statement of financial position. The said financial assets are subsequently measured at either fair value through profit or loss (FVTPL) or fair value through other</p>	<p>Our audit procedures in this area, performed with the involvement from our own valuation specialists, included, among others:</p> <ul style="list-style-type: none"> ⇒ We evaluated the appropriateness of the fair value methods and models used by the Company against the relevant requirements of the financial reporting standards and market practice ⇒ We assessed the relevance and reliability of key data used in the fair value measurements;

comprehensive income (FVOCI), based on the analysis of the relevant criteria of the financial reporting framework.

For FVTPL and FVOCI assets, their respective fair values are determined based on the assets' current prices derived from active markets, where available, or, for assets not traded on active markets, based on valuation models, such as the discounted cash flows, market comparison approach and adjusted net assets, or based on net assets value per unit (NAV) quotations in case of unit funds.

Significant judgement and complex assumptions are often required from the management of S.A.I. Muntenia Invest S.A. (the administrator of the Company) in arriving at the FVTPL and FVOCI assets' valuations. This increases the related estimation uncertainty and the risk of material misstatement in the financial statements.

Due to the above factors, and also considering the magnitude of the amounts involved, we considered this area to be a key audit matter.

⇒ We challenged the fair values derived by reference to quotations in active markets. This included, among other things:

- Challenging the Company's evaluation of the underlying markets as active, by assessing whether transactions in a given market take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis;
- Tracing the recognized fair values of quoted equity securities in the Company's portfolio to publicly available market quotations;

⇒ We challenged the valuations of the FVTPL and FVOCI assets not traded on active markets, as follows:

- For discounted cash flows-based valuations, we assessed the internal coherence, logic and mathematical accuracy of the model and challenged the key underlying assumptions, primarily those for:
 - discount rates and yields, by reference to independent external sources;
 - growth rates and cash-flow projections, by reference to historical performance and our expectations based on understanding of the current environment;
- In the case of valuations in which the market comparison model was used, we critically assessed the fair value of comparable assets by referring to independent external sources as well as by assessing the need for significant adjustments to the differences between the asset in question and the comparable asset;
- For the investments where the adjusted net asset model was used, we critically assessed the appropriateness of the method in the specific circumstances and the key assumptions applied, such as the need to apply adjustments to the net asset in order to obtain the best estimate of the fair value, by referring to the documents described in the valuation report.
- For unit funds, we determined whether the net asset value per unit communicated by the fund managers represents their fair value by considering, among other things, the way in which unit funds are traded and redeemed, as well as our independent assessment of the fair value of the financial instruments held by the funds, by reference to publicly available market quotes.

	<ul style="list-style-type: none"> • We evaluated the completeness and accuracy of the disclosures in the financial statements in relation to valuation of financial instruments against the relevant financial reporting requirements.
--	--

Other matter – Corresponding figures

6. The Company's financial statements as of and for the year ended 31 December 2023, excluding the retrospective adjustments described in Note 23 to the financial statements, were audited by another auditor, who issued an unmodified opinion on those financial statements on 28 March 2024.

As part of our audit of the financial statements as of and for the year ended at 31 December 2024, we also audited the retrospective adjustments described in Note 23 to the financial statements, which were applied to restate the comparative information.

We have not been engaged to audit, review or perform other procedures on the financial statements, other than the retrospective adjustments described in Note 23 to the financial statements. Accordingly, we do not express an opinion or other form of assurance on the comparative information. However, in our opinion, the retrospective adjustments described in Note 23 to the financial statements are appropriate and have been properly applied.

Other information – Annual Administrator's Report

7. The management of S.A.I. Muntenia Invest S.A. is responsible for the preparation and presentation of other information. The other information comprises the information included in the Annual Administrator's Report which includes also the Remuneration report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Other Reporting Responsibilities Related to Other Information – Annual Administrator's Report

With respect to the Annual Administrator's Report we read and, based solely on the work required to be undertaken in the course of the audit of the financial statements, we report, as required by FSA Norm no. 39/2015, that, in our opinion:

- a) The information given in the Annual Administrator's Report for the financial year for which the financial statements are prepared is consistent, in all material respects, with the financial statements;
- b) The Annual Administrator's Report has been prepared, in all material respects, in accordance with FSA Norm no. 39/2015, articles 8-13 of accounting regulations in accordance with International Financial Reporting Standards applicable to entities

authorized, regulated and supervised by Financial Supervisory Authority in the Financial Instruments and Investments sector and of Investors' Compensation Fund.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Annual Administrator's Report. We have nothing to report in this regard.

Other Reporting Responsibilities Related to Other Information – Remuneration Report

With respect to Remuneration Report, we read the Remuneration Report in order to determine whether it presents, in all material respects, the information required by article 107, alin (1) and (2) of the Law no. 24/2017 regarding the issuers of financial instruments and market operations and related amendments. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. Management of S.A.I. Muntenia Invest S.A. is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards adopted by the European Union and with FSA Norm no. 39/2015 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management of S.A.I. Muntenia Invest S.A. is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements - Report on Compliance with the ESEF Regulation

16. In accordance with Law no. 162/2017 on statutory audits of annual financial statements and consolidated financial statements and amendment of certain regulations, we are required to express an opinion on compliance of the financial statements as included in the annual report with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format and related amendments (the "RTS on ESEF").

Responsibilities of Management

17. The management of S.A.I. Muntenia Invest S.A. is responsible for the preparation of the financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes the preparation of the financial statements in the applicable xHTML format, including ensuring consistency between the digital format and the signed financial statements and the design, implementation and maintenance of internal controls relevant to the application of the RTS on ESEF.

Auditors' Responsibilities

18. Our responsibility is to express an opinion on whether the financial statements included in the annual report comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Our procedures included evaluating the appropriateness of the digital format of the financial statements and assessing consistency between the digital format and the signed and audited financial statements, stamped by us for identification purposes.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

19. In our opinion, the financial statements of the Company as included in the annual report, as at and for the year ended 31 December 2024 have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.



Report on Other Legal and Regulatory Requirements - Public Interest Entities

20. We were appointed by the General Shareholders' Meeting on 25 October 2023 to audit the financial statements of Longshield Investment Group S.A. for the year ended 31 December 2024. Our total period of engagement is 18 year, covering 31 December 2005 to 31 December 2021 and the period ending 31 December 2024.

21. We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Company, which we issued on the same date as the date of issuance of this independent auditors' report. We also remained independent of the audited entity in conducting the audit.
- we have not provided to the Company the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014.

The engagement partner on the audit resulting in this independent auditors' report is Stefan Emanuel-Valeriu.

For and on behalf of KPMG Audit S.R.L.:

Stefan Emanuel-Valeriu

KPMG Audit SRL

registered in the electronic public register
of financial auditors and audit firms under
no AF218/302/23

registered in the electronic public
register of financial auditors and audit
firms under no FA9

Bucharest, 26 March 2025

**Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)**
Auditator finanțier: STEFAN EMANUEL VALERIU
Registrul Public Electronic: AF218/302/23

**Autoritatea Pentru Supravegherea Publică a
Activitățil de Audit Statutar (ASPAAS)**
Auditator finanțier: KPMG AUDIT S.R.L.
Registru Public Electronic: FA9