

## The annual remuneration report of Longshield Investment Group SA for the year 2024

### 1. Introduction

The Administrator of Longshield Investment Group SA (previously known as SIF Muntenia SA, hereinafter referred as “the Company”), SAI Muntenia Invest SA (“the Administrator”), prepared this annual report in accordance with the remuneration policy of the Company’s directors (“Remuneration Report”) which includes the remuneration and other benefits granted to the Administrator of the Company and the Board of Shareholders’ Representatives (“BSR”) during the financial year ended December 31<sup>st</sup>, 2024.

The Remuneration Report provides a comprehensive overview of the remuneration, including all benefits, regardless of form, granted or due during the last financial year, to the Administrator SAI Muntenia Invest SA, in accordance with the Remuneration Policy.

The Remuneration Policy was prepared by the Administrator, approved by the BSR of Longshield Investment Group SA and by the Ordinary General Meeting of Shareholders of April 28, 2021, and is in accordance with the provisions of art. 106 of Law 24/2017 on issuers of financial instruments and market operations (“Law 24/2017”).

Longshield Investment Group SA is managed by SAI Muntenia Invest SA, according to the management contract approved by the General Meeting of Shareholders (GMS) on April 23, 2020, endorsed by FSA according to Approval no. 165 / 22.07.2020, for a period of 4 years (“Management Agreement”), SAI Muntenia Invest SA having been re-elected as Administrator by the General Meeting of Shareholders on February 13<sup>th</sup>, 2024, for a period of 4 years starting with 24.04.2024 and up until 24.04.2028, through Addendum no.2 to the Management Agreement. Considering the aforementioned and the fact that Longshield Investment Group SA has only one employee and the Administrator has its own remuneration policy, this report mainly reflects the existing agreements with the Administrator.

This Report shall be subject to the consultative vote of the Ordinary General Meeting of Shareholders.

### II. Criteria

In order to promote the development of corporate governance in the conditions of applying best practices and prudent management, also considering that the representatives of the Company’s Administrator are remunerated in accordance with its own Remuneration Policy, Longshield Investment Group SA has the obligation to comply with the requirements on the basis of the application of the principles of corporate governance regarding the remuneration of executive / senior management, as follows:

- The remuneration policy is prepared by the Administrator and is analysed and adopted by the BSR so that it corresponds to the business strategy, objectives and long-term interests of the Company and includes measures to prevent conflicts of interest;

- The BSR ensures that all remuneration 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 set in close accordance with the responsibilities and commitments related to duties.
- The Administrator's Remuneration Policy reflects sound remuneration principles, aligning the personal objectives of its employees with the long-term interests of the Administrator and the Company. There are no deviations from the implementation of the Remuneration Policy and no exemptions applied in accordance with Article 106 of Law 24/2017.

### **III. The Management Contract of the Administrator of Longshield Investment Group SA**

The Management Contract of April 23, 2020 is endorsed by the FSA by Approval no. 165 / 22.07.2020 and was approved by the shareholders at the Ordinary General Meeting of Shareholders of the Company on April 23, 2020. In the Ordinary General Meeting of Shareholders of the Company on February 13, 2024, SAI Muntenia was re-elected as Administrator, for a period of 4 years starting with 04/24/2024 until 04/24/2028, through Addendum no. 2 to the Management Agreement. The value of the management contract concluded between the Company and the Administrator is represented by the administration fee, consisting of a monthly administration fee and a performance fee, if the criteria set out in Chapter V of the management contract are met.

The administration fee consists of a fixed part (monthly administration fee) and a additional part (performance fee):

- the fixed part is calculated and paid monthly and is equal to 0.125% of the value of the Total Assets as certified by the Company's Depositary for the last day of the month. The total value of the administration fee of Longshield Investment Group SA (fixed part) for the year 2024 is 38.721.785 lei;
- the additional part or the performance fee represents the Administrator's right to a supplementation of its fee based on its performance and is calculated at the end of the year and is paid after the approval by the GMS of the financial statements of the Company and is equal to 10% of the amount by which the realised gross profit of the year exceeds the gross profit provided in the Revenue and Expenditure Budget approved by the GMS of the Company. In 2024, Longshield Investment Group SA realised a gross profit that exceeds the gross profit provided for in the Revenue and Expenditure Budget, and the performance fee is 4.320.942 lei.

Thus, the administration fee of the Administrator for the financial year 2024 was in the amount of 43.042.727 million lei, representing 1,74 % of the average net assets, respectively 1,67 % of the average total assets of the Company in 2024.

Given that the performance fee is granted only depending on how the Administrator meets the performance criteria and the objectives established annually by the General Meeting of Shareholders of Longshield

Investment Group SA through the Management Program and the Revenue Budget and Expenses, this is a motivating factor for the Administrator and contributes to its long-term performance.

The total administration fee of the Administrator (monthly administration fee + performance fee) in the last 5 years is presented in the table below:

	2024	2023	2022	2021	2020
<b>Amount in Lei</b>	43.042.727	50.226.268	29.414.617	52.895.241	19.939.043
<b>% variation year to year</b>	-14,30%	70,75%	-44,39	165,28	-23,73

The variation from one year to another of the administration fee is determined by:

- in the period from January 1st, 2018 to July 24th, 2020, the monthly administration fee was calculated according to the management contract dated 01.07.2009, as a percentage (0.08%) of the net assets certified by the depositary on the last day of the month and a performance fee equal to 10% of the value by which the gross profit realized exceeds the gross profit provided in the Revenue and Expenditure Budget approved by the GMS of the Company. The value of the monthly administration fee cannot be lower than 1.450.000 Lei.
- in the period from 24 July 2020 to 31 December 2024, the monthly administration fee was calculated according to the management contract of 19.06.2019, as a percentage (0.125%) of the total assets certified by the depositary on the last day of the month and a performance fee equal to 10% of the value by which the gross profit realized exceeds the gross profit provided in the Revenue and Expenditure Budget approved by the GMS of the Company.

The structure of the administration fee in the last 5 years was as follows:

	2024	2023	2022	2021	2020
<b>Monthly administration fee</b>	38.721.785	31.519.618	29.414.617	28.716.859	19.939.043
<b>Performance fee</b>	4.320.942	18.706.650	-	24.178.381	-

The evolution of the net assets and the total assets of the Company in the last five years, according to which the Administrator was remunerated monthly is the following:

Indicator	2024	2023	2022	2021	2020
<b>Average net assets</b>	2.472.730.294	2.051.629.055	1.886.559.439	1.843.829.874	1.455.064.647
<b>Average total assets</b>	2.581.452.359	2.101.307.853	1.960.974.436	1.914.457.295	1.527.099.079

The evolution in the last five years of the gross profit realized compared to the gross profit provided in the Budget of Revenues and Expenditures, according to which was the performance commission of the Administrator is the following:

Indicator	2024	2023	2022	2021	2020
<b>Budgeted gross profit</b>	45.050.000	30.550.000	41.300.000	26.160.000	33.600.000
<b>Gross profit/ (Gross loss) realized</b>	92.508.115	220.951.599	(33.127.336)	269.012.316	(36.097.196)

The Administrator of the Company did not obtain other benefits from Longshield Investment Group SA and, within the meaning of art. 107, para. (2), letter. c) of Law 24/2017, did not receive any remuneration from any entity belonging to the Longshield Investment Group SA group.

Also, within the meaning of art. 107, para. (2), letter d) of Law 24/2017, the Administrator did not receive any shares or share options from the issuer Longshield Investment Group.

#### IV. Remuneration of Longshield Investment Group SA employees

Longshield Investment Group SA has only one employee with a fixed monthly remuneration related to the minimum wage per economy, for a part-time work schedule (2 hours / day, 10 hours / week), having specific attributions to the position of cashier.

In the period 2020-2024, Longshield Investment Group SA had the same sole employee, having the same fixed monthly remuneration, related to the minimum wage per economy, for a part-time program, from the respective years.

All other necessary services are provided by the Administrator of Longshield Investment Group SA through its own employees and contractors.

#### V. Remuneration of members of the Board of Shareholders' Representatives (BSR)

The Board of Shareholders' Representatives (BSR) is a supervisory body composed of 3 individuals elected by the GMS, for a term of 4 years, the current members being appointed starting with 25.06.2018. In the OGMS of SIF Muntenia (currently named Longshield Investment Group SA) of June 22, 2022, the members of the BSR were re-elected/elected for a 4-year term. The BSR represents the interests of the Company's shareholders in relation to its Administrator.

The duties and responsibilities of the BSR are set out in the Articles of Incorporation of the Company and, among others, ensure that all remuneration commitments are properly and responsibly structured and that remuneration policies allow and promote effective risk management, without leading to risks that exceed the level of risk tolerance of the regulated entity.

Thus, the net remuneration structure of BSR members for the period 2020-2024 was as follows:

The net amounts are expressed in Lei

Position	2024	2023	2022	2021	2020	Fixed pay ratio	Supplementary pay ratio
BSR Chairman	120.000	120.000	120.000	120.000	120.000	100%	Not the case
BSR members (2 members)	132.000	132.000	133.550	132.000	132.000	100%	Not the case

There were no other benefits related to the remuneration of BSR members. Also, within the meaning of art. 107, para. (2), letter. c) of Law 24/2017, BSR members did not receive any remuneration from any entity belonging to the Longshield Investment Group SA group.

Also, within the meaning of art. 107, para. (2), letter d) of Law 24/2017, the members of BSR did not receive any shares or share options from the issuer Longshield Investment Group SA.

## VI. Final provisions

The Remuneration Report of SIF Muntenia (currently named Longshield Investment Group SA) for the year 2023 was submitted to the vote of the Ordinary General Meeting of Shareholders of Longshield Investment Group SA on 29.04.2024. Following the vote, the Remuneration Report was approved with a 100% majority of the votes cast. Despite the fact that the vote of the Ordinary General Meeting of Shareholders has a consultative nature, the Company took into account the positive vote and accordingly prepared this remuneration report, in accordance with the remuneration policy of the Company's management.

The Remuneration Report will be submitted to the consultative vote of the OGMS, will be published on the website of Longshield Investment Group SA at [www.longshield.ro](http://www.longshield.ro) and will remain available to the public for 10 years from publication, in accordance with the applicable legal provisions.

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