

**The Board of Shareholders' Representatives of**

**Longshield Investment Group S.A.**

**Alternative Investment Fund for Retail Investors (F.I.A.I.R.)**

Bucharest, district 2, 46-48 S.V. Rachmaninov street,

Registered with the Trade Registry under no. J40 / 27499/1992, Tax ID no. 3168735

Registered in the FSA with no. PJR09FIAIR / 400005 / 09.07.2021

Authorized by FSA Authorization no. 151 / 09.07.2021

Registered in the Register of personal data operators under no. 26531

## **REPORT**

for the 2024 mandate

The members of the Board of Shareholders' Representatives (B.S.R) of Longshield Investment Group S.A. (formerly known as S.I.F. Muntenia), elected at the Ordinary General Meeting of Shareholders (OGMS) on June 22, 2022, adopted this Report on March 25, 2025, for the mandate exercised by the B.S.R. in 2024.

### **1. Context**

Globally, financial stability challenges continued to see mixed developments in 2024. On the one hand, the disinflationary process continued in most economies, without generating a substantial soft landing, supporting risk appetite in global financial markets. On the other hand, the external environment continues to be characterized by subdued economic growth prospects, particularly in Europe, and a high degree of uncertainty, both as a result of escalating geopolitical tensions and intensifying armed conflicts, and against the backdrop of a major international election year, which is likely to affect the policy mix in the world's major economies, with potential implications for global financial conditions and international trade and capital flows. Risks to financial stability are amplified by a high level of indebtedness, both public and private, as well as the potential overpricing of financial assets in certain market segments.

However, according to the International Monetary Fund , the global economy remains stable, although the degree of resilience varies significantly between countries. Global GDP growth in the third quarter of 2024 was 0.1 percentage point below that forecast in the October 2024 WEO report , after the release of disappointing data in some Asian and European economies. China's economic growth of 4.7% in annual terms was below expectations. Faster-than-expected growth in net exports only partly offset a sharper-than-expected slowdown in consumption, amid a delayed stabilization of the housing market and persistently low consumer confidence.

At the European Union Level, in its Economic Buletin no. 8 from 9th January 2025, the ECB mentioned that the EU economy grew by 0.4% in the third quarter of 2024, exceeding expectations. The growth was mainly driven by an increase in consumption, partly reflecting one-off factors that boosted tourism over the summer, as well as inventory accumulation by companies. However, the latest information suggests that the pace of growth is slowing. Surveys indicate that manufacturing is still contracting and growth in the services sector is slowing. Companies are postponing investment because of weak demand and a highly uncertain outlook. Exports are also weak, and some European industries are struggling to remain competitive. The labor market remains resilient. Employment grew 0.2% in 3Q2024, again above expectations. The unemployment rate remained at its historical low of 6.3% in October. Meanwhile, labor demand continues to weaken. The job vacancy rate fell to 2.5% in the third quarter, 0.8 percentage point below its peak, and surveys also point to fewer jobs being created in the fourth quarter.

**Locally**, according to the data presented by the Ministry of Finance, the execution of the consolidated general budget at the end of 2024 registered a deficit of 152.72 billion RON. Expressed as a percentage of GDP, the budget deficit increased by 3.04 percentage points, from 5.61% of GDP in 2023 to 8.65% of GDP in 2024. Revenues of the consolidated general budget increased by 10.4% compared to 2023, while expenditures increased in nominal terms by 19.1% compared to the previous year. In total, Romania's GDP in 2024 recorded an increase of 9.97% compared to 2023 from 1,604,554 million RON to 1,764,500 million RON.

The annual inflation rate in the last three months of 2024 rose more than anticipated, climbing to 5.14 percent in December from 4.62 percent in September. The annual inflation rate calculated on the basis of the harmonized index of consumer prices (HICP - the inflation

indicator for EU Member States) rose in December to 5.5 percent, from 4.8 percent in September 2024. The average annual rate of CPI inflation, however, fell to 5.6 percent in December from 6.1 percent in September 2024. In turn, the average annual rate of HICP inflation declined to 5.8 percent in December 2024 from 6.4 percent in September.

In the labor market, the economy's payroll headcount resumed its monthly growth in September and continued to increase in October 2024 at a relatively brisk pace, and the BIM unemployment rate fell to 5.4 percent in October and 5.3 percent in November, after rising to an average of 5.6 percent in the third quarter.

The main interbank money market rates recorded significant increases in the second half of November and remained relatively constant thereafter. Long-term government bond yields increased and prolonged their ascent until the last decade of December 2024.

Regarding the number of newly established companies, data from the National Trade Register show that 124,898 new registrations were registered in Romania in 2024, down by 14.63% compared to 2023. On the other hand, the number of companies that suspended their activity in 2024 was 18,716, up 14.58% compared to the previous year, while the number of companies that went into insolvency was 7,274, +9.38% compared to 2023 (2023: 6,650 companies).

**With regards to the capital markets**, in the US, the S&P 500 index rose by 24.58%, while in the UK, the FTSE 100 appreciated by 5.69%. In the euro area, the German DAX index recorded a positive performance of 18.85%, while the MSCI Emerging Markets index gained 4%.

The majority of the main indices of the European markets recorded increases in Q3 2024 compared to the end of 2023, with the exception of the last 5 positions, which recorded decreases ranging from 0.3% (Portugal - PSI 20) to 6.44% (Poland - WIG20). The best performing index in terms of its dynamics over the period was Cyprus Main Market (+76.66%), while at the opposite pole, with a decrease of 6.44%, was the WIG20 (Poland).

The BET index in Romania is ranked 14th, with an increase of 8.78% at 12/31/2024 compared to the end of 2023, while the BET-TR index (which includes both the price evolution of the most traded companies on the regulated market of the BSE and the dividends offered by them) increased by 16.5%.

In its monthly report published in January 2025, FSA reports an increase of the market capitalization about 19% as of December 30, 2024 compared to the end of 2023. In December 2024, the top 3 companies traded on the BSE were: Banca Transilvania (TLV) with a 27% share of the total value traded during the period, OMV Petrom (SNP) with 14% and Hidroelectrica (H2O) with 9.6%.

The total value of trades on both markets of the BSE and for all types of financial instruments realized during 2024 exceeded 37 billion RON (2023: 38.04 billion RON), of which 36.17 billion RON amounted to trades on the main market (2023: 37.45 billion RON). In total, however, the value of transactions decreased by 2.69%, while at the same time there was an increase in the total capitalized value on both markets on 12/31/2024 compared to 12/31/2023.

## **2. B.S.R. of Longshield Investment Group SA - Organization and Responsibilities**

Longshield Investment Group S.A. is a Romanian legal entity, incorporated as a joint stock company with fully private capital. The operation of the company is regulated by the current legal provisions applicable to financial investment companies, as well as by the provisions of its articles of incorporation.

S.I.F. Muntenia S.A. (currently known as Longshield Investment Group SA) was established as a joint stock company in November 1996, through the reorganization and transformation of the Private Property Fund IV Muntenia, pursuant to Law 133/1996 for the transformation of Private Property Funds into financial investment companies.

Longshield Investment Group S.A. is a collective investment undertaking operating in Romania in accordance with the provisions of the Companies Law 31/1990, Law 74/2015 on the administrators of alternative investment funds and Law 243/2017 on the regulation of alternative investment funds and amending and supplementing certain regulatory acts and Law No 24/2017 on issuers of financial instruments and market operations.

As a result of the process started in 2020, on 09.07.2021, SIF Muntenia SA (currently known as Longshield Investment Group SA) was authorized by the Financial Supervisory Authority (FSA) through Authorization no. 151/09.07.2021 as an Alternative Investment Fund for Retail

Investors, of the type of investment companies – A.I.F.S., with a diversified investment policy, closed-end type, externally managed..

According to the provisions of Longshield Investment Group SA's Articles of Association, the Board of Shareholders' Representative (B.S.R.) is a body that represents the interests of Longshield Investment Group SA 's shareholders in relation to its administrator, SAI Muntenia Invest SA, with the purpose of supervising the management activity carried out by the administrator. The General Meeting of Shareholders of Longshield Investment Group SA chooses the B.S.R. composed of three members, for a term of four years, with the possibility of them being re-elected.

The B.S.R. structure during 2024, according to the OGMS resolutions of 22nd of june 2022, for a period of 4 (four) years, is the following:

- Ştefan Dragoş Gioga - Chairman
- George Alin Ştefan - Member
- Robert-Cosmin Pană - Member

During the year 2024, the B.S.R. manifested its attributions of representing the interests of the shareholders and of supervising the activity and the commitments of the administrator, within the limits imposed by the provisions of the articles of incorporation of Longshield Investment Group S.A., the management contract and the decisions of the General Meetings of the Shareholders of Longshield Investment Group S.A. (G.M.S.).

The B.S.R. meetings were established according to the financial communication schedule of the Longshield Investment Group SA, which meets at least on the occasion of the quarterly, half-yearly and annual financial reports and in close correlation with the specific attributions of the B.S.R. according to the articles of association of the Longshield Investment Group SA. Representatives of the administrator SAI Muntenia Invest S.A. were invited to attend B.S.R. for detailing specific items on the agenda of the B.S.R. meetings. All B.S.R. decisions were voted on unanimously in terms of quorum and decision-making transparency.

We emphasize that the B.S.R. does not have among its attributions, administrative attributes of Longshield Investment Group SA, and, SAI Muntenia Invest S.A., as administrator, is responsible for the management activity, for the adoption and implementation of the investment policies as well as for the elaboration and presentation of the information and materials made

available to the B.S.R. and G.M.S.. The surveillance and verification activity of the B.S.R. does not remove the liability of SAI Muntenia Invest S.A. for the obligations incumbent on him through the management contract and the legal framework related to the development of his activity.

### **3. Analysis of notices and reports submitted by SAI Muntenia Invest S.A.**

In the proper exercise of its powers, B.S.R. sought to ensure that the interests of the shareholders of Longshield Investment Group SA are respected in accordance with the management program approved by the shareholders in the O.G.M.S. dated April 29, 2024. In this regard, the B.S.R. took note of the quarterly reports prepared by SAI Muntenia Invest SA in accordance to the applicable legal regulations regarding the managing activity of Longshield Investment Group SA, analysed and debated the monthly information of the director of SAI Muntenia Invest S.A. regarding the implementation of the management program approved by the G.M.S., the calculation of the monthly net assets, the calculation of the management fee and the preparation of the quarterly / half-yearly / annual financial statements.

Precizăm We specify that the mentioned elements reflect the operations that the administrator carried out without the prior consultation of the B.S.R., which did not examine, did not recommend and did not participate in their substantiation or implementation. Subsequent receipt of such information shall not constitute an approval or ratification of such operations by the B.S.R. In addition, during the course of 2024, B.S.R received and analysed:

- The individual financial statements as at 31.12.2023 prepared according to Regulation 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as well as the Investor Compensation Fund (FSA regulation 39/2015)
- Report of the administrator, SAI Muntenia Invest SA for the financial year 2023;
- Periodic notices on the management of Longshield Investment Group SA and the monthly execution of the revenue and expenditure budget of Longshield Investment Group SA approved by the G.M.S. in 2024;

- The administrator's report of SAI Muntenia Invest SA and the Interim Financial Statements prepared according to FSA regulation 39/2015 for the first and third quarters of 202;
- The administrator's report of SAI Muntenia Invest SA and the Interim Financial Statements prepared according to FSA regulation 39/2015 for the first semester of 2024;
- Notices on market operations according to art. 17 let. (g) of the Management Agreement;
- Notices on significant changes in the structure of the Board of Directors and the executive management of SAI Muntenia Invest S.A.;
- The internal audit reports prepared by ANB Consulting SRL (Ascentor), the internal auditor of Longshield Investment Group S.A. regarding the review and modification of certain internal procedures aimed at improving the activity of some departments within SAI Muntenia Invest SA, as well as other aspects aimed at determining the adequacy of the procedures drawn up by the administrator and verifying their implementation in the flow of activity, in accordance with the legislation in force and with the applicable domestic regulatory framework;
- The status of lawsuits pending at various stages in which Longshield Investment Group S.A. is part of;
- Other information / reports requested by the B.S.R.

We mention that no situations have been identified that would require additional requests or interventions from the B.S.R.

### **3. Corporate events**

- The Extraordinary General Meeting of Shareholders held on 03.02.2024 (convened at the first call) approved the revocation of the resolution of the Extraordinary General Meeting of Shareholders no. 4 of 21.06.2023, published according to the current report no. 1479/124552 of 21.06.2023 on the BSE website. It also approved the change of the company's name from Societatea de Investiții Financiare Muntenia - SA to Longshield Investment Group - SA, as well as the corresponding amendment of Article 1, paragraphs (1) – (6) of the company's Articles of Incorporation.
- The Ordinary General Meeting of Shareholders held on 13.02.2024 (convened at the first call) approved the re-election of SAI Muntenia Invest SA as the sole administrator of the company, which will also perform the function of alternative investment fund

administrator, for a four-year term from 24.04.2024 to 24.04.2028. Additionally, it approved the remuneration of SAI Muntenia Invest SA for its mandate from 24.04.2024 to 24.04.2028, in an amount equal to that stipulated in the Administration Contract signed on 27.04.2020 between SIF Muntenia SA and SAI Muntenia Invest SA. Furthermore, it approved the extension of the Administration Contract signed on 27.04.2020 between SIF Muntenia SA and SAI Muntenia Invest SA for another four years, covering the period 24.04.2024 – 24.04.2028, through an additional act to the Administration Contract.

- Authorization of the Company's Name Change to Longshield Investment Group SA: In March 2024, through Authorization no. 36/22.03.2024, the Financial Supervisory Authority (FSA) approved the amendments to the Articles of Incorporation of SIF Muntenia SA, in accordance with the resolution of the EGM no. 4 of 03.02.2024, following the company's name change from Societatea de Investiții Financiare Muntenia SA to LONGSHIELD INVESTMENT GROUP SA.
- The Ordinary General Meeting of Shareholders held on 29.04.2024 (convened at the first call) approved the annual financial statements of SIF Muntenia S.A. (now named Longshield Investment Group SA) for the financial year 2023, based on discussions and reports presented by the administrator SAI Muntenia Invest S.A., the financial auditor Deloitte Audit SRL, and the Board of Shareholders' Representatives (B.S.R.). The Administration Program of SIF Muntenia S.A. (now Longshield Investment Group SA) and the Income and Expenditure Budget for the financial year 2024 were also approved, in accordance with the administrator's proposals.
- Update on the Simplified Prospectus of SIF Muntenia S.A. (now named Longshield Investment Group SA): In April 2024, the company's simplified prospectus, an Alternative Investment Fund for Retail Investors (AIFRI), was updated with details regarding KPMG Audit SRL, the financial auditor as of 01.05.2024, along with updated information in the sections concerning key details about the issuer, statutory auditors, administrative, management, and supervisory bodies, and the main service providers of the AIF.
- Registration of the Company's New Name at the Trade Registry: In June 2024, following the issuance of the Certificate of Registration of Mentions on 07.06.2024 by

the Trade Registry Office attached to the Bucharest Tribunal, based on Decision no. 89402 of 06.06.2024 (later rectified by the Certificate of Correction of Material Errors issued on 11.06.2024, based on Decision no. 91218 of 10.06.2024), the company's name change from "Societatea de Investiții Financiare Muntenia S.A." to "Longshield Investment Group S.A." was registered. This registration was based on the resolution of the Extraordinary General Meeting of Shareholders no. 4 of 03.02.2024 and the updated Articles of Incorporation, approved under Authorization no. 36/22.03.2024 issued by the Financial Supervisory Authority. Additionally, on 11.06.2024, the Registration Certificate series B no. 4969104 was issued for Longshield Investment Group S.A.

➤ Changes in the Management of SAI Muntenia Invest SA:

- On 25.09.2024, SAI Muntenia Invest SA received the request from Mr. Nicușor Marian Buică for the termination of his mandate contract as General Manager of SAI Muntenia Invest SA, effective 19.10.2024, due to personal/family reasons. His mandate as General Manager would end by operation of law on that date. Mr. Sergiu Mihailov, Director of Corporate Administration at SAI Muntenia Invest SA and an FSA-authorized director in accordance with applicable regulations, was appointed as temporary replacement for the General Manager from 19.10.2024 until the Board of Directors appoints and FSA authorizes a new General Manager of the company.
- On 04.10.2024, Mr. Ștefan Dumitru was appointed as General Manager of SAI Muntenia Invest SA based on Board of Directors Decision no. 31/2/04.10.2024 and in accordance with the resolution of the Ordinary General Meeting of Shareholders of SAI Muntenia Invest SA held on 03.10.2024. Mr. Ștefan Dumitru was appointed for a four-year term, from 19.10.2024 to 19.10.2028, and will assume his duties only after obtaining FSA's authorization decision
- On 28.10.2024, the Board of Directors approved the appointment of Mr. Sergiu Mihailov as Director of Corporate Administration of SAI Muntenia Invest SA for a new four-year term, from 24.01.2025 to 24.01.2029. His new term will commence only after obtaining FSA's approval.

➤ Change of the Trading Symbol for Longshield Investment Group SA Shares from SIF4 to LONG: In October 2024, the trading symbol for Longshield Investment Group SA shares was changed from SIF4 to LONG, effective 21.10.2024.

➤ Authorization of Longshield Investment Group SA's Administrator as an AIFM: The Financial Supervisory Authority, through Authorization no. 152/15.11.2024,

authorized the investment management company as an Alternative Investment Fund Manager (AIFM). Before this authorization, FSA certified SAI Muntenia Invest SA's registration as an AIFM through Certificate no. 39/21.12.2017.

- Submission of Public Tender Offer Document: On 22.11.2024, a public tender offer document for the purchase of Longshield Investment Group SA shares was submitted to the Financial Supervisory Authority, through BRK Financial Group as an intermediary., the public offer document for the purchase of shares issued by Longshield Investment Group SA, together with the related documentation, in order to fulfill the resolution of the Extraordinary General Meeting of Shareholders (A.G.E.A.) No. 6 dated June 21, 2023. By resolution A.G.E.A. No. 6 dated June 21, 2023, the issuer's shareholders approved the implementation of a buyback program for a maximum number of 18,000,000 own shares, aiming to reduce the share capital through the cancellation of the repurchased shares. Longshield Investment Group SA, through its administrator, SAI Muntenia Invest SA, was to inform shareholders and investors about the complete details of the public offer for the purchase of shares, after the approval of the public offer document by the Financial Supervisory Authority (A.S.F.).
- Registration of the Issuer's Financial Instruments with FSA: The Financial Supervisory Authority issued Certificate of Registration of Financial Instruments no. AC – 5962 - 2/25.11.2024, reflecting the capital reduction approved by the Extraordinary General Meeting of Shareholders no. 3 of 21.06.2023, from 78,464,520.10 lei to 76,110,584.50 lei, through the cancellation of 23,539,356 treasury shares. As a result of this reduction, the Company's share capital amounts to 76,110,584.50 lei, divided into 761,105,845 shares with a nominal value of 0.10 lei per share. At the same time, the procedures for registering the share capital reduction of Longshield Investment Group SA with the Central Depository SA were in progress.
- Registration of the Issuer's Share Capital Reduction with the CENTRAL DEPOSITORY: Following the issuance by the Financial Supervisory Authority of the Financial Instruments Registration Certificate no. AC - 5962 - 2/25.11.2024, related to the share capital reduction approved by the Extraordinary General Assembly of Shareholders' Decision no. 3 of 21.06.2023, the share capital reduction was processed with the Central Depository SA. As a result of this registration, the share capital of Longshield Investment Group SA is 76,110,584.50 lei, corresponding to a total of 761,105,845 shares with a nominal value of 0.10 lei per share. The total number of voting rights is 761,105,845.

- Notification of Holding Exceeding 10%: On 28.11.2024, Longshield Investment Group SA received, under the provisions of Article 71, paragraph (1) of Law no. 24/2017 regarding issuers of financial instruments and market operations, and in accordance with Regulation no. 5/2018 regarding issuers of financial instruments and market operations, from the issuer Infinity Capital Investments SA, a notification regarding the exceeding of the 10% threshold of the total voting rights. The notification is attached to this current report. According to this notification, Infinity Capital Investments SA holds 10.2429% of the total voting rights of Longshield Investment Group SA.
- Total Number of Shares Issued and Voting Rights: On 27.11.2024, the Central Depository SA processed the reduction of the company's share capital in accordance with the decision of the Extraordinary General Assembly of Shareholders no. 3 of 21.06.2023. As a result, the current share capital of Longshield Investment Group SA is 76,110,584.50 lei, corresponding to a total of 761,105,845 shares issued and 761,105,845 voting rights associated with them.
- Approval of the Public Purchase Offer Document for LONG Shares: In December 2024, the public purchase offer document for shares issued by Longshield Investment Group SA, initiated by Longshield Investment Group SA, was approved by Decision no. 1213/11.12.2024 of the Financial Supervisory Authority (FSA).
- Notification of Holding Below 5%: On 20.12.2024, Longshield Investment Group SA received, under the provisions of Article 71, paragraph (1) of Law no. 24/2017 regarding issuers of financial instruments and market operations, and in accordance with Regulation no. 5/2018 regarding issuers of financial instruments and market operations, from Accuro Fund Solutions AG, the manager of Romania Strategy Fund, a notification regarding the decrease below the 5% threshold.

#### **4. Financial Results of Longshield Investment Group SA for the Year 2024**

The company registers, as of 31.12.2024, a net profit of 86.85 million RON. The total assets as of 31 December 2024 have increased by 252.43 million RON, representing a 10.84% growth compared to the value as of 31 December 2023. The main changes in asset items compared to 2023 are as follows:

- Cash and cash equivalents increased by 18.54 million RON compared to 31.12.2023, due to the Administrator's decision, with the mention that the liquidity strategy of the Company's

portfolio was respected (% total assets as of 31.12.2024 – 7.01%);

- Financial assets at fair value through profit or loss increased by 82.23 million RON, or 7.59%, compared to the value recorded on 31 December 2023, as a result of the increase in the value of assets in this class, as well as acquisitions and capital increases at subsidiaries.

- The financial assets at fair value through other comprehensive income increased by 194.01 million RON, or 18.72%, as a result of recognizing favorable fair value differences, particularly for issuers traded on the regulated market or the Multilateral Trading System (SMT). As of 31.12.2024, the holding in Banca Transilvania SA represented 25.17% of the total assets of the Company (31.12.2023: 22.02%);

- Financial assets measured at amortized cost recorded a value of 1.28 million RON, compared to zero at the end of 2023, following the acquisition of bonds issued by S.N.G.N. Romgaz SA.

- The increase in assets was negatively impacted by the decrease in bank deposits by 53.01 million RON, or 33.13%.

Equity holds the majority share in the liabilities structure. It increased by 10.73% compared to the end of the previous year, representing a change of 239.73 million RON, mainly due to the positive fair value differences of financial assets recorded in the category of Financial assets at fair value through other comprehensive income as of December 31, 2024, and the retained earnings.

The total revenues of the Company recorded in 2024 exceeded the approved budgeted value by 20.34%.

Total expenses reached 121.29% of the budgeted amount for 2024 and are mainly composed of the following subcategories:

- the administration expenses represent the fee collected by SAI Muntenia Invest SA, calculated according to the management contract in force, concluded between the Company and the Administrator, specifically:

- The administration fee calculated and paid monthly is equal to 0.125% of the total assets value, as certified by the Company's Depository for the last working day of the month. In 2024, the value of this fee was 38.72 million lei.

- The performance fee, calculated at the end of the year and paid after the approval of the Company's financial statements by the General Shareholders' Assembly, is equal to 10% of

the amount by which the realized gross profit exceeds the gross profit forecasted in the Budget of Revenues and Expenditures approved by the General Shareholders' Assembly for the year in which the profit was recorded. In 2024, the value of this fee was 4.32 million lei. The performance fee was not budgeted.

The total administration fee of the Administrator for the financial year 2024 (including the performance fee) amounted to 43.04 million lei, representing 1.74% of the average net asset and 1.67% of the average total assets of the Company in 2024.

- External expenses represent the costs for services provided by third parties, including expenses for service providers such as: BRD – the depository (fees are calculated as a percentage of the certified net assets, which increased in 2024), fees and taxes to the Financial Supervisory Authority (FSA) (fees are calculated as a percentage of the certified net assets, which increased in 2024), custodian, the Central Depository, the company's financial auditor, the internal auditor, expenses for investor relations, costs for mandatory advertising (which decreased in 2024 due to fewer current reports and communications published in accordance with the applicable legal framework), payments to the Trade Register, and consulting fees;
- Portfolio management expenses include transaction fees to investment firms (SSIF), expenses for debt recovery services, legal assistance costs, expenses for valuation services provided by external evaluators, etc.

The net gain from the fair value evaluation of assets through profit or loss is in the amount of 38.68 million lei as of December 31, 2024.

In 2024, the Company received dividends from its subsidiaries amounting to 40.69 million lei, which represents 44.19% of the total dividends received throughout the year.

As of December 31, 2024, the net asset value of these subsidiaries, certified by the Depository, was 861.75 million lei (compared to 747.74 million lei on December 31, 2023), and their share of the Company's total assets was 32.74% (compared to 31.51% on December 31, 2023).

As of December 31, 2024, the Company holds units in 11 investment funds (4 open-ended investment funds and 7 closed-ended investment funds).

During 2024, Longshield Investment Group SA did not carry out any transactions with shares issued by companies regulated by the Companies Law no. 31/1990.

As of December 31, 2024, the shares held by Longshield Investment Group SA amounted to a total value of 1,699,587 lei.

At the end of 2024, it was noted that SAI Muntenia Invest administered Longshield Investment Group in accordance with the established strategic objectives.

### **Conclusions and Recommendations of the C.R.A. Addressed to the Administrator SAI Muntenia Invest S.A.**

In relation to the activities and discussions between the members of the C.R.A. and the representatives of the administrator SAI Muntenia Invest S.A., in 2024, emphasis was placed on ensuring compliance with the prudential rules set out by the applicable legislation, in accordance with the objectives assumed by the administrator through the management program approved by the General Meeting of Shareholders (A.G.A.). Additionally, the proper management of the assets of Longshield Investment Group S.A. was highlighted in terms of risk, coupled with a recommendation for increased attention to the main macroeconomic risk factors present in 2024, such as geopolitical uncertainty, inflation, and the social and political developments generated by the electoral cycles in the European Union and Romania. These factors had significant economic, financial, political, and social implications.

The risks associated with the electoral cycles in the European Union and Romania intensified political uncertainties, adding an additional risk to the economic and investment climate in the Romanian market. Political changes inherently bring uncertainty, creating volatility in the capital markets during electoral periods.

The C.R.A. maintains its request to the administrator regarding the obligation to permanently adopt appropriate vigilance in the management of the financial assets of Longshield Investment Group SA in order to preserve the integrity of Longshield Investment Group SA's assets by:

- Making financial investments to maximize the value of its own shares, in accordance with the applicable regulations;
- Managing the investment portfolio and exercising all rights associated with the instruments in which it invests;
- Properly managing risks.

This report of the Board of Shareholder's Representatives of Longshield Investment Group S.A. is addressed exclusively to the shareholders of Longshield Investment Group S.A. and is to be presented at the Ordinary General Meeting of Shareholders of Longshield Investment Group S.A. scheduled for April 29/30, 2025.

Chairman of the Board of Shareholder's Representatives,

Ştefan Dragoş GIOGA