



**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">• Unique registration code: 3168735• Registered with the Trade Register under no. J40/27499/1992• RON code: 2549007DHG4WLBMAAO98• Registered with the FSA register under no. PJR09FAIR/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.
SHARE CAPITAL	RON 78,464,520.10 – subscribed and paid-in share capital 784,645,201 – issued shares in circulation RON 0.1 – the face value
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	Romania, Bucharest, 46-48 Serghei Vasilievici Rahmaninov St., the ground floor, room 2, 2 nd District, postal code 020199 Tel: +40 213 873 210 Fax: +40 213 873 209 www.sifmuntenia.ro Email: sai@munteniainvest.ro

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ABBREVIATIONS

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 Depository
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

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. 151/09.07.2021¹).

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.

¹ https://bvb.ro/infocont/infocont21/SIF4_20210709150751_Raport-Anexa-RO.pdf

2 THE ECONOMIC FRAMEWORK

THE INTERNATIONAL ECONOMIC FRAMEWORK²

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 data³, 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 Finance⁴, 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 Commission⁵, economic growth for 2023 is estimated at 1.8%, i.e. 0.4 percentage points lower than previous forecasts. Economic activity slowed

² 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>

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

⁴ https://mfinante.gov.ro/static/10/Mfp/buletin/executii/nota_bgc31122023.pdf

⁵ 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%⁶ 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 Register⁷ 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%⁸ 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 December⁹, 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 transactions¹⁰ 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).

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

⁷ <https://www.onrc.ro/index.php/ro/>

⁸ https://www.bvb.ro/press/2024/Raport_Preliminar_2023.zip

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

¹⁰ 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.

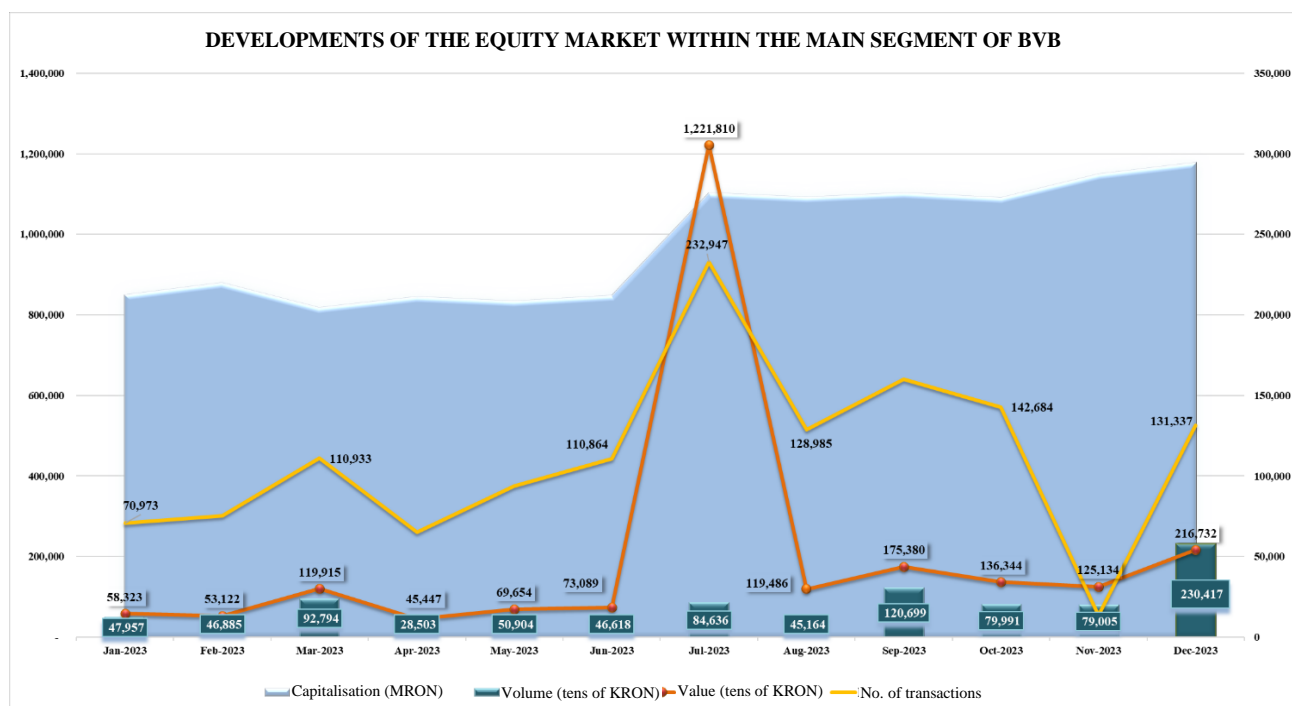


Chart no. 2.1 Transactions in shares in 2023, the main segment
Source: data taken from BVB, processed by SAI Muntenia Invest SA

In a report¹¹ 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.

¹¹ <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 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 rights¹², 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, in the dedicated section, i.e. *Investor's Section/Corporate Events/Shareholders' General Meetings/2023* and on the BVB website.

¹² 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 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, 2nd 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 release¹³ 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., 2nd 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, 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

¹³ <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.

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

Table no. 4.1. *Developments of the assets*

The value of the asset certified by the Depository is calculated according to valuation rules¹⁴ 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.

in RON	2023	2022	2021
End-of-period closing price	1.515	1.200	1.565
Market capitalisation (million RON)	1,153.08	913.33	1,227.97
Discount on net assets	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.

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

in RON	2023	2022	2021
Total assets	2,329,691,647	1,939,605,922	2,065,321,150
Total liabilities	95,699,636	81,186,813	88,450,065
Total equity	2,233,992,011	1,858,419,109	1,976,871,085
Net profit/(Net loss)	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.

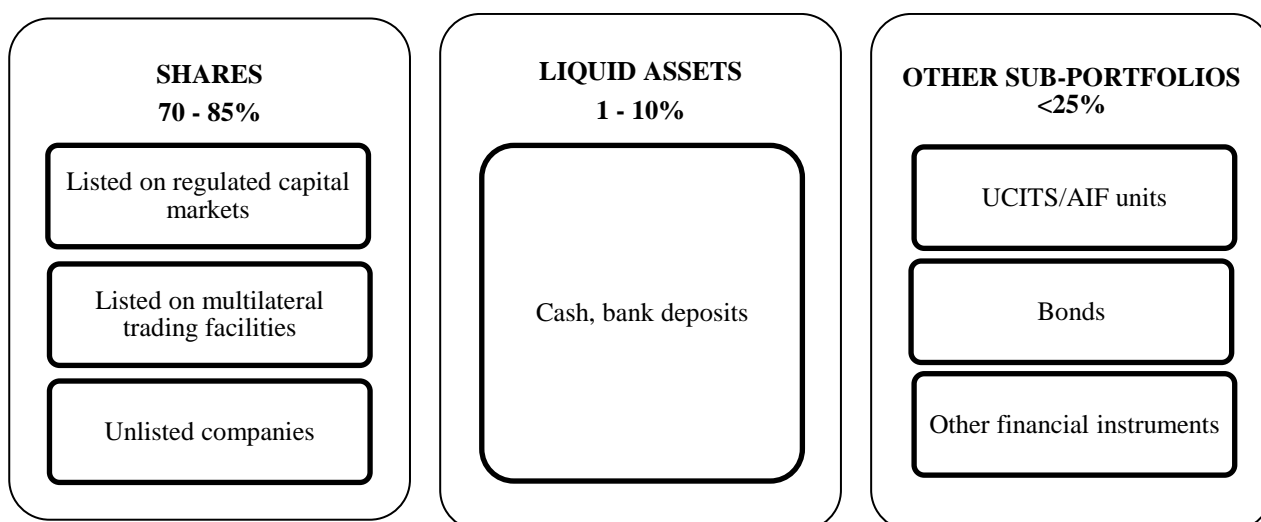


Chart no. 4.1. *The target portfolio, for 2023, according to the Management Programme*

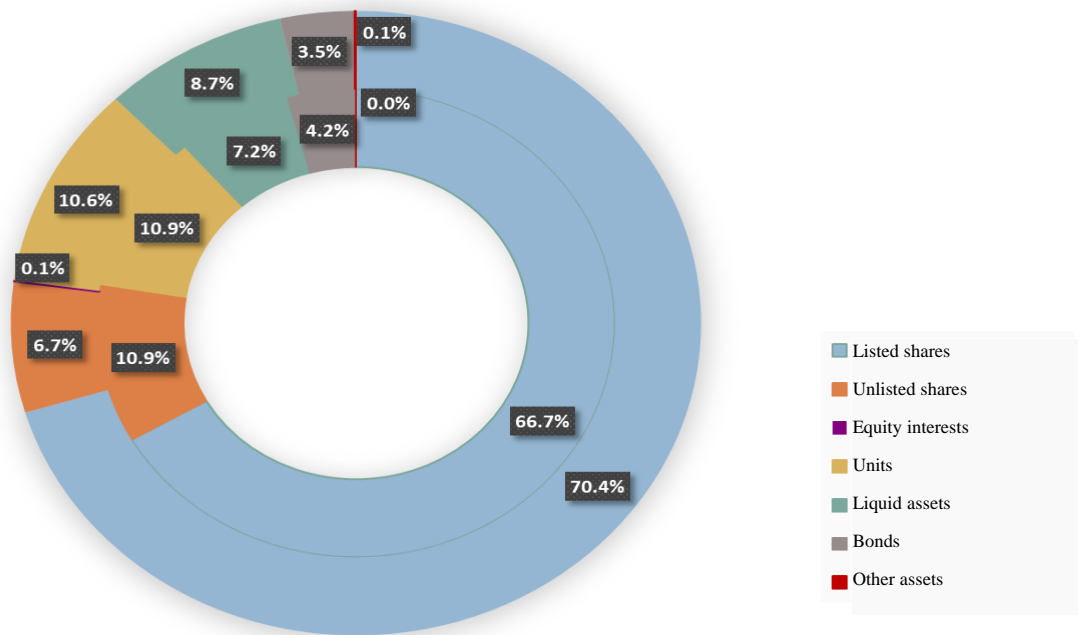
The main sub-portfolios¹⁵ that make up the Company portfolio are presented below, as values and percentages, of the total certified assets:

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

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

¹⁵ 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 portfolio¹⁶ 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.

THE DEGREE OF LIQUIDITY OF SIF MUNTENIA'S PORTFOLIO

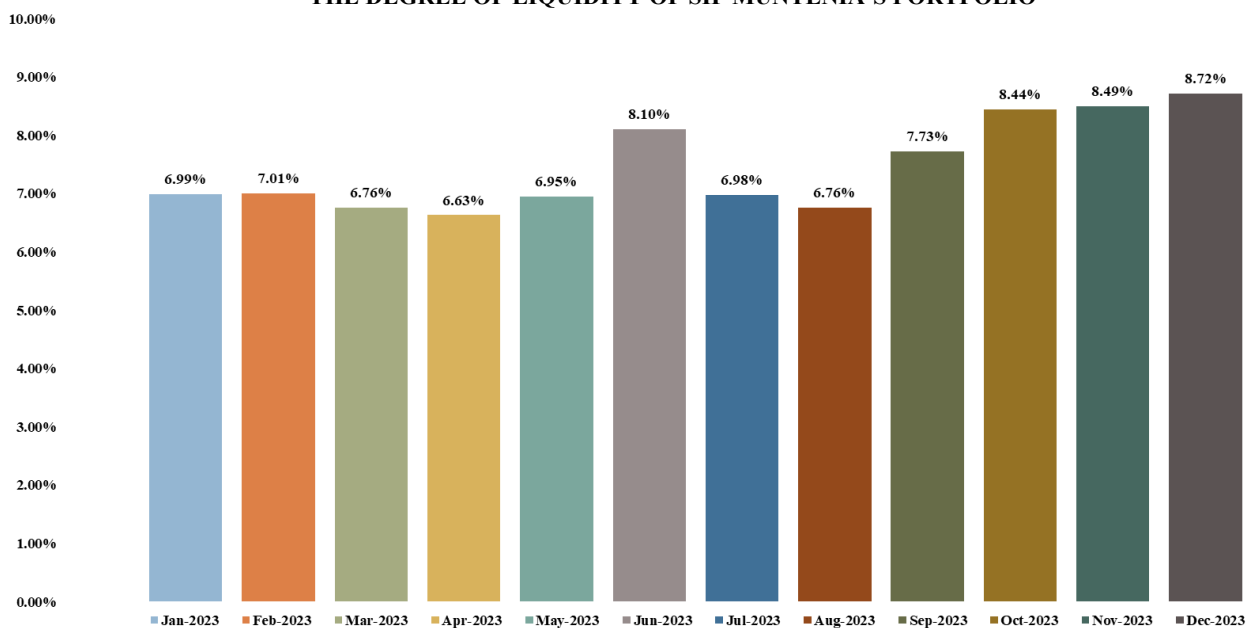


Chart no. 4.3 The degree of liquidity of the Company portfolio for each month of 2023¹⁷

¹⁶ Liquid assets (cash + deposits)/Certified total assets

¹⁷ 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 Depository BRD-Groupe Societe Generale SA, were published on the 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 website¹⁸. Changes in the valuation rules are notified to investors and the FSA, in accordance with regulations in force.

in RON	2023	2022	2021
Certified total assets	2,372,869,620	1,935,756,313	2,071,035,584
Total liabilities	95,794,702	81,186,813	88,450,065
Net assets	2,277,074,918	1,854,569,500	1,982,585,519
Net asset value per unit (NAVU)	2.9918	2.4367	2.5267
ECB EUR exchange rate ¹⁹	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.

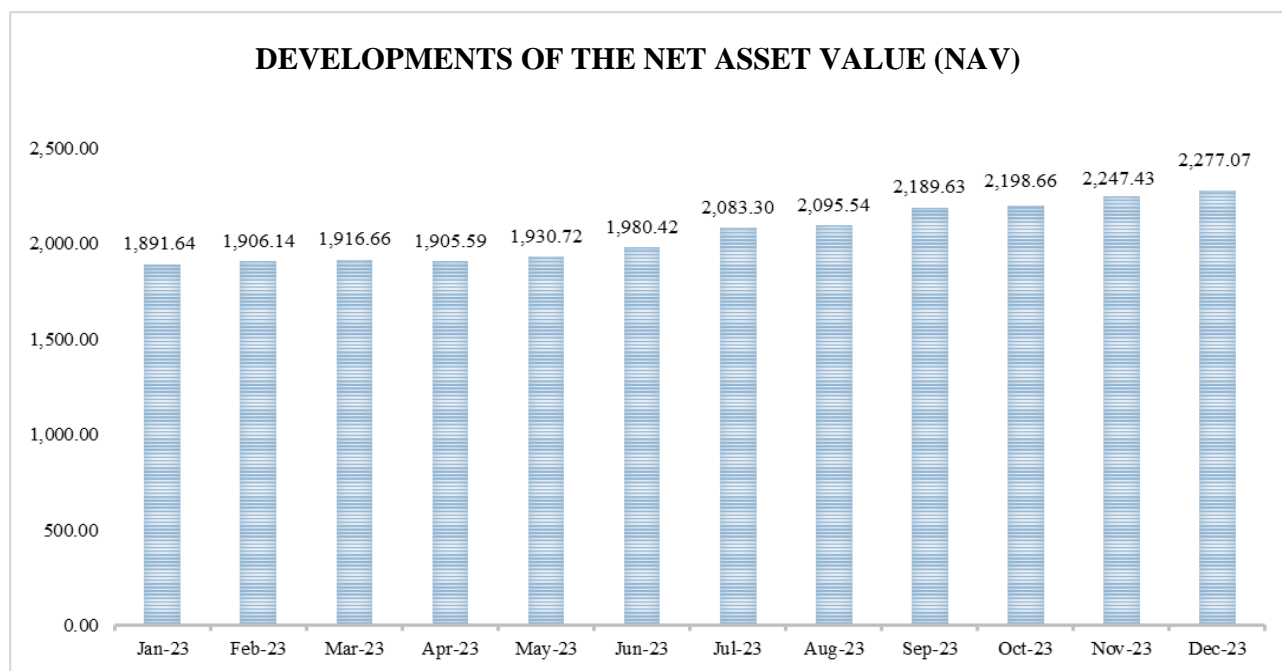


Chart no. 4.3. Developments of NAV between January and December of 2023 (MRON)

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

¹⁹ 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	%
Listed shares	1,669,981,296	1,291,367,636	378,613,660	29.32
Unlisted shares	160,115,356	211,813,440	-51,698,084	-24.41
TOTAL	1,830,096,652	1,503,181,076	326,915,576	21.75

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

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

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 Hidroelectrică 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 Electrică 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.

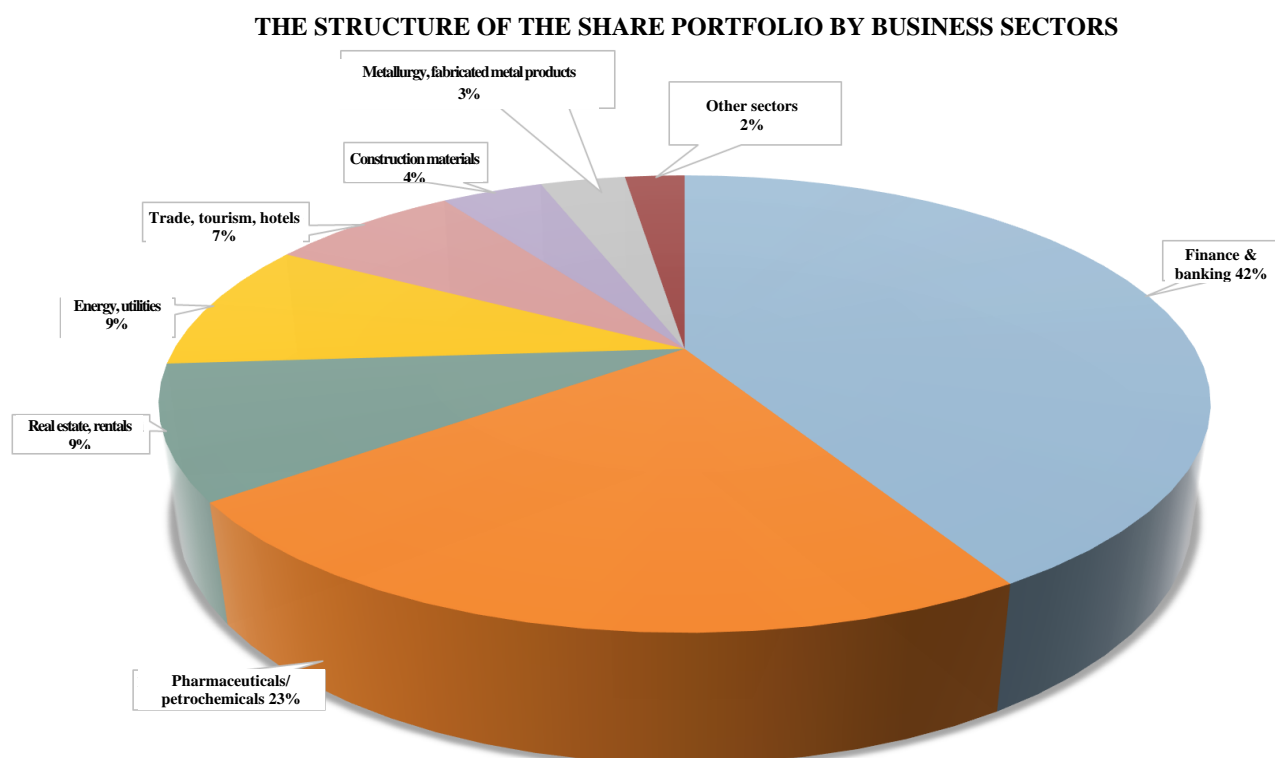


Chart no. 4.5 The main business sectors – shares (% in the share sub-portfolio, 102 issuers)

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

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 Depository

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
Net profit	2,491	2,178	1,783
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 level²⁰, 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 presented²¹, 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%²².

²⁰ https://bvb.ro/infocont/infocont24/TLV_20240226181206_Rezultate-financiare-preliminare-2023.pdf

²¹ https://bvb.ro/infocont/infocont24/TLV_20240226181226_Sinteza-informatii-financiare-la-31-12-2023.pdf

²² <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 2023²³, 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 Meeting²⁴, 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 announced²⁵ 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 release²⁶ 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, under *Investor Relations*.

2. Biofarm SA²⁷

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
Net profit/(loss)	77.01	70.92	60.36

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 2023²⁸, 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

²³ https://bvb.ro/infocent/infocent23/TLV_20230426182248_raport-curent-HOTARARI-AGA-2023.pdf

²⁴ https://bvb.ro/infocent/infocent23/TLV_20230929161618_raport-curent-HOTARARI-AGA-2023.pdf

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

²⁶ https://bvb.ro/infocent/infocent24/TLV_20240209104612_Raport-curent-Moon.pdf

²⁷ The data are taken from reports and information published on BVB

²⁸ https://bvb.ro/infocent/infocent23/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 2023²⁹ 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., 1st 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, 3rd 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.

3. BRD - Groupe Societe Generale

In MRON (individual)	2023 preliminary ³⁰	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
Net profit	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 information³¹ 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 decided³², *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, decided³³ 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

²⁹ https://bvb.ro/infocont/infocont23/BIO_20231114170021_2023-09-30-Situatii-financiare.pdf

³⁰ https://bvb.ro/infocont/infocont24/BRD_20240208075350_BRD-IFRS-Decembrie-2023-RO.pdf

³¹ https://bvb.ro/infocont/infocont24/BRD_20240208083232_BRD-Press-release--FY2023-RO.pdf

³² https://bvb.ro/infocont/infocont23/BRD_20230427162226_BRD-Rap-curent-AGA-27042023-ro.pdf

³³ 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) Standards³⁴. The report is published on the company website: www.brd.ro, under *Responsibility/Lumea 9*.

4. OMV PETROM SA³⁵

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

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 events³⁶:

- 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 Depository 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.

³⁴ <https://www.globalreporting.org/>

³⁵ The data are taken from reports and information published on BVB

³⁶ 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.

5. Lion Capital SA

In MRON	2023 preliminary	2022	2021
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
Net profit	417.26	95.47	387.00

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

According to preliminary data published by the company³⁷, 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.

³⁷ 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. 123/08.02.2023³⁸. 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.³⁹
- 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 11.10.2021.⁴⁰
- Starting on 24.03.2023⁴¹, 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 LION⁴².
- SEGM Decision of 27.04.2023⁴³ 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.

6. SNGN Romgaz SA of Medias⁴⁴

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%
Net profit	2,812.1	2,546.7	1,915.0

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).

³⁸ https://www.bvb.ro/infocont/infocont23/SIF1_080223.pdf

³⁹ https://www.bvb.ro/infocont/infocont23/SIF1_20230313155305_2023-03-13-RC-Document-informare-oferire-actiuni.pdf

⁴⁰ https://bvb.ro/infocont/infocont23/SIF1_20230314145757_2023-03-14-RC-finalizare-SOP.pdf

⁴¹ https://bvb.ro/infocont/infocont23/SIF1_20230324161718_2023-03-24-RC-Modific-denumire-ORC.pdf

⁴² https://www.bvb.ro/infocont/infocont23/RO_Precizari_BVB_site_LION_25042023.pdf

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

⁴⁴ 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 events⁴⁵:

- *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.

⁴⁵ 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%
Net profit/(loss)	1.31	2.32	1.98

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

During the first half of 2023⁴⁶, 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 25.04.2023⁴⁷ 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%
Net profit/(loss)	1.08	0.91	0.50

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

During the first half of 2023⁴⁸ 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.

⁴⁶ https://bvb.ro/info/Raportari/BUCV/BUCV_20230809105511_Raport-semestru-I-2023.pdf

⁴⁷ https://bvb.ro/info/Raportari/BUCV/BUCV_20230425121909_Raport-curent-Hotarari-AGOA--25-04-2023.pdf

⁴⁸ 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%
Net profit	2.04	1.80	2.09

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

As at 30.06.2023⁴⁹, 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 24.04.2023⁵⁰ 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.

⁴⁹ https://bvb.ro/info/Raportari/CICO/CICO_20230906134042_RAPORT-SEMESTRIAL-AF-SEM-I-2023.pdf

⁵⁰ https://bvb.ro/info/Raportari/CICO/CICO_20230425075429_RAPORT-CURRENT-Hotarari-AGOA-CI-CO-S-A-din-24-04-2023.pdf

10. FIROS SA⁵¹

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%
Net profit	4.36	11.62	7.46

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’⁵², ‘parent company’⁵³ and ‘subsidiaries’⁵⁴, 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 companies⁵⁵ 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.

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

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

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

⁵⁴ 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

⁵⁵ 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), Míndo SA (MINO), Germina Agribusiness SA (SEOM), Semrom Oltenia SA (SEOL), Unisem SA (UNISEM);
- Seven subsidiaries are not listed: Firos SA, Mătăsari 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 Depository, 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%).

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

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 Depository

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:

	Name	No. of shares	Date of the valuation	Value/ share	Value of the stake	Valuation method
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.

Method type	Leverage	Value of the exposure
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:

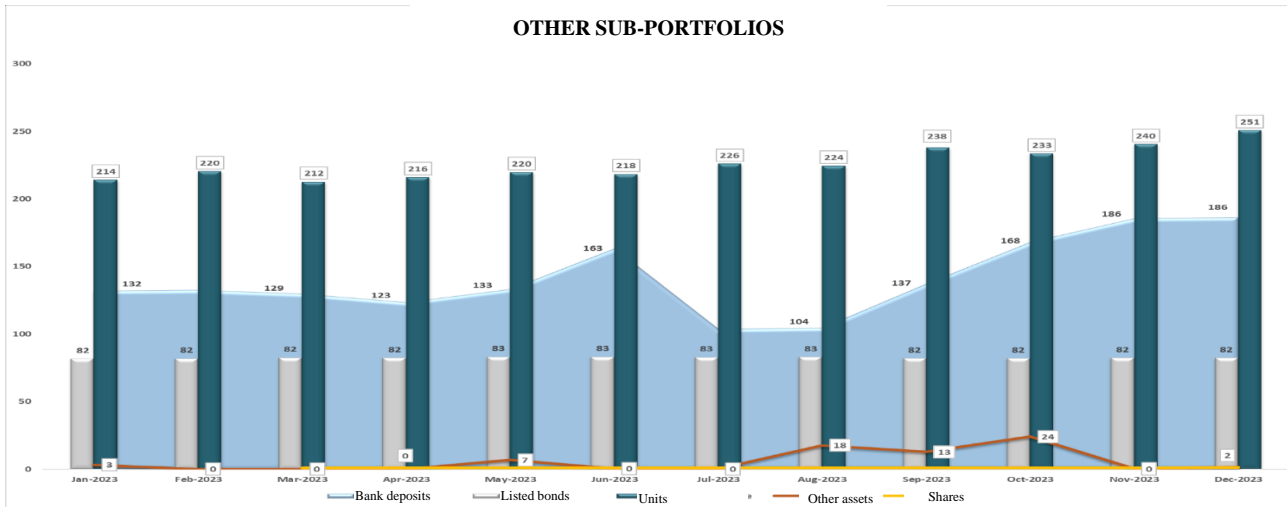


Chart no. 4.6. Developments in terms of the amount of other Company sub-portfolios in 2023 (in M RON)

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:

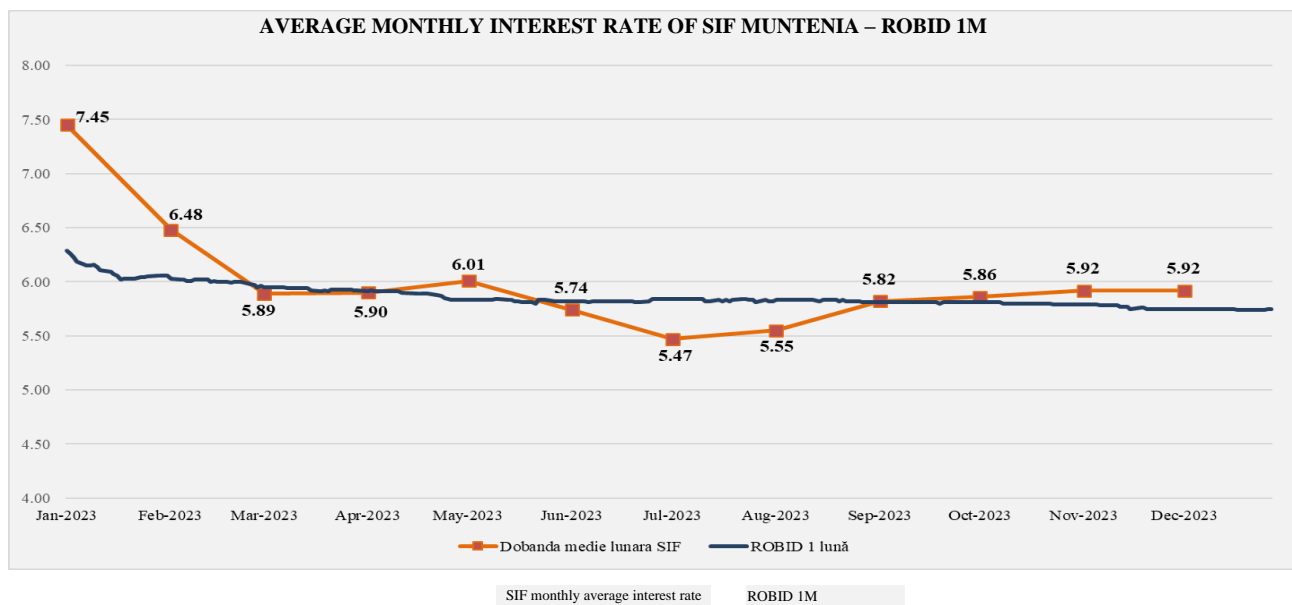


Chart no. 4.7. ROBID 1M (max. 6.29%, min. 5.74%) compared to the average monthly interest on Company deposits

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
Opus-Chartered Issuances SA	26/09/2024	23/09/2015	25/08/2017	501	10,000.00	EUR	EUR 200/bond
Opus-Chartered Issuances SA	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
FDI Active Dinamic	2,938,476.90	7.41	29.12.2023	21,764,123.04	RON
FDI Prosper Invest	100,085.11	23.05	29.12.2023	2,306,591.58	RON
FDI Star Next	323,767.87	9.61	29.12.2023	3,112,833.81	RON
FIA Muntenia Trust Privately-owned FIA Agricultural Fund	460.00	12,744.30	31.12.2023	5,862,379.52	RON
	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
FIA Active Plus	4,096.47	16,424.25	31.12.2023	67,281,421.12	RON
FIA Certinvest Actiuni	114.19	321,758.59	31.12.2023	36,743,041.36	RON
FIA Multicapital Invest	4,337.00	3,634.36	31.12.2023	15,762,219.32	RON
FIA Optim Invest	2,782.41	11,965.01	31.12.2023	33,291,563.47	RON
FIA Romania Strategy Fund Class B	56,000.00	681.72	31.12.2023	38,176,320.00	RON
FIA Star Value	15,134.00	1,220.18	31.12.2023	18,466,204.12	RON
FII BET-FI Index Invest	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 SUBPORTFOLIO

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 force⁵⁶, 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-FI⁵⁷ (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 ⁵⁸	DEALS ⁵⁹
Number of transactions	5.106	5
Number of traded shares (M)	10.79	6.98
Total amount of the transactions (MRON)	15.56	10.09
% of the total number of shares⁶⁰	1.4	0.9

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

⁵⁶ FSA Rule no. 39/2020

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

⁵⁸ The main (Regular) market of BVB

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

⁶⁰ Traded and in circulation

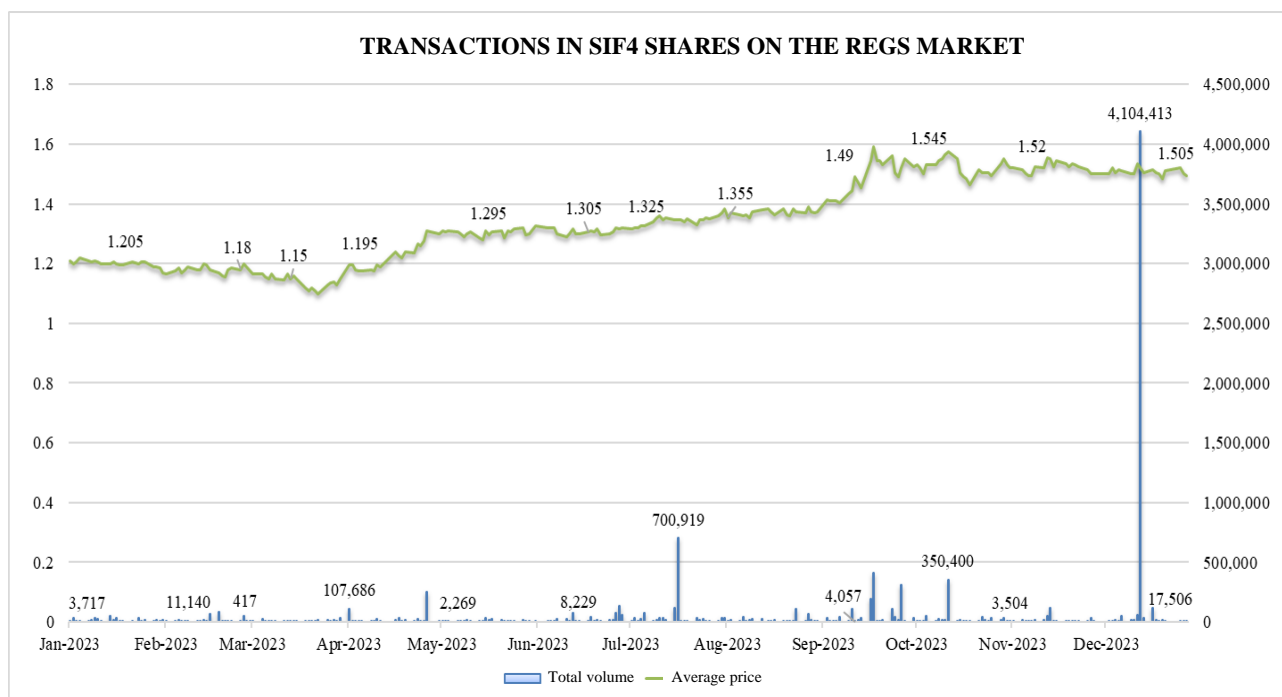


Chart no. 7.1. The average trading price and the volume of transactions in REGS of the SIF4 share in 2023

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
TOTAL	5,932,662	784,645,201	100

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.⁶¹

⁶¹ <http://www.sifmuntenia.ro/despre-noi/governanta-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*⁶².

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, 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

⁶² <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, 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 Dragos, 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
Adrian Simionescu	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 here ⁶³ .
Dorina Teodora Mihăilescu	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 here .
Sergiu Mihailov	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 here .

*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 meetings⁶⁴, 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

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

⁶⁴ 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 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 meetings⁶⁵ 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

⁶⁵According 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 met⁶⁶ 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.

⁶⁶ 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
Nicusor Marian Buică	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 here ⁶⁷ .
Sergiu Mihailov	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 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 including information on the professional experience is available here .
Cristina Gabriela Gagea*	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 here .

*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.

⁶⁷ <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)⁶⁸

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 responsible⁶⁹ (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.

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

⁶⁹ 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 Shareholders⁷⁰

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 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.

⁷⁰ 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).

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 2024⁷¹.

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

⁷¹ 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 website⁷².

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.

⁷² <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 Investment⁷³

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.

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

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.

⁷³ 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., 1st 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)(1) 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 Ariniş 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 Ariniş 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 Voroneţ, 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 Voroneţ, 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 Voroneţ, 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 Ariniş 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 Ariniş 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 Ariniş 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 Ariniş 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 Ariniş 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 Ariniş 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 Voroneţ, 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 Ploieşti, 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, 2nd 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 2nd 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 Aleea 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
Assets		
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
Total assets	2,329,691,647	1,939,605,922
Liabilities		
Dividends payable	567,056	567,056
Deferred income tax liabilities	71,444,815	31,091,052
Other liabilities	23,687,765	49,528,705
Total liabilities	95,699,636	81,186,813
Equity		
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
Total equity	2,233,992,011	1,858,419,109
Total liabilities and equity	2,329,691,647	1,939,605,922

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.

	Amount (in MRON)
Net assets according to accounts	2,233.99
Certified net assets according to FSA regulations	2,277.07
Differences, of which:	(43.08)
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

In RON	31 December 2023	31 December 2022
Income		
Gross dividend income	82,513,919	95,371,319
Interest income	6,581,063	3,933,391
Other operating income	12,265	100,169
Investment gain		
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)
Expenses		
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)
Profit/(Loss) before tax	220,951,599	(29,258,546)
Profit tax	(8,148,578)	(3,962,753)
Net profit/(Net loss) for the period	212,803,021	(33,221,299)
Other comprehensive income		
Items that cannot be reclassified as profit or loss		
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
Other comprehensive income	162,769,881	(59,781,352)
Total comprehensive income for the period	375,572,902	(93,002,651)

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
Operating activities		
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
Changes in assets and liabilities related to operating activities		
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
Net cash resulting from operating activities	15,972,822	56,149,653
Investment activities		
Payments for purchases of tangible and intangible assets	(417)	(329)
Net cash used in investment activities	(417)	(329)
Financing activities		
Payments related to the leasing contract liability, including interest	(10,324)	(10,298)
Payments for the redemption of own shares	-	(38,175,588)
Net cash used in financing activities	(10,324)	(38,185,886)
Net increase in cash and cash equivalents	15,962,081	17,963,438
Effect of exchange rate changes on cash and cash equivalents	(358,292)	228,128
Cash and cash equivalents as at the 1 st of January	31,267,786	13,076,220
Cash and cash equivalents as at the 31st of December	46,871,575	31,267,786

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
Current ratio	3.11	2.75	2.00
Debt ratio	Not applicable	Not applicable	Not applicable
Non-current asset turnover ratio	0.1755	0.1503	0.2237
Net profit/certified net assets (%)	9.35	-	13.43
ROA (%)	9.13	-	12.89
ROE (%)	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	%
1. Total revenues	65,100,000	89,107,247	136.88
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
2. Total expenses	34,550,000	54,846,739	158.75
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
3. Net gain from the valuation of financial assets at fair value through profit or loss	-	186,691,091	-
4. Gross profit	30,550,000	220,951,599	723.25
5. Profit tax (current and deferred), including dividend income tax	-	8,148,578	-
6. Net profit	-	212,803,021	-

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 fees⁷⁴ (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, 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;

⁷⁴ 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, 2nd 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, 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 2nd floor, 2nd 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 2024⁷⁵, **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 forecasts⁷⁶, 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.

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

⁷⁶ 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

SIF Muntenia S.A.

Financial Statements

as at 31 December 2023

prepared according to Norm no. 39/2015 for
the approval of Accounting Regulations in
accordance with International Financial
Reporting Standards, applicable to entities
authorised, regulated and supervised by the
Financial Supervisory Authority of the
Financial Instrument and Investment Sector

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The Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2023

<i>In RON</i>	<i>Note</i>	2023	2022
Income			
Gross dividend income	6	82,513,919	95,371,319
Interest income	7	6,581,063	3,933,391
Other operating income		12,265	100,169
Net investment gain/(loss)			
Net foreign exchange gain/(loss)		(348,116)	199,770
Net gain/(Net loss) on financial assets at fair value through profit or loss	8	187,959,686	(96,956,230)
Expenses			
Management fees	22	(50,226,268)	(29,414,617)
Expenses on the remuneration of the members of the Board of Shareholders' Representatives and salaries (Establishments)/Reversals of impairment of other assets	22 14	(449,905) (920,478)	(451,005) 2,532,118
Other operating expenses	9	(4,170,567)	(4,573,461)
Profit/(Loss) before tax		220,951,599	(29,258,546)
Profit tax	10	(8,148,578)	(3,962,753)
Net profit/(Net loss) for the period		212,803,021	(33,221,299)
Other comprehensive income			
Items that cannot be reclassified as profit or loss			
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	10, 16	(35,540,285)	17,857,409
Other comprehensive income		162,769,881	(59,781,352)
Total comprehensive income for the period		375,572,902	(93,002,651)
Earnings per share			
Basic	19	0.273	(0.043)
Diluted	19	0.273	(0.043)

The financial statements were authorised for issue by the Board of Directors on 22 March 2024 and were signed on its behalf by SAI Muntenia Invest S.A., the manager of SIF Muntenia S.A., through:

MANAGER,
SAI MUNTENIA INVEST S.A.
Nicuşor Marian BUICĂ
CEO

DRAFTED BY
SAI MUNTENIA INVEST S.A.
Irina MIHALCEA
Chief Accountant

The notes on pages 7 to 44 are an integral part of the Financial Statements.

The Statement of Financial Position

as at 31 December 2023

<i>In RON</i>	<i>Note</i>	31 December 2023	31 December 2022
Assets			
Cash and cash equivalents	11	46,871,575	4,513,714
Deposits with banks	12	159,986,022	131,997,371
Financial assets at fair value through profit or loss	13 a)	1,058,064,333	911,914,156
Financial assets at fair value through other comprehensive income	13 b)	1,062,061,318	888,016,951
Other assets	14	2,708,399	3,163,730
Total assets		2,329,691,647	1,939,605,922
Liabilities			
Dividends payable	15	567,056	567,056
Deferred income tax liabilities	16	71,444,815	31,091,052
Other liabilities	17	23,687,765	49,528,705
Total liabilities		95,699,636	81,186,813
Equity			
Share capital	18 a)	859,471,059	859,471,059
Own shares	18 e)	(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	18 b)	341,745,811	213,107,162
Total equity		2,233,992,011	1,858,419,109
Total liabilities and equity		2,329,691,647	1,939,605,922

The financial statements were authorised for issue by the Board of Directors on 22 March 2024 and were signed on its behalf by SAI Muntenia Invest S.A., the manager of SIF Muntenia S.A., through:

MANAGER,
SAI MUNTENIA INVEST S.A.
Nicușor Marian BUICĂ
CEO

DRAFTED BY
SAI MUNTENIA INVEST S.A.
Irina MIHALCEA
Chief Accountant

The notes on pages 7 to 44 are an integral part of the Financial Statements.

The Statement of Changes in Equity (continued)

for the financial year ended 31 December 2023

<i>In RON</i>	Share capital	Own shares	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Retained earnings	Total
Balance as at 31 December 2022	859,471,059	(38,175,588)	213,107,162	824,016,476	1,858,419,109
Comprehensive income					
<i>Profit for the period</i>	-	-	-	212,803,021	212,803,021
<i>Other comprehensive income</i>					
Revaluation at fair value of financial assets at fair value through other comprehensive income, net of deferred tax*)	-	-	162,769,881	-	162,769,881
Reserve relating to financial assets at fair value through other comprehensive income transferred to retained earnings	-	-	(34,131,232)	34,131,232	-
Total comprehensive income for the period	-	-	128,638,649	246,934,253	375,572,902
Transactions with shareholders, recognised directly in equity					
Forfeited dividends	-	-	-	-	-
Share capital decrease	-	-	-	-	-
Own shares redeemed	-	-	-	-	-
Total transactions with shareholders, recognised directly in equity	-	-	-	-	-
Balance as at 31 December 2023	859,471,059	(38,175,588)	341,745,811	1,070,950,729	2,233,992,011

*) Reserves from the revaluation at fair value of financial assets at fair value through other comprehensive income shall not be re-classified as profit or loss.

MANAGER,

SAI MUNTENIA INVEST S.A.

Nicușor Marian BUICĂ

CEO

DRAFTED BY

SAI MUNTENIA INVEST S.A.

Irina MIHALCEA

Chief Accountant

The notes on pages 7 to 44 are an integral part of the Financial Statements.

The Statement of Changes in Equity (continued)

for the financial year ended 31 December 2023

<i>In RON</i>	Share capital	Own shares	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Retained earnings	Total
Balance as at 31 December 2021	859,471,059	-	310,503,415	806,896,611	1,976,871,085
Comprehensive income					
<i>Loss for the period</i>	-	-	-	(33,221,299)	(33,221,299)
<i>Other comprehensive income</i>					-
Revaluation at fair value of financial assets at fair value through other comprehensive income, net of deferred tax*)	-	-	(59,781,352)	-	(59,781,352)
Reserve relating to financial assets at fair value through other comprehensive income transferred to retained earnings	-	-	(37,614,901)	37,614,901	-
Total comprehensive income for the period	-	-	(97,396,253)	4,393,602	(93,002,651)
Transactions with shareholders, recognised directly in equity					
Forfeited dividends	-	-	-	12,726,263	12,726,263
Share capital decrease	-	-	-	-	-
Own shares redeemed	-	(38,175,588)	-	-	(38,175,588)
Total transactions with shareholders, recognised directly in equity	-	(38,175,588)	-	12,726,263	(25,449,325)
Balance as at 31 December 2022	859,471,059	(38,175,588)	213,107,162	824,016,476	1,858,419,109

*) Reserves from the revaluation at fair value of financial assets at fair value through other comprehensive income shall not be re-classified as profit or loss.

MANAGER,
SAI MUNTENIA INVEST S.A.
Nicușor Marian BUICĂ
CEO

DRAFTED BY
SAI MUNTENIA INVEST S.A.
Irina MIHALCEA
Chief Accountant

The notes on pages 7 to 44 are an integral part of the Financial Statements.

The Cash Flow Statement

for the financial year ended 31 December 2023

In RON

	Note	2023	2022
Operating activities			
Profit/(Loss) before tax		220,951,599	(29,258,546)
<i>Adjustments:</i>			
Establishments/(Reversals) of impairment of other assets	14	920,478	(2,532,118)
(Net gain)/Net loss on financial assets at fair value through profit or loss	8	(187,959,686)	96,956,230
Gross dividend income	6	(82,513,919)	(95,371,319)
Interest income	7	(6,581,063)	(3,933,391)
Net foreign exchange gain/(loss)		348,116	(199,770)
Interest expenses related to the lease contract liability	14i)	1,171	1,932
Adjustments for suppliers – invoiced to be received		21,672,737	2,417,979
Other adjustments		8,680	9,006
Changes in assets and liabilities related to operating activities			
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 payments)/Net receipts 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	12	(54,440,768)	(22,878,914)
Dividends received		77,031,268	92,638,687
Interest received		6,018,252	3,447,454
Net cash resulting from operating activities		15,972,822	56,149,653
Investment activities			
Payments for purchases of tangible and intangible assets		(417)	(329)
Net cash used in investment activities		(417)	(329)
Financing activities			
Payments related to the lease contract liability, including interest	14i)	(10,324)	(10,298)
Payments for redemption of own shares	18 e)	-	(38,175,588)
Net cash used in financing activities		(10,324)	(38,185,886)
Net increase in cash and cash equivalents		15,962,081	17,963,438
Effect of exchange rate changes on cash and cash equivalents		(358,292)	228,128
Cash and cash equivalents as at 1 January		31,267,786	13,076,220
Cash and cash equivalents as at 31 December		46,871,575	31,267,786

The Cash Flow Statement (continued)

for the financial year ended 31 December 2022

The cash and cash equivalents as at 31 December include:

<i>In RON</i>	<i>Note</i>	2023	2022
Petty cash	11	1,309	1,553
Cash at bank	11	20,764,322	4,512,161
Bank deposits with the original maturity shorter than three months	11	25,880,220	26,754,072
Related receivables	11	225,724	-
Cash and cash equivalents		46,871,575	31,267,786

MANAGER,
SAI MUNTENIA INVEST S.A.
Nicușor Marian BUICĂ
CEO

DRAFTED BY
SAI MUNTENIA INVEST S.A.
Irina MIHALCEA
Chief Accountant

The notes on pages 7 to 44 are an integral part of the Financial Statements.

Notes to the Financial Statements

for the financial year ended 31 December 2023

1. The reporting entity

SIF Muntenia S.A. (“the Company”) is a collective investment undertaking established in 1996 through the reorganisation and transformation of Fondul Proprietății Private IV Muntenia, pursuant to Law no. 133/1996 for the transformation of Private Property Funds into financial investment companies, and is classified as a type of other collective investment undertakings (OCIU) according to Law no. 297/2004 on the capital market. SIF Muntenia SA operates in Romania in accordance with the provisions of the Companies Law no. 31/1990, Law no. 297/2004 on the capital market and Law no. 24/2017 on issuers of financial instruments and market operations. Under Authorisation no. 151/09.07.2021, the Financial Supervisory Authority authorised the Company as an Alternative Investment Fund intended for Retail Investors (AIFRI). The Company registered office is in 46-48 Serghei Vasilievici Rahmaninov St., the ground floor, room 2, 2nd District, Bucharest, Romania.

The sole activity of the Company covers the OCIU nature of the fund, as the Company carries out activities such as:

- Performing financial investment, in order to maximise the value of its own shares, according to the regulations in force;
- Managing the investment portfolio and exercising all rights associated with the instruments in which it invests;
- Managing risks;
- Carrying out other ancillary and adjacent activities, according to regulations in force.

The Company operates on the basis of a management contract concluded with Societatea de Administrare a Investițiilor Muntenia Invest S.A., certified as an Alternative Investment Fund Manager (AIFM) under number PJR07 1AFIAI/400005. According to the provisions of art. 3(2) of Law no. 74/2015, as subsequently amended and supplemented, AIFM means any legal person whose main activity is the management of one or more alternative investment funds.

The Company shares have been listed on the Bucharest Stock Exchange regulated market, in the premium category, under code SIF4, since 1 November 1999.

The records of the shares and shareholders are kept according to the law by Depozitarul Central S.A. of Bucharest. The asset depositing services are provided by BRD – Groupe Société Générale S.A. – a company authorised by the Financial Supervisory Authority (FSA).

2. The bases for the preparation

(a) The declaration of conformity

The financial statements have been prepared according to the provisions of FSA Norm no. 39/28 December 2015 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instrument and Investment Sector, with the subsequent amendments and additions (“FSA Norm no. 39/2015”). Within the meaning of the FSA Norm no. 39/2015, the International Financial Reporting Standards are those adopted according to the procedure provided for by Regulation (EC) no. 1606/2002 (“IFRS adopted by the European Union”).

The financial statements have been prepared in accordance with requirements laid down by IFRS adopted by the EU.

The Company financial statements have been drawn up, approved and will be made available to the public in electronic format on the Company website: www.sifmuntenia.ro

These financial statements have been prepared on a going concern basis, which implies that the Company will also continue its activity, without any significant reduction thereof, in the foreseeable future.

The Company meets the criteria for classification as an investment entity in accordance with the provisions of IFRS 10 “Consolidated Financial Statements”.

The criteria for classification as an investment entity were analysed in 2023 based on the following aspects:

- The communication of Company business objectives to investors;
- Exit (divestiture) strategies for investment held by the Company;
- Activities carried out by the Company with its subsidiaries;
- The valuation of Company investment based on fair value.

Notes to the Financial Statements

for the financial year ended 31 December 2023

2. The bases for the preparation (continued)

(a) The declaration of conformity (continued)

The application of this exception from consolidation means that an investment entity does not have to consolidate its subsidiaries or to apply IFRS 3 “Business Combinations” when it gains control of another entity. On the other hand, it must evaluate an investment in a subsidiary at fair value through profit or loss according to IFRS 9 “Financial Instruments”.

(b) The presentation of the financial statements

The financial statements are presented according to the requirements of IAS 1 “Presentation of Financial Statements”, and IFRS 12 “Disclosure of Interests in Other Entities”. The Company has adopted a presentation based on liquidity in the statement of its financial position and a presentation of revenues and expenses according to the nature thereof in the statement of profit or loss and other comprehensive income, considering that these presentation methods provide information that is credible and more relevant than the information that would have been presented based on other methods allowed by IAS 1.

(c) Bases of measurement

The financial statements are prepared on the basis of the fair value convention for financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Other financial assets and liabilities, as well as non-financial assets and liabilities are presented at amortised cost, revalued amount or historical cost.

The methods used to measure fair value are presented in Note 3(e)(iv) and Note 5.

(d) The functional and presentation currency

The Company management deems the functional currency, as defined by IAS 21 “The Effects of Changes in Foreign Exchange Rates”, to be the Romanian Leu (RON). The financial statements are prepared and presented in RON, rounded to the nearest RON, a currency which the Company management has chosen as the presentation currency. The Company has adopted the Romanian Leu as its functional currency because this is the currency of the economic environment in which it operates, i.e. on the territory of Romania. Financial assets and liabilities held by the Company are mostly denominated in this currency; sale and purchase prices of goods and services are denominated and settled in RON; funds generated by/used in operating, financing and investment activities are in RON.

(e) The use of estimates and judgments

The preparation of the financial statements according to IFRS adopted by the European Union involves the use by the management of estimates, judgments and assumptions that affect the application of accounting policies, as well as the reported value of assets, liabilities, revenues and expenses. The judgments and assumptions associated with these estimates are based on historical experience, as well as other factors deemed to be reasonable in the context of these estimates. The results of these estimates form the basis for the judgments about the book values of assets and liabilities that cannot be obtained from other sources of information. Results obtained may differ from estimated values.

The judgments and assumptions underlying them are reviewed regularly. Accounting estimate revisions are recognised during the period when the estimate is revised, if the revision only affects that period, or during period when the estimate is revised and future periods, if the revision affects both the current and future periods.

Judgments by the management in the application of IFRS that have a major effect on the financial statements, as well as estimates involving a major risk of a material adjustment during the coming year are presented in Note 4 and Note 5.

(f) Changes in accounting policies – significant information on accounting policies

The Company has also adopted the document called “Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)” effective starting on 1 January 2023. Although the amendments have not led to changes in accounting policies in this respect, they have had an impact on the information on accounting policies disclosed in the financial statements.

The amendments provide for the disclosure of “significant” accounting policies. The amendments also provide guidance on the application of materiality in the disclosure of accounting policies.

Notes to the Financial Statements

for the financial year ended 31 December 2023

2. The bases for the preparation (continued)

(f) Changes in accounting policies – significant information on accounting policies (continued)

The management reviewed the accounting policies and, in some cases, updated the information disclosed in Note 3 Significant Accounting Policies (2022: Significant Accounting Policies) in accordance with the amendments.

(g) The impact of the Russian-Ukrainian military conflict and of other international events and trends on the Company's financial position and performance

The energy crisis, caused by oil, coal and natural gas prices and triggered in 2022, is of particular importance due to the consequences it may have on the global economy and the major uncertainties in terms of energy price dynamics.

Oil prices ended 2023 down by about 10% after two years of consecutive increases. Geopolitical events, production cuts and central bank measures to control inflation triggered large price fluctuations.

Inflation remains an economic factor affecting the entire Romanian economy, but mainly final consumers. Over the course of 2023, inflation dropped on account of the continued slowdown in increases for processed food and energy prices. The NBR aims to bring the annual inflation rate back in line with the stationary target of 2.5% ±1 percentage point.

The evolution of the military aggression in Ukraine and the related sanctions generate considerable uncertainties and risks to the outlook for the economic activity, and implicitly to the medium-term evolution of inflation, through higher effects exerted on purchasing power and consumer confidence, as well as the activity of companies. The Company has no investment or exposure in the area of the military conflict in Ukraine.

The Manager has identified the main risks and uncertainties to which the Company is exposed, which are mainly related to market risk, through the volatility of quotes across the capital market and, implicitly, of the financial instruments held in the Company portfolio. Another potential risk is that of contagion in relation to the activities carried out by most entities in which the Company holds shares, with a probability of a decrease in the fair value of the financial assets. We note that disclosed risks are not exclusively applicable to the Company, but affect the entire European financial market.

However, the Company Manager believes that the continuity of its activity will not be affected.

3. Significant accounting policies

The significant accounting policies set out below have been consistently applied to all periods disclosed in these financial statements.

(a) Subsidiaries and associates

Subsidiaries are entities under Company control. There is control if, and only if, the Company wholly has the following: authority over the investee, exposure or rights to the variable earnings based on its participation in the investee and the ability to use its authority over the investee to influence the amount of the investor's earnings.

When assessing control, potential or convertible voting rights that may be exercised at that time are also taken into account.

If the Company has shareholdings classified as financial assets at fair value through other comprehensive income and it acquires control through a phased acquisition, the Company reclassifies the shareholding from financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss. Changes in fair value previously recognised under other comprehensive income are derecognised on the same basis as if the shareholding had been assigned, i.e. under retained earnings.

Associates are companies within which the Company can exert significant influence, but not control over their financial and operating policies. As at 31 December 2023, the Company did not identify any shareholdings that met the criteria for classification as an associate.

The Company measures investment in subsidiaries and associates at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments".

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(b) Foreign currency transactions

Transactions in foreign currency are recorded in RON at the official exchange rate of the transaction settlement date. Monetary assets and liabilities recorded in foreign currencies by the preparation of the Statement of Financial Position are converted into the functional currency at the exchange rate of that day.

Gains or losses from their settlement and from the conversion using the exchange rate as of the end of the financial period of monetary assets and liabilities in foreign currencies are recognised under profit or loss.

Conversion differences in relation to non-monetary items such as shareholdings at fair value through profit or loss are presented as fair value gains or losses. Foreign exchange differences related to non-monetary financial assets, denominated in foreign currency and classified at fair value through other comprehensive income, are reflected in a separate reserve account.

The exchange rates of the main foreign currencies were:

Currency	31 December 2023	31 December 2022	Variation
Euro (EUR)	1: RON 4.9746	1: RON 4.9474	0.55%
US Dollar (USD)	1: RON 4.4958	1: RON 4.6349	- 3.00%

(c) Accounting for the effect of hyperinflation

According to IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be disclosed in the current unit of measurement as of the end of the reporting period (non-monetary items are restated using a general price index as of the date of acquisition or contribution).

According to IAS 29, an economy is deemed to be hyperinflationary if, in addition to other factors, the cumulative inflation rate over a three-year period exceeds 100%. The continuous decrease in inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency has been adopted by the Company has ceased to be hyperinflationary, with effect on financial periods starting from 1 January 2004. Thus, the provisions of IAS 29 were adopted in the preparation of the financial statements until 31 December 2003, and these financial statements are affected by the application of IAS 29 primarily by the adjustment applied to the share capital.

(d) Cash and cash equivalents

Cash and cash equivalents include: cash, cash at bank and deposits with banks with an original maturity of less than 90 days (excluding blocked deposits).

(e) Financial assets and liabilities

(i) Classification

The Company classifies financial instruments held, according to IFRS 9 “Financial Instruments”, into the following categories:

Financial assets measured at amortised cost

A financial asset is measured at *amortised cost* if it meets both conditions set out below and is not designated as measured at fair value through profit or loss:

- It is held within a business model whose objective is to keep assets for the collection of contractual cash flows; and
- Its contractual terms generate, on certain dates, cash flows that are only payments of the principal and interest related to the outstanding principal amount.

Financial assets at fair value through other comprehensive income

A financial asset is measured at *fair value through other comprehensive income* only if it meets both conditions listed below and is not designated at fair value through profit or loss:

- It is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and
- Its contractual terms generate, on certain dates, cash flows which represent only payments of the principal and interest on the principal amount due.

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(e) Financial assets and liabilities (continued)

(i) Classification (continued)

Upon initial recognition of an investment in equity instruments not held for trading, the Company may irrevocably choose to present subsequent changes in fair value under other comprehensive income. This option applies to each instrument, as appropriate.

On the date of transition to IFRS 9, shares that were classified as available for sale in accordance with IAS 39 were measured, in accordance with IFRS 9, at fair value through other comprehensive income depending on specific circumstances (except for holdings with subsidiaries). These securities are primarily held in the long term and have been designated as measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or at fair value through other comprehensive income, as described above, shall be measured *at fair value through profit or loss*. Moreover, on initial recognition, the Company may irrevocably designate a financial asset, which in fact meets the requirements for measurement at amortised cost or at fair value through other comprehensive income, to be measured at fair value through profit or loss if this eliminates or significantly reduces an accounting inconsistency that would arise if it were done otherwise.

(ii) Recognition

Financial assets and financial liabilities are recognised on the date when the Company becomes a contractual party under the terms of such instrument. Financial assets and liabilities are measured at the time of the initial recognition at fair value.

(iii) Offsets

Financial assets and liabilities are offset, and the net result is presented in the Statement of Financial Position only when there is a legal right of set-off and the intention is to settle them on a net basis or to realise the asset and settle the debt simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards or for the profit and loss arising from a group of similar transactions such as those of the Company trading activity.

(iv) Measurement

Measurement at amortised cost

The amortised cost of a financial asset or liability is the amount at which that financial asset or liability is measured after the initial recognition, less the principal payments, plus or minus the accumulated depreciation up to that point using the effective interest method, less the reductions related to impairment losses. Cash and cash equivalents, bank deposits, receivables and payables are classified in this category.

Fair value measurement

Fair value is the price that would have been received on the sale of an asset or that would have been paid for the transfer of a liability in a regulated transaction between participants in the market or, in the absence of the main market, on the most advantageous market for that asset or liability as of the valuation date.

The Company measures the fair value of a financial instrument using the prices quoted in an active market for that instrument. A financial instrument has an active market if quoted prices are available quickly and regularly for that instrument. See Note 5.

The market price used to determine the fair value is the closing price of the market on the last trading day.

In the absence of a price quote in an active market, the Company uses valuation techniques based on discounted cashflow analysis and other valuation methods commonly used by market participants, making the most of market information, and relying as little as possible on Company-specific information. The Company uses valuation techniques that maximise the use of observable data and minimise the use of unobservable data.

The value resulting from the use of a valuation model is adjusted for a number of factors, seeing as valuation techniques do not reliably reflect all the factors considered by market participants when concluding a transaction. Adjustments are recorded to reflect risk patterns, differences in selling and buying quotes, liquidity risks and other factors. See Note 5.

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(e) Financial assets and liabilities (continued)

(iv) Measurement (continued)

Fund units are measured at the net asset value per unit, calculated by the fund manager using closing quotes for the financial instruments held by the funds. If the Company notices that the net asset value per unit is not representative of the fair value, it uses public information on the fund holdings (financial statements, audit reports, the portfolio structure, etc.), and obtains a corrected NAVU with any adjustments deemed necessary to the net asset value following the analysis of the aforementioned public information. See Note 5.

Bonds at fair value through profit or loss are measured using a valuation model that takes into account the closing quote published by Bloomberg for such instruments, as well as an adjustment factor that mainly takes into account the liquidity risk in the market of the instrument. See Note 13(a).

(v) The identification and measurement of the impairment

Financial assets measured at amortised cost

The expected credit loss represents the difference between all contractual cashflows due to the Company and all cashflows which the Company expects to receive, discounted at the original effective interest rate.

A financial asset or group of financial assets is impaired as a result of the credit risk if one or more events have occurred with a negative impact on the expected future cashflows of the assets.

The Company assesses whether the credit risk for a financial asset has increased significantly since the initial recognition based on information available in exchange for no unreasonable cost or effort, which is an indicator of significant increases in the credit risk since the initial recognition.

The Company recognises under profit or loss the amount of changes in credit losses expected over the life of the financial assets as an impairment gain or loss.

The impairment gain or loss is determined as the difference between the book value of the financial asset and the present value of future cashflows using the effective interest rate of the financial asset at the original time.

The Company recognises favourable changes in credit losses expected throughout its life as an impairment gain, even if the credit losses expected throughout its life are lower than the amount of the expected credit losses included in the cash flows estimated by the initial recognition.

(vi) Derecognition

The Company derecognises a financial asset when the rights to receive cashflows from that financial asset expire or when the Company has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction in which it has significantly transferred all the risks and benefits of the property right.

Any interest in transferred financial assets held by the Company or created for the Company is recognised separately as an asset or a liability.

The Company derecognises a financial liability when the contractual obligations have ended or when the contractual obligations are cancelled or expire.

(vii) Gains and losses on disposal

The gain or loss on the disposal of a financial asset or a financial liability measured at fair value through profit or loss is recognised under the current profit or loss.

Upon derecognition of equity instruments designated as financial assets measured at fair value through other comprehensive income, gains or losses representing measurement gains or losses recorded under revaluation reserves are recognised under Other comprehensive income (retained earnings representing net realised surplus – IFRS 9).

Upon derecognising financial assets, retained earnings as of the date of transition to IFRS 9 are transferred to retained earnings representing realised surplus.

A gain or a loss on a financial asset that is measured at amortised cost is recognised under current profit or loss when the asset is derecognised.

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(e) Financial assets and liabilities (continued)

(viii) Reclassification

Equity instruments designated at fair value through other comprehensive income upon initial recognition may not be reclassified.

For debt instruments, reclassification is mandatory when the Company changes its business model related to the management of financial assets. These reclassifications are expected to be infrequent.

Reclassifications are applied prospectively, from the date of the reclassification on the first day of the reporting period following the change in the business model. The entity does not restate previously recognised gains, losses (including impairment gains or losses) or interests.

(f) The share capital

Ordinary shares are recognised under the share capital.

Redeemed own shares are recognised directly under equity at the redemption price. When the entity buys back its own shares, those shares are deducted from the equity. The entity's own shares shall not be recognised as a financial asset, regardless of the reason why they have been redeemed (IAS 32.AG36).

Gains or losses related to the issue, redemption, sale, free assignment or cancellation of Company equity instruments shall not be recognised under profit or loss.

(g) Provisions for risks and expenses

Provisions are recognised in the Statement of Financial Position when a liability arises for the Company related to a past event and the consumption of economic resources is likely to be necessary in the future to settle such liability, and a reasonable estimate of the amount of the liability can be made. In order to determine the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to that liability.

(h) Interest income and interest expenses

For financial assets measured at amortised cost, interest income and expenses are recognised under profit or loss using the effective interest rate method. The effective interest rate is the rate that accurately discounts payments and receipts in cash expected in the future over the expected life of the financial asset or liability (or, where applicable, over a shorter period) to the book value of that financial asset or liability.

The amount of the interest related to the liability arising from the leasing contract is determined using a discount rate that can be the interest rate of the contract or the lessee's marginal borrowing rate and is recognised under profit or loss.

For financial assets at fair value through profit or loss, interest income is recognised under profit or loss as part of the "Net gain/(Net loss) on financial assets at fair value through profit or loss."

(i) Dividend income

Dividend income is recognised under profit or loss on the date when the right to receive such income is established.

In the case of dividends received in the form of shares, as an alternative to payment in cash, dividend income is recognised at the level of the cash that would have been received, corresponding to the increase of the related shareholding. The Company does not record dividend income related to shares received free of charge when they are proportionally distributed to all shareholders.

Dividend income is recorded on a gross basis that includes dividend tax, which is recognised as a current income tax expense.

(j) Employee benefits

(i) Short-term benefits

Liabilities related to short-term employee benefits are not discounted and are recognised in the Statement of Profit or Loss and Other Comprehensive Income as the related service is provided.

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(j) Employee benefits (continued)

(i) Short-term benefits (continued)

Short-term employee benefits include salaries and bonuses. Short-term employee benefits are recognised as an expense when the services are provided. A provision is recognised for amounts expected to be paid as cash bonuses in the short term provided that the Company currently has a legal or implied obligation to pay those amounts as a result of past services provided by the employees and if that obligation can be reliably estimated.

(ii) Defined contribution plans

All Company employees are insured and have the legal obligation to contribute (through social contributions) to the Romanian State pension system (a defined State contribution plan).

The Company is not involved in any independent pension system and, consequently, has no other obligations in this respect. The Company is not employed in any other post-retirement benefit system. The Company has no obligation to provide subsequent services to former or current employees.

(iii) Long-term employee benefits

The Company net liability in respect of long-term service-related benefits is the amount of future benefits which employees have earned in return for services rendered by them during the current and prior periods.

The Company has no obligation to grant benefits to employees by the time of their retirement.

(k) Profit tax

The profit tax for the period includes the current tax and the deferred tax. The current profit tax includes the tax on dividends recognised on a gross basis.

The profit tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income if the tax relates to capital items.

The current tax is the tax payable on the profit earned during the current period, determined on the basis of percentages applied by the date of the Statement of Financial Position and all adjustments related to previous periods.

The deferred tax is determined for any temporary differences occurring between the tax base for calculating the tax on assets and liabilities and their book value used for reporting in the financial statements.

The deferred tax is not recognised for the following temporary differences: the initial recognition of the goodwill, the initial recognition of assets and liabilities resulting from transactions that are not business combinations and do not affect the accounting or the tax profits and differences resulting from investment in subsidiaries, provided that they are not reversed in the near future. Deferred tax is calculated based on the tax rates expected to be applicable to temporary differences upon their reversal, according to laws in force as of the reporting date or issued by the reporting date and which will enter into force thereafter.

Deferred tax assets and liabilities are only offset if there is a legal right to offset current tax liabilities and assets and if they relate to the tax collected by the same tax authority for the same entity subject to tax or for different tax authorities, but they wish to settle the current tax assets and liabilities using a net basis or the related assets and liabilities are realised simultaneously.

The deferred tax asset is only recognised if it is likely to earn future profits that can be used to cover the tax loss. The relevant asset is revised at the end of each financial period and is reduced to the extent that the related tax benefit is unlikely to materialise.

The tax result is determined on the basis of income and expense items in the Profit or Loss Statement plus items similar to income and minus items similar to expenses recorded under retained earnings, as a result of the application of IFRS 9.

For financial periods ended 31 December 2023 and 31 December 2022, the profit tax rate was 16%. The income from the valuation/revaluation/sale/assignment of shareholdings in a Romanian legal entity or in a foreign legal entity located in a state with which Romania has concluded a double taxation treaty is non-taxable income if, by the time of the valuation/revaluation/sale/assignment, inclusive, the Company holds at least 10% of the share capital of the legal entity where it has the shareholdings for an uninterrupted period of one year.

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(k) Profit tax (continued)

The tax rate on taxable dividend income for the financial periods ended 31 December 2023 and 31 December 2022 was 8% and 5%, respectively. The dividend tax is established by applying a tax rate to the gross dividend paid to a Romanian legal entity. Dividends received from a Romanian legal entity are non-taxable income if, as of the date of payment of the dividends, the Company holds at least 10% of the share capital of the legal entity where it has the shareholdings for an uninterrupted period of one year.

(l) Earnings per share

The Company presents the basic and diluted earnings per share for ordinary shares. The basic earnings per share is determined by dividing the profit or loss attributable to ordinary Company shareholders by the weighted average number of ordinary shares related to the reporting period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

(m) Dividends to be distributed

Dividends are treated as a distribution of the profit during the period in which they were declared and approved by the Shareholders' General Meeting. Dividends not collected for three years, after the expiration of the limitation period, are registered directly under equity, and are assimilated to contributions from shareholders, based on a decision of the Shareholders' General Meeting.

(n) Subsequent events

Events occurring after the balance sheet date may provide extra information about the reporting period in addition to what is known as at the balance sheet date. If annual financial statements have not been approved, they should be adjusted to also reflect the additional information, if the relevant information is related to conditions (events, operations, etc.) that existed as at the balance sheet date.

Events subsequent to the balance sheet date are events, both favourable and unfavourable, that occur between the balance sheet date and the date when the annual financial statements are approved. Events subsequent to the balance sheet date include all events occurring up to the date when the annual financial statements are approved, even if such events occur after the public disclosure of financial information.

Two types of events subsequent to the balance sheet date can be identified:

- Events which provide proof of conditions existing as at the balance sheet date. These events subsequent to the balance sheet date give rise to adjustments of the annual financial statements; and
- Events giving indications about conditions arising after the balance sheet date. These events subsequent to the balance sheet date do not give rise to adjustments of the annual financial statements.

(o) Related parties

A related party is a person or an entity that is related to the entity preparing its financial statements (the reporting entity).

(a) A person or a close member of that person's family is related to a reporting entity if such person:

- i) Has control or joint control over the reporting entity;
- ii) Has significant influence on the reporting entity or
- iii) Is a member of the key management staff of the reporting entity or of a parent company of the reporting entity;

(b) A company is related to a reporting entity if it meets one of the following conditions:

- i) The entity and the reporting entity are members of the same group (i.e. each parent company, subsidiary or member subsidiary is connected with the other entities);
- ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of the group which also includes the other entity);
- iii) Both entities are joint ventures of the same third party;
- iv) One entity is a joint venture of a third party, and the other entity is an associate of that third party;
- v) The entity is a post-employment benefit plan in favour of employees of the reporting entity or of an entity connected with the reporting entity. If the reporting entity itself is such a plan, the employers funding the plan are also connected with the reporting entity;
- vi) The entity is controlled or jointly controlled by a person identified under point (a);

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(o) Related parties (continued)

- vii) The person identified under point (a)(i) has significant influence on the entity or is part of the key staff managing the entity (or managing a parent company of that entity);
- viii) The entity or any member of a group which includes it provides services related to the key staff managing the reporting entity or the parent company of the reporting entity.

Related party transactions are a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether or not a price is charged.

The Company activity is not organised by activity components and, therefore, there are no reportable segments.

Financial assets such as capital instruments, which the Company holds, are shares issued by companies operating in different business sectors. For exposure by business sector, see Note 4.

(p) The adoption of new or revised standards and interpretations

New IFRS accounting standards and amendments to existing standards in force during the current year

The amendments to existing standards issued by the International Accounting Standard Board (IASB) and adopted by the European Union (the EU) presented below are in force for the current reporting period and are mandatory for reporting periods starting on or after 1 January 2023.

Their adoption, if applicable to the Company, has not had a material impact on the information to be disclosed or the amounts reported in these financial statements.

Standard	Title
IFRS 17 Insurance Contracts	The new IFRS 17 Standard “Insurance Contracts” including amendments to IFRS 17 of June of 2020 and December of 2021
Amendments to IAS 1	Presentation of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar II Model Rules

New IFRS accounting standards and amendments to existing standards issued and adopted by the EU but not yet in force

Various new standards, amendments and interpretations of standards are not yet in force as at the date of the financial statements and have not been applied in the preparation of these financial statements:

Standard	Title	The effective date set by IASB
Amendments to IAS 1	Classification of Liabilities as Current and Non-current and Non-current with Financial Indicators	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

The Company does not believe that these amendments will have a material effect on the financial statements.

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

Currently, IFRS as adopted by the EU do not differ materially from IFRS adopted by IASB, except for the following new standards and amendments to existing standards, not yet adopted by the EU as at the date of approval of these financial statements:

Notes to the Financial Statements

for the financial year ended 31 December 2023

3. Significant accounting policies (continued)

(p) The adoption of new or revised standards and interpretations (continued)

Standard	Title	EU adoption status
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (the effective date set by IASB: 1 January 2024)	Not yet adopted by the EU
Amendments to IAS 21	Lack of Exchangeability (the effective date set by IASB: 1 January 2025)	Not yet adopted by the EU
IFRS 14	Regulatory Deferral Accounts (the effective date set for: 1 January 2016)	The European Commission has decided not to start the approval of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and Its Associates or Joint Ventures and subsequent amendments (the effective date has been postponed indefinitely by IASB, but early application is allowed)	The approval process has been postponed indefinitely pending the completion of the research project on the equity method.

The Company expects the adoption of these new standards and amendments to existing standards, if applicable to the Company, not to have a material impact on its financial statements over the coming periods.

4. The management of significant risks

The investment activity leads to the Company exposure to a variety of risks associated with the financial instruments held and the financial markets in which it operates. The main risks to which the Company is exposed are:

- The market risk (the price risk, the interest rate risk and the currency risk);
- The credit risk;
- The liquidity risk;
- The tax related risk;
- The operational risk.

The overall risk management strategy aims at maximising the Company profit by reference to the level of risk to which it is exposed and at minimising any potential adverse variations in the Company financial performance.

The Company uses a variety of policies and procedures to manage and measure the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

(a) The market risk

The market risk is defined as the risk of incurring a loss or not obtaining the expected profit as a result of fluctuations in prices, interest rates and exchange rates.

The Company is exposed to the following market risk categories:

(i) The price risk

The Company is exposed to the risk associated with changes in the price of financial assets at fair value through profit or loss and of financial assets at fair value through other comprehensive income.

The Board of Directors of SAI Muntenia Invest S.A. also fulfils its role of monitoring the market risk management framework by approving trading limits.

Shares

As at 31 December 2023, the Company has shares at fair value through profit or loss in companies operating in various business sectors, as follows:

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(a) The market risk (continued)

(i) The price risk (continued)

<i>In RON</i>	Total of which:	Level 1	Level 3	%
Financial, banking activities	20,076,001	-	20,076,001	2.79
Real estate, rentals and other services	98,413,753	-	98,413,753	13.69
Wholesale trade, retail trade, tourism and restaurants	113,022,828	73,887,971	39,134,857	15.72
Building material industry	55,181,391	-	55,181,391	7.68
Agriculture, livestock farming, fishing	385,619	-	385,619	0.05
Pharmaceutical and medical industry	418,782,610	418,782,610	-	58.26
Other	13,034,177	-	13,034,177	1.81
TOTAL	718,896,379	492,670,581	226,225,798	100

As at 31 December 2022, the Company has shares at fair value through profit or loss in companies operating in various business sectors, as follows:

<i>In RON</i>	Total of which:	Level 1	Level 3	%
Financial, banking activities	11,548,797	-	11,548,797	1.87
Real estate, rentals and other services	98,125,711	-	98,125,711	15.89
Wholesale trade, retail trade, tourism and restaurants	82,772,871	21,501,788	61,271,083	13.40
Building material industry	45,295,026	-	45,295,026	7.34
Agriculture, livestock farming, fishing	431,326	-	431,326	0.07
Pharmaceutical and medical industry	359,892,454	313,070,495	46,821,959	58.29
Other	19,383,670	-	19,383,670	3.14
TOTAL	617,449,855	334,572,283	282,877,572	100

A positive variation of 10% in the prices of financial assets at fair value through profit or loss would lead to an increase in the profit, net of profit tax, as at 31 December 2023 by RON 71,889,638 (31 December 2022: RON 61,744,986), with a negative variation of 10% having an equal net impact of opposite sign.

For the sensitivity analysis regarding the fair value of shares classified as Level 3, please see Note 5. The fair value sensitivity analysis for the portfolio of shares measured at fair value through other comprehensive income is presented below.

As at 31 December 2023, the Company has shares at fair value through other comprehensive income in companies operating in various business sectors, as follows:

<i>In RON</i>	Total of which:	Level 1	Level 2	Level 3	%
Financial, banking activities	756,285,323	749,451,925	-	6,833,398	71.21
Real estate, rentals and other services	48,478,411	17,686,750	26,017,052	4,774,609	4.56
Wholesale trade, retail trade, tourism and restaurants	2,716,212	-	-	2,716,212	0.26
Building material industry	16,812,007	10,988,408	922,383	4,901,216	1.58
Manufacture of fabricated metal products	37,442,617	27,648,092	1,143,664	8,650,861	3.53
Pharmaceutical and medical industry	1,307,335	-	-	1,307,335	0.12
Energy industry	168,695,898	168,695,898	-	-	15.88
Mining industry	2,606,408	663,328	-	1,943,080	0.25
Other	27,717,107	20,447,394	798,007	6,471,706	2.61
TOTAL	1,062,061,318	995,581,795	28,881,106	37,598,417	100

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(a) The market risk (continued)

(i) The price risk (continued)

Shares

As at 31 December 2022, the Company has shares at fair value through other comprehensive income in companies operating in various business sectors, as follows:

<i>In RON</i>	Total of which:	Level 1	Level 2	Level 3	%
Financial, banking activities	573,767,518	567,251,038	-	6,516,480	64.6
Real estate, rentals and other services	57,635,226	25,126,800	27,240,475	5,267,951	6.49
Wholesale trade, retail trade, tourism and restaurants	26,704,949	-	13,802,415	12,902,534	3.01
Building material industry	16,229,563	9,010,495	-	7,219,068	1.83
Manufacture of fabricated metal products	78,078,386	16,022,372	52,399,326	9,656,688	8.79
Pharmaceutical and medical industry	2,051,198	1,003,449	-	1,047,749	0.23
Energy industry	112,046,315	112,046,315	-	-	12.6
Mining industry	2,340,282	-	795,993	1,544,289	0.26
Other	19,163,514	11,942,362	865,254	6,355,898	2.16
TOTAL	888,016,951	742,402,831	95,103,463	50,510,657	100

A positive change of 10% in the prices of financial assets at fair value through other comprehensive income would lead to an increase in equity, net of profit tax, as at 31 December 2023, by RON 90,772,422 (as at 31 December 2022: RON 77,018,591), and a negative change of 10% would have an equal net impact of opposite sign.

Out of the total shares with active market held by the Company, as at 31 December 2023, 53% (as at 31 December 2022: 53%) accounted for investment in companies that were part of the BET index of the Bucharest Stock Exchange, an index weighted by the stock market capitalisation and created to reflect the overall trend of the prices of the twenty most liquid shares (as at 31 December 2022: twenty most liquid shares) traded on the Bucharest Stock Exchange.

As at 31 December 2023, in the Company portfolio, the following ten shareholdings can be deemed to exhibit significant exposure, in a total amount of RON 953,952,922 (as at 31 December 2022: RON 761,171,748), accounting for 89.82% (as at 31 December 2022: 85.72%) of all financial assets at fair value through other comprehensive income:

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(a) The market risk (continued)

(i) The price risk (continued)

Shares

<i>In RON</i>	31 December 2023	31 December 2022
Banca Transilvania S.A.	512,904,071	373,161,898
BRD - Groupe Societe Generale S.A.	100,557,560	71,519,123
OMV Petrom SA	80,932,733	57,506,370
Lion Capital S.A. (formerly SIF Banat-Crisana)	66,687,776	62,568,068
S.N.G.N. Romgaz-S.A.	60,749,507	43,886,829
Infinity Capital Investments S.A. (formerly SIF Oltenia)	44,460,000	40,248,000
Romaero SA of Bucharest	-	51,670,176
Şantierul Naval Orşova S.A. *)	25,406,660	7,523,000
The Bucharest Stock Exchange*)	23,583,200	12,690,350
Unirea Shopping Center SA of Bucharest	20,984,665	22,598,870
Impact Developer & Contractor S.A.	17,686,750	24,210,000
Aro Palace SA of Brasov	-	13,802,415
Total	953,952,922	781,385,098
Other shares measured at fair value through other comprehensive income	108,108,396	106,631,853
Total	1,062,061,318	888,016,951

*) As at 31 December 2022, the shares held with the Bucharest Stock Exchange and Şantierul Naval Orşova were not part of the top ten shareholdings.

Units

Units held by the Company as at 31 December 2023 are exposed to the price risk by having in turn investment with varying degrees of risk (bank deposits, bonds, other fixed income instruments, shares, etc.).

<i>In RON</i>	Total, of which:	Level 1	Level 2	Level 3
FII Multicapital Invest	15,762,219	-	15,762,219	-
FII BET-FI Index Invest	6,945,661	-	6,945,661	-
FDI Star Next	3,112,834	3,112,834	-	-
FDI Prosper Invest	2,306,592	2,306,592	-	-
FII Active Plus	67,281,421	-	67,281,421	-
FII Star Value	18,466,204	-	18,466,204	-
FDI Active Dinamic	21,764,123	21,764,123	-	-
FII Optim Invest	33,291,563	-	33,291,563	-
FIA Certinvest Acţiuni	36,743,041	-	36,743,041	-
FIA Romania Strategy Fund	38,176,320	-	38,176,320	-
FIA Muntenia Trust	5,862,380	-	5,862,380	-
FIA Private Capital Agricultural Fund	951,733	-	-	951,733
Total	250,664,091	27,183,548	222,528,810	951,733

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(a) The market risk (continued)

(i) The price risk (continued)

Units

Units held by the Company as at 31 December 2022 are exposed to the price risk by having in turn investment with varying degrees of risk (bank deposits, bonds, other fixed income instruments, shares, etc.).

<i>In RON</i>	Total, of which:	Level 1	Level 2	Level 3
FII Multicapital Invest	13,191,202	-	-	13,191,202
FII BET-FI Index Invest	6,989,882	-	6,989,882	-
FDI Star Next	1,502,289	1,502,289	-	-
FDI Star Focus	1,053,584	1,053,584	-	-
FDI Prosper Invest	1,846,190	1,846,190	-	-
FII Active Plus	53,366,660	53,366,660	-	-
FII Star Value	16,464,733	-	-	16,464,733
FDI Active Dinamic	16,359,970	16,359,970	-	-
FII Optim Invest	31,170,115	-	31,170,115	-
FIA Certinvest Acțiuni	30,598,300	-	-	30,598,300
FIA Romania Strategy Fund	33,885,600	-	-	33,885,600
FIA Muntenia Trust	4,555,991	-	-	4,555,991
Total	210,984,517	74,128,694	38,159,997	98,695,826

For accounting policies and for the classification by fair value hierarchy levels, see Note 5.

A positive variation of 10% in the value of these units would lead to an impact on profit or a loss, net of profit tax, as at 31 December 2023 of RON 21,055,784 (31 December 2022: RON 17,722,699), with a negative variation of 10% having an equal net impact of opposite sign.

Bonds

The bonds held by the Company with OPUS Chartered Issuances S.A., classified as financial assets at fair value through profit or loss, amounting to RON 88,503,863 (as at 31 December 2022: bonds held by the Company with OPUS Chartered Issuances S.A. amounting to RON 83,479,784) classified as Level 3 of the fair value hierarchy, are also exposed to the price risk.

The bonds issued by OPUS Chartered Issuances S.A. are instruments with an unprotected principal, listed on the Frankfurt Stock Exchange (Open Market - Freiverkehr) and with an annual interest coupon.

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(a) The market risk (continued)

(i) The price risk (continued)

The issuer has used the amounts attracted by the issuance of the bonds for the acquisition of a sub-portfolio of shares traded on the Bucharest Stock Exchange (BVB). The Company measures these financial instruments on a monthly basis according to the quotes taken from the Bloomberg platform. The changes in quotes listed on the Bloomberg platform reflect changes in prices recorded on BVB for underlying shares.

A positive change of 10% in the prices of these bonds would lead to an impact on profit or loss, net of profit tax, as at 31 December 2023 of RON 7,557,773 (as at 31 December 2022: RON 7,335,906), and a negative change of 10% would have an equal net impact of opposite sign.

(ii) The interest rate risk

The IBOR reform

As part of the IBOR reform and in line with Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, certain existing reference rates (IBORs: Interbank Offered Rates) shall be replaced by alternative risk-free rates. For EU countries, this reform prompted the reform of the EURIBOR calculation method and the replacement of most LIBOR and EONIA (Euro Overnight Index Average) interest rates on 1 January 2022.

The Company is not affected by this regulation; financial assets and liabilities measured at amortised cost bear fixed interest rates, with no relation to reference rates.

The Company faces interest rate risk due to the exposure to unfavourable changes in interest rate. The change in the market interest rate for ROBID and EURIBOR directly influences the revenues and expenses related to financial assets and liabilities bearing variable interest, as well as the market value of those bearing fixed interest (e.g., in the case of bonds). As at 31 December 2023 and 31 December 2022, most of the Company assets and liabilities are not interest-bearing. As a result, the Company is not affected directly to a significant degree by the risk of interest rate fluctuations. Cash and cash equivalents are generally invested at short-term interest rates. However, the decline of market returns may affect the measurement value of Company assets.

The Company has an inconsequential liability related to the restatement of the lease agreement according to IFRS 16, denominated in EUR, with a fixed marginal borrowing rate of 5%.

Bonds held with OPUS Chartered Issuances S.A. ("the issuer") have interest that is paid annually, either in whole or in part (pro rata), depending on the extent to which the hedging instruments used by the issuer allow covering the amounts owed as interest, and their maturity is in September of 2024.

The Company does not use derivatives to protect itself against interest rate fluctuations.

(iii) The currency risk

Currency risk is the risk of recording losses or not realising the expected profit due to unfavourable changes in exchange rate. The Company is exposed to exchange rate fluctuations, but does not have a formalised currency risk hedging policy. Most Company financial assets and liabilities are denominated in the national currency, and the other currencies in which operations are carried out are the EUR or the USD.

The financial assets and liabilities in RON and other currencies as at 31 December 2023 and 31 December 2022 are presented in the tables below.

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(a) The market risk (continued)

(iii) The currency risk (continued)

31 December 2023

<i>In RON</i>	Book value	RON	USD	EUR
Financial assets				
Cash and cash equivalents	46,871,575	46,860,596	1,867	9,112
Deposits with banks	159,986,022	68,244,172	23,786,140	67,955,710
Financial assets at fair value through profit or loss	1,058,064,333	968,608,737	-	89,455,596
Financial assets at fair value through other comprehensive income	1,062,061,318	1,062,061,318	-	-
Other assets	2,648,623,00	2,648,623	-	-
TOTAL	2,329,631,871	2,148,423,446	23,788,007	157,420,418
Financial liabilities				
Dividends payable	567,056	567,056	-	-
Other liabilities	23,687,765	23,673,944	-	13,821
TOTAL	24,254,821	24,241,000	-	13,821

31 December 2022

<i>In RON</i>	Book value	RON	USD	EUR
Financial assets				
Cash and cash equivalents	4,513,714	4,501,296	2,089	10,329
Deposits with banks	131,997,371	43,206,599	23,451,826	65,338,946
Financial assets at fair value through profit or loss	911,914,156	828,434,372	-	83,479,784
Financial assets at fair value through other comprehensive income	888,016,951	888,016,951	-	-
Other assets	3,100,000	3,100,000	-	-
TOTAL	1,939,542,192	1,767,259,218	23,453,915.00	148,829,059
Financial liabilities				
Dividends payable	567,056	567,056	-	-
Other liabilities	49,528,705	49,504,184	-	24,521
TOTAL	50,095,761	50,071,240	-	24,521

The impact on the Company net profit of a change of $\pm 5\%$ in RON/EUR and RON/USD exchange rates as at 31 December 2023, all other variables remaining constant, is \pm RON 7,610,173 (as at 31 December 2022: \pm RON 7,234,855).

(b) The credit risk

The credit risk represents the risk of recording losses or not realising the expected profits, as a result of the counterparty's failure to meet financial obligations. The Company is exposed to credit risk for financial assets measured at amortised cost as a result of holdings in current accounts, bank deposits and receivables.

As at 31 December 2023 the Company tested whether the credit risk for financial assets at amortised cost had increased significantly since the initial recognition. The Company uses a simplified approach, according to which it deems that the credit risk has not increased significantly since the initial recognition if the financial asset has a low credit risk as at the reporting date and has an external "investment grade" rating. Based on the information available, it was concluded that no events causing a significant credit risk increase or default events had occurred.

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(b) The credit risk (continued)

The company carried out an internal analysis regarding expected credit losses for financial assets measured at amortised cost, with the conclusion of the analysis being that their impact is insignificant. Thus, the Company does not disclose information regarding expected credit losses provided for in IFRS 9 in the notes.

Bank deposits are established at fixed interest rates for the entire period. In 2023, interest rates on establishment for deposits in RON varied between 4.50% and 7%; for deposits in EUR they ranged between 1.20% and 3.10%, and, for deposits in USD, they ranged between 3.40% and 4.80%. As at 31 December 2023, a change of ± 1 percentage point in the interest rate for deposits has an impact on the Company net profit of \pm RON 219,163 (31 December 2022: RON 164,875).

The Company's maximum exposure to credit risk is in the amount of RON 209,504,911 as at 31 December 2023 (as at 31 December 2022: RON 139,609,532) and can be analysed as follows:

<i>In RON</i>	2023 rating	31 December 2023	31 December 2022
<i>Exposures from current accounts and deposits with banks (Note 11 and Note 12)</i>			
Banca Transilvania S.A.	BB+ Fitch	26,396,378	5,668
Libra Internet Bank S.A.	BB Fitch	51,103	39,416
BRD - Groupe Societe Generale S.A.	BBB+ Fitch	13,596	36,596
Credit Europe Bank S.A.	BB- Fitch	20,679,556	4,418,545
Exim Banca Românească S.A.*)	BBB- Fitch	70,163,597	52,657,153
Banca Comercială Intesa Sanpaolo Bank	Baa1/P-2 Moody's	5,365,184	8,358,110
ProCredit Bank S.A.	BBB-/F3 Fitch	10,427	10,223
CEC Bank S.A.	BB Fitch	73,229,657	51,514,706
Banca Comercială Română	BBB+ Fitch	10,946,790	19,468,993
Other commercial banks		-	122
Total		206,856,288	136,509,532

*) In the case of Exim Banca Românească S.A., it is assimilated to Romania's sovereign rating.

OPUS Chartered Issuances S.A. does not have a rating issued by any rating agency. The bonds issued are instruments with unprotected principal, listed on the Frankfurt Stock Exchange (Open Market - Freiverkehr). The law governing the financial instrument is the German Bondholder/Debenture Act of 5 August 2009, whose main objective is the alignment of the law on German bondholders with international standards, in order to improve the capacity of bond restructuring outside insolvency proceedings. Thus, through holders' meetings, bondholders can vote as laid down in the above-mentioned law on a list of problems, primarily regarding bond restructuring. At maturity, for the repayment of the principal, the issuer sells the basket of shares traded on the Bucharest Stock Exchange, shares included in the most liquid category.

<i>In RON</i>	31 December 2023	31 December 2022
<i>Sundry debtors and trade receivables (Note 14)</i>		
Consol S.A.	2,029,357	2,038,368
Banca Română de Scont S.A.	1,283,228	1,283,228
The Authority for State Asset Management	1,023,903	1,143,343
Siderca S.A	410,334	410,334
Dividends receivable	2,147,551	-
Other sundry debtors	2,000,266	3,550,265
Allowances for sundry debtors and doubtful trade debts	(6,246,016)	(5,325,538)
Total	2,648,623	3,100,000

Sundry debtors and trade receivables classified according to the maturity are:

- Current (sundry debtors)	3,697,552	3,100,000
- Outstanding, adjusted in full (sundry debtors*)	6,246,016	5,325,538

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(b) The credit risk (continued)

*) The sundry debtors behind on payments are Consol S.A., Banca Română de Scont S.A., the Authority for State Asset Management, Siderca S.A. The Company has fully made allowances for sundry debtors due to the fact that such claims are more than 365 days overdue.

(c) The liquidity risk

The liquidity risk is the risk of recording losses or not realising expected profits, resulting from the inability to meet short-term payment liabilities at any time, without incurring excessive costs or losses that cannot be borne by the Company.

The structure of assets and liabilities was analysed based on the remaining period from the date of the Statement of Financial Position to the contractual maturity date, both for the financial period ended 31 December 2023 and for the financial year ended 31 December 2022, as follows:

31 December 2023

<i>In RON</i>	Book value	Under 3 months	3-12 months	Over a year	No predefined maturity
Financial assets					
Cash and cash equivalents	46,871,575	46,870,266	-	-	1,309
Deposits with banks	159,986,022	-	159,986,022	-	-
Financial assets at fair value through profit or loss	1,058,064,333	-	-	88,503,863	969,560,470
Financial assets at fair value through other comprehensive income	1,062,061,318	-	-	-	1,062,061,318
Other assets	2,648,623	2,648,623	-	-	-
Total financial assets	2,329,631,871	49,518,889	159,986,022	88,503,863	2,031,623,097
Financial liabilities					
Dividends payable	567,056	-	-	-	567,056
Other liabilities	23,687,765	23,676,289	7,911	3,565	-
Total financial liabilities	24,254,821	23,676,289	7,911	3,565	567,056
Liquidity surplus	2,305,377,050	25,842,600	159,978,111	88,500,298	2,031,056,041

31 December 2022

<i>In RON</i>	Book value	Under 3 months	3-12 months	Over a year	No predefined maturity
Financial assets					
Cash and cash equivalents	4,513,714	4,512,161	-	-	1,553
Deposits with banks	131,997,371	26,981,027	105,016,344	-	-
Financial assets at fair value through profit or loss	911,914,156	46,821,959	-	83,479,784	781,612,413
Financial assets at fair value through other comprehensive income	888,016,951	-	-	-	888,016,951
Other assets	3,100,000	-	-	-	3,100,000
Total financial assets	1,939,542,192	78,315,147	105,016,344	83,479,784	1,672,730,917

Notes to the Financial Statements

for the financial year ended 31 December 2023

4. The management of significant risks (continued)

(c) The liquidity risk (continued)

Financial liabilities

Dividends payable	567,056	-	-	-	567,056
Other liabilities	49,528,705	49,506,387	7,459	14,859	-
Total financial liabilities	50,095,761	49,506,387	7,459	14,859	567,056
Liquidity surplus	1,889,446,431	28,808,760	105,008,885	83,464,925	1,672,163,861

(d) The tax related risk

Romanian tax laws set out detailed and complex rules that have undergone several changes in recent years. The interpretation of the text and the practical procedures for implementing tax laws may vary, with the risk that certain transactions may be interpreted differently by tax authorities compared to the treatment applied by the Company.

From the point of view of the profit tax, there is a risk of a different interpretation given by tax authorities to the implemented tax rules determined by the Accounting Regulations compliant with IFRS.

The Romanian Government has a number of agencies authorised to carry out audits (inspections) of companies operating on Romanian territory. These inspections are similar to tax audits in other countries, and may cover not only tax issues, but also other legal and regulatory issues of interest to these agencies. The Company may be subject to tax inspections as new tax regulations are issued.

(e) The operational risk

The operational risk is defined as the risk of recording losses or not realising expected profits due to internal factors such as the inadequate conduct of internal activities, the existence of inadequate staff or systems or due to external factors such as economic conditions, changes in the capital market, technological advances. The operational risk is inherent in all Company activities.

The policies defined for operational risk management have taken into account all types of events that may generate significant risks and the ways in which they materialise, in order to eliminate or reduce losses of a financial or reputational nature.

(f) Capital adequacy

In terms of capital adequacy, the policy from the management focuses on maintaining a sound capital base, in order to support the continuous development of the Company and achieve its investment objectives.

5. Accounting estimates and significant judgments

The management discusses the development, selection, presentation and application of significant accounting policies and estimates. All these are approved during the meetings of the Board of Directors of SAI Muntenia Invest S.A.

These presentations supplement the information on financial risk management (see Note 4). The significant accounting judgments for the application of Company accounting policies include:

Key sources of estimate uncertainty

Adjustments for the impairment of assets measured at amortised cost

Assets recorded at amortised cost are measured for impairment according to the accounting policy described in Note 3(e)(v).

The measurement for impairment of receivables is performed individually and is based on the management's best estimate of the present value of cashflows expected to be received. In order to estimate these flows, the management makes certain estimates regarding the financial situation of the counterparty. Each asset is examined individually. The accuracy of the adjustments depends on the estimate of future cashflows for specific counterparties.

Notes to the Financial Statements

for the financial year ended 31 December 2023

5. Accounting estimates and significant judgments (continued)

The determination of the fair value of financial instruments

The fair value of financial instruments not traded in an active market is determined using the valuation techniques described in the accounting policy of Note 3(e)(iv). For financial instruments that are rarely traded and for which there is no price transparency, the fair value is less objective and is determined using various levels of estimates regarding the liquidity, concentration, uncertainty of market factors, price assumptions and other risks that affect the financial instrument concerned. For financial instruments designated at fair value through other comprehensive income acquired during the period, the input value consists of the price per share multiplied by the number of shares, plus acquisition costs. For financial assets measured at fair value through profit or loss acquired during the period, the input value consists of the price per share multiplied by the number of shares.

The fair value hierarchy

The Company uses the following hierarchy of methods to calculate the fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (e.g. prices, prices quoted in non-active markets) or indirectly (e.g. derived from prices)

Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes elements not based on observable data for which the unobservable input parameters may have a significant effect on the valuation of the instrument. This category includes instruments valued on the basis of prices quoted for similar instruments for which adjustments based largely on unobservable data or estimates are required to reflect the difference between the two instruments.

Quoted shares and units

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices or prices quoted by intermediaries. The market price used to determine the fair value is the closing price of the market on the last trading day before the valuation date. These assets are classified as Level 1.

For holdings of shares that cannot meet the criteria defined for an “active market”, one shall examine whether the market where those shares are traded is one where orderly transactions could be carried out, in which case the last price resulting from an orderly transaction will be used. These assets are classified as Level 2. If these conditions are not met, they will be evaluated using the valuation models presented under “Unquoted shares and units” and will be classified as Level 3.

Unquoted shares and units

In order to estimate the fair value of the shares of an unquoted company, the Company uses valuation models that are usually derived from known valuation models: the market multiples method, the equity/share method corrected with a discount for lack of liquidity and a discount for lack of control. The valuation models require unobservable inputs to a larger extent, a higher degree of analysis and estimation by the management in order to determine the fair value. The analysis and estimation by the management are involved especially in the selection of the appropriate valuation model.

The multiples method is based on a process where the fair value is obtained by comparison with similar companies for which information is available and by estimating the value of the valued company by using a conversion factor/multiplier (e.g., EV/EBITDA, P/Bv, EV/Sales), to which a discount for lack of liquidity (DLOM) is applied. The source of information for these multipliers is the database provided by Bloomberg, and the source of information for the discount for lack of liquidity is Stout Restricted Stock Study Companion Guide.

The equity/share method corrected with a discount for lack of liquidity and a discount for lack of control starts from the value of the net asset/share established by the issuer of the shares to which a discount for lack of liquidity and a discount for lack of control apply. The source of information for these discounts is Mergerstat Control Premium Study for the discount for lack of control and Stout Restricted Stock Study Companion Guide for the discount for lack of liquidity.

Notes to the Financial Statements

for the financial year ended 31 December 2023

5. Accounting estimates and significant judgments (continued)

The fair value hierarchy (continued)

Unquoted shares and units (continued)

For shares held in subsidiaries, the fair value is the closing price for companies that have an active market or prices resulting from valuation reports prepared by independent external valuers. For determining the fair value, depending on the specific nature of the economic activity of the subsidiary, independent valuers have used the income-based approach – the DCF method and the asset-based approach – the Adjusted Net Asset method, and for real estate assets held by subsidiaries, the income-based approach – the income capitalisation method has been used.

Units are measured at the net asset value per unit calculated by the fund manager. In measuring whether the net asset value per unit is representative of the fair value, the Company takes into account the following public information about the fund: financial statements, audit reports, the portfolio structure, the volume and level of activity of subscriptions or redemptions, if the investment cannot be redeemed at the net asset value or if there are also other uncertainties that increase the risk of the investment, if the frequency of calculation and publication of the net asset value per unit is low. Following an analysis of the abovementioned public information, the NAVU corrected with the adjustments deemed necessary for the net asset value is obtained.

Units held with investment funds characterised by: frequent redemption periods, the lack of redemption fees or low fees, the possibility of redemption of any number of units, the daily publication of the net asset value per unit are classified as Level 1 of the fair value hierarchy.

Units held with investment funds characterised by: making the withdrawal for some funds conditional on a written notice given at least a certain number of calendar days prior to the submission of the redemption request or the possibility of redemption of a limited number of units and the lack of redemption fees are classified as Level 2 of the fair value hierarchy.

Units held with investment funds characterised by the restriction of the possibility of redemption by: infrequent periods open for redemption or making the withdrawal for some funds conditional on a written notice given at least a certain number of calendar days prior to the submission of the redemption request and in some cases the charging of prohibitive redemption fees, if the above-mentioned notices are not given, and the low liquidity of assets held by the investment fund, are classified as Level 3 of the fair value hierarchy.

Bonds

Bonds at fair value through profit or loss are measured using a valuation model that takes into account Bloomberg's closing quote for these instruments, as well as an adjustment factor that mainly takes into account the liquidity risk in the market of the instrument. These assets are classified as Level 3.

The table below analyses the financial instruments recorded at fair value according to the valuation method.

31 December 2023

<i>In RON</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	519,854,129	222,528,810	315,681,394	1,058,064,333
Financial assets at fair value through other comprehensive income	995,581,795	28,881,106	37,598,417	1,062,061,318
	<u>1,515,435,924</u>	<u>251,409,916</u>	<u>353,279,811</u>	<u>2,120,125,651</u>

31 December 2022

<i>In RON</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	408,700,977	38,159,997	465,053,182	911,914,156
Financial assets at fair value through other comprehensive income	742,402,831	95,103,463	50,510,657	888,016,951
	<u>1,151,103,808</u>	<u>133,263,460</u>	<u>515,563,839</u>	<u>1,799,931,107</u>

Notes to the Financial Statements

for the financial year ended 31 December 2023

5. Accounting estimates and significant judgments (continued)

The fair value hierarchy (continued)

For the financial period ended 31 December 2023, the Company presented financial assets at fair value through profit or loss on Level 3 of the fair value hierarchy, instruments held in bonds amounting to RON 88,503,863, units amounting to RON 951,733 and shares held in ten companies whose fair value of RON 226,225,798 was determined using valuation models according to the ANEVAR Valuation Standards.

For the financial period ended 31 December 2023, the Company presented financial assets at fair value through other comprehensive income on Level 3 of the fair value hierarchy, shares held in several companies whose fair value of RON 37,598,417 was determined using internal valuation methods, based on valuation models according to ANEVAR Valuation Standards, approved by the Board of Directors, taking into account the credibility, quantity and quality of the information available.

For the financial year ended 31 December 2022, the Company presented financial assets at fair value through profit or loss on Level 3 of the fair value hierarchy, instruments held in bonds amounting to RON 83,479,784, closed-end units amounting to RON 98,695,826 and shares held in twelve companies whose fair value of RON 282,877,572 was determined using valuation models according to ANEVAR Valuation Standards.

For the financial year ended 31 December 2022, the Company presented financial assets at fair value through other comprehensive income on Level 3 of the fair value hierarchy, shares held in several companies whose fair value of RON 50,510,657 was determined using internal valuation methods, based on valuation models, approved by the Board of Directors, taking into account the credibility, quantity and quality of the information available.

For the valuation of financial assets at fair value representing shares held within subsidiaries, the main valuation technique used is the income-based approach, the DCF method, according to which, the fair value of shares held within subsidiaries as at 31 December 2023 is RON 204,389,751 (31 December 2022: RON 270,897,449).

The main assumptions used by independent valuers within the valuation model according to ANEVAR Valuation Standards as at 31 December 2023, for financial assets at fair value – shares held within subsidiaries, together with the related values are presented in the table below:

Assumptions used within the valuation model	Value of the indicator used in the valuation as at 31 December 2023	Value of the indicator used in the valuation as at 31 December 2022
Annual change in the EBITDA margin	0.10% - 50.60%	2.20% - 53.00%
Perpetuity growth rate	2.60%	2.50%
Weighted average cost of capital (WACC)	10.30% - 15.63%	11.01% - 14.29%

Although the Company considers its own fair value estimates to be appropriate, the use of other methods or assumptions may lead to different fair value amounts. For fair values recognised following the use of a significant number of unobservable inputs (Level 3), changing one or more assumptions with other reasonable alternative assumptions would influence the statement of profit or loss and other comprehensive income as follows:

Change in the unobservable data used in the valuation	Impact on profit or loss	
	31 December 2023	31 December 2022
Increase of EBITDA by 3%	6,339,401	6,624,926
Decrease of EBITDA by 3%	(6,337,898)	(6,625,278)
Increase of WACC by 0.5 pp	(5,813,226)	(7,534,051)
Decrease of WACC by 0.5 pp	6,453,686	8,312,181
Increase of the perpetuity growth rate by 0.5 pp	4,091,767	5,093,712
Decrease of the perpetuity growth rate by 0.5 pp	(3,668,435)	(4,596,119)

Notes to the Financial Statements

for the financial year ended 31 December 2023

5. Accounting estimates and significant judgments (continued)

The fair value hierarchy (continued)

In the case of holdings of shares from four subsidiaries, the valuation technique relying on the asset-based approach – the Adjusted Net Asset method – was used to determine the fair value. According to this method, the fair value of the relevant shares as at 31 December 2023 was RON 21,836,047 (31 December 2022: RON 11,980,123).

The reconciliation of fair value measurements classified as Level 3 of the fair value hierarchy

<i>In RON</i>	Financial assets at value fair through profit or loss	Financial assets at fair value through other comprehensive income
1 January 2022	423,747,385	54,923,687
Transfers to level 3	12,140,305	3,830,756
Transfers from level 3	-	(9,626,368)
Gains or losses for the period included in the profit or loss	19,386,085	-
Gains or losses for the period included in other comprehensive income	-	3,532,248
Acquisitions, equity participations	30,365,641	-
Sales	(20,586,234)	(2,149,666)
31 December 2022	465,053,182	50,510,657
Transfers to level 3	-	-
Transfers from level 3	(132,826,739)	(5,557,124)
Gains or losses for the period included in the profit or loss	24,284,880	-
Gains or losses for the period included in other comprehensive income	-	4,575,088
Acquisitions, equity participations	7,618,188	-
Sales	(48,448,117)	(11,930,204)
31 December 2023	315,681,394	37,598,417

The classification of financial assets and liabilities

Company accounting policies provide the basis in order for assets and liabilities to be included, at the outset, in various accounting categories. For the classification of assets and liabilities at fair value through profit or loss, the Company has determined that one or more criteria set out in Note 3(e)(i) have been met. Details regarding the classification of the Company financial assets and liabilities are given in Note 20.

IAS 12 “Income Taxes”, in paragraph 34, requires an entity to recognise a deferred tax asset for unused tax losses to the extent that future taxable profits are likely to exist in relation to which the unused tax losses can be recovered.

The Company estimates the likelihood of future taxable profits taking into account the following criteria:

- The Company is likely to have taxable profits before the unused tax losses expire;
- The unused tax losses result from identifiable causes that have a minimal chance of reoccurring.

During the financial period ended 31 December 2023, the Company recorded a tax loss (see Note 10 and Note 16).

The Company estimates that it will recover the tax loss of 2020 within the limitation period provided for by the Tax Code of seven years.

Notes to the Financial Statements

for the financial year ended 31 December 2023

6. Dividend income

Dividend income is recorded at gross value. Dividend tax rates for the financial period ended 31 December 2023 were 8% and zero (the financial period ended 31 December 2022: 5% and zero). Of the total dividend income, as at 31 December 2023 non-taxable income is in the amount of RON 40,825,169 (as at 31 December 2022: RON 40,718,665 non-taxable dividends). All dividend income comes from entities registered in Romania.

During the financial period ended 31 December 2023, an amount of RON 38,947,952 (31 December 2022: RON 37,985,211) was received as dividend income for financial assets measured at fair value through profit or loss, and an amount of RON 43,565,967 (31 December 2022: RON 57,386,108) was received as dividend income for financial assets measured at fair value through other comprehensive income.

The breakdown of the dividend income by main counterparties is presented below:

<i>In RON</i>	2023	2022
Banca Transilvania S.A.	23,890,420	21,177,485
Biofarm S.A.	15,246,940	12,197,552
OMV Petrom S.A.	11,622,194	4,852,640
Germina Agribusiness S.A.	8,207,665	12,127,744
Firos S.A.	3,998,118	3,378,691
SNGN Romgaz S.A.	3,975,972	4,417,747
CI-CO S.A.	3,208,285	1,905,479
Bucur S.A. of Bucharest	2,037,920	1,245,396
Semrom Oltenia S.A.	1,587,445	444,574
Unisem S.A.	1,518,388	-
Voluthema Property Developer S.A.	1,098,623	-
ICPE S.A.	1,048,929	2,487,459
FII BET-FI Index Invest	995,640	207,425
Aro Palace SA	836,510	438,825
Macofil S.A.	627,909	94,186
Bursa de Valori București S.A.	464,402	344,832
Compania de Librării S.A.	464,167	257,171
Electromagnetica S.A.	301,374	-
Vrancart S.A.	263,269	110,573
Conpet S.A.	244,680	259,267
SNTGN Transgaz S.A.	232,960	308,256
BRD - Groupe Societe Generale S.A.	-	20,363,145
Muntenia Medical Competences S.A.	-	3,990,892
SIF Banat-Crișana S.A.	-	1,544,890
SSIF BRK Financial Group S.A.	-	1,316,625
Infinity (SIF Oltenia S.A.)	-	702,000
Șantierul Naval Orșova S.A.	-	797,438
Other	642,108	401,029
Total	82,513,919	95,371,319

7. Interest income

<i>In RON</i>	2023	2022
Interest income on deposits and cash at bank	6,581,063	3,622,535
Interest income on financial assets measured at amortised cost	-	310,856
Total	6,581,063	3,933,391

Notes to the Financial Statements

for the financial year ended 31 December 2023

8. Net gain/(Net loss) on financial assets at fair value through profit or loss

<i>In RON</i>	2023	2022
Net gain/(Net loss) on financial assets at fair value through profit or loss - shares	142,624,746	(93,238,811)
Net gain on financial assets at fair value through profit or loss - bonds	6,650,237	3,090,434
Net gain/(Net loss) on financial assets at fair value through profit or loss - units	38,684,703	(6,807,853)
Total	<u>187,959,686</u>	<u>(96,956,230)</u>

For bonds measured at fair value through profit or loss, interest income is recognised under profit or loss as part of the fair value measurement.

9. Other operating expenses

<i>In RON</i>	2023	2022
External services	1,381,432	1,923,148
Commissions and fees	2,123,174	1,958,822
Custody fees	418,529	383,935
Trading costs	1,305	-
Entertaining, promotion and advertising	178,743	238,828
Depreciation of the asset representing rights to use the underlying assets (Note 15(ii))	8,285	8,711
Interest expenses related to the leasing contract liability (Note 15(ii))	1,171	1,932
Other operating expenses	57,928	58,085
Total	<u>4,170,567</u>	<u>4,573,461</u>

The statutory audit for the 2023 financial year was carried out by Deloitte Audit SRL. The financial auditor's fee for the financial year ending 31 December 2023 is RON 461,248, VAT included. During the financial year ended 31 December 2023, the auditor provided non-audit services, according to ISAE 3000, the fee being RON 76,577, required by FSA laws for capital operations carried out by the Company.

10. The profit tax

<i>In RON</i>	2023	2022
Current profit tax		
Current profit tax (16%)	-	-
Dividend tax (2023: 8%, 2022: 5%)	3,335,100	2,732,633
	<u>3,335,100</u>	<u>2,732,633</u>
Deferred income tax		
Financial assets at fair value through other comprehensive income	(18,268)	(10,619)
Impairment of other assets	(147,276)	405,139
Tax losses	4,979,022	835,600
	<u>4,813,478</u>	<u>1,230,120</u>
Total	<u>8,148,578</u>	<u>3,962,753</u>

The reconciliation of pre-tax profit with the profit tax expense:

Notes to the Financial Statements

for the financial year ended 31 December 2023

10. The profit tax (continued)

<i>In RON</i>	2023	2022
(Loss)/profit before tax	220,951,599	(29,258,546)
Tax according to the 16% statutory tax rate (2022: 16%)	35,352,256	(4,681,367)
Effect on the profit tax of:		
Dividend tax rate	3,335,100	2,732,633
Items similar to income	3,342,304	4,208,939
Non-deductible expenses	10,361,281	32,252,297
Non-taxable income	(44,076,819)	(30,944,269)
Registration and reversal of temporary differences	(165,544)	394,520
Profit tax	8,148,578	3,962,753

Non-taxable income means dividend income, income from the valuation/revaluation/sale/assignment of financial assets measured at fair value through profit or loss held with a Romanian legal entity for which, as of the date of the valuation/revaluation/sale/assignment, the Company holds at least 10% of the share capital of the legal entity where it has financial assets for an uninterrupted period of one year.

11. Cash and cash equivalents

<i>In RON</i>	31 December 2023	31 December 2022
Cash	1,309	1,553
Cash at bank	20,764,322	4,512,161
Bank deposits with a maturity of less than 3 months*)	25,880,220	-
Related receivables	225,724	-
Cash and cash equivalents	46,871,575	4,513,714

*) As at 31 December 2022, bank deposits with a maturity of less than 3 months were disclosed in Note 12 Deposits with banks.

The cash at bank is at the Company disposal at all times and is not restricted or encumbered.

12. Deposits with banks

<i>In RON</i>	31 December 2023	31 December 2022
Bank deposits with a maturity of less than 3 months	-	26,754,072
Bank deposits with an initial maturity of over 3 months and less than 1 year (i)	158,989,540	104,548,772
Related receivables	996,482	694,527
Total	159,986,022	131,997,371

(i) Bank deposits are at the Company disposal at all times and are not restricted or encumbered.

13. Financial assets

a) Financial assets at fair value through profit or loss

<i>In RON</i>	31 December 2023	31 December 2022
Bonds (i)	88,503,863	83,479,784
Shares (ii)	718,896,379	617,449,855
Units (iii)	250,664,091	210,984,517
Total	1,058,064,333	911,914,156

Notes to the Financial Statements

for the financial year ended 31 December 2023

13. Financial assets (continued)

a) Financial assets at fair value through profit or loss (continued)

(i) The Company holds 501 bonds issued by OPUS Chartered Issuances SA with a maturity of two years (extended maturity as of September of 2022), with an acquisition cost of RON 29,205,275, equivalent to EUR 6,389,253 and an annual interest of EUR 200.00 per bond which is paid by the issuer either in whole or in part (pro rata), depending on the extent to which the hedging instruments used by the issuer help cover the amounts owed as interest.

As at 31 December 2023, the Company valued these securities using a valuation model that took into account the closing quote published by Bloomberg, i.e. EUR 13,367.47/certificate (as at 31 December 2022: EUR 13,270.66/certificate), as well as an adjustment factor that mainly considered the liquidity risk on the instrument market. The aforementioned adjustment factor brought about the decrease in the fair value of these securities by RON 1,674,078 registered under profit or loss, of which a loss of RON 21,151 in 2023.

The Company also holds 1,140 bonds issued by OPUS Chartered Issuances SA with a maturity of two years (extended maturity as of September of 2022) with an acquisition cost of RON 44,621,357 lei, equivalent to EUR 10,000,080 and an annual interest of EUR 200.00 per bond which is paid by the issuer either in whole or in part (pro rata), depending on the extent to which the hedging instruments used by the issuer help cover the amounts owed as interest.

As at 31 December 2023, the Company valued these securities using a valuation model that took into account the closing quote published by Bloomberg of EUR 10,457.04/certificate (as at 31 December 2022: EUR 9,652.23/certificate), as well as an adjustment factor that mainly considered the liquidity risk on the instrument market. The aforementioned adjustment factor brought about the decrease in the fair value of these securities by RON 2,984,020 registered under profit or loss, of which a gain of RON 243,274 in 2023.

The acquisition of these types of financial instruments is part of the investment policy of SIF Muntenia S.A. to diversify the investment portfolio.

(ii) As at 31 December 2023, the fair value of the subsidiaries is RON 718,896,379 (as at 31 December 2022: RON 617,449,855).

The fair value measurement of the shares was carried out by multiplying the number of shares held by the closing price of the last trading day of the reporting period or by obtaining values of the stake from valuation reports prepared by independent valuers.

(iii) As at 31 December 2023, the Company holds units measured at fair value, of which: for open-end investment funds (Star Next, Prosper Invest, Active Dinamic, Muntenia Trust, Agricultural Fund) amounting to RON 33,997,662 (as at 31 December 2022: RON 25,318,025) and for closed-end investment funds/alternative investment funds (BET-FI Index Invest, Multicapital Invest, Active Plus, Star Value, Optim Invest, Certinvest Acțiuni and Romania Strategy Fund) amounting to RON 216,666,429 (as at 31 December 2022: RON 185,666,492).

b) Financial assets at fair value through other comprehensive income

<i>In RON</i>	31 December 2023	31 December 2022
Shares measured at fair value (i)	1,062,061,318	888,016,951
Total	<u>1,062,061,318</u>	<u>888,016,951</u>

(i) The fair value was determined at the closing price of the last trading day of the reporting period or was determined using valuation models in accordance with ANEVAR Valuation Standards (see Note 5). As at 31 December 2023 and 31 December 2022, the category of shares measured at fair value mainly includes the value of the shares held with Banca Transilvania S.A., BRD - Groupe Société Générale S.A., OMV Petrom S.A., Lion Capital S.A., SNGN Romgaz S.A, Infinity Capital Investments SA.

In 2023, shares issued by S.P.E.E.H. HIDROELECTRICA S.A. with a fair value as at 31 December 2023 of RON 16,000,000 were designated on the date of acquisition, according to the business model, to be measured at fair value through other comprehensive income.

The main holdings in financial assets at fair value through other comprehensive income are presented in the table below:

Notes to the Financial Statements

for the financial year ended 31 December 2023

13. Financial assets (continued)

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

<i>In RON</i>	31 December 2023	31 December 2022
Banca Transilvania S.A.	512,904,071	373,161,898
BRD - Groupe Societe Generale S.A.	100,557,560	71,519,123
OMV Petrom SA	80,932,733	57,506,370
Lion Capital S.A. (formerly SIF Banat-Crisana)	66,687,776	62,568,068
S.N.G.N. Romgaz-S.A.	60,749,507	43,886,829
Infinity Capital Investments S.A. (formerly SIF Oltenia)	44,460,000	40,248,000
Romaero SA of Bucharest	-	51,670,176
Şantierul Naval Orşova S.A.*)	25,406,660	7,523,000
The Bucharest Stock Exchange*)	23,583,200	12,690,350
Unirea Shopping Center SA of Bucharest	20,984,665	22,598,870
Impact Developer & Contractor S.A.	17,686,750	24,210,000
Aro Palace SA of Brasov	-	13,802,415
Other shares measured at fair value through other comprehensive income	108,108,396	106,631,853
Total	1,062,061,318	888,016,951

*) As at 31 December 2022, the shares held with the Bucharest Stock Exchange and Şantierul Naval Orşova were not part of the top ten shareholdings.

The movement of financial assets at fair value through other comprehensive income during the financial period ended 31 December 2023 is presented in the table below:

<i>In RON</i>	Shares measured at fair value
31 December 2022	888,016,951
Net change during the period	(24,265,799)
Change in the fair value	198,310,166
31 December 2023	1,062,061,318

The movement of financial assets at fair value through other comprehensive income during the financial period ended 31 December 2022 is presented in the table below:

<i>In RON</i>	Shares measured at fair value
31 December 2021	941,366,194
Net change during the period	24,289,518
Change in the fair value	(77,638,761)
31 December 2022	888,016,951

14. Other assets

<i>In RON</i>	31 December 2023	31 December 2022
Sundry debtors	8,894,639	8,425,538
Assets representing rights to use underlying assets under a leasing contract (i)	10,688	20,587
Other assets	49,088	43,143
Impairment of sundry debtors (see Note 4b))	(6,246,016)	(5,325,538)
Total	2,708,399	3,163,730
<i>Of which with credit risk (Note 4 b):</i>	2,648,623	3,100,000

Notes to the Financial Statements

for the financial year ended 31 December 2023

14. Other assets (continued)

The evolution of allowances for the impairment of sundry debtors and for dividends receivable is as follows:

In RON

As at 1 January 2023	<u>(5,325,538)</u>
(Establishments)/Reversals of impairment of other assets	<u>(920,478)</u>
As at 31 December 2023	<u><u>(6,246,016)</u></u>

15. Dividends payable

In RON

	31 December 2023	31 December 2022
Seized dividends payable related to 2011-2017 profits (i)	567,056	567,056
Total dividends payable	<u><u>567,056</u></u>	<u><u>567,056</u></u>

For dividends not claimed within three years of the declaration date, the Company Shareholders' General Meeting has approved their recording as equity (retained earnings).

(i) Seized dividends payable are dividends blocked as a result of attachments or seizures by 31 December 2023.

16. Deferred profit tax liabilities

Deferred tax liabilities as at 31 December 2023 are generated by the items detailed in the following table:

In RON	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	474,688,004	-	474,688,004
Impairment adjustments and other provisions	-	6,246,016	(6,246,016)
Tax losses	-	21,911,896	(21,911,896)
Total	<u><u>474,688,004</u></u>	<u><u>28,157,912</u></u>	<u><u>446,530,092</u></u>
Deferred profit tax liabilities			<u><u>71,444,815</u></u>

Deferred tax liabilities as at 31 December 2022 are generated by the items detailed in the following table:

In RON	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	252,675,398	-	252,675,398
Impairment adjustments and other provisions	-	5,325,538	(5,325,538)
Tax losses	-	53,030,781	(53,030,781)
Total	<u><u>252,675,398</u></u>	<u><u>58,356,319</u></u>	<u><u>194,319,079</u></u>

Deferred profit tax liabilities

31,091,052

The balance of the deferred profit tax recognised directly by the decrease in equity as at 31 December 2023 is RON 70,213,535 (as at 31 December 2022: RON 34,673,250), and is generated entirely by financial assets at fair value through other comprehensive income, for financial assets held for a period shorter than one year and less than 10% of the issuer's share capital.

The Company has recognised a deferred tax asset for the tax loss recorded during the financial year ended 31 December 2020 because future profits are likely to be realised to cover the tax loss.

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for the financial year ended 31 December 2023

17. Other liabilities

<i>In RON</i>	31 December 2023	31 December 2022
Suppliers - invoices to be received (i)	22,240,780	2,939,519
Taxes	16,067	15,985
Domestic suppliers	622	733,219
Liabilities of the leasing contract (Note 15ii)	13,821	24,521
Other liabilities (ii)	1,416,475	45,815,461
Total	23,687,765	49,528,705

(i) As at 31 December 2023, suppliers – invoices to be received primarily represent the liability related to the monthly management fee and the performance fee of RON 21,672,737 (31 December 2022: RON 2,417,979).

(ii) During the financial year ended 31 December 2022 the Company recognised a liability of RON 44,856,096 to Vita Care Flav S.R.L., as the buyer, representing the initial price of the share sale and purchase agreement for shares issued by Muntenia Medical Competences S.A. The transaction of sale and purchase of shares issued by Muntenia Medical Competences S.A. was completed in January of 2023.

18. Capital and reserves

(a) The share capital

The Company shareholding structure is as follows:

31 December 2023	Number of shareholders	Number of shares	Amount (RON)	(%)
Individuals	5,932,543	457,527,847	45,752,785	58.31
Legal persons	119	327,117,354	32,711,735	41.69
Total	5,932,662	784,645,201	78,464,520	100

31 December 2022	Number of shareholders	Number of shares	Amount (RON)	(%)
Individuals	5,935,805	460,613,450	46,061,345	58.70
Legal persons	125	324,031,751	32,403,175	41.30
Total	5,935,930	784,645,201	78,464,520	100

All shares are ordinary ones and have been subscribed and paid in full as at 31 December 2023. All shares have the same voting right and have a face value of RON 0.1/share. The number of shares authorised to be issued is equal to the number of issued shares.

The reconciliation of the share capital according to IFRS with the one according to the Instrument of Incorporation is presented in the table below:

<i>In RON</i>	31 December 2023	31 December 2022
Share capital according to the Instrument of Incorporation	78,464,520	78,464,520
Hyperinflation effect - IAS 29	781,006,539	781,006,539
Restated share capital	859,471,059	859,471,059

(b) Reserves from the revaluation of financial assets at fair value through other comprehensive income

This reserve includes the cumulative net changes in the fair values of financial assets at fair value through other comprehensive income from the date of the classification in this category to the date when they were derecognised.

Notes to the Financial Statements

for the financial year ended 31 December 2023

18. Capital and reserves (continued)

(b) Reserves from the revaluation of financial assets at fair value through other comprehensive income (continued)

The reserves from the revaluation of financial assets at fair value through other comprehensive income are recorded net of the related deferred tax. The amount of the deferred tax recognised directly through the decrease in equity is disclosed in Note 16.

Upon derecognising equity instruments designated within the category of financial assets at fair value through other comprehensive income (see Note 14(b)(i)), gains/losses related to such instruments are reclassified under retained earnings as a surplus earned from revaluation reserves.

During the period ended 31 December 2023, as a result of the application of accounting policies according to IFRS 9, detailed in Note 3(e)(vii), the Company recognised the net gain from the disposal of the financial assets under retained earnings. The net surplus obtained by the Company as a result of the disposal of the financial assets at fair value through other comprehensive income was in the amount of RON 37,176,879. Moreover, as a result of the disposal of the financial assets at fair value through profit or loss, the positive value of RON 14,088,347 was transferred from retained earnings to retained earnings representing the realised net surplus.

As at 31 December 2023, the retained earnings resulting from the adoption of IFRS 9 and IFRS 10 related to the financial assets owned by the Company amounted to RON 255,710,703, an amount restricted from distribution.

During the financial year ended 31 December 2022, as a result of the application of accounting policies according to IFRS 9, detailed in Note 3(e)(vii), the Company recognised the net gain from the disposal of the financial assets under retained earnings. The net surplus obtained by the Company as a result of the disposal of the financial assets at fair value through other comprehensive income was in the amount of RON 39,346,932. Moreover, as a result of the disposal of the financial assets at fair value through profit or loss, the amount of RON 27,246,842 was transferred from retained earnings to retained earnings representing the realised net surplus.

As at 31 December 2022, the retained earnings resulting from the adoption of IFRS 9 and IFRS 10 related to the financial assets owned by the Company amounted to RON 272,844,696.

The amounts recognised as reserves from the revaluation of financial assets at fair value through other comprehensive income will not be reclassified as profit or loss on the derecognition of these instruments.

(c) Legal reserves

According to legal requirements, the Company sets up legal reserves in the amount of 5% of the legally recorded gross profit up to the level of 20% of the share capital according to the Instrument of Incorporation. The amount of the legal reserve as at 31 December 2023 and 31 December 2022 is RON 15,692,904.

Legal reserves may not be distributed to shareholders. The amount of the legal reserves was included in the Statement of Financial Position, on the row of "Retained earnings".

(d) Dividends

During the financial years ended 31 December 2023 and 31 December 2022, the Company did not distribute any dividends.

During the financial year ended 31 December 2022, the Company wrote off dividends in the amount of RON 12,726,263 related to the profit of 2017, according to the Decision no. 7 of the Shareholders' General Meeting of 28 April 2022.

(e) Own shares

During the financial year ended 31 December 2023, the Company did not implement any share buyback programmes.

The Decision of the Shareholders' Extraordinary General Meeting no. 3 of 28.04.2022 approved the implementation of a share buyback programme in order to reduce the share capital for a maximum number of 23,539,356 shares.

Notes to the Financial Statements

for the financial year ended 31 December 2023

18. Capital and reserves (continued)

(e) Own shares (continued)

Between 14 and 27 July 2022, the public offering to buy back the shares issued by the Company took place. Following the conclusion of the offering, the Company bought back a number of 23,539,356 shares for a price of RON 1.60/share, accounting for 3% of the Company share capital, for a total amount of RON 37,662,969.60.

(f) Loss hedging

On 27 April 2023, according to Decision no. 4, the Shareholders' General Meeting approved the hedging of the accounting loss of RON 33,221,299 for the period ended 31 December 2022 from reserves distributed from the net profit established during the 2007-2021 period. This loss was mainly caused by the unfavourable evolution of the capital market which affected the fair value of financial assets measured through profit or loss.

(g) Profit appropriation

The Company Manager proposes a net profit appropriation as follows:

<i>In RON</i>	31 December 2023
Net profit to be distributed:	<u>212,803,021</u>
- Other reserves	212,803,021

19. Earnings per share

The calculation of the basic earnings per share was performed based on the net profit and the weighted average number of ordinary shares:

<i>In RON</i>	31 December 2023	31 December 2022
Net profit/(Net loss)	212,803,021	(33,221,299)
Weighted average number of ordinary shares	<u>778,414,195</u>	<u>778,414,195</u>
Basic earnings per share	<u>0.273</u>	<u>(0.043)</u>

The diluted earnings per share are equal to the basic earnings per share, seeing as the Company has not recorded any potential ordinary shares.

Notes to the Financial Statements

for the financial year ended 31 December 2023

20. Financial assets and liabilities

Accounting classifications and fair values

The table below summarises the book values and fair values of Company financial assets and liabilities as at 31 December 2023:

<i>In RON</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total book value	Fair value
Financial assets at fair value through profit or loss	1,058,064,333	-	-	1,058,064,333	1,058,064,333
Financial assets at fair value through other comprehensive income	-	1,062,061,318	-	1,062,061,318	1,062,061,318
Other financial assets	-	-	2,648,623	2,648,623	2,648,623
Total financial assets	1,058,064,333	1,062,061,318	2,648,623	2,122,774,274	2,122,774,274
Dividends payable	-	-	(567,056)	(567,056)	(567,056)
Other financial liabilities	-	-	(23,687,765)	(23,687,765)	(23,687,765)
Total financial liabilities	-	-	(24,254,821)	(24,254,821)	(24,254,821)

In order to estimate the fair value of the financial assets and liabilities measured at amortised cost, the Company has used the following estimates and has made the following significant judgments: for items such as financial liabilities that are issued or held for very short periods, which are generally non-interest-bearing or fixed interest bearing, the Company has approximated the fair value at cost (as such, the valuation has been performed using Level 3 techniques).

Notes to the Financial Statements

for the financial year ended 31 December 2023

21. Financial assets and liabilities (continued)

The table below summarises the book values and fair values of Company financial assets and liabilities as at 31 December 2022:

<i>In RON</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total book value	Fair value
Financial assets at fair value through profit or loss	911,914,156	-	-	911,914,156	911,914,156
Financial assets at fair value through other comprehensive income	-	888,016,951	-	888,016,951	888,016,951
Other financial assets	-	-	3,100,000	3,100,000	3,100,000
Total financial assets	911,914,156	888,016,951	3,100,000	1,803,031,107	1,803,031,107
Dividends payable	-	-	(567,056)	(567,056)	(567,056)
Other financial liabilities	-	-	(49,528,705)	(49,528,705)	(49,528,705)
Total financial liabilities	-	-	(50,095,761)	(50,095,761)	(50,095,761)

In order to estimate the fair value of the financial assets and liabilities measured at amortised cost, the Company has used the following estimates and has made the following significant judgments: for items such as other financial assets and liabilities that are issued or held for very short periods, which are generally non-interest-bearing or fixed interest bearing, the Company has approximated the fair value at cost (as such, the valuation has been performed using Level 3 techniques).

Notes to the Financial Statements

for the financial year ended 31 December 2023

21. Commitments and contingent liabilities

(a) Legal proceedings

The Company is the subject of a number of legal proceedings resulting during the normal course of business. The Company management believes, based on consultations with its lawyers, that these proceedings will not have a significant adverse effect on the economic results and the financial position of the Company.

(b) Environmental contingencies

Environmental regulations are evolving in Romania, and the Company did not register any liabilities as at 31 December 2023 and 31 December 2022 for any expected costs, including legal and consulting fees, site studies, the design and implementation of remedying plans with regard to environmental elements. The Company management does not believe the expenses associated with possible environmental problems to be significant.

(c) Transfer pricing

Romanian tax laws have included rules on related party transfer pricing since 2000. The current legislative framework defines the arm's length principle for related party transactions, as well as the transfer pricing methods. As such, tax authorities are expected to initiate thorough transfer pricing checks to ensure that the tax result is not distorted by the effect of prices used in related party dealings. In the period ended 31 December 2023, the Company did not exceed the value level of related party transactions, laid down by legal regulations in force, for the preparation of the transfer pricing documentation file.

22. Related party transactions and balances

During its activity, the Company identified the following parties engaged in special relations:

(i) The Company management

The Company operates on the basis of a management contract entered into with Societatea de Administrare a Investițiilor Muntenia Invest S.A. The majority shareholder of Societatea de Administrare a Investițiilor Muntenia Invest S.A. is Lion Capital S.A. (formerly SIF Banat-Crișana S.A.) which held 99.98% of the share capital as at 31 December 2023.

The Company has not identified an ultimate controlling parent company.

The transactions between the Company and the Manager were as follows:

In RON

<i>Accounts receivable and payable</i>	31 December 2023	31 December 2022
Liabilities related to the management fee	(21,672,737)	(2,417,979)
<i>Income and expenses</i>	2023	2022
Management fees (i)	(50,226,268)	(29,414,617)

(i) During the financial period ended 31 December 2023, the management fees in the amount of RON 50,226,268 included the monthly management fees of RON 31,519,618 and a performance fee of RON 18,706,650 (as at 31 December 2022: the monthly management fees of RON 29,414,617), under the management contract concluded between the parties. The management contract concluded between SIF Muntenia SA and Societatea de Administrare a Investițiilor Muntenia Invest SA was approved by the SIF Muntenia SA Shareholders' Ordinary General Meeting of 23 April 2020.

The monthly management fee is calculated as a percentage of the total assets certified by the depositary bank for the last day of the month. The performance fee is due for the fulfilment of performance criteria and the achievement of objectives set annually by the Company Shareholders' General Meeting and is calculated as a percentage applied to the difference between the gross profit earned and the gross profit budgeted.

Notes to the Financial Statements

for the financial year ended 31 December 2023

22. Related party transactions and balances (continued)

(i) The Company management (continued)

Transactions with Company staff:

<i>Other transactions</i>	2023	2022
Expenses related to the allowance of the members of the Board of Shareholders' Representatives, of which:	440,472	443,181
- gross allowances paid to members	430,776	433,425
- social security and social protection expenses	9,696	9,756
- number of members	3	3
Salaries, of which:	9,433	7,824
- gross salaries paid or payable	9,226	7,656
- social security and social protection expenses	207	168
- number of employees	1	1

The Company appears to have one actual employee and three members within the Board of Shareholders' Representatives as at 31 December 2023. The members of the Board of Shareholders' Representatives were elected within the SIF Muntenia Shareholders' Ordinary General Meeting of 22 June 2022 for a four-year term. The term of office for 2022 was granted by SOGM of SIF Muntenia of 25 June 2018.

(ii) Subsidiaries (companies within which SIF Muntenia has control)

All Company subsidiaries as at 31 December 2023 and 31 December 2022 are based in Romania. For them, the Company shareholding percentage is not different from the percentage of the number of votes held. The fair value of subsidiary shareholdings and the shareholding percentage are shown in the table below:

Name of the subsidiary	Fair value as at 31 December 2023	Fair value as at 31 December 2022	Shareholding percentage as at 31 December 2023	Shareholding percentage as at 31 December 2022
Avicola București S.A.	385,619	431,326	89.97%	89.97%
Biofarm S.A.	418,782,610	313,070,495	51.58%	51.58%
Bucur S.A.	39,134,857	27,140,170	67.98%	67.98%
Casa de Bucovina - Club de Munte S.A.	11,887,869	8,149,020	73.98%	69.25%
CI-CO S.A.	43,455,212	40,493,002	97.34%	97.34%
Firos S.A.	51,495,955	42,397,814	99.69%	99.69%
Finagrom IFN SA	4,833,532	-	99.90%	-
Germina Agribusiness S.A.	20,580,413	13,352,768	90.68%	90.68%
ICPE S.A.	11,659,750	19,383,670	50.32%	50.32%
ICPE Electric Motors S.R.L.	1,374,427	-	100.00%	-
Mătășari Holding S.A.	15,242,469	11,548,797	90.67%	77.61%
Mindo S.A.	3,685,436	2,897,212	98.02%	98.02%
Muntenia Medical Competences S.A.	-	46,821,959	-	99.76%
Semrom Oltenia S.A.	18,474,512	14,656,308	88.49%	88.49%
Unisem S.A.	22,945,177	19,474,605	76.91%	76.91%
Voluthema Property Developer S.A.	54,958,541	57,632,709	99.97%	99.97%
Total	718,896,379	617,449,855	-	-

(iii) Company associates

As at 31 December 2023 and 31 December 2022, the Company has no shareholdings within associates.

Notes to the Financial Statements

for the financial year ended 31 December 2023

22. Related party transactions and balances (continued)

(iv) Transactions and balances with Company subsidiaries

The transactions concluded by the Company with parties engaged in special relations were carried out during the normal course of the activity. The Company has neither received, nor granted any guarantees in favour of any party engaged in special relations.

Dividend income, of which:

<i>In RON</i>	2023	2022
Biofarm S.A.	15,246,940	12,197,552
Germina Agribusiness S.A.	8,207,665	12,127,744
Firos S.A.	3,998,118	3,378,691
CI-CO S.A.	3,208,285	1,905,479
Bucur S.A. of Bucharest	2,037,920	1,245,396
Semrom Oltenia S.A.	1,587,445	444,574
Unisem S.A.	1,518,388	-
Voluthema Property Developer S.A.	1,098,623	-
ICPE S.A.	1,048,929	2,487,459
Muntenia Medical Competences S.A.	-	3,990,892
Total	<u>37,952,312</u>	<u>37,777,786</u>

As at 31 December 2023, dividends in the amount of RON 1,098,623 are still to be received from Voluthema Property Developer SA and dividends in the amount of RON 1,048,929 are still to be received from ICPE S.A.

23. Events subsequent to the reporting period

On 3 February 2024, the Company Shareholders' Extraordinary General Meeting adopted the following decisions:

- The revocation of the Decision of the Shareholders' Extraordinary General Meeting no. 4 of 21 June 2023;
- The approval of the change of Company name from Societatea de Investiții Financiare Muntenia – S.A. to LONGSHIELD INVESTMENT GROUP - S.A. and the corresponding amendment of art. 1(1)-(6) of the Company Instrument of Incorporation.

On 13 February 2024, the Shareholders' General Meeting of SIF Muntenia SA approved the following decisions:

- The re-election as sole director and alternative investment fund manager of SAI Muntenia Invest SA for a four-year term, from 24 April 2024 to 24 April 2028;
- The approval of the remuneration due to the Manager SAI Muntenia Invest SA for its term from 24 April 2024 to 24 April 2028 in an amount equal to the one stipulated in the Management Contract concluded on 27 April 2020 between SIF Muntenia SA and SAI Muntenia Invest SA, i.e. the preservation of the amount stipulated in the aforementioned contract;
- The approval of the extension by four years of the Management Contract concluded on 27 April 2020 between SIF Muntenia SA and SAI Muntenia Invest SA.

MANAGER,
SAI MUNTENIA INVEST S.A.
Nicușor Marian BUICĂ
CEO

DRAFTED BY
SAI MUNTENIA INVEST S.A.
Irina MIHALCEA
Chief Accountant

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
SIF Muntenia S.A.

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of SIF Muntenia S.A. ("the Company"), with registered office in Serghei Vasilievici Rahmaninov Street, no. 46-48, ground floor, room 2, sector 2, Bucharest, Romania, identified by unique tax registration code 3168735, which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
2. The financial statements as at December 31, 2023 are identified as follows:
 - Equity RON 2,233,992,011
 - Net profit for the financial year RON 212,803,021
3. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU") and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA - Financial Investments and Instruments Sector, with subsequent amendments (referred to herein as "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 the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 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.

Key audit matter	How our audit addressed the matter
<p>Valuation of equity investments</p> <p>We refer to note 13 to the financial statements which presents the investments in financial assets at fair value, including equity investments representing shares held by the Company. As at December 31, 2023, these equity investments represent approximately 76% of the total assets of the Company.</p> <p>Equity investments presented to Level 3 of the fair value hierarchy represent RON 263.8 million and consist of participations held by the Company in unlisted or listed but not liquid, Romanian companies.</p> <p>The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available as of December 31, 2023 or prior to December 31, 2023, which involves significant judgments and a high degree of estimates.</p> <p>These reports were performed by independent valuers appointed by the Company's management and by authorized in-house valuers of the Company. For the equity investments valued using financial information available prior to December 31, 2023, the management of the Company performed an analysis for the period following the date of the valuation of the participations until December 31, 2023 in order to identify significant changes in the fair values of equity investments as at December 31, 2023.</p> <p>This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the financial statements.</p>	<p>In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures.</p> <p>For the significant listed equity investments, we have evaluated the Company's analyzes and policies regarding trading frequency to identify securities that do not have an active market. For significant listed equity investments within Level 1 of the fair value hierarchy, we assessed the accuracy of the capital market closing price of the shares as of December 31, 2023 or the last available trading day at the end of the reporting period.</p> <p>For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the valuers and their professional competence and independence from the Company.</p> <p>We have assessed the Company Management's analyses for the period following the date of the valuation reports until December 31, 2023, in order to identify significant events which may have a significant impact on the fair value of equity investments as at December 31, 2023.</p> <p>We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the financial statements.</p> <p>We have also considered whether the financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Company and IFRS 13 Fair Value Measurement ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.</p>

Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements for the year ended December 31, 2023, 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.

Other responsibilities of reporting with respect to other information – Administrators' report

With respect to the Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

- a) the information included in the Administrators' report, for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these financial statements;
- b) the Administrators' report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at December 31, 2023, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying 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.
8. In preparing the financial statements, management 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.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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 auditor's 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.
11. 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 auditor's 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 auditor's 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.
12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.
14. 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 auditor's 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

Requirements for audits of public interest entities

15. We were appointed by the Ordinary General Meeting of Shareholders on October 19, 2021 to audit the financial statements of SIF Muntenia S.A. for the financial years ended December 31, 2022, and December 31, 2023. The uninterrupted total duration of our commitment is two years, covering the financial years ended December 31, 2022 and December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

16. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017 and Commission Delegated Regulation (EU) 2019/815 applicable to the financial statements included in the annual financial report of SIF Muntenia S.A. ("**the Company**") as presented in the digital file which contains the unique code ("LEI") 2549007DHG4WLBMAAO98 ("**Digital Files**").

- (i) *Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF*

SIF Muntenia S.A. management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the financial statements to be submitted in accordance with FSA Norm 39/2015.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

- (ii) *Auditor's Responsibilities for the Audit of the Digital Files*

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of 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.

Our firm applies International Standard on Quality Management 1 (“ISQM1”), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with 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 ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company’s process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited financial statements of the Company to be submitted in accordance with FSA Norm 39/2015;
- evaluating if the financial statements contained in the annual report have been prepared in a valid XHTML format.

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

In our opinion, the financial statements for the year ended December 31, 2023 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our audit opinion relating to the financial statements of the Company for the year ended December 31, 2023 is set out in the “Report on the audit of the financial statements” section above.

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 3344

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 28, 2024

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	LEI
1	I. Total asset	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	I.1. Securities and money market instruments 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
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	I.1. Securities and money market instruments of which:	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	I.2. newly issued securities	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
20	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	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	I.4. Bank deposits, of which:	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	I.4. Bank deposits, of which:	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	I.4. Bank deposits, of which:	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	I.5. Derivative financial instruments traded on a regulated market	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
33	I.6. Current accounts and cash	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	I.6. Current accounts and cash	EUR	0,000	0,000	1.664,48	8.234,85	0,000	0,000	1.830,52	9.106,10	871,25
35	I.6. Current accounts and cash	GBP	0,000	0,000	1,00	5,59	0,000	0,000	1,00	5,72	0,13
36	I.6. Current accounts and cash	USD	0,000	0,000	450,69	2.088,77	0,000	0,000	415,26	1.866,92	-221,85
37	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	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
38	I.8. AIF / UCITS participation titles	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	I.8. AIF / UCITS participation titles	EUR	0,000	0,000	0,00	0,00	0,042	0,040	191.318,40	951.732,51	951.732,51
40	I.9. Dividends or other receivables	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	I.10. Equity interests	RON	0,000	0,000	0,00	0,00	0,060	0,058	0,00	1.374.427,00	1.374.427,00
47	I.11. Other assets (amounts in transit, amounts at distributors, amounts at brokers, tangible and intangible assets, receivables, etc.)	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	II. Total liabilities	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 depository	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	III. Net asset value (I-II)	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
TOTAL							1.657.481.625,44		69,851

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 DOROHOI	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
TOTAL							12.499.670,51		0,527

* 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	%	%
Bonds in EUR															
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
Total bonds in EUR													82.252.022,18		3,466
TOTAL													82.252.022,18		3,466

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	INDUSTRIALEXPOR 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	ROMSUIINTEST 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
TOTAL					160.115.355,75		6,747

* 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. 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	%	%
14	ZECASIN SA BUCURESTI	15.921	15,3000	0,0000	0,00	11,620	0,000
TOTAL					0,00		0,000

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 - RO59BRDEXXXXXXXXXXXXXXXXXXX	5.317,91	0,000
5	BRD - GROUPE SOCIETE GENERALE Sucursala MARI CLIENTI CORPORATIVI - RO81BRDEXXXXXXXXXXXXXXXXXXX	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
TOTAL		20.699.621,69	0,871

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			%
EUR bank accounts and cash balance					
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
GBP bank accounts and cash balance					
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			%
USD bank accounts and cash balance					
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
TOTAL				10.978,74	0,000

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
TOTAL							94.349.895,66	3,978

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	%
Deposits in EUR									
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
Deposits in USD									
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
TOTAL							91.741.849,98	3,865	

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
TOTAL						249.712.358,31		10,522

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 denuminate 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 denuminate 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
TOTAL					1,374,427.00		0.058

* 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
Activul Net	2.277.074.918,05	1.854.569.500,07	1.982.585.518,96
Valoarea unitara a activului net	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 Muntenia Invest S.A. on the management of SIF Muntenia 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 Muntenia S.A. is managed by SAI Muntenia Invest S.A. according to the provisions of the special legislation. SAI Muntenia 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 Muntenia 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 Muntenia Invest S.A.
4.	The regulated entity has a communication strategy with the parties concerned to ensure proper information.	YES		By the Administrator SAI Muntenia 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 Muntenia 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 Muntenia 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 Muntenia Invest S.A.
8.	In its activity, the Board has the support of a remuneration committee that issues recommendations.	YES		By the Administrator SAI Muntenia Invest S.A.
9.	The Remuneration Committee submits to the council annual reports about its activity.	YES		By the Administrator SAI Muntenia 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
SECTION A – RESPONSIBILITIES			
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-quotate) 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		

BSE CGC provisions	Complies	Does not comply or partially complies	Observations
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
<p>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.</p>	X		
SECTION B – RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM			
<p>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.</p>		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.
<p>B.2. The audit committee should be chaired by an independent non-executive member.</p>	X		
<p>B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.</p>	X		
<p>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.</p>	X		
<p>B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.</p>	X		
<p>B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.</p>	X		
<p>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.</p>	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		
SECTION C – FAIR REWARDS AND MOTIVATION			
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 www.sifmuntenia.ro 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
SECTION D – BUILDING VALUE THROUGH INVESTORS’ RELATIONS			
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
<p>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.</p>	X		
<p>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.</p>	X		
<p>D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.</p>	X		
<p>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.</p>	X		
<p>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.</p>	X		
<p>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.</p>	X		
<p>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.</p>		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
<p>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.</p>		X	<p>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.</p>

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
1. Remuneration granted to all SAI/AFIA staff (including outsourced positions ¹⁾)	8,889,507	8,781,949	10,292,324	
<i>Fixed remuneration</i>	<i>6,838,201</i>	<i>6,730,643</i>	<i>7,413,240</i>	41
<i>Variable ²⁾ remuneration excluding performance fees, of which:</i>	<i>2,051,306</i>	<i>2,051,306</i>	<i>2,879,084</i>	37
- cash	2,051,306	2,051,306	2,879,084	37
- other forms (separately indicating each category) ³⁾	-	-	-	
<i>Variable ²⁾ remuneration representing performance fees</i>	<i>-</i>	<i>-</i>	<i>-</i>	
2. Remuneration granted to the SAI/AFIA identified staff** (including outsourced positions)	5,683,016	5,650,077	6,797,456	
A. Member of the Board of Directors (CA)/Supervisory Board (CS), of which	1,230,791	1,230,791	1,231,294	3
<i>Fixed remuneration</i>	<i>820,536</i>	<i>820,536</i>	<i>820,536</i>	3
<i>Variable ²⁾ remuneration excluding performance fees, of which:</i>	<i>410,255</i>	<i>410,255</i>	<i>410,758</i>	3
- cash	410,255	410,255	410,758	3
- other forms (separately indicating each category) ³⁾	-	-	-	
<i>Variable ²⁾ remuneration representing performance fees</i>	<i>-</i>	<i>-</i>	<i>-</i>	
B. Managers/Managing Board members, of which:	2,870,262	2,870,262	3,912,062	3
<i>Fixed remuneration</i>	<i>1,801,887</i>	<i>1,801,887</i>	<i>2,202,660</i>	3
<i>Variable ²⁾ remuneration excluding performance fees, of which:</i>	<i>1,068,375</i>	<i>1,068,375</i>	<i>1,709,402</i>	3
- cash	1,068,375	1,068,375	1,709,402	3
- other forms (separately indicating each category) ³⁾	-	-	-	
<i>Variable ²⁾ remuneration representing performance fees</i>	<i>-</i>	<i>-</i>	<i>-</i>	
C. Positions with control duties (expressly indicating all positions included in this category)***	632,916	620,088	658,000	3
<i>Fixed remuneration</i>	<i>567,106</i>	<i>554,278</i>	<i>574,100</i>	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</i> ²⁾ <i>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) ³⁾	-	-	-	
<i>Variable</i> ²⁾ <i>remuneration representing performance fees</i>	-	-	-	
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)****	949,047	928,936	996,100	5
<i>Fixed remuneration</i>	848,154	828,043	853,800	5
<i>Variable</i> ²⁾ <i>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) ³⁾	-	-	-	
<i>Variable</i> ²⁾ <i>remuneration representing performance fees</i>	-	-	-	

* see the provisions of art. 34²(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.

¹⁾ 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.

²⁾ 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.

³⁾ 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

**The Council of Shareholders' Representatives of
Muntenia S.A. Financial Investment Company
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 2023 mandate

Members of the Council of Shareholders' Representatives (B.S.R) of the Muntenia S.A. Financial Investment Company (S.I.F. Muntenia), elected at the Ordinary General Assembly of Shareholders (A.G.A.S.) on June 22, 2022, adopted on March 22, 2024 this Report for the term of office exercised by B.S.R. in the year 2023.

1. Context

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 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, 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.

Locally, according to data presented by the Ministry of Finance, 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.

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% 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.

As for the number of start-ups, the data of the National Trade Register 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).

With regards to the capital market, 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% 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, 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 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).

2. The BSR of SIF Muntenia S.A.: Organization and roles

S.I.F. Muntenia 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. 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.

S.I.F. Muntenia 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.

According to the provisions of SIF Muntenia SA's Articles of Association, the Shareholders' Representative Council (B.S.R.) is a body that represents the interests of SIF Muntenia 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 S.I.F. Muntenia SA chooses the C.R.A. composed of three members, for a term of four years, with the possibility of being re-elected.

The B.S.R structure in 2023, according to the A.G.O.A. resolution of 22 June 2022 for a period of 4 (four) years is the following:

- Stefan Dragoş Gioga - President
- George Alin Ştefan -Member
- Robert-Cosmin Pană -Member

During 2023, 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 S.I.F. Muntenia S.A., the management contract and the decisions of the General Assemblies of S.I.F. Muntenia S.A. (G.A.S.).

B.S.R. meetings were established according to the financial communication schedule of the S.I.F. Muntenia 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 S.I.F. Muntenia SA. Representatives of the management company 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 administrative attributions of SIF Muntenia SA, and SAI Muntenia Invest S.A. as a director, 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.A.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 SIF Muntenia SA are respected in accordance with the management program approved by the shareholders in the O.G.A.S. dated April 27, 2023. 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 SIF Muntenia 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.A.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.

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 2023, B.S.R received and analysed:

- The individual financial statements as at 31.12.2022 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 director of SAI Muntenia Invest SA for the financial year 2022;

- Periodic notices on the management of SIF Muntenia SA and the monthly execution of the revenue and expenditure budget of SIF Muntenia SA;
- The director 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 2023;
- The director report of SAI Muntenia Invest SA and the Interim Financial Statements prepared according to FSA regulation 39/2015 for the first semester of 2023;
- Notices on market operations according to art. 17 let. (g) of the Management Agreement;
- Notices on significant changes in the structure of the Council 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 SIF Muntenia 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 the S.I.F. Muntenia S.A. this part;
- Other information / reports requested by the B.S.R.

We mention that SAI Muntenia Invest promptly responded to all requests made by B.S.R. so that at the date of this Report we can conclude that all requests or recommendations of the B.S.R. made in 2023 were carried out by the manager, and that no situations have been identified that would require additional requests or interventions from the B.S.R.

4. Corporate Events

- The Ordinary General Assembly of Shareholders dated 27.04.2023 approved the annual financial statements of SIF Muntenia S.A. for the financial year 2022 based on the discussions and reports presented by the director of SAI Muntenia Invest S.A., the financial auditor Deloitte Audit SRL and the Council of Shareholders' Representatives (B.S.R.). The Management Program of SIF Muntenia S.A. was also approved and the Budget of revenues and expenditures for the financial year 2023 according to the proposals of the director of SIF Muntenia S.A.

- The Extraordinary General Meeting of Shareholders held on 21.06.2023 (at the first convocation) approved the 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 same Extraordinary General Meeting of Shareholders held on 21.06.2023 approved the change of Company name from Societatea de Investiții Financiare Muntenia SA to Bedrock Investment Group SA as well as the amendment of the Company Articles of Incorporation accordingly.
- The Ordinary General Meeting of Shareholders held on October 25, 2023 (at the first convocation) elected the appointment of the financial auditor KPMG Audit SRL, according to the recommendation of the Audit Committee, approved by the Board of Directors of the Administrator, SAI Muntenia Invest SA, for a period for 2 years, starting from 01.05.2024, for the financial years 2024 – 2025.

5. SIF Muntenia financial results for 2023

The company records, on 31.12.2023, a net profit of 212.80 million lei.

The value of total assets on December 31, 2023 increased by 390.09 million lei, respectively by 20.11%, compared to the value on December 31, 2022.

The main changes to the asset elements compared to 2022 are as follows:

- Cash and cash equivalents and deposits placed with banks increased, compared to 31.12.2022, by 70.35 million lei, a fact due to the Administrator's decision, with the mention that the strategy regarding the liquidity of the Company's portfolio was respected (% of total assets on 31.12. 2023 – 8.88%);
- Financial assets at fair value through profit or loss appreciated by 146.15 million lei, respectively 16.03%, compared to the value recorded on December 31, 2022, as a result of the increase in the value of assets that are part of this class. At the end of 2023, Biofarm SA represents 17.65% of the total assets of the Company (31.12.2022: 16.17%);

- Financial assets at fair value through other elements of the global result increased by 199.88 million lei, respectively 22.51%, as a result of recording favorable differences in fair value, in particular, for issuers traded on the regulated market or SMT. On 31.12.2023, the package held at Banca Transilvania SA represented 21.62% of the total assets of the Company (31.12.2022: 19.28%).

Equity holds the major share in the liability structure. They increased by 20.21% compared to the end of the previous year, representing a variation of 375.57 million lei, mainly due to positive differences in the fair value of financial assets recorded in the category Financial assets at fair value through other elements of the result global as of December 31, 2023 and of the retained earnings.

The total revenues of the Company recorded in 2023 exceeded the budgeted value approved by the shareholders by 36.88%.

The total expenses reached a level of 158.75% of the budgeted value for the year 2023 and are mainly made up of the following subcategories:

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

- The management fee calculated and paid monthly 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 value of this commission was 31.52 million lei.

- The performance fee calculated at the end of the year, which is paid after the approval by the Company's AGM of the financial statements, is equal to 10% of the amount by which the gross profit achieved exceeds the gross profit provided for in the Revenue and Expenditure Budget approved by the AGM, for the year for which the profit was recorded. In 2023, the value of this commission was 18.71 million lei. The performance fee has not been budgeted.

In 2023, the Company collected dividends from its subsidiaries in the amount of 35.80 million lei, which represents 46.48% of the total dividends collected during the year.

On 31.12.2023 the net asset value of these subsidiaries, certified by the Depository, was 747.74 million lei (31.12.2022: 614.56 million lei), and the percentage of the total assets of the Company was 31.51 % (31.12.2021: 31.77%).

During the analyzed period, the coupons of the bond issues issued by Opus - Chartered Issuances SA were collected in a total amount of 1.63 million lei (328,200 EUR).

As of December 31, 2023, the Company has in its portfolio fund units in 12 investment funds (5 open investment funds and 7 closed investment funds).

The total value of fund units in the net asset on 31.12.2023 is 250,664,091 lei. Comparing with the balance on 31.12.2022 (respectively 210,984,517 lei), in 2023 a net gain was recorded in the amount of 39,679,573.85 lei, which comes from the increase in value of these fund units, classified in the category of financial assets measured at fair value through profit or loss.

During the year 2023, SIF Muntenia SA subscribed to the newly established company ICPE Electric Motors SRL, by acquiring a number of 10,000 shares, the total value of the transaction being 1,000,000 lei.

On 31.12.2023, the shares owned by SIF Muntenia SA totaled 1,374,427 lei.

At the end of 2023, we find that SAI Muntenia Invest managed SIF Muntenia in accordance with the established strategic objectives.

6. Conclusions and recommendations of the B.S.R. addressed to the administrator of SAI Muntenia Invest S.A.

In relation to the activities and discussions between the members of the B.S.R. and the representatives of the administrator of SAI Muntenia Invest SA, in 2023 emphasis was placed on the observance of the prudential norms provided in the applicable legislation in force, in accordance with the objectives assumed by the administrator through the administration and risk management of the assets of SIF Muntenia SA with the recommendation of increased attention to the macroeconomic risk factors present in 2023, respectively former inflation and geopolitical uncertainty, factors with important economic, financial and social implications. The still high price levels, especially of food products and those on the energy market, fuelled the inflationary phenomenon, and the evolution of the war between Russia and Ukraine together with the war between the Hamas group and Israel are among the additional risks of a geopolitical nature.

B.S.R. maintains the request addressed to the administrator regarding the obligation to permanently adopt an adequate vigilance in the management of the financial assets of SIF Muntenia in order to preserve the integrity of the assets of SIF Muntenia by:

- making financial investments in order to maximize the value of one's own shares, in accordance with the regulations in force;
- managing the investment portfolio and exercising all the rights associated with the instruments in which it invests;

- proper monitoring and management of risks.

This report of the Council of Shareholders' Representatives of Muntenia S.A. Financial Investment Company is addressed exclusively to the shareholders of SIF Muntenia S.A. and to be presented at the Ordinary General Assembly of Shareholders of SIF Muntenia S.A. convened for April 29/30 2024.

Chairman of the Council of Shareholders' Representatives,

Stefan Dragos GIOGA

The annual remuneration report of SIF Muntentia SA for the year 2023

1. Introduction

The Asset Manager of SIF Muntentia SA (“the Company”), SAI Muntentia Invest SA (“the Asset Manager”), 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 Asset Manager of the Company and the Board of Shareholders' Representatives (“BSR”) during the financial year ended December 31, 2023s.

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 director of SAI Muntentia Invest SA, in accordance with the Remuneration Policy.

The Remuneration Policy was prepared by the Asset Manager, approved by the BSR of SIF Muntentia SA and by the Ordinary General Assembly 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”).

Considering that SIF Muntentia SA is managed by SAI Muntentia Invest SA, according to the management contract approved by the General Assembly of Shareholders (GAS) on April 23, 2020, approved by FSA according to Opinion no. 165 / 22.07.2020, for a period of 4 years (“Management Agreement”), and that SIF Muntentia SA has only one employee and the Asset Manager has its own remuneration policy, this report mainly reflects the existing commitments with the Asset Manager.

This Report shall be subject to the advisory vote of the Ordinary General Assembly 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, SIF Muntentia 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 Asset Manager 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.

III. The Management Contract of the Asset Manager of SIF Muntenia SA

The Management Contract of April 23, 2020 is endorsed by the FSA by Notice no. 165 / 22.07.2020 and was approved by the shareholders at the Ordinary General Assembly of Shareholders of the Company on April 23, 2020. The value of the management contract concluded between the Company and the Asset Manager 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 management fee consists of a fixed part (monthly management fee) and a supplementary part (performance fee):

- the fixed part is calculated and paid monthly and is equal to 0.125% of the value of the total asset as it was certified by the Company's Depository for the last day of the month. The total value of the administration commission of SIF Muntenia SA (fixed part) for the year 2023 is 31.519.618 lei;
- the supplementary part or the performance fee represents the Manager's right to a supplementation of its income 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 gross profit exceeds the gross profit provided in the Revenue and Expenditure Budget approved by the GMS of the Company, the year in which the profit was recorded. In 2023, SIF Muntenia SA recorded a gross profit that exceeds the gross profit provided for in the Revenue and Expenditure Budget, and the performance fee is 18,706,650 lei.

Thus, the management fee of the Asset Manager for the financial year 2023 was in the amount of 50.226.268 million lei, representing 2.45% of the average net assets, respectively 2.39% of the total average assets of the Company in 2023.

Given that the performance fee is granted only depending on how the Asset Manager meets the performance criteria and the objectives established annually by the GAS SIF Muntenia 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 Management Fee of the Asset Manager (monthly management fee + performance fee) in the last 5 years is presented in the table below:

Total Management Fee	2023	2022	2021	2020	2019
Amount in Lei	50.226.268	29.414.617	52.895.241	19.939.043	26.141.496
% variation year to year	70,75%	-44,39	165,28	-23,73	50,24

The variation from one year to another of the Management Fee is determined by:

- in the period from January 1st, 2018 to July 24th, 2020, the monthly management fee was calculated according to the management contract dated 01.07.2009, as a percentage (0.08%) of the net assets certified by the depository 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 GAS of the Company. The value of the monthly management fee cannot be lower than 1.450.000 Lei.

- in the period from 24 July 2020 to 31 December 2023, the monthly management 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 fee of performance 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 GAS of the Company.

The structure of the management commissions in the last 5 years was as follows:

Management fee	2023	2022	2021	2020	2019
Monthly management fee	31.519.618	29.414.617	28.716.859	19.939.043	17.400.000
Performance fee	18.706.650	-	24.178.381	-	8.741.496

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

Indicator	2023	2022	2021	2020	2019
Average net assets	-	-	-	-	1.467.154.498
Average total assets	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 Asset Manager is the following:

Indicator	2023	2022	2021	2020	2019
Budgeted gross profit	30.550.000	41.300.000	26.160.000	33.600.000	30.900.000
(Gross profit)/ Gross loss realized	220.951.599	(33.127.336)	269.012.316	(36.097.196)	120.402.877

The Asset Manager of the Company did not obtain other benefits from SIF Muntenia 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 SIF Muntenia SA group.

Also, within the meaning of art. 107, para. (2), letter d) of Law 24/2017, the Asset Manager did not receive any shares or options per share from the issuer SIF Muntenia SA.

IV. Remuneration of SIF MUNTENIA SA employees

SIF Muntenia 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 2019-2023, SIF Muntenia 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 Asset Manager of SIF Muntenia 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 GAS, for a term of 4 years, the current members being appointed starting with 25.06.2018. In the OGAS of SIF Muntenia SA of June 22, 2022, the members of the BSR members were re-elected/elected for a 4-year term. In the These represent the interests of the Company's shareholders in relation to its Asset Managers.

The powers and responsibilities of the BSR are set out in the Articles of Incorporation of the Company and, inter alia, 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 2019-2023 was as follows:

The net amounts are expressed in Lei

Position	2023	2022	2021	2020	2019	Fixed pay ratio	Supplementary pay ratio
BSR President	120.000	120.000	120.000	120.000	120.000	100%	n/a
BSR members (2 members)	132.000	133.550	132.000	132.000	132.000	100%	n/a

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 SIF Muntenia 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 options per share from the issuer of SIF Muntenia SA.

VI. Final provisions

The Remuneration Report of SIF Muntenia SA for the year 2022 was submitted to the vote of the Ordinary General Assembly of Shareholders (OGAS) of SIF Muntenia SA on 27.04.2023. 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 an advisory 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 managers.

The Remuneration Report will be submitted to the consultative vote of the OGAS, will be published on the website of SIF Muntenia SA at www.sifmuntenia.ro and will remain available to the public for 10 years from publication, in accordance with the applicable legal provisions.

Nicușor Marian BUICĂ
CEO
of SAI MUNTENIA INVEST S.A.
Manager of SIF Muntenia SA