



SIMPLIFIED PROSPECTUS
of
EVERGENT INVESTMENT S.A.

**Closed-end retail investors alternative investment
fund, diversified, setup as Investment Company, self-
managed**



Drive for
performance

SIMPLIFIED PROSPECTUS of EVERGENT Investments SA
Closed-end retail investor alternative investment fund, diversified, setup as
investment company, self-managed



SIMPLIFIED PROSPECTUS of **EVERGENT INVESTMENTS SA**

In view of the authorization of EVERGENT Investments SA as closed-end retail investors alternative investment fund, setup as an Investment Company – self-managed

Date of FSA approval June 25th, 2021

INVESTMENTS IN SHARES ISSUED BY EVERGENT INVESTMENTS SA, STOCK SYMBOL EVER, ARE NOT BANK DEPOSITS, AND BANKS, SHOULD THEY HOLD THE QUALITY OF EVERGENT INVESTMENTS SA SHAREHOLDER, DO NOT OFFER ANY GUARANTEES TO INVESTORS REGARDING THE RECOVERY OF INVESTED AMOUNTS.

APPROVAL AND RUNNING OF THE PUBLIC OFFERING OF EQUITY SECURITIES BY F.S.A DOES NOT INVOLVE ANY KIND OF APPROVAL OR ASSESSMENT BY FSA OF THE QUALITY OF INVESTMENTS IN THOSE PARTICULAR SECURITIES, BUT CONFIRMS THAT THE OFFEROR ABIDES BY THE PROVISIONS OF LAW NO. 74/2015, LAW NO. 243/2019 AND REGULATION NO. 7/2020;

THE HOLDING OF SHARES ISSUED BY EVERGENT INVESTMENTS SA INVOLVES NOT ONLY THE ADVANTAGES THAT ARE SPECIFIC TO THEM BUT ALSO THE RISK OF FAILURE TO REACH OBJECTIVES, INCLUDING LOSSES FOR INVESTORS, THE INCOME DRAWN FROM INVESTMENTS USUALLY BEING PROPORTIONATE TO THE RISK.

The present **Simplified Prospectus** of EVERGENT INVESTMENTS SA (hereinafter referred to as Company), closed-end, diversified alternative investment fund for retail investors, setup as investment company – self-managed, hereinafter referred to as **Prospectus**, has been prepared by the Company abiding by the special provisions foreseen by Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of legal acts (**AIF law**), the provisions of Financial Supervision Authority Rule no. 7/2020 on the authorization and functioning of alternative investment funds, hereinafter referred to as **AIF Regulation**, the regulations and instructions issued to apply them and (**EU Regulation 2017/1129**) on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

The simplified prospectus may be consulted, along with the Fund Rules, current regular reports and other legal documents that regulate the activity of EVERGENT INVESTMENTS SA, on the following internet page: www.evergent.ro.

A. PROSPECTUS OVERVIEW ¹

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1. 1. INTRODUCTION

1.1. Cautions

Based on art. 14 EU Regulation 2017/1129 applicable for issuers of securities admitted to trading on a regulated market continuously for at least the last 18 months, EVERGENT INVESTMENTS S.A. issues the present SIMPLIFIED PROSPECTUS that includes: **Prospectus Summary, Specific registration document and Specific securities note**

The summary of the Simplified Prospectus must be read as an introduction to the Prospectus.

- 2.** *Any investment decision in shares issued by EVERGENT INVESTMENTS should be based on the examination of the entire prospectus by the investor.*
- 3.** *The investor may lose the entire invested capital, or part of it.*
- 4.** *If an action is brought before the court regarding the information contained in the prospectus, the applicant investor may, in accordance with the national law of member states, be required to bear the costs for the translation of the prospectus before the legal proceedings begin.*
- 5.** *Only individuals who have presented the Summary, including any translation of it, but only if it is misleading, inaccurate or contradictory in relation to other parts of the prospectus, or does not provide, in relation to other parties of the prospectus, key information to help investors decide whether or not to invest in such securities, may be held liable.*

Investors are warned that they are about to purchase a product that is not simple and may be difficult to understand.

1.2. Information on EVERGENT INVESTMENTS SA

The securities issued by EVERGENT INVESTMENTS SA are shares, traded on the regulated market of Bucharest Stock Exchange- symbol **EVER**, main segment, Premium category, since 01.11.1999; Premium category, starting on 01.11.1999; international securities identification no. (ISIN) is ROSIFBACNORo.

EVERGENT INVESTMENTS SA (hereinafter referred to as **Company**) with registered office in Romania, Bacau municipality, Pictor Aman Street, no. 94C, postal code 600164, phone/fax/e-mail: 0234576740/0234570062/office@evergent.ro, tax registration code 2816642, trade registry entry no. J4/2400/1992 – EUID: ROONRC. Jo4/2400/1992, code LEI 254900Y1O0025N04US14, is a

¹ Structure compliant with art.7 (EU) Regulation 2017/1129

closed-end alternative investment fund for retail investors, diversified, setup as an investment company, self-managed.

Competent authority: Financial Supervision Authority (F.S.A.) headquartered in Splaiul Independenței nr. 15, sector 5, postal code 050092, Bucharest - Romania.

2. KEY INFORMATION ON THE ISSUER EVERGENT INVESTMENTS SA

2.1. Who is the issuer of the securities?

EVERGENT INVESTMENTS SA (hereinafter referred to as **Company**) is a joint-stock company functioning as a closed-end investment company, defined by art. 1 line (3) of (EU) Regulation no. 694/2014, listed on Bucharest Stock Exchange. EVERGENT INVESTMENTS SA shares do not have redemption option, and shareholders do not have the right to request that their shares be bought by the Company.

The Company is authorized as Alternative Investment Funds Manager (A.I.F.M.), in accordance with the provisions of Law no. 74/2015 on the managers of alternative investment funds, based on F.S.A authorization no. 20/23.01.2018. The Company is registered in F.S.A Register in Section – Alternative Investment Funds Managers, subsection – Alternative Investment Fund Managers certified by F.S.A, (A.F.I.A.) under no. PJR071AFIAA/040002.

EVERGENT INVESTMENTS SA is a closed-end alternative investment fund (AIF), diversified, destined for retail investors, self-managed. The Company is self-managed in a unitary system by a Board of Directors. EVERGENT INVESTMENTS SA is classified according to the regulations applicable to significantly large AIFM, defined by art. 7 line (3¹) of FSA Regulation no. 10/2015 on the management of alternative investment funds, that “those F.S.A authorized A.I.F.M. that manage AIF portfolios with assets value of at least 200 million euro, lei equivalent, or who have had an average number of permanent employees of at least 30 during the previous calendar year”.

The Company has a subscribed and paid-up capital of 98.947.917,60 lei, the number of issued shares being 989.479.176, and the nominal value of a share is 0,1 lei/share.

The duration of the Company is 100 years. Shareholders have the right to extend the duration of the company before its expiry, through the resolution of the Extraordinary General Meeting of Shareholders.

According to the Memorandum of Association, the main activity is, in accordance with NACE code 6499 – Other financial service activities n.e.c. The Company’s object of activity is:

- a) Portfolio management
- b) Risk management
- c) Other auxiliary and connected collective management activities allowed by the legislation in force.

Shareholding structure: 100% private. Free float: 100%, on the date the present Simplified Prospectus is prepared, the Company does not have majority shareholders and is not held, or controlled neither directly, nor indirectly.

The Company is self-managed in an unitary system by a Board of Directors. The members of the Board of Directors are presented in Chapter B “Registration document for units issued by closed-end collective investment entities”, Section 6 Management, governing and supervision bodies and higher management.

The annual financial statements of EVERGENT INVESTMENTS for the reference period 2018-2020, that lay at the base of the prospectus preparation, have been audited:

- (a) for 2018, by DELOITTE Audit SRL, registered in the Trade Registry under no. J40/6775/1995, tax code RO 7756924, headquartered in Bucharest, The Mark building, Calea Griviței no. 84-98 and 100-102, 8th and 9th floor, 1st District, registered with the Chamber of Financial Auditors in

Romania under no. 25/25.06.2001. EVERGENT INVESTMENTS SA has entered an agreement with DELOITTE AUDIT SRL Service Agreement no. 18079/ 12.07.2017.

- (b) for 2019-2020, by KPMG Audit SRL, registered in the Trade Registry under no. J40/4439/2000, tax code RO 12997279, headquartered in Bucharest, Victoria Business Park, Șoseaua Bucuresti-Ploiesti, no. 69-71, 1st district, postal code 013685, registered with the Chamber of Financial Auditors of Romania under no. 9. EVERGENT INVESTMENTS SA has entered an agreement with KPMG S.R.L. Service Agreement no. 4523 /25.07.2019.

2.2. What are the key financial information of the issuer?

Selected historic key financial information on the issuer, presented for each financial year in the period targeted by the historic financial information (2018-2020) and for the 3 months' period concluded on 31st March 2021 (including comparative financial information).

✓ Individual statement of comprehensive income:

(lei)	2018 (audited)	2019 (audited)	2020 (audited)	31 st March 2020 (unaudited)	31 st March 2021 (unaudited)
Revenue	<i>Restated</i>				
Gross dividend revenue	95.594.508	97.667.837	89.107.709	170.975	880.833
Interest revenue	2.427.375	4.221.743	2.913.568	905.013	766.966
Other operating revenue	4.848.622	2.237.211	1.082.041	372.433	280.869
(Net gain)/ Net loss from financial assets at fair value through profit or loss	(16.200.763)	79.182.413	(50.074.477)	(67.211.590)	27.356.362
Net gain from the disposal of assets	256.705	-	191.429	-	-
Net gain from the revaluation of investment property	-	632.131	(33.547)	-	-
Expenses					
(Loss)/loss reversal from financial assets impairment	1.533.626	(249.579)	(274.502)	(10.763)	(77.026)
(Setup)/reversal of provisions for risks and expenses	-	2.196.967	239.144	-	(1.800)
Expenses with wages, remunerations and other similar expenses	(23.313.351)	(29.935.965)	(23.607.641)	(4.240.450)	(4.844.284)
Other operating expenses	(10.014.164)	(9.915.247)	(9.067.642)	(2.060.423)	(2.179.993)
Operating Profit/(Loss)	55.132.559	146.037.511	10.476.082	(72.074.805)	22.181.927
Interest expense from lease liability contracts	-	(35.336)	(39.736)	(7.093)	(9.386)
Profit/(Loss) before tax	55.132.559	146.002.175	10.436.346	(72.081.898)	22.172.541
Profit tax	(4.972.610)	(18.632.548)	(4.609.320)	(85.808)	(2.875.258)
Net profit/ (net loss) of the financial year	50.159.949	127.369.627	5.827.026	(72.167.706)	19.297.283
Other comprehensive income elements					
Other gain from the derecognition of financial assets at fair value through other comprehensive income	-	423.500	-	-	-
Increase/ (decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	52.666	(140.859)	(170.598)	6.098	6.166
Net gain from the revaluation of financial assets measured at fair value through other comprehensive income/ financial assets available for sale	12.845.408	341.465.711	(153.598.721)	(396.161.602)	98.925.539
Other comprehensive income elements – elements that will not be reclassified in profit or loss	12.898.074	341.748.352	(153.769.319)	(396.155.504)	98.931.705
Net gain from the revaluation of FVTOCI bonds	-	130.959	29.587	(73.054)	58.715

Other elements of comprehensive income-elements that will be reclassified in profit or loss	-	130.959	29.587	(73.054)	58.715
Other comprehensive income elements - Total	12.898.074	341.879.311	(153.739.732)	(396.228.558)	98.990.420
Total comprehensive income of the financial year	63.058.023	469.248.938	(147.912.706)	(468.396.263)	118.287.703
Basic and diluted earnings per share (net profit per share)	0,0504	0,1290	0,0059	(0,0737)	0,0197
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	0,0938	0,2008	0,0571	(0,0712)	0,0322

✓ **Individual statement of financial position:**

(lei)	31 st December 2018 (audited)	31 st December 2019 (audited)	31 st December 2020 (audited)	31 st March 2021 (unaudited)
Assets				
Cash and current account	278.239	1.291.803	327.423	199.047
Bank deposits	74.536.926	97.115.086	85.057.575	116.744.332
Financial assets measured at fair value through profit or loss	341.800.429	389.164.163	364.462.371	379.841.923
Financial assets measured at fair value through other comprehensive income	1.441.126.064	1.830.970.481	1.643.409.645	1.721.168.083
Bonds at amortized cost	7.821.978	24.530.592	16.644.595	16.914.097
Bonds at fair value through other comprehensive income	-	3.942.270	3.802.401	3.947.836
Investment property	3.505.273	4.137.404	4.103.857	4.103.857
Intangible assets	26.723	58.092	368.884	388.122
Plant, property and equipment	8.461.441	7.907.094	7.503.594	7.388.630
Right-of-use asset	-	974.181	1.132.811	1.067.886
Other financial assets at amortized cost	8.556.152	3.861.629	8.104.606	1.602.868
Other assets	192.852	168.914	344.410	453.077
Total assets	1.886.306.077	2.364.121.709	2.135.262.172	2.253.819.758
Liabilities				
Lease liabilities	-	1.002.104	1.070.045	1.016.308
Dividends payable	34.768.768	31.036.100	35.818.292	35.584.528
Provisions for risks and expenses	2.565.455	368.488	129.344	131.144
Deferred tax liabilities	69.143.317	122.787.036	90.800.183	108.375.444
Current tax liabilities	1.669.219	7.912.060	4.171.854	5.681.296
Financial liabilities at amortized cost	12.140.530	1.016.121	944.439	1.399.064
Other liabilities	3.608.963	2.515.951	3.292.889	2.407.652
Total liabilities	123.896.252	166.637.860	136.227.046	154.595.436
Equity				
Share capital	526.723.352	521.004.761	514.402.388	514.402.388
Retained earnings	717.946.800	881.728.409	871.860.684	903.359.214
Reserves from the revaluation of property, plant and equipment	8.850.223	8.698.494	8.527.896	8.534.062
Reserves from the revaluation of financial assets at fair value through other comprehensive income	524.449.576	795.634.481	591.817.817	678.600.824
Treasury shares	(28.598.935)	(30.335.310)	(9.595.338)	(27.463.896)
Equity-based payments to employees, directors and administrators	12.931.076	20.142.446	18.457.300	18.457.300
Other equity elements	107.733	610.568	3.564.379	3.334.430
Total equity	1.762.409.825	2.197.483.849	1.999.035.126	2.099.224.322

Total liabilities and equity	1.886.306.077	2.364.121.709	2.135.262.172	2.253.819.758
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Independent auditors have audited the Company's financial statements for the financial years concluded on 31st December 2020, 31st December 2019 and 31st December 2018 and issued audit reports without reserves regarding the financial statements. According to the auditors, the individual financial statements illustrate a true image of the individual financial position, and individual performance and individual cash flows on the dates, namely for the financial years mentioned above, in accordance with FSA Rule no. 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA. The interim financial statements on 31st March 2021 have not been audited.

2.3. What are the main risks specific to the issuer?

An investment in shares involves complex financial risks.

Any of the following risk factors may, either individually, or in combination with other risk factors, or under certain circumstances, have adverse material effects on the issuer's business, financial condition and results of the operations, as well as on the shares market price, and there is the risk of losing the investment in full, or in part. Below, the Company presents a description which is not intended to be exhaustive, of the most important specific risk factors however, it is possible that these risks and uncertainties are not the only ones the Company faces.

In its current activity, the Company may face both the specific risks that stem from its current operations and indirect risks that occur following the running of operations and services in collaboration with other financial entities. The risks below are the most significant risks that the Issuer is aware of at present.

Risk factors, that are specific for the investment portfolio:

- Market risk**, with its main subcategories: position/price risk, currency risk, interest rate risk. Market risk represents the risk of loss for the institution stemming from the fluctuation of the market value of items in the financial instruments portfolio, fluctuation that can be attributed to modification of market variables: share prices, currency rates, interest rates, that might change the revenue of the institution or the value of the financial assets held.
- Liquidity risk**, with subcategories: cash-flow risk, asset liquidity risk. The liquidity risk is the current or future risk of negative impact on profit and capital, caused by the company's inability to fulfill obligations on their maturity.
- Issuer risk**, with subcategory: concentration risk – Issuer Risk represents the current or future risk of loss of the value of a title in the portfolio, either due to the deterioration of its economic-financial situation, or due to business conditions (failure to function or failure to correlate its internal activity according to its business plan), or due to external events, trends and changes that could not have been known and prevented through the control system. Associated with issuer risk, the Company is exposed to **concentration risk** – the risk of bearing losses from inadequate diversification (heterogeneous distribution) of equity exposure on terms, industrial sectors, geographic regions or companies/issuers.
- Credit and counterparty risk** – Credit risk is the risk of financial losses for the Company, stemming from the uncertainty of the capacity, ability or will of the business parties to fulfill their contract obligations. Counterparty risk is a risk associated with credit risk and represents the risk that a counterparty in a transaction to infringe its contract obligation before the final settlement of transaction cash flows.

Risk factors that are specific for the activity:

- Operational risks**, with subcategories: risk related to information technology (IT), risk related to professional responsibility, compliance risk, model risk; risk related to outsourced activities, risk related to money laundering and the financing of terrorist acts. Operational risks consider losses caused either by the use of certain internal processes, systems or human resources that are improper and cannot fulfill their function adequately, or external events and actions. Legal risk is also included in this risk category. At the same time, according to art. 12 paragraph (1) of EU Regulation 231/2013 operational risks consider risks related to professional responsibility defined as the risk of loss or damage caused by a relevant individual through his/her negligence in carrying out his/her activities, for which the alternative investment fund managers bears legal responsibility.

6. **Other risks**, with subcategories: reputational risk, strategic risk, regulation risk, systemic risk, conflicts of interest risks, risk associated to activities carried out by the subsidiary of the Company, risk related to sustainability.

Derivative transactions can expose us to unexpected risk and possible losses.

The categories of financial instruments in the portfolio of EVERGENT INVESTMENTS SA and the risks related to them are the following:

- ✓ Shares – risks related to: price/position, liquidity, currency, concentration
- ✓ Bonds – risks related to: currency, credit and counterparty, interest rate
- ✓ Bank deposits – risks related to: currency, credit and counterparty, liquidity, interest rate
- ✓ Current accounts – risks related to: credit and counterparty, currency
- ✓ UCITS/AIF investments – risks related to: price/position risk, liquidity

3. KEY INFORMATION ON SECURITIES – EVERGENT INVESTMENTS SA SHARES, STOCK SYMBOL EVER

3.1. What are the main characteristics of the securities?

Shares issued by EVERGENT INVESTMENTS SA are nominative, indivisible, of equal value, dematerialized and recorded through account entry, traded on the regulated market of Bucharest Stock Exchange – symbol: EVER, ISIN code: ROSIFBACNORo.

The company has a number of 989.479.176 issued shares. The company shareholder status and the number of shares held are attested through a bank statement issued by the entity holding the shareholders' record, Depozitarul Central S.A or, depending on the case, by the participants defined in accordance with the law in force, that supply custodian services. Rights corresponding to the equities: dividend right, vote right, trading right, information right.

The relative rank of securities in case of insolvency: In case the company enters insolvency procedure, shareholders may submit a claim for the amounts owed by the Company, according to the law.

3.2. What are the main risks specific to securities?

1. **Market price volatility** – share market price is volatile and liable to sudden and significant decrease. Price decrease may be caused by a series of factors including the difference between the results made public by the Issuers and forecasts of analysts; volatility of the general share price on the markets on which shares are listed or world markets. Therefore, investors may experience an important decrease of share market value.
2. **Liquidity degree of securities** – Due to the low liquidity degree that is specific for BVB market, it may have a negative impact on the liquidity of EVER Shares and may lead to low trading volumes. The liquidity degree of securities may negatively affect the price for which an investor may dispose of securities, in case the investors want to sell in a short time.
3. **Trading halt at Bucharest Stock Exchange-** FSA is authorized to suspend the trading of securities or request, depending on the case, that the market operator suspend the trading of securities traded on the stock market, if the continuation of trading would negatively affect the interests of investors, or to the extent that the issuer in question would infringe its obligations according to relevant rules and directives on security. At the same time, Bucharest Stock Exchange has the right to suspend the trading of EVER shares under other circumstances as well, in accordance with its regulations. Any suspension may affect the trading price of EVER shares.
4. **The Company's ability to pay dividends to shareholders may be limited** – being a self-managed investment company whose main activity is making and managing investments in the assets listed in the investment policy, our ability to generate revenue and pay dividends depends on the ability of our investments to declare and pay dividends. The remuneration method of EVERGENT INVESTMENTS shareholders may change through the dividend distribution policy, through the decision to reinvest profit or through share redemption programs.
5. **Currency risk to which foreign investors in EVER shares are exposed** – investments in EVER shares of an investor, whose main currency is not leu, exposes the investor to currency risk. A depreciation of the leu in relation with any foreign currency will lower the value of EVER share investments.

3.3. Dividend policy

Given the increase of volatility of capital markets, the Board of Directors aims to create a balance between the provision of resources for investment programs set annually, the expectations of shareholders on the short term, namely distribution of dividends and long-term expectations of shareholders, namely NAV and price increase.

The proposals of the Board of Directors aims at remunerating shareholders both to the offering of

cash dividend and the running of a redemption program through a Public Offering. The mixture of policies that includes dividend assignment and the possibility to subscribe in a public offering offers a higher return than that of classic dividend distribution.

3.4. Where are securities traded?

EVERGENT INVESTMENTS SA shares are traded on the regulated market of Bucharest Stock Exchange - symbol **EVER**, main segment, Premium category, since 01.11.1999. EVER shares may be bought and sold during trading sessions. Shareholding structure: 100% private. Free float: 100%. Currency used for denomination is RON.

International identifiers: Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNORo; Bloomberg: BBGID BG000BMN5F5; Reuters: EVER.BX. LEI code: 254900Y100025N04US14

3.5. Is there a guarantee corresponding to the securities? - NA

3.6. Key Information Document.

The key information document is a distinct material that can be consulted on website www.evergent.ro. The document contains information regarding this investment product, shares issued by EVERGENT INVESTMENTS SA, to help investors understand the nature, risks, costs, potential gains and losses that derive from this product and to help them compare it to other products..

6. 4. KEY INFORMATION ON THE PUBLIC OFFERING OF SECURITIES, AND/OR ADMISSION FOR TRADING ON A REGULATED MARKET.

4.1. What are the conditions and calendar for investing in this security?

EVER shares are traded on Bucharest Stock Market, Main segment, Premium category – symbol EVER since 01.11.1999 and can be purchased and sold during BVB trading sessions.

4.2. Who is the offeror and/or individual requesting the admission to trading?

Not the case.

4.3. Why was this prospectus prepared?

The present simplified prospectus of EVERGENT INVESTMENTS SA was prepared by the company abiding by special provisions foreseen by Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of legal acts and the provisions of the Regulation of Financial Supervision Authority no. 7/2020 on the authorization and functioning of alternative investment funds, in order to authorize EVERGENT INVESTMENTS SA as *Closed-end alternative investment fund, destined for retail investors, diversified, setup as an investment company – self-managed*.

B. REGISTRATION DOCUMENT FOR UNITS OF CLOSED-END COLLECTIVE INVESTMENT UNDERTAKINGS ²

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Section 1. Persons responsible, third party information, experts' reports and competent authority approval

²Structure as per Annex 4 corroborated with Annex 3 of the Commission Delegated Regulation (EU) 2019/980

- Section 2. Statutory auditors
- Section 3. Risk factors
- Section 4. Information about the issuer
- Section 5. Profit forecasts or estimates
- Section 6. Administrative, management and supervisory bodies and senior management
- Section 7. Major shareholders
- Section 8. Transactions with related parties
- Section 9. Financial information concerning assets and liabilities
- Section 10. Additional information
- Section 11. Regulatory disclosures
- Section 12. Material contracts
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- Section 14. Investment restrictions
- Section 15. The applicant's service providers
- Section 16. Investment managers/advisers
- Section 17. Custody
- Section 18. Valuation
- Section 19. Crossed obligations
- Section 20. Financial information

SECTION 1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1. Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.

The persons responsible for the information included in the Prospectus and its annexes are the members of the Board of Directors and members of executive management, namely:

1. Doros Liviu Claudiu – CEO;

2. Iancu Catalin-Jianu-Dan – vice-president of the Board of Directors, deputy-CEO;
3. Ceocea Costel –non-executive member;
4. Ciorcila Horia – non-executive member, independent.
5. Radu Octavian Claudiu –non-executive member, independent.

2. A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its significance.

The persons responsible for the registration document declare that, to the best of their knowledge, the information contained in the registration document is in accordance with fact and that the document does not include omissions likely to affect its significance.

3. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their significance.

Not applicable.

4. Where a statement or report attributed to a person as an expert is included in the Registration Document, provide the following details for that person:

- (a) name;
- (b) business address;
- (c) qualifications;
- (d) material interest if any in the issuer.

If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorized the contents of that part of the registration document for the purpose of the prospectus.

Not applicable

5. Where the information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

Not applicable.

6. A statement that:

- (a) the [registration document/prospectus] has been approved by the [name of competent authority], as competent authority under Regulation (EU) 2017/1129;
- (b) the [name of competent authority] only approves this [registration document/prospectus] as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- (c) such approval shall not be considered as an endorsement of the issuer that it the subject of this [registration document/prospectus].
- (d) that the [registration document/prospectus] has been drawn up as part of a simplified

prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

The prospectus is submitted for the approval of the Financial Supervision Authority as competent authority based on (EU) Regulation 2017/1129.

The Financial Supervision Authority approves this Prospectus only from the point of view of its meeting the standards on exhaustive, intelligible and coherent nature imposed by (EU) Regulation 2017/1129.

The approval is not seen as an approval of the issuer that is object of the present Prospectus.

The registration document was prepared as a simplified prospect in accordance with article 15 of (EU) Regulation 2017/1129.

SECTION 2. STATUTORY AUDITORS³

- Names of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

The annual financial statements of EVERGENT INVESTMENTS for the reference period 2018-2020, that lays at the base of the preparation of the prospectus were audited:

- for 2018, by DELOITTE Audit SRL, registered in the Trade Registry under no. J40/6775/1995, tax code RO 7756924, headquartered in Bucharest, The Mark Building, Calea Grivitei nr. 84-98 and 100-102, 8th and 9th floor, 1st District, registered with the Chamber of Financial Auditors of Romania under no. 25/25.06.2001. EVERGENT INVESTMENTS SA has entered with DELOITTE AUDIT SRL service agreement no. 18079/ 12.07.2017.
- for 2019 – 2020, by KPMG Audit SRL, registered in the Trade Registry under no. J40/4439/2000, tax code RO 12997279, headquartered in Bucharest, Victoria Business Park, Șoseaua Bucuresti-Ploiesti, no. 69-71, 1st district, postal code 013685, registered at the Chamber of Financial Auditors of Romania under no. 9. EVERGENT INVESTMENTS SA has entered with KPMG S.R.L. service agreement no. 4523/25.07.2019.

SECTION 3. RISK FACTORS ⁴

- A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Risk Factors'. In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first. The risks shall be corroborated by the content of the registration document.

Description of significant risks specific for the issuer

Given the nature of the activity carried out, financial investments, EVERGENT INVESTMENTS is or can be exposed to the following **relevant risks** resulted both from the achievement of investment objectives and from operating activity:

Risks factors that are specific to the investment portfolio:

- Market risk** - represents the risk of loss for the institution stemming from the fluctuation of the

³ According to Section 2 Annex 3 to EU Reg. UE 2019/980.

⁴ According to Section 3 Annex 3 to EU Reg. 2019/980.

market value of items in the financial instruments portfolio, fluctuation that can be attributed to modification of market variables: share prices, currency rates, interest rates, that might change the revenue of the institution or the value of the financial assets held.

The components of market risk are:

- a) **Price or position risk** – is the risk that the value of a financial instrument fluctuate as a result of market price changes, changes caused either by factors on the macro level that affect all instruments traded on the market (systematic component) or by factors that are specific to the individual instruments or their issuers (non-systematic component). The non-systematic component of risk may be eliminated through diversification.
- b) **Currency risk** – is the risk that the value of a financial or money instrument fluctuates because of the variation of the exchange rate.
- c) **Interest rate risk** – the risk that the value of a financial or monetary instrument fluctuates because of variations of market interest rates.

2. Issuer risk - the current or future risk of loss of the value of a title in the portfolio, either due to the deterioration of its economic-financial situation, or due to business conditions (failure to function or failure to correlate its internal activity according to its business plan), or due to external events, trends and changes that could not have been known and prevented through the control system. Associated with issuer risk, the Company is exposed to concentration risk – the risk of bearing losses from inadequate diversification (heterogeneous distribution) of equity exposure on terms, industrial sectors, geographic regions or companies/issuers.

3. Liquidity risk The liquidity risk is that current or future risk of negative impact on profit and capital, caused by the company's inability to fulfill obligations on their maturity. Liquidity risk has two forms:

- a) **cash-flow risk:** the risk of registering losses or failure to reach estimated profit resulting from the impossibility to meet short-term payment obligations at any time, without excessive costs or losses
- b) **asset liquidity risk:** losses that may be registered in case a position in the company's portfolio cannot be sold, liquidated or closed with limited costs, at a value close to its fair value, in a reasonable amount of time (due to the impossibility to find a counterparty in financial transactions).

4. Credit and counterparty risk – credit risk is the risk of the occurrence of financial loss for the company, stemming from the uncertainty of the capacity, ability or will of the business parties to meet their contract obligations. The counterparty risk is a risk associated to credit risk and represents the risk that a counterparty in a transaction infringe its contract obligations before the final settlement of the cash-flows corresponding to the transaction.

Risk factors specific to the activity:

1. Operational risk represents the risk of loss caused either by the use of inadequate individuals, systems and human resources or that have failed to fulfill their function properly, or by external events and actions. Operational risk has the following main subcategories:

- a) **Risk related to information technology (IT)** – current or future risk of negative impact on one side, of profit and capital of the entities or investors, participants or insured on the other, caused by the inadequacy of the IT strategy and policy, of information technology and its processing from the point of view of their management, integration controllability and continuity, or the improper use of information technology.
- b) **Risk related to professional responsibility** – the risk of loss or damages caused by a relevant individual within the company, through negligent actions, errors or omissions in the carrying out of activities for which the company bears legal responsibility.

- c) **Compliance risk** – risks that the company bear sanctions foreseen by the regulatory framework or regulation, or register significant financial losses, or affect its reputation, following its failure to comply with the provisions of the regulatory framework, own norms and standards and conduct codes applicable to its activity.
- d) **Model risk** – model risk represents a possible loss that EVERGENT INVESTMENTS might register following decisions that could be based mainly on the results of internal models, due to errors in the development, implementation or use of these models.
- e) **Risk associated to outsourced activities** – financial, reputational and operational impact on the company that could be caused by the failure of the outsourced service provider to properly carry out the outsourced activity, including the risk of the impossibility of the company to continue to carry out financial activities and/or abide by the provisions of laws in force, following the failure or difficulties met by the legal entity employed by the company based on a contract to carry out activities that are normally carried out by the company.
- f) **Risk related to money laundering financing of terrorism** – the risk of the company being involved in money laundering and/or financing of terrorism actions, following the failure to apply or improper application of legal provisions regarding the fight against these crimes.

Other risks that EVERGENT INVESTMENTS is exposed to:

1. **Regulatory risk** – the current or future risk of negative impact on profits and capital following the significant impact of a change in the regulatory framework on the functioning of EVERGENT INVESTMENTS or on traded financial instruments. The impact may refer to: reduction of the activity of a certain type of investments, sudden reduction of exposure on strategic issuers, significant increase of activity costs, etc.
2. **Systemic risk**– a risk is seen as systemic if it represents a strong threat to financial stability and has the potential to have serious negative consequences on markets and real economy. As closed-end alternative investment fund, EVERGENT INVESTMENTS may be exposed to systemic risk due to its connection to assets markets and financial investors.
3. **Strategic risk** – current or future risk of negative impact on profit and capital caused by changes in the business environment or adverse business decisions, by the improper implementation or decisions or lack of reaction to the changes in the business environment.
4. **Reputational risk** – current or future risk of negative impact on profit and capital caused by the negative perception on the company’s image from shareholders, investors and supervision authority.
5. **Risk of a conflict of interest**– risk of loss due to any situation in which the interests of the company are different from the personal interests of employees, directors, managers or their close relatives.
6. **Risk associated to activities carried out by the company’s subsidiaries**- current or future risk of negative effects on profit or capital or company’s reputation, due to negative events on the level of Companies within the Group.
7. **Risks related to sustainability**– an event or an environment, social or government condition, that should it occur, it would cause a significant or potential effect on the value of the investment.

The financial instruments category in EVERGENT INVESTMENTS SA and their corresponding risks are the following:

- ✓ Shares – price/ position risk, liquidity, currency, concentration risk
- ✓ Bonds – currency, credit and counterparty, interest rate risk
- ✓ Bank deposits – currency, credit and counterparty, liquidity, interest rate risk
- ✓ Current accounts – credit and counterparty risk, currency risk
 - ✓ UCITS/AIF investments – price/position, liquidity risk

The risk management policies implemented by the company include the procedures necessary to allow the evaluation of exposure to all relevant risks that may have a significant level for the company, given its investment objectives and strategies.

SECTION 4. INFORMATION ABOUT THE ISSUER⁵

1. The legal and commercial name of the issue.
2. The domicile and legal form of the issuer, legal entity identifier ('LEI'), the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

EVERGENT INVESTMENTS SA (hereinafter referred to as **Company**) is headquarter in Romania, Bacau municipality, Str. Pictor Aman, no. 94C, postal code 600164, phone/fax/e-mail: 0234576740/0234570062/ office@evergent.ro, website: www.evergent.ro and is identified with: tax registration code 2816642, entry no. in the Trade Registry – EUID: ROONRC. Jo4/2400/1992, code LEI 254900Y1O0025N04US14.

The Company is setup as a joint-stock company since September 1992 in accordance with the provisions of Companies' Law no. 31/1990 and Law no. 58/1991 on the privatization of companies, being a Romanian legal entity privately owned, with a functioning duration of 100 years. EVERGENT INVESTMENTS is setup as a self-managed investment company and is authorized by the Financial Supervision Authority (FSA) as Alternative Investment Fund Manager (AIFM), in accordance with Law no. 74/2015, through authorization no. 20/23.01.2018, being registered in the Public Registry of FSA under no. PJR07¹AFIAA/040002.

In accordance with the provisions of Law no. 243/2019 on the regulation of alternative investment funds, EVERGENT INVESTMENTS is a closed-end financial investments fond, destined for retail investors (FIAIR), diversified, setup as a self-managed investment company.

SECTION 5. PROFIT FORECASTS OR ESTIMATES⁶

1. an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid), that forecast or estimate shall be included in the registration document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 2 and 3 below.

The estimate of benefit that is in force and valid for financial year 2021, consists in the INCOME AND EXPENDITURE BUDGET 2021, approved by the General Meeting of Shareholders on 29th April 2021- published on website www.evergent.ro.

Million lei

IEB 2021

⁵ According to Section 4 Annex 3 EU Reg. 2019/980.

⁶ According to Section 7 Annex 3 EU Reg. 2019/980.

Total income	63,6
Financial income	62,7
• dividend income	31,4
• income from bank interest and bonds	2,9
• income from FVTPL financial assets	28,4
Other operating income	0,9
Total expenditures	(45,8)
Financial expenditures	(0,7)
Expenditures on current activity	(45,1)
Gross profit	17,8
Profit tax	(1,4)
Net profit	16,4
Net income from the sale of FVTOCI assets	57,5
Net earnings	73,9

The Company annually publishes the Activity Program and IEB in the context of the Ordinary General Meeting, these are subjected to debate and approval by shareholders together with the audited financial statements of the previous year.

If an issuer chooses to include a new profit forecast or a new profit estimate, or in case the issuer includes a profit forecast previously published based on item 7.1. the profit forecast or estimate should be clear and unambiguous and contain a statement that presents the main assumption on which the issuer based its forecast or estimate.

The forecast or estimate shall comply with the following principles:

- (a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside their influence;
- (b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast;
- (c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast..

Not applicable.

2. The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both:
 - (a) comparable with the historical financial information, and
 - (b) consistent with the issuer's accounting policies.

Net earnings estimate was drafted and prepared on a basis which is both:

- (a) comparable with the historical financial information, and
- (b) consistent with the issuer's accounting policies.

SECTION 6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT ⁷

1. Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:

⁷ In accordance with Section 8 Annex 3 to EU Regulation 2019/980.

(a) members of the administrative, management or supervisory bodies;
 (b) partners with unlimited liability, in the case of a limited partnership with a share capital; (c) founders, if the issuer has been established for fewer than five years;
 (d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.
 Details of the nature of any family relationship between any of the persons referred to in points (a) to (d).

Members of the Board of Directors for the 2021-2025 mandate: Doros Liviu Claudiu, Iancu Catalin-Jianu-Dan, Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu. The members of the Board of Directors were elected by OGMS no. 2/28.01.2021 and approved by FSA through Authorization no. 49/30.03.2021. Non-executive directors: Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu are members of the Consultative Committees: Appointing-Remuneration Committee, Audit Committee and Investment Committee.

The members of executive management for the 2021-2025 mandate: Doros Liviu Claudiu – CEO and Iancu Catalin Jianu Dan – deputy-CEO, approved by FSA through authorization no. 59/05.04.2021.

All members of the management structure meet the eligibility criteria foreseen by FSA Regulation no. 1/2019 on the assessment and approval of the members of management staff and individuals holding key positions in entities regulated by the Financial Supervision Authority. The Appointing-Remuneration Committee annually carries out an individual and collective assessment of the adequacy of individuals in the management structure, ascertaining the adequacy of all individuals.

Additional information can be found on website www.evergent.ro/Despre noi/Structuri de Guvernanta Corporativa

To the extent not already disclosed, and in the case of new members of the administrative, management or supervisory bodies of the issuer (since the date of the latest audited annual financial statements) and of each person referred to in points (b) and (d) of the first subparagraph the following information :

(a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;
 (b) details of any convictions in relation to fraudulent offences for at least the previous five years; (c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years;
 (d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

If there is no such information required to be disclosed, a statement to that effect is to

be made.

EVERGENT INVESTMENTS S.A., through its legal representatives, hereby states, aware of the provisions of art. 320 Criminal Code on false statements in official documents, that the members of the administrative, management and supervision bodies are the same since the date of the latest audited annual financial statements.

2. Potential conflicts of interest between any duties carried out on behalf of the issuer by the persons referred to in item 8.1 and their private interests or other duties must be clearly stated. In the event that there are no such conflicts a statement to that effect must be made.

EVERGENT INVESTMENTS has a policy and procedure on the prevention and management of conflicts of interest and personal transactions that includes: types of conflicts of interest identified in the company's activity, procedures and measures for the prevention and management of conflicts of interest, conflict of interest management, monitoring of conflicts of interest.

Potential conflicts of interests of the members of management structure, not limited to:

- Being a member in the management structure of issuers in the Company's portfolio;
- An interest in a transaction made by EVERGENT INVESTMENTS or its subsidiaries;
- The existence of an interest of the spouse, relative or heirs up to the 4th degree in a business similar to that of the company or its subsidiaries.

Potential conflicts of interest are managed by applying appropriate prudential rules for each situation, such as: the obligation to notify of any conflicts of interest that have occurred or may occur, the non-disclosure of materials related to an investment transaction to the member of the management structure who is in conflict of interest; non-participation in deliberations and voting within the competent decision-making body.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 8.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management

Not applicable.

Details of any restrictions agreed by the persons referred to in item 8.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

There are not restrictions for any member of the management structure on the disposal within a certain period of time of their holdings in EVERGENT INVESTMENTS securities.

SECTION 7. MAJOR SHAREHOLDERS⁸

1. In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as of the date of the registration document or, if there are no such persons, an appropriate statement to that effect that no such person exists.

Shareholding structure: 100% private. Free float: 100%, on the preparation date of the present Simplified Prospectus, the Issuer does not have major shareholders, and is not directly or indirectly held or controlled by anyone.

⁸ In accordance with Section 9 Annex 3 EU Reg. 2019/980.

*Details on the shareholding structure are presented in Section 8- FINACIAL INFORMATION–
 Ch. Dividend Policy, pg. 49*

EVERGENT INVESTMENTS informs investors within the legal deadline, through BVB report and publication on website www.evergent.ro, on any notification received by its shareholders concerning the exceeding of the 5% of vote rights limit, according to the obligations foreseen by Law no. 24/2017 on the issuer of financial instruments and market operations.

On the date the registration document is prepared, the following shareholders have informed EVERGENT INVESTMENTS about exceeding the 5% threshold: 01.09.2020 - S.I.F. BANAT-CRISANA S.A and notification of decrease under the 5% threshold on 23.02.2021, 29.10.2020 - BT Asset Management SAI; 22.01.2021- SAI Globinvest SA; 28.01.2021- SAI Atlas Asset Management SA (www.evergent.ro/Informatii_pentru_investitori/ Major interest statement- in accordance with art. 69 Law no. 24/2017).

Any potential shareholder who aims to purchase, either directly or indirectly, a qualified interest, namely 10% of EVERGENT INVESTMENTS SA's share capital must request the approval of FSA and is subjected to a prior verification by the authority.

2. Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.

Not applicable.

3. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.

Not applicable.

4. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.

Not applicable.

SECTION 8. RELATED PARTY TRANSACTIONS⁹

1. Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with Regulation (EC) No 1606/2002), that the issuer has entered into since the date of the last financial statements, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable. If such standards do not apply to the issuer the following information must be disclosed:

(a) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including collateral of any kind indicate the amount outstanding;

(b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.

⁹ According to Section 10 Annex 3 of EU Reg. 2019/980.

The related parties of EVERGENT INVESTMENTS are presented below:

a. Subsidiaries

	31st March 2021	30th April 2021
Agrointens SA	99,99%	99,99%
Agroland Capital SA	99,99%	99,99%
Casa SA	99,60%	99,60%
Mecanica Ceahlau SA	73,30%	73,30%
Regal SA	93,02%	93,02%
Tesatoriile Reunite SA	99,99%	99,99%

b. Associates

the Company holds one investment in an associate on 30th April 2021 and 31st March 2021: Straulesti Lac Alfa SA, with a holding percentage of 50%.

Transactions with subsidiaries and associate

Between 1st April– 30th April 2021 the following transactions with subsidiaries and associate were carried out, mainly rents and space management services, archive services and portfolio management

Transactions with related parties were run under the market conditions.

<i>in LEI</i>	1st April– 30th April 2021
<i>Subsidiaries</i>	
AGROLAND SA	
Rent income	133
CASA SA	
Rent income	45.541
Operational activities (archive, space)	83.617
STRAULESTI LAC ALFA	
Interest income	111.333

On 30th April 2021, the following balances correspond to transactions with related parties:

<i>in LEI</i>	30th April 2021
<i>Subsidiaries</i>	
CASA SA	
Financial liabilities	83.617
<i>Associates</i>	
STRAULESTI LAC ALFA	
Corporate bonds at amortized cost	17.189.867

c. Key management staff

- On 30th April 2021 the members of the Board of Directors of EVERGENT INVESTMENTS were Doros Liviu Claudiu – president CEO; Iancu Catalin-Jianu-Dan – vice-president of the Board of Directors, deputy-CEO; Ceocea Costel –non-executive member; Ciorcila Horia – non-executive member, independent; Radu Octavian Claudiu –non-executive member, independent.

Key management staff includes the members of the Board of Directors, Management Committee and coordinators of the Company's departments.

The wages and indemnities for April 2021, without holiday benefits for the 2017-2021 mandate are presented in the table below:

	1st April– 30th April 2021
Board of Directors	511.386
Management Committee	290.083
Department coordinators	210.676
Total	

The company does not offer key staff benefits following employment or benefits at the termination of the employment contract.

SECTION 9. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES¹⁰

The information is presented in Section 20. FINANCIAL INFORMATION, page 47.

SECTION 10. ADDITIONAL INFORMATION¹¹

1. Share capital – information from the annual financial statements as of the date of the most recent balance sheet.

According to the financial statement:

- ✓ Subscribed and paid-up capital on 31st March 2021: 98.947.917,6 lei (31st December 2020: 98.947.917,6)
- ✓ Number of issued shares on 31st March 2021: 989.479.176 (31st December 2019: 989.479.176)
- ✓ Nominal value: 0,1 lei/share

The 415.454.471 lei difference between the carrying value of share capital, of 514.402.388 lei and its nominal value is the inflation difference generated by the application of IAS 29 „Financial reporting in hyper-inflationist economies” up to 1st January 2004.

- 1.1. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.

Not applicable.

- 1.2. Information about and terms of any acquisition rights and or obligations over authorised but unissued capital, or an undertaking to increase the capital, and their conditions.

Not applicable.

SECTION 11. REGULATORY DISCLOSURES¹²

1. A summary of the information disclosed under Regulation (EU) No 596/2014 over the last 12 months which is relevant as on the date of the prospectus. The summary shall be presented

¹⁰ In accordance with Section 11 Annex 3 EU Reg. 2019/980.

¹¹ In accordance with Section 12 Annex 3 EU Reg. 2019/980.

¹² In accordance with Section 13 Annex 3 to EU Reg. 2019/980.

in an easily analyzable, concise and comprehensible form and shall not be a replication of information already published under Regulation (EU) No 596/2014 596/2014.

The summary shall be presented in a limited number of categories depending on their subject.

Information released based on EU Reg. no. 596/2014 on market abuse, include the following categories:

- Notifications concerning the transactions made within the share redemption program, in accordance with the resolution of EGMS EVERGENT INVESTMENTS no. 4/27.04.2021
- Notification of personal transactions with EVER shares made by members of the management structure.

Detailed information is presented on the website www.evergent.ro and website www.bvb.ro.

SECTION 12. MATERIAL CONTRACTS ¹³

1. Brief summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A brief summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.

Not applicable.

SECTION 13. INVESTMENT OBJECTIVE AND POLICY ¹⁴

1.a. Description of the investment policy, strategy and objectives

The key elements of the Investment Strategy and Policy of EVERGENT INVESTMENTS SA is based on an assignment of resources that insure the sustainable development of EVERGENT INVESTMENTS' activity and satisfaction of shareholders' interests both on the short and the long term. The solid/sustained investment policy is based on *the long-term increase of the managed assets value*, a fundamental element for consolidating investors' trust.

A key element of the investment policy is *the remuneration policy of EVERGENT INVESTMENTS SA's shareholders* that foresees:

- ✓ Given the volatility of the capital market, the Board of Directors we aim to find a balance between the need to insure resources to support the investment programs that are to be developed, the expectations of shareholders on the short term, that is the distribution of dividends and long-term expectations of shareholders, namely NAV and price increase.
- ✓ The board of directors intends to remunerate shareholders both through cash dividends and the running of redemption programs through public offering. It is estimated that the combination of policies that include the assignment of dividends and the possibility to subscribe in a public

¹³ In accordance with Section 14 Annex 3 to EU Reg. 2019/980.

¹⁴ In accordance with Section 1 Annex 4 to EU Reg. 2019/980.

offering,, offers a higher return than that of classic dividend distribution, remunerating invested capital at a higher level than monetary investments.

EVERGENT INVESTMENTS SA has a predominant exposure on the Romanian capital market, mainly in the banking and energy fields.

Strategic exposure on the two key sectors, energy-utilities and financial, allows possible adjustments/issuer, in total and in part, depending on the results of certain techniques for performance improvement and return/risk analysis. Exposure on issuers from the energy and utilities fields is justified by their ability to constantly and predictably supply dividends.

EVERGENT INVESTMENTS has a mixed assignment strategy to the capital market, in parallel with the implementation of private equity type projects that provide an added return on the long term.

1.b. Information on where the collective investment undertaking is established.

EVERGENT INVESTMENTS SA is a closed-end alternative investment fund (AIF), destined for retail investors, diversified, setup as an investment company, self-managed, authorized by F.S.A. as alternative investment fund manager (A.I.F.M.).

EVERGENT INVESTMENTS SA shares are traded on the regulated market of Bucharest Stock Exchange- symbol EVER, main segment, Premium category, starting on 01.11.1999.

EVERGENT INVESTMENTS SA has a subscribed and paid-up capital of 98.947.917,60 lei; the number of issued shares being 989.479.176 , and the nominal value of a share 0,1 lei/share.

Shareholding structure: 100% private. Free float: 100%.

The company was admitted to trading on 01.11.1999.

International identifiers: Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNORo; Bloomberg: BBGID BG000BMN5F5; Reuters: EVER.BX

The currency used for denomination is RON.

LEI code: 254900Y100025N04US14

Its functioning duration is de 100 years.

Registered office is in Bacau, Pictor Aman St. no. 94 C, postal code 600164

Phone /fax/e-mail: 0234576740 / 0234570062 / office@evergent.ro

The main activity is: Other financial service activities. NACE code: 6499.

Tax registration code 2816642, Trade Registry entry no. – EUID: ROONRC. J04/2400/1992.

1.c. a description of the types of assets in which the collective investment undertaking may invest.

EVERGENT INVESTMENTS S.A. investments may be made exclusively in one of the following assets:

- a) Securities and monetary market instruments** registered or traded within a trading venue in Romania or another member state.
- b) Securities and monetary market instruments** admitted at the official rate of a stock exchange in a third state, operating regularly and is recognized by and open to the public, provided that the selection of the stock market is approved by F.S.A in accordance with the eligibility requirements foreseen by art. 42, FSA Regulation no. 7/2020 and be foreseen in the

Rules of the Fund or Memorandum of Association of the investment company, approved by F.S.A.;

- c) Newly-issued securities**, that are the object of a public offering for admission to trading, with the cumulative abidance by the following conditions:
- (1) the issue documents should include a firm commitment, according to which the admission to trading will be requested on a trading venue, or trading on a third-country stock exchange that operates regularly and is recognized and open to the public, provided that the choice of trading venue or stock exchange be approved by FSA, or be provided in the Fund Rules or the Memorandum of Association of the investment company, approved by F.S.A;
 - (2)-the admission be insured within a term of maximum one year from issue;
- d) Shareholdings in U.C.I.T.S. or A.I.F.** located or not in other member states, with the cumulative fulfillment of the following conditions:
- (1) A.I.F.s are authorized or registered;
 - (2) A.I.F. activities are object of regular reports that allow an evaluation of assets and liabilities, income and operations in the reporting period, consistent with the redemption frequency offered to investors, depending on the case;
 - (3) A.I.F profile abides by the AIF liquidity profile set by A.I.F..M. in accordance with art. 4 (11) Law no. 243/2019
- The company invests exclusively in U.C.I.T.S. and A.I.F. that insure, through their setup documents or other relevant documents the individual segregation of assets held, or their segregation in omnibus accounts, which are reconciled by the depositary of U.C.I.T.S. and A.I.F. for a period at least equal to the subscription frequency or redemption offered to investors of these U.C.I.T.S. / A.I.F. An omnibus account that can include assets of several clients of UC.I.T.S. /A.I.F. depositories cannot include treasury shares of U.C.I.T.S./ A.I.F depository or those of authorized third entity.
- e) Deposits lodged at credit institutions**, that are repayable by request or offer withdrawal right, with a maturity less than 12 months, provided that the headquarters of the credit institution be located in Romania or a member state. In case the headquarters is located in a third country, the credit institution must be subjected to prudential rules equivalent to those issued by the European Union;
- f) Derivatives** from Romania, a member state or a third state with final settlement in cash or the underlying asset of the instrument, traded on a trading venue in Romania, or on a stock exchange of a member state or third state, as per letters a) and b) above, and/or derivatives, negotiated outside regulated markets, provided that the following conditions are met cumulatively:
- (1) the underlying asset can be a share, basket of shares or any financial instrument in which the Company may invest, in compliance with its investment objectives as well as financial indexes, interest rate, precious metals, energy products and exchange rate;
 - (2) the counterparties in negotiations run outside regulated markets, are entities subjected to prudential supervision that fall under the categories approved by F.S.A;
 - (3) derivatives negotiated outside regulated markets that are the object of a daily and verifiable evaluation and can be sold, liquidated or the position can be closed daily, at fair value, through a transaction of contrary sign;
- g) Money market instruments**, other than those traded on a trading venue, that are liquid and have a value that can be accurately determined at any time, with the exception of commercial papers, provided that the issue or issuer be subjected to regulations regarding the protection of investors and their savings, and the instruments:
- (1) should be issued or guaranteed by an administrative, central, local and regional authority,

a central bank of a member state, an European Central Bank, the European Union or European Investment Bank, by a third country, or, in case of federal states, by one of the members of the federation or an international public body to which one or several member states belong; or:

(2) should be issued by a body whose titles are negotiated on the regulated markets, mentioned under item (1) or

(3) should be issued or guaranteed by an entity, subject to prudential supervision, according to the criteria defined by European legislation, or by an entity that is subject to and complies with prudential rules, rules validated by F.S.A. as equivalent to those foreseen by European law; or

(4) should be issued by other entities that belong to the categories approved by F.S.A, provided that investments in such instruments be subject to a protection of investors equivalent to that foreseen under item (1), (2) and (3) and that the issuer be a company whose capital and reserves be at least the lei equivalent of 10.000.000 euro, that presents and publishes its financial statements annually, according to applicable European law, or an entity that, within a company group including one or more listed companies, has the role of financing the group, or is an entity dedicated to the financing of secured vehicles that have a line of credit;

h) Shares of limited liability companies, regulated by Law no. 31/1990, republished, with its later amendments and additions, whose annual financial statements are audited according to the law;

i) securities:

- a) Shares and other share-equivalent values;
- b) Bonds and other debt securities;
- c) Any other type of negotiable titles that grant the right to purchase those securities through subscription or exchange

that are not admitted to trading in a trading venue or are not traded on the stock exchange of a third country;

(1) The Company invests in corporate bonds not admitted to trading on a regulated market or an alternative trading system, abiding by at least the following conditions:

a) the corporate bonds issuer should have at least 2 years of activity at the time the investment in corporate bonds issue is made. In case the corporate bonds issuer has under 2 years of activity, EVERGENT INVESTMENTS invests only in corporate bonds issues guaranteed by a credit institution authorized by B.N.R or by a subsidiary from Romania of a credit institution authorized in another member state with other liquid/eligible guarantees representing at least 100% of the corporate bonds issue value.

b) the annual financial statements of the corporate bonds issue should be audited according to the law and not state significant risks such as creditworthiness, liquidity or solvability risk regarding its financial position, that could cause the failure to abide by the payment obligations for coupons and the principal corresponding to the issue of corporate bonds;

c) the issuer of corporate bonds should not be entered on the list of taxpayers with tax restrictions imposed, published on the website of the National Authority for Tax Administration;

d) the issuer of corporate bonds has registered profit at least in the previous 3 consecutive financial years, as results from the corresponding annual financial statements, audited according to the law; in case the issuer of corporate bonds has under 2 years of activity, then it should have registered profit in all financial years.

(2) The status of the guarantees foreseen in art. (1) letter a) is notified to F.S.A with the submission of the first weekly report on net assets of EVERGENT INVESTMENTS following

investment.

(3) In the implementation of art. (2), the statement of guarantees foreseen under art. (1) letter a) that may be letters of bank guarantees, insurance of the bonds issuance by an insurance company or other similar proving documents issued by financial institutions or the legal representative of the issuer of those guarantees, includes the signatures of the responsible individuals of EVERGENT INVESTMENTS and that of the depositary's representative.

(4) The valuation of those guarantees will be carried out off-balance sheet, in accordance with the rules applicable to the valuation of VERGENT INVESTMENTS's assets.

(5) The valuation of corporate bonds for which the payment on maturity of the principal related to coupons has not been honored, is made at 0 value (zero) or the value of the executed guarantee, depending on the case; additional investments in financial instruments issued by the same issuer being forbidden.

(6) when the corresponding amounts are not collected within 10 work days from the date foreseen in the issuance prospectus, the directors of EVERGENT INVESTMENTS SA initiate and notify F.S.A. about the legal steps for debt recovery.

EVERGENT INVESTMENTS has an internal methodology to select corporate bonds not admitted to trading that includes an analysis of the issuer of credit bonds not allowed for trading and is based on at least the following principles:

- a) quantification of the issuer risk for the issuer of corporate bonds not admitted to trading and evaluation of its default probability and that of the respective issue of corporate bonds not allowed to trading based on a valuation model;
- b) the use of qualitative indicators to assess the issuer's credit risk, taking into account the national and international macroeconomic situation and existing market conditions;
- c) the use of the rating offered by a credit agency registered by ESMA or of international renown, or indicative quotes supplied by specialized agencies based on the principle of comparison with other similar transactions, should these be available;
- d) cost –benefit analysis of the reliability and economic profitability of the investment purpose for which the issuer of corporate bonds not admitted to trading aims to attract financing;
- e) analysis of the issue of corporate bonds not admitted to trading in relation to other securities issued by the same issuer.

These provisions do not apply in case the corporate bonds not admitted to trading are issued by a company in which EVERGENT INVESTMENTS holds at least 51% of share capital.

- j) currency**, purchased on the internal market, freely convertible, according to B.N.R. criteria;
- k) state titles**;
- l) Property assets**, abiding by FSA regulations, Property assets are defined according to art. 2 letter b) Law no. 243/2019 as an existent building whose completion is certified based on a protocol for the receipt of works or a land;
- m) Greenhouse gas emission certificates**, as defined by art. 3 letter b) Government's resolution no. 780/2006 on the setting of the trading scheme for greenhouse gas emission certificates, with its later amendments and additions;
- n) Tangible and intangible assets** strictly necessary for the carrying out of activity.

1.d. The techniques it may employ and all associated risks together with the circumstances in which the collective investment undertaking may use leverage;

To actively manage the portfolio, the following specific analysis are used:

- ✓ Analysis of the macro-economic context and trends;
- ✓ Fundamental analysis based on the financial indicators that evaluate financial balance, the indebtedness degree, efficiency of assets use, financial performance state and efficiency of the management;
- ✓ Technical analysis and analysis of market conditions;
- ✓ Quantitative analysis based on historic trading data to determine statistic indicators;
- ✓ Constant analysis of the liquidity degree of assets in the portfolio.

EVERGENT INVESTMENTS does not use any technical means for efficient portfolio management at present.

However, the possibility of using such techniques in the future, while abiding by applicable legal requirements and requirements and restrictions in the investment policy is not excluded.

EVERGENT INVESTMENTS may use techniques and instruments related to securities and money market instruments, provided that they are used for the efficient and prudent management of its portfolio.

At the same time, EVERGENT INVESTMENTS may use techniques and instruments meant to provide protection against currency and portfolio risk, in the context of assets management. Such instruments can be futures contracts, options, forwards, swaps, having different underlying assets, the investments in these types of instruments being made with a precise purpose of hedging the risk and prudent management of the portfolio.

Derivatives used for the efficient management of portfolio will be from Romania, a member state or a third state with final settlement in cash or the underlying asset of the instrument, traded on a trading venue in Romania or on a stock exchange of a member state or a third state, in the meaning of letter i) and ii), from item 1.1.c, and/or negotiated outside regulated markets, provided the following requirements are met cumulatively:

- (1) the underlying asset may be a share, a basket of shares or any other financial instrument in which the Company may invest in compliance with its investment objectives as well as the financial indexes, interest rate, precious metals, energy products and currency exchange;
- (2) counterparties, in trading outside regulated markets, are entities subject to prudential supervision that belong to categories approved by the F.S.A.;
- (3) derivatives negotiated outside regulated markets are the object of daily, verifiable valuations and may be sold, liquidated or the position may be closed daily, at fair value, through a transaction of contrary sign;

EVERGENT INVESTMENTS will be able to carry out financing operations on through security financing transactions (SFT) as defined by EU Regulation no. 2365/2015. Such operations may be: redemption transaction, buy-sell back transaction or sell-buy back transaction, securities loan transactions.

The financial instruments that will be the object of financing operations shall be limited to shares, bonds of money market instruments issued or guaranteed by a member state or a third state, by the local public authorities of a member state or international public bodies that include one or several member states.

The maximum proportion of assets that can be subject to buy-sell back operations and reverse repo agreements is 40% of the Company's total assets, while the expected proportion of assets that will be

subject to them is approximately 10%.

The maximum proportion of assets that can be subject to sell-buy back operations and repo agreements is 40% of the fund's total assets, while the expected proportion of assets that will be subject to them is approximately 10%.

The maximum proportion of assets that can be subject to securities lending operations is 20% of the Company's total assets, while the expected proportion of assets that will be subject to them is approximately 10%.

EVERGENT INVESTMENTS may not grant loans of financial instruments that represent more than 20% of its assets, the period of granting the loan may not exceed 12 calendar months; the limit of 20% of the assets can be increased up to 30%, with the approval of the FSA, under the conditions established in the FSA regulations.

Such operations will be carried out exclusively with financial institutions, provided that intra-group conflicts of interest are avoided. In this sense, the offers received from the counterparties will be objectively evaluated, based on risk, cost and performance criteria.

Risks related to the operations and techniques of efficient portfolio management will be duly taken into account in the risk management system.

EVERGENT INVESTMENTS SA cannot make:

- ✓ Financial instruments exchanges for cash or other financial instruments in the portfolio, and cannot use free transfers of illiquid assets from its investment portfolio to its investors („redemption in kind”), according to art. 43 line (2) FSA regulation no. 7/2020.
- ✓ Short sales, defined according to the provisions of (EU) Regulation no. 236/2012 on the short sales and certain credit risk swaps, for any other purpose than risk coverage, namely hedging according to art. 33 line (1) Law no. 243/2019.
- ✓ Investments in money market instruments such as commercial papers.

EVERGENT INVESTMENTS shall not invest in total return swap financial instruments, for the purpose of the provisions of EU Regulation no. 2365/2015 on the transparency of financing operations through financial instruments and reuse transparency.

EVERGENT INVESTMENTS has implemented Risk management policies that involve procedures and methodologies that allow the evaluation of exposure to all relevant risks that might have a significant level for the company, in agreement with investment strategies and investments.

Risk factors deriving from the Investment Policy and specific risks can be found in Section -3 “Risk factors” – page.10.

Making a transaction with derivatives, both for hedging and as an instrument of active investment management may lead to an increase of the volatility of company's returns. Derivatives have a higher risk degree in comparison to financial instruments such as shares and bonds, and are usually traded outside regulated market.

EVERGENT INVESTMENTS is bound to monthly calculate the leverage effect both through the gross method and commitment method.

1.e. the types and sources of leverage permitted and the associated risks

If EVERGENT INVESTMENTS will be a party in certain transactions with derivatives and security financing transactions (SFT), both for hedging purpose and for the efficient management of the portfolio, these may expose the company to higher risks and may cause the leverage effect.

Since derivatives are financial instruments whose return is based on the return of another financial asset, called *underlying asset*, a variation of the underlying asset causes a variation of the derivative price, a variation that may be higher in amplitude.

In transactions with derivatives we may be exposed to counterparty risk, as a result of the

counterparty's failure to fulfill its obligations arising from the transaction. The failure of the counterparty to fulfill the obligations deriving from a transaction with derivative financial instruments can significantly influence the company's financial results.

To determine the value of the derivative, complex valuation models are often used. Thus, investments in derivatives are accompanied by the valuation risk as well. The value differences following the valuation of derivatives may significantly influence the reported financial result.

1.f. any restrictions on the use of leverage and any collateral and asset reuse arrangements:

EVERGENT INVESTMENTS may actively use the leverage effect in the portfolio management process.

On the date the present document is prepared EVERGENT INVESTMENTS does not have assets acquired through the use of leverage effect.

Leverage effect, defined as any method through which AIFM extends the exposure of an AIF it manages either through cash or securities loan, or through derivatives positions or any other means, is expressed as the ratio between the exposure and its net asset value.

The methods for the increase of portfolio used by the COMPANY will abide by the **average risk profile taken on**.

To calculate exposure we use the gross method and commitment method, according to the provisions of art. 7 and art. 8 of (EU) Regulation no. 231/2013.

1.g. the maximum level of leverage which may be employed on behalf of the collective investment undertaking

The maximum level of leverage that EVERGENT INVESTMENTS may employ is twice the total asset value.

On the date the present document is prepared, EVERGENT INVESTMENTS does not have assets acquired through the leverage effect, the leverage index having the basic value 1 (100%).

In case derivatives will be used, EVERGENT INVESTMENTS will make sure that comprehensive exposure on derivatives in its portfolio shall not exceed total asset value.

Information on the value of leverage effect, calculated in accordance with gross and commitment methods is released as part of EVERGENT INVESTMENTS' regular reports, and at least at the same time with the release or publication of the annual report.

2. Description of the procedures by which the collective investment undertaking may change its investment strategy or investment policy, or both.

EVERGENT INVESTMENTS SA is classified in the category of closed-end alternative investment funds destined for retail investors (FIAIR), diversified, setup as Investment Company, self-managed. The modification of the investment policy/strategy and its classification in another FIAIR category can only be made following the approval of the modification of the Company's Memorandum of Association and authorized by the Financial Supervision Authority, in accordance with the provisions of *Law no. 243/2019*.

EVERGENT INVESTMENTS SA as FIAIR cannot change into a category of AIF destined for professional investors.

3. Leverage limits of the collective investment undertaking

Leverage effect, according to the definition of Law no. 74/2015 means “any method through which AIFM increases the exposure of an AIF it manages either through cash or securities borrowing, or through derivatives position, or any other means.”

Leverage effect is expressed as ratio in the Company’s exposure in NAV. Exposure is calculated both through the gross and “commitment” method:

- ✓ According to the gross method, exposure represents the sum of the Company’s positions (including all holdings) following the deduction of cash and cash equivalence balances, that represent very liquid investments in the basic currency that can be easily converted into a known cash amount, are subjected to an insignificant risk of value change and offer a yield that does not exceed the *rate of certain government bonds for 3 months*, of high quality, without considering hedging and compensation techniques.
- ✓ According to the commitment method, exposure is calculated without eliminating the balance of cash and cash equivalents after the hedge and compensation positions were offset between the case, if necessary.

On the date the present document was prepared EVERGENT INVESTMENTS does not have assets acquired through the use of the leverage effect.

EVERGENT INVESTMENTS’ policy on the use of leverage effect:

- a) *The maximum level* of the leverage effect that EVERGENT INVESTMENTS may employ is twice the total active, level considered reasonable for a diversified FIAR, taking into consideration the following legal aspects:
 - ✓ Law no. 243/2019, art. 35 line (2), letter d) “overall exposure to derivatives *cannot exceed the total asset*”
 - ✓ The recommendation of the European Committee for Systemic Risk on liquidity and leverage effect risks in investment funds (CERS/2017/6; 2018/C 151/01) for UCITS “Therefore, in case UCITS use both cash borrowing and financing operations through financing instruments or derivatives, the leverage effect *may be higher than NAV, maximum 2,1 times*”. In comparison to UCITS that are highly regulated funds, AIF are investment funds that are allowed to invest in assets similar to those of UCITS, but are not subjected to such detailed restrictions regarding diversification, liquidity or leverage effect.
 - ✓ There is no regulated leverage effect. AIF are only bound to report the use of leverage effect.
- b) Leverage effect of EVERGENT INVESTMENTS, in accordance with legal provisions:
 - ✓ Cash borrowing;
 - ✓ Securities borrowing;
 - ✓ Derivatives, for investment purposes; are not included in this category of derivatives for hedging that do not lead to an increase of EVERGENT INVESTMENTS’ exposure.
- c) The company, through the risk management function, regularly monitors the leverage level of A.I.F., to verify the abidance by the set limits.
- d) The Company reports on the use of leverage effect according to the provisions applicable to AIFM and AIF, namely:

- ✓ The monthly statement of net asset, in accordance with Annex 10 of FSA Regulation no. 7/2020 – will include an explanatory note: the valuation methods used for the financial instruments for which valuation methods compliant with valuation standards according to the law (compliant with fair value), the leverage level and F.I.A.I.R. exposure value calculated according to the provisions of (EU) Regulation no. 231/2013 will be detailed (according to art. 38 line (4) Law no. 243/2019).
- ✓ Half-yearly report, according to annex IV (EU) Regulation no. 231/2013- reporting with main data source from net asset.

4. The regulatory status of the collective investment undertaking together with the name of any regulator in its country of incorporation.

The company is set up as a Romanian legal entity of private law, organized as joint-stock company, classified according to applicable regulations as alternative investment fund such as investment company- F.I.A.S., category: Alternative investment fund destined for retail investors - F.I.A.I.R, with a diversified policy, closed, self-managed. The company is authorized by the Financial Supervision authority as alternative investment fund manager –A.I.F.M.

EVERGENT INVESTMENTS SA is classified according to applicable regulations as significantly large AIFM, defined by art. 7 line (3¹) of FSA Regulation no. 10/2015 on the management of alternative investment funds, as *“those A.I.F.M.s authorized by F.S.A. who manage A.I.F, portfolios with an assets value of at least 200 million euro, lei equivalent, or that have had an average number of employees of at least 30 full time employees during the previous calendar year.”*

Competent authority: Financial supervision authority (A.S.F.) headquartered in Splaiul Independenței nr. 15, 5th sector, postal code 050092, Bucharest-Romania

5. The profile of a typical investor for whom the collective investment undertaking is designed

The Fund is aimed at investors seeking higher returns and willing to take on an average risk of investments. Investment in EVERGENT INVESTMENTS is destined for retail investors, who seek to maximize investment and accept the risks associated to the exposure to shares traded on emerging markets and may bear the loss of part or all of their investment.

6. Statement

- a. The Prospectus is approved by FSA, as competent authority based on (EU) Regulation 2017/1129;
- b. FSA approves this registration document/ prospectus only from the point of view of fulfilling the standards concerning the exhaustive, intelligible and coherent character as imposed by (EU) Regulation) 2017/1129;
- c. The approval should not be considered as an approval of the issuer that is object of this registration document/ prospectus.

SECTION 14. INVESTMENT RESTRICTIONS¹⁵

1. A statement of the investment restrictions which apply to the collective investment

¹⁵ In accordance with Section 2 Annex 4 EU Reg. 2019/980

undertaking, if any, and an indication of how the holders of securities will be informed of the actions that the investment manager will take in the event of a breach.

Investment limits applicable with the abidance by Law no. 243/2019 (AIF Law)

The investments of EVERGENT INVESTMENTS SA, diversified F.I.A.I.R., shall be made abiding by the following limits:

- a) It may not hold more than 10% of assets in securities and money market instruments issued by the same issuer, except for securities or money market instruments issued or guaranteed by a member state, local public authorities of the member state, a third party or international public bodies with one or more member states as members. The 10% limit may be increased up to 40%, provided that the total value of securities held by EVERGENT INVESTMENTS in each of the issuers in which it holds up to 40% under no circumstance exceed 80% of its total assets;
- b) It may not hold over 50% of assets in securities and money market instruments issue by entities belonging to the same group, defined under art. 2 letter j) Law no. 243/2019, and in case of the group that AIFM managing that AIF is part of, this limit is 40%;
- c) Exposure to counterparty risk in a transaction with derivatives traded outside regulated markets cannot exceed 20% of the company total asset, irrespective of the counterparty of the transaction;
- d) Overall exposure on derivatives cannot exceed EVERGENT INVESTMENTS' total asset;
- e) The value of current accounts and cash should abide by 20% total asset; the limit may be exceeded up to maximum 50% provided that the amounts come from the issuance of equity securities from investments that reached maturity or the sale of financial instruments in the portfolio, and that exceeding cannot be longer than 90 days;
- f) It may not setup or hold bank deposits at the same bank, representing more than 30% of company assets;
- g) It may not hold more than 20% of company assets in equity securities not admitted to trading in a trading venue or a stock market in a third party, issued by a single A.I.F. for retain investors;
- h) It may not hold more than 10% of company assets in equity securities not admitted to trading from a trading venue or a stock exchange from a third country, issued by a single AIF for professional investors;
- i) It may not hold more than 50% of company assets in equity securities not allowed for trading I a trading venue or stock exchange in a third country, issued by other open-end AIFs. In case of the group that AIFM managing that particular AIF is part of, the holding limit is 40% of company assets;
- j) It may not hold more than 40% of company assets in equity securities issued by a single UCITS authorized by FSA or a competent national authority from another member state, or equity securities issued by a single collective investment undertaking admitted to trading in a trading venue in Romania, other member state or a stock exchange in a third country;
- k) It cannot offer financial instruments loans that represent more than 20% of the company's asset, the period on which the loan is granted cannot be more than 12 calendar days, in accordance with the regulations issued by FSA on margin transactions and borrowing operations; 20% limit of company asset may be increased up to 30% with FSA approval, under the conditions set in FSA regulations;
- l) EVERGENT INVESTMENTS may not offer loans in cash, may not participate/subscribe to syndicated loans, may not secure cash loans in favor of a third party, with the exception of entities in the group that EVERGENT INVESTMENTS is part of, within the limit of 10% of its asset. It may not purchase, neither directly, nor indirectly, in part or in full credit portfolios issued by other financial or non-financial entities, with the exception of investments in financial instruments issue by internationally recognized financial institutions, credit institutions or

financial non-banking institutions authorized by B.N.R or other central banks from a member state or third countries.

- m) It may not hold more than 40% of the company asset in securities¹⁶, money market instruments not admitted to trading in a trading venue or a third country stock exchange, with the exception of state tiles and bonds issued by the Ministry of Public Finance, as well as holdings obtained by EVERGENT INVESTMENTS, by law, in which case there is no holding limit imposed;
- n) It may not hold over 20% of company assets in shares issued by limited liability companies, regulated by Companies law no. 31/1990;
- o) It may not hold more than 10% of the asset value of the company in gas effect emission certificates, as defined by art. 3 letter b) Government's Decision no. 780/2006, with its later amendments and additions.

The management regularly examines the abidance by the prudential limits and restriction applicable to investments.

In case these limits are exceed, with the exception of situation independent of its will, EVERGENT INVESTMENTS SA is bound to return to the abidance by legal requirements within 30 days from the date that limit is exceeded. The company is bound to notify, within two work days, the depository of the assets and F.S.A about the exceeding of limits. The notification will include a justification of the causes that lead to this situation and the measures plan to return to the abidance by legal requirements within 30 days from their infringement.

The holders of shares issued by EVERGENT INVESTMENTS shall be informed about the measures to be taken in case of these limits/restrictions are infringed through regular Activity Reports of the Board of Directors. The documents mentioned can be found on EVERGENT INVESTMENTS' website, www.evergent.ro, under Shareholding/ GMS and Regular Reports.

EVERGENT INVESTMENTS SA's investment policy includes the following legal *restrictions*:

- ✓ It cannot make financial instruments exchanges for cash or other financial instruments in the portfolio, and cannot use free transfers of illiquid assets from its investment portfolio to its investors („redemption in kind”), according to art. 43 line (2) FSA regulation no. 7/2020.
- ✓ It cannot make short sales, defined according to the provisions of (EU) Regulation no. 236/2012 on the short sales and certain credit risk swaps, for any other purpose than risk coverage, namely hedging according to art. 33 line (1) Law no. 243/2019
- ✓ It does not invest in money market instruments such as commercial papers.

EVERGENT INVESTMENTS shall not invest in financial instruments such as total return swap, in the sense of EU Regulation no. 2365/2015 on the transparency of securities financing transactions and of reuse.

2. Certain information is required to be disclosed, where more than 20 % of the gross assets of any collective investment undertaking may be either:

- a) Invested, either directly or indirectly in titles of the same underlying issuer (including the subsidiaries or affiliates), or loans to the issuer in question (including its subsidiaries or affiliates);

¹⁶ Law 24/2017. Art.2 item 50. securities – classes of financial instruments that can be negotiated on the capital market, with the exception of payment instruments, such as:

- a) Shares issued by companies and other securities equivalent to shares issued by companies, as well as deposit certificate with shares as underlying asset;
- b) Bonds and other secured debt securities, including deposit certificate based on these securities, any other securities that grant the right to purchase or sale such securities or that lead to cash settlement, set in relation with securities, currencies, interest rates or return, commodities or measurement units;

On 31.03.2021 - there is a single issuer in EVERGENT INVESTMENTS's portfolio shareholding exceeds 20% of gross assets, namely 39,02% -, with the following identification data:

- ✓ Issuer name: Banca Transilvania
- ✓ Address: Cluj Napoca, Cluj district, str. G. Baritiu no. 8
- ✓ Country of registration: Romania
- ✓ Nature of its activities: financial - banking
- ✓ Market on which shares are admitted to trading: Bucharest Stock Exchange
- ✓ Degree of liquidity: high liquidity

b) invested in one or more collective investment undertakings which may invest in excess of 20 % of its gross assets in other collective investment undertakings (open-end and/or closed-end type);

Not applicable.

c) exposed to the creditworthiness or solvency of any one counterparty (including its subsidiaries or affiliates)

Not applicable

3. Where a collective investment undertaking invests in investments in excess of 20 % of its gross assets in other collective investment undertakings (open ended and/or closed ended), a description of the investment and how the risk is spread in relation to those investments shall be disclosed..

Not applicable.

4. With reference to item 2 letter (c), if collateral is advanced to cover that portion of the exposure to any one counterparty, in excess of 20% of the gross assets of the collective investment undertaking set out the details of such collateral arrangements.

Not applicable.

5. Where a collective investment undertaking invests in investments in excess of 40 % of its gross assets in another collective investment undertaking, then one of the following must be disclosed:

- a) information relating to each underlying collective investment undertaking as if it were an issuer under minimum disclosure requirements as set out in this Annex; (b) if securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent third country market or an SME Growth Market, or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market or an SME Growth Market, then the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.

Not applicable.

6. Physical commodities

Not applicable

7. Property collective investment undertakings

Not applicable

8. Derivatives financial instruments/money market instruments/currency

On the date the present document is prepared EVERGENT INVESTMENTS does not hold investments in derivatives financial instruments.

The company may invest in derivatives both for hedging purposes and in order to fulfill its investment

objectives, **abiding by the average risk profile.**

The principles for the selection of financial instruments in EVERGENT INVESTMENTS' portfolio are based on increase potential and associated risk.

Derivatives used for the efficient management of portfolio will be from Romania, another member state or a third state with final settlement in cash or the instrument's underlying asset, traded on a trading venue in Romania or a stock exchange from a member state or a third state, in the sense of letters a) and b) Section 13/item.1.c (pg.21) , and/or negotiated outside regulated markets, with the cumulative meeting of the following requirements:

- (1) underlying asset may be a share, a basket of shares or any financial instrument in which the COMPANY may invest, in accordance with its investment objectives, as well as financial indices, interest rate, precious metals, energy products and currency;
- (2) the counterparties in the negotiations run outside regulated markets are entities, subject to prudential supervision, that fall under the categories approved by F.S.A,
- (3) derivatives negotiated outside regulated markets are the object of daily and verifiable evaluation and can be sold, liquidated or the position may be closed daily, at fair value, through a transaction of contrary sign;

The main derivatives financial instruments that may be used:

1. Interest rate and exchange rate swap contracts;
2. Future contracts on exchange rate;
3. Options on financial indices, shares admitted to trading on regulated markets, interest rates, exchange rate;
4. Futures contracts with financial indexes, shares admitted to trading on regulated markets, interest rates, exchange rate

Risk hedging strategies that could be used in portfolio management

- ✓ Reducing long-term risk by combining a long position on a bond or bond portfolio with a short position on an interest rate swap or a short position on bond futures.
- ✓ Reducing the risk of a long position on a diversified equity portfolio with a short position on a futures contract, in which case their returns are strongly correlated and the short position allows the indisputable reduction of the general market risk.
- ✓ Offsetting the risk of a fixed interest bond with a swap on credit risk & swap on interest rate risk that allows the transformation of the fixed rate into a variable rate.

Per a contrario, the following strategies are not considered hedging operations:

- ✓ Offset of the combined risk between a short position on a share and a derivative on an underlying asset, closely connected to the share in the short position
- ✓ Strategy consisting in the investment in a basket of shares with short position in a stock index with the purpose of reducing the beta position and keeping the alpha component of that investment.
- ✓ The strategy aims to cover a long position on a share or bond by purchasing a credit position from the same issuer regarding two different asset classes and therefore should not be considered hedging operation.

SECTION 15. APPLICANT'S SERVICE PROVIDERS

1. The actual or estimated maximum amount of all material fees payable directly or indirectly by the collective investment undertaking for any services provided under arrangements entered into on or prior to the date of the registration document and a description of how these fees are calculated.

According to the provisions applicable to a FIAIR setup as company, namely art. 48 obligations consist in:	January-March 2021 (lei)	Calculation method
1. expenses for the payment of commissions for the Central Depository	63.096	For registry services: according to the fees of Central Depository, fee calculated depending on the number of issuer's shareholders, of over 500,000 holders. For the dividend payment account: processing fee set according to the number of shareholders of the issuer and variable fee calculated as percentage applied to the balance of the dividend payment account.
2. expenses regarding the commissions owed to the depository bank– BRD GSG	100.052	Commissions : <ul style="list-style-type: none"> • For storage - 0,005% / year applied at the net monthly asset total, commission calculated and paid on a monthly basis. • For the custody activity of financial instruments and transaction settlement • corporate action • state titles details presented under Section 17. Custody. Subchapter: level of storage and custodian services
3. expenses with commissions owed to the brokers and other expenses directly or indirectly related to trading and/or sale/purchase of F.I.A.I.R. assets	96.651	Trading commissions are calculated as percentage applied to the value of the transactions; and differs depending on the broker and type of transaction, and/or fixed commissions in case of more complex market operations (e.g. public offerings, private investments).
4. expenses with turnover commissions and other bank services;	7.818	Bank fees are according to the rates charged by banks, being generally determined by the type, number and value of banking operations. There are also fixed fees (e.g. for account management, for opening / closing accounts, for account balance confirmations)
5. expenses with commissions and fees for F.S.A. and fees owed to professional bodies	504.962	FSA commission is calculated applying a monthly rate (0,0078%/month) to net asset. Fees for professional bodies: are set by the professional bodies, depending on net asset value
6. expenses related to reporting and	9.165	Expenses are calculated depending on the fees

¹⁷ According to Section 3 Annex 4 to EU Reg. 2019/980

transparency obligations for F.I.A.I.R.;		negotiated with the suppliers (usually depending on the number of words of each report).
7. financial audit * expenses for F.I.A.I.R., as well as any other non-audit services that can be carried out by the financial auditor, in accordance with legislation in force	-	Auditor's fees are set at the level negotiated in the auditor selection process, being calculated depending on the hourly fees and number of hours.
8. expenses related to GMS organization	12.439	Expenses are calculated depending on the fee negotiated with suppliers, per event, for the abidance by legal provisions (e.g. notary, live stream, live translation)
TOTAL	794.183	

* the expenses with the statutory auditor are registered in the second half of the year, for the audited year, which explains the level of these expenses in the January – March 2021 period.

2. A description of any fee which is or may be material, payable directly or indirectly by the collective investment undertaking which cannot be quantified under item 3.1.

Not applicable.

3. If any service provider to the collective investment undertaking is in receipt of any benefits from third parties (other than the collective investment undertaking) by virtue of providing any services to the collective investment undertaking, and those benefits may not accrue to the collective investment undertaking, a statement of that fact, the name of that third party, if available, and a description of the nature of the benefits shall be disclosed.

Not applicable.

4. The identity of the service providers and a description of their duties and the investor's rights.

EVERGENT INVESTMENTS has a large number of service providers for the company's current activity, the amounts paid to several of these having an insignificant impact on the Company's activity. The rights and obligations of the parties are set through specific contract clauses, in agreement with applicable law.

Reported to the obligations of a FIAIR established as a company, provided by art. 48 of the FSA Regulation no. 7/2020 on the authorization and operation of alternative investment funds, presented in point 1 above, we present the main service providers specific to the activity of a regulated entity:

1. Contract with the Depository /Custodian

According to the contract entered with BRD-GROUPE SOCIÉTÉ GÉNÉRALE, Depository/Custodian („Bank”) has the following obligations:

- (1) To act in a honest, fair, professional and independent manner;
- (2) To keep the assets held in custody safe, separate from its assets and those of other entities. AIF assets in material form, delivered based on protocols shall be case safely in the Bank's safe and delivered to the self-managed AIFM/AIF upon receiving the proper instructions from it, based on protocols;
- (3) To open Financial Instruments Accounts on AIF name or on the name and AIFM and account of AIF, in which to keep the Assets held in Custody;

- (4) To carry out, in the AIF account, the settlement of transactions with Financial Instruments executed in accordance with the corresponding Instructions and with the regulations specific to the markets on which they are traded;
- (5) To collect dividends, interest and other revenue related to the assets held in custody, at the request of the self-managed AIFM/AIF;
- (6) To make sure that for the transactions whose object are AIF assets, any amount be paid within the set deadline;
- (7) To make sure that (i) AIF revenue is managed and calculated, namely (ii) expenses are calculated in accordance with regulations in force and AIF Documents;
- (8) To make sure that the sale, issue, redemption or annulment/shares are made by the self-managed AIFM/AIF or another entity on AIF's behalf, in accordance with regulations in force and AIF Documents;
- (9) To verify and certify the reports requested by FSA and submit it to the self-managed AIFM/AIF within the deadlines, in the forms, under the conditions and with the regularity of foreseen by the Party, or by regulations in force;
- (10) To verify and certify NAV and the number of investors with the regularity and for the reference date set in the Work Procedures (in the Contract) or AIF documents and regulations in force;
- (11) To make sure that the value of the fund unit/investment titles is calculated in accordance with regulations in force and AIF documents;
- (12) To register, verify, monitor and control AIF assets;
- (13) To follow the corresponding instructions from the self-managed AIF/AIFM on behalf of AIF, with the exception of the case when these are contrary to the regulations in force or AIF Documents or there are other grounds for refusal;
- (14) To inform the AIFM /self-managed AIF about any act or deed relevant for AIF activity that was not made public through mass information means;
- (15) To annually submit, by 31st January, a statement of third parties (global/local custodian and/or international depositories) that the Custodian entrusted with the placement of the assets held in custody, traded on international markets;
- (16) To provide, following the written request of AIFM /self-managed AIF, the criteria used for the selection of the previously mentioned third parties as well as the measures taken to monitor the activity carried out by the selected third-party. To reconcile with AIFM/self-managed AIF, the statement of assets not held in custody on a regular basis and on the reference date set through the work procedures, AIF documents and regulations in force;
- (17) To verify that the appointing of the external assessor was made in accordance with regulations in force;
- (18) To set and apply monitoring mechanisms and procedures on types of assets, in accordance with regulations in force;
- (19) To keep the records of all information exchanged with AIFM/self-managed AIF during the execution of the Contract, for the period established by specific regulations, but no less than 5 years from the date of information receipt. The information will be kept on a durable medium, as defined by the regulations in force;
- (20) To make the financial instruments in AIF portfolio available, following the receipt of the corresponding instructions of the self-managed AIF/ AIFM, only under the following circumstances:

- a) On the settlement date of the transaction, on the sale date of a financial instrument, on the principle of delivery against payment;
 - b) Following the instructions received in case of merger, including those from the liquidation manager, in case of liquidation;
 - c) Following the setup of guarantees for operations run by AIF, in accordance with regulations in force;
 - d) Under other circumstances foreseen by regulations in force;
- (21) To make available/receive financial instruments exclusively on the delivery/receipt against payment principle, for all financial instruments in AIF portfolio offset within an offset, settlement and registry system. The accounts corresponding to the transactions to be settled, according to the corresponding instructions are debited from the availabilities account on the settlement date, and during the entire settlement process, until actual settlement, these will remain at the Custodian's disposal for settlement purposes;
- (22) To inform AIFM/ self-managed AIF as soon as he becomes aware that the separation of AIF assets is no longer sufficient to ensure the protection against insolvency of a third party to whom the Bank has assigned custody;
- (23) To supply, following the written request of AIFM/self-managed AIF, bank statements concerning AIF holdings issued through the system provided by the Central Depository;
- (24) To monitor the investment limits of AIF abiding by regulations in force;
- (25) To submit, on the date the contract is concluded and during its execution, or whenever there are any modifications, the name, function and contact data of individuals authorized to keep in touch with AIFM / self-managed AIF for the purpose of the running of contract;
- (26) To meet any other obligations foreseen to be its responsibility, in accordance with work procedures and regulations in force.

The depository is responsible before EVERGENT INVESTMENTS SA and EVERGENT INVESTMENTS SA's shareholders for any losses incurred by them following the failure to fulfill or improper fulfillment of its obligations.

- (1) The Depository/Custodian is responsible:
- a) Before AIF or AIF investors for the loss of a financial asset in custody. A financial instrument held in custody shall not be considered lost if the Custodian returns without delay an identical financial instrument or one with a corresponding value to the self-managed AIF/AIFM.
 - b) Before AIF investors for losses incurred by them failure following the intentional or culpable infringement of the obligations assigned to it as depository/ custodian of AIF assets, in accordance with regulations in force.
 - c) Before self-managed AIF/AIFM for the direct damages caused following the intentional or culpable failure to fulfill the obligations taken on, as set through a court resolution that remained final.
- (2) The responsibility of the Depository is not incurred for any loss or non-fulfillment / delay that occurred as a result of:
- a. An external event, outside the control, whose consequences were inevitable despite all reasonable efforts to oppose it, in accordance with the provisions of art. 101 and 102 *EU Regulation no.231/2013 of the Committee 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, as well as other corresponding regulations ,with its later amendments and additions*, or following other

liability exoneration causes in accordance with applicable law, including following the fall/ limitation of access in a trading or post-trading system, suspension of the activity/ closing of a trading venue, interruption of the communication network, faulty functioning of the internet or mobile phone services following the effects of acts and regulations of any government or international authority/body, market authority, supervision or regulation authority;

- b. Receipt from AIFM / self-managed AIF of wrong instructions, instructions erroneously transmitted, received late or that cannot be considered proper or are refused by the Custodian/Depositary;
- c. Infringement by AIFM/ self-managed AIF of its own obligations stemming from the contract or regulations in force;
- d. Failure of other entities/ third parties to fulfill their obligations.

2. Contract with the Financial Auditor.

2.1. The contract entered with financial auditor KPMG Audit SRL for 2019-2020 includes the following obligations of the auditor:

- Delivery of audit services for the individual financial statements of the company for the financial years concluded on 31st December 2019 and 31st December 2020 prepared in accordance Financial Supervision Rule no. 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervision Authority – Financial Instruments and Investment Sector (Rule 39/2015) (hereinafter referred to as “individual financial statements”) and the issue of an audit report that will mention if the individual financial statements offer a true image of the Company’s unconsolidated financial position on 31st December 2019, namely 31st December 2020, as well as of its unconsolidated financial performance and unconsolidated cash flows for the financial years concluded on 31st December 2019 and 31st December 2020, in accordance with Rule 39/2015;
- Delivery of financial audit services for the consolidated financial statements of the Company for financial years concluded on 31st December 2019 and 31st December 2020, prepared in accordance with Financial Supervision Authority’s Rule no. 39/2015 for the approval of accounting regulations in compliance with the International Financial Reporting Standards – Financial Instruments and Investments Sector (Rule 39/2015) (hereinafter referred to as consolidated financial statements offer a true image of the consolidated financial position of the Company on 31st December 2019 namely 31st December 2020 as well as of its consolidated financial performance and its consolidated cash-flows for the financial years concluded on 31st December 2019 and 31st December 2020, in accordance with Rule 39/2015;
- Reporting, according to the requirements of art. 14 item 3 e (i) and (ii) and item 4 of Rule no. 39/2015 on the directors’ report prepared by the directors of the Company for the financial years concluded on 31st December 2019, respectively 31st December 2020 in accordance with Rule 39/2015, articles 8(1)-8(3) and 9-13;
- Reporting, according to the requirements of art 31 item 3 line (e) of Rule 39/2015 on the consolidated directors’ report prepared by the Company’s directors for the financial years concluded on 31st December 2019 respectively 31st December 2020, in accordance with Rule 39/2015, articles 29(1), 29(2) and 30;
- The issue of the additional report for the Audit Committee in accordance with the requirements of art. 11 (EU) Regulation 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, in the Romanian language.
- Issue of a letter to the Company’s management to include aspects identified during the running of the audit mission that have a significant financial impact, aspects related to the internal management and control systems, as well as its recommendations to remedy the deficiencies identified.

2.2. The contract with financial auditor Deloitte Audit SRL for 2021-2022 includes the following obligations of the auditor:

- Audit of the individual financial statements on 31st December 2021 and 31st December 2022 prepared in accordance with FSA Rule no. 39/2015 and International Financial Reporting Standards adopted by the European Union („IFRS”) (hereinafter referred to as “statutory audit”);
- Audit of the consolidated financial statements on 31st December 2021 and 31st December 2022 drafted in accordance with FSA Norm no. 39/2015 and International Financial Reporting Standards adopted by the European Union („IFRS”) (hereinafter referred to as (“statutory audit”));

The result of the activities mentioned above will be an audit report drafted in accordance with applicable mandatory regulations in Romania. The auditor shall issue an Auditor’s Report that covers the Client’s financial statements for the years concluded on 31st December 2021 and 31st December 2022.

The auditor shall prepare and submit an additional report for the Client’s Audit Committee on the issue date of the audit report submission, at the latest. This report will explain the results of the statutory audit.

In accordance with the International Audit Standards (IAS), following the completion of the audit, the Auditor may draft a letter addressed to the Client’s management in which to present the Auditor’s observations and recommendations on accounting, financial and commercial aspects regarding the Client.

- The audit of electronic reporting prepared by EVERGENT INVESTMENTS on 31st December 2021 and 31st December 2022, according to the requirements of European Single Reporting Format („audit XBRL”).
- The auditor may offer the Client additional or audit connected assurance services in accordance to the terms agreed on in the Contract, based on a service order placed by the Client and accepted by the Auditor.

3. Contract for the delivery of registry services

Regarding the contract for the provisions of registry services concluded with the Central Depository, the latter’s obligations are the following:

- (1) The Depository undertakes to open, maintain and update the Registry on the name and on behalf of EVERGENT INVESTMENTS SA, according to the applicable legal regimen;
- (2) The Depository shall provide the Issuer with the following services:
 - a) safekeeping and update of the Shareholders’ Register of EVERGENT INVESTMENTS SA through the registration of direct transfers of ownership rights on shares issued by the Issuer, according to the applicable legal regimen;
 - b) update of the Shareholders’ Register according to the transactions sent by the trading systems on which financial instruments issued by EVERGENT INVESTMENTS SA are traded and that are object of contract, in agreement with the applicable legal regimen;
 - c) update of the Shareholders’ Register according to the request for the modification of data sent by the holders of financial instrument, by EVERGENT INVESTMENTS SA or by a participant to the clearing-settlement system and registry, in case of own clients, according to the applicable legal regimen;
 - d) monitoring of the number of shares issued in circulation, in relation to the share capital registered in the Securities Registration Certificate issued by the Financial Supervision Authority – Financial Instruments and Investments Sector (F.S.A.) in accordance with the applicable legal

regimen.

In accordance with the applicable legal regimen and the provisions of the contract, the Depository undertakes to keep the information held regarding the Register confidential: name and identification data of the shareholders, holding of shares.

5. A description of any material potential conflicts of interest which any of the service providers to the collective investment undertaking may have as between their duty to the collective investment under-taking and duties owed by them to third parties and their other interests. A description of any arrangements which are in place to address such potential conflicts.

Not applicable.

SECTION 16. STATEMENT OF MANAGER/ADVISERS ¹⁸

1. In respect of any Investment Manager the information required to be disclosed under items 4.1 to 4.4 and, if material, under item 5.3 of Annex 1 together with a description of its regulatory status and experience.

Not applicable.

2. In respect of any entity providing investment advice in relation to the assets of the collective investment undertaking, the name and a brief description of the entity.

Not applicable.

SECTION 17. CUSTODY

1. A full description of how the assets of the collective investment undertaking will be held and by whom and any fiduciary or similar relationship between the collective investment undertaking and any third party in relation to custody.

Identification data of the Depository

The depository of EVERGENT INVESTMENTS SA is BRD-GROUPE SOCIÉTÉ GÉNÉRALE S.A., credit institution headquarter in Bucharest, B-dul Ion o. 1-7, 1st district, registered in the Trade Registry Office under no. J40/608/1991, subscribed paid-up capital, paid in full.901.518 Lei, sole registration code 361579, tax identification code RO 361579, authorized to act as custodian and depository, according to FSA decision no. 4338/09.12.2003 entered in FSA Registry under no. . PJR10DEPR/400007, phone no. 021-2008372, fax no. 021-2008394, website www.brd.ro.

The object of the depository contract entered by and between EVERGENT INVESTMENTS and the Depository

According to regulations in force and AIF documents, the Depository:

- a) Delivers depository services for AIF assets, including the calculation and/or certification of AIF assets value on the deadlines set by regulations in force and AIF Documents;
- b) Safe keeps, through custody services, all assets held in custody;
- c) Carries out settlement services.

Duration of the contract entered by and between F.I.A and the Depository

¹⁸ In accordance with Section 4 Annex 4 to EU Regulation 2019/980

The depositary contract shall be concluded for a period of 3 years from the date of its coming into force, with the possibility of tacit extension if none of the Parties notifies the other in writing about its intention to terminate the Contract, abiding by a notice period of 90 (ninety) calendar days.

The depositary contract comes into force on the date of EVERGENT INVESTMENTS SA's authorization as AIF by FSA.

Types of instructions received by the Depositary from A.I.F.M.

EVERGENT INVESTMENTS SA submits the Depositary adequate instructions that set the operations that the Depositary is bound to follow regarding the activities it fulfills. These adequate instructions are either general instructions that authorize the carrying out of specific, routine or generally repeated activities, or special notifications for special situations based on which the Depositary carries out his obligations regarding the carrying out of depositary services for Fund assets, according to legal provisions.

The level of depositary and custody services

The depositary fee is calculated according to the grid set in the depositary contract of EVERGENT INVESTMENTS and is 0,005%/year applied to the total net asset, commission that is calculated and paid on a monthly basis.

In addition to the depositary commission mentioned above, EVERGENT INVESTMENTS SA owes the Depositary fees for other services:

- i. For the custody activity for financial instruments – transactions settlement
 - a) On local markets: the fee charged by local central depositaries for transaction offset and settlement services;
 - b) On external markets: a fee expressed as EUR per transaction (different for mature, emerging markets, modification/ annulment of transactions);
- ii. For the custody activity for financial instruments – safekeeping of financial instruments
 - a) On local markets: the commission of local central depositaries for the safekeeping of financial instruments;
 - b) On external markets: a percentage applied to the updated average monthly value of the financial instruments portfolio in the custody account (percentage per year, different for mature and emerging markets).
- iii. Corporate Action fees;
- iv. State titles fees.

These fees are subjected to the legal provisions in force regarding value-added tax.

The Depositary shall not transfer, mortgage, secure or dispose, in any way, of the financial instruments or money entrusted for safekeeping on behalf of AIF, except when (i) the Depositary / Custodian received adequate instructions from the self-managed AIF/ AIFM for this purpose and only in the benefit of shareholders, abiding by applicable legal provisions; or (ii) FSA orders special measures.

Responsibilities of the depositary /custodian

Depositary's responsibilities are detailed under item 3.4.

Cease of depositary contract

The contract rightfully ceases, without the need of an intervention of a court or arbitrage, and without any additional formality, in the following situations:

- a) Through one-sided cancellation of Contract by any of the Parties, provided that a written cease notification is sent to the other Party according to the notice period foreseen in the contract. This term shall start to pass on the date the Contract termination notification is notified to FSA by the party requesting the one-sided termination of Contract;

- b) in case of withdrawal of the authorization / approval for the operation of any Party by ASF and / or BNR in the case of the Depositary / Custodian;
- c) in case of the initiation of supervision or special management procedures by BNR in the Bank's case, AIFM/ self-managed AIF shall proceed to one-sidedly terminate the contract
- d) in case of the initiation of dissolution/liquidation procedure or any other procedures for the AIFM /self-managed AIF;
- e) in the case of starting the bankruptcy procedure for any of the parties. AIFM /self-managed AIFM shall proceed to one-sidedly terminate the Contract
- f) through the agreement of the Parties and conclusion of an addendum for this purpose.
- g) Through the termination of the Contract, under the conditions foreseen in the Contract.

Either Party has the right to consider the Contract terminated in its own right, without the need for the intervention of a court or arbitration, without delay and without any additional formality, if the other Party does not fulfill, improperly fulfills or delays the fulfillment of any of the obligations foreseen in or deriving from the contract and does not remedy this non-performance within the deadline stated by the affected Party in the notification sent for this purpose, deadline that shall not be over 5 (five) work days..

Act of God in case of depositary contract

The commitments taken on by AIFM/ self-managed AIF in the Contract shall not be extinguished or suspended (or otherwise adversely affected) by any event of Act of God, fortuitous event or any other delay or infringement of a third party. In order to avoid any doubt, payment obligations enforceable in cash or other interchangeable goods (for example, financial instruments) will not invoke the effect of Act of God, fortuitous event or other similar events.

Conditions to replace the depositary

Following the case of the depositary contract, EVERGENT INVESTMENTS SA shall take all necessary steps to conclude a depositary contract with another FSA certified Depositary. The Depositary shall cooperate and supply all information reasonably required to support the transfer of AIF assets to any new Depositary according to regulations in force. The transfer of Fund assets between Depositaries shall be in accordance with applicable FSA regulation, the main objective being the protection of investors and their adequate notification. The responsibility for prejudices caused during the transfer shall be that of the transferring /receiving depositary at fault for that particular prejudice.

2. Where any entity other than those entities referred to in item 5.1, holds any assets of the collective investment undertaking, a description of how these assets are held together with a description of any additional risks.

Not applicable.

SECTION 18. VALUATION ¹⁹

1. A description of the valuation procedure and of the pricing methodology for valuing asset.

Methods for determining net asset value

The activity of valuing assets in its own portfolio is ensured internally by EVERGENT INVESTMENTS SA, abiding by the provisions of art. 18 (2) Law no. 74/2015 on the issuer of alternative investment funds: *“Rues applicable to the valuation of assets and calculation of net asset unit value of AIF are set by the law of the country of origin of AIF and/or its rules and Memorandum of Association”* and art. 17 line (7) of Rule no. 10/2015 *“In applying art. 18 line (2) Law no. 74/2015, the rules for the valuation of AIF assets that AIFM or the external assessor uses accordingly are those foreseen by art. 113-122 of Rule no. 9/2014 applicable to U.C.I.T.S.”*

a) Assets valuation rules

The valuation methodologies for each type of assets in which the Company may invest, abiding by incidental legal provisions, are presented below/

In the case of valuing assets in which there is a market price, the valuation methodology chosen must take into account the relevant market and market prices.

As an exception, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by EVERGENT INVESTMENTS SA, based on a prudential value judgment regarding the active market defined by the International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the market valuation method, EVERGENT INVESTMENTS SA may decide that the shares of the respective companies be valued in accordance with the valuation standards in force, according to the law, based on an evaluation report. If it chooses to apply this valuation method, it shall maintain it for a period of at least one calendar year for those actions considered illiquid.

Asset categories	Valuation methods
1. Financial instruments admitted to trading and traded in the last 30 trading days (working days) on a regulated market or in trading systems other than regulated markets in a Member State, including in an alternative trading system in Romania, as well as those admitted to the official quota of a stock exchange or an alternative trading system from a third state	
1.1 Shares	<ul style="list-style-type: none"> • at the closing price of the market section considered as the main market, in the case of shares admitted to trading on that regulated market in the Member State / non-member State stock exchange or • the reference price provided in trading systems other than regulated markets, including in other alternative trading systems, by the operator of that trading system for the day for which the calculation is made. The price used as reference price is calculated based on the activity trading date of the day for which the asset is calculated, used as a benchmark in the opening of the next day's trading session. <p>or</p> <ul style="list-style-type: none"> • in the case of joint stock companies admitted to trading in a regulated market or a multilateral trading system with a liquidity considered by EVERGENT INVESTMENTS SA, based on a prudential value judgment regarding the active market defined by the International Financial Reporting Standard 13 - Valuation at fair value (IFRS 13), as irrelevant for the application of the market valuation method, EVERGENT INVESTMENTS SA may decide that the shares of those companies be valued in accordance with the valuation standards in force, according to the law, based on a report evaluation. If it chooses to apply this valuation method, it shall maintain that valuation method for a period of at least one calendar year for those actions considered illiquid. • <u>Specification</u> : according to art. 47 paragraph (6) of the FSA Regulation no. 7/2020, the participation

¹⁹ conform Sectiunii 5 din Anexa 4 la Reg. UE 2019/980

Asset categories		Valuation methods
		titles of the alternative investment funds established as investment companies (F.I.A.S.) admitted to trading or traded within a trading venue or a stock exchange from a third country fall into the category of shares
1.2	Fixed income financial instruments	<ul style="list-style-type: none"> at the closing price of the market section considered as the main market, corresponding to the day for which the calculation is made, in the case of fixed income financial instruments admitted to trading on the respective regulated market of the Member State / non-member state stock exchange or at the reference price of the day for which the calculation is made, in the case of shares traded in trading systems other than regulated markets, including in other alternative trading systems, provided by the operator of that trading system for each of the segments of that system. The price used as the reference price is calculated based on the trading activity from the date of the day for which the asset is calculated, used as a benchmark in the opening of the trading session the next day. or through the method based on the daily recognition of interest and the amortization of the discount / premium related to the period elapsed from the date of the investment
1.3	Money market instruments	<ul style="list-style-type: none"> at the closing price of the market section considered as the main market, corresponding to the day for which the calculation is made, in the case of fixed income financial instruments admitted to trading on the respective regulated market of the Member State / non-member state stock exchange or at the reference price of the day for which the calculation is made, in the case of shares traded in trading systems other than regulated markets, including in other alternative trading systems, provided by the operator of that trading system for each of the segments of that system. The price used as the reference price is calculated based on the trading activity from the date of the day for which the asset is calculated, used as a benchmark in the opening of the trading session the next day.. or through the method based on the daily recognition of interest and amortization of discount/ premium corresponding to the period of time elapsed from the date of the investment
1.4	Derivatives	<ul style="list-style-type: none"> at the closing price of the market segment considered as the main market, in the case of derivative financial instruments admitted to trading on that regulated market in the Member State / non-member State stock exchange or the reference price provided in trading systems other than regulated markets including in other alternative systems by the operator of that trading system for the day for which the calculation is made. The price used as the reference price is calculated based on the trading activity from the date of the day for which the asset is calculated, used as a benchmark in the opening of the trading session of the following day.
1.5	Holding titles issued by C.I.U..	<ul style="list-style-type: none"> at the closing price of the market segment considered as the main market in case of holding titles issued by OPC admitted to trading on that regulated market of the member state/ non-member state or the reference price provided in trading systems other than regulated markets including in other alternative systems by the operator of the respective trading system for the day for which the calculation is made. The price used as reference price is calculated based on the trading activity on the day for which the asset is calculated, used as a benchmark in the opening of the trading session of the following day. <p><u>Specification:</u> according to art. 47 paragraph (6) of the FSA Regulation no. 7/2020, the participation titles of the alternative investment funds established as investment companies (F.I.A.S.) admitted to trading or traded within a trading venue or a stock exchange from a third country fall into the category of shares.</p>
1.6	Structured products	At the reference price (corresponding to an individual issue of structured products, respectively trading session), calculated by the market operator on which those instruments are traded.
2.	Financial instruments admitted to trading on a regulated market, in an alternative system or in systems other than regulated markets, in a Member State, including in an alternative trading system in Romania, as well as those admitted to the official share of a stock exchanges or an alternative trading system from a third country, but not traded in the last 30 trading days (working days), will be valued, starting with the 31st non-trading day	
2.1	Shares	<ul style="list-style-type: none"> the carrying value per share, as it results from the last approved annual financial statement (prepared in accordance with the national accounting regulations applicable to the issuer or prepared in accordance with IFRS) of the respective entity;

Asset categories		Valuation methods
		<ul style="list-style-type: none"> in case of operations for share capital increase/ decrease (through the increase/ decrease of the number of shares in circulation) of companies registered with O.N.R.C. (in case of a company not admitted to trading in within a trading venue) or that are registered in the system of a central depository (for issuers) during the same financial year and for which the new number of shares in circulation is not reflected in a real manner in the latest annual approval financial statements, for the purpose of calculating the carrying value mentioned in this item, the information supplied by the company/issuer shall be used based on proving documents (O.N.R.C. registration certificate or monthly equity registration certificate, hereinafter referred to as CIVM, issued by FSA- in case of issuers- and, to the extent it was available the report drafted by an independent auditor that certifies the new value of the company's equity). <p>In the case of credit institutions, the carrying value per share may be based on the value of equity included in the monthly reports submitted to the B.N.R., if these reports are available.</p> <p>or</p> <ul style="list-style-type: none"> value determined by applying valuation methods in accordance with International Valuation Standards (in which the fair value principle is used), approved by the board of directors <p><u>specification:</u> according to art. 47 paragraph (6) of the FSA Regulation no. 7/2020, the participation titles of the alternative investment funds established as investment companies (F.I.A.S.) admitted to trading or traded within a trading venue or a stock exchange from a third country fall into the category of shares.</p>
2.2	Fixed income financial instruments	the method based on the daily recognition of interest and the amortization of the discount / premium for the period elapsed from the date of the investment.
2.3	Money market instruments	the method based on the daily recognition of interest and the amortization of the discount / premium for the period elapsed from the date of the investment.
2.4	Derivative financial instruments	they will be valued using established techniques on the financial markets, so that the fair value principle is respected
2.5	Participation titles issued by OPC	<p>Latest net asset unit value calculated or published by internationally renowned private companies (e.g. Bloomberg, Reuters).</p> <p><u>specification:</u> according to art. 47 paragraph (6) of the FSA Regulation no. 7/2020, the participation titles of the alternative investment funds established as investment companies (F.I.A.S.) admitted to trading or traded within a trading venue or a stock exchange from a third country fall into the category of shares.</p>
3. Financial instruments not admitted to trading on a regulated market or in trading systems other than regulated markets, including alternative trading systems in Romania, in a Member State or in a third country		
3.1	Shares	<ul style="list-style-type: none"> Carrying value per share as results from the latest approved annual financial statement (drafted in accordance with national accounting regulations applicable to the issuer or drafted in accordance with IFRS) of that entity. <p>In case of share capital increase/ decrease (through increase/ decrease of the no. of shares in circulation) of O.N.R.C. registered companies (in case of a company not admitted to trading on a trading venue) or that are registered in the central Depository (for issuers) during the same financial year and for which the new number of shares in circulation is not accurately reflected in the latest approved annual financial statements, for the purpose of calculating the carrying value mentioned under this item, the information supplied by the company/issuer based on proving documents (ONRC registration certificate or monthly verification balance – in case of unlisted companies – or the securities registration certificate, hereinafter referred to as C.I.V.M., issued by F.S.A – in case of issuers, as well as, to the extent it is available, a report issued by an independent auditor certifying the new value of the company's equity), shall be used;</p> <p>In case of credit institutions, the carrying value per share may have as calculation basis the value of equity included in the monthly reports submitted by B.N.R., if these reports are available</p> <p>or</p> <ul style="list-style-type: none"> Value determined based on the application of valuation methods compliant with the International Valuation Standards (where the fair value principle is used), approved by the Board of Directors. <p>In case of joint-stock companies not admitted to trading on a regulated market or an alternative trading system, in which EVERGENT INVESTMENTS SA holds over 33% of the share capital, the shares are valued in EVERGENT INVESTMENTS SA assets in compliance with the international valuation standards based on a valuation report that is updated at least on an annual basis.</p>
3.2	Fixed income financial instruments	<p>the method based on the daily recognition of interest and the amortization of the discount / premium for the period elapsed from the date of the investment.</p> <p>For prudential purposes, in the event that EVERGENT INVESTMENTS SA finds, according to the periodic</p>

Asset categories		Valuation methods
		financial statements of the issuer of these instruments, that there is a significant risk that it will not meet its payment obligations related to periodic coupons and principal, EVERGENT INVESTMENTS SA will gradually make value adjustments of the exposure on the respective instrument, based on an internal analysis or an evaluation report prepared by an external evaluator, appointed in accordance with the provisions of art.18 paragraph (9) of Law no.74 / 2015. If subsequently, the issuer of unlisted fixed income financial instruments does not actually fulfill its payment obligation related to the periodic and principal coupons, then they will be included in the asset at zero value or, as the case may be, at the value of the executed guarantee.
3.3	Money market instruments	Method based on the daily recognition of interest and amortization of discount/premium corresponding to the period elapsed from the date the investment was made.
3.4	Derivatives	Will be valued using well-established techniques on financial markets, so that the fair value principle be abided by.
3.5	Participation titles issued by OPC	Latest unit value of net asset calculated and published by its manager or published by internationally renowned private companies (e.g., Bloomberg, Reuters).
4. Current account holdings		
		Balance available on the date the calculation is made. Amounts in the company's current accounts with credit institutions that are in bankruptcy proceedings will be included in net assets at zero value.
5. Bank deposits and deposit certificates		
		<ul style="list-style-type: none"> Valuation method based on the daily recognition of the interest corresponding to the period elapsed from the date the investment was made. In case interest collections are made before maturity, the amounts thus collected are deducted from the calculated value. for structured deposits with guaranteed minimum interest - evaluation based on the principle of daily recognition of the guaranteed minimum interest of the respective structured deposit that will be subsidized by the bank. for structured deposits without guaranteed minimum interest - valuation based on the principle of daily recognition of current account interest. <p>At maturity, if the evolution of the underlying asset was within the conditions of the deposit, the positive interest difference for the entire period from the moment of the deposit is setup will be recognized. The evaluation method will be maintained throughout the deposit duration.</p> <ul style="list-style-type: none"> For deposits with interest payment in advance – valuation of the initial amount setup as a deposit through the deposit duration
6. Shares suspended from trading for a period of at least 30 trading days (working days), following the decision of the market or system operator, in order to inform investors of information that might lead to the issuer's share price modification.		
		Weighted average cost corresponding to the last 30 trading days (working days) calculated up to the date of the occurrence of such an event, as arithmetic mean of the average weighted prices of each of the latest 30 days of trading; <i>or</i> the value determined by applying valuation methods in accordance with the International Valuation Standards (in which the fair value principle is used) and approved by the Board of Directors. If the weighted average prices in each of the last 30 trading days are not available for the calculation of the arithmetic average, only the value determined by the use of valuation methods in accordance with international valuation standards shall be used to determine the price of the suspended shares (using the fair value principle).
7. Shares of companies in insolvency or reorganization (are included in net asset on the date the announcement was made public on the website of the regulated market or the alternative trading system they are traded on)		
		<ul style="list-style-type: none"> At zero value <i>or</i> <ul style="list-style-type: none"> At the value set by an independent assessor through the use of valuation method compliant with the International Valuation Standards (compliant with the fair value principle).
8. Asset not traded or admitted to trading and not traded during the last 30 trading days (working days) whose financial statements are not available within the deadline of 90 days from the legal submission dates.		

Asset categories	Valuation methods
	<ul style="list-style-type: none"> At zero value or at the value determined by using valuation methods in accordance with international valuation standards (in which the fair value principle is used) and approved by the board of directors <p>The methods above apply only in case that on the website of the regulated market, the alternative trading system of the Ministry of Public Finance or the issuer the quarterly / half-yearly reports based on which the value of those shares can be ascertained are not available.</p>
9. Shares of companies regulated by Law no. 31/1990 in judicial liquidation or other forms of liquidation as well those that have ceased their activity temporarily or permanently.	
	At zero value (from the date the announcement was made public on the website of the regulated market or alternative trading system on which they are traded).
10. Shares held as a result of participation in the share capital increase without cash consideration, as well as those with cash consideration ²⁰	
	<ul style="list-style-type: none"> Shares admitted to trading or traded held as a result of participating to the share capital increase without cash consideration, as well as those with cash consideration registered in asset, valuation is made at the share closing price on the market that is considered main market, or reference price provided in systems other than regulated markets, including in other alternative trading systems by the operator or that trading system, corresponding to the date when the calculation is made. Shares not admitted to trading resulted from share capital increase with cash consideration: <ul style="list-style-type: none"> Up to the date the share capital increase is registered with the National Trade Registry Office, at the subscribed value From the date the share capital increase is registered with the NTRO, according to item 3.1. Shares not admitted to trading resulted from share capital increase without cash consideration – from the date the share capital increase is registered at NTRO, based on proving documents supplied by the company, certifying the new value of equity corresponding the new share capital (see item.3.1.)
11. Shares of companies regulated by Law no. 31/1990 or applicable legislation from member or third states, not admitted to trading or admitted to trading on a regulated market, within an alternative investment system or other trading systems from a member state, including through an alternative trading system in Romania, as well as those admitted at the official rate of a stock exchange or an alternative trading system from a third country, not traded in the last 30 trading days (working days), with negative equity value.	
	At zero value
11.1 Shares of a company admitted to trading on a regulated market/ alternative trading system that has negative equity value, is not traded over a longer period than 30 trading days and this period coincides with the suspension period of trading that particular share.	
	At zero value
12 Property assets	
	Through valuation report drafted by an independent assessor registered in the Public Registry of FSA in accordance with the provisions of <u>art. 62-64 Law no. 243/2019</u> .
14 Shares of limited liability companies, whose annual financial statements are audited according to the law.	
	Based on the value determined through the application of valuation method compliant with the valuation standards in force, according to the law (using the fair value principle), approved by EVERGENT INVESTMENT SA's senior management, the valuation takes place at least annually
14 Greenhouse gas emission certificates	
	Based on the value determined by applying the valuation methods in accordance with the valuation standards in force, according to the law (where the fair value principle is used), approved by the senior management of EVERGENT INVESTMENTS SA.; the valuation is made at least annually

²⁰ in the case of share capital increases that involve a cash consideration from investors, with the issuance of preference rights, the due shares are recorded in the assets of the C.I.U. on the date of actual payment of the shares subscribed for the share capital increase.

For assets that can be valued by alternative valuation methods specified in points 1.1., 3.1 and 7, the Company maintains the valuation method chosen for a period of at least 12 months, for each issuer.

Methodology for gradually adjusting the exposure to Fixed Income Financial Instruments issued by issuers where there is a significant risk of default on their periodic and regular coupon payment obligations.

For fixed income financial instruments not admitted to trading on a regulated market or an alternative trading system in the portfolio, for prudential purpose, in case EVERGENT INVESTMENTS ascertains, according to the regular financial statements of the issuer of those instruments, that there is a significant risk that the latter will not meet his payment obligations corresponding to the regular coupons and principal, EVERGENT INVESTMENTS makes gradual value adjustments of the exposure on that instrument, based on an internal analysis or valuation reported drafted by an authorized assessor.

Those value adjustment applications shall be notified to the F.S.A. once the application of this procedure is initiated. The depreciation of the value of fixed income financial instruments is also applied in the situation where there are delays in the payment of coupons, changes in the payment date, after their maturity, as well as changes in the maturity date.

EVERGENT INVESTMENTS shall publish in its half-yearly and annual activity report submitted to F.S.A information on the justification, causes that triggers the value adjustment, as well as details of the methods used for gradually adjust value.

If, following the application of the value adjustment, the fixed income financial instruments issuer not admitted to trading on regulated markets or in an alternative trading system does not fulfill his payment obligation or the payment obligation for regular coupons or principle, that these will be included in assets at zero value.

If, after being included in the EVERGENT INVESTMENTS asset, at zero value in accordance with the above provisions, the issuer of fixed income financial instruments not admitted to trading on a regulated market or alternative trading system fulfills all outstanding obligations of EVERGENT INVESTMENTS, then those instruments are revalued in the company's assets by the method based on the daily recognition of interest and the amortization of the discount / premium related to the period elapsed from the date of the investment.

The valuation in the assets of EVERGENT INVESTMENTS of the corporate bonds not admitted to trading within a regulated market or an alternative trading system for which the maturity payment was not honored within 10 working days from the term provided in the issue prospectus, will be made at value 0 (zero) or at the value of the executed guarantee, as the case may be, being forbidden to make additional investments in financial instruments issued by the same issuer.

The valuation of those guarantees will be performed off-balance sheet in accordance with the rules applicable to the valuation of EVERGENT INVESTMENTS assets. The warranty statement is notified to the A.S.F. on the occasion of sending the first monthly report on the situation of the net assets of EVERGENT INVESTMENTS after the moment of the placement. The statement of guarantees (which may be letters of bank guarantee, insurance of the issuance of bonds by an insurance company or other similar documents issued by financial institutions) includes, in addition to the signature of the responsible persons within EVERGENT Investments, the signature of the representative of EVERGENT Investments depository.

b) Net asset calculated formula

The calculation formula for unitary net asset (NAV) in accordance with art. 46 line (4) of FSA Regulation no. 7/2020

Net asset value on that date

VUAN = -----
Number of issued shares in circulation on that date, except for treasury shares (treasury shares redeemed by the company) and shares corresponding to deposit certificates or certificates for the interest in own shares redeemed and held on the reporting date.

For the purpose of calculated the net unit value of F.I.A.S own shares redeemed by the company are equivalent to deposit and interest certificates issued by a third party based on those particular underlying shares.

c) Net asset value calculation frequency

The calculation of the net asset per share value (NAV) is made on a monthly basis by EVERGENT Investments and in case of capital increase/decrease. The Depositary of the assets certifies the statement.

d) Means, location and frequency of net asset publication

The Company abides by its legal transparency, notification and reporting obligations regarding NAV and unit net asset value, namely:

- Submission to FSA of monthly reports regarding net asset value and unit net asset value as well as the detailed statement on investments on reporting date, drafted in accordance with F.S.A regulations, within maximum 15 days from the end of the reporting period. In case the calculation of NAV and UNAV is made with a higher frequency, then the report on this information along with the detailed statement of investments shall be submitted to F.S.A. within maximum 5 days from the end of the reporting period. In case the last reporting date is not a work day, the documents shall be submitted on the following work date. L
- N.A.V. and U.N.A.V. are constantly available to investors, presented on the company's website and can also be consulted at the headquarters of the company.
 EVERGENT INVESTMENTS reports to BVB and displays the reports on its website www.evergent.ro/raportari periodice/activ net lunar
 - monthly - "Statement of EVERGENT INVESTMENTS' assets and liabilities" by the 15th of the following month (template as per regulations in force)
 - quarterly - "Statement of EVERGENT INVESTMENTS' assets" – detailed presentation of assets categories, with the quarterly Board of Directors activity report (template as per regulations in force)

At the same time, in the monthly Newsletter– prepared in the Romanian and English language (BVB, www.evergent.ro, shareholders mailing list) relevant data on the assets of EVERGENT INVESTMENTS is presented: structure, exposure on activity sectors, NAV evolution, price, discount, top companies.

- Submission to F.S.A. and presentation to shareholders by publishing on the website and for consultation at the company's headquarters, of half-yearly and quarterly reports, including the detailed statement of investors on the reporting date, with the contest and form requirements foreseen by Law no. 74/2015, with its later amendments and additions, (EU) Regulation no. 231/2013 and F.S.A. regulations within the deadlines foreseen by F.S.A. regulations on the submission of annual financial statements and half-yearly accounting reports.
- Monthly, half-yearly and annual reports include explanations on the valuation methods used for those financial instruments for which valuation methods compliant with the International Valuation Standards (compliant with the fair value principle) were used, leverage level and value of F.I.A.I.R. exposure calculated in accordance with (EU) Regulation no. 231/2013.

2. Details of all circumstances in which valuations may be suspended and a statement of how such suspension will be communicated or made available to investors.

Not applicable.

SECTION 19. CROSS LIABILITIES²¹

1. In the case of an umbrella collective investment undertaking, a statement of any cross liability that may occur between classes of investments in other collective investment undertakings and any action taken to limit such liability.

Not applicable.

²¹ In accordance with Section 7 Annex no. 4 EU Reg. 2019/980

SECTION 20. FINANCIAL INFORMATION^{22, 23}

1. Financial information

✓ Individual statement of comprehensive income:

(lei)	2019 (audited)	Q1 2020 (unaudited)	2020 (audited)	Q1 2021 (unaudited)
Revenue				
Dividend revenue	97.667.837	170.975	89.107.709	880.833
Interest revenue	4.221.743	905.013	2.913.568	766.966
Other operating revenue	2.237.211	372.433	1.082.041	280.869
Net gain/ (Net loss) from FVTPL financial assets	79.182.413	(67.211.590)	(50.074.477)	27.356.362
Net gain on disposal of non-financial assets	-	-	191.429	
Net gain/ (net loss) from the revaluation of investment property	632.131	-	(33.547)	
Expenses				
Loss from assets impairment	(249.579)	(10.763)	(274.502)	(77.026)
(Setup)/Reversal of provisions for risks and expenses	2.196.967	-	239.144	(1.800)
Expenses with wages, remunerations and other similar expenses	(29.935.965)	(4.240.450)	(23.607.641)	(4.844.284)
Other operating expenses	(9.915.247)	(2.060.423)	(9.067.642)	(2.179.993)
Operating Profit /(Loss)	146.037.511	(72.074.805)	10.476.082	22.181.927
Interest expense from lease liability contract	(35.336)	(7.093)	(39.736)	(9.386)
Profit /(Loss) before tax	146.002.175	(72.081.898)	10.436.346	22.172.541
Income tax	(18.632.548)	(85.808)	(4.609.320)	(2.875.258)
Net Profit/(loss)	127.369.627	(72.167.706)	5.827.026	19.297.283
Other elements of comprehensive income				
Other gain from the derecognition of financial assets at fair value through other comprehensive income	423.500	-	-	-
Increase/ (Decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	(140.859)	6.098	(170.598)	6.166
Net gain/ (net loss) from the revaluation of FVOCI assets	341.465.711	(396.161.602)	(153.598.721)	98.925.539
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	341.748.352	(396.155.504)	(153.769.319)	98.931.705
Net gain/(net loss) from the revaluation of FVTOCI bonds	130.959	(73.054)	29.587	58.715
Other elements of comprehensive income- elements that will be reclassified in profit or loss	130.959	(73.054)	29.587	58.715
Other comprehensive income elements - Total	341.879.311	(396.228.558)	(153.739.732)	98.990.420
Total comprehensive income of the financial year / period	469.248.938	(468.396.263)	(147.912.706)	118.287.703
Basic and diluted earnings per share (net profit/(net loss) per share)	0,1290	(0,0737)	0,0059	0,0197
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	0,2008	(0,0712)	0,0571	0,0322

²² In accordance with Section 8 Annex no. 4 to EU Reg. 2019/980

²³ In accordance with Section 11 Annex 3 EU Reg. 2019/980 : (Financial statements (annual and half-yearly) are required to be published covering the period of 12 months prior to the approval of the prospectus. Where both annual and half-yearly financial statements have been published, only the annual statements shall be required where they postdate the half-yearly financial statements

✓ **Individual statement of financial position:**

(lei)	31 st December 2019 (audited)	Q1 2020 (unaudited)	31 st December 2020 (audited)	Q1 2021 (unaudited)
Assets				
Cash and current accounts	1.291.803	834.260	327.423	199.047
Bank deposits	97.115.086	35.369.722	85.057.575	116.744.332
Financial assets measured at fair value through profit or loss	389.164.163	343.981.428	364.462.371	379.841.923
Financial assets measured at fair value through other comprehensive income	1.830.970.481	1.393.001.25 ₄	1.643.409.645	1.721.168.083
Bonds at amortized cost	24.530.592	24.822.310	16.644.595	16.914.097
Bonds at fair value through other comprehensive income	3.942.270	3.936.150	3.802.401	3.947.836
Investment property	4.137.404	4.137.404	4.103.857	4.103.857
Intangible assets	58.092	52.453	368.884	388.122
Plant, property and equipment	7.907.094	7.975.830	7.503.594	7.388.630
Right-of-use asset	974.181	877.669	1.132.811	1.067.886
Other financial assets at amortized cost	3.861.629	983.679	8.104.606	1.602.868
Other assets	168.914	450.882	344.410	453.077
Total assets	2.364.121.709	1.816.423.04₁	2.135.262.172	2.253.819.758
Liabilities				
Lease liabilities	1.002.104	913.460	1.070.045	1.016.308
Dividends payable	31.036.100	30.862.629	35.818.292	35.584.528
Provisions for risks and expenses	368.488	368.488	129.344	131.144
Deferred tax liabilities	122.787.036	55.421.945	90.800.183	108.375.444
Current tax liabilities	7.912.060	-	4.171.854	5.681.296
Financial liabilities at amortized cost	1.016.121	414.150	944.439	1.399.064
Other liabilities	2.515.951	2.103.897	3.292.889	2.407.652
Total liabilities	166.637.860	90.084.569	136.227.046	154.595.436
Equity				
Share capital	521.004.761	521.004.761	514.402.388	514.402.388
Retained earnings	881.728.409	812.005.557	871.860.684	903.359.214
Reserves from the revaluation of property, plant and equipment	8.698.494	8.704.592	8.527.896	8.534.062
Reserves from the revaluation of financial assets at fair value through other comprehensive income	795.634.481	396.954.971	591.817.817	678.600.824
Treasury shares	(30.335.310)	(33.077.568)	(9.595.338)	(27.463.896)
Equity-based payments to employees, directors and administrators	20.142.446	20.142.446	18.457.300	18.457.300
Other equity elements	610.568	603.713	3.564.379	3.334.430
Total equity	2.197.483.849	1.726.338.47₂	1.999.035.126	2.099.224.322
Total liabilities and equity	2.364.121.709	1.816.423.04₁	2.135.262.172	2.253.819.758

The financial information is consistent with the public reports of EVERGENT INVESTMENTS SA.

Audit of the annual financial statements.

Opinion of auditor KPMG Audit SRL for the 2019 financial statements and Directors' Report.

*“In our opinion, **the individual financial statements** offer a true image of the Company's unconsolidated financial position on the 31st December 2019 as well as its unconsolidated financial performance and its unconsolidated cash-flows for the financial year concluded on that date, in accordance with FSA Rule no. 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA in the Field of Financial Instruments and Investments (“FSA Rule no. 39/2015”).*

*“Regarding the **Board of Directors' report** we have read and hereby report that the Board of Directors' Report is prepared, in all significant aspects, in accordance with FSA Rule no. 39/2015, articles 8(1)-8(3), 9-13 of the Accounting regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by FSA in the Financial Instruments and Investments Sector. Based on the activities that should be carried out during the audit of financial statements, in our opinion:*

- a) The information presented in the Board of Directors' report for the financial year for which the individual financial statements were prepared, is consistent in all significant aspects with the individual financial statements;*
- b) The Report of the Board of Directors was prepared, in all significant aspects, in accordance with FSA Rule no. 39/2015, articles 8(1)-8(3), 9-13 of the accounting regulations consistent with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by FSA in the Financial Instruments and Investments Sector.*

Moreover, based on our knowledge and understanding of the Company and its environment, obtained during the course of the audit, we are asked to report if we have identified significant misrepresentations in the Board of Directors' Report. We have nothing to report regarding this aspect.”

Opinion of auditor KPMG Audit SRL for the 2020 financial statements and Directors' Report.

“In our opinion, the individual financial statements offer a true image of the Company's unconsolidated financial position on the 31st December 2020 as well as its unconsolidated financial performance and its unconsolidated cash-flows for the financial year concluded on that date, in accordance with F.S.A. Rule no. 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by F.S.A. in the Field of Financial Instruments and Investments.

*“Regarding the **Board of Directors' report** we have read and hereby report that the Board of Directors' Report is prepared, in all significant aspects, in accordance with F.S.A. Rule no. 39/2015, articles 8(1)-8(3), 9-13 of the Accounting regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by FSA in the Financial Instruments and Investments Sector. Based on the activities that should be carried out during the audit of financial statements, in our opinion:*

- a) *The information presented in the Board of Directors' report for the financial year for which the individual financial statements were prepared, is consistent in all significant aspects with the individual financial statements;*
- b) *The Report of the Board of Directors was prepared, in all significant aspects, in accordance with FSA Rule no. 39/2015, articles 8(1)-8(3), 9-13 of the accounting regulations consistent with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by F.S.A. in the Financial Instruments and Investments Sector.*
- Moreover, based on our knowledge and understanding of the Company and its environment, obtained during the course of the audit, we are asked to report if we have identified significant misrepresentations."*

Financial statements for Q1 2021 and Q1 2020 were not audited.

Legal and arbitration proceedings

There are no legal or arbitration procedures in the last 12 months that could have or have recently had significant effects on the financial position or profitability of the issuer and/or group.

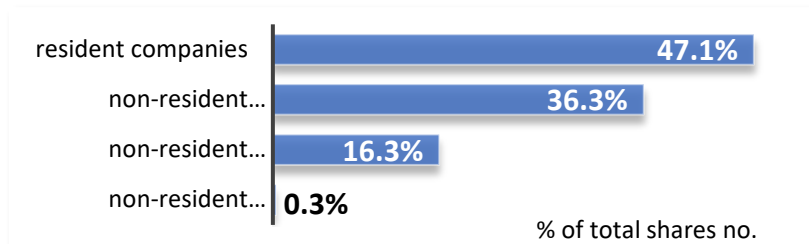
Dividend distribution policy

In the context of the increase of volatility of capital markets, the Board of Directors aims to create a balance between ensuring the resources for the annually set investment programs, expectation of shareholders on the short-term, namely the distribution of dividends and expectations of shareholders on the long-term, namely NAV and respectively price increase.

The proposals of the Board of Directors target the remuneration of shareholders both through the offering of cash dividend and the running of a redemption program through a public offering (PO).

The mixture of policies that includes dividend assignment and the possibility to subscribe in a PO, offers a higher return that in case of classic dividend distribution.

Shareholding structure - Q1 2021 – No. of shareholders: 5.748.164



Dividend payment:

Dividend payment on 31.03.2021	2017 Dividend	2018 Dividend	2019 Dividend
	0,050 lei/share	0,0304 lei/share	0,06 lei/share
Total dividend payable (lei)	49.555.697	30.256.347	59.063.889
Total paid (lei)	37.272.225	22.531.441	43.601.826
% payment	75,21	74,47	73,82

According to the resolutions of EVERGENT Investments' GMS on 29.04.2021:

- ✓ Dividends for 2020, of **0,043 lei/share**, will be made available starting on **11.06.2021** (*payment date*), for shareholders registered in the Shareholders' Register on **19.05.2021**, *record date*, together with dividends for 2017, 2018 and 2019;
- ✓ Dividends corresponding to 2017, set through the resolution of the Ordinary General Meeting of Shareholders no. 4 on 27.04.2018, not collected by 02.10.2021, become outdated.

Dividend payment is made abiding by the provisions of Law no. 24/2017, art. 86 and F.S.A. Regulation no. 5/2018, art. 177 and made through the Central Depository, the participants and assigned payment agent, Banca Transilvania, for shareholders registered in the Shareholders' Registry of EVERGENT Investments on record date 19.05.2021, as follows:

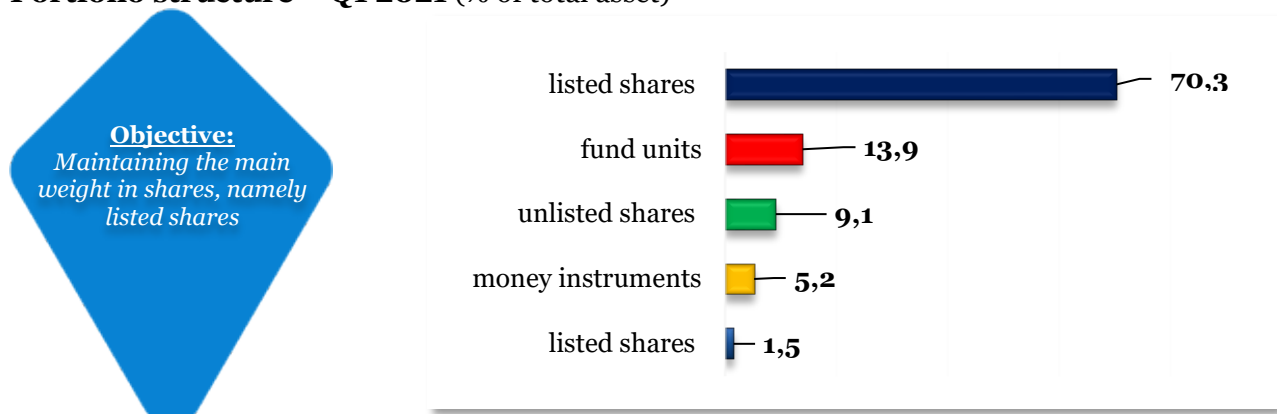
1. For shareholders who have a **securities account** opened with a broker that is a participant to the offset-settlement system and the registry of the Central Depository, dividends are paid through bank transfer, to the participant's account, on payment date 11.06.2021.
2. For shareholders who **do not have a securities account** with a participant, dividend payment is made by the Central Depository in cash, through Banca Transilvania or through bank transfer, by request. For company shareholders, payment is made by request, through bank transfer.

2. A comprehensive and meaningful analysis of the collective investment undertaking's portfolio. Where the portfolio is not audited, this must be clearly marked as such.

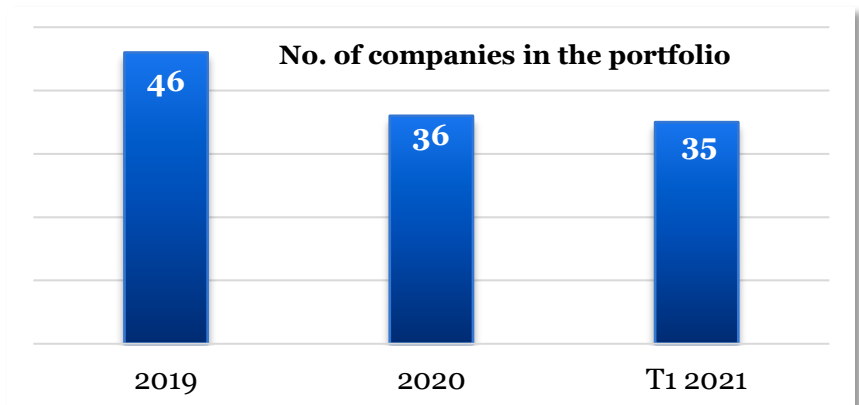
Evolution of portfolio structure.

Assets structure (% of total assets)	2019	Q1 2020	2020	Q1 2021
Shares, of which:	81,4	81,6	80,0	79,4
- <i>listed</i>	72,2	69,6	70,1	70,3
- <i>unlisted</i>	9,2	12,0	9,9	9,1
Shareholding AOPC + UCITS (fund units)	12,5	14,0	14,0	13,9
Money instruments (deposits, availabilities)	4,3	2,0	4,3	5,2
Other assets	1,8	2,4	1,7	1,5

Portfolio structure – Q1 2021 (% of total asset)



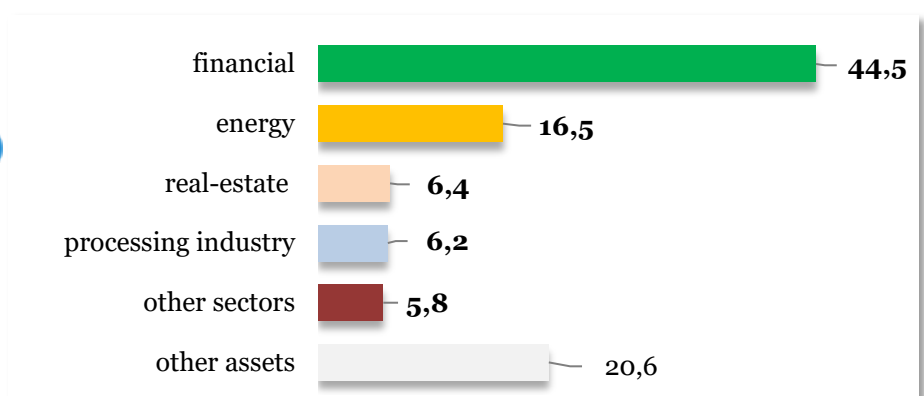
Evolution of the number of holdings.



Sectorial exposure evolution.

Sectorial exposure (% of total assets value)	2019	Q1 2020	2020	Q1 2021
Financial	45,4	43,0	44,4	44,5
Energy	16,0	15,8	16,0	16,5
Real estate	6,4	7,5	6,9	6,4
Processing industry	8,0	8,4	7,0	6,2
Other sectors	5,6	6,9	5,7	5,8

Sectorial exposure – Q1 2021 (% of total assets).



Top companies/holdings in the portfolio – Q1 2021

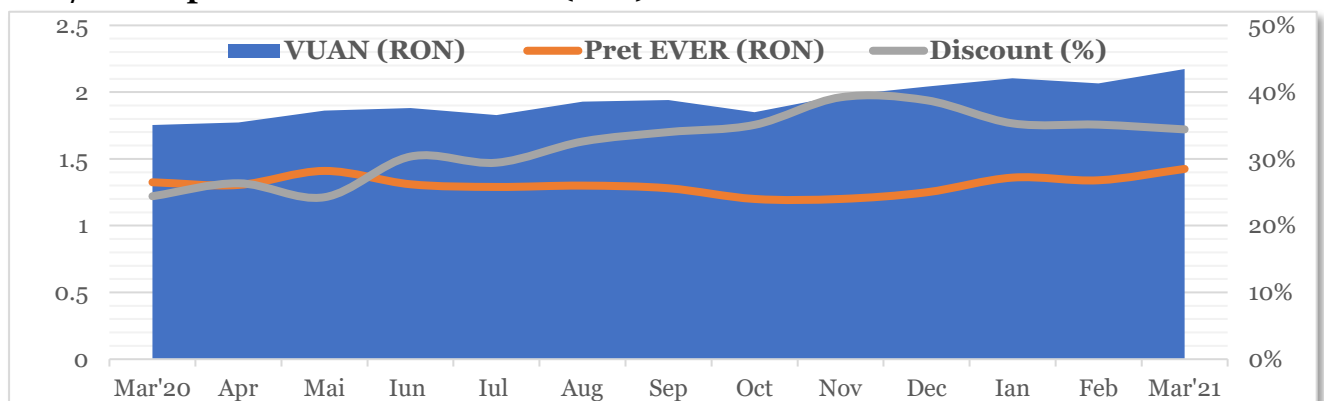
TOP COMPANIES IN THE PORTFOLIO	> 1% of total assets	% holding in the issuer's share capital
BANCA TRANSILVANIA	39,0	6,40
ROMGAZ	11,1	1,96
AEROSTAR	4,2	15,05
BRD	3,2	0,64
PROFESSIONAL IMO PARTNERS	2,8	31,42
OMV PETROM	2,2	0,20
NUCLEARELECTRICA	2,0	0,58
AGROINTENS	2,0	100
TESATORIILE REUNITE	1,9	100
STRAULESTI LAC ALFA	1,9	50,00
AGROLAND CAPITAL	1,7	100
SIF TRANSILVANIA	1,6	4,98
TRANSGAZ	1,1	0,74
TOTAL	74,7	

3. An indication of the latest net asset value of the collective investment undertaking or the latest market price of the unit or share of the collective investment undertaking. Where the net asset value or the latest market price of the unit or share is not audited, this must be clearly marked as such.

Evolution of managed assets value.

Indicator	2019	Q1 2020	2020	Q1 2021
Total asset (mil lei)	2.361	1.804	2.137	2.258
Net asset (mil lei)	2.195	1.715	2.003	2.105
NAV (lei)	2,23	1,75	2,04	2,17
Market price (lei)	1,61	1,32	1,25	1,42
market price / NAV Discount (%)	28	24	39	34

NAV/ EVER price discount evolution (YoY)



C. SECURITIES NOTE FOR SECONDARY ISSUANCES OF EQUITY SECURITIES OR OF UNITS ISSUED BY COLLECTIVE INVESTMENT UNDERTAKINGS OF THE CLOSED-END TYPE²⁴

CONTENTS

Section 1.	Persons responsible, third party information, experts' reports and competent authority approval
Section 2.	Risk factors
Section 3.	Essential information
Section 4.	Information concerning the securities to be offered/admitted to trading
Section 5.	Terms and conditions of the offer
Section 6.	Admission to trading and dealing arrangements
Section 7.	Selling securities holders
Section 8.	Expense of the issuer/offer
Section 9.	Dilution
Section 10.	Additional information

SECTION 1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1. Identify all persons responsible for the information or any parts of it, given in the securities note with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.

The management of EVERGENT INVESTMENTS SA is ensured by the **Board of Directors** elected through OGMS Resolution no. 2/28.01.2021, for the 2021 – 2025 mandate, comprised of:

1. Doros Liviu Claudiu – president, CEO;
2. Iancu Catalin-Jianu-Dan – vice-president of the Board of Directors, Deputy CEO;
3. Ceocea Costel –non-executive member;
4. Ciorcila Horia – non-executive member, independent.
5. Radu Octavian Claudiu –non-executive member, independent.

The directors have been authorized by FSA through Authorization no. 49/30.03.2021.

3 Consultative Committees function on the level of the Board of Directors, as follows:

➤ *Investment Committee* :

²⁴ Structure in accordance with Annex 12 (EU) delegated regulation 2019/980 of the Committee
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1. Horia Ciorcila – President – non-executive and independent director;
 2. Octavian Claudiu Radu – member - non-executive and independent director;
 3. Costel Ceocea – member – non-executive director.
- *Audit committee:*
1. Octavian Claudiu Radu – non-executive and independent director;
 2. Horia Ciorcila – member - non-executive and independent director;
 3. Costel Ceocea – member – non-executive director.
- *Appointing-remuneration Committee:*
1. Costel Ceocea – President – non-executive director;
 2. Octavian Claudiu Radu –member, non-executive and independent director;
 3. Horia Ciorcila – member - non-executive and independent director.

The Management Committee functions on the level of executive management, its members Doros Liviu Claudiu – CEO and Iancu Catalin Jianu Dan – deputy-CEO, are authorized by FSA with authorization no. 59/05.04.2021.

1.2. Declaration of those responsible:

We hereby state that the information contained in the securities note are, to the best of our knowledge, in accordance with the facts and that the securities note makes no omission likely to affect its significance.

1.3. Where a statement or report attributed to a person as an expert is included in the securities note (...)

Not applicable.

1.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information

Not applicable

1.5. Statement:

- a) The Prospectus is approved by FSA as competent authority under Regulation (EU) 2017/1129;
- b) FSA only approves this securities note / prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- c) such approval should not be considered as an endorsement of the quality of the securities that are the subject of this securities note/prospectus;
- d) investors should make their own assessment as to the suitability of investing in the securities;
- e) the securities note/prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

SECTION 2. RISK FACTORS

Investment in shares issued by EVERGENT Investments is subjected to the following risk categories, the list is not exhaustive:

1. Market price volatility

The stock market price is volatile and subject to sudden and significant declines. Price declines can be caused by a number of factors, including the difference between the results announced by Issuers

and the forecasts made by analysts; the volatility of the general share price on the markets on which the Shares are listed or on world markets. As a result, investors may experience a significant decline in the stock market price.

2. Securities liquidity degree

Due to the low liquidity specific to the BVB market, it may have a negative impact on the liquidity of EVER shares and may lead to reduced trading volumes. The degree of liquidity of the securities may adversely affect the price at which an investor may dispose of the securities if the investor wishes to make the sale in a short time.

3. Suspension of trading on Bucharest Stock Exchange

ASF is authorized to suspend the trading of securities or to request, as the case may be, the market operator to suspend from trading the securities traded on the stock market, if the continuation of trading would adversely affect the interests of investors or to the extent that the relevant issuer violates its obligations under relevant securities laws and regulations. Also, the Bucharest Stock Exchange has the right to suspend EVER shares from trading in other circumstances, in accordance with its regulations. Any suspension could affect the trading price of EVER shares..

4. The Company's ability to pay dividends to shareholders may be limited

As a self-managed investment company whose main activity is making and managing investments in assets presented in the investment policy, our ability to generate revenue and pay dividends depends on the ability of our investments to declare and pay dividends. The remuneration method for EVERGENT INVESTMENTS SA's shareholders may change its dividend distribution policy through a decision to reinvest profit or through share redemption programs.

5. Currency risk that foreign investors in EVER shares are exposed to

An investment in EVER shares by an investor whose principal currency is not the leu exposes the investor to foreign exchange risk. A depreciation of the leu against any foreign currency will reduce the value of the investment in EVER shares.

SECTION 3. ESSENTIAL INFORMATION

3.1. Interest of natural and legal persons involved in the issue/offer

EVERGENT INVESTMENTS, in the activity carried out as AIFM abides by the conduct rules on the prevention and management of conflicts of interests, set by legal regulations and internal policies and procedures.

There are no interests of the individuals and companies involved, that might influence the information in the Simplified Prospectus (including its annexes) prepared in accordance with art. 21 line (7) and art. 22 (1) Law no. 243/2019 for the *authorization* of EVERGENT INVESTMENTS SA as closed-end Alternative Investment Fund, destined for retail investors, diversified, setup as an investment company.

3.2. Reasons for the offer and use of proceeds *Not applicable.*

3.3. Working capital statement

The management of EVERGENT Investments considers that the present and anticipated liquidities are sufficient to honor current shareholders' commitments and liabilities towards third parties.

3.4. Capitalization and indebtedness

EVERGENT INVESTMENTS has not contracted loans on 31st March 2021 or 31st December 2020, and the value of lease liabilities was not significant, of 1.016.308 lei (31st December 2020: 1.070.045 lei).

Equity was 2.099.224.322 lei on 31st March 2021 (31st December 2020: 1.999.035.126 lei).

(lei)	31 st December 2020 (audited)	31 st March 2021 (unaudited)
Equity		
Share capital	514.402.388	514.402.388
Retained earnings	871.860.684	903.359.214
Reserves from the revaluation of property, plant and equipment	8.527.896	8.534.062
Reserves from the revaluation of financial assets at fair value through other comprehensive income	591.817.817	678.600.824
Treasury shares	(9.595.338)	(27.463.896)
Equity-based payments to employees	18.457.300	18.457.300
Other equity elements	3.564.379	3.334.430
Total equity	1.999.035.126	2.099.224.322

Share capital on 31st March 2021 has a nominal value of 98.947.918 lei. The 415.454.470 lei difference between the carrying value of capital of 514.402.388 lei and its nominal value is the inflating value generated by the application of IAS 29 „R Financial Reporting in Hyperinflationary Economies” by 1st January 2004.

The management’s policy on capital adequacy focuses on maintaining a solid capital base, for the purpose of supporting the Company’s constant development and reaching investment objectives. EVERGENT INVESTMENTS as AIFM applies the legal requirements foreseen by Law no. 74/2015 on the minimum level of initial capital and own funds and reports to FSA on a half-yearly basis *Own funds and own funds requirements*.

SECTION 4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING

4.1. A description of the type, class and amount of the securities being offered and/or admitted to trading, including the international security identification number (‘ISIN’).

Shares issued by EVERGENT INVESTMENTS SA are nominative, undividable, of equal value, dematerialized, evidenced through registration in the account.

EVERGENT INVESTMENTS SA has a subscribed and paid up capital of 98.947.917,60 lei; the number of issued shares being 989.479.176, and the nominal value of a share 0,1 lei/share.

Shares are traded on Bucharest Stock Exchange - symbol **EVER**, main segment, Premium category. The company was admitted to trading on 01.11.1999. Free float: 100%.

International identifiers: Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNORo; Bloomberg: BBGID BG000BMN5F5; Reuters: EVER.BX. LEI account: 254900Y100025N04US14

Shareholding structure: 100% private. The quality of the company shareholder quality and the number of shares held are certified through a bank statement issued by the entity holding the shareholders’ record, Depozitarul Central S.A. or depending on the case by the participants defined in accordance with legal provisions in force, providing custody services.

4.2. Currency of the securities issue.

The currency used for denomination is RON.

4.3. In the case of new issues, a statement of the resolutions, authorizations and approvals by virtue

of which the securities have been or will be created and/or issued.

Not applicable.

4.4. A description of any restrictions on the transferability of the securities.

Not applicable.

4.5. A warning that the tax legislation of the investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities.

Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.

We warn potential investors that the tax legislation of their states, as well as the tax legislation in Romania are / may be applicable to transactions with the shares of EVERGENT INVESTMENTS SA, thus impacting the net income obtained by them. We also advise potential investors to request personalized tax advice, in order to analyze the tax regime specific to each transaction.

4.6. If different from the issuer, the identity and contact details of the offeror, of the securities and/or the person asking for admission to trading including the legal entity identifier ('LEI') where the offeror has legal personality

Not applicable.

4.7. A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights:

a) **Dividend rights:**

i. *fixed date(s) on which the entitlement arises:*

record date – according to art. 86 Law no. 24/2017 on the issuers of financial instruments and market operations, by way of derogation from the provisions of Companies' Law no. 31/1990, the identification of shareholders that are to receive dividends or other rights, and to whom the effects of the General Meeting of Shareholders shall apply will be set by the latter. This date will be at least 10 work days after the date of the General Meeting of Shareholders.

The record date approved by GMS on 29.04.2021 is 19th May 2021 (ex-date 18.05.2021) (ex-data: 18.05.2020)

Payment date – according to applicable legal regulations – art. 86 Law no. 24/2017; art. 2, line 2, lit (h) FSA Reg. no. 5/2018 - the general meeting of shareholders should set a *payment date*. The payment date must be set so that it fall on a work day, at least 15 work days following the registration date (art. 178 FSA Reg. no. 5/2018).

The payment date approved by GMS on 29.04.2021 is 11th June 2021.

ii. *time limit after which entitlement to dividend lapses and an indication of the person in whose favor the lapse operates:*

The three years term (in accordance with the provisions of Companies Law no. 31/1990 on companies corroborated with the provisions regarding extinctive lapse in civil Code) starts to lapse from the payment date, set according to OGMS Resolution.

On the date dividends lapse, EVERGENT INVESTMENTS records their value in equity, in a reserve account.

Dividends corresponding to 2017, set through the resolution of the Ordinary General Meeting of Shareholders no. 4 on 27.04.2018, not collected by 02.10.2021, shall lapse.

- iii. *Dividend restrictions and procedures for non-resident holders*
- iv. *Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments:*

Note: details on the dividend policy and payment are presented in SECTION 8. FINANCIAL INFORMATION in the REGISTRATION DOCUMENT FOR UNITS OF CLOSED-END COLLECTIVE INVESTMENT UNDERTAKINGS.

- b) **Voting rights:** each share confers the right to one vote. All shareholders registered in the Shareholders' Register by the reference date are entitled to participate and vote.
- c) pre-emption rights in offers for subscription of securities of the same class: *not applicable*
- d) right to share in the issuer's profits: *not applicable*
- e) rights to share in any surplus in the event of liquidation: *not applicable*.
- f) Redemption provisions: *not applicable*
- g) Conversion provisions: *not applicable*

4.8. Statement on the existence of national legislation on takeovers applicable to the issuer which may frustrate such takeovers, if any.

Not applicable.

4.9. An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

Not applicable.

SECTION 5. TERMS AND CONDITIONS OF THE OFFER.

5.1. Conditions, offer statistics, expected timetable and action required to apply for the offer

5.2. Plan of distribution and allotment

5.3. Pricing

5.4. Placing and underwriting

Not applicable

SECTION 6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

6.1. An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market, other equivalent third country markets or an SME Growth Market with an indication of the markets in question. This circumstance must be set out, without creating the impression that the admission to trading will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.

6.2. All the regulated markets equivalent third country markets or SME Growth Markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.

6.3. If simultaneously or almost simultaneously with the application for admission of the securities to a regulated market, securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number, characteristics and price of the securities to which they relate.

6.4. Details of the entities which have given a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.

Not applicable

SECTION 7. SELLING SECURITIES HOLDERS

7.1. Lock-up agreements

In relation to lock up agreements, provide details of the following: (a) the parties involved; (b) content and exceptions of the agreement; (c) an indication of the period of the lock up.

Not applicable

SECTION 8. EXPENSE OF THE ISSUE/OFFER

8.1. The total net proceeds and an estimate of the total expenses of the issue/offer.

Not applicable

SECTION 9. DILUTION

9.1. A comparison of

(a) participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumption that existing shareholders do not subscribe for the new shares;

(b) the net asset value per share as of the date of the latest balance sheet before the public offer (selling offer and/or capital increase) and the offering price per share within that public offer

9.2. Where existing shareholders will be diluted regardless of whether they subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (e.g. an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience should also be presented on the basis that they do take up their entitlement (in addition to the situation where they do not).

Not applicable

SECTION 10. ADDITIONAL INFORMATION

P

SIMPLIFIED PROSPECTUS of EVERGENT Investments SA
Closed-end retail investor alternative investment fund, diversified, setup as
investment company, self-managed



10.1. If advisors connected with an issue are referred to in the securities note, a statement of the capacity in which the advisors have acted.

10.2. An indication of other information in the securities note which has been audited or reviewed by statutory auditors and where auditors have produced a report, reproduction of the report or, with permission of the competent authority, a summary of the report.

Not applicable

Preparation date:

10th June 2021

Claudiu Doros

CEO

Michaela Puscas
Compliance officer