

**EVERGENT Investments SA**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE SIX MONTHS' PERIOD ENDED ON  
30<sup>th</sup> June 2021**

Prepared in accordance with IAS 34 Interim Financial Reporting with the application of Financial Supervision Authority's („FSA”) Norm no. 39/2015 on 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

**UNAUDITED**

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS' PERIOD ENDED ON 30<sup>th</sup> JUNE 2021  
(All amounts are presented in Lei, unless otherwise stated)

| <i>In LEI</i>  | <i>Note</i> | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2020</b> |
|--|-------------|--|--|
| <b>Revenue</b>   |             |  |  |
| Gross dividend income  | 6           | 24,643,122   | 8,575,673  |
| Interest income  |             | 1,668,192  | 1,922,205  |
| Other operating revenue  | 7           | 17,499,650   | 101,154,223  |
| Net gain/(net loss) on financial assets at fair value through profit or loss                                     | 8           | 38,716,881   | (44,336,135)   |
| Net gain/(Net loss) on disposal of non-financial assets  |             | (21,057)   | 29,108   |
| Net gain/(net loss) on the revaluation of investment property  |             | -  | (497,500)  |
| <b>Expenses</b>  |             |  |  |
| (Loss)/Loss reversal on financial assets impairment  |             | 1,195,853  | (3,658,554)  |
| (Loss)/loss reversal on non-financial assets impairment  |             | (40,624)   | 56,398   |
| Reversal of provisions for risks and charges   |             | 18,319   | 83,857   |
| Expenses with wages, remuneration and other similar expenses   | 9           | (15,075,506)   | (15,056,350)   |
| Other operating expenses   | 10          | (18,049,599)   | (78,479,052)   |
| <b>Operational Profit/(loss)</b>   |             | <b>50,555,231</b>  | <b>(30,206,127)</b>  |
| Financing expenses   |             | (243,412)  | (409,922)  |
| Share from the result corresponding to associates  |             | (252,464)  | 4,966,106  |
| <b>Profit/(Loss) before tax</b>  |             | <b>50,059,355</b>  | <b>(25,649,943)</b>  |
| Income tax   | 11          | (4,029,748)  | (522,012)  |
| <b>Net profit/(loss) of the period</b>   |             | <b>46,029,607</b>  | <b>(26,171,955)</b>  |
| <b>Other elements of comprehensive income</b>  |             |  |  |
| Reserve change from the revaluation of property, plant and equipment, net of deferred tax                        |             | 39,224   | 29,680   |
| Net gain/(Net loss) on the revaluation of equity instruments at fair value through comprehensive income (FVTOCI) | 13 e        | 240,632,978  | (250,121,226)  |
| <b>Other elements of comprehensive income – elements that will not be reclassified in profit or loss</b>         |             | <b>240,672,202</b>   | <b>(250,091,546)</b>   |
| Net gain/(loss) on the revaluation of FVTOCI bonds   |             | 49,758   | (54,958)   |
| <b>Other elements of comprehensive income – elements that will be reclassified in profit or loss</b>             |             | <b>49,758</b>  | <b>(54,958)</b>  |
| <b>Other elements of comprehensive income – Total</b>  |             | <b>240,721,960</b>   | <b>(250,146,504)</b>   |
| <b>Total comprehensive income of the period</b>  |             | <b>286,751,567</b>   | <b>(276,318,459)</b>   |
| <b>Earnings per basic and diluted share – Net profit/ (net loss) on share</b>                                    |             |  |  |
|  | 21          | <b>0.0470</b>  | <b>(0.0266)</b>  |
| <b>Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)</b>            |             |  |  |
|  | 21          | <b>0.1163</b>  | <b>(0.0241)</b>  |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE 6 MONTHS' PERIOD ENDED ON 30<sup>th</sup> JUNE 2021  
 (All amounts are presented in Lei, unless otherwise stated)



In LEI

|   | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2020</b> |
|---|--|--|
| Net profit/(loss) attributable to Company's shareholders    | 45,845,720   | (26,044,604)   |
| Net profit/(loss) attributable to non-controlling interests | 20 183,887   | (127,351)  |
| <b>Total net profit/(loss)</b>                              | <b>46,029,607</b>  | <b>(26,171,955)</b>  |
| <b>Comprehensive income attributable to</b>                 |  |  |
| Company's shareholders                                      | 286,567,680  | (273,107,975)  |
| Non-controlling interests                                   | 183,887  | (3,210,484)  |
|   | <b>286,751,567</b>   | <b>(276,318,459)</b>   |

The condensed consolidated financial statements have been approved by the Board of Directors on 15<sup>th</sup> September 2021 and signed on its behalf by:

**Claudiu Doros**  
 CEO

**Mihaela Moleavin**  
 Finance Director

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30<sup>th</sup> JUNE 2021  
(All amounts are presented in Lei, unless otherwise stated)



| <i>In LEI</i>  | <i>Note</i> | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|--|-------------|--------------------------------------|--|
| <b>Assets</b>  |             |                                      | *Restated                                |
| Cash and current accounts  |             | 4,565,153                            | 4,715,884                                |
| Bank deposits with initial maturity within 3 months  | 12          | 237,113,172                          | 97,686,921                               |
| Bank deposits with initial maturity higher than 3 months   |             | 2,351,792                            | 2,216,704                                |
| Financial assets measured at fair value through profit or loss                                     | 13 a        | 324,746,292                          | 312,771,668                              |
| Financial assets measured at fair value through other comprehensive income                         | 13 b        | 1,588,617,479                        | 1,485,586,364                            |
| Investments accounted for using the equity method  | 13 f        | 38,824,343                           | 40,075,082                               |
| Bonds at amortized cost  | 13 c        | 17,333,100                           | 16,644,595                               |
| Bonds at fair value through other comprehensive income   |             | 4,052,361                            | 3,802,401                                |
| Investment property  |             | 74,476,094                           | 74,450,361                               |
| Goodwill   |             | 4,339,505                            | 4,339,505                                |
| Intangible assets  |             | 1,046,700                            | 1,073,564                                |
| Plant, property and equipment  |             | 53,015,613                           | 54,038,192                               |
| Right-of-use assets  |             | 1,991,948                            | 2,310,090                                |
| Assets held for sale   |             | 23,779,031                           | 23,779,031                               |
| Inventory  | 14 b        | 28,915,530                           | 26,378,821                               |
| Other financial assets at amortized cost   | 14 a        | 28,744,827                           | 17,152,575                               |
| Other assets   |             | 2,181,233                            | 1,763,516                                |
| <b>Total assets</b>  |             | <b><u>2,436,094,173</u></b>          | <b><u>2,168,785,274</u></b>              |
| <b>Liabilities</b>   |             |                                      |  |
| loans  | 15          | 8,904,175                            | 9,793,365                                |
| Lease liabilities  |             | 1,877,167                            | 2,179,630                                |
| Dividends payable  | 16          | 48,333,790                           | 36,338,673                               |
| Provisions for risks and charges   |             | 1,424,149                            | 1,442,468                                |
| Deferred profit tax liabilities  | 17          | 123,739,551                          | 97,310,265                               |
| Current profit tax liabilities   | 18 b        | 10,064,487                           | 4,202,333                                |
| Financial liabilities at amortized cost  | 18 a        | 7,479,409                            | 5,477,053                                |
| Other liabilities  | 18 b        | 3,672,626                            | 4,779,402                                |
| <b>Total liabilities</b>   |             | <b><u>205,495,354</u></b>            | <b><u>161,523,189</u></b>                |
| <b>Equity</b>  |             |                                      |  |
| Share capital  | 19          | 514,402,388                          | 514,402,388                              |
| Retained earnings  |             | 944,660,422                          | 873,122,507                              |
| Reserves from the revaluation of property, plant and equipment                                     |             | 15,937,955                           | 16,029,110                               |
| Reserves from the revaluation of financial assets at fair value through other comprehensive income | 13 e        | 748,993,995                          | 575,885,218                              |
| Treasury shares  | 19 e        | (18,345,308)                         | (9,595,338)                              |
| Equity-based payments to employees   | 19 f        | 5,398,224                            | 18,457,300                               |
| Other equity elements  |             | 3,970,735                            | 3,564,379                                |
| <b>Total equity attributable to company's shareholders</b>   |             | <b><u>2,215,018,411</u></b>          | <b><u>1,991,865,564</u></b>              |
| Non-controlling interest   | 20          | 15,580,408                           | 15,396,521                               |
| <b>Total equity</b>  |             | <b><u>2,230,598,819</u></b>          | <b><u>2,007,262,085</u></b>              |
| <b>Total liabilities and equity</b>  |             | <b><u>2,436,094,173</u></b>          | <b><u>2,168,785,274</u></b>              |

\* see explanatory note 23

The condensed consolidated financial statements have been approved by the Board of Directors on 15th September 2021 and signed on its behalf by:

**Claudiu Doros**  
CEO

**Mihaela Moleavin**  
Finance Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2021  
(All amounts are presented in Lei, unless otherwise stated)



| <i>In LEI</i>   | Share capital      | Reserves from the revaluation of property, plant and equipment | Reserves from the revaluation of FVTOCI financial assets | Retained earnings   | Equity-based payments to employees, directors and administrators | Treasury shares     | Other equity elements | Total attributable to the mother company's shareholders | Non-controlling interests | Total                |
|---|--------------------|--|--|---------------------|--|---------------------|-----------------------|---|---------------------------|----------------------|
| <b>Balance on 31<sup>st</sup> December 2020 - reported</b>  | <b>514,402,388</b> | <b>16,029,111</b>  | <b>575,885,218</b>                                       | <b>876,747,483</b>  | <b>18,457,300</b>  | <b>(9,595,338)</b>  | <b>3,564,379</b>      | <b>1,995,490,541</b>                                    | <b>15,396,521</b>         | <b>2,010,887,062</b> |
| Correction (Note 23)  | -                  | -  | -  | (3,624,976)         | -  | -                   | -                     | (3,624,976)   | -                         | (3,624,976)          |
| <b>Balance on 31<sup>st</sup> December 2020 - corrected</b>   | <b>514,402,388</b> | <b>16,029,111</b>  | <b>575,885,218</b>                                       | <b>873,122,507</b>  | <b>18,457,300</b>  | <b>(9,595,338)</b>  | <b>3,564,379</b>      | <b>1,991,865,565</b>                                    | <b>15,396,521</b>         | <b>2,007,262,085</b> |
| <b>Comprehensive income</b>   |                    |  |  |                     |  |                     |                       |   |                           |                      |
| <b>Profit of the period ended on 30<sup>th</sup> June 2021</b>  | -                  | -  | -  | 45,845,720          | -  | -                   | -                     | 45,845,721  | 183,887                   | 46,029,608           |
| <b>Other comprehensive income elements</b>  |                    |  |  |                     |  |                     |                       |   |                           |                      |
| Revaluation of property, plant and equipment net of deferred tax  | -                  | 39,224   | -  | -                   | -  | -                   | -                     | 39,224  | -                         | 39,224               |
| Reserve transfer from revaluation to retained earnings following the derecognition of property, plant and equipment | -                  | (130,380)  | -  | 130,380             | -  | -                   | -                     | -   | -                         | -                    |
| Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax                                      | -                  | -  | 240,632,978  | -                   | -  | -                   | -                     | 240,632,978   | -                         | 240,632,978          |
| Revaluation at fair value of FVTOCI bonds   | -                  | -  | 49,758   | -                   | -  | -                   | -                     | 49,758  | -                         | 49,758               |
| Gain transferred to retained earnings for the sale of FVTOCI equity instruments                                     | -                  | -  | (67,573,959)   | 67,573,959          | -  | -                   | -                     | -   | -                         | -                    |
| <b>Total comprehensive income of the period</b>   | <b>-</b>           | <b>(91,156)</b>  | <b>173,108,777</b>                                       | <b>113,550,059</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>              | <b>286,567,681</b>                                      | <b>183,887</b>            | <b>286,751,568</b>   |
| <b>Transactions with shareholders directly recognized in equity</b>   |                    |  |  |                     |  |                     |                       |   |                           |                      |
| Acquisition of treasury shares  | -                  | -  | -  | -                   | -  | (21,184,680)        | (236,581)             | (21,421,261)  | -                         | (21,421,261)         |
| Treasury shares attributed to directors and employees   | -                  | -  | -  | -                   | (13,077,647)   | 12,434,710          | 642,937               | -   | -                         | -                    |
| Dividends distributed from the profit of 2020 financial year  | -                  | -  | -  | (42,012,144)        | -  | -                   | -                     | (42,012,144)  | -                         | (42,012,144)         |
| Other elements  | -                  | -  | -  | -                   | 18,571   | -                   | -                     | 18,571  | -                         | 18,571               |
| <b>Total transactions with shareholders directly recognized in equity</b>   | <b>-</b>           | <b>-</b>   | <b>-</b>   | <b>(42,012,144)</b> | <b>(13,059,076)</b>  | <b>(8,749,970)</b>  | <b>406,356</b>        | <b>(63,414,834)</b>                                     | <b>-</b>                  | <b>(63,414,834)</b>  |
| <b>Balance on 30<sup>th</sup> June 2021</b>   | <b>514,402,388</b> | <b>15,937,955</b>  | <b>748,993,995</b>                                       | <b>944,660,422</b>  | <b>5,398,224</b>   | <b>(18,345,308)</b> | <b>3,970,735</b>      | <b>2,215,018,411</b>                                    | <b>15,580,408</b>         | <b>2,230,598,819</b> |

The condensed consolidated financial statements have been approved by the Board of Directors on 15th September 2021 and signed on its behalf by:

**Claudiu Doros**  
CEO

**Mihaela Moleavin**  
Finance director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2021  
(All amounts are presented in Lei, unless otherwise stated)



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|   | Share capital      | Reserves from the revaluation of property, plant and equipment | Reserves from the revaluation of FVTOCI financial assets | Retained earnings   | Equity-based payments to employees, directors and administrators | Treasury shares     | Other equity elements | Total attributable to the mother company's shareholders | Non-controlling interests | Total                |
|---|--------------------|--|--|---------------------|--|---------------------|-----------------------|---|---------------------------|----------------------|
| <b>Balance on 31<sup>st</sup> December 2019</b>   | <b>521,004,761</b> | <b>15,647,343</b>  | <b>772,618,267</b>                                       | <b>896,184,747</b>  | <b>20,142,446</b>  | <b>(30,335,310)</b> | <b>610,568</b>        | <b>2,195,872,822</b>                                    | <b>18,917,295</b>         | <b>2,214,790,117</b> |
| <b>Comprehensive income</b>   |                    |  |  |                     |  |                     |                       |   |                           |                      |
| <b>Lost of the period ended on 30<sup>th</sup> June 2020</b>  | -                  | -  | -  | (26,044,604)        | -  | -                   | -                     | (26,044,604)  | (127,352)                 | (26,171,956)         |
| <b>Other comprehensive income elements</b>  |                    |  |  |                     |  |                     |                       |   |                           |                      |
| Revaluation of property, plant and equipment net of deferred tax  | -                  | 29,680   | -  | -                   | -  | -                   | -                     | 29,680  | -                         | 29,680               |
| Reserve transfer from revaluation to retained earnings following the derecognition of property, plant and equipment | -                  | (79,950)   | -  | 79,950              | -  | -                   | -                     | -   | -                         | -                    |
| Revaluation at fair value of equity instruments FVTOCI, net of deferred tax   | -                  | -  | (250,121,226)  | -                   | -  | -                   | -                     | (250,121,226)   | -                         | (250,121,226)        |
| Revaluation at fair value of FVTOCI bonds   | -                  | -  | (54,958)   | -                   | -  | -                   | -                     | (54,958)  | -                         | (54,958)             |
| Gain transferred to retained earnings for the sale of FVTOCI equity   | -                  | -  | (2,398,392)  | 2,398,392           | -  | -                   | -                     | -   | -                         | -                    |
| Dividends distributed to non-controlling interest   | -                  | -  | -  | -                   | -  | -                   | -                     | -   | (3,083,133)               | (3,083,133)          |
| <b>Total comprehensive income of the period</b>   | <b>-</b>           | <b>(50,270)</b>  | <b>(252,574,576)</b>                                     | <b>(23,566,262)</b> | <b>-</b>   | <b>-</b>            | <b>-</b>              | <b>(276,191,108)</b>                                    | <b>(3,210,485)</b>        | <b>(279,401,593)</b> |
| <b>Transactions with shareholders, directly recognized in equity</b>  |                    |  |  |                     |  |                     |                       |   |                           |                      |
| Acquisition of treasury shares  | -                  | -  | -  | -                   | -  | (2,742,258)         | (6,857)               | (2,749,115)   | -                         | (2,749,115)          |
| Treasury shares granted to directors and employees  | -                  | -  | -  | -                   | (6,818,771)  | 5,129,568           | 1,689,203             | -   | -                         | -                    |
| Dividends distributed from the profit of 2019 financial year  | -                  | -  | -  | (59,063,889)        | -  | -                   | -                     | (59,063,889)  | -                         | (59,063,889)         |
| Other elements  | -                  | -  | -  | -                   | (246,028)  | -                   | -                     | (246,028)   | -                         | (246,028)            |
| <b>Total transactions with shareholders directly recognized in equity</b>   | <b>-</b>           | <b>-</b>   | <b>-</b>   | <b>(59,063,890)</b> | <b>(7,064,799)</b>   | <b>2,387,310</b>    | <b>1,682,348</b>      | <b>(62,059,032)</b>                                     | <b>-</b>                  | <b>(62,059,032)</b>  |
| <b>Balance on 30th June 2020</b>  | <b>521,004,761</b> | <b>15,597,073</b>  | <b>520,043,691</b>                                       | <b>813,554,596</b>  | <b>13,077,647</b>  | <b>(27,948,000)</b> | <b>2,292,914</b>      | <b>1,857,622,682</b>                                    | <b>15,706,810</b>         | <b>1,873,329,492</b> |

The condensed consolidated financial statements have been approved by the Board of Directors on 15<sup>th</sup> September 2021 and signed on its behalf by:

**Claudiu Doros**  
CEO

**Mihaela Moleavin**  
Finance Director

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS' PERIOD ENDED ON 30<sup>th</sup> JUNE 2021  
(All amounts are presented in Lei, unless otherwise stated)

| <i>In LEI</i>   | <i>Note</i> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|---|-------------|--|--|
| <b>Operating activities</b>   |             |  |  |
| Profit / (loss) before tax  |             | <b>50,059,355</b>  | <b>(25,649,943)</b>  |
| <i>Adjustments:</i>   |             |  |  |
| Loss/(loss reversal) from financial assets impairment   |             | (1,195,853)  | 3,658,554  |
| (Loss)/Loss reversal from non-financial assets impairment   |             | 40,575   | (56,398)   |
| (Net gain) /Net loss from the revaluation of investment property                                  |             |  | 497,500  |
| (Net gain)/Net loss from financial assets at fair value through profit or loss                    | 8           | (38,716,881)   | 44,336,135   |
| Set-up/ (reversal) of provisions for risks and charges  |             | (18,319)   | (83,857)   |
| Gross dividend income   | 6           | (24,643,122)   | (8,575,673)  |
| Interest income   |             | (1,668,192)  | (1,922,205)  |
| Financing expenses  |             | 243,412  | 409,922  |
| Other adjustments   |             | 1,709,438  | (3,364,426)  |
| <b>Modifications of assets and liabilities corresponding to operating activities</b>              |             |  |  |
| Payments for the acquisition  |             | (10,014,667)   | (22,729,055)   |
| Proceeds from the sale of financial assets at fair value through profit or loss                   |             | 36,756,924   | -  |
| Payments for the acquisition of financial assets at fair value through other comprehensive income |             | (30,342,134)   | (29,321,897)   |
| Proceeds from the sale of financial assets at fair value through other comprehensive income       |             | 206,685,913  | 3,951,428  |
| Payments for acquisition of bonds   |             |  | -  |
| Proceeds from bonds   |             | 5,880  | 7,808,719  |
| Changes in deposits with maturity higher than 3 months  |             | (139,007)  | 2,155,458  |
| Changes in other assets   |             | (12,890,716)   | 63,533,431   |
| Changes in other liabilities  |             | 1,733,163  | (17,313,187)   |
| Proceeds from dividends   |             | 24,444,967   | 4,098,393  |
| Proceeds from interest  |             | 895,524  | 1,683,873  |
| Income tax paid   |             | (9,907,560)  | (11,480,551)   |
| <b>Net cash resulted from operating activities</b>  |             | <b>193,038,700</b>   | <b>11,636,221</b>  |
| <b>Investment activities</b>  |             |  |  |
| Payments for the acquisition of intangible assets, property, plant and equipment                  |             | (681,922)  | (1,635,691)  |
| Payments for the acquisition of property investments  |             | (124,238)  | (16,114,504)   |
| Proceeds from the sale of tangible assets, property investments and assets held for sale          |             | -  | 141,280  |
| <b>Net cash used in investment activities</b>   |             | <b>(806,160)</b>   | <b>(17,608,915)</b>  |
| <b>Financing activities</b>   |             |  |  |
| Paid dividends  |             | (30,017,027)   | (44,256,157)   |
| Proceeds from loans   |             | 1,114,324  | 2,563,457  |
| Loan reimbursement  |             | (2,003,514)  | (18,312,728)   |
| Payment of lease liability principal  |             | (399,824)  | (405,556)  |
| Payments of loan interest   |             | (207,433)  | (383,377)  |
| Payments of lease liability   |             | (35,978)   | (26,545)   |
| Acquisition of treasury shares  |             | (21,421,261)   | (2,749,115)  |
| <b>Net cash used in financing activities</b>  |             | <b>(52,970,713)</b>  | <b>(63,570,021)</b>  |
| <b>Net change in cash and cash equivalents</b>  |             | <b>139,261,827</b>   | <b>(69,542,715)</b>  |
| Cash and cash equivalents on 1st January  |             | 102,332,376  | 119,036,922  |
| <b>Cash and cash equivalents on 30<sup>th</sup> June</b>  |             | <b>241,594,203</b>   | <b>49,494,207</b>  |



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 6 MONTHS' PERIOD ENDED ON 30<sup>th</sup> JUNE 2021  
(All amounts are presented in Lei, unless otherwise stated)

*In LEI*

|   | <b>30<sup>th</sup> June 2021</b> | <b>30<sup>th</sup> June 2020</b> |
|---|----------------------------------|----------------------------------|
| Cash in the cash register                   | 30,831                           | 17,789                           |
| Current bank accounts                       | 4,534,339                        | 11,882,996                       |
| Bank deposits with maturity within 3 months | 237,029,033                      | 37,593,422                       |
| <b>Cash and cash equivalents</b>            | <b><u>241,594,203</u></b>        | <b><u>49,494,207</u></b>         |

The condensed consolidated financial statements have been approved by the Board of Directors on 15<sup>th</sup> September 2021 and signed on its behalf by:

**Claudiu Doros**  
CEO

**Mihaela Moleavin**  
Finance Director

## 1. REPORTING ENTITY

**EVERGENT Investments SA („the Company”)**, is set-up as a Romanian, private-law legal entity, organized as a public limited company, classified in accordance with applicable regulations as Alternative Investment Fund of investment company type – A.I.F.S, Alternative Investment Fund Manager for Retail Investors –A.I.F.M.R.I, with a diversified investment policy, closed-end, self-managed.

The Company is authorized by the Financial Supervision Authority (FSA) as Alternative Investment Fund Manager, under *Certificate no. 20/23.01.2018*, and as Alternative Investment Fund Manager for Retail Investors (AIFMRI) with *Certificate no. 101/25.06.2021*.

Starting on 3<sup>rd</sup> March 2021, the Company changed its name to **EVERGENT Investments S.A.**, its previous name being “Societatea de Investiții Financiare Moldova S.A.”, and kept all rights and obligations taken on by the Company under its previous name, the name change not having the effect of the set-up of a new legal entity, in accordance with applicable legal provisions.

The Company’s headquarters is located in Pictor Aman Street, no. 94C, Bacău municipality, Bacău county, Romania.

According to its Memorandum of Association, the Company’s activity object consists in:

- Portfolio management;
- Risk management;
- Other auxiliary activities related to collective administration activities, allowed by the law in force.

The Company is self-managed in an unitary system.

Shares issued by EVERGENT Investments SA are listed on BVB, main market, Premium category, „EVER” symbol since 29<sup>th</sup> March 2021 (prior to this, the Company’s shares were traded under the “SIF2” symbol).

The shares and shareholders’ record is kept according to the law by Depozitarul Central S.A. Bucharest.

The assets deposit services are provided by BRD – Société Générale S.A. – a company authorized by the National Committee for Securities, whose attributions and prerogatives have been taken over by the Financial Supervision Authority („FSA”).

The Company’s condensed financial statements for the six months’ period ended on 30<sup>th</sup> June 2021 include the Company and its subsidiaries (hereinafter referred to as „**Group**”), as well as the Group’s interests in its associates.

The Group’s basic activities include the financial investment activity carried out by the Company, as well as activities carried out by its subsidiaries, consisting mainly in the manufacture of machines and equipment, lease and sub-lease of own or leased property, real-estate development, cultivation of fruit-bearing plants, strawberries, nut-trees and other fruit-bearing trees and business and management consultancy activities.

## 2. BASIS OF PREPARATION

### (a) Statement of Compliance

The interim condensed **consolidated financial statements** for the six month's period ended on 30<sup>th</sup> June 2021, have been prepared in accordance with IAS 34 "Interim Financial Reporting" and applying the provisions of Norm 39/2015 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards (IFRS), applicable to entities authorized, regulated and supervised by FSA in the Financial Investments Sector (Norm 39/2015).

These condensed interim consolidated financial statements should be read along with the consolidated annual financial statements for the financial year ended on 31<sup>st</sup> December 2020, that are available on the Company's internet website: [www.evergent.ro](http://www.evergent.ro). Starting on 15<sup>th</sup> September 2021 these interim financial statements will also be available on this page.

These interim financial statements do not include all information required by a full set of financial statements, but the selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance, in comparison to the latest published annual financial statements.

The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with statutory account regulations applicable for them, namely Order no. 1802 of 29<sup>th</sup> December 2014 for the approval of accounting regulations regarding individual and consolidated financial statements („RAS"). For the preparation of the Group's consolidated financial statements, these financial information was restated, where applicable, in order to reflect the differences between RAS and the International Financial Reporting Standards adopted by the European Union („IFRS").

The most important changes of the financial statements prepared in accordance with RAS in order to be aligned with IFRS requirements adopted by the European Union are:

- property investment adjustments to measure them at fair value, in accordance with IAS 40 „Property Investment" (in accordance with RAS, the result from the revaluation of investment property is registered in revaluation reserve);
- adjustments for the recognition of deferred profit tax receivables and liabilities, in accordance with IAS 12 „Income Tax" (in accordance with RAS, deferred tax is not recognized);
- reversal of adjustments related to hyperinflationary economies, and
- requirements for presentation in accordance with IFRS, that are different in some cases from RAS requirements.

## **2. BASIS OF PREPARATION (continued)**

### **(b) Functional and Presentation Currency**

The Group's management considers that the functional currency, as defined by IAS 21 „The Effects of Changes in Foreign Exchange Rates” is the Romanian leu („Leu”). The consolidated financial statements are presented in lei, rounded to the closest leu, a currency that the management of the Group has selected as presentation currency.

### **(c) Basis of Evaluation**

The consolidated financial statements have been prepared based on the fair value convention for financial assets and liabilities at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.

Other financial assets and liabilities are presented at amortized cost, and non-financial assets and liabilities are presented at historic cost, fair value or revaluated value.

### **(d) Use of Estimates and Judgments**

The preparation of individual statements in accordance with IFRS implies that the management's use of certain estimates, judgments and hypothesis that affect the application of accounting policies, as well as the reported value of assets, liabilities, revenue and expenses. The estimates and associated assumption are based on historical experience and other factors that are believed to be reasonable in the context of these estimates. The results of these estimates form the basis for judgments regarding the carrying value of assets and liabilities that cannot be obtained from other information sources. The results obtained may differ from those of the estimates.

The judgments and assumptions that lay at the estimation base are periodically reviewed. The revision of accounting estimates is recognized in the period when the estimate is reviewed, if the revision affects only that period, or in the period when the estimate is reviewed and the following period, if the revision affects both the current and future periods.

The information and reasoning concerning the application of accounting policies with the highest degree of uncertainty regarding the estimates, which have a significant impact on the amounts recognized in these annual financial statements, are the following:

- Ascertaining the fair value of financial instruments (see explanatory note 13 (d))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory note 13 (d))
- Classification of financial instruments (see explanatory note 5)
- Adjustments for the impairment of assets measured at amortized cost/credits and receivables (see explanatory note 14 (a))

## 2. BASIS OF PREPARATION (continued)

### (d) Use of Estimates and Judgments (continued)

- Analysis of the criteria in IFRS 10 Consolidated Financial Statements, regarding investment entities

Following the analysis of the criteria that must be met for a company to be classified as an investment entity, it was concluded that the Company is not an investment entity since it holds in its portfolio interests for an indefinite period of time, for which there are no disinvestment strategies and in whose operations it is actively involved, with the possibility to provide funding or carry out other operations incompatible with investment entities.

### (e) Subsidiaries

Subsidiaries are entities under the Group's control. Control exists when the Group is exposed or has the right to variable earnings from its involvement in the entities and has the ability to affect these earnings through its authority over the entity it has invested in. When control is evaluated, the potential or convertible voting rights which can be exercised at the evaluation moment, should be considered.

The subsidiaries' financial statements are included in the consolidated financial statements from the moment when the control begins to be exercised and until the moment when the control ceases. The accounting policies of the subsidiaries have been modified in order to be aligned with the policies of the Group.

The list of consolidated subsidiaries on 30<sup>th</sup> June 2021, namely 31<sup>st</sup> December 2020 is the following:

| <i>Subsidiary</i>      | <i>Field of activity</i>   | <i>30<sup>th</sup> June<br/>2021</i> | <i>31<sup>st</sup> December<br/>2021</i> |
|------------------------|--|--------------------------------------|--|
| Casa SA                | Rental of space  | 99.60%                               | 99.32%                                   |
| Mecanica Ceahlău SA    | Manufacturing and sale of agricultural machines  | 73.30%                               | 73.30%                                   |
| Regal SA               | Rental of its own real estate property   | 93.02%                               | 93.02%                                   |
| Țesătoriile Reunite SA | Real-estate development  | 99.99%                               | 99.99%                                   |
| A3 Snagov SRL*         | Real-estate development  | 99.99%                               | -  |
| Agroland Capital SA    | Purchase and sale of its real-estate property  | 99.99%                               | 99.99%                                   |
| Agrointens SA          | Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees | 99.99%                               | 99.99%                                   |

\* A3 Snagov SRL subsidiary, set-up in June 2021 is indirectly held by the Company through Agroland Capital SA, which holds 100% of its shares.

## **2. BASIS OF PREPARATION (continued)**

### **(e) Subsidiaries (continued)**

Asset Invest subsidiary has been voluntary liquidated (and deregistered in December 2020) after all its assets and its activity were transferred to CASA SA subsidiary.

### **(f) Impact of COVID 19 Epidemic on the Group's Financial Position and Performance**

The coronavirus epidemic („COVID-19”), declared a pandemic by the World Health organization on the 11<sup>th</sup> March 2020 has significantly affected world economy, including financial markets who registered significant decrease, reflected in the evolution of the most important stock indexes.

In the first half of 2021 the Group's financial position and performance recorded a significant increase (see explanatory notes 8 and 13 a) and b) following the continuation of the upwards trend of the quotations on financial markets (including on Bucharest Stock Exchange) started in the last part of 2020, after the decrease caused by the COVID-19 pandemic crisis.

Up to the 30<sup>th</sup> June 2021, international financial markets, as Bucharest Stock Exchange have reflected a relatively high volatility, but continued to recover following the significant decrease in the first half of 2020.

In the context of COVID 19 epidemic, in 2021 there may still be a high volatility of market quotes on Bucharest Stock Exchange, market on which most of the Group's portfolio is exposed. For 2021, uncertainties and risks arise from the evolution of the pandemic and associated restrictive measures – as new virus strains develop, as well as from world-wide vaccination, especially on EU level.

Following the significant drop of quotes in 2020, after the start of COVID-19 pandemic, with impact on the Group's assets value, the markets have fully absorbed the effects of this crisis in 2021, registering significant increases. Measures taken in countries all over the world, and in Romania as well, both as a response to the epidemic itself, and the economy are meant to reestablish the trust in the economic and social environment, in particular in financial and commodities markets. It is expected that world economy, including the economies of countries in the European Union will register a significant increase, with Romanian GDP being above the European average.

The management does not estimate difficulties in respecting its engagements towards its shareholders and obligations toward third parties, the available and expected liquidity being in line with the limits imposed by the regulations, and enough to cover the current payments and the distribution of the dividends.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in these condensed interim financial statements are consistent with those in the Group's annual financial statements for the financial year ended on 31<sup>st</sup> December 2020 and have been consistently applied for all periods presented in these condensed interim financial statements.

For consistency with the presentation of information in the current period, the Group reclassified in the Condensed consolidated statement of comprehensive income, Condensed consolidated statement of cash flows, Condensed consolidated statement of changes in equity and the corresponding Explanatory notes, certain elements for the comparative period (period ended on 30<sup>th</sup> June 2020).

### **4. SEGMENT REPORTING**

A segment is a distinctive component of the Group involved in operating activities that generate income and expenses (including income and expenses generated by the interaction with other members of the Group) whose operational results are periodically revised by the person with decision-making responsibilities within the entity regarding the resources that are assigned to the segment, evaluating its performance, for which financial information is available.

The basic criteria based on which the Group determines its operating segments in compliance with IFRS 8 "Operating segments" are:

- The reported revenue of the operating segment, including sales to external clients and sales or transfers between segments represents 10% or more of combined, internal and external revenue of all operating segments;
- The absolute value of the profit or loss of the reported operating segment is 10% or more of the highest value, in absolute value, between (i) the reported combined profit for all operating sectors that have not reported a loss, and (ii) the combined loss reported from all operating sectors that have reported a loss;
- The assets of the operating segment represent 10% or more of the combined assets of all operating segments;
- Should Management consider that an operating sector identified as reportable during the immediately previous period maintains its importance, the information for this segment will be reported separately in the current period, irrespective whether it still meets the reporting criteria or not.

The Group carries out its activity in mainly the following fields: financial investment services, manufacture and sale of agricultural machines and tools, real-estate development, rental and sale of own real-estate property, cultivation of fruit-bearing plants (blueberries), business and management consultancy.

#### **4. SEGMENT REPORTING (continued)**

Information reporting on segments is presented depending on activities of the Group and mother company. Transactions between operating segments are made under normal market conditions.

Assets and liabilities on segments include both the elements directly attributable to the segments, and elements that may be assigned using a reasonable base.

The Group is comprised of the following operating segments:

- Financial investment services
- Manufacture and sale of agricultural machines
- Real-estate development (apartments, including parking spaces)
- Other: The Group incorporates in this category services and products offered by the companies within the Group in the following fields: rental and sale of own real-estate property, cultivation of fruit-bearing trees (blueberries) and business and management consultancy.

Although the Group monitors the performances of its subsidiaries on individual level, certain operating segments whose elements represent a lower percentage of the Group's total operations have been classified in the "Other" category for the purpose of presenting the reporting note on segments.



#### 4. SEGMENT REPORTING (continued)

##### (a) Segmentation of income, expenses and result

| 6 months' period ended<br>on 30 <sup>th</sup> June 2021                              | Group             | Financial<br>investment<br>services | Manufacture<br>of agricultural<br>machines and<br>equipment | Real-estate<br>development<br>(apartments) | Other              |
|--|-------------------|-------------------------------------|---|--|--------------------|
| <i>In LEI</i>  |                   |                                     |   |  |                    |
| <b>Income</b>  |                   |                                     |   |  |                    |
| Gross dividend income  | 24,643,122        | 24,485,518                          | -   | -  | 157,604            |
| Interest income  | 1,668,192         | 1,587,202                           | 40,506  | 5,028                                      | 35,456             |
| Other operating income   | 17,499,650        | 294,901                             | 15,125,626  | 1,039,130                                  | 1,039,993          |
| Net gain/(Net loss) from<br>financial assets at fair value<br>through profit or loss | 38,716,881        | 38,702,482                          | 3,452   | -  | 10,947             |
| Net gain/(Net loss) from<br>the disposal of non-financial<br>assets                  | (21,057)          | -                                   | -   | (21,057)                                   | -                  |
| Net gain/(net loss) from the<br>revaluation of investment<br>property                | -                 | -                                   | -   | -  | -                  |
| <b>Expenses</b>  |                   |                                     |   |  |                    |
| (Losses)/loss reversal from<br>impairment of financial<br>assets                     | 1,195,853         | 75,070                              | 1,143,200   | (39,239)                                   | 16,822             |
| (Losses)/Loss reversal from<br>impairment of non-financial<br>assets                 | (40,624)          | -                                   | 54,680  | (95,304)                                   | -                  |
| (Set-up)/Reversal of<br>provisions for risks and<br>charges                          | 18,319            | (3,600)                             | (39,989)  | 61,908                                     | -                  |
| Expenses with wages, and<br>remunerations  | (15,075,506)      | (9,191,688)                         | (2,916,659)   | (758,516)                                  | (2,208,643)        |
| Other operating expenses   | (18,049,599)      | (4,154,923)                         | (12,257,932)  | (1,383,755)                                | (252,989)          |
| <b>Operating Profit /<br/>(Loss)</b>   | <b>50,555,231</b> | <b>51,794,962</b>                   | <b>1,152,884</b>  | <b>(1,191,805)</b>                         | <b>(1,200,810)</b> |
| Share in the profit related to<br>associates   | (252,464)         | (252,464)                           | -   | -  | -                  |
| Financing costs  | (243,412)         | (18,606)                            | (26,058)  | (553)                                      | (198,195)          |
| <b>Profit / (Loss) before<br/>tax</b>  | <b>50,059,355</b> | <b>51,523,892</b>                   | <b>1,126,826</b>  | <b>(1,192,358)</b>                         | <b>(1,399,005)</b> |
| Income tax   | (4,029,748)       | (3,568,132)                         | (439,544)   | 32,241                                     | (54,313)           |
| <b>Net profit / (net loss) of<br/>the period</b>                                     | <b>46,029,607</b> | <b>47,955,760</b>                   | <b>687,282</b>  | <b>(1,160,117)</b>                         | <b>(1,453,318)</b> |

#### 4. SEGMENT REPORTING (continued)

##### (a) Segmentation of income, expenditures and result (continued)

| 6 months' period ended on<br>30 <sup>th</sup> June 2020                   | Group               | Financial<br>investment<br>services | Manufacture<br>of agricultural<br>machines and<br>equipment | Real-estate<br>development<br>(apartments) | Other              |
|---|---------------------|-------------------------------------|---|--|--------------------|
| <i>In LEI</i>   |                     |                                     |   |  |                    |
| <b>Income</b>   |                     |                                     |   |  |                    |
| Gross dividend income   | 8,575,673           | 8,565,711                           | -   | -  | 9,962              |
| Interest income   | 1,922,205           | 1,594,873                           | 208,669   | 55,404                                     | 63,259             |
| Other operating income  | 101,154,223         | 633,619                             | 9,335,050   | 90,329,468                                 | 856,086            |
| Net gain from financial assets<br>at fair value through profit or<br>loss | (44,336,135)        | (44,336,965)                        | 3,262   |  | (2,432)            |
| Net gain/(net loss) from the<br>sale of non-financial assets              | 29,108              | -                                   | -   | -  | 29,108             |
| Net gain from the revaluation of<br>investment property                   | (497,500)           | -                                   | -   | -  | (497,500)          |
| <b>Expenses</b>   |                     |                                     |   |  |                    |
| (Losses)/loss reversal from<br>impairment of financial assets             | (3,658,554)         | (26,694)                            | 601,620   | (4,219,545)                                | (13,935)           |
| (Losses)/Loss reversal from<br>impairment of non-financial<br>assets      | 56,398              | -                                   | 56,398  | -  | -                  |
| (Set-up)/Reversal of provisions<br>for risks and charges                  | 83,857              | (17,000)                            | 100,857   | -  | -                  |
| Expenses with wages, and<br>remunerations                                 | (15,056,350)        | (8,261,196)                         | (3,411,465)   | (1,103,588)                                | (2,280,101)        |
| Other operating expenses  | (78,479,052)        | (3,983,431)                         | (7,021,964)   | (67,315,275)                               | (158,382)          |
| <b>Operational profit / (loss)</b>  | <b>(30,206,127)</b> | <b>(45,831,083)</b>                 | <b>(127,573)</b>  | <b>17,746,464</b>                          | <b>(1,993,935)</b> |
| Share from the profit of<br>associates                                    | 4,966,106           | 4,966,106                           | -   | -  | -                  |
| Financing costs   | (409,922)           | (13,537)                            | (29,539)  | (93,196)                                   | (273,650)          |
| <b>Profit / (Loss) before tax</b>   | <b>(25,649,943)</b> | <b>(40,878,514)</b>                 | <b>(157,112)</b>  | <b>17,653,268</b>                          | <b>(2,267,585)</b> |
| Income tax expenses   | (522,012)           | 1,657,121                           | (212,461)   | (2,157,095)                                | 190,423            |
| <b>Net profit / net loss ) of the<br/>period</b>                          | <b>(26,171,955)</b> | <b>(39,221,393)</b>                 | <b>(369,573)</b>  | <b>15,496,173</b>                          | <b>(2,077,162)</b> |

#### 4. SEGMENT REPORTING (continued)

##### (b) Segmentation of Assets and Liabilities

| 30 <sup>th</sup> June 2021  | Group                | Financial<br>investment<br>services | Manufacture<br>of agricultural<br>machines and<br>equipment | Real-estate<br>development<br>(apartment) | Other              |
|---|----------------------|-------------------------------------|---|---|--------------------|
| <i>In LEI</i>   |                      |                                     |   |   |                    |
| <b>Assets</b>   |                      |                                     |   |   |                    |
| Cash and current accounts   | 4,565,153            | 476,992                             | 3,262,184   | 295,211                                   | 530,766            |
| Bank deposits with initial maturity<br>within 3 months                        | 237,113,172          | 208,841,355                         | 4,007,705   | 18,601,812                                | 5,662,300          |
| Bank deposits with initial maturity<br>higher than 3 months                   | 2,351,792            | -                                   | 999,306   | -   | 1,352,486          |
| Financial assets at fair value through profit or<br>loss                      | 324,746,292          | 323,770,806                         | 265,303   | -   | 710,183            |
| Financial assets measured at fair value<br>through other comprehensive income | 1,588,617,479        | 1,535,085,929                       | -   | -   | 53,531,550         |
| Investments accounted for using the<br>equity method                          | 38,824,343           | 38,824,343                          | -   | -   | -                  |
| Bonds at amortized cost   | 17,333,100           | 17,333,100                          | -   | -   | -                  |
| Bonds at fair value through other<br>comprehensive income                     | 4,052,361            | 4,052,361                           | -   | -   | -                  |
| Investment property   | 74,476,094           | 4,103,857                           | 487,280   | 16,228,216                                | 53,656,741         |
| Goodwill  | 4,339,505            | -                                   | -   | -   | 4,339,505          |
| Intangible assets   | 1,046,700            | 385,246                             | 60,628  | 1,971                                     | 598,855            |
| Property, plant and equipment   | 53,015,613           | 7,344,526                           | 16,384,070  | 25,877                                    | 29,261,140         |
| Right-of-use assets   | 1,991,948            | 956,542                             | 891,484   | 24,710                                    | 119,212            |
| Intangible assets held for sale   | 23,779,031           | -                                   | 345,510   | 22,823,645                                | 609,876            |
| Inventory   | 28,915,530           | 182,902                             | 23,687,290  | 1,949,669                                 | 3,095,669          |
| Other financial assets at amortized cost                                      | 28,744,827           | 18,443,152                          | 7,735,880   | 2,335,536                                 | 230,259            |
| Other assets  | 2,181,233            | 183,970                             | 383,511   | 219,221                                   | 1,394,531          |
| <b>Total assets</b>   | <b>2,436,094,173</b> | <b>2,159,985,081</b>                | <b>58,510,151</b>   | <b>62,505,868</b>                         | <b>155,093,073</b> |
| <b>Liabilities</b>  |                      |                                     |   |   |                    |
| Loans   | 8,904,175            | -                                   | 863,211   | -   | 8,040,964          |
| Lease liabilities   | 1,877,167            | 905,056                             | 828,792   | 25,540                                    | 117,779            |
| Dividends payable   | 48,333,790           | 47,813,513                          | 311,795   | -   | 208,482            |
| Provisions for risks and charges  | 1,424,149            | 132,944                             | 753,113   | 538,092                                   | -                  |
| Liabilities regarding deferred income tax                                     | 123,739,551          | 116,794,744                         | 1,118,630   | 2,895,728                                 | 2,930,449          |
| Liabilities regarding current income tax                                      | 10,064,487           | 10,064,487                          | -   | -   | -                  |
| Financial liabilities at amortized costs                                      | 7,479,409            | 538,802                             | 5,276,421   | 1,093,542                                 | 570,644            |
| Other liabilities   | 3,672,626            | 2,074,733                           | 843,270   | 320,541                                   | 434,082            |
| <b>Total liabilities</b>  | <b>205,495,354</b>   | <b>178,324,279</b>                  | <b>9,995,232</b>  | <b>4,873,443</b>                          | <b>12,302,400</b>  |

#### 4. SEGMENT REPORTING (continued)

##### (b) Segmentation of Assets and Liabilities (continued)

| 31 <sup>st</sup> December 2020   | Group                | Financial investment services | Manufacture of agricultural machines and equipment | Real-estate development (apartments) | Other              |
|--|----------------------|-------------------------------|--|--------------------------------------|--------------------|
| <i>In LEI</i>  |                      |                               |  |                                      |                    |
| <b>Assets</b>  |                      |                               |  |                                      |                    |
| Cash and current accounts  | 4,715,884            | 327,424                       | 2,245,063  | 1,543,908                            | 599,489            |
| Bank deposits with initial maturity within 3 months                        | 97,686,921           | 85,057,575                    | 5,009,046  | -                                    | 7,620,300          |
| Bank deposits with initial maturity higher than 3 months                   | 2,216,704            | -                             | -  | -                                    | 2,216,704          |
| Financial assets at fair value through profit or loss                      | 312,771,668          | 311,810,581                   | 261,851  | -                                    | 699,235            |
| Financial assets measured at fair value through other comprehensive income | 1,485,586,364        | 1,474,664,886                 | -  | -                                    | 10,921,478         |
| Investments accounted for using the equity method                          | 40,075,082           | 40,075,082                    | -  | -                                    | -                  |
| Bonds at amortized cost  | 16,644,595           | 16,644,595                    | -  | -                                    | -                  |
| Bonds at fair value through other comprehensive income                     | 3,802,401            | 3,802,401                     | -  | -                                    | -                  |
| Investment property  | 74,450,361           | 4,103,857                     | 487,280  | 16,192,578                           | 53,666,646         |
| Goodwill   | 4,339,505            | -                             | -  | -                                    | 4,339,505          |
| Intangible assets  | 1,073,564            | 368,884                       | 59,955   | 1,906                                | 642,819            |
| Property, plant and equipment  | 54,038,192           | 7,503,594                     | 16,966,788   | 31,036                               | 29,536,774         |
| Right-of-use assets  | 2,310,090            | 1,132,811                     | 949,931  | 37,065                               | 190,283            |
| Intangible assets held for sale  | 23,779,031           | -                             | 345,510  | 22,823,645                           | 609,876            |
| Inventory  | 26,378,821           | 171,174                       | 22,103,732   | 2,660,966                            | 1,442,949          |
| Other financial assets at amortized cost                                   | 17,152,575           | 8,104,606                     | 5,670,857  | 3,268,136                            | 108,976            |
| Other assets   | 1,763,516            | 173,236                       | 332,933  | 20,737                               | 1,236,611          |
| <b>Total assets</b>  | <b>2,168,785,274</b> | <b>1,953,940,706</b>          | <b>54,432,947</b>                                  | <b>46,579,977</b>                    | <b>113,831,645</b> |
| <b>Liabilities</b>   |                      |                               |  |                                      |                    |
| Loans  | 9,793,365            | -                             | 999,531  | -                                    | 8,793,834          |
| Lease liabilities  | 2,179,630            | 1,070,045                     | 877,797  | 37,549                               | 194,239            |
| Dividends payable  | 36,338,673           | 35,818,292                    | 311,899  | -                                    | 208,482            |
| Provisions for risks and charges   | 1,442,468            | 129,344                       | 713,124  | 600,000                              | -                  |
| Liabilities regarding deferred income tax                                  | 97,310,265           | 90,800,183                    | 705,977  | 2,927,969                            | 2,876,136          |
| Liabilities regarding current income tax                                   | 4,202,333            | 4,171,854                     | -  | -                                    | 30,479             |
| Financial liabilities at amortized cost                                    | 5,477,053            | 944,440                       | 2,246,704  | 1,648,269                            | 637,640            |
| Other liabilities  | 4,779,402            | 3,292,889                     | 777,174  | 259,212                              | 450,127            |
| <b>Total liabilities</b>   | <b>161,523,189</b>   | <b>136,227,047</b>            | <b>6,632,206</b>                                   | <b>5,472,999</b>                     | <b>13,190,937</b>  |

## 5. FINANCIAL ASSETS AND LIABILITIES

### Accounting Classifications and Fair Values

The table below summarizes the carrying values and fair values of financial assets and liabilities of the Group on 30<sup>th</sup> June 2021:

| <i>In LEI</i>   | <b>Financial assets at fair value through profit or loss, on initial recognition</b> | <b>Financial assets at fair value through other comprehensive income</b> | <b>Amortized cost</b> | <b>Total carrying value</b> | <b>Fair value</b>    |
|---|--|--|-----------------------|-----------------------------|----------------------|
| Cash and current accounts   | -  | -  | 4,565,153             | 4,565,153                   | 4,565,153            |
| Bank deposits with initial maturity within 3 months               | -  | -  | 237,113,172           | 237,113,172                 | 237,113,172          |
| Bank deposits with initial maturity higher than 3 months          | -  | -  | 2,351,792             | 2,351,792                   | 2,351,792            |
| Financial assets at fair value through profit or loss             | 324,746,292  | -  | -                     | 324,746,292                 | 324,746,292          |
| Financial assets at fair value through other comprehensive income | -  | 1,588,617,479  | -                     | 1,588,617,479               | 1,588,617,479        |
| Bonds at amortized cost   | -  | -  | 17,333,100            | 17,333,100                  | 17,333,100           |
| Bonds at fair value through other comprehensive income            | -  | 4,052,361  | -                     | 4,052,361                   | 4,052,361            |
| Other financial assets at amortized cost                          | -  | -  | 28,744,827            | 28,744,827                  | 28,744,827           |
| <b>Total financial assets</b>                                     | <b>324,746,292</b>   | <b>1,592,669,840</b>   | <b>290,108,044</b>    | <b>2,207,524,176</b>        | <b>2,207,524,176</b> |
| Loans   | -  | -  | 8,904,175             | 8,904,175                   | 8,904,175            |
| Dividends payable   | -  | -  | 48,333,790            | 48,333,790                  | 48,333,790           |
| Financial liabilities at amortized cost                           | -  | -  | 7,479,409             | 7,479,409                   | 7,479,409            |
| Lease liabilities   | -  | -  | 1,877,167             | 1,877,167                   | 1,877,167            |
| <b>Total financial liabilities</b>                                | <b>-</b>   | <b>-</b>   | <b>66,594,541</b>     | <b>66,594,541</b>           | <b>66,594,541</b>    |

For financial assets and liabilities at amortized cost, there are no differences between fair value and carrying value, since these are current assets/liabilities. For bonds at amortized cost, the Group has analyzed the fair value of bonds on 30<sup>th</sup> June 2021 and concluded there are no significant differences between fair value and amortized cost.

## 5. FINANCIAL ASSETS AND LIABILITIES (continued)

### Accounting Classifications and Fair Values (continued)

The table below summarizes all carrying values and fair values of financial assets and liabilities of the Group on 31<sup>st</sup> December 2020:

| <i>In LEI</i>  | Financial assets at<br>fair value through<br>profit or loss, on<br>initial recognition | Financial assets at<br>fair value through<br>other comprehensive<br>income | Amortized<br>cost  | Total carrying<br>value | Fair value           |
|--|--|--|--------------------|-------------------------|----------------------|
| Cash and current accounts  | -  | -  | 4,715,884          | 4,715,884               | 4,715,884            |
| Bank deposits with initial maturity<br>within 3 months               | -  | -  | 97,686,921         | 97,686,921              | 97,686,921           |
| Bank deposits with initial maturity<br>higher than 3 months          | -  | -  | 2,216,704          | 2,216,704               | 2,216,704            |
| Financial assets at fair value through<br>profit or loss             | 312,771,668  | -  | -                  | 312,771,668             | 312,771,668          |
| Financial assets at fair value through<br>other comprehensive income | -  | 1,485,586,364  | -                  | 1,485,586,364           | 1,485,586,364        |
| Bonds at amortized cost  | -  | -  | 16,644,595         | 16,644,595              | 16,644,595           |
| Bonds at fair value through other<br>comprehensive income            | -  | 3,802,401  | -                  | 3,802,401               | 3,802,401            |
| Other financial assets at amortized<br>cost                          | -  | -  | 17,152,575         | 17,152,575              | 17,152,575           |
| <b>Total financial assets</b>  | <b>312,771,668</b>   | <b>1,489,388,765</b>   | <b>138,416,679</b> | <b>1,940,577,112</b>    | <b>1,940,577,112</b> |
| Loans  | -  | -  | 9,793,365          | 9,793,365               | 9,793,365            |
| Dividend payable   | -  | -  | 36,338,673         | 36,338,673              | 36,338,673           |
| Financial liabilities at amortized cost                              | -  | -  | 5,477,053          | 5,477,053               | 5,477,053            |
| Lease liabilities  | -  | -  | 2,179,630          | 2,179,630               | 2,179,630            |
| <b>Total financial liabilities</b>                                   | <b>-</b>   | <b>-</b>   | <b>53,788,721</b>  | <b>53,788,721</b>       | <b>53,788,721</b>    |

## 6. GROSS DIVIDEND INCOME

| <i>In LEI</i>             | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|---------------------------|--|--|
| SNGN Romgaz               | 13,548,464   | -  |
| OMV Petrom                | 3,644,628  | 544,628  |
| SN Nuclearelectrica       | 2,775,228  | -  |
| Aerostar                  | 2,751,286  | 2,979,585  |
| Bursa de Valori Bucuresti | 371,659  | 286,345  |
| SNTGN Transgaz            | 164,029  | 4,384,043  |
| Other                     | 1,387,828  | 381,072  |
| <b>Total</b>              | <b>24,643,122</b>  | <b>8,575,673</b>   |

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on the 30th June 2021 have been of 5% or 0% (2020: 5% or 0%). Dividend tax exemption shall apply if the Group's holding percentage has been higher than 10% of the share capital of the company that distributed the dividends, for an uninterrupted period of at least one year before distribution.

In the first half of 2021, the value of gross dividends distributed by companies for which interest holding was classified as financial assets at fair value through other comprehensive income has been of 23,380,490 lei (6 months' period ended on 30<sup>th</sup> June 2020: 8,069,602 lei).

## 7. OTHER OPERATING REVENUE

| <i>In LEI</i>                                      | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|--|--|--|
| Revenue from sales of production                   | 6,306,975  | 5,728,018  |
| Revenue from merchandize sold                      | 8,662,838  | 3,661,552  |
| Revenue from sales of apartments                   | 940,659  | 89,909,326   |
| Revenue from service                               | 55,467   | 40,081   |
| <b>Total revenue from contracts with customers</b> | <b>15,965,939</b>  | <b>99,338,977</b>  |
| Rent income  | 1,028,829  | 1,322,770  |
| Income from recovered receivables                  | 3,012  | 39,276   |
| Other operating income                             | 501,870  | 453,200  |
| <b>Total other categories of operating income</b>  | <b>1,533,711</b>   | <b>1,815,246</b>   |
| <b>Total</b>                                       | <b>17,499,650</b>  | <b>101,154,223</b>   |

## 7. OTHER OPERATING REVENUE (continued)

### *Revenue from contracts with customers*

Within revenue from sales of production, the highest weight in the first 6 months of 2021 is held by Mecanica Ceahlău with 6,203,250 lei, respective 98% (6 months' period ended on 30<sup>th</sup> June 2020: the amount of 5,596,561 lei, respective 98%), representing revenue from the sale of agricultural machinery and equipment manufactured by this subsidiary, followed by Agrintens with the amount of 73,904 lei, respective 2% (6 months' period ended on 30<sup>th</sup> June 2019: the amount of 131,457 lei, respective 2%), representing revenue from the sale of agricultural products (blueberries).

In the first half of 2021, the highest weight in revenue from merchandize sold is held by Mecanica Ceahlău with the amount of 8,654,219 lei, respective 99% (6 months' period ended on 2020: 3,568,076 lei, respective over 97%), representing revenue from the sale of distributed products (trucks, herbicide equipment, front loaders, etc.).

In the first half of 2021, revenue gained by Țesătoriile Reunite came from the sale of parking spaces, since apartments were sold in 2020, while revenue gained in the first half of 2020 come from the sale of apartments and parking spaces from Baba Novac Residence, developed by this subsidiary.

Services delivered by the Group are generally related to the products supplied (for examples repairs of agricultural machines following the expiry of the guarantee period).

The receivable balance in contracts with customers is included in explanatory note 14 a).

## 8. NET GAIN / (NET LOSS) ON ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| <i>In LEI</i>   | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2020</b> |
|---|--|--|
| Net gain / (net loss) on the revaluation of financial assets at fair value through profit or loss | 36,296,712   | (44,336,135)   |
| Net gain / (net loss) on the sale of financial assets at fair value through profit or loss        | 2,420,169  | -  |
| <b>Total</b>  | <b><u>38,716,881</u></b>   | <b><u>(44,336,135)</u></b>   |

## 8. NET GAIN / (NET LOSS) ON ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Unrealized net profit recoded in the first half of 2021, of 36,296,712 lei (6 months' period ended on 2020: unrealized net loss of 44,336,135 lei) represents the difference from the revaluation at fair value of shares and fund units held at fair value through profit or loss.



In the current period, unrealized net profit was mainly generated by the increase of fair value of investments in fund units. The increase was caused by the continuation of the upward trend of quotations on financial markets (including on Bucharest Stock Exchange), started towards the end of 2020, following their decrease in the first half of the year.

In the previous period, unrealized net loss was mainly generated by the decrease of fair value of fund units, following the adverse effect that the crisis generated by COVID 19 epidemic had on the quotations of financial instruments on Bucharest Stock Exchange.

## 9. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with wages, remunerations and other benefits, as well as the corresponding contributions of employees, members of the Management Committee (referring both to the Management Committee of the Company and CEOs of subsidiaries) and the Board of Directors (referring both to the Company's Board of Directors and the Board of Directors of the subsidiaries).

| <i>In LEI</i>  | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|--|--|--|
| <b><i>Fixed remunerations</i></b>  |  |  |
| Management Committee   | 2,959,170  | 2,368,758  |
| Board of Directors   | 4,438,832  | 5,063,154  |
| Employees  | 7,214,491  | 7,049,057  |
| <b><i>Total fixed remuneration</i></b>   | <b><u>14,612,493</u></b>   | <b><u>14,480,969</u></b>   |
| <b><i>Variable remunerations</i></b>   |  |  |
| <b>Board of Directors, Management Committee</b>  |  |  |
| Bonuses for the current year   | -  | 169,388  |
| <b><i>Total variable remunerations of the Board of Directors, Management Committee</i></b> | <b>-</b>   | <b>169,388</b>   |
| <b>Employees</b>   |  |  |
| Bonuses for the current year   | 132,504  | 71,034   |
| <b><i>Total variable remunerations of employees</i></b>                                    | <b>132,504</b>   | <b>71,034</b>  |
| <b>Total variable remunerations</b>  | <b>132,504</b>   | <b>240,422</b>   |
| <b><i>Expense with social contributions and similar</i></b>                                | <b><u>330,509</u></b>  | <b><u>334,959</u></b>  |
| <b>Total wages, remunerations, contributions and similar expenses</b>                      | <b><u>15,075,506</u></b>   | <b><u>15,056,350</u></b>   |

The directors' allowances are approved by the General Meeting of Shareholders and Board of Directors through Management Contracts.

The Group's average number of employees in the first half of 2021 was 179 (6 months' period ended on 30<sup>th</sup> June 2020: 199). The number of employees hired by the Group in the first 6 months of 2021 was 13 (6 months' period ended on 30<sup>th</sup> June 2020:19).

## 10. OTHER OPERATING EXPENSES

| <i>In LEI</i>   | <b>6 months'<br/>period ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|---|--|--|
| Expenses with outsourced services                                   | 2,062,561  | 5,565,085  |
| Expenses with commissions and fees                                  | 2,134,424  | 1,458,589  |
| Expenses with protocol, advertising and<br>publicity                | 422,651  | 112,017  |
| Expenses with the amortization of<br>tangible and intangible assets | 1,806,680  | 1,658,005  |
| Expenses with the amortization of<br>right-to-use                   | 417,349  | 377,257  |
| Expenses with sponsorship and<br>patronage                          | 86,000   | 771,211  |
| Expenses with merchandize   | 7,858,429  | 3,082,532  |
| Inventory variation   | (1,543,097)  | 59,695,121   |
| Other operating expenses  | 4,804,602  | 5,759,235  |
| <b>Total</b>  | <b><u>18,049,599</u></b>   | <b><u>78,479,052</u></b>   |

Expenses with outsourced services include mainly expenses with projects and studies, know-how, assessment, maintenance, rent, maintenance and repairs and insurance. These expenses included in 2020 expenses with services delivered by the general contractor (for the development of Baba Novac Residence residential center by Țesătoriile Reunite subsidiary), and in 2021 expenses with the repairs of previously sold apartments.

Expenses with commissions and fees include mainly the commission related to net asset owed to FSA, commissions for equity transactions on the regulated market, commissions owed to the depository bank, for register services of the Central Depository owed by the Company, as well as legal assistance fee and other fees for consultancy services.

Other operating expenses include expenses for travel, post and telecommunication, utilities, fuel, inventory materials and items, sponsorship, other taxes and other expenses.

In the first half of 2021 inventory variation mainly inventory production increase of Agrountens subsidiary, while in the similar period of 2020 it mainly included decrease of production, following the sale of apartments in Baba Novac Residence, developed by Țesătoriile Reunite subsidiary and completed in 2019.

## 11. INCOME TAX

| <i>In LEI</i>  | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|--|--|--|
| <b>Current income tax</b>                                      |  |  |
| Current income tax (16%)                                       | 2,399,361  | 3,380,635  |
| Dividend tax (5%)  | 1,042,041  | 270,757  |
|  | <b>3,441,402</b>   | <b>3,651,392</b>   |
| <b>Deferred income tax</b>                                     |  |  |
| Financial assets   | 779  | (675,128)  |
| Investment property and tangible assets                        | 62,889   | (184,793)  |
| Inventory  | (33,021)   | (539,915)  |
| Liabilities related to profit-share in cash and other benefits | 137,245  | 140,717  |
| Provisions for risks and charges and other liabilities         | 420,454  | 185,795  |
| Other elements (including tax loss impact)                     | -  | (2,056,056)  |
|  | <b>588,346</b>   | <b>(3,129,380)</b>   |
| <b>Total</b>   | <b>4,029,748</b>   | <b>522,012</b>   |

The reconciliation of profit before tax with income tax expense in the statement of profit or loss:

| <i>In LEI</i>  | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2021</b> | <b>6 months' period<br/>ended on<br/>30<sup>th</sup> June 2020</b> |
|--|--|--|
| <b>Profit before tax</b>   | 50,059,355   | (25,649,943)   |
| <b>Tax in compliance with statutory taxation rates of 16% (6 months 2019: 16%)</b> | 8,009,497  | (4,103,991)  |
| <b>Effect on income tax of:</b>  |  |  |
| Non-deductible expenses  | 1,487,609  | 7,452,535  |
| Non-taxable income   | (4,649,273)  | (3,898,113)  |
| Other elements   | (2,448,472)  | 1,107,473  |
| Tax loss impact in the current period  | -  | 2,822,731  |
| Recording of temporary differences and tax loss impact on deferred tax             | 588,346  | (3,129,380)  |
| Dividend tax (5%)  | 1,042,041  | 270,757  |
| <b>Profit tax</b>  | <b>4,029,748</b>   | <b>522,012</b>   |

The effective income tax rate in the first half of 2021 is 8%, mainly because of recorded loss (6 months 2020:2%).

On ascertaining the tax result, expenses for management and administration, as well as other expenses are taken into account as non-deductible expenses, proportional to the weight of non-deductible revenue in total revenue registered by the Group.

## 11. INCOME TAX (continued)

The main non-taxable income are mainly dividend income and revenue from differences of the revaluation of financial assets at fair value through profit or loss (interest over 10%), while non-deductible expenses include expenses from the difference between the revaluation of financial assets at fair value through profit or loss (holdings over 10%), and expenses assigned proportionally to non-taxable revenue.

## 12. a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

| <i>In LEI</i>                                       | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|---|--------------------------------------|--|
| Bank deposits with initial maturity within 3 months | 237,029,033                          | 97,616,479                               |
| Attached receivables                                | 92,229                               | 76,767                                   |
| <b>Total bank deposits – gross value</b>            | <b>237,121,262</b>                   | <b>97,693,246</b>                        |
| Expected credit loss                                | (8,091)                              | (6,325)                                  |
| <b>Total bank deposits</b>                          | <b>237,113,172</b>                   | <b>97,686,921</b>                        |

## 12. b) BANK DEPOSITS WITH INITIAL MATURITY HIGHER THAN 3 MONTHS

| <i>In LEI</i>  | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|--|--------------------------------------|--|
| Bank deposits with initial maturity higher than 3 months | 2,354,363                            | 2,215,356                                |
| Attached receivables                                     | 1,670                                | 3,340                                    |
| <b>Total bank deposits – gross value</b>                 | <b>2,356,033</b>                     | <b>2,218,696</b>                         |
| Expected credit loss                                     | (4,242)                              | (1,992)                                  |
| <b>Total bank deposits</b>                               | <b>2,351,792</b>                     | <b>2,216,704</b>                         |

The bank deposits are constantly at the Group's disposal and are not restricted.

All Group's bank deposits are classified as Stage 1.

## 13. FINANCIAL ASSETS

### a) Financial assets at fair value through profit or loss

| <i>In LEI</i> | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|---------------|--------------------------------------|--|
| Fund units    | 313,961,180                          | 299,297,581                              |
| Shares        | 10,785,112                           | 13,474,087                               |
| <b>Total</b>  | <b>324,746,292</b>                   | <b>312,771,668</b>                       |

| <i>In LEI</i>                  | <b>30<sup>th</sup> June<br/>2021</b> | <b>30<sup>th</sup> June<br/>2020</b> |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>1<sup>st</sup> January</b>  | <b>312,771,668</b>                   | <b>309,778,000</b>                   |
| Acquisitions during the period | 10,014,667                           | 22,729,055                           |
| Sales during the period        | (36,756,924)                         | -                                    |
| Changes in fair value          | 36,296,712                           | (44,336,135)                         |
| Gain from FVTPL sale           | 2,420,169                            | -                                    |
| <b>30<sup>th</sup> June</b>    | <b>324,746,292</b>                   | <b>288,170,920</b>                   |

***b) Financial assets assigned at fair value through other comprehensive income***

| <i>In LEI</i>  | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|--|--------------------------------------|--|
| Shares measured at fair value through other comprehensive income | 1,588,617,479                        | 1,485,586,364                            |
| <b>Total</b>   | <b>1,588,617,479</b>                 | <b>1,485,586,364</b>                     |

On 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020, the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, SNGN Romgaz, Aerostar and BRD – Groupe Societe Generale.

The Company has used its irrevocable option to assign equity instruments at fair value through other comprehensive income, as these financial assets are held both for dividend collection and for gain from their sale and not for trading.

### 13. FINANCIAL ASSETS (continued)

The movement of financial assets measured at fair value through other comprehensive income in the periods ended on 30<sup>th</sup> June 2021 and respective 30<sup>th</sup> June 2020 is presented in the table below:

| <i>In LEI</i>                  | <b>30<sup>th</sup> June<br/>2021</b> | <b>30<sup>th</sup> June<br/>2020</b> |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>1<sup>st</sup> January</b>  | <u><b>1,485,586,364</b></u>          | <u><b>1,675,707,206</b></u>          |
| Sales during the period        | (206,685,913)                        | (3,952,005)                          |
| Acquisitions during the period | 30,342,134                           | 29,322,474                           |
| Changes in fair value          | <u>279,374,894</u>                   | <u>(291,072,150)</u>                 |
| <b>30<sup>th</sup> June</b>    | <u><b>1,588,617,479</b></u>          | <u><b>1,410,005,525</b></u>          |

In the first 6 months of 2021, shares measured at fair value through other comprehensive income registered a significant increase, following the return of financial markets (including Bucharest Stock Exchange) to an upward trend, following the significant decrease registered in 2020 (mainly in the first half of the year) caused by the impact of the crisis generated by the COVID 19 epidemic.

### 13. FINANCIAL ASSETS (continued)

#### c) Bonds

| <i>In LEI</i>   | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|---|--------------------------------------|--|
| Corporate bonds   | 17,416,245                           | 16,744,533                               |
| Municipal bonds   | 64,940                               | 70,909                                   |
| <b>Total bonds at amortized cost –<br/>gross value</b>                  | <b>17,481,185</b>                    | <b>16,815,442</b>                        |
| Expected credit loss  | (148,085)                            | (170,847)                                |
| <b>Total bonds at amortized cost</b>                                    | <b>17,333,100</b>                    | <b>16,644,595</b>                        |
| Corporate bonds   | 4,052,361                            | 3,802,401                                |
| <b>Total bonds at fair value through<br/>other comprehensive income</b> | <b>4,052,361</b>                     | <b>3,802,401</b>                         |

On 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020, the category of bonds at amortized cost included bonds issued by Bacau Town Hall and Străulești Lac Alfa.

On 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020, the category of bonds at fair value through other comprehensive income include bonds issued by Autonom Service SA, that are held by the Company within a business model whose objective is to keep financial assets both to collect contract cash flows and for sale. Autonom Service bonds are listed on Bucharest Stock Exchange.

All Company's bonds are classified as Stage 1.

#### d) Fair Value Hierarchy

The table below analyzes the financial instruments recorded at fair value depending on the valuation method. Fair value levels depending on the entry data in the valuation model have been defined as follows:

- Level 1: listed prices (not adjusted) on active markets for identical assets or liabilities
- Level 2: entries, other than the quoted prices included in level 1 that are observable for assets or liabilities either directly (e.g. prices) or indirectly (e.g. price derivatives)
- Level 3: entries for assets or liabilities that are not based on observable inputs from the market (unobservable inputs).



**13. FINANCIAL ASSETS (continued)**  
**d) Fair value hierarchy (continued)**

**30<sup>th</sup> June 2021**

| <i>In LEI</i>  | <b>Level 1</b>              | <b>Level 2</b>  | <b>Level 3</b>            | <b>Total</b>                |
|--|-----------------------------|-----------------|---------------------------|-----------------------------|
| Financial assets at fair value through profit or loss                      | 322,795,782                 | -               | 1,950,510                 | 324,746,292                 |
| Financial assets measured at fair value through other comprehensive income | 1,490,519,433               | -               | 98,098,046                | 1,588,617,479               |
| Bonds at fair value through other comprehensive income                     | 4,052,361                   | -               | -                         | 4,052,361                   |
| <b>Total</b>   | <b><u>1,817,367,576</u></b> | <b><u>-</u></b> | <b><u>100,048,556</u></b> | <b><u>1,917,416,132</u></b> |

**31<sup>st</sup> December 2020**

| <i>In LEI</i>  | <b>Level 1</b>              | <b>Level 2</b>  | <b>Level 3</b>            | <b>Total</b>                |
|--|-----------------------------|-----------------|---------------------------|-----------------------------|
| Financial assets at fair value through profit or loss                      | 309,965,925                 | -               | 2,805,743                 | 312,771,668                 |
| Financial assets measured at fair value through other comprehensive income | 1,387,488,364               | -               | 98,098,000                | 1,485,586,364               |
| Bonds at fair value through other comprehensive income                     | 3,802,401                   | -               | -                         | 3,802,401                   |
| <b>Total</b>   | <b><u>1,701,256,690</u></b> | <b><u>-</u></b> | <b><u>100,903,743</u></b> | <b><u>1,802,160,433</u></b> |

### 13. FINANCIAL ASSETS (continued) Fair value hierarchy (continued)

| Financial assets                                | Fair value on 30 <sup>th</sup> June 2021 | Valuation technique                           | Unobservable inputs, value intervals  | Relationship between unobservable inputs and fair value  |
|---|--|---|---|--|
| Listed minority interest, without active market | 5,769,661                                | Market approach, comparable companies' method | Invested capital/ turnover multiple: 0,5<br>Invested capital/EBITDA multiple: 4,2<br>Lack of liquidity discount: 16,3%  | The lower the EV/Sales multiple, the lower the fair value<br>The lower the EV/EBITDA, the lower the fair value.<br>The lower the lack of liquidity discount, the higher the fair value   |
| Unlisted majority interest                      | 8,421,752                                | Market approach, comparable companies' method | Invested capital/ turnover multiple: 0,6x÷1,6x<br>Invested capital/EBITDA multiple: 6,2x÷6,4x<br>Equity value/carrying value multiple: 0,9x<br>Lack of liquidity discount: 9,6%÷16,3% | The lower the EV/Sales multiple, the lower the fair value.<br>The lower the EV/EBITDA multiple, the lower the fair value..<br>In the balance, the carrying value is identified through equity. The lower the price/carrying value ratio, the lower the fair value.<br>The lower the lack of liquidity discount, the higher the fair value. |
| Listed minority interest                        | 3,390,912                                | Income approach – discounted cash-flow method | Weighted average cost of capital: 9,5%÷11,6%<br><br>Constant long-term revenue increase rate: 2,5%<br>Lack of control discount: 11,9%÷31,2%<br>Lack of control discount: 16,3%        | The lower the weighted average cost of capital, the higher the fair value.<br><br>The higher the long-term revenue increase rate, the higher the fair value.<br>The lower the lack of control discount, the higher the fair value<br>The lower the lack of liquidity discount, the higher the fair value..                                 |
| Unlisted minority interest                      | 2,377,143                                | Income approach – discounted cash-flow method | Weighted average cost of capital: 13,9%<br>Constant long-term revenue increase rate: 2,5%<br>Lack of control discount: 16,1%<br><br>Lack of liquidity discount: 16,3%                 | The lower the weighted average cost of capital, the higher the fair value.<br>The higher the long-term revenue increase rate, the higher the fair value.<br>The lower the lack of control discount, the higher the fair value.<br>The lower the lack of liquidity discount, the higher the fair value.                                     |

**13. FINANCIAL ASSETS (continued)**  
**d) Fair value hierarchy (continued)**

| Financial assets   | Fair value on<br>30 <sup>th</sup> June 2021 | Valuation technique   | Unobservable inputs, value intervals   | Relationship between unobservable inputs and<br>fair value   |
|--|---|---|--|--|
| Listed minority interest,<br>without active market<br>(holding type) | 70,759,293                                  | Assets approach - asset accumulation<br>method or adjusted net asset method | Market value of equity reported to their carrying<br>value: 1,1x÷2,0x<br>Lack of control discount: 14,2%÷17,3%<br>Lack of liquidity discount: 9,6%         | In the balance, the carrying value is identified through<br>equity. The lower the resulted ratio, the lower the fair<br>value.<br>The lower the lack of control discount, the higher the fair<br>value.<br>The lower the lack of liquidity discount, the higher the fair<br>value.     |
| Unlisted minority interest<br>(including holding-type)               | 9,329,795                                   | Assets approach - asset accumulation<br>method or adjusted net asset method | Market value of equity reported to their carrying<br>value: 1,0÷1,2<br><br>Lack of control discount: 11,9%÷21,6%<br>Lack of liquidity discount: 9,6%÷16,3% | In the balance, the carrying value is identified through<br>equity. The lower the resulted ratio, the lower the fair<br>value.<br>The lower the lack of control discount, the higher the fair<br>value.<br><br>The lower the lack of liquidity discount, the higher the fair<br>value. |
| <b>Total</b>   | <b>100,048,556</b>                          |   |  |  |

**13. FINANCIAL ASSETS (continued)**  
**d) Fair value hierarchy (continued)**

| Financial assets                                   | Fair value on 31 <sup>st</sup><br>December 2019 | Valuation technique                                  | Unobservable inputs, value<br>intervals   | Relationship between unobservable inputs<br>and fair value   |
|--|---|--|---|--|
| Listed minority interest,<br>without active market | 5,769,636                                       | The market approach, comparable companies'<br>method | Invested capital value/ turnover multiple:<br>0,5x÷1,0x<br>Invested capital value/EBITDA multiple:<br>4,2x÷7,0x<br>Lack of liquidity discount: 16,3%÷25,1%  | The lower the EV/turnover multiple, the lower the fair value.<br>The lower the EV/EBITDA multiple, the higher the fair value.<br>The lower the lack of liquidity discount, the higher the fair value.  |
| Unlisted minority interest                         | 8,421,706                                       | Market approach, comparable companies'<br>method     | Invested capital value / turnover multiple:<br>0,6x÷1,6x<br>Invested capital value/EBITDA multiple:<br>6,2x÷6,4x<br>Equity/ carrying value multiple: 0,9x<br>Lack of liquidity discount: 9,6%÷16,3% | The lower the EV/turnover multiple, the lower the fair value.<br>The lower the EV/EBITDA multiple, the higher the fair value..<br>In the balance, the carrying value is identified through equity. The lower the price/carrying value ratio, the lower the fair value.<br>The lower the lack of liquidity discount, the higher the fair value. |
| Listed minority interest,<br>without active market | 3,388,972                                       | Revenue approach – discounted cash-flow<br>method    | Weighted average cost of capital: 9,5%÷11,6%  | The lower the weighted average cost of capital, the higher the fair value.   |
| Unlisted minority interest                         | 2,377,143                                       | Revenue approach – discounted cash-flow<br>method    | Constant long-term revenue increase rate:<br>2,5%<br>Lack of control discount: 11,9%÷31,2%<br>Lack of liquidity discount: 16,3%   | The higher the long-term revenue increase rate, the higher the fair value.<br>The lower the lack of control discount, the higher the fair value..<br>The lower the lack of liquidity discount, the higher the fair value.  |
|  |   |  | Weighted average cost of capital: 11,1%÷15,6%<br>Constant long-term revenue increase rate:<br>2,5%<br>Lack of control discount: 15,7%÷17,3%   | The lower the weighted average cost of capital, the higher the fair value.<br>The higher the long-term revenue increase rate, the higher the fair value.<br>The lower the lack of control discount, the higher the fair value..  |
|  |   |  | Lack of liquidity discount: 9,6%÷16,3%  | The lower the lack of liquidity discount, the higher the fair value.   |

**13. FINANCIAL ASSETS (continued)**  
**d) Fair Value Hierarchy (continued)**

| Financial assets   | Fair value on 31 <sup>st</sup> December 2020 | Valuation technique  | Unobservable inputs, value intervals   | Relationship between unobservable inputs and fair value   |
|--|--|--|--|---|
| Listed minority interest, without active market (holding-type) | 70,759,293                                   | Assets approach – asset accumulation method or Adjusted net asset method | Equity market value reported to their carrying value: 1,1x÷2,0x<br>Lack of control discount: 14,2%÷17,3%<br>Lack of liquidity discount: 9,6%           | In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. .<br>The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.   |
| Unlisted minority interest (including holding-type)            | 10,186,993                                   | Assets approach – asset accumulation method or Adjusted net asset method | Equity market value reported to their carrying value: 0,7x÷1,2x<br><br>Lack of control discount: 11,9%÷23,2%<br>Lack of liquidity discount: 9,6%÷16,3% | In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value.<br>The lower the lack of control discount, the higher the fair value..<br>The lower the lack of liquidity discount, the higher the fair value. |
| <b>Total</b>   | <b>100,903,743</b>                           |  |  |   |

### 13. FINANCIAL ASSETS (continued)

#### d) Fair Value Hierarchy (continued)

##### Sensitivity Analysis

Although the Group considers that fair value estimates are adequate, the use of other methods and hypothesis could lead to different value of fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the change of one or more hypothesis would influence the Group's profit or loss and other comprehensive income elements on 30<sup>th</sup> June 2021 as follows:

| Modified hypothesis<br>(Lei)                               | Impact on profit or loss (before<br>tax) | Impact on other comprehensive<br>income<br>(before tax) |
|--|--|---|
| WACC increase by 50 bps                                    | -  | (411,587)   |
| WACC decrease by 50 bps                                    | -  | 463,742   |
| Increase of the perpetuity<br>increase rate by 25 bps      | -  | 155,640   |
| Decrease of the perpetuity<br>increase rate by 25 bps      | -  | (146,016)   |
| Increase of (EBITDA,<br>Turnover, P/E) multiple by<br>10%  | 180,122                                  | 1,732,592   |
| Decrease of (EBITDA,<br>Turnover, P/E) multiples by<br>10% | (180,122)                                | (1,732,592)   |

The main unobservable inputs are:

**Income multiple:** this is an instrument used to evaluate companies based on the market comparison with similar, listed companies. The estimation of a company based on turnover is useful when the profit value is influenced by elements that are not connected to the normal course of business. The turnover is the profit and loss account indicator that is the hardest to be influenced by accounting policies, which recommends it being used as a multiple.

**EBITDA Multiple** is the most relevant multiple used in the evaluation of an ownership interest, and it is calculated using the information available for comparable listed companies (with the same geographic location, extent of industrial sector, target markets as well as other factors that the valuers consider relevant). Trading multiples for comparable companies are determined by dividing the company value to the corresponding EBITDA indicator and through the later application of discounts, from grounds such as lack of liquidity and other differences between the analyzed and evaluated company.

**Price/carrying value:** this indicator evaluates the market price of a company in relation with its equity (net assets). This indicator reflects the ratio that investors are willing to pay for the net asset per share value. P/BV ratio significantly varies, depending on the field of activity. A company that requires more assets

### 13. FINANCIAL ASSETS (continued)

#### d) Fair Value Hierarchy (continued)

for example a manufacture company with manufacture area and equipment) will need a significantly lower accounting Price /value of equity, than one whose revenue comes from service delivery (for example a consultancy company).

Weighted average cost of capital represents the company's capital cost in nominal terms (including inflation) based on the "Capital Asset Pricing Model". All capital sources – shares, bonds and other long-term liabilities are included in the calculation of the weighted average cost of capital.

Lack of control discount represents the discount applied to reflect the absence of control and it is used in the discounted cash flow method, in order to determine the value of the minority ownership interest in the capital of the valuated company.

Lack of liquidity discount represents the discount applied to comparable market multipliers, in order to reflect liquidity differences between the company in the portfolio subjected to valuation and the comparable companies considered. The evaluators estimate the discount for lack of liquidity based on their professional judgment, taking into consideration the market conditions concerning liquidity and factors that are specific for the evaluated company.

In case of ownership interests that are part of holding-type companies, we have used the adjusted net asset method, namely accounting net asset following subsequent valuations where the revenue method was applied.

#### Level 3 fair value modification

*In LEI*

|  | <b>30<sup>th</sup> June 2021</b> | <b>30<sup>th</sup> June 2020</b> |
|--|----------------------------------|----------------------------------|
| <b>On 1<sup>st</sup> January</b>                           | <b>100,903,743</b>               | <b>105,474,341</b>               |
| Total gain/(loss) recognized in profit or loss             | (869,899)                        | (271,358)                        |
| Total gain/(loss) recognized in other comprehensive income | 46                               | (1,225,025)                      |
| Acquisitions   | 14,666                           | 150,745                          |
| Sales  | -                                | 577                              |
| <b>On 30<sup>th</sup> June</b>                             | <b>100,048,556</b>               | <b>104,129,280</b>               |

On 30<sup>th</sup> June 2021 the Group classified as level 1 titles measured on BVB closing prices, on the last day of trading. Fund units valuated based on the unitary value of their net asset certified by the fund depositary are included in this level.

### 13. FINANCIAL ASSETS (continued)

#### d) Fair Value Hierarchy (continued)

Level 3 classified interests have been evaluated by independent evaluators based on the financial information supplied by departments with monitoring functions, using valuation techniques that increase the use of observable inputs and minimize the use of unobservable inputs, under the supervision and revision of management who makes sure that all data on which the valuation reports are based, are correct and adequate. Level 3 also include interest that was not subjected to evaluation, its value being insignificant.

#### e) Reserve from the revaluation at fair value of financial assets, shares valued at fair value through other comprehensive income, net of deferred tax

| <i>In LEI</i>   | <b>30<sup>th</sup> June<br/>2021</b> | <b>30<sup>th</sup> June<br/>2020</b> |
|---|--------------------------------------|--------------------------------------|
| <b>On 1<sup>st</sup> January</b>  | <u><u>575,885,218</u></u>            | <u><u>772,618,267</u></u>            |
| Gross (loss)/gain from the revaluation of financial assets valued at fair value through other comprehensive income                      | 279,434,131                          | (291,137,577)                        |
| Deferred tax corresponding to the gain from the revaluation of financial assets valued at fair value through other comprehensive income | <u>(38,751,395)</u>                  | <u>40,961,393</u>                    |
| <b>Net (loss) /gain from the revaluation of financial assets measured at fair value through other comprehensive income</b>              | <u><u>240,682,736</u></u>            | <u><u>(250,176,184)</u></u>          |
| Net gain obtained related to the transfer to retained earnings following the sale of financial assets                                   | <u>(67,573,959)</u>                  | <u>(2,398,392)</u>                   |
| <b>On 30<sup>th</sup> June</b>  | <u><u>748,993,995</u></u>            | <u><u>520,043,691</u></u>            |

Net gain obtained of 67.573.959 lei, recorded in the first half of 2021 was mainly obtained from the sale of Banca Transilvania, Transgaz, OMV Petrom and Nuclearelectrica shares.

#### f) Investments accounted for using the equity method

| <i>In LEI</i> | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b><br><small>*restated</small> |
|---------------|--------------------------------------|--|
| Shares        | <u>38,824,343</u>                    | <u>40,075,082</u>  |
| <b>Total</b>  | <u><u>38,824,343</u></u>             | <u><u>40,075,082</u></u>   |

\*See explanatory note 23

Investments accounted for using the equity method are represented by the holding of shares in Lac Alfa, purchased in 2018.



#### 14. a) OTHER FINANCIAL ASSETS AT AMORTIZED COST

| <i>In LEI</i>  | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|--|--------------------------------------|--|
| Sundry debtor receivables  | 78,586,030                           | 69,493,395                               |
| Trade receivables  | 14,048,100                           | 14,357,678                               |
| Dividends to collect   | 155,828                              | 1,440                                    |
| Advances for suppliers   | 1,846,892                            | 1,794,327                                |
| <b>Total other financial assets –<br/>gross value</b>                    | <b>94,636,850</b>                    | <b>85,646,840</b>                        |
| Minus expected credit loss<br>corresponding to other financial<br>assets | (65,892,023)                         | (68,494,265)                             |
| <b>Total other financial assets</b>                                      | <b><u>28,744,827</u></b>             | <b><u>17,152,575</u></b>                 |

Sundry debtors receivables (gross value) mainly include amounts coming from final sentences of 55,123,995 lei (31<sup>st</sup> December 2020: 55,120,982 lei) of EVERGENT Investments.

For values for which collection is uncertain, the Group has calculated adjustments for the corresponding expected credit loss.

On 30<sup>th</sup> June 2021, receivables from contracts with customers included in the table below in trade receivables were 8,296,615 lei (31<sup>st</sup> December 2020: 6,116,479 lei).

| <i>In LEI</i>   | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|---|--------------------------------------|--|
| Other financial assets – performing   | 29,011,550                           | 18,000,101                               |
| Other financial assets – impaired   | 65,625,300                           | 67,646,739                               |
| <b>Total other financial assets –<br/>gross value</b>                           | <b>94,636,850</b>                    | <b>85,646,840</b>                        |
| Adjustments for expected credit loss<br>for other financial assets - performing | (637,703)                            | (850,423)                                |
| Adjustments for expected credit loss<br>for other financial assets - impaired   | (65,254,320)                         | (67,643,842)                             |
| <b>Total other financial assets</b>   | <b><u>28,744,827</u></b>             | <b><u>17,152,575</u></b>                 |

#### 14. a) OTHER FINANCIAL ASSETS AT AMORTIZED COST (continued)

| <i>In LEI</i>                       | <u>30<sup>th</sup> June 2021</u> |                   | <u>31<sup>st</sup> December 2020</u> |                   |
|-------------------------------------|----------------------------------|-------------------|--------------------------------------|-------------------|
|                                     | Expected credit loss             | Gross value       | Expected credit loss                 | Gross value       |
| Outstanding for over 365 days       | (65,254,319)                     | 65,625,300        | (67,643,841)                         | 67,646,739        |
| <i>In LEI</i>                       | <u>30<sup>th</sup> June 2021</u> |                   | <u>31<sup>st</sup> December 2020</u> |                   |
|                                     | Expected credit loss             | Gross value       | Expected credit loss                 | Gross value       |
| Not outstanding                     | (61,445)                         | 26,470,083        | (62,281)                             | 13,914,049        |
| Outstanding between 0 and 30 days   | (33,614)                         | 261,993           | (35,732)                             | 706,808           |
| Outstanding between 31 and 60 days  | (67,977)                         | 382,096           | (67,977)                             | 806,233           |
| Outstanding between 61 and 90 days  | (73,762)                         | 263,816           | (73,762)                             | 573,242           |
| Outstanding between 91 and 180 days | (345,816)                        | 497,582           | (150,858)                            | 594,741           |
| Outstanding over 181 days           | (55,091)                         | 1,135,981         | (459,814)                            | 1,405,028         |
| <b>Total</b>                        | <b>(637,705)</b>                 | <b>29,011,551</b> | <b>(850,424)</b>                     | <b>18,000,101</b> |

The movement of adjustments for expected credit loss for other financial assets at amortized cost can be analyzed as follows:

| <i>In LEI</i>                 | <u>30<sup>th</sup> June 2021</u> | <u>30<sup>th</sup> June 2020</u> |
|-------------------------------|----------------------------------|----------------------------------|
| <b>1<sup>st</sup> January</b> | <b>(68,494,265)</b>              | <b>(66,016,188)</b>              |
| Set-ups                       | (72,110)                         | (5,448,207)                      |
| Reversals                     | 2,674,351                        | 2,442,520                        |
| <b>30<sup>th</sup> June</b>   | <b>(65,892,024)</b>              | <b>(69,021,875)</b>              |

#### 14. b) INVENTORY

| <i>In LEI</i>               | <u>30<sup>th</sup> June 2021</u> | <u>31<sup>st</sup> December 2020</u> |
|-----------------------------|----------------------------------|--------------------------------------|
| Raw materials and materials | 2,467,431                        | 1,798,191                            |
| Production in progress      | 3,039,174                        | 1,384,060                            |
| Semi-finished products      | 73,764                           | 68,252                               |
| Finished products           | 16,444,970                       | 17,173,772                           |
| Merchandise                 | 6,890,191                        | 5,954,546                            |
| <b>Total</b>                | <b>28,915,530</b>                | <b>26,378,821</b>                    |

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 23,687,290 lei (31<sup>st</sup> December 2020: 21,518,374 lei) and Tesătoriile Reunite with 1,949,669 lei (31<sup>st</sup> December 2020: 7,881,117 lei).

On 30<sup>th</sup> June 2021, the Group did not have pledged inventory. On 31<sup>st</sup> December 2020, the carrying value of pledged inventory, including the value of apartments completed or pending completion in Baba Novac Residence, was 7.602.039 lei.

## 15. LOANS

|                               | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|-------------------------------|--------------------------------------|--|
| <b>Long-term liabilities</b>  | <b>5,809,090</b>                     | <b>7,221,722</b>                         |
| Long-term bank loans          | 5,809,090                            | 7,221,722                                |
| <b>Short-term liabilities</b> | <b>3,095,085</b>                     | <b>2,571,643</b>                         |
| Short-term bank loans         | 3,095,085                            | 2,571,643                                |
| <b>Total loans</b>            | <b>8,904,175</b>                     | <b>9,793,365</b>                         |

The tables below present detailed information regarding the loans contracted by the Group on 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020:

30<sup>th</sup> June 2021

| <i>In LEI</i>     | <b>Credit type</b>                  | <b>Loan<br/>balance<br/>(lei)</b> | <b>Loan<br/>currency</b> | <b>Annual<br/>interest<br/>rate (%)</b> | <b>Final loan<br/>maturity</b> |
|-------------------|-------------------------------------|-----------------------------------|--------------------------|---|--------------------------------|
| <b>Subsidiary</b> |                                     |                                   |                          |   |                                |
| Agrointens        | Partial financing of Mandra project | 3,025,750                         | Lei                      | ROBOR 1 month + 2,75%                   | 8 Aug 2024                     |
| Agrointens        | Working capital                     | 1,064,390                         | Lei                      | ROBOR 1 month + 2,5%                    | 27 Apr 2022                    |
| Agrointens        | Financing of Popesti project        | 3,950,824                         | Lei                      | ROBOR 1 month + 2,9%                    | 2 Jun 2026                     |
| Mecanica Ceahlău  | investments                         | 863,211                           | Euro                     | EURIBOR 6 months +2,5%                  | 20 May 2024                    |
| <b>Total</b>      |                                     | <b>8,904,175</b>                  |                          |   |                                |

## 15. LOANS (continued)

31st December 2020

| <i>In LEI subsidiary</i> | Credit type                         | Loan balance (lei) | Loan currency | Annual interest rate (%) | Final loan maturity |
|--------------------------|-------------------------------------|--------------------|---------------|--------------------------|---------------------|
| Agrointens               | Partial financing of Mandra project | 3,503,500          | Lei           | ROBOR 1 month + 2,75%    | 8 Aug 2024          |
| Agrointens               | Financing of Vistea project         | 259,017            | Lei           | ROBOR 1 month + 2,75%    | 15 Apr 2021         |
| Agrointens               | Working capital                     | 1,064,580          | Lei           | ROBOR 1 month + 2,5%     | 30 Apr 2021         |
| Agrointens               | Financing of Popesti project        | 3,966,736          | Lei           | ROBOR 1 month + 2,9%     | 2 Jun 2026          |
| Mecanica Ceahlău         | Investments                         | 999,532            | Euro          | EURIBOR 6 months +2,5%   | 20 May 2024         |
| <b>Total</b>             |                                     | <b>9,793,365</b>   |               |                          |                     |

## 16. DIVIDENDS PAYABLE

| <i>In LEI</i>                  | 30 <sup>th</sup> June 2021 | 31 <sup>st</sup> December 2020 |
|--------------------------------|----------------------------|--------------------------------|
| Dividends payable for 2012     | 641                        | 641                            |
| Dividends payable for 2013     | 6,118                      | 6,118                          |
| Dividends payable for 2014     | 190,789                    | 190,788                        |
| Dividends payable for 2015     | 194,053                    | 194,053                        |
| Dividends payable for 2016     | 190,749                    | 192,108                        |
| Dividends payable for 2017     | 12,140,063                 | 12,206,567                     |
| Dividends payable for 2018     | 7,488,747                  | 7,639,135                      |
| Dividends payable for 2019     | 15,451,781                 | 15,909,263                     |
| Dividends payable for 2020     | 12,670,849                 | -                              |
| <b>Total dividends payable</b> | <b>48,333,790</b>          | <b>36,338,673</b>              |

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law, with the exception of amounts garnished by tax authorities.

## 17. LIABILITIES RELATED TO DEFERRED INCOME TAX

Liabilities related to deferred income tax on 30<sup>th</sup> June 2021 are generated by the elements presented in the following table:

| <i>In LEI</i>   | <b>Assets</b>             | <b>Liabilities</b>         | <b>Net</b>                |
|---|---------------------------|----------------------------|---------------------------|
| Financial assets at fair value through other comprehensive income                 | 723,608,263               | -                          | 723,608,263               |
| Tangible assets and investment property   | 61,559,343                | -                          | 61,559,343                |
| Other assets  | -                         | (3,719,321)                | (3,719,321)               |
| Liabilities related to profit-share in cash, other benefits and other liabilities | -                         | (504,794)                  | (504,794)                 |
| Provisions for litigations and other provisions                                   | -                         | (7,571,298)                | (7,571,298)               |
| <b>Total</b>  | <b><u>785,167,606</u></b> | <b><u>(11,795,413)</u></b> | <b><u>773,372,193</u></b> |
| Net temporary differences - 16% rate  |                           |                            | 773,372,193               |
| <b>Liabilities related deferred income tax</b>                                    |                           |                            | <b><u>123,739,551</u></b> |

Liabilities related to deferred income tax on 31<sup>st</sup> December 2020 are generated by the elements presented in the following table:

| <i>In LEI</i>   | <b>Assets</b>             | <b>Liabilities</b>         | <b>Net</b>                |
|---|---------------------------|----------------------------|---------------------------|
| Financial assets at fair value through other comprehensive income                 | 561,857,236               | -                          | 561,857,236               |
| Tangible assets and investment property   | 61,941,287                | -                          | 61,941,287                |
| Other assets  | -                         | (4,006,211)                | (4,006,211)               |
| Liabilities related to profit-share in cash, other benefits and other liabilities | -                         | (1,362,573)                | (1,362,573)               |
| Provisions for litigations and other provisions                                   | -                         | (10,240,587)               | (10,240,587)              |
| <b>Total</b>  | <b><u>623,798,523</u></b> | <b><u>(15,609,371)</u></b> | <b><u>608,189,152</u></b> |
| Net temporary differences - 16% rate  |                           |                            | 608,189,152               |
| <b>Liabilities related to deferred income tax</b>                                 |                           |                            | <b><u>97,310,265</u></b>  |

Deferred income tax directly recognized through the lowering of equity is 119,140,109 lei on 30<sup>th</sup> June 2021 (31<sup>st</sup> December 2020: 80,810,492 lei), being generated by financial asset valued at fair value through other comprehensive income for which the Group's interest is under 10%, for a period of time under one year and by property, plant and equipment.

**18. a) FINANCIAL LIABILITIES AT AMORTIZED COST**

| <i>In LEI</i>               | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|-----------------------------|--------------------------------------|--|
| Suppliers                   | 6,339,319                            | 4,371,364                                |
| Advances from customers     | 67,194                               | 67,057                                   |
| Other financial liabilities | 1,072,896                            | 1,038,632                                |
| <b>Total</b>                | <b><u>7,479,409</u></b>              | <b><u>5,477,053</u></b>                  |

**18. b) OTHER LIABILITIES**

| <i>In LEI</i>  | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|--|--------------------------------------|--|
| Taxes  | 2.176.578                            | 2.400.741                                |
| Liabilities related to cash<br>benefits and other rights of<br>employees | 502.522                              | 1.470.699                                |
| Other liabilities  | 993.526                              | 907.962                                  |
| <b>Total</b>   | <b><u>3.672.626</u></b>              | <b><u>4.779.402</u></b>                  |

Liabilities regarding the benefits plan mainly represents the amounts that are to be offered as cash profit share to the employees in accordance with the Collective Employment Contract and to managers according to the Management Contract. Other wage rights mainly include the debt for untaken leave.

Current liabilities, including those with deferred income tax have been paid by the Group on time.

## 19. CAPITAL AND RESERVES

### (a) Share capital

The structure of the Group's shareholding structure on 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020 is the following:

| <b>30<sup>th</sup> June 2021</b>         | <b>No. of<br/>shareholders</b> | <b>No. of<br/>shares</b> | <b>Amount<br/>(Lei)</b> | <b>(%)</b>  |
|--|--------------------------------|--------------------------|-------------------------|-------------|
| Individuals                              | 5,747,339                      | 369,636,716              | 36,963,672              | 37%         |
| Companies                                | 170                            | 619,842,460              | 61,984,246              | 63%         |
| <b>Total</b>                             | <b>5,747,509</b>               | <b>989,479,176</b>       | <b>98,947,918</b>       | <b>100%</b> |
| <b>31<sup>st</sup> December<br/>2020</b> | <b>No. of<br/>shareholders</b> | <b>No. of<br/>shares</b> | <b>Amount<br/>(Lei)</b> | <b>(%)</b>  |
| Individuals                              | 5,748,590                      | 365,813,829              | 36,581,383              | 37%         |
| Companies                                | 180                            | 623,665,347              | 62,366,535              | 63%         |
| <b>Total</b>                             | <b>5,748,770</b>               | <b>989,479,176</b>       | <b>98,947,918</b>       | <b>100%</b> |

All shares are ordinary and have been subscribed and paid in full on 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020. All shares in circulation have the same vote right and nominal value of 0,1 lei/share. The number of shares authorized for issue is equal to that of issued shares.

Thus, the share capital on 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020 had a nominal value of 98,947,918 lei lei (31<sup>st</sup> December 2020: 98,947,918 lei).

The difference of 415,454,470 lei between the carrying value of share capital of 514,402,761 lei and its nominal value is the inflation difference generated by the application of IAS 29 "Financial Reporting in Hyperinflationary economies" up to 1<sup>st</sup> January 2004.

## **19. CAPITAL AND RESERVES (continued)**

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

This reserve includes the cumulated net fair value modifications of financial assets evaluated at fair value through other comprehensive income on the date of their classification in this category until the date these were derecognized or impaired.

Reserves from the revaluation of financial assets valued at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred income tax recognized directly through the lowering of equity is presented under explanatory note 13 e).

### ***(c) Legal Reserves***

According to legal requirements, the Group sets up legal reserves of 5% of the net profit up to 20% of its share capital. The value of legal reserve is included in retained earnings.

Legal reserves cannot be distributed to shareholders.

### ***(d) Dividends***

In the General Meeting of Shareholders on 29<sup>th</sup> April 2021, the Company's shareholders have approved the distribution of a gross dividend of 0.043 lei/share (maximum 42,123,789 lei), corresponding to the statutory profit of 2020 financial year.

In the General Meeting of Shareholders on 27<sup>th</sup> April 2020, the Company's shareholders approved the distribution of a gross dividend of 0.06 lei/share (in total 59,063,889 lei), corresponding to the statutory profit of 2019 financial year.

### ***(e) Treasury Shares***

The total number of shares held by the Company on 30th June 2021 is 12,456,173 shares representing 1.26% of share capital (31<sup>st</sup> December 2020: 8,497,889 shares, representing 0.86% of the share capital) with a total value of 18,345,308 lei (31<sup>st</sup> December 2020: 9,595,338 lei).



## 19. CAPITAL AND RESERVES (continued)

### (e) Treasury Shares (continued)

The evolution of the number of own shares (and their value) in the first half of 2021, respective 2020 is the following:

| Treasury shares                                    | Balance on<br>1 <sup>st</sup> January<br>2021 | Acquisitio<br>ns during<br>the period | Assignments<br>during the<br>period<br>(managers and<br>employees) | Balance on<br>30 <sup>th</sup> June<br>2021 |
|--|---|---------------------------------------|--|---|
| Buy-back program approved by<br>EGMS on 27.04.2020 | 3,416,855                                     | 14,135,441                            | (5,096,123)  | 12,456,173                                  |
| Buy-back program approved by<br>EGMS on 18.04.2019 | 4,000,000                                     | -                                     | (4,000,000)  | -   |
| Buy-back program approved by<br>EGMS on 25.04.2016 | 1,081,034                                     | -                                     | (1,081,034)  | -   |
| <b>Total number of shares</b>                      | <b>8,497,889</b>                              | <b>14,135,441</b>                     | <b>(10,177,157)</b>  | <b>12,456,173</b>                           |
| <b>Total share value (Lei)</b>                     | <b>9,595,338</b>                              | <b>21,184,680</b>                     | <b>(12,434,710)</b>  | <b>18,345,308</b>                           |
| Treasury shares                                    | Balance on<br>1 <sup>st</sup> January<br>2020 | Acquisitio<br>ns during<br>the priod  | Assignments<br>during the<br>period<br>(managers and<br>employees) | Balance on<br>30 <sup>th</sup> June<br>2020 |
| Buy-back program approved by<br>EGMS on 18.04.2019 | 15,087,556                                    | 1,612,444                             | (5,853,023)  | 10,846,977                                  |
| Buy-back program approved by<br>EGMS on 25.04.2016 | 6,934,057                                     | -                                     | -  | 6,934,057                                   |
| <b>Total no. of shares</b>                         | <b>22,021,613</b>                             | <b>1,612,444</b>                      | <b>(5,853,023)</b>   | <b>17,781,034</b>                           |
| <b>Total shares value (Lei)</b>                    | <b>30,335,310</b>                             | <b>2,742,258</b>                      | <b>(5,129,568)</b>   | <b>27,948,000</b>                           |

In the first half of 2021 the Company ran the public offering of treasury shares, with the following main characteristics:

- Number of treasury shares acquired through the offering: 8,266,125, representing 0.84% of share capital
- Purchase price: 1.6 lei per share
- Scheduled period: 9 – 22 March 2021
- Offer broker: BT Capital Partners SA

The purpose of the program is to lower the share capital through the annulment of purchased shares, in accordance with EGMS resolution no. 4 on 27<sup>th</sup> April 2020.

## 19. CAPITAL AND RESERVES (continued)

### (f) Equity-based payments to employees

Benefits offered to employees as equity instruments represent the value of benefits regarding the profit-share of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding on 30<sup>th</sup> June 2021, namely 31<sup>st</sup> December 2020:

| <i>In LEI</i> | <b>30<sup>th</sup> June<br/>2021</b> | <b>31<sup>st</sup> December<br/>2020</b> |
|---------------|--------------------------------------|--|
| SOP 2019      | -                                    | 13,077,647                               |
| SOP 2020      | 5,398,224                            | 5,379,653                                |
| <b>Total</b>  | <b>5,398,224</b>                     | <b>18,457,300</b>                        |

Shares corresponding to SOP 2019 worth 13,077,646 lei (a number of 10,177,157 shares) will be assigned in 2021 for a price of 1.2850 lei/share (closing price on 24<sup>th</sup> April 2020).

Shares corresponding to SOP 2020 worth 5,398,224 lei (a number of 3,842,152 shares) and will be assigned in 2022 for a price of 1.4050 lei/share (closing price on 28<sup>th</sup> April 2021).

## 20. NON-CONTROLLING INTERESTS

Non-controlling interests represent the part of the profit or loss and of net assets, not held, neither directly or indirectly by the Group and are presented in the statement of consolidated comprehensive income statement and equity in the consolidated statement of financial position, separate from the capital of the parent company's shareholders.

## 20. NON-CONTROLLING INTERESTS (continued)

The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their shareholder ability.

| <i>In LEI</i>  | <b>30<sup>th</sup> June<br/>2021</b> | <b>30<sup>th</sup> June<br/>2020</b> |
|--|--------------------------------------|--------------------------------------|
| <b>On 1<sup>st</sup> January</b>   | <b>15,396,521</b>                    | <b>18,917,295</b>                    |
| Profit / (loss) attributable to non-controlling interests                                  | 183,887                              | (127,352)                            |
| Reserves from the revaluation of tangible assets attributable to non-controlling interests | -                                    | -                                    |
| Dividends distributed to non-controlling interests   | -                                    | (3,083,133)                          |
| <b>On 30<sup>th</sup> June</b>   | <b>15,580,408</b>                    | <b>15,706,810</b>                    |

## 21. EARNINGS PER SHARE

The calculation of the earnings per basic share was calculated based on the profit attributable to the Company's shareholders and weighted average number of ordinary shares in circulation (without redeemed shares and including shares assigned to the managers and employees through SOP programs):

| <i>In LEI</i>  | <b>30<sup>st</sup> June<br/>2021</b> | <b>30<sup>th</sup> June<br/>2020</b> |
|--|--------------------------------------|--------------------------------------|
| Net profit attributable to the Company's shareholders  | 45,845,720                           | (26,044,603)                         |
| <i>Weighted average number of ordinary shares in circulation</i>   | <i>975,563,106</i>                   | <i>980,894,061</i>                   |
| <b>Earnings per basic share (net profit / (net loss) per share)</b>  | <b>0.0470</b>                        | <b>(0.0266)</b>                      |
| Net profit / (net loss) attributable to Company's shareholders   | 45,845,720                           | (26,044,603)                         |
| Gain reflected in retained earnings attributable to ordinary shareholders (from the sale of FVTOCI financial assets) | 67,573,959                           | 2,398,392                            |
| <i>Weighted average number of ordinary shares in circulation</i>   | <i>975,563,106</i>                   | <i>980,894,061</i>                   |
| <b>Earnings per basic shares (including gain on the sale of FVTOCI financial assets)</b>                             | <b>0.1163</b>                        | <b>(0.0241)</b>                      |

Diluted earnings per share are equal to the earning per basic share since the Group has not registered potential ordinary shares.

## 22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

### *Subsidiaries*

Balances and transactions between Group members have been eliminated in the consolidation process and are not presented in this explanatory note.

### *Associates of the Group*

The Group has an associate on 30<sup>th</sup> June 2021 and 31<sup>st</sup> December 2020, Străulești Lac Alfa S.A., with a holding percentage of 50%.

In December 2019, the Company fully subscribed its corporate bonds in lei issued by Străulești Lac Alfa S.A., of 16.700.000 lei, with maturity on 9th December 2022 and fixed interest rate (coupon) of 8% per year. Their balance on 30th June 2020 was 17.268.206 lei (31<sup>st</sup> December 2020: 16.536.901 lei).

On 30<sup>th</sup> June 2020, the subscribed and unpaid capital of the Company to Lac Alfa SA, corresponding to the 2018 capital increase, was 9.320.000 lei.

### *Key Management Personnel*

On 30th June 2021, the members of the Board of Directors of the Company were: Mr. Liviu Claudiu Doroș (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (vice-president of the Board of Directors and deputy CEO), Mr. Costel Ceocea (non-executive administrator), Mr. Horia Ciorcilă (non-executive administrator) and Mr. Octavian Claudiu Radu (non-executive administrator).

Key management personnel include the members of the Board of Directors, Management Committee, general managers of subsidiaries and coordinators of the Company's departments and subsidiaries.

The wages, remunerations and other benefits offered to key management personnel, in the 6 months' period concluded on 30th June 2021, namely 2020 are presented in the table below:

|   | <b>30<sup>th</sup> June 2021</b> | <b>30<sup>th</sup> June 2020</b> |
|---|----------------------------------|----------------------------------|
| Wages, remunerations and other benefits in cash | 9,303,421                        | 9,125,621                        |
| <b>Total</b>                                    | <b>9,303,421</b>                 | <b>9,125,621</b>                 |

The Group does not offer key management personnel benefits following employment or benefits for the termination of the employment contract.

## 23. CORRECTIONS

As at 30th June 2021, the Company corrected the accounting approach used in 2020 for dividends received from associates, recording them as a lowering of interest in associates (reflected in the Statement of financial position as Investments accounted for using the equity method). Previously, the Company presented these as dividend income.

This modification was recorded by restating the affected items in the Statement of financial position, namely Investments accounted for using the equity method and Retained Earnings

The impact of these modifications on equity (on 31<sup>st</sup> December 2020) was distinctly presented in the Statement of Changes in Equity.

The tables below summarize this impact:

### *Statement of individual financial position*

| <i>In LEI</i>                                     | <b>31<sup>st</sup> December<br/>2020<br/>(reported)</b> | <b>Corrections</b> | <b>31<sup>st</sup><br/>December<br/>2020<br/>(corrected)</b> |
|---|---|--------------------|--|
| <b>Assets</b>                                     |   |                    |  |
| Investments accounted for using the equity method | 43,700,058  | (3,624,976)        | 40,075,082   |
| <b>Equity</b>                                     |   |                    |  |
| Retained earnings                                 | (876,747,483)   | 3,624,976          | (873,122,507)  |

The correction had no impact in the statement of profit or loss, statement of cash-flows and earnings per share for the 6 months' period ended on 30<sup>th</sup> June 2020.

## 24. SUBSEQUENT EVENTS

### **Extension of the COVID 19 related state of alert**

Starting on the 12<sup>th</sup> July, respectively 11<sup>th</sup> August, Romania's Government approved the extension of the state of alert on Romanian territory with another 30 days. Romania entered in the state of alert on 15<sup>th</sup> May 2020, after two months of state of emergency decreed by Romania's president on 16<sup>th</sup> March 2020.

The condensed consolidated financial statements have been approved by the Board of Directors on 15<sup>th</sup> September 2021 and signed on its behalf by:

\_\_\_\_\_  
**Claudiu Doros**  
CEO

\_\_\_\_\_  
**Mihaela Moleavin**  
Finance director