

**EGMS
20/21st January
2022**

**FSA certified AIFM
no. 20/23.01.2018**

**FIAR ASF certified
FIAR
No. 101/25.06.2021**

Approval of the running of a share buyback program (“Program 6”), abiding by the applicable legal provisions, with the following main characteristics:

- a) Program purpose: The Company will buyback shares for the purpose of reducing its share capital, through share annulment.
- b) The maximum number of shares that can be bought back: maximum 23.100.000 shares (maximum 2,402% of the share capital resulting following the reduction, in accordance with item 3 on the agenda).
- c) Minimum price per share: the minimum purchase price shall be the BVB market price at the time the purchase is made.
- d) Maximum price per share: 2,2 lei.
- e) Program duration: maximum 18 months from the date the resolution is published in Romania’s Official Journal, part IV.
- f) Payment of bought-back shares shall be made from the distributable profit or available resources of the Company, registered on the latest approved annual financial statement, with the exception of legal reserves registered on 2020 financial statements, in accordance with the provisions of art. 103 index 1 Companies’ Law no. 31/1990.
- g) The purchase of shares shall be through market operation, for the purpose of acquiring maximum 23.100.000 shares, in order to reduce the share capital through share annulment.

Authorization of the Board of Directors, and individually of its members to adopt all resolutions necessary to implement the resolution regarding the running of the share redemption program.

A. Presentation of the impact of the buyback Program approved by EGMS on 29.04.2021 for the purpose of reducing the share capital, through the annulment of shares.

The previous buyback program, approved by the Extraordinary General Meeting of Shareholders on 29.04.2021, was a **success given the interest shown by investors**; the program was run through *public offering*, through which a number of 19.459.459 treasury shares were bought-back, worth 35.999.999,15 lei, for a price of 1,85 lei/share. The high interest of investors led to the submission of 274.289.619 shares within the offer, representing 27,795% of the share capital, so that the assignment index set within the Offering was 0,0709449343.

The success of the previous Buyback program has led the Board of Directors to present for the approval of the Extraordinary General Meeting of Shareholders of an additional Buyback Program with the purpose of reducing the share capital, through *market operations*.

The effects of the buyback Program approved by EGMS 29.04.2021:

The treasury shares buyback program has brought benefits both to the shareholders who have sold within the Public Purchase Offering (PPO), and those who opted to continue and remain shareholders, since the buyback operations contributed to the support of EVER share liquidity and the recognition of its assets on the market, by lowering the discount.

The running of the public purchase offering of treasury shares was between 28th September– 11th October 2021, a number of 19.459.459 treasury shares being purchased through it. EVERGENT Investments registered treasury shares (buyback of treasury shares) on the transaction date as a deduction of equity (into an equity account, namely account 1091 “Short-term own shares”), in accordance with art. 75, FSA Rule no. 39/2015.

Therefore the accounting entries are the following:

- bought-back treasury shares are registered for the purchase price in account 1091 „Short-term own shares”;
- trading costs and other costs related to the buyback program are registered in account 1498 „Other losses from own equity instrument”, in accordance with art. 75, line 2 FSA Rule no. 39/2015.

The total equity reduction is **36.506.393** lei, of which:

- (a) 35.999.999,15 lei – the value of bought-back shares (for the purchase price);
- (b) 506.393,85 lei – trading costs and other costs related to the buyback program.

The value of the buyback program, in total de **36.506.393** lei, includes the following categories:

Category	Value (lei)
1- Acquisition price	35.999.999,15
2- Trading commissions for treasury shares acquisition	104.400,00
3- FSA tax Public Purchase Offering Documents (1% of offer value)	360.000,00
4- Other costs related to the treasury shares buyback operation	41.993,85

Additional costs represented 1,39 % din of the purchase offering value. Bought shares represented 1,98 % of EVERGENT Investments’ share capital, at nominal value.

Between 21st September 2021 (prior to FSA’s approval of PPO) – 13th October 2021 (following the closing of PPO), EVER share price increased from 1,32 lei to 1,47 lei (11,4%).

Analysis of the indicator, the ratio between the *total purchase price* of the Buyback Program and *market capitalization of EVER* at the start of the program:

- (a) *Market capitalization*: Between 21st September– 13th October 2021 the increase of the company’s market capitalization by 11,4% is observed. EVER closing price was 1,32 lei on 21st September– before FSA approved PPO and 1,47 lei on 13th October 2021, after the PPO was closed;

(b) *Total purchase price / market capitalization (P/CB) ratio: It is ascertained that even if after the completion of the redemption program the number of shares traded on the market decreased, P/CB ratio decreased;*

(c)

P/CB at the start of the program= **2,82%** (36.506.393 lei/1.295.201.227,3 lei)

P/CB at the end of the program= **2,53%** (36.506.393 lei/ 1.442.383.184,9 lei)

B. Presentation of the new Buyback Program submitted for the approval of EGMS on 20/21.01.2022

Through this Buyback Program, EVERGENT Investments can purchase a limited number of shares from the market and it is to be expected that the Program contribute in 2022 as well to the increase of EVER Share demand, with a positive effect on liquidity and the reduction of the discount at which shares are traded.

The Board of Directors submits to EGMS approval the running of a buyback program for treasury shares, with the following main characteristics:

- a) Program purpose: the Company shall buy back shares for the purpose of reducing the share capital through share annulment.
- b) The maximum number of shares that can be bought back: maximum 23.100.000 shares (maximum 2,402% of the share capital that shall result following the reduction operation, in accordance with item 3 on the agenda).
- c) Minimum price per shares: the minimum purchase price shall be the BVB market price on the moment the purchase is made.
- d) Maximum price per share: 2,2 lei.
- e) Program duration: maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV.
- f) The payment of bought-back shares shall be made from the distributable profit or available reserves of the Company, registered on the latest approved annual financial statement, with the exception of legal reserves registered in the 2020 financial statements, in accordance with the provisions of art. 103 index 1 of Companies' Law no. 31/1990.
- g) The purchase of shares shall be through market operations, for the purchase of acquiring a maximum of 23.100.000 shares, for the purpose of reducing the share capital through share annulment.

The authorization of the Board of Directors and individually of its members for the adoption of all necessary decisions in order to fulfill the resolution about the running of the share buyback program.

Objectives of the Buyback Program for the purpose of reducing the share capital

The treasury shares buyback operation for the purpose of reducing the share capital might have the following beneficial effects:

- ✓ the lowering of discount between net asset and trading price, increase of the unitary asset, quotation and liquidity of the share on the market;
- ✓ increasing the shareholders' return based on the possible increase of market quote, following the implementation of the program;
- ✓ increasing the capital holding ration for existent shareholders.

The buyback operation with the reduction of share capital represents a stage in the process of reducing the discount between net assets and trading price which seeks, in perspective, to approach the discounts of European closed-end-funds similar as organization to EVERGENT Investments.

The buyback of treasury shares, following by the reduction of the share capital, is a measure foreseen in the Corporate Governance Code of EVERGENT Investments, if shares are traded at a substantial discount to net asset value per share (> 25%) for a period of time larger than one year.

Estimate of the total costs of the Buyback Program and forecast impact on EVERGENT Investments' equity

According to the definition of EU Reg. no. 2016/2067 in accordance with EC no. 1606/2002 of the European Parliament regarding IFRS 9, incremental costs that can be directly assigned to the purchase are "a cost that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument."

From an accounting perspective, EVERGENT Investments registered treasury shares (bought back own shares) on the transaction date as a deduction from equity (into a reserve account from equity), in accordance with art. 75 FSA Rule no. 39/2015. Treasury shares are registered at acquisition cost, including brokerage commissions and other trading costs. On the date the shares are annulled a reassignment between equity accounts takes place without any effect on the profit and loss account and without additionally reducing equity.

In the unlikely event that there would be a difference between the market price and bought-back shares cost, the negative difference resulted from the annulment of equity instruments would be covered, in accordance with legal provisions in force foreseen by art. 75 line (8) FSA Rule no. 39/2015, of retained earnings (Accounting Account 117) or other equity elements in accordance with the resolution of the General Meeting of Shareholders.

The Board of Directors monitors this aspect and shall analyze if a transfer between equity elements is necessary to cover the negative balance resulted from the annulment of own bought-back shares, based on the relevant audited financial statements. The total cost of the buyback program described below shall depend on three main factors. These factors are presented in the table below, along with the hypothesis used to estimate possible scenarios regarding the costs generated by the forecast buyback program.

cost range	
Share purchase price	The shares purchase price is between 28,4 – 35,6 mil.lei. The buyback program shall be for a price that is not lower than the BVB price or higher than 2,2 lei/share.
Trading costs (e.g. brokerage commissions, regulatory commissions) and other costs	The estimated trading costs within the suggested buy-back program are between 407 - 500 mii lei
Number of shares to be bought-back	The maximum number of shares that are to be bought-back through the PPO within the program is 23.100.000 shares.

Given all of the above, for the purpose of estimating the number of bought-back shares and the impact on equity, we have simulated 3 scenarios based on minimum / average/ maximum price on REGS and DEAL market in the last 12 months before 14th December 2021:

	Minimum price scenario, period	Average price scenario period	Maximum price scenario period
Share nominal value	0.1	0.1	0.1
Purchase price	1.23	1.393	1.54
Maximum number of bought-back shares	23,100,000	23,100,000	23,100,000
Purchase price in lei	28,413,000	32,176,591	35,574,000
Trading costs (lei), of which:	407,345	455,895	499,722
FSA tax for PPO (lei)	284,130	321,766	355,740
Commission (lei)	82,398	93,312	103,165
Other expenses - lei	40,817	40,817	40,817
Total impact on equity, of which:	28,820,345	32,632,486	36,073,722
Impact on reserve (lowering) at the time the shares are annulled	26,510,345	30,322,486	33,763,722
Share capital decrease following the annulment of shares	2,310,000	2,310,000	2,310,000

The payment of redeemed shares shall be made from the distributable profit or Company's available reserves, registered on the latest annual financial statement approved, with the exception of legal reserves registered on 2020 financial statements, in compliance with art. 103 index 1 Companies' Law no. 31/1990.

C. Legal provisions regarding the buyback program

According to the provisions of 103¹ **Companies' Law no. 31/1990**, republished, with the later amendments and additions, the redemption of share may happen under the following conditions:

*„a) the authorization of the purchase of its own shares is granted by the extraordinary general meeting of shareholders that established the conditions to acquire the shares, especially the maximum number of shares which is going to be purchased, the period for which the authorization is drafted and which cannot exceed 18 months as from the date when the resolution was published in the Official Journal of Romania, Part IV, and in case of a purchase for a consideration, the minimum and maximum equivalent value;;
b) the nominal value of the own shares purchased by the company, including those already existing in its portfolio cannot exceed 10% of the subscribed registered capital;
c) the transaction can only have as object fully paid shares;
d) the payment of the shares thus purchased shall be done only out of distributable profit or of the available reserves of the company, as registered in the latest approved annual financial statement, except for legal reserves”.*

According to art. 104 line (1) letter a) Companies' Law no. 31/1990, republished with its later amendments and additions, the restrictions foreseen by article 103¹ do not apply in case of shares purchased for capital reduction purposes.

In accordance with the provisions of art. 105 Law no. 31/1990 shares purchased by the company do not bear dividend right while held by the company. According to the same article, the vote right conferred by the shares purchased by the company will be suspended as long as these are held by the company.

As **Alternative Investment Fund**, the provisions of **Law no. 243/ 2019** on the regulation of these alternative investment funds and amending and supplementing certain normative acts, are applicable.

ART. 30

(1) In case of F.I.A.S. whose shares are admitted to trading on a trading venue or are traded on stock markets of third countries, GMS is conducted abiding by the provisions of art. 29 line (1) as well as abiding by the national legislation applicable to the issuers of securities.

(2) F.I.A.S. under art. (1) can buy-back their own shares through the resolution of AIFM that manages these AIFS assets or through GMS resolution of the self-managed AIFS, with the approval of FSA and in accordance with applicable legal provisions.

(3) Shares acquired under the conditions of line (2) may be used, based on the resolution of AIFM or GMS, depending on the case, for the purpose of reducing the share capital, stabilizing the share price on the capital market, or remunerating identified personnel defined by FSA regulations who implement ESMA guidelines on solid remuneration policies, in accordance with Directive [no. 61/2011/UE \(DAFIA\)](#).

These norms are properly transposed in the **Memorandum of Association of EVERGENT Investments, in the contents of Art. 5. – Share Buy-back**

(1) The buy-back of issued shares may be done subject to the legal provisions, including

those of the European Union law directly applicable and of the competent authority, through resolution of the General Meeting of Shareholders and with the approval of the Financial Supervision Authority.

(2) bought-back shares may be used for the purpose of lowering the share capital, stabilizing the own share price on the capital market or to remunerate the directors, managers and employees of the Company, in agreement with legal regulations in force, remuneration policies and practices and the provisions of the Memorandum of Association. The payment of shares received during the redemption of own shares programs for the purpose of lowering the share capital, is made exclusively from own sources.

Transactions within the Buyback Program shall be made abiding by legal provisions, defined by:

- ✓ (EU) Regulation no. 596/2014 of the European Parliament and Council regarding market abuse
- ✓ Commission Delegated Regulation (UE) 2016/1052 supplementing Regulation (EU) no. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures
- ✓ Law no. 24/ 2017 on the issuers of financial instruments and market operations and FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations

Draft resolution

Approves the running of an own share buyback program (“Program 6”) abiding by applicable legal provisions and with the following main characteristics:

- a) Program purpose: The Company shall buy-back shares for the purpose of reducing the share capital through share annulment.
- b) The maximum number of shares that can be bought back: maximum 23.100.000 shares (maximum 2,402% of the share capital that shall result following the reduction operation, in accordance with item 3 on the agenda).
- c) Minimum price per shares: the minimum purchase price shall be the BVB market price on the moment the purchase is made.
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- e) Program duration: maximum 18 months from the date the resolution is published in Romania’s Official Journal, Part IV.
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- g) The purchase of shares shall be through market operations, for the purpose of acquiring a maximum of 23.100.000 shares, for the purpose of reducing the share capital through share annulment.

Authorizes the Board of Directors and individually of its members for the adoption of all necessary decisions in order to fulfill the resolution about the running of the share buyback program.

Claudiu DOROȘ
President and CEO

Georgiana DOLGOS
Manager

Michaela PUSCAS
Compliance Manager