Evergent

INVESTMENTS

2021 Board of Directors' Report

Relating to the Consolidated Financial Statements

CERTIFIED QUALITY MANAGEMENT SYSTEM

UNITED REGISTRAR OF SYSTEMS URS ISO 9001

Annexes:

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Annual report, in accordance with: *Law no. 24/2017, Title III – Issuers whose securities are admitted to trading on a regulated market, Chapter III – Regular Notification; FSA Rule. 5/2018 on issuers of financial instruments and market operations; FSA Rule 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.*
Report date: *25th March 2022*
Issuer name: *EVERGENT Investments SA*
Headquarters : *94 C Pictor Aman Street, Bacau*
Phone/fax/e-mail: *0234576740 / 0234570062 / office@evergent.ro*
Tax identification code: *2816642*
Trade Registry no.: *J04/2400/1992*
EUID: ROONRC. J/04/2400/1992
LEI: *254900Y1O0025N04US14*
Subscribed and paid-up capital: *98.121.305,1 lei*
Number of issued shares: *981.213.051*
Nominal value: *0,1 lei/share*
Shareholding structure: *100% private*
Free float: *100%*
FSA registry no.: *PJR09FIAIR/040003*
Regulated market on which issued securities are traded: Bucharest Stock Exchange, Premium category
International identifiers: Bucharest Stock Exchange: *EVER;* ISIN: *ROSIFBACNOR0;* Bloomberg FIGI: *BBG000BMN556;* Reuters RIC: *ROEVER.BX*

NOTE 1 – For information comparability sake, EVERGENT Investments maintains the same structure of consolidated, annual and half-annual regular reports.
NOTE 2 – All figures presented in the report are in lei when no other measurement unit is stated.

1. Presentation of the development, performance of assets and position of EVERGENT Investments Group

EVERGENT Investments SA EVERGENT Investments SA is classified, according to applicable regulations, as Alternative Investment Fund of the investment companies type– F.I.A.S., category Retail Investor Alternative Investment Fund (RIAIF) authorized by the Financial Supervisory Authority with certificate no. 101/25.06.2021 and functions abiding by the provisions of Law no. 74/2015 on managers of alternative investment funds, Law no. 24/2017 on issuers of financial instruments and market operations, Companies' Law no. 31/1990 and FSA regulations issued for the application of primary law.

Its purpose is to increase the value of assets under management.
The main field of activity of the company is financial investments.
Its activity object consists in:
(a) Portfolio management;
(b) Risk management;
(c) Other auxiliary and connected activities of collective management allowed by the law in force.

The Company is self-managed in an unitary system.

Shares issued by EVERGENT Investments SA are listed on Bucharest Stock Exchange ("BVB"), main market, Premium category, symbol: „EVER" since 29th March 2021 (previously, the company's shares were traded under "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 Financial Supervisory Authority.

1.1. Consolidation area

The consolidated financial statements on 31st December 2021, include the company and its subsidiaries (hereinafter referred to as "Group") as well as the interests of the Group in associates.

Subsidiaries are entities under the Group's control. Control represents the power to lead the financial and operational policies of an entity in order to obtain benefits from activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the time control begins to be exercised up to the time control ceases. The accounting policies of the Group's subsidiaries have been modified for the purpose of aligning them to those of the Group.

Associates are those companies in which the Group can exercise a significant influence but not control over financial and operational policies.

The consolidated financial statements include the Group's share in the results of the associates based on the equivalence method, from the date that the Group started to exercise significant influence until the date this influence ceases.

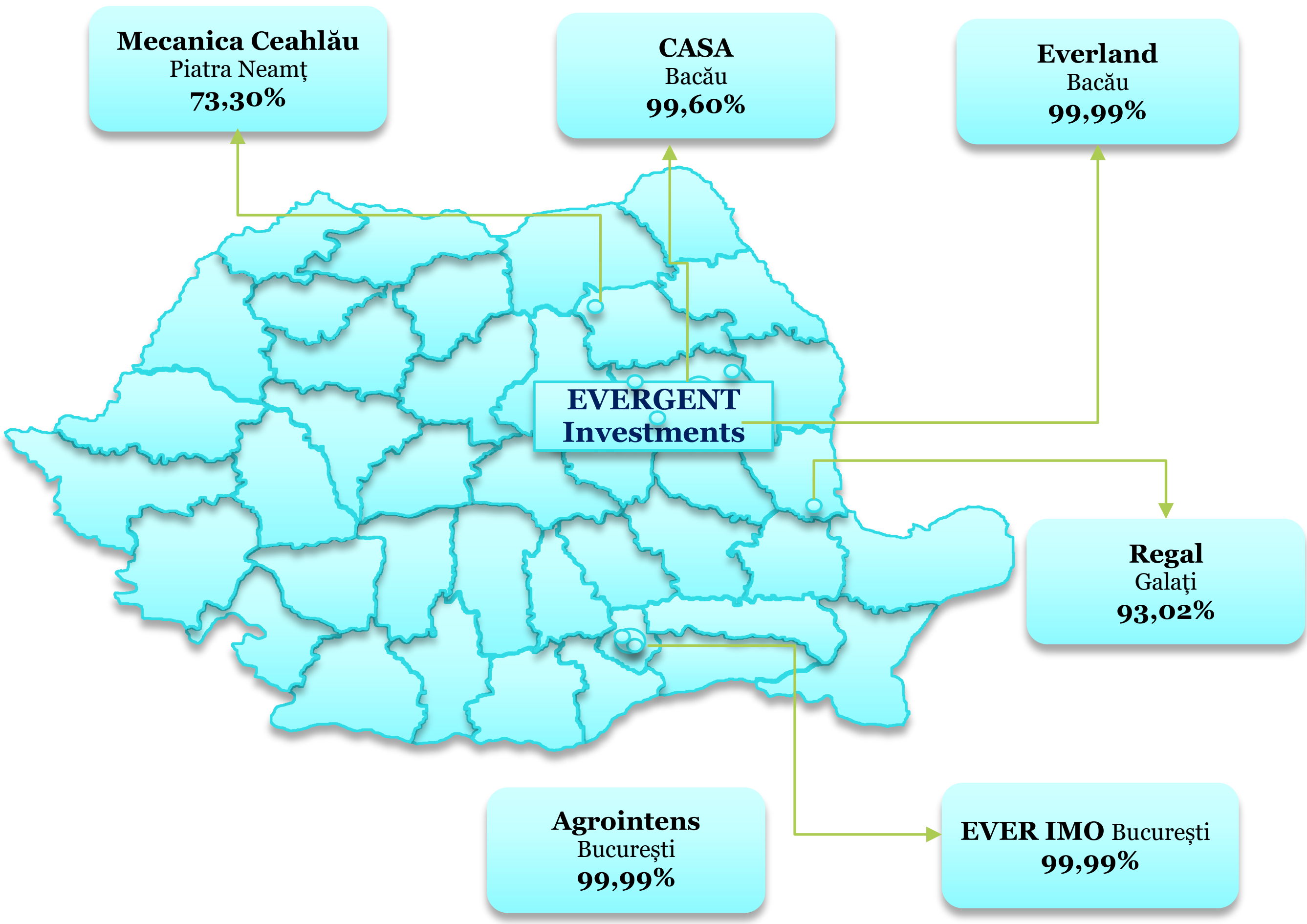
On 31st December 2021 EVERGENT Investments Groups held investments in one associate, Străuleşti Lac Alfa S.A. company with 50% holding.

The Group's policies regarding consolidation bases can be found in the explanatory notes included in the Group's *consolidated financial statements*.

Members of EVERGENT Investments Group:

No.	Subsidiary name	Direct holding of EVERGENT Investments – parent company %	Weight of total assets % 31.12.2021	Company type (closed/ listed)	Activity
1	EVERLAND SA	99,99	1,74	Unlisted	Real estate – Private Equity Portfolio
2	EVER IMO SA	99,99	1,80	unlisted	
3	REGAL SA	93,02	0,38	BVB–ATS (REGL)	
4	MECANICA CEAHLAU SA	73,30	0,93	BVB–REGS (MECF)	Agriculture and agricultural machines – Private Equity Portfolio
5	AGROINTENS SA	99,99	1,80	Unlisted	
6	CASA SA	99,60	0,78	Unlisted	Rental of own spaces and rented spaces, support for EVERGENT Investments
	Total		**7,43**		

A3 Snagov SRL subsidiary, set-up in June 2021, is indirectly held by EVERGENT Investments, through EVERLAND SA, holding 100% of its shares.



Statement of mutual holdings of entities included in the consolidation area -31.12.2021

Subsidiary name	Shareholders	No. of shares	% holding	Nominal value (lei)
Agrointens SA	EVERGENT Investments SA	3.437.911	99,99	10
	CASA SA	1	0,001	
	TOTAL	*3.437.912*	*100*	
Everland SA	EVERGENT Investments SA	4.440.750	99,992	10
	CASA SA	1	0,00002	
	TOTAL	*4.440.751*	*100*	
Casa SA	EVERGENT Investments SA	7.978.462	99,32	2,5
	Other shareholders	31.946	0,68	
	TOTAL	*8.010.408*	*100*	
EVER IMO SA	EVERGENT Investments SA	4.963.027	99,999	2,5
	CASA SA	1	0,001	
	TOTAL	*4.963.028*	*100*	
Regal SA	EVERGENT Investments SA	1.116.258	93,021	0,1
	A.A.A.S. BUCURESTI	29.035	2,42	
	Other shareholders	54.707	4,559	
	TOTAL	*1.200.000*	*100*	
Mecanica Ceahlau SA	EVERGENT Investments SA	175.857.653	73,30	0,1
	NEW CARPATHIAN FUND	48.477.938	20,21	
	Other shareholders	15.572.869	6,49	
	TOTAL	*239.908.460*	*100*	

1.2. Summary regarding subsidiaries (object of activity, main financial results)

The Group's basic activities are the financial investments carried out by the Company, as well as the activities carried out by the subsidiaries, consisting mainly in the following:

1. Manufacture of agricultural machines and equipment
2. Real-estate development (apartments, including parching lots)
3. Lease and sale of own real-estate property,
4. Growing of fruit-bearing shrubs (blueberries) and
5. Business and management consultancy.

Below we shall briefly present the main financial benchmarks of the Companies in the Group.

1.2.1. Mecanica Ceahlău S.A.

The Company's main object of activity is the manufacture of agricultural machines and logging. Setup in 1921, Mecania Ceahlău SA Piatra –Neamt is today one of the most famous agricultural machinery manufacturing companies in Romania. The machines and equipment manufactured by „Mecanica Ceahlău" cover the entire range of agricultural works, from soil preparation for seeding to harvesting.

Main financial results (IFRS):

Lei	2019	2020	2021	2021/2020 Evolution %
Total assets	70.921.839	54.432.950	62.466.480	115%
Turnover	28.593.142	18.020.000	36.526.905	203%
Profit (loss)	10.599.011	(2.338.925)	1.720.446	174%
ROE %	22,63	N/A	4,87	
ROA %	14,94	N/A	2,75	

In 2021, sales of Mecanica Ceahlău, especially those for distribution and the company's profitability increased, following its significant decrease in 2020, caused mainly by the accentuated draught and Covid-19 financial crisis.

1.2.2. EVER IMO (former Țesătoriile Reunite S.A.)

The main activity object is real-estate development. The Company was set-up in 1933. At present it operates in the field of industrial real-estate renting and real-estate development.

Main Financial Results (IFRS):

Lei	2019	2020	2021	2021/2020 evolution %
Total assets	102.249.939	47.455.543	75.503.343	159%
Afaceri	66.228.149	95.498.541	2.161.278	2%
Profit (Pierdere)	17.259.789	14.832.992	(4.659.456)	-131%
ROE %	31,09	41,74	N/A	
ROA %	16,88	32,02	N/A	

Sales of apartments in Baba Novac Residence residential centre, developed by EVER IMO were largely completed in 2020 which explains the turnover in the previous year, as well as the low income level in the current year with impact on the profitability of the company. The Company shall re-enter an income increase cycle as projects in various stages for the approval of urbanism documents will be started on plots of land already held.

1.2.3. Regal S.A.

Regal S.A. was setup in 1990 through the decision of Galati district Prefecture as a joint stock company, based on Law no. 15/1991 and Law no. 31/1990. The main activity object of the company is the rental of its own real-estate property

Main financial results (IFRS):

Lei	2019	2020	2021	2021/2020 evolution %
Total assets	11.863.835	10.022.202	10.702.459	107%
Turnover	436.585	276.893	299.718	108%
Profit (loss)	3.257.693	178.828	415.740	232%
ROE %	40,40	3,52	7,1	
ROA %	27,46	1,78	3,88	

Income from rental of owned space obtained in 2021 increased in comparison to those of the previous year, when the impact of Covid-19 pandemic was higher, without jeopardising activity continuation, with effects on the company's profitability.

1.2.4. Casa S.A.

Setup in 1999 as a joint stock company, based on Law no. 31/1990, the main object of activity of the Company consists in rental and sub-rental of its own or rented real estate property.

In 2020, CASA subsidiary was taken over from Asset Invest activitatea and its assets.

Main financial results (IFRS):

Lei	2019	2020	2021	2021/2020 evolution %
Total assets	15.702.459	22.567.765	22.738.528	101%
Turnover	1.326.706	1.557.886	2.064.743	133%
Profit (loss)	1.307.646	(1.487.629)	1.023.334	169%
ROE %	9,18	N/A	1,87	
ROA %	8,33	N/A	4,5	

During the state of emergency, as well as during the state of alltert on the national level, the commercial activity in certain areas held or rented by the company was temporarily suspended.

Income from the rental of owned space obtained in 2021 increased in comparison to that registered in the previous year when the impact of Covid-19 pandemic was higher, without jeoperdizing activity continuation, with effects on the company's profitability.

1.2.5. Agrointens S.A.

Set-up in 2014 based on Law no. 31/1990, the company's main object of activity is the growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees.
Main financial results (IFRS):

Lei	2019	2020	2021	2021/2020 evolution %
Total assets	36.859.273	38.982.127	37.779.163	97%
Turnover	5.659.167	8.215.101	8.078.047	98%
Profit (loss)	(2.516.243)	(1.351.559)	(1.881.934)	139%
ROE %	N/A	N/A	N/A	
ROA %	N/A	N/A	N/A	

Loss registered is in accordance with the implementation status of the financial development model that foresees the acquisition of new land and set-up of new blueberry farms with mixed financing, own sources and contribution of the majority shareholder.

1.2.6. EVERLAND S.A. (former Agroland Capital S.A.)

Set-up in 2014 based on Law no. 31/1990, the company was set-up with the purpose of capitalizing on investment opportunities in the agribusiness – real-estate field. At present, the main activity is related to the approval of the urban plan documentation (PUZ) for the land held in Iasi, Primaverii St. no. 2, for the development of a residential centre with mixed function, homes, commercial and office areas.

Main financial results (IFRS):

Lei	2019	2020	2021	2021/2020 evolution %
Total assets	40.266.296	41.582.609	49.770.950	120%
Turnover	78.334	32.811	50.421	154%
Profit (loss)	584.902	2.303.234	1.602.167	70%
ROE %	1,87	6,7	3,91	
ROA %	1,45	5,54	3,22	

Company A3 SNAGOV SRL was set-up in June 2021, 100% held by Everland S.A, working in real-estate development(promotion) sector, in the area defined by the name itself.

1.3. Influences resulted from consolidation operations

1.3.1. Comparative statement of assets on 31st December 2021

The table below presents the comparative status of assets based on the figures in the individual and consolidated financial statements drafted in accordance with IFRS.

Balance position	Company	Group	Differences
Cash and current accounts	267.380	14.039.475	13.772.095
Bank deposits with initial maturity within 3 months	157.466.639	174.396.940	16.930.301
Bank deposits with initial maturity higher than 3 months	-	6.682.039	6.682.039
Financial assets at fair value through profit or loss	381.215.357	325.937.896	-55.277.461
Financial assets measured at fair value through other comprehensive income	1.952.286.731	1.770.881.534	-181.405.197
Investments accounted for using the equity method	-	42.850.061	42.850.061
Bonds at fair value through other comprehensive income	3.982.215	3.982.215	-
Bonds at amortized cost	34.171.645	16.689.194	-17.482.451
Other financial assets at amortized cost	5.361.399	10.626.512	5.265.113
Inventory	-	22.853.276	22.853.276
Other assets	1.579.222	3.445.715	1.866.493
Intangible assets held for sale	-	24087236	24087236
Investment property	4.247.186	99.831.062	95.583.876
Property, plant and equipment	8.308.912	54.070.369	45.761.457
Right –of-use assets	3.570.975	8.642.261	5.071.286
Goodwill	-	4.339.505	4.339.505
Intangible assets	360.960	960.584	599.624
Total assets	**2.552.818.621**	**2.584.315.874**	**31.497.253**

1.3.2. Comparative statement of liabilities and equity on 31st December 2021

The table below presents a comparative statement of liabilities and equity based on the figures in the individual and consolidated financial statements prepared in compliance with IFRS.

Balance position	Company	Group	Differences
Borrowings	-	8.307.026	8.307.026
Lease liabilities	3.511.637	8.525.431	5.013.794
Dividends payable	34.036.742	34.488.962	452.220
Liabilities related to current profit tax	-	167.079	167.079
Financial liabilities at amortized cost	1.833.601	9.057.658	7.224.057
Other liabilities	3.409.990	5.824.211	2.042.697
Provisions for risks and charges	1.749.743	4.253.881	2.875.662
Liabilities related to deferred profit tax	125.338.378	131.632.941	6.294.563
Total liabilities	**169.880.091**	**202.257.189**	**32.377.098**
Share capital	510.105.062	510.105.062	-
Retained earnings	981.801.980	987.726.077	5.924.097
Reserves from the revaluation of property, plant and equipment	8.967.836	16.699.675	7.731.839
Reserves from the revaluation of FVTOCI assets	903.246.143	872.688.152	(30.557.991)
Treasury shares	(41.119.507)	(41.119.507)	-
Equity-based payments to employees	16.252.012	16.252.012	-
Other equity instruments	3.685.004	3.685.004	-
Total equity attributable to Company's shareholders	**2.382.938.530**	**2.366.036.475**	**(16.902.055)**
Non-controlling interests	-	16.022.210	16.022.210
Total equity	**2.382.938.530**	**2.382.058.685**	**(879.845)**
Total liabilities and equity	**2.552.818.621**	**2.584.315.874**	**31.497.253**

1.3.3. Comparative analysis of the statement of comprehensive income on 31st December 2021

Statement of comprehensive income	Company	Group	Differences
Income			
Gross dividend income	54.656.711	53.882.260	(774.451)
Interest income	4.718.481	4.083.169	(635.312)
Other operating revenue	1.030.926	49.677.845	48.646.919
Net gain/(net loss) on financial assets at fair value through profit or loss	25.460.617	29.873.859	4.413.242
Net gain on disposal of non-financial assets	-	658.126	658.126
Net loss/(net loss) on revaluation of real-estate investments	143.329	859.634	716.305
Net gain / (net loss) on the revaluation of fixed assets held for sale	-	869.256	869.256
(Loss)/loss reversal on financial assets impairment	3.895.437	6.084.408	2.188.971
(Loss)/Loss reversal from non-financial assets impairment	(28.989)	(38.871)	(9.882)
(Set-up)/reversal of provisions for risks and charges	(1.620.399)	(2.811.413)	(1.191.014)
Expenses with wages, remunerations and other similar expenses	(29.426.547)	(44.025.145)	(14.598.598)
Other operating expenses	(10.477.957)	(48.419.804)	(37.941.847)
Operating profit	**48.351.609**	**50.693.324**	**2.341.715**
Financing expenses	(42.218)	(484.146)	(441.928)
Share from the profit/(loss) corresponding to associates	-	3.773.278	3.773.278
Profit before tax	**48.309.391**	**53.982.456**	**5.673.065**
Income tax	(1.920.757)	(2.064.406)	(143.649)
Net profit of the period	**46.388.634**	**51.918.050**	**5.529.416**
Other elements of comprehensive income			-
Increase/ (Decrease) from revaluation of property, plant and equipment, net of deferred tax	439.940	1.022.708	582.768
Net gain/(net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	414.290.697	398.996.138	(15.294.559)
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	**414.730.637**	**400.018.846**	**(14.711.791)**
Net gain from the revaluation of FVTOCI bonds	45.845	45.845	-
Other elements of comprehensive income – elements that will re reclassified in profit or loss	**45.845**	**45.845**	**-**
Other elements of comprehensive income - Total	**414.776.482**	**400.064.691**	**(14.711.791)**
Total comprehensive income of the period	**461.165.116**	**451.982.741**	**(9.182.375)**

Following the application of IFRS 9 „Financial Instruments" provisions, gain or loss on sale of equity instruments (shares), depending on their classification, were reflected in profit or loss, in case of financial assets measured at fair value through profit or loss (FVTPL), or directly in Retained earnings in case of financial assets measured at fair value through other comprehensive elements (FVTOCI). Liability instruments (e.g. bonds, fund units) were reflected in profit or loss.

The Company's performance indicator is Net Result, which includes along with the net profit the net gain on sale of FVTOCI financial assets, reflected in retained earnings:

(Lei)	Company	Group	Differences
Net profit of the financial year	46.388.634	51.918.050	5.529.416
Gain on sale of FVTOCI* financial assets, net of tax, recycled in retained earnings	102.908.216	102.239.049	-669.167
Net result	**149.296.850**	**154.157.099**	**4.860.249**

* *represents a reclassification from other elements of comprehensive income to retained earnings*

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1.3.4. Criteria for the recognition, measurement and evaluation of financial assets on 31st December 2021 and 31st December 2020

IFRS 9 "Financial Instruments" foresees an approach regarding the classification and evaluation of financial assets, approach that reflects the business model in which financial assets are managed and cash-flow characteristics.

Depending on these criteria, financial assets are classified as: financial assets measured at fair value through profit or loss („FVTPL"), financial assets measured at fair value through other comprehensive income („FVTOCI") and financial assets measured at amortized cost.

1.4. Predictable development of EVERGENT Investments Group

1.4.1. Group's objective and strategy for 2022

The key elements of EVERGENT Investments' investment strategy and policies are based on a resource assignment that insures the sustainable development of EVERGENT Investments' activity and satisfaction of shareholders' interests, both on the short and on the long term.

The solid and sustained **investment policy** is based on the long-term increase of managed assets, a basic element for the consolidation of investors' trust**.** In essence, the investments of EVERGENT Investments are in shares of companies listed on BVB, on the two main pillars: financial-banking and energy-industrial, as well as in the development of private equity projects in real-estate and agribusiness. At the same time, the Company explores new fields such as renewable energy and technology sector, in line with the understanding of ESG principles and practices.

Predictable dividend policy and buy-back programs in the benefit of EVERGENT Investments' shareholders

In the context of the volatility of capital markets, the Board of Directors aims to find a balance between the need to provide resources for the support of investment programs to be developed, short-term expectations of shareholders, namely the distribution of dividends and long-term expectations of shareholders, namely NAV increase and indirectly, increase of EVER share price.

The Company has a predictable dividend policy and annually runs buy-back programs to ensure the liquidity of EVER shares and bring benefits to shareholders through the possibility to share their holdings for a price as close to the assets value as possible. Along with the dividends, these represent a mix that we calibrate each year both in the interest of shareholders who want to mark profit, and in the interest of those who stay with the company on the long run, and benefit from an increased assets value over time. The policy mix that includes the distribution of dividends with the possibility to subscribe to POs, offers a higher yield than in case of classic dividend distribution, remunerating invested capital at a level higher than monetary investments.

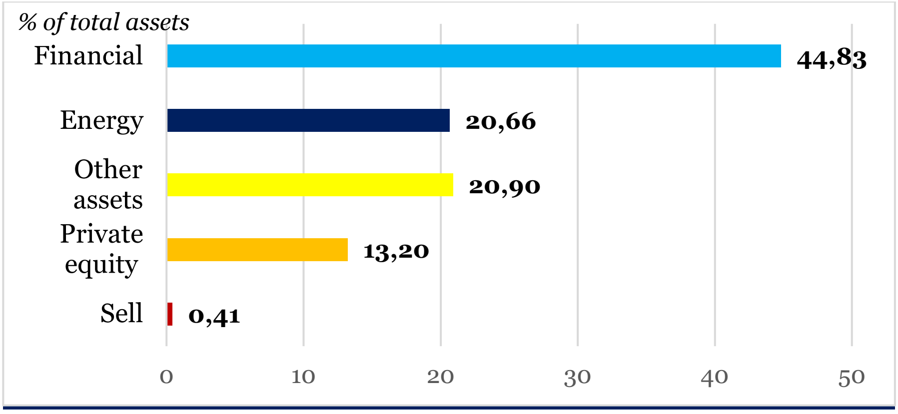
Capital operations through running a new treasury shares buy-back program for the purpose of reducing the share capital and stimulating the interest of management and employees in order to increase the efficiency of management and in agreement with legal AIFM/AIF regulations on remuneration.

Maintaining the defined strategies for assets portfolios:

1. *Increase* for PRIVATE-EQUITY Portfolio (PPE) - "private equity" type approach within existent majority holdings (real-estate, agriculture, other sectors).

2. *Performance increase for* FINANCIAL – BANKING (PFB) and ENERGY – INDUSTRIAL Portfolio (PEI)- listed portfolios that provide EVERGENT Investments' assets with liquidity, being the main generators of revenue and sources for new investments.
3. *Restructure* for SELL Portfolio – sale of historic share portfolio

Portfolio weight in total assets value on 31.12.2021:



1.4.2. PRIVATE EQUITY Portfolio also includes companies in EVERGENT Investments Group

On 31st December 2021, the assets of the 6 subsidiaries of EVERGENT Investments Group registered a value of 192,1 million lei, representing 7,43% of EVERGENT Investments' total assets.

In accordance with its *Investment Strategy and Policy,* EVERGENT Investments has an investment strategy to develop the PRIVATE EQUITY Portfolio, characterized by:

(a) project implementation in various activity sectors and business development for the companies in EVERGENT Investments' historic portfolio;

(b) investments in this portfolio represent a "private equity" approach that involves the development of some existent majority holdings (real estate, agricultural machines, agribusiness), as well as new investments (real estate, agribusiness) and offers growth opportunities on the average and long term.

Rules applied in accordance with AIFM legislation

- ✓ Private equity type investments through which control is obtained on unlisted companies is in the line with the multiannual investment strategies and legal risk and prudential limits of EVERGENT Investments, without representing the main investment activity.
- ✓ EVERGENT Investments is a shareholder with a holding of over 99% in all unlisted shares. In the selection of monitoring of investments in unlisted companies, EVERGENT INVESTMENTS applies a high level of diligence, its staff holds the adequate professional skills and abilities for the activities that are specific in the investment fields: financial analysis, legal, commercial and technical analysis, negotiation, conclusion of agreements and contracts.
- ✓ These assets are assessed in compliance with the evaluation policies and procedures, their value being reported on a monthly basis

The ""private equity" type approach involves and active involvement in entrepreneurial projects, which leads to an increase of managed assets profitability and offers the possibility to compensate the risks of possible involutions of EVERGENT Investments' ownership interest in listed companies.

Some of the investments presented in the paragraphs below are in the growth/development stage while others are in the maturity stage of the business life cycle.

1.4.2.1. AGROINTENS SA –"Extension of BLUEBERRY FARM" Project (*www.agrointens.ro*)

Agrointens SA is a company whose activity consists in the exploitation and capitalization of blueberry farms.

Project description: The object of the project is the set-up and development of blueberry farms. At present the following farms: Vistea –Brasov district, Mandra –Brasov district and Popesti –Arges district are in various development stages. At the end of the reporting period the panted area was 86 ha.

EVERGENT Investments' investment: 7,6 mil euro.

Current status: Seasonal agriculture activities have been carried out.

Corporate events:
20.04.2021 – OGMS approved the financial statements and appointment of the auditor.
20.04.2021 – EGMS approved the extension of a work capital credit facility of 1,5 mil lei.
22.06.2021 – EGMS approved: the updated financial projects; share capital increase by 1.750.000 lei; increase of the credit facility, work capital to 2,5 mil lei and corresponding collateral.
15.12.2021 – EGMS approved the modification of mortgages setup on real properties as collateral for credit facilities for work capital of 2,5 mil. lei and approves the collateral related to the crediting activity.
23.12.2021 – OGMS approves 2022 IEB, investment plan and updated financial projections.

1.4.2.2. EVERLAND SA –Iasi Real estate project

Premises: The company was set-up for the purpose of capitalizing on investment opportunities in the agribusiness real-estate field for the purpose of generating value for shareholders. The company holds assets located in the central area of Iaşi municipality, with a significant real-estate development potential on all segments: residential, office and commercial:

- ✓ held land of 2,55 ha;
- ✓ administrative building (GF+8) with a built area of 4.600 square meters.

Status:

- ✓ All required approvals for the zonal urban plan were obtained. The announcement of the draft resolution on the zonal urban plan was published on the website of Iasi Town Hall
- ✓ The maximum developed built surface is 83,800 sqm, the value of the project being estimated at approx. 90 million euros;
- ✓ In June 2021, the Company has set up an investment vehicle with 100% ownership in order to develop other real-estate projects.

Corporate events:
OGMS 14.01.2021
Election of a director for a 4 years' mandate.
OGMS 23.04.2021
Resolutions: approves the financial statements for 2020 financial year, and the appointing of Deloitte Audit SRL.
EGMS 11.06.2021
Resolutions: approves the participation of EVERLAND S.A. to the set-up of a limited liability company named "A3 Snagov" and set-up of A3 SNAGOV S.R.L. with sole-associate.
EGMS 12.07.2021
Resolutions: approves the share capital increase of company EVERLAND SA to 44.407.510 lei, divided into a number of 4.440.751 shares with a nominal value of 10 lei/share.

1.4.2.3. CASA SA

The Company manages own real estate and those belonging to EVERGENT Investments and delivers real estate management services in the property of EVERGENT Investments.

On 31.12.2021 the share portfolio of CASA SA comprises a number of 45 companies, of which 15 functional and 30 in judicial liquidation (bankruptcy).

The real-estate portfolio on 31.12.2020 is comprised of a number of 10 real estate properties, of which:
- ✓ Exclusive usable area 5.213 square meters;
- ✓ Rented usable area 3.457 square meters;
- ✓ Usable area available to rent 1.756 square meters.

The company has concluded the following legal deeds with EVERGENT Investments:
- ✓ Contract for the monitoring of information and events regarding the companies in EVERGENT Investments portfolio, taken over from Asset Invest SA in July 2020, valid until 31.01.2022);
- ✓ Mandate contract for buyer identification, negotiation and conclusion of sale and purchase agreements for shares for EVERGENT Investments' portfolio, taken over from Asset Invest SA in July 2020 cased in June 2021;
- ✓ Service Agreement for archive service delivery valid until 31.12.2021;
- ✓ Rental agreements for spaces in Bacau and Iasi belonging to EVERGENT Investments S A valid until 01.01.2024.
- ✓ Real estate management service agreement for real-property belonging to EVERGENT Investments S A, valid until 01.01.2024

The legal documents concluded by EVERGENT Investments with CASA subsidiary were not covered by legal reporting requirements.
Starting on 28.08.2020, through the modification of Law no.24/2017, the obligation to report transactions with related parties are applied for transactions whose value exceeds 5% of EVERGENT Investments' net assets, while the previous threshold was 50.000 euro .

Corporate events:
21.04.2021 – OGMS approved the financial statements for 2020 financial period, and appointment of auditor Deloitte Audit SRL.

1.4.2.4. MECANICA CEAHLAU SA
(www.mecanicaceahlau.ro)

The company manufactures agricultural equipment for land process and distributes (i) Steyer and Hart tractors, (ii) Project herbicide equipment and (iii) Stoll front loaders. In 2021, the company introduced irrigation reels in its product portfolio.

Corporate events:
26.04.2021 – OGMS approved the financial statements and appointing of auditor.
26.04.2021 – EGMS approved the extension of approved the extension of the counter-guarantee letter and the maintenance of the letter-related collaterals, representing 9.25% of the total fixed assets of the company less receivables and the cumulative level of collateral representing the cumulative percentage of 24.37% of the total fixed assets of the company, less receivables.
22.11.2021 – OGMS approved the appointing of company's directors for a 4 years' mandate.

1.4.2.5. REGAL SA

On the reporting date, the company has 3 commercial spaces and the administrative headquarters. The company is in the process of withdrawing from trading and cancellation from FSA records, according to GMS resolution on 30/09/2021.

Corporate events:
16.04.2021 – OGMS approved the financial statements and appointment of the auditor
16.04.2021 – EGMS approved the sale of three assets
30.09.2021 – EGMS approved the BVB trading withdrawal and cancellation of shares from FSA records.

1.4.2.6. EVER IMO SA

The company owns in the northern part of Bucharest, for real-estate development: (i) a plot of land of 1,9 ha and (ii) a plot of land with an area of 1,6 ha, acquired in July 2021.

Corporate events:
27.05.2021 – OGMS approves the financial statements and appointment of auditor
22.06.2021 – EGMS approves the issue of corporate bonds of 18,6 mil. Lei
18.08.2021 – EGMS approves the free transfer (donation) for the extension of the street network (BNR project) to Bucharest town Hall of real property along with works carried out.
18.11.2021 – EGMS approves the name change from Tesatoriile Reunite to EVER IMO
14.12.2021 – EGMS approves, subject to the adjudication following the sale auction, the real-estate investment and participation of EVERGENT Investments with cash to the share capital increase of EVER IMO for this purpose.

1.4.3. Implementation of 2021 investment program

EVERGENT Investments has analysed and implemented investments *in agreement with the directions and principles presented in 2021 Activity Program*, approved in the Ordinary General Meeting of shareholders on 29th April 2021.

mil. lei	2021 Activity program	Achieved 31.12.2021	% achievement 31.12.2021
Total investment program, of which assigned for portfolios:	**140**	**155**	**110.7**
• **FINANCIAL - BANKING**	55,8	100	179.5
• **ENERGY - INDUSTRIAL**	20	13	63,5
• **PRIVATE EQUITY**	29,2	33	112.4.5
• **Other investments**	35	9	25.7

1.5. Reports on the legal deeds concluded by EVERGENT Investments with subsidiaries (according to art. 108 Law no. 24/2017 on the issuers of financial instruments and market operations, republished):

Starting on 28.08.2020, through the modification of Law no.24/2017, the reporting obligation for transactions with associates applies to transactions representing more than 5% of the issuer's net assets, while the previous threshold was 50.000 euro.

In 2021 financial year, there have been no transactions covered by reporting requirements.

2. Analysis of EVERGENT Investments Group's IFRS results

2.1. Key Financial Ratiosindicators (comparative presentation)

2.1.1. Liquidity ratios

The analysis of the liquidity ratios determines the ability of the company to honour, at one point, the payment obligations assumed on the basis of current assets. The term liquidity indicates the ability of an asset to be converted into money with a minimal loss of value.

Current liquidity ratio measures the Company's ability to homer its short-term debts. Current liquidity indicator is calculated as a ratio between the Company's current assets and its short-term liabilities. The higher the value of the current liquidity indicator, the higher the ability of the Company to honour its short-term debts without resorting to long-term financing resources. Otherwise, when the value obtained is below one unit, the company will have to resort to external financing resources.

Irrespective of the activity sector the company operates in, the value that is considered optimal for the current liquidity indicators is of about 2. For an accurate interpretation of the level of current liquidity **Quick liquidity ratio** shows the Company's ability to honour its short-term debts through the most liquid current assets of the Company.

Ratio name	2019	2020	2021
Current liquidity ratio	13,06	10,61	13,27
Quick liquidity ratio	10,47	9,97	12,71

2.1.2. Activity ratios

Activity ratios reveal the efficiency of a company's using its assets

Fixed assets turnover is calculated as a ratio between the revenue from current activity and fixed assets. The fixed assets turnover evaluates the efficiency of fixed-assets management through the analysis of the turnover obtained by a certain quantity of fixed-assets.

Total assets turnover ratio is calculated as a ratio between turnover and total assets.

Total assets turnover analyses the turnover obtained by a certain quantity of total assets.

Ratio name	2019	2020	2021
Fixed-assets turnover	0,16	0,11	0,07
Total assets turnover	0,12	0,09	0,05

2.1.3. Profitability ratios

Profitability ratios reflect the efficiency of activities carried out by a company, regarding its ability to generate profit from available resources.

Return on equity (ROE) is calculated as a ratio between profit before the payment of interest and profit tax expenses and equity.

The return on equity represents one of the most important ratios used in measuring the performance of a Company. The main objective of every business is to maximize the investments made by its shareholders. Therefore, a high ROE ratio value indicates that the investment made by the shareholders has been turned into high profit by the company's management.

Return on assets (ROA) is calculated as a ratio between net profit and total assets of the company and measures the efficiency with which assets are used from the point of view of the profit obtained, indicating how many lei are obtained for each leu invested in company's assets.

Return on assets is, along with return on equity, one of the most important return ratios of a company.

Earnings per basic share is ascertained as a ratio between net profit or loss of a company during a financial year, and the number of ordinary shares present over that period.
Earnings per basic and diluted share represent, from financial point of view, an important ratio when the earnings of a company over a period of time are compared, or when the results obtained are compared to the earnings of other companies in the same sector of activity.

Result per basic and diluted share (including gain on sale of FVTOCI financial assets).

The Group presents in its financial statements the result per basic and diluted shares (including net gain on sale of FVTOCI assets), since along with the net profit, gain on sale of FVTOCI financial assets is considered a performance indicator of the Group and represents a potential source for the distribution of dividends to shareholders.

Ratio name	2019	2020	2021
ROE %	8,1	0,5	2,1
ROA %	6,2	0,1	2,0
Earnings per basic share (lei/share) – profit per share	0,150	0,003	0,053
Result per basic share (lei/share) – including net gain on sale of FVOCI assets	0,221	0,044	0,158
Dividend per share (lei/share) – distributed during the year, din from the profit of the previous year	0,0304	0,06	0,043

2.1.4. Other ratios

Ratio name	2019	2020	2021
Receivable recovery period	30,16	34,06	36,64
Debt repayment period	107,60	124,60	153,96
Indebtness degree	9,52	7,45	7,83
Return on employed capital (Equity & loans) %	7,95	0,45	2,12

***

3. Description of the risks and uncertainties that EVERGENT Investments Group faces

3.1. Objectives and policies for risk management, including policies for their coverage

The management of the Group thinks that risk management should be carried out in a consistent methodological framework and that their management is an important part of the strategy regarding return maximization, obtaining the targeted level of profit while maintaining an acceptable risk exposure and abidance by legal regulations. The risk management structure set by the management of the Group is an integral part of the Group's strategic objectives.

The investment activity exposes the Group to a series of risks associated to the financial instruments held and the financial markets it operates on. The main risks the Group is exposed to are:
- Market risk (interest rate risk, currency risk and price risk);
- Liquidity risk;
- Credit and counterparty risk;
- Issuer risk;
- Operational risk;
- Other risks (regulatory risk, systemic risk, strategic risk, reputational risk, conflict of interest risk, risk associated to the Group's subsidiaries and sustainability risks)
- Tax risk
- Economic risk

The general risk management policy aims to maximize the Group's profit reported to the level of risk it is exposed to and minimize potential adverse variations on the Group's financial performance. The Group has implemented policies and procedures for the management of assessment of risks it is exposed to.

3.1.1. Market Risk

Market risk is defined as the risk to register a loss or not to obtain forecast profit, as a result of price fluctuations, interest rates and currency exchange rates. For the efficient management of market risk we use diligence procedures in investments and diligence in the monitoring of holdings in the portfolio, methods of technical and fundamental analysis, forecasts on the evolution of economic branches and financial markets, and specific procedures, such as:
- Constant monitoring of issuers on the market and risk/return characteristics of portfolio holdings
- Diversification of securities and activity sectors range
- Active management of the traded share portfolio through acquisitions and marking-to-markets
- Optimization of performance/market risk ratio
- Adequate evaluation of unlisted interest
- Monitoring of the macroeconomic, political and sectorial context and adapting market risk to this context
- Follow-up of the abidance of asset categories by legal limits
- Setting limits regarding market risk appetite and tolerance and following-up that these abide by the set risk profile.

The selection of investment opportunities is made through:
- Technical analysis;

- Fundamental analysis – ascertaining the issuer's ability to generate profit;
- Comparative analysis – ascertaining the relative value of an issuer in relation with the market or other similar companies;
- Statistical analysis – setting tendencies and correlations using price history and traded volumes.

The Group is exposed to the following market risk categories:

(i) Price risk
The Group is exposed to price risk as there is the possibility that the value of financial instruments fluctuate following the change of market prices

(ii) Interest rate risk
The Group faces interest rate risk due to the exposure to negative fluctuations of the interest rate. The change of the interest rate on the market directly influences revenue and expenses of assets and liabilities bearing variable interest, as well as the market value of those bearing fixed interest.

The Group does not use derivatives to protect itself from interest rate fluctuations.

(iii) Currency Risk
Currency risk is the risk of registering losses or failure to achieve estimated profit following negative exchange rate fluctuations. The Group is exposed to currency rate fluctuations but has no formalized policy to cover currency risk. Most financial assets and liabilities of the Group are expressed in national currency and therefore currency rate fluctuations do not significantly affect the Group's activity. The other currencies used for operations are EUR and USD.

Exposure to exchange rate fluctuations is mainly due to foreign currency deposits, shares and bonds.

3.1.2. Liquidity Risk

Liquidity risk takes two forms: cash-flow risk and assets liquidity risk.

Cash-flow risk represents the risk of registering a loss or failure to reach estimated profit, resulting from the impossibility to honour short-term payment obligations at any time, without excessive costs or losses that cannot be borne by the Group.

Assets liquidity risk represents the risk of losses that could be registered in case a position in the company's portfolio cannot be sold, liquidated or closed with limited costs, at a value close to its fair value, within a reasonable amount of time.

For efficient liquidity risk management, the Group uses specific procedures, closely connected to the liquidity and investment policies:

- Cash-flow monitoring, by setting expected liquidities entries and exists within certain time frames;
- Analysis of the ability of assets to be traded on the market and providing actual liquidities needed to cover the company's support obligations and investment objectives, through disinvestment;
- Monitoring significant liabilities and engagements that the Group has in relation to its support obligations;
- Assessment of expected cash-flows, inconsistencies between these and the ability to counterbalance them in crisis situations, according to crisis scenarios in various time frames;

- Prevention and management of crisis situations, by mainly purchasing high-liquidity degree securities, diversifying fixed revenue instruments, etc.;
- Adequate diligence in making money placements;
- Providing a liquidity reserve with the purpose of covering additional liquidity needs that may occur within a short period of time
- Setting the limits of liquidity risk appetite and tolerance, and making sure these abide by the set risk profile.

The Group's financial instruments may also include investments in shares that are not traded on an organized market and consequently may have low liquidity.

3.1.3. Credit and Counterparty Risk

The Group is exposed to credit and counterparty risk stemming from the possible failure of counterparty to meet payment obligations it has towards the Group. The Group is exposed to credit risk following investments made in bank deposits and bonds issued by municipalities or companies, current accounts, other receivables.

For the efficient management of credit and counterparty risk, the Group uses specific procedures, closely connected to its liquidity and investment policy:

- Counterparty diversification
- Prudential selection of the banks where liquidities are placed as bank deposits and current accounts, based on adequate good standing criteria
- Monitoring of investments made by OPCVM/AIF in the portfolio
- Investment in corporate bonds not admitted to trading is made based on a due diligence in accordance with specific investment diligence procedures
- Setting the limits of credit and counterparty risk appetite and tolerance, and monitoring their abidance by the set risk profile.

3.1.4. Issuer Risk

The Group is exposed to the current or future risk of value loss for a title in the portfolio, due either to the deterioration of its economic-financial status, or the business conditions (failure to function or lack of correlation of its internal activities according to its business plan), or to events, external trends or changes that could not have been known or prevented by the control system.

Concentration risk, associated to issuer risk represents the risk of bearing losses due to inadequate diversification (non-homogenous distribution) of exposures from capital title portfolio on terms, industrial sectors, geographic regions or issuers.
The management of issuer risk is made using specific procedures, such as:

- Insuring a high level of diligence in the selection and monitoring of issuers, through specific policies and procedures for portfolio management on issuer categories;
- Monitoring and regular revision of issuers with respect to their exposure level and defined risk profile;
- Adequate assessment of unlisted ownership interests;
- Active involvement in the management of the issuers in which the Group holds a majority position, promoting high corporate governance standards;
- Continuous training of the staff involved in portfolio management on activities that are specific for each portfolio;
- Setting limits for issuer risk appetite and tolerance and monitoring their abidance by the set risk profile.

3.1.5. Operational Risk

Operational risk is defined as the risk of registering loss or failure to reach estimated profit due to some internal factors, such as improper running of some internal activities, the presence of improper staff or systems or due to external factors such as economic conditions, changes on the capital market, technological progress. Operational risk is inherent to all Group activities.

The policies defined for the management of operational risk have taken into consideration all event types that might generate significant risks and methods of their manifestation, in order to eliminate or lower financial or reputational losses.

3.1.6. Other Risks that the Group is exposed to

Regulatory risk - current and future risk of a negative effect on profit and capital, following the significant change of the regulatory framework applicable to the functioning of the Group. The impact may refer to: reduction of the attractiveness of a certain type of investment, sudden reduction of exposure of strategic issuers, significant increase of activity costs, etc.

Systemic risk – a risk is seen as systemic if it is a substantial treat to financial stability and has the potential to lead to serious negative consequences on markets and real economies. The Group may be exposed to systemic risk due to its interconnection with markets and investors. The Group's objective is to anticipate and protect itself from these possible negative effects through crisis simulations, continuity plans and the setting of exposure limits for relevant risks.

Strategic risk – current or future risk of negative impact on profits and capital caused by changes in the business environment or adverse business decisions, inadequate implementation of decisions or the lack of reaction to the changes in the business environment. The Group's objective is to provide a proper framework for the management of strategic risks, through the correlation of strategic objectives with means and methods used to reach these objectives, necessary resources, as well as quality of the decision-making process.
The management of the Group cannot predict all effects of the internal and international evolution that might have an impact on Romanian financial sector.
In 2021 the Group adopted all necessary measures to carry out its activity under the current financial market conditions, by adapting its investment policy and constantly monitoring cash flows.

Reputational risk - current or future risk of negative impact on profits and capital caused by the unfavourable perception of the company's image of shareholders, investors or supervisory authority. The prevention and lowering of reputation risk is made through the following methods, not limited to them: adequate application of own ethics norms, confidentiality, as well as regulations in force concerning the prevention and fight against money laundering, preparation of an adequate form of presentation/communication of informative materials and materials for the promotion of the Group's activity, and setting work procedures and competences in case of an emergency situation.

Conflict of interest risk – risk of loss due to any situation in which the interests of the Group are different from the personal interests of employees, directors and managers or their close relatives. The Group provides an efficient and unitary framework for conflict prevention and avoidance and adopts measures and rules to avoid conflict of interest.

Risk related to activities carried out by the Group's subsidiaries – current or future risk of negative effect on profits and capital or company reputation due to negative effects on the level of the companies within the Group. In order to manage this risk, companies within the Group include information on the relevant risks they are exposed to, their management method and possible prevention and lowering measures for these risks in their quarterly reports.

Sustainability risks - an event or an environment, social, or governance condition that, should it occur, it could cause a significant negative effect, actual or potential on investment value. Sustainability risks are included in the classification and management of risks that the Group is exposed to during its business activities.

3.1.7. Tax Risk

The tax system in Romania is subject to various interpretations and permanent changes that may be retroactive. In some cases, the tax authorities may take different positions from the Group's position and may calculate interest and tax penalties. Although the tax on a transaction may be minimal, the penalties may be high, depending on the interpretations of the tax authorities.
In addition, Romanian government has a number of subordinated agencies authorized to control both Romanian and foreign entities operating in Romania. These control are largely similar to those carried out in many other countries, but may also be extended to legal or regulatory areas the Romanian authorities may be interested in.

Tax returns may be subject to control and revision for a period of five years, generally after their submission. In accordance with legal regulations in force in Romania the controlled periods cannot be subject to additional verifications in the future.

The management of the Group considers that it has correctly calculated and registered its taxes, duties or other debts to the Romanian state. Nevertheless, there is still a risk that authorities may have a different position than that of the group.

The last control of the National Agency for Tax Administration that the Company was subjected to has covered a period up to 1st January 2010. As a result, the Company's liabilities on this date may the subject to further verification, to the extent that they have not already become out-dated.

With regard to subsidiaries, tax inspections targeted specific areas, in particular for VAT return.

3.1.8. Economic risk

The internal and international environment is going through a profound crisis generated by COVID pandemic. At the same time, Romanian economy continues to show the specific characteristics of an emerging economy. Among the characteristics of the Romanian economy is the existence of a currency that is not fully convertible abroad and a low degree of liquidity of the capital market.
Consequently, there is a significant degree of uncertainty about the future development of the political, economic and social environment.

The management of the Group is concerned with estimating the nature of the changes that will take place in Romanian economic environment and their effect on the financial statement and operational and treasury result of the Group.
The main risks and uncertainties for the coming period in the context of Covid 19 pandemic are associated with the high volatility of stock quotes.
The management of the Group cannot predict all effects that a crisis might have on the financial sector in Romania, nor its potential impact on the financial statements.

The management of the Group considers it has adopted all necessary measures for the Group's sustainability and development, under current market conditions.

3.2. Exposure to market risk, credit risk, liquidity risk and treasury risk

3.2.1. Exposure to market risk

Exposure to market risk

The Group is exposed to the risk associated to price variation of financial assets at fair value through profit or loss through other comprehensive income. On 31st December 2021, 86% of total shares with active market held by the Group (31st December 2020: 90%) were investments in companies included in the BET index of Bucharest Stock Exchange, index weighted with market capitalization created to reflect the overall trend of the prices of the ten most liquid shares traded on Bucharest Stock Exchange. A positive variation of 10% of the price of financial assets at fair value through profit or loss would lead to an increase of post-tax profit by 27.298.314 lei (31st December 2020: 26.204.559 lei), a negative variation of 10% having an equal net impact of contrary sign.

A positive variation of 10% of the price of financial assets measured at fair value through other comprehensive income would lead to an increase of equity net of income tax by 149.074.963 lei (31st December 2020: by 127.683.610 lei), a negative 10% variation having an equal net impact of the contrary sign.

The Group holds shares in companies operating in different sectors of activity, as follows:

	31ST December 2021	%	31st December 2020	%
Financial bank and insurance	1.144.622.670	64	949.355.738	63
Natural gas industry	295.191.468	17	278.738.607	19
Manufacture and maintenance of transportation means	190.675.914	11	98.097.116	7
Real-estate transactions, rental, other services	61.522.556	3	57.152.058	4
Energy industry	41.668.790	2	21.211.750	1
Wholesale, retail, tourism and restaurants	21.719.987	1	17.230.878	1
Food industry	9.709.783	1	4.795.402	0
Textile industry	6.073.024	1	6.789.823	0
Manufacture of machines, tools and equipment	5.140.466	0	7.549.296	1
Transport, storage, communication	2.403.249	0	4.702.309	0
Construction materials industry	1.782.748	0	9.325.225	1
Other	1.436.347	0	1.376.050	0
Chemical and oil industry	-		42.736.198	3
TOTAL	**1.781.947.002**	**100**	**1.499.060.450**	**100**

As can be seen in the table above, on 31st December 2021 the Group mainly held shares in companies operating in the financial – bank field and insurance, with 64% of the entire portfolio (31st December 2020: 63%).

Exposure to interest rate risk

On 31st December 2021 and 31st December 2020, most of the Group's assets and liabilities do not bear interest. Therefore the Group is not significantly affected by the interest rate fluctuation risk. Cash surplus or other money availabilities are mainly invested in short-term bank deposits with initial maturity between 1 and 12 months. Moreover the Group invested in a non-significant manner in corporate and municipal bonds with fixed or variable interest.

The following tables present the Group's exposure to interest rate risk.

In Lei	Net value on 31st December 2021	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current accounts	14.039.475	14.012.946	-	-	-	26.529
Bank deposits with initial maturity under 3 months	174.396.940	173.094.332	1.302.608	-	-	-
Bank deposits with initial maturity over 3 months	6.682.039	3.540.934	-	3.141.105	-	-
Financial assets at fair value through profit or loss	325.937.896	-	-	-	-	325.937.896
Financial assets measured at fair value through other comprehensive income	1.770.881.534	-	-	-	-	1.770.881.534
Investments accounted for using the equity method	42.850.061	-	-	-	-	42.850.061
Bonds at fair value through other comprehensive income elements	3.982.215	-	-	24.130	3.958.085	-
Bonds at amortized cost	16.689.194	3.172	-	16.641.964	44.058	-
Other financial assets at amortized cost	10.626.512	-	-	-	-	10.626.512
Total financial assets	**2.366.085.866**	**190.651.384**	**1.302.608**	**19.807.199**	**4.002.143**	**2.150.322.532**
Liabilities						
Borrowings	8.307.026	7.588.542	-	718.484	-	-
Leasing contract liabilities	8.525.431	126.140	242.631	1.007.867	7.148.793	-
Dividends payable	34.488.962	-	-	-	-	34.488.962
Financial liabilities at amortized cost	9.057.658	-	-	-	-	9.057.658
Total financial liabilities	**60.379.077**	**7.714.682**	**242.631**	**1.726.351**	**7.148.793**	**43.546.620**

In Lei	Net value on 31st December 2020	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current accounts	4.715.884	4.677.520	-	-	-	38.364
Bank deposits with initial maturity under 3 months	97.686.921	92.679.851	5.007.070	-	-	-
Bank deposits with initial maturity over 3 months	2.216.704	875.562	-	1.341.142	-	-
Financial assets at fair value through profit or loss	312.771.668	-	-	-	-	312.771.668
Financial assets measured at fair value through other comprehensive income	1.485.586.364	-	-	-	-	1.485.586.364
Investments accounted for using the equity method	40.075.058	-	-	-	-	40.075.058
Bonds at fair value through other comprehensive income elements	3.802.401	-	-	3.802.401	-	-
Bonds at amortized cost	16.644.595	3.289	-	56.293	16.585.013	-
Other financial assets at amortized cost	17.152.575	-	-	-	-	17.152.575
Total financial assets	**1.980.652.170**	**98.236.222**	**5.007.070**	**5.199.836**	**16.585.013**	**1.855.624.029**
Liabilities						
Borrowings	9.793.365	8.793.834	-	999.532	-	-
Leasing contract liabilities	2.179.630	72.344	150.553	587.143	1.369.590	-
Dividends payable	36.338.673	-	-	-	-	36.338.673
Financial liabilities at amortized cost	5.477.053	-	-	-	-	5.477.053
Total financial liabilities	**53.788.721**	**8.866.178**	**150.553**	**1.586.675**	**1.369.590**	**41.815.726**

The impact on the Group's net profit of a modification of +/- 100 bp of the interest rate corresponding to assets and liabilities bearing variable interest presented in other currencies, corroborated with a modification of +/- 500 bp of the interest rate related to the assets and liabilities bearing variable interest and presented in lei is -/+ 322.284 lei (31st December 2020: -/+ 374.761 lei).

Exposure to currency risk

Assets expressed in lei and in other currencies on 31st December 2021 and 31st December 2020 are presented in the tables below:

In Lei	Net value on 31st December 2021	Lei	EUR	USD
Financial assets				
Cash and current accounts	14.039.475	10.923.956	3.105.441	10.078
Bank deposits with initial maturity under 3 months	174.396.940	167.655.128	6.741.812	-
Bank deposits with initial maturity over 3 months	6.682.039	6.682.039		-
Financial assets at fair value through profit or loss	325.937.896	323.782.273	2.155.623	-
Financial assets measured at fair value through other comprehensive income	1.770.881.534	1.770.881.534	-	-
Investments accounted for using the equity method	42.850.061	42.850.061	-	-
Bonds at fair value through other comprehensive income	3.982.215	-	3.982.215	-
Bonds at amortized cost	16.689.194	16.689.194	-	-
Other financial assets at amortized cost	10.626.512	10.614.058	12.454	-
Total financial assets	**2.366.085.866**	**2.350.078.243**	**15.997.545**	**10.078**
Borrowings	8.307.026	7.588.542	718.484	-
Leasing contract liabilities	8.525.431	330.546	8.194.885	-
Dividends payable	34.488.962	34.488.962	-	-
Financial liabilities at amortized cost	9.057.658	3.819.993	5.237.665	-
Total financial liabilities	**60.379.077**	**46.228.043**	**14.151.034**	**-**

In Lei	Net value on 31st December 2020	Lei	EUR	USD
Financial assets				
Cash and current accounts	4.715.884	4.627.704	76.515	11.665
Bank deposits with initial maturity under 3 months	97.686.921	91.896.732	5.790.189	-
Bank deposits with initial maturity over 3 months	2.216.704	2.216.704	-	-
Financial assets at fair value through profit or loss	312.771.668	309.965.925	2.805.743	-
Financial assets measured at fair value through other comprehensive income	1.485.586.364	1.485.586.364	-	-
Investments accounted for using the equity method	40.075.058	40.075.058	-	-
Bonds at fair value through other comprehensive income	3.802.401	-	3.802.401	-
Bonds at amortized cost	16.644.595	16.644.595	-	-
Other financial assets at amortized cost	17.152.575	17.150.370	2.205	-
Total financial assets	**1.980.652.170**	**1.968.163.452**	**12.477.053**	**11.665**
Borrowings	9.793.365	8.793.834	999.531	-
Leasing contract liabilities	2.179.630	288.963	1.890.667	-
Dividends payable	36.338.673	36.338.673	-	-
Financial liabilities at amortized cost	5.477.053	4.392.228	1.084.825	-
Total financial liabilities	**53.788.721**	**49.813.698**	**3.975.023**	**-**

The net impact on the Group's profit of a ± 15% modification of the Leu/EUR exchange rate corroborated with a ± 15% modification of Leu/USD exchange rate, on 31st December 2021, all other variable remaining constant, is ± 233.930 lei (31st December 2020: ± 1.072.726 lei).

3.2.2. Exposure to credit risk

On 31st December 2021 and 31st December 2020 the Group did not hold, in general, real estate collateral or other improvements of credit risk. On 31st December 2021 and 31st December 2020 the Group did not hold any outstanding financial assets, with the exception of some trade receivables or various debtors.

The maximum exposure to credit risk of the Group is of 226.389.846 lei on 31st December 2021 (31st December 2020: 142.180.716 lei), including current accounts and bank deposits, bonds and other financial assets at amortized cost, and can be analysed as follows:

Exposures from deposits and current accounts

	Rating	31st December 2021	31st December 2020
Banca Transilvania	Fitch: BB+	155.697.075	11.748.207
EximBank	Fitch: BBB- (assimilated to sovereign rating)	16.535.151	78.536.993
Raiffeisen Bank	Moody's: Baa1	8.328.367	2.418.959
BRD - Groupe Societe Generale	Moody's: Baa1	4.952.337	4.351.390
Garanti Bank	Fitch: BB-	4.567.978	4.501.262
BCR	Moody's: Baa1	2.503.450	1.077.259
Unicredit Tiriac Bank	Fitch: BBB	15.010	16.553
CEC Bank	Fitch: BBB- (assimilated to sovereign rating)	11.547	12.186
Other commercial banks	No rating	2.496.538	1.926.674
Total bank availabilities		**195.107.453**	**104.589.481**
Cash		26.529	38.364
Total cash and current accounts and bank deposits (gross values) of which:		**195.133.982**	**104.627.845**
Cash and current accounts		*14.039.534*	*4.715.897*
Bank deposits with initial maturity under 3 months		*174.406.659*	*97.693.251*
Bank deposits with initial maturity over 3 months		*6.687.789*	*2.218.697*

		31st December 2021	31st December 2020
Expected credit loss, of which related to:		**(15.528)**	**(8.336)**
Current accounts		(59)	(13)
Bank deposits with initial maturity under 3 months		(9.719)	(6.330)
Bank deposits with initial maturity over 3 months		(5.750)	(1.993)

Exposures from bonds at amortized cost

	Rating	31st December 2021	31st December 2020
Bacău municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	59.032	70.909
Straulesti Lac Alfa bonds	No rating	16.744.533	16.744.533
Total bonds at amortized cost – gross value		**16.803.565**	**16.815.442**
Expected credit loss		(114.371)	(170.847)
Total bonds at amortized cost		**16.689.194**	**16.644.595**

Exposures from bonds at amortized cost through other comprehensive income

	Rating	31st December 2021	31st December 2020
Autonom Service Bonds	Fitch: B+	3.982.215	3.802.401
Total		**3.982.215**	**3.802.401**

Financial assets at amortized cost

	31st December 2021	31st December 2020
AAAS receivables	51.084.774	54.991.048
Trade receivables	9.745.270	14.357.678
BRD – pending transactions	3.768.797	6.295.020
Advances from Depozitarul Central for the payment of dividends to the shareholders	1.218.575	1.500.447
Advances for suppliers	388.874	1.794.327
Other financial assets at amortized cost	5.496.207	6.708.320
Adjustments for expected credit loss	*(61.075.985)*	*(68.494.265)*
Total	**10.626.512**	**17.152.575**

Adjustments for expected credit loss correspond to receivables from the Authority for State Asset Management ("AAAS"), from litigations won with final resolution, that it covers in full, and part of trade receivables.

3.2.3. Liquidity Risk

The structure of the Group's assets and liabilities was analysed on the basis of the remaining period from the balance sheet date to the contractual maturity date, both for the period ended 31 December 2021 and for the financial year ended 31 December 2020, as follows:

31st December 2021	Book value	Value not updated	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets							
Cash and current accounts	14.039.475	14.039.475	14.039.475	-	-	-	-
Bank deposits with initial maturity under 3 months	174.396.940	174.567.851	173.261.334	1.306.517	-	-	-
Bank deposits with initial maturity over 3 months	6.682.039	6.717.306	3.546.540	-	3.170.766	-	-
Financial assets at fair value through profit or loss	325.937.896	325.937.896	-	-	-	-	325.937.896
Financial assets measured at fair value through other comprehensive income	1.770.881.534	1.770.881.534	-	-	-	-	1.770.881.534
Investments accounted for using the equity method	42.850.061	42.850.061	-	-	-	-	42.850.061
Bonds at fair value through other comprehensive income	3.982.215	4.462.843	-	-	152.007	4.310.836	-
Bonds at amortized cost	16.689.194	18.120.775	3.292	-	18.068.038	49.445	
Other financial assets at amortized cost	10.626.512	10.626.512	9.136.885	745.345	473.503	218.341	52.438
Total financial assets	**2.366.085.866**	**2.368.204.253**	**199.987.526**	**2.051.862**	**21.864.314**	**4.578.622**	**2.139.721.929**
Financial liabilities							
Borrowings	8.307.026	8.890.988	202.472	400.033	3.209.997	5.078.486	-
Leasing liabilities	8.525.431	10.140.621	143.181	275.337	1.147.324	8.574.779	-
Dividends payable	34.488.962	34.488.962	34.488.962	-	-	-	-
Financial liabilities at amortized cost	9.057.658	9.057.658	2.634.434	5.102.087	113.790	1.207.347	-
Total financial liabilities	**60.379.077**	**62.578.229**	**37.469.049**	**5.777.457**	**4.471.111**	**14.860.612**	**-**
Net financial assets	**2.305.706.789**	**2.305.626.024**	**162.518.477**	**(3.725.595)**	**17.393.203**	**(10.281.990)**	**2.139.721.929**

31st December 2020	Book value	Value not updated	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets							
Cash and current accounts	4.715.884	4.715.884	4.715.884		-	-	-
Bank deposits with initial maturity under 3 months	97.686.921	97.779.733	92.757.218	5.022.515	-	-	-
Bank deposits with initial maturity over 3 months	2.216.704	2.231.922	876.601	-	1.355.321	-	-
Financial assets at fair value through profit or loss	312.771.668	312.771.668	-	-	-	-	312.771.668
Financial assets measured at fair value through other comprehensive income	1.485.586.364	1.485.586.364	-	-	-	-	1.485.586.364
Investments accounted for using the equity method	40.075.058	40.075.058	-	-	-	-	40.075.058
Bonds at fair value through other comprehensive income	3.802.401	4.452.428	-	-	168.863	4.283.565	-
Bonds at amortized cost	16.644.595	19.485.040	3.433	-	1.364.538	18.117.069	-
Other financial assets at amortized cost	17.152.575	17.152.575	12.402.288	2.689.181	1.966.950	879	93.277
Total financial assets	**1.980.652.170**	**1.984.250.672**	**110.755.424**	**7.711.696**	**4.855.672**	**22.401.513**	**1.838.526.367**
Financial liabilities							
Borrowings	9.793.365	10.267.784	193.078	381.798	2.898.415	6.794.493	-
Leasing liabilities	2.179.630	3.101.971	72.189	149.406	645.074	2.235.302	-
Dividends payable	36.338.673	36.338.673	36.338.673	-	-	-	-
Financial liabilities at amortized cost	5.477.053	5.477.053	3.919.500	576.300	110.400	210.229	660.624
Total financial liabilities	**53.788.721**	**55.185.481**	**40.523.440**	**1.107.504**	**3.653.889**	**9.240.024**	**660.624**
Net financial assets	**1.926.863.449**	**1.929.065.191**	**70.231.984**	**6.604.192**	**1.201.783**	**13.161.489**	**1.837.865.743**

3.2.4. Exposure to treasury risk

	31st December 2021	31st December 2020
Net cash resulted from operating activities	203.504.200	65.263.677
Net cash used in investment activities	(24.748.700)	(9.067.671)
Net cash used in financing authorities	(92.759.678)	(72.848.496)
Net increase / (decrease) of cash and cash equivalents	**85.995.822**	**(16.652.490)**
Cash and cash equivalents on 1st January	102.332.375	118.984.865
Cash and cash equivalents on 31st December	**188.328.197**	**102.332.375**

Cash and cash equivalents include the following elements:

	31st December 2021	31st December 2020
Cash in the cash register	26.529	38.364
Current bank accounts	14.012.946	4.677.532
Bank deposits with maturity under 3 months (principal)	174.288.722	97.616.479
Cash and cash equivalents	**188.328.197**	**102.332.375**

4. Important subsequent events

4.1. EVERGENT Investments SA

I. The extraordinary general meeting of shareholders on 20th January 2022

Main resolutions adopted:
1. The amendment and completion of the provisions of art. 7, lines 20-23 of EVERGENT Investments's Memorandum of Association
2. Reduction of EVERGENT Investments S.A's share capital from 98.121.305,10 lei to 96.175.359,20 lei in accordance and motivaed by EGMS Resolution no. 3 on 29.04.2021
3. The running of a treasury share buy-back program ("Program 6") for the reduction of share capital through share annulment. The number of shares that can be bought-back is maximum 23.100.000 shares, and maximum price per share is 2,2 lei.

II. The running of the treasury shares buy-back program in accordance with EVERGENT Investments' EGMS resolution no. 4/20.01. 2022.

The first stage of the buy-back program is currently running.
Main characteristics presented in current report on 25.01.2022
- ✓ Period: 26.01.2022 – 15.06.2022;
- ✓ Number of shares: maxim 8.000.000;
- ✓ Maximum price: 2.2 lei/share;
- ✓ Purpose: the company will buy-back shares for the purpose of reducing the share capital
- ✓ Broker: BT Capital Partners.

III. Collection of the amount of receivables from AAAS

In January 2022 we collected the amount of 2.099.598,02 lei, after the validation of a garnishment on the Treasury of Bucharest Municipality, within enforcement files against AAAS. The total amount recovered in 2021 and 2022 in the enforcement procedure against AAAS is of 6.071.505 lei.

IV. Cease of compliance officer's activity

EVERGENT Investments has informed its shareholders and investors that Mr George-Catalin Nicolaescu no longer exercises the compliance officer function, following the cease of his employment with the company through retirement on 20.01.2022. On 1st February 2022, EVERGENT Investments hired a compliance officer that will cover the compliance function following FSA authorization. Mrs Michaela Pușcaș continues to insure the permanent compliance function.

4.2. Mecanica Ceahlau SA – n/a

4.3. Regal SA – n/a

4.4. Agrointens SA
- February 10, 2022 EGMS: establishment of a representative office in Bucharest, sector 1, 1A Poligrafiei boulevard, 1st floor, Ana Tower building
- March 9, 2022, the amount of 678,757 lei (VAT to be recovered) was collected, following the fiscal inspection completed on February 14, 2022
- March 10, 2022: The extraordinary general meeting of shareholders approved the increase of the Company's share capital by 4,845,000 lei, within the project "Extending the blueberry farm investment".

4.5. Everland Capital SA – n/a

4.5. EVER IMO – n/a
4.6. Casa SA – n/a

The Russian-Ukrainian military conflict

On February 24, 2022, Russia began military operations against Ukraine. This was preceded by a relocation of troops to the border with Ukraine and the diplomatic recognition by Russia, of the Donetsk Popular Republic and the Lugansk Popular Republic.

EVERGENT Investments has no direct exposure in Russia or Ukraine. However, this event is expected to have a negative impact on many economic sectors, given Russia's important role in the energy raw materials market in Europe. An increased volatility of the quotations on the Bucharest Stock Exchange is already taking place and we anticipate continuing at least in the short term, over a horizon of 3-6 months. This is also reflected in the fair value measurement of the holdings in the EVERGENT Investments portfolio, with a potential impact on both the income statement and other comprehensive income.

Based on the existing data, EVERGENT Investments analyzed the possible evolutions of the domestic and international economic environment as a result of this event, ad-hoc crisis simulations were performed according to risk procedures, concluding that the performance of EVERGENT Investments may be affected, but only in the short or medium term and no difficulties are estimated in meeting the Company's commitments, and business continuity is not affected. At the date of authorization of these annual financial statements, the management is not able to reliably estimate the impact, as events are unfolding day-by-day.

EVERGENT Investments closely monitors the evolution of this conflict, its impact and the measures taken at the international level on the national economic environment, which is the market where the company's assets are exposed.

5. Information on the acquisition of treasury shares by EVERGENT Investments Group

The running of the treasury shares buy-back program by EVERGENT Investments in according of EMGS EVERGENT Investments No. 4/27.04.2020, in 3 stages, between 12.10.2020 and 07.05.2021.

Completion of the second stage of the treasury shares buy-back program (with the modification of characteristics announced in current report on 26.01.2021). The cumulated results of the operations are the following:

- ✓ Period: 09.12.2020 – 03.03.2021;
- ✓ Number of bought-back shares: 4.686.171;
- ✓ Average price: 1,2783 lei/share;
- ✓ Total share value: 5.990.177,98 lei;
- ✓ Percentage of EVERGENT Investments' share capital: 0,47%;
- ✓ Broker: BT Capital Partners.

The third stage of the treasury shares buy-back program (announced through current report on 26.03.2021). The cumulated results of the operations are the following:

- ✓ Period: 29.03.2021 – 07.05.2021;
- ✓ Number of acquired shares: 2.600.000;

- ✓ Average price: 1,4261 lei/shares;
- ✓ Total value of shares: 3.707.955.61 lei;
- ✓ Percentage of EVERGENT Investments' share capital: 0,26%;
- ✓ Broker: BT Capital Partners.

The running of the public offering for EVER Share purchase (current report of 04.03.2021)
FSA resolution no. 303/03.03.2021 approved the public purchase offering for shares issued by EVERGENT Investments SA, with the main characteristics:

- ✓ The number of shares that are object of the offer: 8.266.125, representing 0,84% of share capital;
- ✓ Purchase price: 1,6 lei per share;
- ✓ Running period: 9th March – 22nd March 2021;
- ✓ Offer Broker: BT Capital Partners;
- ✓ Subscription locations: according to offer document displayed on www.sifm.ro.

The purpose of the program is the reduction of the share capital through the annulment of bought-back shares, according to EGMS resolution no. 4 on 27th April 2020.

The running of the treasury shares buy-back program, in accordance with the resolution of EGMS EVERGENT Investments no. 2/29.04.2021 : the running of the public purchase offer for EVER Shares (current report on 23.09.2021 – FSA Resolution no. 1165/22.09.2021)

FSA resolution no. 1165/22.09.2021 approved the public purchase offering for shares issued by EVERGENT Investments SA, with the main characteristics:

- ✓ Number of shares that are object of the offer: 19.459.459, representing 1,9832% of share capital;
- ✓ Purchase price: 1,85 lei per share;
- ✓ Running period: 28th September– 11th October 2021;
- ✓ Offer Broker: BT Capital Partners;
- ✓ Subscription locations: according to the offer document displayed on site www.evergent.ro.

The purpose of the program is the reduction of the share capital through the annulment of bought-back shares, according to EGMS resolution no. 2 on 29th April 2021.

Subsequent events related to treasury shares acquisition programs:

The running of the treasury share buy-back program in accordance with the resolution of EGMS EVERGENT Investments no. 4/20.01.2022.

The first stage of the buy-back program is currently running

Main characteristics announced in current report on 25.01.2022

- ✓ Period: 26.01.2022 – 15.06.2022;
- ✓ No. of shares: maximum 8.000.000;
- ✓ Maximum price: 2.2 lei/share;
- ✓ Purpose: the company shall buy-back shares for the purpose of reducing the share capital
- ✓ Broker: BT Capital Partners.

The operations are part of EVERGENT Investments' policy mix that includes buy-back programs and dividend distribution that provide a higher return on invested capital than other placement types.

6. Corporate Governance

6.1. Corporate Governance Code

(www.evergent.ro/despre noi/Codul de guvernanta corporativa)

EVERGENT Investments' Corporate Governance Code is aligned with the provisions of FSA Regulation no. 2/2016 regarding the application of corporate governance code by entities authorized, regulated and supervised by the Financial Supervisory Authority (FSA Reg. no. 2/2016), **the Corporate Governance Code of Bucharest Stock Exchange, OECD Corporate Governance Principles, as well as the best practices in the field.**

6.1.1. Structure and functioning method of management and administrative bodies

6.1.1.1. General Meeting of Shareholders – The General Meeting of Shareholders is the supreme deliberating and decision body of the Company and functions in accordance with legal provisions in force and those of the Memorandum of Association. The ordinary and extraordinary general meetings of shareholders are convened by the Board of Directors in accordance with legal and statutory provisions. The proceedings of the meetings are written down by the elected GMS secretary. The general meeting of shareholders adopts resolutions based on drafts suggested by the Board of Directors and/or shareholders. GMS resolutions, signed by the session president are reported to FSA, BVB and made public through their submission and registration in the Trade Registry, publication in Romania's Official Journal part IV, display on the official website. GMS resolution are enforceable (to be applied immediately) from the time of their being adopted, unless there is another date mentioned when they are to become enforceable in their wording or legal provisions (*Details are presented in Annex 1).*

6.1.1.2. Board of Directors - the Company is managed by a Board of Directors comprised of 5 members, natural persons, elected by the General Meeting for a 4 years' period, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA. The current members of the Board of Directors are: Doroș Liviu Claudiu – President CEO; Iancu Catalin-Jianu-Dan – Vice-president, deputy CEO; Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu – they were approved by OGMS resolution no. 2/28.01.2021, for 5th April 2021 – 5th April 2025 mandate, authorized by FSA (Authorization no. 49/30.03.2021).

(Detais on the organization and responsibilities of the Board of Directors are presented in Annex 1)

6.1.1.3. Audit Committee - is a permanent committee, independent from EVERGENT Investments' management, subordinate to the Board of Directors. The Audit Committee assists the Board of Directors in fulfilling its responsibilities in the field of financial reporting, internal control, internal and external audit and risk management. The Audit Committee is comprised of 3 members, namely:

1. Octavian Claudiu Radu – president – non-executive and independent member;
2. Horia Ciorcila – member – non-executive and independent director;
3. Costel Ceocea – member – non-executive director.

(Details on the organization and responsibilities of the Audit Committee are presented in 1)

6.1.1.4. Appointing and Remuneration Committee - committee is a permanent committee, with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors. The Committee assists the Board of Directors in its fulfilment of responsibilities related to the appointing and remuneration of members for management functions, as well as their remuneration. The Committee is comprised of 3 members, namely:

1. Costel Ceocea – President – non-executive manager;
2. Octavian Claudiu Radu – member – non-executive and independent director;
3. Horia Ciorcila - member - non-executive and independent director.

(Details on the organization and responsibilities of the Appointing and Remuneration Committee are presented in Annex no. 1)

6.1.1.5. Investment Committee - is a permanent committee, with consultative function, independent from EVERGENT Investments SA's executive management, subordinate to the Board of Directors. The Investment Committee assists and supports the Board of Directors in the fulfilment of its obligations in the field of drafting investment strategies and policies, abidance by the decisions concerning the application of investment policy, the analysis of the securities portfolio and management of related risks. The Committee is comprised of 3 members, namely:

1. Horia Ciorcila – President – non-executive and independent director;
2. Octavian Claudiu Radu – member – non-executive and independent worker;
3. Costel Ceocea – member – non-executive director.

6.1.1.6. The Company's **executive management** is ensured, in accordance with the provisions of the Memorandum of Association, resolutions of the Board of Directors and regulations in force by the CEO and deputy-CEO, who act as managers of the company as per Companies' Law no. 31/1990. The managers meet the legal requirements for their position; have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM. Members of EVERGENT Investments' management: Doros Liviu Claudiu – CEO, Iancu Catalin Jianu Dan – deputy-CEO - FSA authorization no. 59/05.04.2021

(Details on the organization and responsibilities of Executive Management are presented in Annex 1)

6.2.1.7. The Management Committee ensures the supervision of the company's activity between the meetings of the Board of Directors within the limitations of its assigned competencies.

Each director of the company coordinates the daily activity of certain departments, according to the organizational chart, and adopted individual decisions on specific activity areas, and together they adopt resolutions within the actual collective work body, the Management Committee, applying the legal requirement that directors insure the actual management of the company. For this purpose, the Committee adopts resolutions regarding:

- the implementation of the investment strategy set by the Board of Directors
- implementation of Board of Directors' resolutions targeting assigned competencies
- issues that fall under the competence area of the Board of Directors and that are to be presented for its debate and approval, concerning assigned attributions
- issues that through their nature might impact all activity lines (business, support, compliance)
- issues that require full understanding and harmonization of business and compliance aspects, in order to adopt a decision.

(Details on the organization and responsibilities of the Management Committee are presented in Annex 1)

6.1.2. Protection of EVERGENT Investments interests and assets through legal procedures. The main objectives of the legal department are: legal consultancy and representation. The legal department has made sure that in line with the company's objectives and strategy, the company's rights and obligations are fulfilled on time and under legal conditions. The service is subordinate to the President and CEO, being coordinated by a Director who is responsible for managing all activities related to legal advice and representation, ensuring the legality endorsement for all legal documents the company is party in.

In the reporting period, the Company registered in its specific records a number of 223 litigations, a number of 63 solved and final, the legal assistance and representation activity focusing on litigations with object the annulment of certain GMS resolution of companies in the portfolio for which illegitimacy grounds were identified, as well as obtaining receivables from various debtors, mainly the recovered of amounts owed by AAAS București.

Legal consultancy is at the same time a current activity of the outmost importance with a special weight within the Legal Department, this activity being provided both for the company and the companies in

the Group, its objective being the achievement of strategy and protection of legitimate interests in operations the Company is part of, abiding by legal provisions in force.
(Details on the status of litigations on 31st December 2021 are presented in annex 2).

6.2. Main characteristics of the internal control and risk management systems of EVERGENT Investments Group

6.2.1. Risk management - EVERGENT Investments sets and maintains the permanent risk management function that is separate and independent from other functions and activities. Structurally and hierarchically the Risk management department is subordinate to the Board of Directors. The permanent risk management function is exercised independently from the hierarchic and functional point of view, form that of portfolio management and other functional departments through the adoption of all organisational measures to prevent conflicts of interest, expressly foreseen by the company's internal regulations. The permanent risk management function has the necessary authority and access to all relevant information necessary to fulfil attributions and responsibilities. The staff of the risk management department:
1. Sonia Fechet- risk administrator, risk manager (FSA Reg. no.: PFR132FARA/040050)
2. Elena Rebei – senior risk manager (FSA Reg. no.: PFR132FARA/040049)
(Details on the organization, responsibilities of the Risk Management Department are presented in annex 3)

6.2.2. Compliance - EVERGENT Investments sets-up and maintains a permanent and efficient function for compliance verification that is independent. Structurally and hierarchically the Compliance Department is subordinate to the Board of Directors. Each individual employed by the Compliance Department is subjected to FSA authorization and registered in the Public FSA Register.

Staff of the Compliance department:
1. Michaela Puscas – compliance officer, department manager (FSA Reg. no.: PFR131RCCO/04003);
2. Catalin Nicolaescu – compliance officer (FSA Reg. no.: PFR131RCCO/04004).
(Details on the organization and responsibilities of the Compliance department are presented in annex 3)

6.2.3. Internal audit - EVERGENT Investments sets and maintains the permanent internal audit function, independent from other functions and activities of EVERGENT Investments. The department is subordinate to the Board of Directors. For the purpose directing the activity, the internal Audit Department develops policies and procedures aligned to the requirements of the International Standards for the professional practice of internal audit. FSA notified internal auditors: Virginia Sofian, Gabriela Stelea
(Details on the organization and responsibilities of the Internal Audit department are presented in annex 3)

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2021 Activity Report of the Board of Directors was approved in the Board meeting of March 25, 2022.

Claudiu DOROȘ
President CEO

Mihaela MOLEAVIN
Finance Director

Michaela PUȘCAȘ
Compliance Manager

Georgiana DOLGOȘ
Director

Structure and method of operation of directors bodies, management bodies and committees – EVERGENT Investments SA

1.1. General Shareholder's Meeting

The supreme government body of EVERGENT Investments is the General Meeting of Shareholders (GMS). The ordinary and extraordinary general meetings are convened by the Board of Directors in compliance with legal and statutory provisions. The proceedings of the meetings are recorded by the secretariat chosen by the GMS; the minutes are drafted in the special register.

The General Meeting of Shareholders adopts resolutions based on proposals made by the Board of Directors and/or shareholders. GMS resolutions, signed by the meeting president, are reported to FSA, BSE and made public through publication in the Official Gazette part IV, posting on the official website of the company and at its headquarters. The GMS resolutions are enforceable (applied immediately) from the moment they are adopted, if their contents or legal provisions do not foresee another time for their becoming enforceable.

1.2. Board of Directors

The company is managed by a Board of Directors comprised of 5 members, individuals, elected by the general meeting for a period of 4 years, with the possibility of being re-elected. The members of the Board of Directors are FSA approved.

In its activity, the Board of Directors adopts resolutions. The resolutions of the Board of Directors are valid if more than half its members were present and the resolutions are adopted with the majority of votes cast by present members. The president of the Board of Directors will have decisive vote in case there is a tie. The president of the Board of Directors who is also the company's CEO cannot have a decisive vote. Legally adopted resolutions are mandatory for the directors and other managers and enforceable at the time of written submission or from the time of the general notification, through the secretariat of the Board of Directors, if they do not stipulate a later term when they are to come into force in their wording.

The Board of Directors appoints a president and a vice-president from among its members. The President of the Board of Directors may also fulfill the function of CEO of the company, and the Vice President may also fulfill the function of Deputy CEO. The President shall chair the meetings. In the absence of the President, the proceedings shall be conducted by the Vice-President.

The President of the Board of Directors has the following basic responsibilities:
a) coordinates the activity of the Board of Directors;
b) convenes the Board of Directors;
c) establishes the agenda of the Board of Directors;
d) oversees the adequate information of the members of the Board regarding the items on the agenda;
e) chairs the meetings of the Board of Directors;
f) ensures the representation of the Board of Directors in relation to the Directors by signing the director's and manager's contracts;
g) follows the fulfillment of the resolutions of the Board of Directors;
h) signs the minutes of the meeting of the Board of Directors together with another director, if he chaired the meeting;
i) conducts the GMS works and submits to the debate and approval of the GMS the issues on the agenda;
j) ensures the proper functioning of the company's bodies.

The President may have other attributions established by the Board of Directors of the company by decision or expressly provided in legal provisions.

The Vice President of the Board of Directors fulfills the attributions of the President, in his absence.

The vice-president may also have other attributions established by the Board of Directors of the company by decision or expressly provided in legal dispositions.

The members of the board of directors may be represented at the meetings of the board only by other members. A member present may represent a single absent member.

Prevederile statutare reglementeaza situatiile privind:
a) administrarea societatii in perioada tranzitorie dintre data expirarii mandatelor vechilor administratori si data validarii noilor administratori de catre autoritatea competenta;
b) procedura de completare a Consiliului, la vacantarea de locuri;
c) organizarea si desfasurarea sedintelor Consiliului de administratie.
The president chairs the meetings. In case the president is not attending, the meetings are chaired by the vice-president.

The statutory provisions regulate the situations regarding:
a) the administration of the company in the transitional period between the date of expiration of the mandates of the old directors and the date of validation of the new directors by the competent authority;
b) the procedure for completing the Board, when vacancies appear;
c) the organization and development of the meetings of the Board of Directors.

The Board of Directors has the following basic competencies, that cannot be assigned:
a) setting the main activity and development directions of the Company;
b) setting the accounting policies and financial control system, and approves financial planning;
c) appointing and revocation of directors, setting their rights and obligations
d) supervision of directors' activity
e) preparing the annual report, organization of the general meeting of shareholders, and implementing its resolutions;
f) submitting the request to open the company's insolvency procedure;
g) proper fulfillment of the attributions set for the Board of Directors by the general meeting of shareholders
h) setup/cancellation of subsidiaries and other secondary offices, without legal personality, or change of their headquarters;
i) setting and approving the vote procedure during the general meeting of shareholders;
j) setting up other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by the law;
k) pledging, rental, setup of real estate guarantees and mortgaging the company's property, under the following condition:
    - the purchase, sale, exchange or guarantee setup of certain assets in the fixed assets category of the issuer, whose value exceeds either individually or cumulated, 20% of total fixed assets value over one financial year, less liabilities, are concluded by the Board of Directors or directors of the company, only after being previously approved by the extraordinary general meeting of shareholders.
    - the rental of tangible assets, for a period over one year, whose individual or cumulated value with the same contracted party or individuals involved, or acting in a concert manner exceeds 20% of total tangible assets value, less liabilities on the date the legal document is singed, as well as associations over a period longer than one year, exceeding the same value, are to be previously approved by the extraordinary general meeting of shareholders.
l) approval of the exceeding of the limit foreseen by Law no. 31/1990, with the approval of the competent authority, in compliance with the regulations issued by it, for the buy-back of own shares issued in compliance with art. 4 Law 133/1996, in the property of initial holders. The bought-back shares can

be used, based on the resolution of the board of directors, with the approval of the competent authority for the purpose of diminishing the capital or regulating the course of own shares on the capital market.

m) setting the relevant criteria for the monitoring of the activity of executive/higher management and the company as a whole, as well as annual evaluation of the way these criteria are applied;
n) analysis of the adequacy, efficiency and update of the risk management system for an efficient management of held assets, as well as the management method for the risks the company is exposed to;
o) insurance of the abidance by the requirements regarding outsourcing/assignment of certain operational activities or functions, both before their being carried out and over the entire duration of the outsourcing/assignment;
p) analysis and setting of the remuneration policy so that it corresponds to the business strategies, objectives and long-term interests and include measures to prevent the occurrence of conflict of interests;
q) insuring the development and application of ethical and professional standards in order to insure a professional and responsible conduct on the company's level to prevent the occurrence of conflict of interest;
r) approval of the risk appetite and risk tolerance limits for the company, as well as of the procedure for the identification, evaluation, monitoring, management and reporting of the significant risks the company may be or is exposed to;
s) drafting of plans to insure the continuity of the activity for emergency situations and their half-yearly evaluation".

Other attributions of the Board of Directors:

a) drafting general investment policies;
b) bank loan contracting;
c) conclusion of contracts with the depository, auditor and the entity that keeps the shareholders' records;
d) assigning the company representation right to other managers, setting the limitations of the mandate as well;
e) approval of the company's internal regulations and compliance procedure, internal audit, risk management and legal assistance for employees, directors and members of the board of directors;
f) negotiating the collective employment contract;
g) approval of the setup/cancellation of the management committee, with the quorum of votes for resolutions as foreseen in the Memorandum of Association;
h) approval of the organization of the company, organization chart, positions and remuneration limits;
i) appointing the individual(s) to replace the manager;
j) approval of the participation level to the benefit plan for managers and directors, paid including through share assignment or options to buy company shares, abiding by statutory provisions;
k) making sure that the company has an IT system that allows the safe keeping of market price records for each asset in the portfolio, of the net assets, the unitary value of net assets for the regulated reporting periods, record of the calculation method for all commissions, taxes and fees due, and keeping the history of these operations over a maximum period of 5 years;
l) approval of the activity reports for the internal audit, compliance and risk management departments;
m) approval of the investigation plan for the compliance department;
n) ordering measures to remove any law infringement situation, infringement of regulations applicable to be capital market or internal procedures by EVERGENT Investments or its employees, following the analysis of the suggestions submitted in writing by the compliance officer;
o) notification to FSA and capital market institutions involved about the circumstances ascertained by the compliance officer regarding the infringements of the legal regiment applicable to capital market and about the measures adopted;
p) approval of the multiannual and annual audit plan and necessary resources;

q) approval of the internal audit reports and measure plans to implement recommendations;
r) approval of the results of crisis simulations;
s) approval of the quarterly risk reports of the risk management department;
t) approval of the classification of information as privileged and confidential information categories and the measures taken to manage them;
u) approval of the assets evaluation method in compliance with SEV Evaluation Standards and GEV Evaluation Guidelines that are mandatory according to legal provisions to carry out the evaluation activity in Romania, mainly:
   - market approach methods;
   - revenue approach methods;
   - cost approach methods.
v) the approval and examination of each modification of the policies and procedures for assets evaluation;
w) solving any other issues set by the general shareholders' meeting or legal regulations and provisions.

The main objective of the Board of Directors, on the average and long term is defined and determined by EVERGENT Investments particularities, and macroeconomic context it operates on, is insuring a balance between the continuation of the activity under optimum conditions and meeting shareholders' expectations.

The directors' obligations and responsibilities are regulated by provisions regarding the mandate and those especially foreseen by Law no. 24/2017 regarding issuers and market operations, applicable FSA regulations and statutory provisions.

The members of the board of directors hold the knowledge, skills and experience to understand the activities of the company, especially the main risks associated to these activities, as well as the assets EVERGENT Investments invests in.

Advisory Committees of the Board of Directors

The Board of Directors may create advisory committees consisting of board members, charged with conducting investigations and making recommendations to the board, in areas such as auditing, remunerating the directors, managers and employees or nominating candidates for various management positions[1], etc. The Board of Directors establishes the internal rules of the constituted committees.

In applying the "EVERGENT Investments Corporate Governance Code", the advisory committees are usually composed of non-executive and independent members who oversee the specific activity of the effective management and the executive. In the current activity, a clear division of the supervisory and control responsibilities is ensured in relation to the attributions of the executive management.

The activity of the committees is coordinated by a chairman, chosen from among its members. The Board of Directors will be informed immediately regarding the election of the chairman. The Board of Directors may establish additional responsibilities for the chairmen of the committees, establishing at the same time the corresponding indemnity.

The advisory committees of the board of directors must be composed of at least 2 members[2], according to the legal and statutory provisions.

EVERGENT Investments complies with the legal requirements and recommendations of the BSE, which concern:

- ✓ at least one member of each committee must be an independent non-executive director;

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[1] Law 31/1990 art. 140^2 paragraph (1) The Board of Directors may set up advisory committees consisting of at least 2 members of the Board and charged with conducting investigations and making recommendations to the Board in areas such as auditing, remunerating directors, managers, auditors and staff or nominating candidates for various management positions. The committees shall report regularly to the Board on their work.
[2] Memorandum of Association, art. 7, alin. 24 - The Board of Directors may set up advisory committees consisting of at least 2 members of the board, charged with conducting investigations and developing recommendations for the board, in compliance with the applicable legal framework.

- ✓ the audit, investment and remuneration committee consists only of non-executive directors;
- ✓ at least one member of the audit committee must have experience in applying accounting principles or financial audit;
- ✓ *the nomination-remuneration committee* consists of non-executive members, and the majority of members must be independent - BSE recommendation for the Premium category
- ✓ *the audit committee* must consist of at least three members and the majority of the members of the audit committee must be independent ”- BSE recommendation for the Premium category;
- ✓ *the investment committee* must consist of at least three members and the majority of the members of the investment committee must be independent ”- BSE recommendation for the Premium category;

Audit Committee

The Audit Committee is a permanent committee, independent from SIF Moldova management, subordinated to the Board of Directors. The Audit Committee assists the Board of Directors in carrying out its responsibilities in the field of financial reporting, internal and external control and risk management. The Committee issues recommendations on various issues that are the subject of the decision-making process.

The members of the Audit Committee are appointed by the Board of Directors.
The Audit Committee is comprised by a number of 3 members elected from among non-executive managers. The majority of the members of the Committee will be independent non-executive directors (within the meaning of the provisions of Law no. 31/1990). The Chairman of the Committee shall be an independent non-executive director.

The audit committee must have the qualifications provided by law in the field in which the company operates. At least one member of the Audit Committee must have competences in the field of accounting and statutory audit, proven by qualification documents for the respective fields.

Attributions, responsibilities:

a) informs the Board of Directors about the results of the statutory audit and explains how it contributed to the integrity of the financial reporting and what was the role of the Audit Committee in this process;
b) monitors the financial reporting process and sends recommendations or proposals to ensure its integrity;
c) approves the EVERGENT Investments Accounting Policy Manual;
d) monitors the effectiveness of the company's internal quality control systems and risk management systems and of the internal audit regarding the financial reporting of EVERGENT Investments, without violating its independence;
e) monitors the audit of the annual financial statements and of the consolidated annual financial statements, in particular its performance, taking into account the findings and conclusions of the competent authority, in accordance with the relevant regulations in force;
f) analyzes the audit report and / or the opinion of the financial auditor regarding the essential aspects resulting from the financial audit, as well as regarding the financial reporting process and recommends the necessary measures;
g) analyzes the findings and recommendations of the financial auditor regarding the significant deficiencies of the internal control, regarding the financial reporting process;
h) is responsible for the selection procedure of the financial auditor or the audit firm and makes recommendations to the Board of Directors regarding its selection, appointment and replacement, subject to GMS approval, as well as its remuneration terms and conditions, in accordance with the regulations in force;
i) evaluates and monitors the independence of the financial auditor or of the audit firm and, in particular, the opportunity to provide non-audit services, in accordance with the relevant regulations in force;
j) evaluates the conflicts of interests in connection with the transactions of the company, of its subsidiaries, as well as of their directors, managers and employees with the affiliated parties;

k) any transaction of the company with any of the companies with which it has close relations, whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Board following a mandatory opinion of the Audit Committee;
l) approves the Internal Audit Charter and the internal audit and internal control procedures;
m) analyzes and approves the multiannual plan and the annual internal audit plan, the significant interim changes and the necessary resources related to this activity;
n) analyses and approves the annual investigation plan for internal audit and its modifications;
o) makes sure that the internal audit and internal control analysis and reports drafted are compliant with the audit and control plans approved by the Board of Directors;
p) monitors the application of legal standards and generally accepted internal audit standards. The audit committee receives and evaluates the reports of the internal audit team, analyzes and approves the findings and recommendations of the internal audit and the plan of measures for their implementation.
q) receives the report of the compliance officer, analyses and approves the ascertainments and recommendations suggested and the measure plan for their implementation;
r) analyses and approves the annual report regarding internal audit activity;
s) analyses and approves the annual report regarding the compliance activity;
t) analyses and approves the annual report regarding the risk management activity;
u) analyses and approves the risk policy, risk procedures and risk management methodologies;
v) analyses and approves risk reports from the risk management department;

Appointing and Remuneration Committee

The Appointing-Remuneration Committee is a permanent committee with a consultative function, independent from the executive management of EVERGENT Investments, subordinated to the Board of Directors.

The committee assists the Board of Directors in fulfilling its responsibilities in the field of appointing and remunerating the members for management positions, as well as their remuneration.

The Committee consists of at least 2 non-executive members, of which at least one is an independent member, in the sense that it respects the principle of independence provided in art. 18 of the *FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority*.

Attributions, responsibilities:
a) elaborates recommendations regarding the nomination policy of the directors and managers of the company in order to be submitted to the approval of the Board of Directors.
b) approves, prior to the approval by the board of directors, and monitors the observance of the remuneration policy of the directors, managers and employees of the company, drawn up and applied by the executive management of the company. If they notice irregularities in the elaboration or application of the remuneration policy, the members of the committee immediately communicate in writing to the executive management the situations found and follow their correction, informing accordingly the members of the board of directors. The executive management has the obligation to provide a written answer to the committee within 3 working days from the moment of receiving the notification, which in turn will inform the members of the board of directors. If the executive management unjustifiably refuses or postpones the application of the amendments requested by the committee, the board of directors has the obligation to submit to the FSA of a report regarding the deviations identified within the remuneration policy of EVERGENT Investments SA. The report shall be sent within 10 working days from the date of the written communication made by the nomination-remuneration committee.
c) can elaborate recommendations regarding the remuneration policy for the EVERGENT Investments Group;

d) presents to the Board of Directors the annual report on the remuneration and other benefits granted to the directors and managers within the financial year;
e) takes note of the documentation that is made available to the financial auditor for the analysis of the reported transactions according to art. 82 of Law no. 24/2017 regarding the legal acts concluded with the directors and managers and, following the audit report, will recommend the measures that must be taken, if applicable;
f) elaborates recommendations regarding the filling of vacancies within the Board of Directors, in compliance with the GMS decisions and the incident legislation;
g) elaborates recommendations regarding the adoption of the decision of the Board of Directors and / or the executive management for the appointment, hiring, dismissal, respectively dismissal of department directors and staff with key and control functions, as well as for establishing the level of remuneration as well as their rights and duties;
h) periodically evaluates the level of acquisition and application of the specialized knowledge and makes recommendations regarding the process of continuous updating of the professional competencies of the directors, managers;
i) makes recommendations for the improvement of the knowledge regarding the company's activity in order to apply the best corporate governance practices;
monitors the observance of the requirements and obligations of transparency, information and reporting regarding the information from this activity segment.

Investment Committee

The Investment Committee is a permanent committee, with an advisory function, independent of the executive management of EVERGENT Investments SA, subordinated to the Board of Directors.
The Investment Committee assists the Board of Directors in fulfilling its responsibilities in the development of investment strategies and policies, the implementation of investment policy, the analysis of the performance of the portfolio of financial instruments and the management of related risks.
The Committee is composed of at least 2 non-executive members, of which at least one is an independent member, in the sense that it respects the principle of independence provided in art. 18 of the FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority.

Duties, responsibilities:
a) issues recommendations to the Board of Directors regarding the investment strategy and policy;
b) issues recommendations to the Board of Directors regarding the main directions of activity and development of the company;
c) issues recommendations regarding the annual investment objectives substantiated within the annual activity programs;
d) issues recommendations to the Board of Directors regarding the new investment / divestment programs / projects that are within the competence of the Board of Directors for approval;
e) issues recommendations to the Board of Directors regarding:
• maximizing the performance of the financial instruments portfolio;
• the allocation of assets for increasing performance, correlated with the activity program approved by the GMS, with the Investment Strategy and Policy (AIFM) and the economic forecasts;
f) analyzes any investment proposal addressed to it and proposes to the Board of Directors new investment opportunities and methods to improve the activity of efficient asset management;
The investment proposals that will be the subject of the analysis by the Investment Committee will mainly aim at:
• investments in the companies in which EVERGENT lnvestments holds control, in accordance with the statutory provisions and the decisions of the Board of Directors:
"Art. 7 para (18) lit. j) decides the establishment of other companies or legal entities, including the participation in the share capital of other companies, under the conditions provided by the legal regulations "
• transactions with securities from the portfolio and not included in the annual activity program, which exceed the value of 20 million lei;
• investments in new projects, transactions with newly issued securities and / or not included in the

portfolio, as well as the development of new strategic lines.
g) analyzes and issues recommendations regarding the capital operations, increases / decreases of the share capital, as well as the share buyback programs for the purpose of managing the share capital or for the purpose of carrying out the Stock Option Plan programs;
h) issues recommendations regarding the strategy of restructuring the asset portfolio;
i) issues recommendations regarding the portfolio optimization strategies;
j) conducts investigations in the fields within its sphere of competence

1.3. Executive management

The executive management of the company is insured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and Deputy CEO, who act as directors of the company as per Law 31/1990 regarding companies. The directors meet the legal requirements for their position; have a good reputation and sufficient experience in compliance with FSA regulations, including experience with the investment strategies of IFM managed by AIFM.

Executive management is appointed by the Board of Directors, according to statutory provisions, the identity of the individuals being immediately made known to FSA.

The executive management:
- is authorized to manage and coordinate the daily activity of the company, according to the activities coordinated by each director;
- is responsible for the application of the general investment policy, for insuring the abidance by internal regulations and work procedures;
- notifies the Board of Directors regarding the activity carried out between its periodical meetings.

In the field of risk management, executive management is responsible for:
a) making sure that the Risk management policy, the procedures and methodologies for the identification, evaluation, monitoring, management and reporting of significant risks to which the company is or could be subjected to, approved by the Board of Directors are properly implemented;
b) adopting measures, proper and efficient processes and techniques for the monitoring and control of all relevant risks in compliance with the risk management policy;
c) insuring the resources necessary for the implementation of the risk management system;
d) setting the competencies and responsibilities for risk management on the level of each line of activity;
e) proper and efficient application and abidance by the risk limits taken on, including in case of emergency situations, as well as abidance by the risk profile approved by the Board of Directors;
f) making sure crisis simulations are carried out;
g) setting and maintaining a proper system for risk exposure reporting;
h) half-yearly evaluation of the plan to insure activity continuity and for the emergency situations in order to eliminate or minimize risks;
i) development of an integrated risk culture on the level of SIF Moldova, based on a full understanding of the risk the company is confronted with, the way these are managed, taking into consideration the risk tolerance/appetite of the company;

In the field of compliance insurance, the directors are responsible for:
a) approving the compliance policy (can be an integrated document or a combination of distinct internal regulations);
b) the analysis of the compliance policy and its method of implementation in SIF Moldova, at least once a year;
c) providing the resources necessary to implement the compliance policy;
d) ordering measures for the control of compliance risk.

CEO

The CEO enforces the resolutions of the Board of Directors, and for this purpose he issues written resolutions and orders. The decisions and orders are immediately enforceable from the time they are submitted to the individuals who have the authority to fulfill them.

The CEO has the following responsibilities:

a) direct and actual management of the company's activity, in compliance with the objectives set by GMS;
b) implementation of the company's general investment policy;
c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, GMS resolutions or the resolutions of the Board of Directors;
d) patrimonial engagement of the company in its relationship with third parties, through his own signature;
e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors;
f) approval of the measures regarding the protection of the integrity of tangible and intangible assets in the company's patrimony;
g) trading and/or negotiation responsibilities regarding the goods or rights of the company within the limits foreseen by the law, Memorandum of Association, GMS resolution or those of the Board of Directors;
h) representation of the company in relationship with third parties and in court;
i) collaboration with the auditors of the company, the company's depositary and with the entity that keeps the records of shareholders, as well as those with other control or supervision bodies of the company;
j) approval of the content of the information reports for the market and shareholders regarding any action that is the object of a legal reporting obligation;
k) Internal (functional) organization of the company, taking into consideration the legal provisions, the provisions of the Memorandum of Association, internal regulations, the company's organizational chart as well as the resolutions of the Board of Directors;
l) employment, promotion and lay-off of company's employees with the exception of department directors and the individuals holding key-positions that are appointed by the Board of Directors, as well as application of disciplinary actions for the company's employees, in compliance with legal norms and internal regulations.
m) periodical information of the company's employees as well as negotiating with these the individual employment contracts and work conditions;
n) gratification of employees within the limits set by the collective employment contract and /or Board of Directors;
o) verification and control responsibilities for the way the company's employees or other individuals in contractual relationship with the Company carry out their tasks;
p) notification of the Board of Directors of the company regarding the activity carried out, in compliance with applicable law;
q) other responsibilities set by the company's Board of Directors through resolution or expressly foreseen by legal provisions.

The CEO coordinates the entire activity of the Company in compliance with the attribution of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, Legal, Corporate Governance Service, the activity regarding labor safety and health and fire prevention and extinction activity.

The CEO leads and coordinates the Management Committee.

In case of absence, the attributions assigned by the Board of Directors will be the competence of the Deputy CEO and the actual management of the company will be insured by the Deputy CEO and one of the individuals assigned as replacements, and FSA notified.

Deputy CEO
The Deputy CEO has the following attributions:

a) implementation of the board of directors' resolutions;
b) direct and actual management of the company's activity in compliance with the general objectives set by GMS;
c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, resolutions of the general meeting of shareholders or of the Board of Directors;
d) patrimonial engagement of the company in its legal relationship with third parties, through own signature, in compliance with the provisions of internal regulations and within the set competence limits;
e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors and/or General Manager;
f) approves the measures regarding the protection of the integrity of tangible and intangible assets in the property of the company;
g) trading and/or negotiating with third parties regarding the goods or rights of the company, within the limitations set by the law, Memorandum of Association, GMS Resolutions and those of the Board of Directors;
h) company representation before third parties and the court;
i) collaboration with the auditors of the company, the company's depositary and with the entity that keeps the records of shareholders, as well as those with other control or supervision bodies of the company;
j) approves the content of information reports for the market and the shareholders regarding any action that is object of a reporting-related obligation;
k) internal (functional) organization of the company, taking into account legal provisions, the company's memorandum of association, internal regulations, company organizational chart, and the resolutions of the company's Board of Directors;
l) control and promotion of employees in compliance with legal norms and internal regulations;
m) gratifications for the employees within the limits set by the the collective labor contract and/or Board of Directors;
n) verification and control responsibilities for the way in which the employees of the company or other individuals in contractual relationship with the company, fulfill their tasks;
o) informing the Board of Directors of the company regarding the activity carried out, in compliance with applicable law;
p) other attributions set by the Board of Directors of the company through resolution or expressly foreseen by legal provisions.

The Deputy CEO insures the daily coordination of departments: Financial Portfolio, Energy Portfolio, "SELL" Portfolio, Private Equity Portfolio, "Transactions" department. The components of the financial instruments portfolios are set through Bord resolution.

In case of absence, the responsibilities assigned by the Board of Directors will be the competence of the CEO, and the actual management of the company will be insured by the CEO and one of the individuals appointed as replacement and notified to FSA.

1.4. Management Committee

The members of the Management Committee are decided through the resolution of the Board of Directors.

The management committee insures the supervision of the company's activity between the meetings of the Board of Directors within the limitations of the assigned responsibilities.
Each director of the company coordinates the daily activity of some departments, according to the organizational chart and adopts individual resolutions on their specific areas of activity, and together they adopt decisions within the collective work body, the Management Committee, in the application of legal

requirements, so that the directors insure the actual management of the company.

For this purpose, the Committee adopts decisions regarding:

- the implementation of the investment strategy set by the Board of Directors;
- the implementation of Board of Directors' resolution that target assigned competencies
- the issues that fall under the competence area of the Board of Directors, and are to be subjected to debate and approval, regarding assigned responsibilities
- issues that, given their importance might impact all lines of activity (business, support, compliance)
- issues, that require the full understanding and harmonization of business and compliance aspect, in order to adopt a resolution.

The meetings of the Management Committee represent at the same time the internal framework for the full and reciprocal information of directors about the problems specific for the coordinated areas.

The competence limits of the Board of Directors, CEO, Deputy CEO are set taking into consideration the basic responsibilities of the Board of Directors that can be assigned (provisions of art. 7 line 19 letter a-k of the Memorandum of Association).

Organization and carrying out of the Management Committee's activity

In the interval between the meetings of the Board of Directors, the Management committee carries out its activity within the competence limitations set. The decisions of the Management Committee will be reported on a monthly basis to the Board of Directors and will be presented before the Board of Directors for validation in the first meeting.

The legally adopted decisions are mandatory for the directors and employees and enforceable at the time of their communication in writing if they do not stipulate in their wording another term, following the notification. The resolutions of the Management Committee are adopted unanimously. In case there is no unanimity and the Board considers it is necessary, the issue is presented for Bord analysis and/or approval. Otherwise, it is considered that the resolution has not been adopted.

The CEO leads and coordinates the Management Committee, and in this quality:

a) convenes every time necessary the Management Committee is order to present for debate and approval issues that fall under its competence;
b) follows-up the fulfillment of Management Committee's resolutions ;
c) informs the Board of Directors about adopted resolution in each meeting of the Board of Directors.

Protecting the interests /assets of EVERGENT Investments through legal procedures

The activity of assistance, consultancy and legal representation

Given the legislative dynamics, the Legal Department has ensured that, in line with the company's objectives and strategy, the company's rights and obligations are realized on time and under legal conditions. The department is subordinated to the President CEO, being coordinated by a Director who is responsible for managing all activities related to the legal advice and representation, ensuring the visa of legality in all legal acts in which the company is a party.

Legal representation

The main objective of the legal assistance and representation activity was to represent the company's interests before the courts by formulating, within the procedural deadlines, all the necessary defenses.

During the reporting period, the company had registered in its records a number of **223 litigations**, of which **63 cases were definitively resolved**.

Summary of litigations (details in Annex 2.1.)

1. Litigation in which EVERGENT Investments is a claimant:
   - 168 cases of which: 150 cases are pending litigation at various procedural stages (of which 102 cases are in conflict with AAAS) and 38 cases are completed
   - the value of litigations before the courts: 62,239,635.66 lei (claims and insolvency procedure)
2. Litigation in which EVERGENT Investments is a defendant:
   - 55 cases out of which: 30 cases are pending litigation at various procedural stages, and 25 cases are completed
   - the value of litigations before the courts: 94,155.85 lei + 148,720.95 USD in cases having as object various claims.

Legal advice

The Legal Department is **consulted and offers consultancy in all areas of activity** of the company and / or subsidiaries within the Group, **in a significant number of consulting files**, having as object: corporate operations, contracts, investment projects, revisions of legislative proposals, transactions, organization and conduct of General Meetings of Shareholders.

At the end of 2021, the legal consultancy activity highlights a number of **113 consultancy files and a total number of 400 legality approvals** granted on various legal acts, such as contracts, amendments, decisions, mandates, agreements. The main documents and operations performed within the activity of legal advice and granting of activity approvals refers to:

- ✓ Elaboration of the updated Memorandum of Association regarding the change of the company's name, according to the EGMS Resolution of October 30, 2020 and of the one related to the reduction of the share capital, according to the EGMS Resolution of April 29, 2021, registration in the Trade Register of all changes those relating to the emblem and the establishment of the EVERGENT representative office, with full and opposable effects to third parties;
- ✓ Reviewing and approving the documents related to the General Meetings of EVERGENT Investments shareholders that took place in 2021;
- ✓ Legal advice and approval on all the mandates issued by the company during the General Meetings of Shareholders held by the subsidiaries of the EVERGENT Group;
- ✓ Observations and legislative proposals in various areas of interest to the company.

Annex 2.1.

Litigations on December 31, 2021

Statement of pending litigations with object annulment of GMS resolutions for companies in Evergent Investments' Portfolio – quality: plaintiff

No.	Company	Object	Litigation status	Observations
1	Brikston Construction	Annulment of EGMS resolution no. 09.06.2020	Action dismissed with appeal	EVER appeal
2*	Dyonisos Cotesti	Annulment of OGMS resolution on 09.07.2020	Action allowed	With appeal
3*	Dyonisos Cotesti	Annulment of OGMS resolution on 13.01.2021	Action allowed	With appeal
4*	Dyonisos Cotesti	Annulment of GMS resolution on 15.04.2021	Litigation pending on the merits	
5*	Martens SA	Annulment of EGMS resolution on din 30.03.2021	Action dismissed	EVER appeal
6*	Martens SA	Dissolution action	Action dismissed	With appeal
7*	Martens SA	Partial annulment OGMS resolution on 28.04.2021	Litigation pending on the merits	
8*	Martens SA	Partial annulment of EGM 28.04.2021	Action dismissed	With appeal
9*	Santier Naval Constanta	Annulment of OGMS resolution on 27.04.2021	Action dismissed	EVER appeal

SOLVED LITIGATIONS

1	Agricola International SA	Request TR intervention	EVERGENT Investments' appeal dismissed	
2	Agricola International SA	Request TR intervention	EVERGENT Investments' appeal dismissed	
3	Agricola International SA	Complaint TR intervention	EVERGENT Investments' appeal dismissed	
4*	Agricola International SA	Suspension of EMGS on 01.10.2020	EVERGENT Investments' appeal dismissed	
5*	Compa SA	Annulment of EGMS resolutions no. 1 and 2 on 15.01.2020	EVERGENT Investments' appeal dismissed	
6*	Agricola International SA	Suspension of EGMS resolution on 20.11.2020	EVERGENT Investments' appeal dismissed	
7	Agricola International SA	Annulment of EGMS resolution on 28.05.2020	EVER's appeal allowed	
8*	Brikston Construction Solutions SA	Suspension of EGMS resolution on 15.09.2020	EVER's appeal dismissed	
9*	Agricola International SA	Annulment of OGMS resolution on H 18.03.2020	EVERGENT Investments' appeal dismissed	

10	Agricola International SA	Annulment of OGMS resolution on 28.05.2020	Waiver of judgment
11	Bucovina Tex SA	Annulment of OGMS resolution on 09.06.2020	Waiver noted
12*	Martens SA	Suspension of EGMS resolution on 30.03.2021	EVERGENT Investments' appeal dismissed
13	Agricola International SA	Annulment of OGMS resolution on 19.12.2018	Waiver of judgment
14	Agricola International SA	Complaint TR resolution	Waiver of judgment
15	Agricola International SA	Annulment EGMS resolution on 01.10.2020	Waiver noted
16*	Agricola International SA	Annulment EGMS resolution on .11.2020	Waiver of judgment
17*	Brikston Construction Solutions SA	Annulment EGMS resolution on 15.09.2020	EVER's appeal dismissed

Status of pending litigations with object claims - Evergent Investments SA acting as plaintiff

No.	Company / natural individual	Claims value in lei	Object	Observation
1	Nedea Carmen	2,670.00	Enforcement	
2	Vastex S.A.	3,644,554.43	Share value claims Law. 151/2014	Retrial EVER appeal
3	AIPC	6,376.12	enforcement	
4	AIPC	1,552.21	enforcement	
5	AIPC	3,479.45	enforcement	
6	AAAS	3,378.21	enforcement	
7	AAAS	3,309.46	enforcement	
8	A.A.A.S.	970.74	enforcement	
9	A.A.A.S.	5,410.29	enforcement	
10	A.A.A.S.	534,217.30	enforcement	
11	A.A.A.S.	6,792,009.51	enforcement	
12	A.A.A.S.	606,165.30	enforcement	
13	A.A.A.S.	1,450,617.22	enforcement	
14	A.A.A.S.	143,361.86	enforcement	
15	A.A.A.S.	424,057.47	enforcement	
16	A.A.A.S.	1,045,579.33	enforcement	
17	A.A.A.S.	1,279,399.05	enforcement	
18	A.A.A.S.	1,099,612.11	enforcement	
19	A.A.A.S.	1,493,215.39	enforcement	
20	A.A.A.S.	425,550.42	enforcement	
21	A.A.A.S.	13,117.93	enforcement	
22	A.A.A.S.	27,843.83	enforcement	
23	A.A.A.S.	5,712.72	enforcement	
24	A.A.A.S.	89,038.55	enforcement	
25*	AAAS	3,127.50	enforcement	
26	A.A.A.S.	1,665,638.13	enforcement	
27	A.A.A.S.	1,751,391.29	enforcement	
28	A.A.A.S.	972,647.22	enforcement	

29	A.A.A.S.	1,389,751.92	enforcement
30	A.A.A.S.	1,358,582.49	enforcement
31	A.A.A.S.	15,844.25	enforcement
32	A.A.A.S.	1,442.05	enforcement
33	A.A.A.S.	46,221.26	enforcement
34	A.A.A.S.	2,253.58	enforcement
35	A.A.A.S.	32,430.98	enforcement
36	A.A.A.S.	2,002.89	enforcement
37	A.A.A.S.	36,230.58	enforcement
38	A.A.A.S.	2,089.15	enforcement
39	A.A.A.S.	27,038.10	enforcement
40	A.A.A.S.	2,862.20	enforcement
41	A.A.A.S.	42,646.39	enforcement
42	A.A.A.S.	32,527.41	enforcement
43	A.A.A.S.	2,158.77	enforcement
44	A.A.A.S.	11,881.48	enforcement
45	A.A.A.S.	2,125.77	enforcement
46	A.A.A.S.	2,044.43	enforcement
47	A.A.A.S.	2,213.07	enforcement
48	A.A.A.S.	17,762.79	enforcement
49	A.A.A.S.	21,951.73	enforcement
50	A.A.A.S.	2,334,219.84	enforcement
51	A.A.A.S.	1,689,971.85	enforcement
52	A.A.A.S.	1,622,052.19	enforcement
53	A.A.A.S.	2,398,326.82	enforcement
54	A.A.A.S.	1,254,335.66	enforcement
55	A.A.A.S.	1,008,621.73	enforcement
56	A.A.A.S.	1,963,773.83	enforcement
57	A.A.A.S.	277,928.72	enforcement
58	A.A.A.S.	2,633,174.50	enforcement
59	A.A.A.S.	1,594,790.95	enforcement
60	A.A.A.S.	109,276.60	enforcement
61	A.A.A.S.	1,834,336.31	enforcement
62	A.A.A.S.	3,211,018.92	enforcement
63	A.A.A.S.	2,344,821.01	enforcement
64	A.A.A.S.		enforcement
65	A.A.A.S.	447,775.34	enforcement
66	A.A.A.S.	1,921,426.47	enforcement
67	A.A.A.S.	1,684,275.94	enforcement
68	A.A.A.S.	2,066,038.87	enforcement
69	A.A.A.S.	3,037,894.06	enforcement
70	A.A.A.S.	153,650.54	enforcement
71*	A.A.A.S.	581.74	enforcement
72	A.A.A.S.	410,667.53	enforcement
73	A.A.A.S.	2,358.80	enforcement
74	AAAS	1,356.11	enforcement
75	AAAS	1,997.29	enforcement
76	AAAS	2,638.01	enforcement
77	AAAS	2,066.27	enforcement
78	AAAS	2,633.57	enforcement
79	AAAS	3,284.04	enforcement
80	AAAS	3,609.90	enforcement

81	AAAS	3,877.27	enforcement	
82	AAAS	3,238.90	enforcement	
83	AAAS	2,656.57	enforcement	
84	AAAS	3,316.59	enforcement	
85	AAAS	2,749.46	enforcement	
86	AAAS	3,883.79	enforcement	
87	AAAS	2,486.09	enforcement	
88	AAAS	3,349.89	enforcement	
89	AAAS	3,316.71	enforcement	
90	AAAS	3,310.76	enforcement	
91	AAAS	3,326.80	enforcement	
92	AAAS	3,350.85	enforcement	
93	AAAS	3,322.02	enforcement	
94	AAAS	1,373.83	enforcement	
95	AAAS	2,237.46	enforcement	
96	AAAS	1,661.37	enforcement	
97	AAAS	3,300.72	enforcement	
98	AAAS	3,313.87	enforcement	
99	AAAS	3,318.86	enforcement	
100	AAAS	3,376.07	enforcement	
101	AAAS	3,372.95	enforcement	
102	AAAS	3,310.91	enforcement	
103	AAAS	3,407.79	enforcement	
104	AAAS	2,252.96	enforcement	
105	AAAS	1,712.16	enforcement	
106	AAAS	3,361.59	enforcement	
107	AAAS	1,728.55	enforcement	
108*	AAAS	3,012.23	enforcement	
109*	DGFRP	2,660.18	enforcement	
	TOTAL:	**60,650,554.94**		
		SOLVED LITIGATIONS		
1	CIA Hasmatuchi	70.00	claims – rent value	Enforcement
2*	DGFRP	606,34	enforcement	

Status of pending litigations where Evergent Investments SA acts and plaintiff – files connected to claims

No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	Intervention – usucapio action	Retrial on merits	
2	AAAS. Oltchim SA	validation of garnishment	Cause suspended	
3	AAAS. Oltchim SA	validation of garnishment	Cause suspended	
4	AAAS. Oltchim SA	validation of garnishment	Action partly allowed	With appeal
5	AAAS. Oltchim SA	validation of garnishment	Cause suspended	
		SETTLED LITIGATIONS		
1	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained	
2	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained	

3	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
4	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
5	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
6	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' appeal dismissed
7	AAAS. Oltchim SA	validation of garnishment	Action dismissed
8	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' recourse dismissed
9	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' recourse dismissed
10	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' recourse dismissed
11	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' recourse dismissed
12	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' recourse dismissed
13	AAAS. Trezoreria Mun. B	validation of garnishment	EVERGENT Investments' recourse dismissed
14	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
15	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
16	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
17	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
18	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained
19	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained

Status of pending litigations with object insolvency (Evergent Investments SA acting as plaintiff - creditor)

No.	Company	Claim value in lei lei	Status	Observations
1	BIR	344.12	Bankruptcy	Procedure continues
2	Network Press	3,799.87	Bankruptcy	Procedure continues
3	Pantex S.A. Brasov	10.3	Bankruptcy	Procedure continues
4	Nobel Corporation	2,215.31	Bankruptcy	Procedure continues
5	Horticola SA	1,466,168.33	Insolvency	Procedure continues
6	Celule Electrice Bailesti	22,707.72	Insolvency	Procedure continues
7	Genko Med Group	93,835.07	Bankruptcy	Procedure continues
	TOTAL LEI:	**1,589,080.72**		

Status of pending litigations where Evergent Investments SA acts as respondent

No.	Plaintiff	Claims value in lei	Object	Observations
1	Groza Daniel	40,155.85	Claims- lack of real-property use	EVERGENT Investments SA's appeal allowed. Retrial of appeal
2	Mercom SA Onesti	54,000.00	Reclaim of real property and claims	EVERGENT's appeal partly allowed. Liability limited to 13.780 lei.
	TOTAL	**94,155.85**		
3*	Cantoreanu Ioan Florin	**148.720,95 USD** plus penalizing interest	claims – damages suffered following a so-called failure to enforce of amounts due from AAAS to EVER considerate	Action against EVERGENT dismissed. With appeal

4	Spatariuc Maria	Resolution to replace authentic document	Litigation pending on the merits
5	Livadaru Costel s.a.	Resolution to replace authentic document	Litigation pending on the merits
6	Spatariuc Dumitru s.a.	Resolution to replace authentic document	Litigation pending on the merits
7	Dionisie Mirela s.a.	Resolution to replace authentic document	Litigation pending on the merits
8	Reuti Veronica	Share annulment	Litigation pending on the merits
9	Andrei Lina	Resolution to replace authentic document	Litigation pending on the merits

SOLVED LITIGATIONS			
1	Calistru Dumitru	Obligation to do	Action allowed
2	Dau Valentina	Resolution to replace authentic document	EVER's recourse allowed
3	Luchian Doru	Resolution to replace authentic document	EVER's appeal allowed
4	Mătărjac Daniela	Resolution to replace authentic document	Action against EVERGENT dismissed

LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)

No.	Challenged amount in lei	Object	Status	Observations. Garnished third parties
1		enforcement challenge	Challenge dismissed. With appeal	Eximbank, Trezoreria S4 B
2		enforcement challenge	Challenge dismissed. With appeal	AAAS' appeal
3		garnishment challenge	Challenge dismissed	With appeal
4		garnishment challenge	Challenge dismissed	With appeal
5		garnishment challenge	Challenge dismissed	With appeal
6		garnishment challenge	Challenge dismissed	With appeal
7		garnishment challenge	Challenge partly allowed	EVERGENT Investments' appeal
8		garnishment challenge	Challenge allowed	With appeal
9		garnishment challenge	Challenge allowed	EVERGENT Investments' appeal
10		garnishment challenge	Retrial on the merits	
11		garnishment challenge	Challenge allowed	EVERGENT Investments' appeal
12		garnishment challenge	Challenge partly allowed	EVER appeal
13*		garnishment challenge	Challenge partly allowed	EVERGENT Investments' appeal
14*		garnishment challenge	Challenge partly allowed	EVER's appeal
15*		enforcement challenge	Challenge dismissed	AAAS' appeal
16*		garnishment challenge	Challenge dismissed	AAAS' appeal

17*	garnishment challenge	Challenge dismissed	AAAS' appeal
18*	garnishment challenge	Challenge dismissed. With appeal	
19*	enforcement challenge	Litigation pending on the merits	
20*	enforcement challenge	Challenge partly allowed	AAAS' appeal
21*	enforcement challenge	Challenge in annulment - EVERGENT	

SOLVED LITIGATION			
1	enforcement challenge	EVERGENT Investments' appeal dismissed	Garnished third party - Oltchim SA
2	enforcement challenge	AAAS' appeal allowed	
3	enforcement challenge	Connected to 22604/4/2020	
4	enforcement challenge	EVERGENT Investments' appeal dismissed	Garnished third party - Oltchim SA
5	garnishment challenge	AAAS' appeal dismissed	
6	enforcement challenge	EVERGENT Investments' appeal dismissed	
7	enforcement challenge	EVERGENT Investments' appeal dismissed	
8	garnishment challenge	EVERGENT Investments' appeal dismissed	
9	enforcement challenge	D.G.R.F.B's appeal dismissed	
10*	Challenge in annulment	Challenge dismissed AAAS	
11	enforcement challenge	EVERGENT Investments' appeal dismissed	
12	enforcement challenge	AAAS's appeal dismissed	request to complete resolution dismissed
13	garnishment challenge	EVER's appeal dismissed.	
14	garnishment challenge	EVER's appeal dismissed	
15	garnishment challenge	Challenge partly allowed	EVER's recourse dismissed
16	garnishment challenge	EVER's appeal dismissed	
17*	garnishment challenge	EVER's appeal dismissed	
18*	garnishment challenge	EVERGENT Investments' appeal dismissed	
19	enforcement challenge	EVERGENT Investments' appeal dismissed	Garnished third party - Oltchim SA
20*	garnishment challenge	EVERGENT Investments' appeal dismissed	
21*	enforcement challenge	EVERGENT Investments' appeal allowed	Garnished third party - Oltchim SA

* - new litigation, filed in 2021

Main characteristics of the internal control and risk management systems of EVERGENT Investments Group

1. Risk Management

EVERGENT Investments sets and maintains the permanent risk management function that is separate and independent from other functions and activities.
Structurally and hierarchically the Risk Management Department is subordinated to the Board of Directors.

The permanent risk management function is exercised independently, from an hierarchical and functional point of view, from that of portfolio management and other functional departments, by adopting organizational measures to prevent conflicts of interest, as expressly stipulated in the company's internal regulations.

The permanent risk management function has the authority necessary and access to all relevant information necessary to fulfill its obligations and responsibilities.

Each individual employed in the risk management department is presented for FSA authorization and entered in the Public Register of FSA. In case there are more individuals with risk management responsibilities, the detailed responsibilities of each individual will be specified. In case one of the individuals is absent, its attributions and responsibilities will be automatically taken over by another authorized individual.

If the company no longer has a person authorized as a risk manager or in case of its temporary unavailability, one of the company's directors or another employee who has the appropriate knowledge and professional experience will temporarily perform this function until this position will be occupied. The manager in charge of coordinating and supervising the portfolio management function within EVERGENT Investments cannot temporarily take over the attributions of the risk management function. The person temporarily performing this function is notified to the FSA.

The main objective of the department is risk management and control, abidance by the high quality standards imposed by the principles of operational and investment risks management, drafting of attention raising mechanisms in case the alert limits regarding manifestation are reached, risk management through their identification, measurement and management by suggesting and monitoring immediate corrective measures.

The department drafts the Risk Management Policy of EVERGENT Investments, where the risk profile that the company finds acceptable is defined with reference to the relevant risks identified in the company's activity. In order to manage relevant identified risks, the Risk Management department develops work procedures and methodologies.

The department is specialized and has the following attributions and responsibilities:

a) drafting and implementation of efficient risk management policies, procedures and methodologies, as well as any modification of these;
b) identification, measurement, administration and permanent monitoring of all risks relevant to the investment policy of EVERGENT Investments and to which the company is or may be exposed.
c) making sure that the risk profile of EVERGENT Investments as notified to investors abides by the risk limits set for the coverage of at least the following risks: market risk, issuer, liquidity and operational risks.
d) identification of the risks of hiring EVERGENT Investments in the investment / divestment operations proposed by the departments with the function of portfolio management and proposing measures to prevent and reduce them, if necessary;
e) preparation of quarterly risk reports to the Board of Directors regarding the risks administered

f) the evaluation of the risk profile of the company according to the appetite and risk tolerance established by the Board of Directors and the timely communication to the Board of Directors and the executive management if it considers that the risk profile does not comply with the approved risk limits or that there is a significant risk that the risk profile will become inconsistent with these limits;
g) substantiating and proposing risk limits, monitoring compliance with them and notifying the Board of Directors and executive management in good time of any existing or foreseeable exceedances of the established risk limits, in order to ensure that prompt and appropriate action can be taken;
h) identifying the risks of engaging EVERGENT Investments in new activities and proposing measures to prevent and reduce them, if necessary;
i) analyzing the plans for ensuring the continuity of the activity and for the emergency situations of the company;
j) assisting the Board of Directors/executive management in identifying EVERGENT Investments's risk profile;
k) ensuring the classification of the assets categories of EVERGENT Investments within the legal and internal prudential limits in force, including the value of the assets in the relevant threshold and the compliance with the own funds and additional own funds requirements and the timely notification to the Board of Directors and the executive management. with any existing or foreseeable exceedances thereof, to ensure that prompt and appropriate action can be taken;
l) performing crisis simulations, once a year and ad-hoc, under the conditions provided in the risk procedures and ASF regulations in force;
m) calculates monthly the exposure by the gross method and by the commitment method and determines the leverage effect, in order to fulfill the institutional reporting obligations;
n) classification of EVERGENT Investments asset categories by risk classes, from the point of view of the degree of liquidity of the assets;
o) the evaluation of the way in which the structure of the variable remuneration affects the risk profile of the company
p) reporting to the Board of Directors and the executive management the risks identified as potentially significant in accordance with the applied procedures.

The risk management process is carryout out through the following stages:
a) risk identification – risks are defined in the vision of the institution, the component elements are identified and risk-generating events are described.
b) risk evaluation and measurement – for each type of risk identified with the help of quantitative and qualitative methods, using databases and pre-set risk indicators.
c) risk monitoring – risk indicators are monitored as they evolve and they are classified within the set legal and internal limits.
d) risk management and control – measures are proposed to keep risks under control in case the limits are exceeded and reports are sent to the management structure.

The activities carried out include, without being limited to: monthly analysis or analysis made whenever necessary regarding the exposure to relevant risks: market risk, issuer risk exposure, liquidity risk, operational risk, abidance by the prudential limits systems for the assets /assets categories in the portfolio (foreseen by applicable legal regulations), impact of run operations on the prudential limits by making simulations and proposing measures to keep assumed risk under control, operational risks events reported by the departments of EVERGENT Investments.

Based on the attributions assigned to him, the risk management responsible submits regular reports to the directors and the Board of Directors; quarterly risk reports are subjected for approval by the Board of Directors after having received the approval of the Audit Committee. Reports regarding the abidance by prudential limits are submitted for informative purposes to the departments/structures with investment management functions.

2. Permanent function of checking the compliance

EVERGENT Investments sets up and maintains a permanent and efficient function for compliance verification, which is independent.

Structurally and hierarchically the Compliance Department is subordinated to the Board of Directors. Each individual employed in the Compliance Department is subjected to FSA approval and is entered in the public FSA Register.
In case the company submits several individuals with compliance responsibilities for approval, the approval request is accompanied by the detailed responsibilities of each individual employed by the Compliance Department.
In case one of the individuals with internal control responsibilities is absent, his/her attributions and responsibilities will be automatically taken over by another authorized individual.
If EVERGENT Investments no longer has a person authorized as a compliance officer or in the event of its temporary unavailability, one of the members of the company's compliance department, if any, or one of the company's managers or another employee who has the knowledge and adequate professional experience, if the compartment consists of a single member, will temporarily take over the duties of the unavailable person, for a maximum period of 3 months in a calendar year.

In order to allow the individual(s) appointed as compliance officer(s) to properly fulfill their responsibilities in a correct and independent manner EVERGENT Investments must make sure that the following requirements are met:
a) the person/persons has /have the authority, resources and experience necessary, as well access to all relevant information;
b) the individual(s) who carries/carry out the compliance verification function are not involved in the delivery or carrying out of the services he/she monitors;
c) the individual(s) bear(s) the responsibility of abiding by the responsibilities of the compliance function for any reporting regarding regulations in force, where it will be expressly specified if proper measures have been taken in order to remedy possible deficiencies;
d) on setting the remuneration of individuals, the following must be taken into consideration: the remuneration level must allow EVERGENT Investments to employ qualified and experienced staff; the individuals' objectivity must not be affected by the remuneration setting method; variable remuneration must be based on objectives that are specific for the position and must not be set exclusively based on performance criteria at AIFM level; remuneration is directly supervised by the Appointing-Remuneration Committee;
e) individuals are evaluated to make sure they fulfill and abide by the competence and professional experience requirements during the entire time they carry out their activity; integrity and good reputation and governance in compliance with applicable legal provisions.

Attributions and Responsibilities:
a) it periodically monitors and evaluates the adequacy and efficiency of the measures, policies and procedures set in compliance with applicable regulations, as well as the actions carried out in order to remedy deficiencies regarding the company's meeting its obligations.
b) it regularly monitors and verifies the application of legal provisions applicable for EVERGENT Investments's activity, of internal regulations and procedures and acts according to its competencies in order to prevent and suggest measures to remedy any law infringement situations, or infringement of applicable regulations for the capital market, or internal regulations and procedures of EVERGENT Investments, by EVERGENT Investments or its employees; follows-up the implementation of suggestions and recommendations;
c) it offers advice and assistance for relevant individuals responsible for the carrying out of activities so that EVERGENT Investments abides by its obligations based on incidental capital market legislation.
d) it makes sure that the reports that EVERGENT Investments must send to FSA and capital market entities are sent within the deadline foreseen by regulations in force;
e) it analyses and approves the documents sent by EVERGENT Investments to the FSA in order to obtain the authorizations foreseen by FSA regulations;
f) it analyses and approves informative materials/advertising materials of EVERGENT Investments;
g) it analyses and approves the documents drafted by EVERGENT Investments in compliance with work procedures;

h) it approves the development of new strategies, investment policies, relevant organizational changes as well as investments on new markets and in new products;
i) it verifies the abidance by prudential regulations;
j) it provides the notifications of EVERGENT Investments and its employees regarding the legal regimen applicable to capital market, concerning approved norms and legislative projects that present interest for the company's activity, to make proposals/recommendations/ observations, if the case be;
k) it manages and monitors the decisions of the Board of Directors, verifying their abidance by legal and prudential limitations at the time of their being adopted/implemented; follows-up the fulfillment of resolutions and periodically sends reports on the status of their implementation;
l) it is responsible for the supervision of the solving and management of complaints regarding EVERGENT Investments's activity on the capital market, for the keeping of the unique complaints record and periodical reporting to FSA about the status of the registered complaints. Through the decision of the general manager, a permanent committee is setup within the company to analyze all shareholders' complaints and suggest, depending on the case, measures to be adopted by the management to remedy the situations identified; the communication of the answer to the applicant is made abiding by the legal deadline.
m) it creates a process for the identification, registration, monitoring, prevention and disclosing of conflict of interests; it manages the internal procedure regarding Conflict of Interest.
n) it manages the specific work procedure regarding the Supervision of the application of international sanctions on the capital market –in applying the express FSA regulations; the compliance officer can also be a member of the Committee (through internal resolution), and in this quality he keeps in touch with FSA.
o) it manages the specific work procedure regarding The prevention and fight against money laundering and the financing of terrorist actions –in applying the national law and express FSA regulations; the compliance officer can also be a member in the Committee (through internal resolution) in this quality he insures the relationship with FSA and National Office for the Prevention and Fight against Money Laundering.

Permanent and periodical control is carried out as follows:

1. *The drafting of the annual investigation program/plan, abiding by the following principles/criteria:*
   a) it includes control objective as per applicable legal regulations and represents a part of the integrated control process within EVERGENT Investments (compliance, internal audit and risk management);
   b) it is drafted based on the analysis of the risks that can be incurred in EVERGENT Investments's activities, given the "Register of identified Operational Risks that might affect EVERGENT Investments's activity" drawn up by the Risk Management Department;
   c) the activities carried out for verifying the compliance of the company's activities with applicable legal regulations, policy and procedures of EVERGENT Investments, are periodical and permanent control activities;
   d) the main component of the activity is the permanent control, pro-active in nature, carried out through the continuous supervision and monitoring of the activities that fall under internal control competence, in order to prevent the occurrence of legal and internal non-compliance.
2. *Carrying out investigations and submitting reports to the management structure:*
   a) it presents a report regarding the results of the investigations included in the investigation plan to the Board of Directors of EVERGENT Investments, for discussion and approval; the report is firstly approved by the Audit Committee;
   b) reports to the Board of Directors and directors, the cases when the legal regimen applicable to the capital market, internal regulations and work procedures have been infringed, for the urgent notification of FSA and communication of the measures adopted to remedy identified situations.

c) regularly drafts, at least once a year, reports to the executive management regarding compliance issues, in which mentions should be made whether the proper measures to remedy possible deficiencies have been taken.
d) the annual report and investigations plan for the following year, approved by the Board of Directors are sent to FSA, if the law foresees so.

3. Permanent function of Internal Audit

EVERGENT Investments sets and maintains the permanent internal audit function that is separate and independent from other functions and activities of EVERGENT Investments.

The department is subordinated to the Board of Directors.
For the purpose of guiding the activity, the internal audit department develops policies and procedures that are aligned to the requirements of the International Standards for professional practice of internal audit.

Attributions and Responsibilities:
a) it helps the company, both as a whole and its structures, through the issue of opinions and recommendations;
b) it assists the company in risk management;
c) it contributes to the improvement of risk management, control and governance processes;
d) it evaluates the adequacy and efficiency of controls regarding governance, operations and systems of EVERGENT Investments;
e) it drafts and implements the policies and procedures to carry out internal audit activity, as well as any modification of these;
f) it carries out risk evaluations for the activities carried out by EVERGENT Investments, at least once a year;
g) it sets, implements and maintains an audit plan in order to examine and evaluate the proper nature and efficiency of internal control systems, mechanisms and procedures of EVERGENT Investments;
h) it submits the Audit Committee and Board of Directors the plan regarding audit activity and necessary resources, including significant modifications occurred;
i) it carries out the missions included in the annual plan;
j) it issues recommendation based on the result of the carried out activity;
k) at the request of the Audit Committee or directors, it carried out ad-hoc missions or missions of an exceptional nature (not included in the annual internal audit plan);
l) it verifies it recommendations have been respected;
m) it reports at the end of each mission regarding internal audit issues and the adequacy of the measures adopted to remedy possible deficiencies;
n) it records any relevant information that supports the conclusions and results of the engagement;
o) it coordinates the activity of financial auditor, in order to make sure that audit objectives are met and in order to minimize overlapping;
p) periodically reports to the Audit Committee and the board of Directors on the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, based on the pre-set plan;
q) it verifies if the management has accepted a residual risk level that cannot be acceptable for EVERGENT Investments and notifies to the Board of Directors the cases when no decision has been made regarding residual risk, in order to solve them;
r) carries out formalized counseling missions (included in the Internal Audit Plan), informal, exceptional or in cases of emergency, at the express request of the Board of Directors or Executive Management.

The internal audit carries out assurance and counseling missions.

The assurance mission offers an independent evaluation of the governance, risk management and control processes within EVERGENT Investments. The assurance missions are carried out by going through the following stages: planning the internal audit activity, preparation of the internal audit mission, on-the-spot intervention, internal audit report, follow-up of recommendations and quality analysis.

The activity is carried out as follows:

1. ***planning the internal audit activity****:* the drafting and approval of the multiannual internal audit plan and annual internal audit plan, in compliance with the International Standards for internal audit professional practice and national regulations.
2. ***preparing the internal audit mission****:*
   - notification of the leader of the activity that is to be audited that the internal audit mission is to start;
   - collection and processing of information regarding the audited structure, activity, program/project or operations, in order to facilitate the carrying out of procedure regarding risk analysis and verification;
   - identification and analysis of specific risks and internal control evaluation for the audited process/activity/structure, so that the audit effort be oriented towards the most risky areas ;
   - drafting the audit mission program in order to insure the proper execution of the internal audit mission, to cover all objectives to be audited and their associated risks;
   - meeting with the representatives of the audited structure to present the members of the internal audit team, purpose of the mission, objectives set for the internal audit mission, as well as for setting a meetings calendar.
3. ***on-the-spot intervention***:
   - collection of audit samples, for the purpose of the audit team's getting an opinion about the strong and weak points of the audited process/activity/organizational structure and supply audit samples based on which ascertainments, recommendations and general conclusions will be made;
   - ascertainment and reporting of irregularities identified
4. ***drafting the internal audit report****:*
   - the drafting of the internal audit report project, submitting the internal audit report project to the audited structure for analysis and the issue of its standpoint regarding the auditors' conclusions and recommendations;
   - analysis of the observations made by the audited structure for the internal audit report project;
   - analysis, acceptance and approval of the internal audit report and the action plan to implement recommendations.
5. ***follow-up of recommendations****:* making sure that the recommendations made following the internal audit missions are properly implemented within the deadlines set and evaluation of consequences in case they are not applied.
6. ***quality analysis of the internal audit activity:*** for the purpose of offering a reasonable insurance that internal audit abides by its Chart, that it functions efficiently and contributes to added value and improvement of the company's operations and of making sure that all objectives of the internal audit mission have been achieved, in quality conditions.

Counseling mission are consultative and connected activities that have the purpose of improving governance processes, risk management and control of EVERGENT Investments, without the internal auditors taking on the management's responsibility.

Counseling missions can be:

1) ***formal counseling missions*** - are usually included in the annual internal audit plan, and the terms and conditions are agreed with the applicant. Procedurally, these missions are usually performed as the assurance mission;
2) ***informal counseling missions*** - are activities or services, such as:
   - ✓ participation in interdepartmental working groups, committees or other bodies of this kind, with temporary activity, participation in projects (during the life cycle of the project) or in ad hoc meetings and working meetings;
   - ✓ providing facilitation and training services in the field of internal control and risk management;
   - ✓ the usual exchanges of specific information with other organizational structures within the company, group, industry, etc .;
3) ***special advisory missions*** - are special services performed by the internal audit within large institutional projects (eg consulting for outsourcing operations or prior to restructuring the organization's processes, participation in teams of experts, set up for the conversion of operational systems, etc.).

In certain circumstances, based on the cost-benefit analysis, the internal audit may decide to perform mixed audit missions, which incorporate elements from both the assurance mission and the advisory mission, in a consolidated, unitary approach.
Also, the internal audit may consider as appropriate the performance of missions, in which to distinguish between the "assurance" and the "counseling" component.

Annex 4

EVERGENT INVESTMENTS SA

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

Prepared in according with Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority - Financial Instruments and Investments sector, approved by Financial Supervisory Authority's Rule no. 39/ 2015

Evergent INVESTMENTS

CONTENTS: **PAGE NO.:**

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
EVERGENT Investments S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of EVERGENT Investments S.A. and its subsidiaries ("the Group"), with registered office in Bacau, 94C Pictor Aman, Bacau county, identified by unique tax registration code 2816642, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and notes to the consolidated financial statements.

2. The consolidated financial statements as at December 31, 2021 are identified as follows:

   - Total Equity: RON 2,382,058,685
   - Net profit for the financial year: RON 51,918,050

3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA - Financial Investments and Instruments Sector, with subsequent amendments (referred to herein as "FSA Norm no. 39 / 2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Valuation of equity investments We refer to note 20 to the consolidated financial statements, which presents the equity investments of the Group, representing shares held by the Group. As at December 31, 2021, these financial assets valued at fair value represent approximately 81% of the total assets of the Group. Equity investments presented to Level 3 of the fair value hierarchy represent RON 105 million and consist of participations held by the Group in unlisted Romanian companies. The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available prior to 31 December 2021, which involves significant judgments and a high degree of estimates. These reports were performed by independent valuers appointed by the Group management and by authorized in-house valuers of the Group. The management of the Group performed an analysis for the period following the date of the valuation of the participations until 31 December 2021 in order to identify significant changes in the fair values of equity investments as at 31 December 2021. This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the consolidated financial statements.	In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures. For the material listed equity investments, we have assessed the frequency of the transactions to identify investments that do not have an active market and we have assessed the accuracy of the shares' closing price on the capital market as of 31 December 2021 or from the last day of trading available at the end of the reporting period. For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the in-house valuers and the external valuers and their professional competence and independence from the Group. We have assessed the Group management's analyses for the period following the date of the valuation reports until December 31, 2021, in order to identify significant events, which may have a significant impact on the fair value of equity investments as at 31 December 2021. We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the consolidated financial statements as at December 31, 2021, by comparing year-on-year fair value variation for equity investments. We have also considered whether the consolidated financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Group and IFRS 13 *Fair Value Measurement* ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.

Other information - Administrators' Consolidated Report

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

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

   In connection with our audit of the consolidated financial statements for the year ended December 31, 2021, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   With respect to the Administrators' Consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 29-30.

Deloitte.

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

a) the information included in the Administrators' Consolidated report for the financial year for which the financial statements have been prepared, is consistent, in all material respects, with these financial statements;

b) the Administrators' Consolidated report has been prepared, in all material respects in accordance with the provisions of FSA Norm no. 39/2015 articles no. 29-30.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared as at December 31, 2021, we are required to report if we have identified a material misstatement of this Administrators' Consolidated report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and applying FSA Norm no. 39/2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

15. We have been appointed by the Ordinary General Assembly of Shareholders on October 30, 2020 to audit the financial statements of EVERGENT Investments for the financial year ended December 31, 2021. The uninterrupted total duration of our commitment is one year, covering the financial year ended December 31, 2021.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

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

Report on compliance with the Commission Delegated Regulation (EU) 2018/815 on the "European Single Electronic Format Regulatory Technical Standard" ("ESEF")

16. We have undertaken a reasonable assurance engagement on the compliance with Commission Delegated Regulation (EU) 2019/815 applicable to the consolidated financial statements included in the annual financial report of EVERGENT Investments S.A. ("the Group") as presented in the digital files which contain the unique code ("LEI") 254900Y1O0025N04US14 ("Digital Files").

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

EVERGENT Investments's management is responsible for preparing Digital Files that comply with the ESEF.

This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of the ESEF;

- the selection and application of appropriate iXBRL mark-ups;

- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with FSA Norm no. 39 / 2015;

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

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

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of EVERGENT Investments' process for preparation of the Digital Files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked-up data with the audited consolidated financial statements of EVERGENT Investments to be submitted in accordance with FSA Norm no. 39 /2015;
- evaluating if consolidated financial statements contained in the annual report have been prepared in a valid XHTML format;
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.
In our opinion, the consolidated financial statements for the year ended 31 December 2021 included in the annual financial report presented in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Group for the year ended 31 December 2021 is set out in the "Report on the audit of the consolidated financial statements" section above.

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

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

On behalf of:

DELOITTE AUDIT SRL

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

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 25, 2022

In LEI	**Note**	**2021**	**2020**
Revenue			
Gross dividend income	*9*	53,882,260	63,405,197
Interest income	*10*	4,083,169	3,395,853
Other operating revenue	*11*	49,677,845	125,532,987
Net gain/(net loss) on financial assets at fair value through profit or loss	*13*	29,873,859	(45,719,842)
Net gain from disposal of non-financial assets	*12*	658,126	797,556
Net gain from the revaluation of investment property	*22*	859,634	3,342,251
Net gain /(net loss) from the revaluation of investment property	*22*	869,256	(33,561)
Expenses			
(Impairment loss)/Loss reversal on financial assets		6,084,408	(3,316,849)
(Loss)/Loss reversal on non-financial assets impairment		(38,871)	(862,885)
(Set-up)/reversal of provisions for risks and charges		(2,811,413)	(433,809)
Expenses with wages, remunerations and other similar expenses	*14*	(44,025,145)	(38,282,048)
Other operating expenses	*15*	(48,419,804)	(102,315,527)
Operating profit		**50,693,324**	**5,509,323**
Financing expenses	*16*	(484,146)	(710,299)
Share from the profit/(loss) corresponding to associates		3,773,278	5,853,550
Profit before tax		**53,982,456**	**10,652,574**
Income tax	*17*	(2,064,406)	(8,139,209)
Net profit of the financial year		**51,918,050**	**2,513,365**
Other comprehensive income			
Increase / (Decrease) from revaluation of property, plant and equipment, net of deferred tax		1,022,708	726,188
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	*20 d)*	398,996,138	(157,178,047)
Other comprehensive income – elements that will not be reclassified in profit or loss		**400,018,846**	**(156,451,859)**
Net gain from the revaluation of FVTOCI bonds		45,845	29,587
		45,845	**29,587**

The attached explanatory notes are integral part of the consolidated financial statements.

In LEI	Note	2021	2020
Other comprehensive income – elements that will be reclassified in profit or loss			
Other comprehensive income - Total		**400,064,691**	**(156,422,272)**
Total comprehensive income of the financial year		**451,982,741**	**(153,908,907)**
Basic and diluted earnings per share (net profit per share)		**0,0529**	**0,0032**
Result per share (including gain from the sale of FVTOCI financial assets)		**0,1581**	**0,0435**
Net profit attributable to the Company's shareholders		51,422,793	3,135,526
Net profit/(net loss) attributable to non-controlling interests	*37*	495,257	(622,161)
Total net profit		**51,918,050**	**2,513,365**
Total comprehensive income attributable to			
Company's shareholders		451,357,052	(153,471,266)
Non-controlling interests		625,689	(437,641)
		451,982,741	**(153,908,907)**

*See note 40.

The consolidated financial statements were approved by the Board of Directors on 25th March 2022 and signed on its behalf by:

Claudiu Doroș
CEO

Mihaela Moleavin
Finance Director

Evergent INVESTMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(All amounts are presented in Lei, unless otherwise stated)

In LEI	*Note*	31 December 2021	31 December 2020
Assets			**Restated*
Cash and current accounts	*18*	14,039,475	4,715,884
Bank deposits with initial maturity within 3 months	*19 a)*	174,396,940	97,686,921
Bank deposits with initial maturity of more than 3 months	*19 b)*	6,682,039	2,216,704
Financial assets measured at fair value through profit or loss	*20 a)*	325,937,896	312,771,668
Financial assets measured at fair value through other comprehensive income	*20 b)*	1,770,881,534	1,485,586,364
Investments accounted for using the equity method	*21*	42,850,061	40,075,058
Bonds at fair value through other comprehensive income	*22*	3,982,215	3,802,401
Bonds at amortized cost	*22*	16,689,194	16,644,595
Other financial assets at amortized cost	*23*	10,626,512	17,152,575
Inventory	*24*	22,853,276	26,378,821
Other assets	*25*	3,445,715	1,763,516
Assets held for sale	*26*	24,087,236	23,779,031
Investment property	*27*	99,831,062	74,450,361
Plant, property and equipment	*28*	54,070,369	54,038,192
Right-of-use asset	*28*	8,642,261	2,310,090
Goodwill	*28*	4,339,505	4,339,505
Intangible assets	*28*	960,584	1,073,564
Total assets		**2,584,315,874**	**2,168,785,250**
Liabilities			
Borrowings	*29*	8,307,026	9,793,365
Lease liabilities	*30*	8,525,431	2,179,630
Dividends payable	*31*	34,488,962	36,338,673
Current income tax liabilities		167,079	4,202,333
Other financial liabilities at amortized cost	*32*	9,057,658	5,477,053
Other liabilities	*33*	5,824,211	4,779,402
Provisions for risks and expenses	*34*	4,253,881	1,442,468
Deferred tax liabilities	*35*	131,632,941	97,310,265
Total liabilities		**202,257,189**	**161,523,189**
Equity			
Share capital	*36 a)*	510,105,062	514,402,388
Retained earnings		987,726,077	873,122,483
Reserves from the revaluation of property, plant and equipment		16,699,675	16,029,110
Reserves from the revaluation of financial assets at fair value through other comprehensive income	*20 d)*	872,688,152	575,885,218
Treasury shares	*36 e)*	(41,119,507)	(9,595,338)
Equity-based payments to employees, directors and administrators	*36 f)*	16,252,012	18,457,300
Other items of equity	*36 g)*	3,685,004	3,564,379
Total equity attributable to shareholders		**2,366,036,475**	**1,991,865,540**
Non-controlling interests	*37*	16,022,210	15,396,521
Total equity		**2,382,058,685**	**2,007,262,061**
Total liabilities and equity		**2,584,315,874**	**2,168,785,250**

*See note 40

The consolidated financial statements were approved by the Board of Directors on 25th March 2022, and signed on its behalf by:

Claudiu Doroş
CEO

Mihaela Moleavin
Finance Director

The attached explanatory notes are integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(all amounts are presented in Lei, unless otherwise stated)

Evergent INVESTMENTS

In LEI	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 2020 - reported		**514,402,388**	**16,029,110**	**575,885,218**	**876,747,483**	**(9,595,338)**	**18,457,300**	**3,564,379**	**1,995,490,540**	**15,396,521**	**2,010,887,061**
Error corrections (note 40)					(3,625,000)				(3,625,000)		(3,625,000)
Balance at 31 December 2020 - restated		**514,402,388**	**16,029,110**	**575,885,218**	**873,122,483**	**(9,595,338)**	**18,457,300**	**3,564,379**	**1,991,865,540**	**15,396,521**	**2,007,262,061**
Comprehensive income											
Profit of the financial year		-	-	-	51,422,793	-	-	-	51,422,793	495,257	51,918,050
Other comprehensive income											
Increase/(decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax		-	1,022,708	-		-	-	-	1,022,708	-	1,022,708
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(352,143)	-	221,711	-	-	-	(130,432)	130,432	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	398,996,138		-	-	-	398,996,138	-	398,996,138
Revaluation at fair value of FVTOCI bonds		-	-	45,845		-	-	-	45,845	-	45,845
Net gain on sale of FVTOCI equity instruments, transferred to retained earnings	20 d)	-	-	(102,239,049)	102,239,049	-	-		-	-	-
Total other comprehensive income		**-**	**670,565**	**296,802,934**	**102,460,760**	**-**	**-**	**-**	**399,934,259**	**130,432**	**400,064,691**
Total comprehensive income of the financial year		**-**	**670,565**	**296,802,934**	**153,883,553**	**-**	**-**	**-**	**451,357,052**	**625,689**	**451,982,741**
Transactions with shareholders directly recognized in equity											
Share capital decrease	36 a)	(4,297,326)	-	-	(9,149,137)	13,225,800		220,663	-	-	
Acquisition of treasury shares		-	-	-		(57,184,679)		(742,975)	(57,927,654)	-	(57,927,654)
Treasury shares granted to employees and directors	36 e)	-	-	-		12,434,710	(13,077,647)	642,937	-	-	
Equity-based payments to employees, directors and administrators	36 f)	-	-	-		-	10,872,359		10,872,359	-	10,872,359
Dividends expired according to the law (Note 4n)		-	-	-	11,881,322	-	-		11,881,322	-	11,881,322
Dividends distributed from the profit of 2020 financial year		-	-	-	(42,012,144)	-	-		(42,012,144)	-	(42,012,144)
Total transactions with shareholders directly recognized in equity		**(4,297,326)**	**-**	**-**	**(39,279,959)**	**(31,524,169)**	**(2,205,288)**	**120,625**	**(77,186,117)**	**-**	**(77,186,117)**
Balance at 31 December 2021		**510,105,062**	**16,699,675**	**872,688,152**	**987,726,077**	**(41,119,507)**	**16,252,012**	**3,685,004**	**2,366,036,475**	**16,022,210**	**2,382,058,685**

The consolidated financial statements were approved by the Board of Directors on 25th March 2022 and signed on its behalf by:

Claudiu Doroș
CEO

Mihaela Moleavin
Finance Director

The attached explanatory notes are integral part of the consolidated financial statements.

In LEI	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 2019		**521,004,761**	**15,647,343**	**772,618,267**	**896,184,750**	**(30,335,310)**	**20,142,446**	**610,568**	**2,195,872,825**	**18,917,295**	**2,214,790,120**
Comprehensive income											
Profit of the financial year		-	-	-	3,135,526	-	-	-	3,135,526	(622,161)	2,513,365
Other comprehensive income											
Increase/(decrease) of reserve from the revaluation of tangible assets, net of deferred tax		-	726,188	-	-	-	-	-	726,188	-	726,188
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(344,421)	-	159,901	-	-	-	(184,520)	184,520	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	(157,178,047)	-	-	-	-	(157,178,047)	-	(157,178,047)
Revaluation at fair value of FVTOCI bonds		-	-	29,587	-	-	-	-	29,587	-	29,587
Net gain on sale of FVTOCI equity instruments, transferred to retained earnings	20 d)	-	-	(39,584,589)	39,584,589	-	-	-	-	-	-
Total other comprehensive income		**-**	**381,767**	**(196,733,049)**	**39,744,490**	**-**	**-**	**-**	**(156,606,792)**	**184,520**	**(156,422,272)**
Total comprehensive income of the financial year		**-**	**381,767**	**(196,733,049)**	**42,880,016**	**-**	**-**	**-**	**(153,471,266)**	**(437,641)**	**(153,908,907)**
Transactions with shareholders directly recognized in equity											
Dividends distributed to non-controlling interest		-	-	-	-	-	-	-	-	(3,083,133)	(3,083,133)
Share capital decrease	36 a)	(6,602,373)	-	-	(17,176,387)	23,495,000	-	283,760	-	-	-
Acquisition of treasury shares		-	-	-	-	(6,888,598)	-	(15,149)	(6,903,747)		(6,903,747)
Treasury shares granted to employees and directors	36 e)	-	-	-	-	4,133,570	(6,818,770)	2,685,200	-	-	-
Equity-based payments to employees, directors and administrators	36 f)	-	-	-	-	-	5,133,624	-	5,133,624	-	5,133,624
Dividends expired according to the law (Note 4n)		-	-	-	10,297,993	-	-	-	10,297,993	-	10,297,993
Dividends distributed from the profit of 2019 financial year		-	-	-	(59,063,889)	-	-	-	(59,063,889)	-	(59,063,889)
Total transactions with shareholders directly recognized in equity		**(6,602,373)**	**-**	**-**	**(65,942,283)**	**20,739,972**	**(1,685,146)**	**2,953,811**	**(50,536,019)**	(3,083,133)	**(53,619,152)**
Balance at 31 December 2020 - corrected		**514,402,388**	**16,029,110**	**575,885,218**	**873,122,483**	**(9,595,338)**	**18,457,300**	**3,564,379**	**1,991,865,540**	**15,396,521**	**2,007,262,061**

*See note 40

The consolidated financial statements were approved by the Board of Directors on 25th March 2022 and signed on its behalf by:

Claudiu Doroş
CEO

Mihaela Moleavin
Finance Director

In LEI	***Note***	**2021**	**2020**
Operating activities			
Net profit for the financial year		51,918,050	2,513,365
Adjustments:			
Loss/(Loss reversal) from financial assets impairment		(6,084,408)	3,316,849
Loss/(Loss reversal) from non-financial assets impairment		38,871	862,885
(Net gain) from the revaluation of investment property	*22*	(859,634)	(3,342,251)
(Net gain) from the revaluation of non-current assets held for sale		(869,256)	33,561
(Net gain)/Net loss from financial assets at fair value through profit or loss	*13*	(29,873,859)	45,719,842
Set-up/(Reversal) of provisions for risks and charges		2,811,413	433,809
Gross dividend income	*9*	(53,882,260)	(63,405,197)
Interest income	*10*	(4,083,169)	(3,395,853)
Financing expenses	*16*	484,146	710,299
Income tax		2,064,406	8,139,209
Other adjustments		11,824,131	3,022,800
Modifications of assets and liabilities corresponding to operating activities			
Payments for the acquisition of financial assets at fair value through profit or loss		(20,049,293)	(48,748,510)
Proceeds from sale of financial assets at fair value through profit or loss		36,756,923	35,000
Payments for the acquisition of financial assets at fair value through other comprehensive income		(101,915,103)	(118,206,119)
Proceeds from the sale of financial assets at fair value through other comprehensive income		272,636,171	126,528,187
Proceeds from bonds		11,760	7,814,599
Changes in deposits with initial maturity higher than 3 months		(4,444,838)	14,729,505
Changes in other assets		15,813,058	65,177,416
Changes in other liabilities		3,787,831	(24,196,954)
Proceeds from dividends		51,390,226	60,411,524
Proceeds from interest		4,017,479	3,916,384
Income tax paid		(27,988,385)	(16,806,673)
Net cash resulted from operating activities		**203,504,260**	**65,263,677**
Investment activities			
Payments for acquisition of property, plant and equipment		(2,324,879)	(2,305,654)
Payments for acquisition of intangible assets		(104,821)	

In LEI	*Note*	2021	2020
			(353,794)
Payments for acquisition of investment property		(24,935,520)	(16,151,528)
Proceeds from the sale tangible assets, property investment and assets held for sale		1,618,245	6,118,305
Dividends received from associates		998,275	3,625,000
Net cash used in investment activities		**(24,748,700)**	**(9,067,671)**
Paid dividends		(31,980,533)	(46,783,624)
Proceeds from loans		1,958,375	3,371,462
Loan reimbursement		(3,444,714)	(20,940,322)
Payments of lease liability principal		(881,006)	(881,965)
Payments of loan interest		(394,625)	(636,161)
Payments of lease liability interest		(89,521)	(74,139)
Acquisition of treasury shares		(57,927,654)	(6,903,747)
Net cash used in financing activities		**(92,759,678)**	**(72,848,496)**
Increase/(Decrease) in cash and cash equivalents		**85,995,882**	**(16,652,490)**
Cash and cash equivalents at 1 January		102,332,375	118,984,865
Cash and cash equivalents at 31 December		**188,328,257**	**102,332,375**
Cash at hand		26,529	38,364
Current bank accounts		14,013,005	4,677,532
Bank deposits with maturity within 3 months		174,288,723	97,616,479
Cash and cash equivalents		**188,328,257**	**102,332,375**

The consolidated financial statements were approved by the Board of Directors on 25th March 2022 and signed on its behalf by:

Claudiu Doroş
CEO

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

EVERGENT Investments SA (“**the Group**”), is set up as a Romanian private-law legal entity, organized as a joint-stock company, classified according to applicable regulations as AIS-type Alternative Investment Fund, alternative investment fund category intended for retail investors - AIFRI, with a diversified investment policy, closed, self-managed.

EVERGENT Investments is authorized by the Financial Supervision Authority (FSA) as alternative investment fund manager by Permit no. 20/23.01.2018 and as an Alternative Investment Fund intended for retail investors (AIFRI), by Permit no. 101/25.06.2021.

Starting March 3, 2021, the Company changed its name from “Societatea de Investiții Financiare Moldova SA (SIF Moldova SA) to “EVERGENT Investments SA”, retaining all the rights and obligations assumed by the Company under its previous name, as the change of the name does not have as effect the creation of a new legal person, according to the applicable legal provisions.

The headquarters of the Company is located in Street Pictor Aman, no. 94C, Bacau municipality, Bacau county, Romania.

According to the Articles of Incorporation, the Company’s main business activity consists in:

- administration of the portfolio;
- risk management;
- other auxiliary activities related to collective administration activities permitted by the legislation in force.

The Company is self-managed under a one-tier system.

The shares issued by Evergent Investments SA are listed at the Bucharest Stock Exchange, the primary market, Premium category, with indicative EVER, since 29 March 2021 (the Company’s share were previously traded using indicative SIF2).

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 Supervisory Authority (“FSA”).

The Company’s consolidated financial statements for the financial year ended 31 December 2021 include the Company and its subsidiaries (hereinafter referred to as the „**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 and sale 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 consolidated financial statements have been prepared by the Group in accordance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities regulated and supervised by FSA in the financial instruments and investments sector, approved by Rule 39/2015.

According to Rule 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted in accordance with the procedure stipulated by Regulation (CE) no. 1606/2002 of the European Parliament and Council of 19 July 2002 regarding the application of international accounting standards, with subsequent amendments and additions.

The consolidated financial statements at 31 December 2021 and 31 December 2020 are available on the Company's website, www.evergent.ro.

The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with the applicable statutory accounting regulations, namely Order no. 1802 of 29 December 2014 for the approval of accounting regulations regarding separate and consolidated financial statements ("RAS"). For the preparation of those Group's consolidated financial statements, the 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 to the financial statements prepared in accordance with RAS in order to be aligned with the IFRS requirements adopted by the European Union are:

- investment property adjustments to measure them at fair value, in accordance with IAS 40 "Investment Property" (in accordance with RAS, the result from the revaluation of investment property is registered in revaluation reserve);
- adjustments for the recognition of deferred income 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) Financial Statements Presentations

The consolidated financial statements have been prepared in accordance with the requirement of IAS 1 "Presentation of Financial Statements". The Group has adopted a presentation based on liquidity for its statement of financial position and a presentation of income and expenses depending on their nature for the statement of comprehensive income, considering that these presentation methods offer more relevant information for the user than if were presented based on other methods permitted by IAS 1.

For consistency with the current period information, the Group has reclassified in the consolidated statement of financial position, the consolidated comprehensive income, consolidated statement of cash flows and in the corresponding explanatory notes, certain elements for the comparative period (financial year ended 31 December 2020).

The consolidated financial statements were prepared based on the going concern assumption, which assumes that the Group will continue its activity in the predictable future. The management of the Group considers that the Group will normally continue its activity in the future, and consequently, the consolidated financial statements were prepared on this basis (see explanatory notes 2 (f) "Impact of the COVID-19 epidemic on the financial position and performance of the Group).

(c) 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" of the Company as well as all subsidiaries is the Romanian leu ("Leu" or "RON"). 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.

(d) Basis of Measurement

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 historical cost, fair value or revaluated amount.

2. BASIS OF PREPARATION (continued)

(e) Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires the use of management estimates, judgments in determining and applying the Group's accounting policies and assumptions that affect the amounts recognised in the financial statements, as well as the following year reported value of the assets and liabilities, income and expenses. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods if the revision affects both current period and following periods book value.

The information and reasoning concerning judgement in determining and applying accounting policies and determining accounting estimates, 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:

- Determining the fair value of financial instruments (see explanatory notes 20 (c) and 4 (d) (vi))

- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 20 (c) and 34)

- Classification of financial instruments (see explanatory notes 4 (d) i) and 8)

- Adjustments for the expected credit losses of assets measured at amortized cost (see explanatory note 4 (d) (vii))

- Analysis of 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.

2. BASIS OF PREPARATION (continued)

(f) Impact of COVID 19 epidemic on the financial position and performance of the Group

The coronavirus epidemic („COVID-19"), declared a pandemic by the World Health organization on 11 March 2020 has significantly affected world economy, including financial markets that registered significant slow-downs, reflected in the evolution of the most important stock indexes.

In 2021, the Group's financial position and performance increased significantly (see Notes 10 and 16 (a) and (b)), amid the continuing upward trend in quotations on the financial markets (including the Bucharest Stock Exchange) which began in late 2020, after the decrease caused by the crisis generated by the COVID-19 epidemic.

In 2021, the level of dividends distributed by the companies in the portfolio was lower than in the previous year, amid poorer results in 2020, prudence by companies and / or restrictions imposed or recommendations made by European regulators in certain areas of activity.

At 31 December 2021, international financial markets, as well as the Bucharest Stock Exchange, reflected a relatively high volatility, but continued to recover from the significant drop in early 2020, exceeding the level prior to the start of this health crisis.

In the context of the COVID-19 epidemic, it's expected that in 2022 there will continue to be a high volatility of market quotes on the Bucharest Stock Exchange, market on which most of the Company's portfolio is exposed.

For 2022, according to NBR analyses, the risks come from the delay in reforms and the absorption of European funds, especially through the National Recovery and Resilience Plan, global uncertainties in the context of the COVID-19 pandemic and the risk of default on loans contracted by the non-governmental sector.

Also, the risk of tensions in macroeconomic balances, including as a result of the effects of the COVID-19 pandemic, is considered the most important systemic risk to financial stability, being the only one assessed at a severe level.

In 2022, volatility is expected to be driven by interest rate hikes expected to be operated by the US Federal Reserve (FED), over-indebtedness of governments, the potential financial crisis in Turkey, and the threat of military conflict in Europe

The management does not estimate difficulties in respecting its engagements towards third parties, the present and estimated liquidity available is in line with the limits imposed by regulations and sufficient to cover current payments and distributions of dividends.

2. BASIS OF PREPARATION (continued)

(f) Impact of COVID 19 epidemic on the financial position and performance of the Group (continued)

During the operational risk management process, in the context of the COVID-19 pandemic, the Company took the necessary measures to manage the risks associated with this exceptional situation, namely ensuring business continuity, protecting the health and safety of employees, good relationship with customers / investors, business partners, capital market authorities and institutions, as follows:

- Ensuring the possibility of carrying out the activity of employees from home / remotely and social distancing of the staff present at the office;
- Organizational IT measures for careful monitoring of cyber risk, increasing security of access to computer applications and databases;
- Additional sanitation and sanitary protection measures;
- Revision of the continuity plan, which was adapted to the concrete situation of the risks generated by the appearance of the pandemic;
- Special measures for the holding of the General Meetings of the Group's shareholders.

3. CONSOLIDATION BASIS

(a) Subsidiaries

Subsidiaries are entities under the Group's control. Control exists when the Group is exposed or has the right to variable returns from its involvement with the investee and has the ability to affect its returns through its authority over the investee. When the control is evaluated, the potential or convertible voting rights which can be exercises 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 polices of the Group.

The list of consolidated subsidiaries at 31 December 2021 and 31 December 2020 is the following:

Subsidiary	**Field of activity**	**31 December 2021**	**31 December 2020**
Casa SA	Rental of space	99.60%	99.32%
Mecanica Ceahlău SA	Manufacturing of agricultural machinery	73.30%	73.30%
Regal SA	Rental of own real-estate property	93.02%	93.02%
EVER IMO SA	Real-estate development	99.99%	99.99%
A3 Snagov SRL*	Real-estate development	99.99%	-
EVERLAND SA	Purchase and sale of 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%

* Subsidiary A3 Snagov SRL, established in June 2021, is indirectly owned by the Company, through EVERLAND SA, which owns 100% of its equity.
* Asset Invest subsidiary has been voluntarily liquidated (and was deregistered in December 2020) after all of its assets and activity were transferred to subsidiary CASA SA.

3. CONSOLIDATION BASIS (continued)

(b) Investments in associates

Associates are those companies where the Group can exercise significant influence but not control over financial and operational policies.

The consolidated financial statements include the Group's share of the associates' results based on the equity method, from the date where the Group started to exercise significant influence until the date when this influence ceases.

The Group's ownership in associated entities at 31 December 2021 and 31 December 2020 is represented by the 50% ownership in Străuleşti Lac Alfa SA. Further to the analysis, the Group concluded that it does not hold either control, or joint control in Străuleşti Lac Alfa SA.

Investments in associates are booked according to the equity method and are initially recognized at cost. The Group's investment includes, if applicable, the goodwill identified at purchase less accumulated impairment losses. The consolidated financial statements include the Group's share of the revenue and expenses and changes in the associates' capital, following the adjustments for the alignment of accounting policies with those of the Group, from the date where significant influence starts until this significant influence ceases. When the Groups' share of the loss is higher than its interest in the entity accounted for through the equity method, the book value of this interest (including any long-term investments) is reduced to zero and the recognition of future loss is interrupted.

(c) Transactions eliminated from consolidation

Intra-group settlements and transactions, as well as any unrealized profit resulted from the intra-group transactions with subsidiaries are completely eliminated from the consolidated financial statements. Unrealized profit resulted from transactions with associates are eliminated within the limit of the Group's interest percentage.

The distributions received from the associate reduce the value of the investment.

The accounting policies have been consistently applied on all periods presented in the consolidated financial statements of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currency Transactions

Operations expressed in foreign currency are registered in lei at the official exchange rate on the transaction date. Monetary assets and liabilities registered in a foreign currency at the date of preparation of the financial statements are translated into the functional currency at the closing rate of the respective.

Exchange rate differences arising on the settlement of monetary items or conversion of monetary elements at rates different from those at which they were translated on initial recognition (during the period), or in the previous annual financial statements are recognized as profit or loss in the period in which they arise.

The exchange rates of the main foreign currency in accordance with NBR report were:

Currency	31 December 2021	31 December 2020	Variation
Euro (EUR)	1: 4.9481 Lei	1:4.8694 Lei	+1.6%
American dollar (USD)	1: 4.3707 Lei	1:3.9660 Lei	+10.3%

(b) Accounting for Hyperinflation Effect

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current measurement unit on the date when they are prepared (non-monetary elements are restated using a general price index on the purchase or contribution date). In accordance with IAS 29, an economy is considered to be hyperinflationary when, among other factors, the cumulated inflation rate over a three years' period exceeds 100%.

In Romania's case (economy whose functional currency has been adopted by the Group), the provisions of IAS 29 have been adopted for the preparing of separate financial statements up to 31 December 2003. Starting 1 January 2004 its economy ceased to be hyperinflationary.

Thus, values expressed in the current measurement unit at 31 December 2003 are stated as base for the book values reported in the consolidated financial statements and do not represent measured values, replacement cost, or any other measure of the present value of assets or prices at which the transactions would be made at this moment.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Statement of Cash Flows

On preparing the cash flow statement, the Group considers as cash and cash equivalents the following elements: cash at hand, current bank accounts, bank deposits with an initial maturity under or equal to 3 months (less, if the case be, restricted deposits and current accounts) less accrued interest and adjustments for the corresponding expected credit loss.

Taking into account its main field of activity, the Group considers that the entire activity of investments in financial instruments (including both the management of FVTPL classified financial assets and FVTOCI financial assets) is part of its operational activity.

(d) Financial Assets and Liabilities

(i) Classification of Financial Assets

IFRS 9 provides an approach regarding the classification and evaluation of financial assets that reflects the business model within which financial assets and cash flow characteristics are managed.

The **business models** used by the Group to manage its financial assets are:

- To collect contractual cash flows:

Financial assets held within this business model are managed to obtain cash flows through the collection of contract payments over the life of the instrument. This means that the Group manages the assets held in its portfolio to collect those contractual cash flows (instead of managing the general return of the portfolio through holding or selling assets).

Assets held under this model are not necessarily held until they reach maturity, “rare frequency” sales are also possible, when the credit risk of those particular instruments increases. An increase of the sale frequency over a certain period of time is not necessarily contrary to this type of business if the Group can explain the reasons that led to these sales and can prove that the sales do not reflect a modification of the current business model.

- To collect contractual cash-flows and to sell:

Financial assets that are held within this business model are managed both for the collection of contractual cash flows and for the sale of financial assets.

- Other business models:

Other business models include the maximization of cash flows through sale, trading, management of assets based on fair value, financial instruments purchased for sale or trade purposes that are measured at fair value through profit or loss.
The management of this portfolio is made based on the market value evolution of those assets and includes frequent purchases and sales for the purpose of profit maximization.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

Analysis of Cash Flow Characteristics (SPPI Test)

The SPPI test represents the analysis of the contract terms of financial assets for the purpose of identifying if the cash flows represent solely payments of principal and interest corresponding to the principal.

IFRS 9 includes three categories for the classification of financial assets: measured at amortized cost, measured at fair value through comprehensive income and measured at fair value through profit or loss.

- ***Financial assets measured at amortized cost***

Following initial recognition, a financial asset is classified as being measured at amortized cost only if two of the following conditions are met simultaneously:

- the asset is held in a business model whose objective is to keep financial assets to collect contractual cash flows;
- the contractual terms of the financial asset generate, on certain dates, cash flows representing exclusive payments of principal and interest.

- ***Financial assets measured at fair value through other comprehensive income („FVTOCI")***

Following initial recognition, a financial asset is classified as measured at fair value through other comprehensive income, only if two conditions are met simultaneously:

- the asset is held within a business model whose objective is to keep the financial assets to collect contractual cash flows and to sell them;
- the contractual terms of the financial asset generate, on certain dates, certain cash flows represented exclusive payments of principal and interest.
- it is a derivative (with the exception of a derivative that is a financial guarantee contract or designated and efficient hedging instrument).

Moreover, on the initial recognition of an investment in equity instruments that is not held for trading, the Group may irrevocably chose to present later changes in fair value in other comprehensive income.

The Group has used its irrevocable option to designate these equity instruments at fair value

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

through other comprehensive income as these financial assets are held both for the collection of dividends and for gains on sale, not for trading.

A gain or loss corresponding to an equity instrument measured at fair value through other comprehensive income must be recognized in other comprehensive income, except for dividend income.

- ***Financial assets measured at fair value through profit or loss ("FVTPL"):***

All financial assets that are not classified as measured at amortized cost or fair value through other comprehensive income, as described above, will be measured at fair value through profit or loss.

Moreover, on initial recognition, the Group may irrevocably designate that a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value through other comprehensive income, is measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting inconsistency that would occur if another method would be used.

Financial assets that do not meet the criteria regarding the collection of cash flows (SPPI test) must be measured at fair value through profit or loss.

Following the adoption of IFRS 9, financial assets such as equity instruments that the Group did not optto classify as financial assets measured at fair value through other comprehensive income, and which were not held for trading, have been classified at fair value through profit or loss.

Assets held for trading are measured at fair value through profit or loss. An asset is held for trading if it cumulatively meets the following requirements:
o it is held for sale and repurchase in the near future;
o on initial recognition, it is part of an identified financial instruments portfolio, that are managed together, and for which there is proof of a recent pattern of following short-term profit; or
o it is a derivative (with the exception of a derivative that is a financial guarantee contract or designated and efficient hedging instrument).

In case of financial assets at fair value through profit or loss, fair value modifications are registered in the statement of comprehensive income, in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(ii) Classification of Financial Liabilities

Financial liabilities are classified following initial recognition at amortized cost, except when measured at fair value through profit or loss (financial liabilities held for trading through profit or loss, according to IFRS9 specific provisions, including financial liabilities corresponding to derivatives). Incorporated derivatives are separated from the host contract in case of financial liabilities.

The Group does not hold financial liabilities carried at fair value through profit or loss at 31 December 2021 or 31 December 2020.

(iii) Initial Recognition

Assets and liabilities are recognized at the date when Group becomes a party of the contractual provisions (transaction date). Financial assets and liabilities are measured at fair value at the time of their initial recognition, plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(iv) Off-setting of financial assets and liabilities

Financial assets and financial liabilities are set off, and the net result presented in the statement of financial position when there is a legal set off right and if is intended to be settled on a net basis, or if the Group intends to realize its asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when allowed by accounting standards, or for the profit and loss resulted from a group of similar transactions, such as those from the Group's trading activity.

(v) Measurement at amortized cost

The amortised cost of a financial asset or liability represents the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(vi) Measurement at fair value

Fair value is the price that would be received following the sale of an asset or the price that would be paid to transfer a liability through an orderly transaction between market participants on the evaluation date (e.g. an exit price).

The determination of the fair value of financial assets and liabilities is based on the quotations of an active market. A financial instrument has an active market if quoted prices are rapidly and regularly available, and these prices reflect the market transactions regularly made under objective market conditions.

Fair value measurement for instruments traded on an active market is made by multiplying the number of units held by the closing price on the last trading day of the given reporting period.

In case a financial asset is listed on several active markets, the Group uses either the principal market for the asset, or, in the absence of a principal market, the most advantageous market, taking into consideration all barriers/costs associated to the access to each market.

For all other financial instruments, fair value is determined using evaluation techniques. Evaluation techniques include techniques based on the net present value, discounted cash flow method, comparison with similar instruments for which there is an observable market price and other measurement methods.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(vii) Identification and measurement of expected credit losses

Financial assets measured at amortized cost

The Group recognises expected credit losses for financial assets at amortized cost measured according to the provisions of IFRS 9.
For this purpose, these instruments are classified as stage 1, stage 2 or stage 3 depending on absolute or relative credit risk, by reference to the moment of their initial recognition. Thus:

Stage 1: includes (i) newly recognized exposures, other then purchased or originated credit-impaired (POCI); (ii) exposures for which credit risk has not significantly deteriorated since initial recognition (iii) exposures with low credit risk (low credit risk exemption).

Stage 2: includes exposures that, although performing, have registered a significant deterioration of credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

Expected credit loss represents the difference between all contractual hedged cash flows that are owed to the Group and all cash flows that the Group expects to receive, discounted to the initial effective interest rate.

For stage 1 exposures, the loss allowance for a financial instrument is measured at an amount equal to 12-month expected credit losses. For stage 2 or 3 exposures, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

The Group evaluates if the credit risk for a financial instrument has significantly increased from its initial recognition based on the information available, without unjustified cost or effort, that are indicators of significant credit risk increase since initial recognition, such as the significant deterioration of the financial results or the credit rating of the issuer of the financial instrument or more than 30-day delays in principal or interest payment for that financial instrument.

The Group uses the simplified approach applicable to trade receivables, contract assets and leasing contract receivables recorded under Other financial assets at amortised cost, as they do not have a significant financing component. On this approach, the Group measures for these receivables the loss allowance at an amount equal to lifetime expected credit loss (i.e. eliminates the need to calculate expected losses of credit risk for Stage 1 at an amount equal to 12-month expected credit losses and the need to evaluate the occurrence of a

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(vii) Identification and measurement of expected credit losses (continued)

significant credit risk increase). For all financial assets presented under Other financial assets at amortised cost category, the Group used the above-mentioned simplified approach. For sundry receivables which are overdue more than 365 days, the credit risk loss allowance is 100%.

The Group has defined as credit-impaired exposures, the receivables that meet one or both criteria below:

- exposures for which the Group evaluates that it is unlikely that the debtor pay its obligations, irrespective of the value of exposures and number of days for which exposure is delayed (due to significant financial difficulties of the client or if client is expected to enter bankruptcy),

- overdue amounts, with significant delays, over 365 days.

The Group recognizes in profit or loss the value, as impairment gain or loss, the amount of expected credit loss increase (reversal) of the financial assets.

Impairment gain or loss is calculated as the difference between the gross carrying amount of a financial asset and present value of future cash-flows using the actual interest rate of the financial asset at the initial time.

(viii) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from that asset expire, or when the Group has transferred the contractual rights to receive contractual cash flows for that particular asset in a transaction that significantly transfers all risks and rewards of ownership of the financial asset.

Any interest in the transferred financial assets retained by the Group or created for the Group is recognized separately as an asset or liability.

The Group derecognizes a financial liability when contractual obligations have extinguished, i.e. when contractual obligations are cancelled or expired.

If an entity transfers a financial asset through a transfer that qualifies the requirements for derecognition in its entirety and retains the right to service the financial asset in return for a fee, then it shall recognize either a servicing asset or a servicing liability for that servicing contract.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(viii) Derecognition (continued)

If an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract.

When derecognizing a financial asset in its entirety (with the exception of equity instruments measured at fair value through other comprehensive income), the difference between:

- its carrying amount;
- the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any accumulated gain or loss that was recognized in other comprehensive income.

shall be recognized in profit or loss.

When the financial asset at fair value through other comprehensive income is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment in case of debt instruments (recycled in profit or loss).

In case of equity instruments at fair value through other comprehensive income, accumulated gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss (not recycled in profit or loss), but is reclassified to retained earnings.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventory

Inventory represents assets held for sale in the normal course of business, assets in production that will be sold during normal course of business, or assets representing raw materials, materials and other supplies that will be used in production or for service delivery.

Measurement

Inventory is measured at the lowest value between cost and net realizable value. Inventory cost includes all costs related to purchase and processing, as well as other costs necessary to bring the inventory to their current form and location. Net realizable value is the estimated sale price that could be obtained in the normal course of business less any estimated costs for the completion of the goods and estimated cost to sale. The cost of inventory that is not normally fungible and goods destined for distinct orders is ascertained through the specific identification of individual costs. For fungible inventory, cost is determined using the „first in, first out" method (FIFO).

(f) Investment Property

Investment property are real estate properties (lands, buildings, part of buildings) held by the Group for rental purposes or to increase value or both, and not to be used for the production or supply of goods and services or administrative purposes or sold during normal course of business.

Recognition

An investment property is recognized as asset if:

- it is likely that future economic benefits associated to the asset, will flow to the Group;
- the cost of the asset can be measured reliably.

An investment property is initially measured at cost, including transaction costs. The cost of an investment property includes all costs related to its acquisition price plus any directly attributable expenses (for example legal fees, property transfer fees and other trading costs).

Subsequent Measurement

The Group records investment property at fair value. Changes in fair value are recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment Property (continued)

Fair Value Measurement

On 31 December 2021 and 31 December 2020, the Group's investment property was evaluated by independent assessors certified by the National Authority of Authorized Valuers of Romania ("ANEVAR"). The valuers have used mainly the market approach, using the market comparison and income approach, using the direct capitalization method, abiding by the valuation principles and techniques included in ANEVAR Standards for Asset Valuation.

Gains or losses resulted from changes in fair value are recognized in profit or loss in the period when they are recorded.

Transfers

Transfers to or from investment properties are made only when there is a changes in use of that particular asset.

For the transfer of an investment property valuated at fair value to property, plant and equipment, the implicit cost of the asset for the purpose of its later accounting will be its fair value on the date of its use modification.

If a real estate property used by the Group becomes an investment property that will be accounted at fair value, the Group applies IAS 16 until the date of modification of the utilisation. As at the date of the transfe, the Group must treat any difference from the date of modification in the book value of a real estate property, in accordance with IAS 16 and its fair value as a revaluation, in accordance with IAS 16 (namely in the valuation reserve in equity).

Derecognition

The book value of an investment property is derecognized on disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected of its disposal.

The gains or losses resulting from the disposal of an investment property are recognized in profit or loss when it is scrapped or sold.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Assets held for sale

The Group classifies a non-current asset as held for sale if its book value will be recovered mainly through a sale transaction and not through its continuous use.

In this case, the asset must be available for immediate sale, in the current condition, being the object of usual terms in case of sale of such assets, and the sale should have a high probability.

In order for the probability of sales to be high, management staff from an adequate level should be engaged to apply a sale plan for the asset and an active program to find a buyer and complete the plan.

The Group measures a non-current asset classified as held for sale at the lowest value between the book value and fair value minus sale generated costs.

(h) Property, plant and equipment and Intangible Assets

Property, plant and equipment

Recognition and Measurement

Tangible assets are initially measured at cost by the Group. The cost of a property, plant and equipment is comprised of the purchase price, including non-recoverable taxes, after the deduction of any price discounts of commercial nature to which any cost that can be directly attributed to bringing the asset to the location and condition necessary for it to be used for the intended purpose is added, for example: expenses with employees that directly result from the construction or purchase of the asset, costs for the development of the location, initial delivery and handling costs, costs for installation and assembly, fees for the professionals involved.

Goodwill and negative goodwill arise on the acquisition of a new subsidiary by means of business combination. Goodwill represents the difference between the cost of acquisition and the net fair value of the acquired identifiable assets, liabilities and contingent liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment and intangible assets (continued)

Property, plant and equipment are classified by the Group in the following classes of assets of the same nature and with similar use:

- Freehold land;
- Buildings;
- Land cultivated with productive plants;
- Equipment, technical installations and machines;
- Transportation vehicles;
- Blueberry farms (bearer plants);
- Other tangible assets;
- Right-of-use assets.

Subsequent measurement

Freehold lands and buildings are presented at revaluated amount, which represents the fair value on the revaluation date. The determination of fair values and revaluation is performed at the end of each reporting period.

Lands cultivated with productive plants are lands on which blueberry shrubs are planted, including land improvement.

All the other classes of assets in this category are accounted for at cost less accumulated depreciation and impairment adjustments (if the case).

In the case of revalued property, plant and equipment (lands and buildings), if the book value of an asset is increased further to revaluation, the increase will be recognized in other comprehensive income, as revaluation reserve. In case the book value is lowered, this lowering will be recognized in profit or loss, exception when it is recognized in other comprehensive income to the extent that the revaluation reserve has credit balance for the analyzed asset.

Expenses for the maintenance and repairs of tangible assets are registered by the Group in the statement of consolidated comprehensive income (in profit or loss) when they occur, and significant improvements to tangible assets, which meet the definition of property, plant and equipment are capitalized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment and intangible assets (continued)

Depreciation

Depreciation is calculated using the straight-line method throughout the estimated useful life of assets, as follows:

Buildings	40 years
Equipment, technical installations and machines	2-12 years
Transportation vehicles	4-8 years
Furniture and other tangible assets	4-12 years
Blueberry farms	25 years
Right-of-use assets in lease contracts	Duration of lease contract

Freehold land and land cultivated with productive plants are not subject to depreciation.

Intangible assets Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment and intangible assets (continued)

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Goodwill is not amortised but is reviewed for impairment at least annually.

Other intangible assets that meet the recognition criteria as per IFRS are accounted for at cost less accumulated depreciation. The amortisation of intangible assets is recorded in profit or loss, on a straight-line basis for a maximum estimated period of 3 years, with the exception of trademarks, for which the maximum depreciation period is 10 years.

The depreciation methods, estimated useful lives as well as residual values are revised by the management of the Group for each reporting period.

Derecognition of property, plant and equipment and intangible assets

Property, plant and equipment that are sold or scrapped are written-off together with their corresponding accumulated depreciation. Any profit or loss resulted from such an operation is included in profit or loss in the current period.

The revaluation reserve for revalued property, plant and equipment (freehold land and buildings) included in equity is transferred directly to retained earnings when the asset is disposed of or scrapped.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of Assets, other than Financial Assets

The book value of the Group's assets that are not financial in nature, other than assets such as deferred taxes and inventories, are revised at every reporting date to identify the existence of impairment indicators. If such indication exists, the recoverable value of those assets will be estimated.

Goodwill is tested for impairment at least annually.

An impairment loss is recognized when the book value of the cash generating asset or unit exceeds the recoverable value of the cash generating asset or unit. A cash-generating unit is the smallest identifiable group that generates cash inflows and that has the ability to generate cash independent from other assets or other asset groups.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment losses are recognized in the consolidated comprehensive income, in profit or loss.

The recoverable value of a cash-generating asset or unit is the higher of the value in use and its fair value, less sale costs for that asset or unit. In order to ascertain the value in use, future cash flows are revised using a discount rate before taxation that reflects current market conditions and risks specific for that particular asset. Impairment losses recognized in the previous periods are measured on each reporting date in order to determine if they diminished or no longer exist. Impairment loss is reversed if a change has occurred in the estimates used to determine the recoverable value. Impairment loss is reversed only in case the book value of the asset does not exceed the book value that would be calculated net of amortization and impairment if the impairment loss had not been recognized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Share Capital

Ordinary shares are recognized in share capital.

(k) Treasury shares

The Group recognizes treasury shares (treasury shares redemption) on the transaction date as a decrease of equity. Treasury shares are recorded at acquisition value, and brokerage fees and other costs directly connected to the acquisition are recorded directly in equity, in a distinct account, in "Other items of equity".

Cancellation of treasury shares is made in accordance with the approval of shareholders, after meeting all legal requirements. Upon cancellation, the balance of treasury shares is offset with share capital and amounts recognized in connection with the cancelled treasury shares in "Other items of equity".

The cancellation of treasury shares may generate gains or losses depending on the acquisition value of own shares reported with their nominal amount. Net gain or loss from the cancellation of treasury shares are directly recognized in equity, in a distinct account.

(l) Non-controlling interest

Non-controlling interest represents that part of profit or loss or net assets that is not directly or indirectly held by the Group, and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separate from the capital of the parent company's shareholders.

Changes in subsidiary holdings that do not result in the loss of control are accounted as transactions between shareholders in their shareholder capacity.

(m) Distributable dividends

Dividends are treated as a profit distribution in the period when they were declared and approved by the General Meeting of Shareholders.

The dividends declared before the reporting date are registered as liabilities on the reporting date.

(n) Dividends prescribed (written off)

The rights to request dividends not collected by the shareholders within 3 years from the declaration date, are time-barred/prescribed/written off according to the law.

On the prescription (write-off) date, the Group recorded their value in equity, in a separate retained earnings account.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions for risks and charges

Provisions are recognized in the statement of financial position when an obligation arises for the Group connected to a past event and it is probable that in the future it will be necessary to use economic resources to settle this obligation, and a reasonable estimation of the value of the liability can be made. In order to determine the provision, future cash flows are updated using an discounting rate before taxation that reflects the current market conditions and specific risks of that individual liability.

(p) Income from contracts with customers

The Group recognizes income from contracts with customers when (or as) it fulfills a performance obligation by transferring a good or delivering a promised service (that is an asset) to a customer. An asset is transferred when (or as) the customer obtains control over that asset.

For each identified performance obligation, the Group ascertains at the start of the contract if the performance obligation will be fulfilled in time or at a point in time. If the Group does not fulfill a performance obligation in time, the performance obligation is fulfilled at a point in time.

The Group has analyzed the main types of income applying the five-step method of IFRS 15:

Step 1: Identification of the contracts with customers;

Step 2: Identification of obligations resulting from these contracts;

Step 3: Determining the transaction price;

Step 4: Allocating the transaction price to each performance obligation;

Step 5: Recognition of revenue when or as each performance obligation is met

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

The table below presents information about the nature and timeline of the performance obligation, including significant payment deadlines for the main categories of income from contracts with customers:

Product/ Service type	Nature and timeline of the performance obligation, including significant payment terms	Accounting policies for income recognition
Agricultural machines and equipment (manufactured or distributed)	The customer obtains control over the product (after payment of advance) at the date of product acceptance (that is the date when the customer acquires the capacity to use the products and obtain all benefits therefrom). The Group recognizes a receivable, since this is the time when the right to consideration becomes unconditional. In general, the direct customer (or distributor) pays an advance of 10-15%, the rest of the payment being in instalments (over a period of less than 1 year). Payment terms are in general 90-180 days from the invoice issue date. The performance obligation is fulfilled at a point in time. Trade discounts offered to customers are based on their reaching certain annual sale values. Returns are usually not accepted, except for exceptional cases and usually returns involve the changing of the product purchased by the customer with another.	Income is recognized at the date of delivery to the customer and product acceptance. Income includes the amount invoiced for the sale of the products, without VAT), from which trade discounts offered to customers are deducted. The Group applies the practical expedient of IFRS 15 paragraph 63 based on which it does not adjust transaction price with a financial component. As a practical solution, the Group collects short-term advances from customers, or for recognized income, it does not adjust the amounts collected or income for the effects of a significant financing component, because on the start of the contract it estimates that the time between the transfer of the goods and the collection will be less than one year. Trade discounts offered to clients (including expenses with their corresponding provisions) are deducted from the product sale income.
Real-estate developments (apartments, including parking spaces)	The customer obtains control over the apartment on the date the sale and purchase contract in authentic form and reception protocol is signed (date when the final invoice is issued), following full payment of the asset. Before this, the customer pays an advance, usually 5%, based on the sale undertaking, signed in authentic form. Performance obligation is fulfilled at a point in time.	Income is recognized on the date the sale and purchase contract in authentic form and reception protocol are signed (date of final invoice), following the full payment of the asset value. The commissions of the agency for the sale of the apartments are deducted from the income from the sale.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)
(p) Income from contracts with customers (continued)

Product/ Service type	Nature and timeline of the performance obligation, including significant payment terms	Accounting policies for income recognition
Agricultural products (blueberries)	Customers obtain control over the products on the date the products are received and accepted by signing the reception note. Invoicing is made after the reception note is signed by the client. Invoices are paid within 7 to 30 days (for internal sales) and 30 days (for sales abroad) from their receipt date by the customer. Performance obligation is fulfilled at a point in time.	Income is recognized on the date the products are received and accepted by the customer by signing the receipt note. Trade discounts offered to clients are deducted from the income from the sale of products.
Income from the delivery of services	Services delivered by the Group are generally related to the products supplied (for example repair services for agricultural machinery following the expiry of the guarantee period). Invoices for services are issued on the date of completion of the services supplied (the period of delivery of the services is short, maximum 20 days). Invoices are generally paid within maximum 30 days from their receipt by the customer. Performance obligation is fulfilled over time (in a short period of time).	Income is recognized in the period when the service is delivered.

(q) Interest income and interest expenses

Interest income and expenses are recognized in the statement of comprehensive income (in profit or loss) through the effective interest method. Effective interest rate represents the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability..

(r) Dividend income

Dividend income is recognized in profit or loss on the date the right to receive such income is set.

The Group registers dividend income at gross value that includes dividend tax, which is recognized as current income tax expense. The actual calculation is made according to the tax provisions in force on the calculation date.

The Group, as lessor, must qualify each of its lease contracts either as operating lease or finance lease. A lease is classified as operating lease if it does not transfer substantially all risks and rewards of ownership on an underlying asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Rental Income

The Group, as a lessor, shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards of ownership of an underlying asset.

Rental income is generated by real estate investments rented by the Group in the form of operating leases and is recognized in profit or loss on a straight-line basis throughout the contract period.

The group, as a lessor, does not have leases classified as a finance lease.

(t) Benefits granted to Administrators, Directors and Employees

Short-term benefits

Short-term benefits of administrators, directors and employees mainly include the remunerations/wages and bonuses, but also participation in the cash benefits plan (see "*Equity-based and cash payments to employees, directors and administrators*" below. The short-term benefits are recognized as expense when the services are delivered. A liability is recognized for the amounts expected to be paid as cash bonuses on the short-term or schemes for the employees' profit sharing (in cash or in shares) as the Group has, on the reporting date, a legal or implicit obligation to pay these amounts as a result of past services delivered by the administrators, directors and employees, and if that obligation can be reliably estimated.

The fixed (remunerations) and variable (bonuses and participation in the benefits plan) component of the remuneration of the directors and administrators of the Group are established by the provisions of Article 7 para. (11) of the Articles of Incorporation and of the Remuneration Policy of the Group's directors, approved by the Ordinary General Meeting of Shareholders, being provided in the administration and management contracts.

The fixed component (salaries) and the variable component (bonuses and participation in the benefit plan) of the remuneration of the Group 's employees are established by the individual employment contracts and the collective labor contract.

Defined contribution plans

The Group makes payments on behalf of its own administrators, directors and employees to the Romanian pension system, health insurance and unemployment fund, during the normal course of business.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Benefits granted to Administrators, Directors and Employees

All administrators, directors and employees of the Group are members, and at the same time have the legal obligation to contribute (through social contributions) to the pension scheme of the Romanian state (a defined contribution plan of the state). All corresponding contributions are recognized in profit or loss in the period when they are made. The Group has no other additional obligations.

The Group is not engaged in any independent pension scheme and, consequently, it has no such obligations. The Group is not engaged in any other post-retirement benefits system. The Group is not bound to pay subsequent services to its former or current administrators, directors and employees.

Equity-based payments to employees, directors and administrators

The administrators and directors participate in the benefits plan (part of the variable component of the remuneration), paid including as shares or options to purchase Group's shares, at a rate of 5% of the net profit obtained and of the net gain from transactions reflected in the Group's retained earnings, before the setup of the benefit participation plan.

The actual level of the participation to the benefit plan is set by the Board of Directors, following the approval of the annual financial statements in the General Meeting of Shareholders, based on the result of the assessment of the achievement of the following performance objectives:

- achieving a positive net result, an indicator composed of the net profit realized and the net gain from transactions reflected in retained earnings;
- the result of the annual assessment of the adequacy of the management structure, according to the criteria and procedure established by FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority, namely "appropriate".

The fund for the profit-sharing of employees is maximum 5% of the net profit achieved and the net gain from transactions reflected in retained earnings, before the setup of the profit-sharing fund, paid including through the distribution of shares or options to purchase Company shares, with the approval of the Board of Directors, provided that the annual financial statements are approved by the General Meeting of Shareholders. The total value of individual remunerations for employees is between 0-9 gross wages.

When the employees are appointed and the individual levels are set in the benefits plan the following are taken into account:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Benefits granted to Administrators, Directors and Employees (continued)

- the achievement by the Company of a positive net result (indicator composed of the net profit realized and the net gain from transactions reflected in the carried forward result);
- the results of the annual evaluation of the professional performance criteria applicable to the employees, according to the internal regulations and the specific internal procedure;
- the benefit plan is granted only to employees who actually worked in the Company in the year for which the benefit plan is granted, proportionally to the period worked during that year;
- employees whose employment contracts have been terminated for reasons attributable to them and employees who have directly or indirectly caused losses to the Company (materials, image) will not participate in the benefit plan.

The benefits plan may be granted annually, in cash and/or shares. The structure of this variable remuneration offered to the administrators, directors and employees of the Company (Beneficiaries) is: at least 51% in Company shares, through the running of a Stock Option Plan (SOP) type program, the source being shares redeemed by the Company, and maximum 49% in cash. Beneficiaries may choose that the percentage of variable remuneration offered in shares be up to 100%.

Regarding the cash benefits sharing plan, the payments are made in the year following the year when services were rendered, further to the approval of the Board of Directors, after the Company's annual financial statements are approved in the General Meeting of Shareholders.

Regarding participation in the benefits plan with shares by the Company, Beneficiaries may exercise their right/option only 12 months after the signing by each beneficiary of their agreements with the Company, but no more than 15 months as of such date. The signing of the beneficiaries' agreement with the Company, which takes place following the Board of Directors' approval of the SOP plan (after the Company's annual financial statements are approved in the General Meeting of Shareholders), agreement that also sets the number of shares offered to each Beneficiary).

Therefore, the actual granting of benefits under the plan in the form of shares takes place more than 12 months after the end of the year when the services were rendered.

For the participation of administrators, directors and employees to the benefits plan, the Company recognizes an expense in the period when the services were delivered (the period to which the benefits plan refers), in correspondence with a liability, for that portion offered in cash, and in correspondence with an increase of equity (benefits offered to employees as equity instruments) for the portion offered as shares through SOP.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Gains and losses from exchange differences

Foreign currency transactions are registered in functional currency (lei) by converting the foreign currency amount at the official exchange rate officially announced by the Romanian National Bank valid on the transaction date.

On the reporting date, monetary elements expressed in foreign currency are converted using the official closing exchange rate.

Exchange differences that occur on the settlement of monetary elements or the conversion of monetary differences at different rates than those they were converted in on initial recognition (during the period) or in the previous annual financial statements are recognized as gain or loss in profit or loss in the period when they occur.

(v) Income tax

The income tax corresponding to the financial year includes current income tax and deferred tax. Current income tax includes tax on dividend income recognized at gross value.

Income tax is recognized in the statement of comprehensive income, or in other comprehensive income if the tax corresponds to other comprehensive income.

Current income tax represents tax to be paid for the tax profit obtained in the current period (including gain from the sale of FVTOCI financial assets, directly recognized in retained earnings), determined based on the percentages applied on the reporting date and all adjustments corresponding to previous periods.

For the period ended 31 December 2021, the income tax rate was 16% (31 December 2020: 16%).

The tax rate corresponding to dividend income was 5% or 0% (2020: 5% or 0%). Dividend tax exemption is applied in case the Group's holding percentage was higher than 10% of the share capital of the company distributing the dividends, for an uninterrupted period of at least one year before distribution.

Deferred tax is determined for temporary differences that occur between the tax base for asset and liability tax calculation and their book value, used for reporting in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Income tax (continued)

Deferred tax is not recognized for the following temporary differences: initial recognition of goodwill, initial recognition of assets and liabilities from transactions that are not business combinations and that do not affect the accounting profit or the tax profit and differences coming from subsidiary investments, provided they are not reversed in the near future.

Deferred tax is calculated based on tax percentages that are expected to the applied to the time differences on their reversal, based on the law applicable on the reporting date. Receivables and liabilities from deferred tax are settled only if there is a legal right to offset the current receivables and liabilities with tax and if they correspond to the tax collected by the same tax authority for the same entity subject to taxation or for different tax authorities, but which want to settle current receivables and liabilities with tax using a net base or the assets and liabilities will be realised simultaneously.

The deferred tax asset is recognized only to the extent that it is likely that future profits will be achieved to be used to cover the tax loss. The receivable is revised at the end of each financial year and it is lowered to the extent that it is improbable for the corresponding tax benefit to be achieved.

Additional taxes that occur in dividend distribution (if the case) are recognized on the same date as the dividend payment obligation.

(w) Earnings per share

The Group presents the basic and diluted earnings per share for ordinary shares. Earnings per share are calculated through the dividing the profit or loss attributable to the Company's ordinary shareholders to the average weighted number of ordinary shares in the reporting period.

Diluted earnings per share are calculated through the adjustment of profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

Result per share (including gain from the sale of FVTOCI financial assets)

The Group presents in its financial statements alternative performance measure (non IFRS measure) the "Result per share including gains from the sale of FVTOCI financial assets" which covers not only profit for the period but also gains realized during the year from the sales of FVTOCI financial instruments (presented in Consolidated statement of changes in equity in line Net gain transferred to retained earnings for the sale of FVTOCI equity instruments), since along with net profit, the gain from the sale of FVTOCI financial assets

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Earnings per share

is considered as indicator of the Company's performance and represents a potential resource for dividend distribution to the shareholders, it is however not the measure of comprehensive income for the period.

Reconciliation

In LEI	**31 December 2021**	**31 December 2020**
Net profit attributable to Company's shareholders	51,422,793	3,135,550
Net gain on sale of financial assets at fair value through other comprehensive income, transferred to retained earnings, attributable to shareholders	102,239,049	39,584,589
Net result (including the gains from the sale of FVTOCI assets)	**153,661,842**	**42,720,139**
Weighted average number of outstanding ordinary shares	*972,033,967*	*982,312,571*
Result per share (including the gains from the sale of FVTOCI assets)	**0,1581**	**0,0435**

*See note 40

Dividends are treated as a profit distribution in the period in which they were declared and approved by the General Meeting of Shareholders. The profit available for allocation is the profit for the year registered in the financial statements presented in accordance with IFRS.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Leases where the Group is a lessee

Initial recognition and measurement

On the commencement date of a contract, the Group evaluates if that contract is, or includes a lease contract. A contract is or contains a lease contract if that contract offers the right to control the use of an identified asset for a certain period of time, in exchange for a price.

At the commencement date, the Group, as lessee, recognizes a right-of-use asset and a lease liability.

Determining the duration of the lease

The Group determines the duration of the lease as the irrevocable period of a lease, together with:

- the periods covered by an option to extend the lease if the Company has reasonable assurance that it will exercise that option; and
- the periods covered by an option to terminate the lease if the Company has reasonable assurance that it will not exercise that option.

In assessing the extent to which it has reasonable assurance that it will exercise an option to extend a lease or that it will not exercise an option to terminate a lease, the Group shall consider its intentions and all relevant factors and circumstances that is an economic incentive for the Group to exercise the option to extend the lease or not to exercise the option to terminate the lease. The main relevant factors analyzed are: contractual terms and conditions for optional periods compared to market rates, significant modernization of the lease asset, costs related to the termination of the lease

Initial measurement of the right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost comprises the amount of the initial measurement of the lease liability (as described in the paragraph below), any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the lessee (if the case).

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Leases where the Group is Lessee

Initial measurement of the lease liability

At the commencement date, the Group measures the lease liability at discounted value of the lease payments that are not paid on that date. The lease payments are discounted using the implicit interest rate in the lease if such rate can be readily determined. If such rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group's incremental borrowing rate is the interest rate that the Group should pay to borrow for a similar period, with a similar guarantee, the funds necessary to obtain an asset with a value similar to that of the right-to-use asset, in a similar economic environment.

Subsequent measurement of the right-to-use asset

After the commencement date, the Group measures the right-of-use asset applying the cost model, which means that it measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment.

Subsequent measurement of the lease liability

After the commencement date, the Group measures the lease liability by increasing the book value to reflect the interest related to the lease liability and reducing the book value to reflect the lease payments made, reflecting, if the case be, any changes in the lease.

The interest on the lease liability for each period during the entire contract period must be the value that produces a constant interest rate for the balance of the lease liability.

After the commencement date, the interest related to the lease liability is reflected in profit or loss.

Recognition exemption

The Group, as lessee, choses to apply the exemption allowed by IFRS 16:

- short-term leases; and
- leases whose underlying assets are of low value.

Consequently, in case of short-term leases, and in case of contracts with low value underlying asset, the Group recognizes the lease payments associated to such leases as an expense, on a straight-line basis over the entire duration of the lease.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) 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 of 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 machinery and equipment, real estate development, cultivation of fruit-bearing trees (blueberries), rental and sale of own real estate property, cultivation of fruit-bearing plants (blueberries), business and management consultancy. Segment reporting is presented depending on the activities of the Group and the parent company. Transactions between operating segments are made at arm's length.

Segment assets and liabilities include both the elements directly attributable to the segments, and elements that may be assigned on a reasonable basis.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segment Reporting (continued)

The Group is comprised of the following operating segments:

- financial investment services
- manufacture and sale of agricultural machinery
- real estate development (apartments, including parking spaces)
- cultivation of fruit-bearing trees (blueberries)
- Other: the Group includes 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 segment reporting note.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segmentation of income, expenses and result

31 December 2021 *In LEI*	**Group**	**Financial investment services**	**Manufacture of agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
Income						
Gross dividend income	53,882,260	53,658,436	-	-	-	223,824
Interest income	4,083,169	3,912,081	87,055	16,604	266	67,163
Other operating revenue	49,677,845	660,901	36,622,644	2,244,068	8,475,511	1,674,721
Net gain/(net loss) from financial assets at fair value through profit or loss	29,873,859	30,522,057	4,784	5,061,440	-	(5,714,422)
Net gain from disposal of non-financial assets	658,126	-	-	(21,057)	-	679,183
Net gain/ (Net loss) from the revaluation of investment property	859,634	143,329	(28,803)	(1,854,081)	-	2,599,189
Net gain from the revaluation of assets held for sale	869,256	-	38,397	819,438	-	11,421
Expenses						
(Losses)/loss reversal from impairment of financial assets	6,084,408	4,019,386	2,060,500	(17,031)	185	21,368
(Losses)/Loss reversal from impairment of non-financial assets	(38,871)	(28,989)	208,174	(218,055)	-	(1)
(Setup)/Reversal of provisions for risks and charges	(2,811,413)	(1,620,399)	273,986	(1,465,000)	-	-
Expenses with wages, remunerations and other similar expenses	(44,025,145)	(29,426,547)	(6,387,799)	(1,810,261)	(4,820,090)	(1,580,448)
Other operating expenses	(48,419,804)	(9,578,579)	(30,418,579)	(2,102,290)	(5,119,995)	(1,200,361)
Operating profit /(loss)	**50,693,324**	**52,261,676**	**2,460,359**	**653,775**	**(1,464,123)**	**(3,218,363)**
Share in the loss related to associates	3,773,278	3,773,278	-	-	-	-
Financing costs	(484,146)	(34,350)	(54,029)	(18,728)	(377,039)	-
Profit / Loss before tax	**53,982,456**	**56,000,604**	**2,406,330**	**635,047**	**(1,841,162)**	**(3,218,363)**
Income tax expenses	(2,064,406)	(1,920,757)	(660,034)	419,028	-	97,357
Net profit /loss of the financial year	**51,918,050**	**54,079,847**	**1,746,296**	**1,054,075**	**(1,841,162)**	**(3,121,006)**

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segment Reporting (continued)

Segmentation of income, expenses and result (continued)

31 December 2020 *Restated	**Group**	**Financial investment services**	**Manufacture or agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
In LEI						
Income						
Gross dividend income	63,405,197	63,394,078	-	-	-	11,119
Interest income	3,395,853	2,913,568	274,047	84,181	527	123,530
Other operating income	125,532,987	1,107,379	19,220,045	95,673,254	8,350,079	1,182,230
Net gain/(net loss) from financial assets at fair value through profit or loss	(45,719,842)	(48,247,412)	7,991	-	-	2,519,579
Net gain from disposal of non-financial assets	797,556	191,429	-	-	-	606,127
Net gain from the revaluation of investment property	3,342,251	(33,547)	73,730	1,130,587	-	2,171,481
Net gain/(Net loss) from the revaluation of assets held for sale	(33,561)	-	(33,561)	-	-	-
Expenses						
(Losses)/loss reversal from financial assets impairment	(3,316,848)	(275,130)	1,003,016	(4,058,303)	-	13,569
(Losses)/Loss reversal from non-financial assets impairment	(862,885)	628	50,093	(913,606)	-	-
(Setup)/reversal of provisions for risks and charges	(433,809)	239,144	(112,953)	(600,000)	-	40,000
Expenses with wages, remunerations and other similar expenses	(38,282,048)	(23,607,641)	(6,509,527)	(1,891,364)	(4,710,825)	(1,562,691)
Other operating expenses	(102,315,528)	(9,092,980)	(15,937,061)	(71,899,446)	(4,484,438)	(901,603)
Operating profit/loss	**5,509,323**	**(13,410,485)**	**(1,964,180)**	**17,525,303**	**(844,657)**	**4,203,342**
Share from the loss related to associates	5,853,550	5,853,550	-	-	-	-
Financing costs	(710,299)	(39,736)	(68,494)	(93,843)	(506,903)	(1,323)
Profit/loss before tax	**10,652,574**	**(7,596,671)**	**(2,032,674)**	**17,431,460**	**(1,351,560)**	**4,202,019**
Income tax expenses	(8,139,209)	(4,609,320)	(306,250)	(2,598,470)	-	(625,169)
Net profit/loss of the financial year	**2,513,365**	**(12,205,991)**	**(2,338,924)**	**14,832,990**	**(1,351,560)**	**3,576,850**

*See note 40.

The accounting policies regarding segment reporting are the Group's policies described under explanatory note 4.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segment Reporting (continued)

Segmentation of assets and liabilities

31 December 2021	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	14,039,475	267,382	12,829,162	229,338	6,209	707,384
Bank deposits with initial maturity within 3 months	174,396,940	157,466,638	-	8,325,043	3,463,430	5,141,829
Bank deposits with initial maturity higher than 3 months	6,682,039	-	5,020,377	-	-	1,661,662
Financial assets at fair value through profit or loss	325,937,896	324,950,601	266,635	-	-	720,660
Financial assets measured at fair value through other comprehensive income	1,770,881,534	1,760,478,827	-	-	-	10,403,526
Investments accounted for using the equity method	42,850,061	42,850,061	-	-	-	-
Bonds at fair value through other comprehensive income	3,982,215	3,982,215	-	-	-	-
Bonds at amortized cost	16,689,194	16,689,194	-	-	-	-
Other financial assets at amortized cost	10,626,512	5,257,211	4,359,757	669,811	3,555	336,178
Inventory	22,853,276	111,726	20,185,315	1,491,623	1,062,218	2,394
Other assets	3,445,715	1,459,681	269,658	502,190	1,117,225	96,961
Assets held for sale	24,087,236	-	383,907	23,643,083	-	60,246
Investment property	99,831,062	4,247,186	458,477	39,185,419	-	55,939,980
Property, plant and equipment	54,070,369	8,308,912	16,622,538	324,369	27,101,889	1,712,661
Right-of-use assets	8,642,261	922,692	1,295,524	6,346,594	77,451	-
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	960,584	360,960	42,959	1,316	551,024	4,325
Total assets	**2,584,315,874**	**2,327,352,737**	**61,734,309**	**80,718,786**	**37,722,506**	**76,787,536**
Liabilities						
Borrowings	8,307,026	-	718,484	-	7,588,542	-
Lease liabilities	8,525,431	873,212	1,252,583	6,326,074	73,562	-
Dividends payable	34,488,962	34,036,742	311,795	-	-	140,425
Liabilities regarding current income tax	167,079	-	-	-	-	167,079
Financial liabilities at amortized cost	9,057,658	1,125,603	5,997,631	1,298,197	272,914	363,313
Other liabilities	5,824,211	3,409,992	1,441,894	435,731	304,959	231,635
Provisions for risks and charges	4,253,881	1,749,743	439,138	2,065,000	-	-
Deferred income tax liabilities	131,632,941	125,338,378	1,410,070	2,265,172	-	2,619,321
Total liabilities	**202,257,189**	**166,533,670**	**11,571,595**	**12,390,174**	**8,239,977**	**3,521,773**

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Segment reporting (continued)

Segmentation of Assets and Liabilities (continued)

31 December 2020 *Restated	**Group**	**Financial investment services**	**Manufacture of agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
In LEI						
Assets						
Cash and current accounts	4,715,884	327,424	2,245,063	1,543,908	66,654	532,835
Bank deposits with initial maturity within 3 months	97,686,921	85,057,575	5,009,046		3,477,148	4,143,152
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	261,852	-	-	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	40,075,058	40,075,058	-	-	-	-
Bonds at fair value through other comprehensive income	3,802,401	3,802,401	-	-	-	-
Bonds at amortized cost	16,644,595	16,644,595	-	-	-	-
Other financial assets at amortized cost	17,152,575	8,104,606	5,670,857	3,268,136	2,101	106,875
Inventory	26,378,821	171,174	22,103,732	2,660,966	1,439,165	3,784
Other assets	1,763,516	173,236	332,933	20,737	1,103,757	132,853
Assets held for sale	23,779,031	-	345,510	22,823,645	-	609,876
Investment property	74,450,361	4,103,857	487,280	16,192,578	-	53,666,646
Property, plant and equipment	54,038,192	7,503,594	16,966,788	31,036	27,757,724	1,779,050
Right-of-use assets	2,310,090	1,132,811	949,931	37,065	159,365	30,918
Goodwill	4,339,505	-	-	-	-502,973	4,842,478
Intangible assets	1,073,564	368,884	59,955	1,906	636,708	6,111
Total assets	**2,168,785,250**	**1,953,940,682**	**54,432,947**	**46,579,977**	**34,139,649**	**79,691,995**
Liabilities						
Borrowings	9,793,365	-	999,531	-	8,793,834	-
Lease liabilities	2,179,630	1,070,045	877,797	37,549	161,042	33,197
Dividends payable	36,338,673	35,818,292	311,899	-	-	208,482
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	407,741	229,899
Other liabilities	4,779,402	3,292,889	777,174	259,212	264,379	185,748
Provisions for risks and charges	1,442,468	129,344	713,124	600,000	-	-
Deferred income tax liabilities	97,310,265	90,800,183	705,977	2,927,969	-	2,876,136
Total liabilities	**161,523,189**	**136,227,047**	**6,632,206**	**5,472,999**	**9,626,996**	**3,563,941**

*See note 40.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Standards and interpretations that came into force in the current year

The following amendments of existing standards issued by the International Accounting Standard Board - ”IASB” and adopted by the European Union („EU”) came into force in the current year:

- **Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures”, IFRS 4 „Insurance Contracts” and IFRS 16 „Leases”** - Phase 2 (applicable for annual periods beginning on or after 1 January 2021);

- **Amendments to IFRS 16 “Leases”** - Covid-19-Related Rent Concessions beyond 30 June 2021 adopted by the EU on 30 June 2021 (effective for annual periods beginning on or after 1 April 2021),

- **Amendments to IFRS 4 Insurance Contracts “Extension of the Temporary Exemption from Applying IFRS 9”** (the expiry date for the temporary exemption from IFRS 9 was extended for annual periods beginning on or after 1 January 2023).

The Group considers that the adoption of these amendments shall not have a significant impact on its annual financial statements.

The following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective at 31 December 2021:

- **Amendments to various standards due to “Improvements to IFRSs (cycle 2018 -2020)”** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated;

- **Amendments to IAS 16 “Property, Plant and Equipment”** - Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022. Early application is permitted),

- **Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”** - Onerous Contracts - Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Standards and interpretations that came into force in the current year (continued)

- **Amendments to IFRS 3 "Business Combinations"** - (effective for annual periods beginning on or after 1 January 2022),

- **IFRS 17 "Insurance Contracts"** including amendments to IFRS 17 issued by IASB on 25 June 2020 (effective for annual periods beginning on or after 1 January 2023).

The Group considers that the adoption of these standards and amendments shall not have a significant impact on its annual financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Standards and interpretations issued by IASB, not yet adopted by EU

At the authorization date of these financial statements, IFRS as adopted by EU do not significantly differ from the regulations adopted by IASB, with the exception of the following amendments:

- **Amendments to IAS 1 „Presentation of Financial Statements”** – classification of liabilities as current and non-current (applicable for annual periods beginning on or after 1 January 2023);

- **Amendments to IAS 1 „Presentation of Financial Statements”** and IFRS Practice Statement (2): Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023);

- **Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023);

- **Amendments to IAS 12 “Income Taxes”** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;

- **Amendments to IFRS 17 “Insurance contracts”** - Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023).

The Group estimates that the adoption of these amendments of existing standards shall have no significant impact on its annual financial statements in their first year of adoption.

5. MANAGEMENT OF SIGNIFICANT RISKS

Risk management is carried out in a consistent methodological environment, which represents an important component of the strategy for yield maximization while maintaining an acceptable level of risk exposure and abiding by legal provisions. The formalization of risk management policies and procedures decided by the management of the Group is an integral part of the Group's strategic objectives.

Investments expose the Group to a variety of risks associated to the financial instruments held and the financial markets on which it operates. The main risks that the Group is exposed to are:

- market risk (interest rate risk, currency risk and price risk);
- credit risk;
- liquidity risk;
- taxation risk (non-financial risk);
- operational risk (non-financial risk)

The general risk management strategy aims to maximize the Group's profit reported to the risk level that it is exposed to and minimize potential adverse variations on the Group's financial performance. The Group has implemented procedures and policies for the management and measurement of the risks it is exposed to. These policies and procedures are presented under the sections dedicated to each individual risk group.

5.1. Market Risk

Market risk is defined as the risk of recording a loss or the failure to achieve the expected profit, as a result of fluctuation of prices, fluctuation of interest rates and currency exchange rates. In order to manage market risk efficiently, procedures for investment diligence and diligence in monitoring the portfolio holdings, technical and fundamental analysis methods are used, as well as forecasts regarding the evolution of economic branches and financial markets, as well as specific procedures such as:

- permanent monitoring of market issuers and risk / return characteristics of portfolio holdings
- diversification of the range of financial instruments and business sectors
- active management of the stock portfolio
- optimizing the performance / market risk ratio
- adequate assessment of unlisted holdings
- monitoring the macroeconomic, political and sectoral context and adapting market risk management to this context
- following the classification of the asset categories in the portfolio within the legal limits

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

- setting limits on appetite and tolerance to market risk and monitoring compliance with the established risk profile.

The selection of investment opportunities is made through:

- technical analysis;
- fundamental analysis – ascertaining the issuer's ability to generate profit;
- comparative analysis – determining the relative value of an issuer in relation with the market or other similar companies;
- statistical analysis – determining tendencies and correlations using price and traded volume history.

The Group is exposed to the following market risk categories:

(i) Price Risk

The Group is exposed to the risk related to price variation of financial assets measured at fair value through profit or loss, and financial assets measured at fair value through comprehensive income. At 31 December 2021, 86% of all shares with active market held by the Group (31 December 2020: 90%) represented investment in companies that were included in the BET index of the Bucharest Stock Exchange, index weighted with free-float capitalization of the most liquid Romanian companies on the regulated market of the Bucharest Stock Exchange.

A 10% positive variation of the price of financial assets at fair value through profit or loss would lead to an increase of post-tax profit of 27,298,314 lei (31 December 2020: 26,204,559 lei), a negative variation of 10% having an equal contrary net impact.

A 10% positive variation of the price of financial assets measured at fair value through other comprehensive income would lead to an increase of equity, net of income tax of 149,074,963 lei (31 December 2020: 127,683,610 lei), a negative variation of 10% having an equal contrary net impact.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

(i) Price Risk (continued)

The Group holds shares in companies operating in various fields of activity, such as:

In LEI	**31 December 2021**	**%**	**31 December 2020**	**%**
Financial, bank and insurance	1,144,622,670	64%	949,355,738	63%
Natural gas industry	295,191,468	17%	278,738,607	19%
Manufacture and maintenance of transportation vehicles	190,675,914	11%	98,097,116	7%
Real-estate transactions, rentals and other services	61,522,556	3%	57,152,058	4%
Power industry	41,668,790	2%	21,211,750	1%
Wholesale, retail, tourism and restaurants	21,719,987	1%	17,230,878	1%
Food industry	9,709,783	1%	4,795,402	0%
Textile industry	6,073,024	1%	6,789,823	0%
Manufacture of machines, tools and equipment	5,140,466	0%	7,549,296	1%
Transport, storage, communication	2,403,249	0%	4,702,309	0%
Metal construction and metal products industry	1,782,748	0%	9,325,225	1%
Chemical and oil industry			42,736,198	3%
Other	1,436,347	0%	1,376,050	0%
TOTAL	**1,781,947,002**	**100%**	**1,499,060,450**	**100%**

As shown in the above table, at 31 December 2021, the Group mainly held shares in companies operating in the financial-banking and insurance field, which account for 64% of the Group's share portfolio (31 December 2020: 63%). The Group's exposure regarding the holding of Banca Transilvania shares is 56% of the Group's share portfolio at 31 December 2020 (31 December 2020: 55.1%). Fund units held by the Company are exposed to price risk as they have investments with different degrees of risk (bank deposits, bonds, other fixed-income instruments, shares and other financial instruments).

Fund units held by the Group are exposed to price risk as they have investments with different degrees of risk (bank deposits, bonds, other fixed-income instruments, shares and other financial instruments).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk. The changes in the interest rate on the market directly influences the revenues and expenses corresponding to financial assets and liabilities bearing variable interest, as well as the fair value of fixed interest-bearing assets.

At 31 December 2021 and 31 December 2020, most of the Group's assets and liabilities do not bear interest. Therefore, the Group is not significantly influenced by the risk of interest rate fluctuations. Cash surplus or other cash equivalents availabilities are mainly invested in short-term bank deposits with maturity of 1- 12 months. Moreover, the Group has non-significantly invested in corporate and municipal bonds with fixed or variable interest.

The Group does not use derivatives to protect itself from interest rate fluctuations, the interest rate risk being insignificant.

The following tables present the Group's exposure to interest rate risk, at book value, broken down depending on the latest date of interest change and contractual maturity at 31 December 2021 and 31 December 2020.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk (continued)

In LEI	Net value at 31 December 2021	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No interest rate risk
31 December 2021						
Financial assets						
Cash and current accounts	14,039,475	14,012,946	-	-	-	26,529
Bank deposits with initial maturity within 3 months	174,396,940	173,094,332	1,302,608	-	-	-
Bank deposits with initial maturity of more than 3 months	6,682,039	3,540,934	-	3,141,105	-	-
Financial assets at fair value through profit or loss	325,937,896	-	-	-	-	325,937,896
Financial assets at fair value through other comprehensive income	1,770,881,534	-	-	-	-	1,770,881,534
Bonds at fair value through other comprehensive income	42,850,061	-	-	-	-	42,850,061
Investments accounted for using the equity method	3,982,215	-	-	24,130	3,958,085	-
Bonds at amortized cost	16,689,194	3,172	-	16,641,964	44,058	-
Other financial assets at amortized cost	10,626,512	-	-	-	-	10,626,512
Total financial assets	**2,366,085,866**	**190,651,384**	**1,302,608**	**19,807,199**	**4,002,143**	**2,150,322,532**
Financial liabilities						
Borrowings	8,307,026	7,588,542		718,484	-	-
Lease liabilities	8,525,431	126,140	242,631	1,007,867	7,148,793	-
Dividends payable	34,488,962	-	-	-	-	34,488,962
Financial liabilities at amortized cost	9,057,658	-	-	-	-	9,057,658
Total financial liabilities	**60,379,077**	**7,714,682**	**242,631**	**1,726,351**	**7,148,793**	**43,546,620**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk (continued)

In LEI	**Net value at 31 December 2020** *restated	**Under 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Over 1 year**	**No interest rate risk**
Financial assets						
Cash and current accounts	4,715,884	4,677,520	-	-	-	38,364
Bank deposits with initial maturity within 3 months	97,686,921	92,679,851	5,007,070	-	-	-
Bank deposits with initial maturity of more than 3 months	2,216,704	875,562	-	1,341,142	-	-
Financial assets at fair value through profit or loss	312,771,668	-	-	-	-	312,771,668
Financial assets at fair value through other comprehensive income	1,485,586,364	-	-	-	-	1,485,586,364
Bonds at fair value through other comprehensive income	40,075,058	-	-	-	-	40,075,058
Investments accounted for using the equity method	3,802,401	-	-	3,802,401	-	-
Bonds at amortized cost	16,644,595	3,289	-	56,293	16,585,013	-
Other financial assets at amortized cost	17,152,575	-	-	-	-	17,152,575
Total financial assets	**1,980,652,170**	**98,236,222**	**5,007,070**	**5,199,836**	**16,585,013**	**1,855,624,029**
Financial liabilities						
Borrowings	9,793,365	8,793,834	-	999,531	-	-
Lease liabilities	2,179,630	72,344	150,553	587,143	1,369,590	-
Dividends payable	36,338,673	-	-	-	-	36,338,673
Financial liabilities at amortized cost	5,477,053	-	-	-	-	5,477,053
Total financial liabilities	**53,788,721**	**8,866,178**	**150,553**	**1,586,674**	**1,369,590**	**41,815,726**

*See note 40.

The impact on the Group's net profit of a +/- 100 bp modification of the interest rate for assets and liabilities bearing variable interest and expressed in other currencies, corroborated with a modification of +/- 500 bp of the interest rate corresponding to assets and liabilities bearing variable interest, expressed in lei is -/+ 322,284 lei (31 December 2020:-/+ 374,761 lei).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk

The currency risk is the risk of recording losses or of not obtaining the estimated profit following the adverse fluctuations of the exchange rate.

Most of the Group's financial assets and financial liabilities are expressed in national currency and therefore exchange rate fluctuations do not significantly affect the Group's activity and results. Exposure to changes in the exchange rate is mainly due to current accounts and bank deposits, corporate bonds, shares and loans in foreign currency.

Assets expressed in lei and in other currencies at 31 December 2021 and 31 December 2020 are presented in the tables below:

In LEI	**Net value at 31 December 2021**	**Lei**	**EUR**	**USD**
31 December 2021				
Cash and current accounts	14,039,475	10,923,956	3,105,441	10,078
Bank deposits with initial maturity within 3 months	174,396,940	167,655,128	6,741,812	-
Bank deposits with initial maturity higher than 3 months	6,682,039	6,682,039	-	-
Financial assets at fair value through profit or loss	325,937,896	323,782,273	2,155,623	-
Financial assets at fair value through comprehensive income	1,770,881,534	1,770,881,534	-	-
Investments accounted for using the equity method	42,850,061	42,850,061	-	-
Bonds at fair value through other comprehensive income	3,982,215	-	3,982,215	-
Bonds at amortized cost	16,689,194	16,689,194	-	-
Other financial assets at amortized cost	10,626,512	10,614,058	12,454	-
Total financial assets	**2,366,085,866**	**2,350,078,243**	**15,997,545**	**10,078**
Financial liabilities				
Borrowings	8,307,026	7,588,542	718,484	-
Lease liabilities	8,525,431	330,546	8,194,885	-
Dividends payable	34,488,962	34,488,962	-	-
Financial liabilities at amortized cost	9,057,658	3,819,993	5,237,665	-
Total financial liabilities	**60,379,077**	**46,228,043**	**14,151,034**	**-**

*See note 40.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk (continued)

In LEI	**Net value at 31 December 2020 *Restated**	**Lei**	**EUR**	**USD**
31 December 2020				
Cash and current accounts	4,715,884	4,627,704	76,515	11,665
Bank deposits with initial maturity within 3 months	97,686,921	91,896,732	5,790,189	-
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	309,965,925	2,805,743	-
Financial assets at fair value through comprehensive income	1,485,586,364	1,485,586,364	-	-
Investments accounted for using the equity method	40,075,058	40,075,058	-	-
Bonds at fair value through other comprehensive income	3,802,401	-	3,802,401	-
Bonds at amortized cost	16,644,595	16,644,595	-	-
Other financial assets at amortized cost	17,152,575	17,150,370	2,205	-
Total financial assets	**1,980,652,170**	**1,968,163,452**	**12,477,053**	**11,665**
Financial liabilities				
Borrowings	9,793,365	8,793,834	999,531	-
Lease liabilities	2,179,630	288,963	1,890,667	-
Dividends payable	36,338,673	36,338,673	-	-
Financial liabilities at amortized cost	5,477,053	4,392,228	1,084,825	-
Total financial liabilities	**53,788,721**	**49,813,698**	**3,975,023**	**-**

*See note 40.

The net impact on the Group's profit of a ± 15% modification of the RON/EUR exchange rate, corroborated with a modification of ± 15 of RON/USD exchange rate, at 31 December 2021, all other variables remaining the same is ± 233,930 lei (31 December 2020: ± 1,072,726 lei).

5.2 Credit Risk

The Group is exposed to credit risk related to financial instruments arising from the possible failure of a third party to pay its obligations towards the Group. The Group is exposed to credit risk following the investments made in bank deposits and bonds issued by municipalities or companies, current accounts and other receivables.

At 31 December 2021 and 31 December 2020 the Group did not hold any collateral as insurance or other credit risk improvement. At 31 December 2021 and 31 December 2020 the Group did not register overdue financial assets, with the exception of outstanding trade receivables or amounts from sundry debtors.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

The Group's maximum credit exposure is 226,389,846 lei at 31 December 2021 (31 December 2020: 142,180,716 lei), including current accounts and bank deposits, bonds and other financial assets at amortised cost, and can be analyzed as follows:

Exposures from current accounts and bank deposits

In LEI	**Rating**	**31 December 2021**	**31 December 2020**
EximBank	Fitch: BBB- (assimilated to sovereign rating)	16,535,151	78,536,993
Banca Transilvania	Fitch: BB+	155,697,075	11,748,207
Garanti Bank	Fitch: BB-	4,567,978	4,501,262
BRD - Groupe Societe Generale	Moody's: Baa1	4,952,337	4,351,390
Raiffeisen Bank	Moody's: Baa1	8,328,367	2,418,959
BCR	Moody's: Baa1	2,503,450	1,077,259
Unicredit Tiriac Bank	Fitch: BBB	15,010	16,553
CEC Bank	Fitch: BBB- (assimilated to sovereign rating)	11,547	12,186
Other commercial banks	No rating	2,496,538	1,926,674
Total funds at banks		**195,107,453**	**104,589,481**
Cash		26,529	38,364
Total cash and current accounts and bank deposits (gross amounts), of which:		**195,133,982**	**104,619,509**
Cash and current accounts		*14,039,534*	*4,715,897*
Bank deposits with initial maturity within 3 months		*174,406,659*	*97,693,251*
Bank deposits with initial maturity higher than 3 months		*6,687,789*	*2,218,697*
Expected credit losses, out of which for:		**(15,528)**	**(8,336)**
Current accounts		*(59)*	*(13)*
Bank deposits with initial maturity within 3 months		*(9,719)*	*(6,330)*
Bank deposits with initial maturity higher than 3 months		*(5,750)*	*(1,993)*
Total cash, bank account and deposits		**195,118,454**	**104,619,509**

The annual average interest rate for 2021, for bank deposits was 1,43% (2020: 2,14%).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Exposures from bonds at amortized cost

In LEI	**Rating**	**31 December 2021**	**31 December 2020**
Bacau municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	59,032	70,909
Străulești Lac Alfa bonds	No rating	16,744,533	16,744,533
Total bonds at amortised cost – gross value		**16,803,565**	**16,815,442**
Expected credit losses		*(114,371)*	*(170,847)*
Total bonds at amortised cost		**16,689,194**	**16,644,595**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Bacau municipal bonds are denominated in lei, have a final maturity on 31 October 2026 and a variable interest rate (coupon), which is the average of 6 months ROBID and 6 months ROBOR reference rates, plus a 0.85% margin per year.

Străulești Lac Alfa bonds are denominated in Lei, their maturity is on 9 December 2022 and have a fixed interest rate (coupon) of 8% per year.

Exposures from bonds at fair value through other comprehensive income

In LEI	31 December 2021	31 December 2020
Autonom Service bonds	3,982,215	3,802,401
Total	**3,982,215**	**3,802,401**

Autonom Service bonds are denominated in EUR, their maturity is on 12 November 2024 and have a fixed interest rate (coupon) of 4.45% per year.

Autonom Service Company has a B+ credit rating issued by Fitch.

Financial assets at amortized cost

In LEI	31 December 2020	31 December 2019
AAAS receivable	51,084,774	54,991,048
Traded receivables	9,745,270	14,357,678
BRD – transactions under settlement	3,768,797	6,295,020
Advances from the Central Depositary for payment of dividends to shareholders	1,218,575	1,500,447
Advances granted to suppliers	388,874	1,794,327
Other financial assets at amortized cost	5,496,207	6,708,320
Less expected credit loss	*(61,075,985)*	*(68,494,265)*
Total other assets at amortized cost	**10,626,512**	**17,152,575**

Other assets at amortized cost mainly include trade receivables, sundry debtors and supplier advances.

Adjustments for expected credit loss correspond mainly to receivable from the Authority for State Assets Management ("AAAS"), from litigations won definitively, which are covered in full, and a portion of trade receivables.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk

Liquidity risk represents the risk of recording a loss or of not obtaining the estimated profits, resulting from the impossibility at any time to fulfill short-term payment obligations, without this payment involving excessive costs or losses that cannot be borne by the Group.

The Group's financial instruments may include investments in shares not traded on an organized market that might consequently have low liquidity.

The structure of the Group's assets and liabilities has been analyzed based on the remaining period of time from the balance date until the contract maturity date, for both the financial year ended 31 December 2021 and the financial year ended 31 December 2020, as follows:

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk (continued)

In LEI	Book value	Undiscounted cash flows	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Older than 1 year	No predetermined maturity
31 December 2021							
Financial assets							
Cash and current accounts	14.039.475	14.039.475	14.039.475		-	-	-
Deposits placed with banks with an initial maturity of less than 3 months	174.396.940	174.567.851	173.261.334	1.306.517	-	-	-
Deposits with banks with an initial maturity of more than 3 months	6.682.039	6.717.306	3.546.540	-	3.170.766	-	-
Financial assets at fair value through profit or loss	325.937.896	325.937.896					325.937.896
Financial assets designated at fair value through other comprehensive income	1.770.881.534	1.770.881.534		-	-	-	1.770.881.534
Investments accounted for using the equity method	42.850.061	42.850.061		-	-	-	42.850.061
Liabilities at fair value through other comprehensive income	3.982.215	4.462.843	-	-	152.007	4.310.836	-
Bonds at depreciated cost	16.689.194	18.120.775	3.292	-	18.068.038	49.445	-
Other financial assets at amortised cost	10.626.512	10.626.512	9.136.885	745.345	473.503	218.341	52.438
Total financial assets	**2.366.085.866**	**2.368.204.253**	**199.987.526**	**2.051.862**	**21.864.314**	**4.578.622**	**2.139.721.929**
Financial liabilities							
Borrowings	8.307.026	8.890.988	202.472	400.033	3.209.997	5.078.486	-
Lease liabilities	8.525.431	10.140.621	143.181	275.337	1.147.324	8.574.779	-
Dividend payment	34.488.962	34.488.962	34.488.962		-	-	-
Financial liabilities at amortised cost	9.057.658	9.057.658	2.634.434	5.102.087	113.790	1.207.347	-
Total financial liabilities	**60.379.077**	**62.578.229**	**37.469.049**	**5.777.457**	**4.471.111**	**14.860.612**	**-**
Net financial assets	**2.305.706.789**	**2.305.626.024**	**162.518.477**	**(3.725.595)**	**17.393.203**	**(10.281.990)**	**2.139.721.929**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk (continued)

In LEI	**Book value** Restated*	**Undiscounted cash flows**	**Under 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Older than 1 year**	**No predetermined maturity**
31 December 2020							
Financial assets							
Cash and current accounts	4.715.884	4.715.884	4.715.884	-	-	-	-
Deposits placed with banks with an initial maturity of less than 3 months	97.686.921	97.779.733	92.757.218	5.022.515	-	-	-
Deposits with banks with an initial maturity of more than 3 months	2.216.704	2.231.922	876.601	-	1.355.321	-	-
Financial assets at fair value through profit or loss	312.771.668	312.771.668	-	-	-	-	312.771.668
Financial assets designated at fair value through other comprehensive income	1.485.586.364	1.485.586.364	-	-	-	-	1.485.586.364
Investments accounted for using the equity method	40.075.058	40.075.058	-	-	-	-	40.075.058
Liabilities at fair value through other comprehensive income	3.802.401	4.452.428	-	-	168.863	4.283.565	-
Bonds at depreciated cost	16.644.595	19.485.040	3.433	-	1.364.538	18.117.069	-
Other financial assets at amortized cost	17.152.575	17.152.575	12.402.288	2.689.181	1.966.950	879	93.277
Total financial assets	**1.980.652.170**	**1.984.250.672**	**110.755.424**	**7.711.696**	**4.855.672**	**22.401.513**	**1.838.526.367**
Financial liabilities							
Borrowings	9.793.365	10.267.784	193.078	381.798	2.898.415	6.794.493	-
Lease liabilities	2.179.630	3.101.971	72.189	149.406	645.074	2.235.302	-
Dividend payment	36.338.673	36.338.673	36.338.673	-	-	-	-
Financial liabilities at amortised cost	5.477.053	5.477.053	3.919.500	576.300	110.400	210.229	660.624
Total financial liabilities	**53.788.721**	**55.185.481**	**40.523.440**	**1.107.504**	**3.653.889**	**9.240.024**	**660.624**
Net financial assets	**1.926.863.449**	**1.929.065.191**	**70.231.984**	**6.604.192**	**1.201.783**	**13.161.489**	**1.837.865.743**

* see note 40

For all non-financial assets, with the exception of inventories and other assets, the expected recovery period is longer than 12 months from the date of reporting.
For all non-financial liabilities, with the exception of current tax and other liabilities, the expected settlement period is longer than 12 months from the date of reporting.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.4 Taxation Risk

The taxation system in Romania is subject to various interpretations and permanent changes that can be retroactive. In certain circumstances, tax authorities might adopt different positions than those of the Group and might calculate tax interest and penalties. Although the tax corresponding to a transaction may be minimal, the penalties may be considerable, depending on the interpretation of the tax authorities.

Moreover, Romania's Government has under its supervision a series of agencies that are authorized to control both the Romanian and foreign entities carrying out activities in Romania. These verifications are largely similar to those carried out in many countries but might also extend over some legal or regulating areas in which the Romanian authorities might be interested.

The tax returns might be subject to control and revisions over a period of five years and in general after the date of their submission. According to the legal provisions applicable in Romania, the already checked periods can be subject to other additional verifications in the future.

The management of the Group considers it has correctly calculated and registered taxes and other liabilities towards the state. Nevertheless, there is a risk that authorities might have a different position than that of the Group.

The latest control of the National Agency of Fiscal Administration the Company was subjected to, covered the period up to January 1, 2010. Therefore, the Company's tax liabilities after this date may be the subject of subsequent verifications, provided that they are not already time-barred.

Regard the subsidiaries, the tax inspections focused on specific areas, in particular VAT refunds.

Operational Risk

Operational risk represents the risk of loss caused either by the use of processes, systems and human resources that are inadequate or have not fulfilled their function properly, or by external events and actions.

The management of operational risk is ensured by the Company through the implementation of and compliance with operational risk standards and procedures and a rigorous internal control system.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.4 Taxation Risk (continued)

Capital Adequacy

The management's policy regarding capital adequacy is focused on maintaining a solid capital base, for the purpose of supporting the continuous development of the Group and reaching its investment objectives.

The Group's equity includes the share capital, different types of reserves and retained earnings. Equity was 2,382,058,685 lei at 31 December 2021 (31 December 2020: 2,007,262,061 lei).

As AIFM, the Company applies the legal requirements provided by Law no. 74/2015 regarding the minimum level of initial capital and own funds.

6. PARTICIPATION IN THE SHARE CAPITAL INCREASE OF SUBSIDIARIES AND ASSOCIATES

In 2021, the Company participated in the share capital increase of Agrointens S.A., with a cash contribution of 1,750,000 lei, cash contribution to EVERLAND SA (former Agroland Capital SA) of 6,287,500 lei and the capital increase of EVER IMO SA (former Tesatoriile Reunite SA) through a cash contribution of 8,000,000 lei, paid in full during the year.

In 2020, the Company participated in the share capital increase of Agrointens S.A., with a cash contribution of 2,667,500 lei, and the capital increase of CASA S.A company through a cash contribution of 8,300,000 lei, paid in full during the year.

In 2020, subsidiary Asset Invest was voluntarily liquidated (and deregistered in December 2020) after its assets and activity were transferred to subsidiary CASA SA.

In 2020, subsidiary Țesătoriile Reunite returned to the Company a portion of the capital subscribed, in amount of 22,675,625 lei.

7. SALES OF SUBSIDIARIES AND OTHER CHANGES IN THE STRUCTURE OF THE GROUP

In June 2021 was established A3 Snagov SRL, held indirectly through the subsidiary EVERLAND SA (formerly Agroland Capital SA), which owns 100% of its shares.

In the course of 2021, and 2020 were not sales of subsidiaries.

In the year 2020, the subsidiary Asset Invest was voluntarily liquidated (and deregistered in December 2020) after its assets and activity were assigned to the CASA SA subsidiary.

In 2020, the subsidiary Tesatoriile Reunite returned to the Company a part of the share capital subscribed by it, amounting to 22,675,625 lei.

The Group envisages continuing the restructuring process in order to streamline the activity, leading to the improvement of the financial performance of the portfolio of projects under management.

8. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below summarizes the carrying amounts and fair values of the Group's financial assets and liabilities at the date of December 31, 2021:

In LEI	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Amortized cost**	**Total carrying amount**	**Fair value**
Cash and current accounts	-	-	14.039.475	14.039.475	14.039.475
Deposits placed with banks with an initial maturity of less than 3 months	-	-	174.396.940	174.396.940	174.396.940
Deposits with banks with an initial maturity of more than 3 months	-	-	6.682.039	6.682.039	6.682.039
Financial assets at fair value through profit or loss	325.937.896	-	-	325.937.896	325.937.896
Financial assets at fair value through other comprehensive income	-	1.770.881.534	-	1.770.881.534	1.770.881.534
Liabilities at fair value through other comprehensive income	-	3.982.215	-	3.982.215	3.982.215
Bonds at depreciated cost	-	-	16.689.194	16.689.194	16.689.194
Other financial assets at amortised cost	-	-	10.626.512	10.626.512	10.626.512
Total financial assets	**325.937.896**	**1.774.863.749**	**222.434.160**	**2.323.235.805**	**2.323.235.805**
Borrowings	-	-	8.307.026	8.307.026	8.307.026
Lease liabilities	-	-	8.525.431	8.525.431	8.525.431
Dividend payment	-	-	34.488.962	34.488.962	34.488.962
Financial liabilities at amortised cost	-	-	9.057.658	9.057.658	9.057.658
Total financial liabilities	**-**	**-**	**60.379.077**	**60.379.077**	**60.379.077**

For financial assets and liabilities at amortised cost the Group analysed fair value at 31 December 2021 and concluded that there are no significant differences between fair value and amortised cost.

8. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the book values and fair values of financial assets and liabilities of the Group at 31 December 2020:

In LEI	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying amount	Fair value
Cash and current accounts	-	-	4.715.884	4.715.884	4.715.884
Deposits placed with banks with an initial maturity of less than 3 months	-	-	97.686.921	97.686.921	97.686.921
Deposits with banks with an initial maturity of more than 3 months	-	-	2.216.704	2.216.704	2.216.704
Financial assets at fair value through profit or loss	312.771.668	-	-	312.771.668	312.771.668
Financial assets at fair value through other comprehensive income	-	1.485.586.364	-	1.485.586.364	1.485.586.364
Liabilities at fair value through other comprehensive income	-	3.802.401	-	3.802.401	3.802.401
Bonds at depreciated cost	-	-	16.644.595	16.644.595	16.644.595
Other financial assets at amortised cost	-	-	17.152.575	17.152.575	17.152.575
Total financial assets	**312.771.668**	**1.489.388.765**	**138.416.679**	**1.940.577.112**	**1.940.577.112**
Borrowings	-	-	9.793.365	9.793.365	9.793.365
Lease liabilities	-	-	2.179.630	2.179.630	2.179.630
Dividend payment	-	-	36.338.673	36.338.673	36.338.673
Financial liabilities at amortised cost	-	-	5.477.053	5.477.053	5.477.053
Total financial liabilities	**-**	**-**	**53.788.721**	**53.788.721**	**53.788.721**

9. GROSS DIVIDEND INCOME

In LEI	2021	2020
Banca Transilvania	28,908,155	38,261,114
SNGN Romgaz SA	13,548,464	12,186,048
OMV Petrom	3,644,628	544,628
SN NUCLEARELECTRICA SA	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
SIF Transilvania	-	3,823,026
Other	1,718,811	940,408
Total	**53,882,260**	**63,405,197**

*See note 40

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 31 December 2021 were 5% or 0% (2020: 5% or 0%). Dividend tax exemption applies if the Group's holding percentage was 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 2021, the value of gross dividends distributed by the companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 52,471,674 lei (2020: 62,504,847 lei).

10. INTEREST INCOME

In LEI	2021	2020
Income related to interest and current bank accounts	2,551,732	1,681,032
Interest income related to bonds at amortized cost	1,354,625	1,540,539
Interest income related to bonds at fair value through other comprehensive income	176,812	174,282
Total	**4,083,169**	**3,395,853**

11. OTHER OPERATING INCOME

In LEI	2021	2020
Income from sales of production	22,120,647	17,344,228
Income from merchandize sold	22,110,913	9,608,513
Income from sales of apartments	1,953,502	95,254,099
Income from service	117,442	89,737
Total income from contracts with customers	**46,302,504**	**122,296,577**
Rental income	2,213,328	2,395,665
Income from recovered receivables	142,381	43,603
Other operating income	1,019,632	797,142
Total other categories of operating income	**3,375,341**	**3,236,410**
Total	**49,677,845**	**125,532,987**

Revenue from contracts with customers
In the category of income from sales of production, the highest share in 2021 is held by Mecanica Ceahlău with an amount of 15,080,559 lei, i.e. 68% (2020: 10,229,724 lei, i.e. 59%), representing income from the sale of the agricultural machinery and equipment manufactured by this subsidiary, followed by Agrointens with the amount of 7,010,268 lei, i.e. 32% (2020: 7,114,505 lei, i.e. 41%), representing income from the sale of agricultural products (blueberries).

In 2021, the highest share in the category of income from the sale of merchandize is held by Mecanica Ceahlău with an amount of 21,019,910 lei, i.e. 95% (2020: 8,504,076 lei, i.e. 89%), representing sale of distributed products (trucks, herbicide equipment, front loaders, etc.) followed by Agrointens with an amount of 1,067,780 lei, i.e. 5%, representing income from the sale of blueberries purchased from other local growers.

In 2021 and 2020, income from sales of apartments was obtained by subsidiary Țesătoriile Reunite following the sale of apartments (and parking spaces) in Baba Novac Residence, developed by this subsidiary (most ofwhich were sold in 2020).

The services delivered by the Group are generally related to the products supplied (for example, repairs of agricultural machinery following the expiry of the guarantee period).

11. OTHER OPERATING INCOME (continued)

In 2021, the Group obtained income from contracts with customers from sales in Romania, except for the external sales (mainly UK and the Republic of Moldova, Serbia and Germany) of subsidiary Agrointens (sale of blueberries): 4,680,942 from the sale of production and 845,643 lei from the sale of merchandise (2020: 4,623,441 lei from sale of production and 889,610 lei from sale of goods and income from the sale of the production of subsidiary Mecanica Cehlau (in Turkey, Bulgaria, Hungary, Ukraine, Poland and the Republic of Moldova) of 683,942 lei (2020: 181,326 lei in Hungary and the Republic of Moldova).

The Group concluded only contracts with an estimated duration of less than one year and uses the practical expedient not to disclose the unsatisfied performance obligations.

The Group obtained income from contracts with customers from direct sales, except for income from sales through distributors of subsidiary Mecanica Ceahlau (sale of agricultural machinery and equipment): 4,029,737 lei (2020: 4,611,062 lei) from the sale of production and 2,274,285 lei (2020: 4,962,214 lei) from the sale of goods.

For further details on income from contracts with customers (e.g. type of contract, timing of the transfer of goods and services), see note 4 (p).
The receivable balance in contracts with customers is included in explanatory note 23.

Other categories of operating income

In 2021, rent income was obtained by: Casa SA of 1,110,349 lei (2020: 1,000,531 lei), followed by EVERGENT Investments (former SIF Moldova) with an amount of 445,754 lei (2020: 440,462 lei), EVER IMO (former Țesătoriile Reunite), with 0 lei (2020: 351,024 lei), and Regal SA of 299,718 lei (2020: 276,893 lei).

12. NET GAINS FROM SALES OF NON-FINANCIAL ASSETS

In LEI	**2021**	**2020**
Net gain /(net loss) from the sale of investment property and intangible assets held for sale	679,184	577,923
Net gain /(net loss) from the sale of intangible assets	(21,058)	219,633
Total	**658,126**	**797,556**

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

In LEI	**2021**	**2020**
Net gain / (net loss) from revaluation of financial assets at fair value through profit or loss	27,453,690	(45,720,462)
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	2,420,169	620
Total	**29,873,859**	**(45,719,842)**

The unrealised net gains registered in 2021, in amount of 27,453,690 lei (2020: unrealised net loss of 45,720,462 lei) represents the difference from the fair value revaluation of shares and unit funds held at fair value through profit or loss.

In 2021, unrealized net profit was mainly generated by the increase of fair value of investments in fund units. The increase was determined by the continuation of the upward trend of quotations on the financial markets (including on the Bucharest Stock Exchange) started in late 2020, after their decrease in the first half of the year.

In 2020, the unrealized net loss was mainly generated by the decrease in the fair value of investments in fund units, as a result of the unfavorable impact that the beginning of the crisis generated by the COVID-19 epidemic had on the quotations of financial instruments on the Bucharest Stock Exchange.
The net gain in 2021 comes from the sale of fund units.

14. 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 the Steering Committees/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).

In LEI	**2021**	**2020**
Fixed remunerations		
Management Committee	8,071,371	9,909,174
Board of Directors	5,643,851	5,014,969
Employees	16,367,790	15,977,933
Total fixed remuneration	***30,083,012***	***30,902,076***
Variable remunerations		
Board of Directors, Management Committee		
Profit sharing in cash for the current year	-	-
Bonuses for the current year	635,223	195,026
Profit sharing in stocks	7,936,400	3,108,690
Total	***8,571,623***	***3,303,716***
Employees		
Profit sharing in cash for the current year	1,352,345	856,573
Bonuses for the current year	312,696	320,376
Profit sharing in stocks	2,917,388	2,024,933
Total	***4,582,429***	***3,201,882***
Total variable remunerations	***13,154,052***	***6,505,598***
Expenses with social contributions and similar expenses	***724,593***	***660,226***
Estimated expenses with untaken leaves	***63,488***	***214,148***
Total wages, remunerations, contributions and similar expenses	**44,025,145**	**38,282,048**

The officers' allowances are approved by the General Meeting of Shareholders and Board of Directors through management contracts.

The Group's average number of employees in 2021 was 168 (2020: 185). The number of employees hired by the Group in 2021 was 34 (2020: 35).

15. OTHER OPERATING EXPENSES

In LEI	2021	2020
Expenses with outsourced services	6,460,342	8,223,080
Expenses with commissions and fees	3,983,304	3,315,957
Expenses for protocol and advertising	1,065,315	443,407
Expenses with the amortization of tangible and intangible assets	3,665,336	3,393,689
Expenses for the amortization of assets related to right-of-use assets from leasing contract	865,722	770,683
Audit services and other related services rendered by statutory auditor	814,983	739,663
Expenses for sponsorship and patronage	405,855	1,378,976
Expenses for merchandize	19,884,898	8,167,210
Changes in finished goods and work in progress	3,326,215	64,609,786
Other operating expenses	7,947,834	11,273,076
Total	**48,419,804**	**102,315,527**

Expenses with outsourced services mainly include expenses for valuation services, maintenance, rent, maintenance and repairs and insurance.

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

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

The audit fees corresponding to 2021 financial statements of the Group (including its subsidiaries), included in the category of Statutory Audit Services and Related Services were 743,064 lei (for the audit of 2020 financial statements: 694,134 lei).

The change in stocks of finished goods and production in progress in 2021 mainly refers to the partial sale of parking spaces in the Baba Novac Residance complex and the sale of agricultural machinery produced by Mecanica Ceahlau.

The change in stocks of finished products and ongoing production in 2020 mainly refers to the net decrease in the value of ongoing production, as a result of the sale of apartments in the Baba Novac Residence residential complex, after its completion in 2019.

In 2021, the expenses related to short-term leasing contracts and / or for which the underlying asset has a small value were 176,123 lei (2020: 155,776 lei).

16. FINANCING EXPENSES

In LEI	**2021**	**2020**
Interest expenses from borrowings	394,625	636,160
Interest expenses from leases	89,521	74,139
Total	**484,146**	**710,299**

17. INCOME TAX

In LEI	2021	2020
Current income tax		
Current income tax (16%)	2,786,534	5,172,848
Dividend tax (5%)	2,493,474	2,992,234
	5,280,008	**8,165,082**
Deferred income tax		
Financial assets	(17,349)	(698,685)
Investment property and tangible assets	641,016	898,606
Inventory	(65,906)	(582,173)
Liabilities related to profit sharing in cash and other benefits	(3,017,708)	(35,140)
Provisions for risks and charges	359,201	391,519
Other items (including tax loss)	(1,114,856)	-
	(3,215,602)	**(25,873)**
Total	**2,064,406**	**8,139,209**

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

In LEI	2021	2020 *restated
Profit before tax	**53,982,456**	**10,652,574**
Tax in compliance with statutory taxation rates of 16% (2020: 16%)	**8,637,193**	**1,704,412**
Effect on income tax of:		
non-deductible expenses	8,608,719	17,656,950
non-taxable income	(11,165,200)	(12,908,997)
registration and reversal of temporary differences	(3,294,178)	(25,873)
other elements	(3,215,602)	(1,279,517)
Dividend tax (5%)	2,493,474	2,992,234
Income tax	**2,064,406**	**8,139,209**

**For the impact on gross profit, see note 40*

The effective income tax rate in 2021 is 4% (2020: 76%).

On determining 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 revenues in the total revenues registered by the Group.

17. INCOME TAX (continued)

The main non-taxable income are mainly dividend income and income from differences of the measurement of financial assets at fair value through profit or loss (holdings 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 income.

18. CASH AND CURRENT ACCOUNTS

In LEI	31 December 2021	31 December 2020
Cash	26,529	38,364
Current accounts	14,013,005	4,677,532
Cash and current accounts – gross value	**14,039,534**	**4,715,896**
Expected credit loss related to current accounts	(59)	(12)
Total cash and current accounts	**14,039,475**	**4,715,884**

Current bank accounts are constantly at the Group's disposal.

All current accounts of the Group are classified as Stage 1.

19 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

In LEI	31 December 2021	31 December 2020
Term deposits with initial maturity within 3 months	174,288,723	97,616,479
Accrued interest receivable	117,936	76,767
Total bank deposits – gross value	**174,406,659**	**97,693,246**
Expected credit loss	(9,719)	(6,325)
Total bank deposits	**174,396,940**	**97,686,921**

19 b) BANK DEPOSITS WITH INITIAL MATURITY HIGHER THAN 3 MONTHS

In LEI	**31 December 2021**	**31 December 2020**
Term deposits with initial maturity higher than 3 months	6,660,194	2,215,356
Accrued interest receivable	27,594	3,340
Total term deposits – gross value	**6,687,788**	**2,218,696**
Expected credit loss	(5,749)	(1,992)
Total bank deposits	**6,682,039**	**2,216,704**

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

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

20. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

In LEI	31 December 2021	31 December 2020
Fund units	314,872,418	299,297,581
Shares	11,065,478	13,474,087
Total	**325,937,896**	**312,771,668**

In LEI	2021	2020
1 January	**312,771,668**	**309,778,000**
Purchases during the year	20,049,293	48,748,510
Sales during the year	(36,756,923)	(35,000)
Changes in fair value	27,453,689	(45,720,462)
Gain from FVTPL sale	2,420,169	620
31 December	**325,937,896**	**312,771,668**

b) Financial assets at fair value through other comprehensive income

In LEI	31 December 2021	31 December 2020
Shares measured at fair value through other comprehensive income	1,770,881,534	1,485,586,364
Total	**1,770,881,534**	**1,485,586,364**

At 31 December 2021 and 31 December 2020 the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, SNGN Romgaz, Aerostar, BRD – Groupe Société Générale, Professional Imo Partners (31 December 2020: Banca Transilvania, SNGN Romgaz, Aerostar, BRD - Groupe Société Générale, SNTGN Transgaz).

The Group has used its irrevocable option to designate such equity instruments at fair value through other comprehensive income, as these financial assets are held both for dividend collection and for gains on sale and not for trading.

20. FINANCIAL ASSETS (continued)

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

The movement of financial assets in the period ended 31 December 2021 and 31 December 2020 is presented in the table below:

In LEI	**2021**	**2020**
1 January	**1,485,586,364**	**1,675,707,206**
Sales during the year	(272,636,171)	(126,528,187)
Purchases during the year	101,915,103	118,206,119
Changes in fair value	456,016,238	(181,798,774)
31 December	**1,770,881,534**	**1,485,586,364**

In 2021, shares measured at fair value through other comprehensive income increased significantly due to a new growing trend for financial markets (including the Bucharest Stock Exchange), after the significant drop registered in 2020 (especially in the first part of the year) determined by the impact of the crisis generated by the COVID-19 epidemic.

Sales of shares classified at fair value through other comprehensive income were decided on the basis of a fundamental analysis prepared by the specialized sub-funds, in the context of the Group's medium and long-term objectives or for capitalizing on opportunities (eg). The sales were not made shortly after the acquisition, and the transactions with those shares did not aim to make short-term profits.
In the case of Banca Transilvania share sales, the sales were made in order not to reach the maximum legal limit of 40% of the total holding assets for an issuer.

For information regarding the net gains from the sale of shares carried at fair value through other comprehensive income, see Note 20 d).

20. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy

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

- Level 1: quoted (unadjusted) prices in active markets for stocks and bonds and the net asset value (unadjusted) for fund units (meeting the definition of tier 1 input data);
- Level 2: inputs 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: inputs for assets or liabilities that are not based on observable inputs from the market (unobservable inputs).

31 December 2021

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	323,782,273	-	2,155,623	325,937,896
Financial assets measured at fair value through other comprehensive income	1,667,885,875	-	102,995,659	1,770,881,534
Bonds at fair value through other comprehensive income	3,982,215	-	-	3,982,215
Total	**1,995,650,363**		**105,151,282**	**2,100,801,645**

31 December 2020

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
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
Total	**1,701,256,690**		**100,903,743**	**1,802,160,433**

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial Assets	Fair value at 31 December 2021	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5,824,001	Market approach, comparable companies method	Invested capital/revenues multiple: 0.8 Invested capital/ turnover multiple: 2.0 Invested capital/EBITDA multiple: 8.3 Discount for lack of marketability: 16.3%	The lower the EV/Revenues multiple, the lower the fair value The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Not listed majority interest	5,360,398	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,6 Invested capital/EBITDA multiple: 6 Equity value/book value multiple: 1.2 Discount for lack of marketability: 14.1%	The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA multiple, the lower the fair value. In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	3,168,790	Income approach – discounted cash-flow method	Weighted average cost of capital: 10.6% Constant long-term income growth rate: 2,5% Discount for lack of control: 18.3% Discount for lack of marketability: 16.3%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Not listed minority interest	2,405,370	Income approach – discounted cash-flow method	Weighted average cost of capital: 12.5% Constant long-term income growth rate: 2.5% Discount for lack of control: 19.6% Discount for lack of marketability: 12.6%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value at 31 December 2021	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	79,467,137	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.5%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.
			Discount for lack of control: 18.4%	The lower the lack of control discount, the higher the fair value.
			Discount for lack of marketability: 9.6%	The lower the lack of marketability discount, the higher the fair value.
Not listed minority interest (including holding-type)	8,925,586	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.8%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.
			Discount for lack of control: 17.6%	The lower the lack of control discount, the higher the fair value.
			Discount for lack of marketability: 9.5%	The lower the lack of marketability discount, the higher the fair value.
Total	**105,151,282**			

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial Assets	Fair value at 31 December 2020	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5,769,636	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,5x÷1,0x	The lower the EV/Sales multiple, the lower the fair value
			Invested capital/EBITDA multiple: 4,2x÷7,0x	The lower the EV/EBITDA, the lower the fair value.
			Discount for lack of marketability: 16,3%÷25,1%	The lower the lack of liquidity discount, the higher the fair value.
Not listed majority interest	8,421,706	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,6x÷1,6x	The lower the EV/Sales multiple, the lower the fair value.
			Invested capital/EBITDA multiple: 6,2x÷6,4x	The lower the EV/EBITDA multiple, the lower the fair value.
			Equity value/book value multiple: 0,9x	In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value.
			Discount for lack of marketability: 9,6%÷16,3%	The lower the lack of liquidity discount, the higher the fair value.
Listed minority interest	3,388,972	Income approach – discounted cash-flow method	Weighted average cost of capital: 9,5%÷11,6%	The lower the weighted average cost of capital, the higher the fair value.
			Constant long-term income growth rate: 2,5%	The higher the long-term revenue increase rate, the higher the fair value.
			Discount for lack of control: 11,9%÷31,2%	The lower the lack of control discount, the higher the fair value
			Discount for lack of control: 16,3%	The lower the lack of liquidity discount, the higher the fair value.
Not listed minority interest	2,377,143	Income approach – discounted cash-flow method	Weighted average cost of capital: 11,1%÷15,6%	The lower the weighted average cost of capital, the higher the fair value.
			Constant long-term income growth rate: 2,5%	The higher the long-term revenue increase rate, the higher the fair value.
			Discount for lack of control: 15,7%÷17,3%	The lower the lack of control discount, the higher the fair value.
			Discount for lack of marketability: 9,6%÷16,3%	The lower the lack of liquidity discount, the higher the fair value.

Evergent INVESTMENTS

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value at 31 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	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1,1x÷2,0x Discount for lack of control: 14,2%÷17,3% Discount for lack of marketability: 9,6%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Not listed minority interest (including holding-type)	10,186,993	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0,7x÷1,2x Discount for lack of control: 11,9%÷23,2% Discount for lack of marketability: 9,6%÷16,3%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Total	**100,903,743**			

20. FINANCIAL ASSETS (continued)

Sensitivity analysis

Although the Group considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the 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 assumptions would influence the Group's profit or loss and other comprehensive income at 31 December 2021 as follows:

Modified assumption *(Lei)*	**Impact on profit or loss (before tax)**	**Impact on other comprehensive income (before tax)**
WACC increase by 50 bps	(938,913)	(6,458,926)
WACC decrease by 50 bps	1,058,765	7,450,552
Increase of the perpetuity growth rate by 25 bps	-	2,562,786
Decrease of the perpetuity growth rate by 25 bps	-	(2,360,099)
Increase of (EBITDA, Turnover, P/E) multiple by 10%	215,562	743,932
Decrease of (EBITDA, Turnover, P/E) multiples by 10%	(215,562)	(743,932)
Increase of selling price land per sqm by 10%	(8,443,962)	-
Decrease of selling price land per sqm by 10%	(8,443,962)	-
Increase of rent per sqm by 10%	275,950	688,954
Decrease of rent per sqm by 10%	(275,950)	(688,954)
Increase of rent capitalization rate by 50 bps	(695,832)	(382,717)
Decrease of rent capitalization rate by 50 bps	774,113	415,997
Increase of DLOM by 10%	-	(1,194,694)
Decrease of DLOM by 10%	-	1,194,694

The main unobservable inputs refer to the relevant multiples of the total invested capital and multiples of equity in ordinary shares:

Income/Turnover multiple: is an instruments used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

EBITDA multiple: represents the most relevant multiple used when pricing the investments and it is calculated using information from comparable listed public companies (similar geographic location, industry size, target market and other factors that valuators consider as relevant). The trading multiples for the comparable companies are determined by dividing the enterprise value of the a company by its EBITDA and by further discounting,

20. FINANCIAL ASSETS (continued)

due to possible lack of marketability and other differences between the comparable peer group and specific company.

Price/book value: often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share.

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

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

Discount for lack of control: represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the valued company.

Discount for lack of marketability (DLOM): represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuators estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used. This method was used to determine directly the value of the equity of holding-type majority shareholders.

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Level 3 fair value modification

In LEI	2021	2020
At 1 January	**100,903,743**	**105,474,341**
Total gain/(loss) recognized in profit or loss	(699,414)	956,212
Total gain/(loss) recognized in other comprehensive income	10,280,302	(3,710,068)
Purchases	49,296	173,278
Sales	(5,179,111)	(1,990,020)
Transfers	(203,534)	-
At 31 December	**105,151,282**	**100,903,743**

During 2021, the Group transferred the shares held in Armax Gaz from Tier 3 to Tier 1, as the market for these BSE-listed shares became active this year.

On December 31, 2021 and December 31, 2020, the Group classified in the valuation level 1 securities measured on the basis of the closing prices on the BSE market, on the last trading day. Within this level of valuation are included fund units valued on the basis of the unit value of their net assets certified by the fund's depositary.

Participations classified in Tier 3, representing 6% of the Group's share portfolio as at 31 December 2020 (31 December 2020: 7%), were assessed by independent external or internal evaluators on the basis of financial information provided by the monitoring compartments, using valuation techniques that maximise the use of relevant observable input data and minimise the use of unnoticeable input data, under management supervision and review, which ensures that all the data underlying the evaluation reports are accurate and appropriate.
The valuation date for the Level 3 holdings was September 30, 2021 or June 30, 2021, and a subsequent review was conducted on the reporting date, December 31, 2021.

The COVID-19 pandemic has created uncertainties in the economic environment in general, and in the conduct of activity in some sectors of activity in particular. Due to the specifics of its activity, the Group holds stakes in companies in several sectors of activity, most of them not directly affected by this situation.

In 2020, of the sectors of activity in which companies in which the Group holds stakes classified in level 3 operate, the most affected by the COVID-19 pandemic was the sector - rental of own or rented real estate. Within this sector, as at 31 December 2020, there were active companies in which the group's holdings represented 57% of the value of pthe interests classified in tier 3 and 4% respectively of the value of the Group's portfolio of

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

shares. The value of the Group's stakes in these companies decreased in 2020 by approximately 10%, the uncertainty created by the COVID-19 context being reflected in their assessment, especially by the decrease in the estimated level of rents and the occupancy rate.

In 2021, the effects of the pandemic, including on this sector of activity (as at 31 December 2021, companies were active in this sector in which the group's holdings represented 59% of the value of pthe interests classified in tier 3, respectively 4% of the value of the Group's share portfolio) were mitigated by macroeconomic measures, but also relaxation of sanitary measures and vaccination process. Retail parks have become more attractive in the context of new consumption habits, thanks to large stores that favor social distancing, due to parking facilities and drive-through places. Also, regarding the spaces rented by the companies in the portfolio, most of the tenants have resumed their activity or terminated their contracts, being replaced by other tenants.

In the sector concerned, all these effects and combined measures have led to the reduction of restrictions, the reduction of risks and the recovery, to a large extent, of the decreases in 2020.

The assessment of level 3 holdings took into account the economic conditions and other market conditions prevailing at the time of the valuation, covering, to the extent possible, the uncertainties in the macroeconomic environment and the high financial market volatility generated by the COVID-19 context. However, these conditions may change as a result of the evolution of the pandemic, but also of the economic, sanitary and other measures taken by states around the world, including Romania, which can have an impact, either positive or negative, on the fair value of the stakes in the Group's portfolio.

20. FINANCIAL ASSETS (continued)

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

In LEI	**2021**	**2020**
At 1 January	**575,885,218**	**772,618,267**
Gross (loss)/gain from the revaluation of financial assets measured at fair value through other comprehensive income	456,070,826	(181,763,550)
Deferred tax corresponding to the gain/loss from the revaluation of financial assets measured at fair value through other comprehensive income	(57,028,843)	24,615,090
Net gain/(Net loss) from revaluation of financial assets measured at fair value through other comprehensive income	**399,041,983**	**(157,148,460)**
Net gain on sale of financial assets at fair value through other comprehensive income transferred to retained earnings	(102,239,049)	(39,584,589)
At 31 December	**872,688,152**	**575,885,218**

In 2021, the net gain obtained 102,239,049 lei was mainly achieved from the sale of shares in Banca Transilvania, OMV Petrom, Nuclearelectrica, SNTGN Transgaz and Agricola International.

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In LEI	**31 December 2021**	**31 December 2020**
Shares	42,850,061	40,075,058
Total	**42,850,061**	**40,075,058**

*See note 40

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

Investments accounted for using equity method are represented by Straulesti Lac Alfa shares, purchased during 2018.

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The summary of the financial information for Străulesti Lac Alfa is presented in the table below:

In LEI	**31 December 2021**	**31 December 2020**
Current assets	171,532,813	150,772,247
Fixed assets	11,352,087	3,852,691
Total assets	**182,884,900**	**154,624,938**
Current liabilities	20,907,014	14,134,498
Long-term debts	76,277,766	53,090,325
Total debts	**97,184,780**	**67,224,823**
Equity	**85,700,120**	**87,400,115**
Total debts and equity	**182,884,900**	**154,624,938**

In LEI	**2021**	**2020**
Turnover	34,394,682	46,696,931
Net Profit/(Loss)	**7,546,556**	**11,707,098**

During 2021, EVERGENT Investments received from Straulsti Lac Alfa dividends in the amount of RON 998,275 (2020: interim dividend in the amount of RON 3,625,000).

The reconciliation of the financial information for Străulesti Lac Alfa with the value of the investments accounted for equity method is shown in the table below:

In LEI	**December 31 2021**	**31 December 2020** *Restated
Net assets of the associate on 1 January	**80,150,115**	**75,693,017**
Net profit for the financial year	7,546,556	11,707,098
Dividends paid in the financial year	(1,996,551)	(7,250,000)
Net assets of the associate at 31 December	**85,700,120**	**80,150,115**
Percentage holding in the associate	*50%*	*50%*
Equity securities	**42,850,061**	**40,075,058**

*See note 40

Net assets of the associated entity as at 31 December 2020 in the amount of RON 87,400,115 was adjusted with the interim dividend in the amount of RON 7,250,000 paid by Străulești Lac Alfa in December 2020, resulting in the adjusted net asset of RON 80,150,115.

22. BONDS

In LEI	**31 December 2021**	**31 December 2020**
Corporate bonds	16,744,533	16,744,533
Municipal bonds	59,032	70,909
Total bonds at amortised cost – gross value	**16,803,565**	**16,815,442**
Expected credit loss	(114,371)	(170,847)
Total bonds at amortised cost	**16,689,194**	**16,644,595**
Corporate bonds	3,982,215	3,802,401
Total bonds at fair value through other comprehensive income	**3,982,215**	**3,802,401**

At 31 December 2021, the category of bonds at amortised cost included the bonds issued by the Bacău City Hall and Străulești Lac Alfa.

At December 31, 2021 and December 31, 2020, the category of bonds at fair value through other comprehensive income included bonds issued by Autonom Service SA, which are held by the Company in a business model whose objective is to keep assets both to collect contractual cash flows and to sell. Autonom Service bonds are listed on the Bucharest Stock Exchange.

All bonds of the Group are classified as Level 1.

23. OTHER FINANCIAL ASSETS AT AMORTISED COST

In LEI	31 December 2021	31 December 2020
Sundry debtors	61,568,353	69,493,395
Trade receivables	9,745,270	14,359,118
Advances to suppliers	388,874	1,794,327
Total other financial assets – gross value	**71,702,497**	**85,646,840**
Less expected credit loss corresponding to other financial assets	(61,075,985)	(68,494,265)
Total other financial assets	**10,626,512**	**17,152,575**

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 51,214,709 lei (31 December 2020: 55,120,982 lei).

At 31 December 2021, customer contracts, included in the table above in the "Trade receivables" line are in amount of 11,921,266 lei (31 December 2020: 6,116,479 lei).

In LEI	31 December 2021	31 December 2020
Other performing financial assets	11,025,025	18,000,101
Other impaired financial assets	60,677,472	67,646,739
Total other financial assets – gross value	**71,702,497**	**85,646,840**
Adjustments for expected credit loss for other performing financial assets	(413,444)	(850,423)
Adjustments for expected credit loss for other impaired financial assets	(60,662,541)	(67,643,842)
Total other financial assets	**10,626,512**	**17,152,575**

23. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

In LEI	31 December 2021		31 December 2020	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Overdue for more than 365 days	(60,662,541)	60,677,472	(67,643,841)	67,646,739

In LEI	31 December 2021		31 December 2020	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Not overdue	(50,341)	9,637,031	(62,281)	13,914,049
Overdue between 0 and 30 days	(48,376)	540,325	(35,732)	706,808
Overdue between 31 and 60 days	(65,584)	225,545	(67,977)	806,233
Overdue between 61 and 90 days	(77,082)	299,629	(73,762)	573,242
Overdue between 91 and 180 days	(82,835)	168,107	(150,858)	594,741
Overdue between 181 and 365 days	(89,226)	154,388	(459,814)	1,405,028
Total	**(413,444)**	**11,025,025**	**(850,424)**	**18,000,101**

Adjustment movements for expected credit loss for other assets at amortized cost can be analyzed as follows:

In LEI	2021	2020
At 1 January	**(68,494,265)**	**(66,016,188)**
Setup	(199,507)	(6,225,331)
Reversal	7,617,787	3,747,254
At 31 December	**(61,075,985)**	**(68,494,265)**

24. INVENTORY

In LEI	31 December 2021	31 December 2020
Raw materials and consumables	2,058,965	1,798,191
Work in progress	1,634,660	1,384,060
Semi-finished products	60,274	68,252
Finished products	12,661,797	17,173,772
Merchandize	6,437,580	5,954,546
Total	**22,853,276**	**26,378,821**

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 20,185,315 lei (31 December 2020: 22,103,732 lei) and EVER IMO (former Tesătoriile Reunite) with 1,491,623 (31 December 2020: 2,660,966 lei).

At 31 December 2021, the Group does not register pledged inventories. At 31 December 2020, the book value of pledged inventories, including the value of the apartments that are already completed or pending completion in the residential complex Baba Novac Residence, was 7,602,039.

25. OTHER ASSETS

In LEI	31 December 2021	31 December 2020
Taxes	1,330,048	951,097
Income tax	1,224,667	240,285
Other assets	891,000	572,134
Total	**3,445,715**	**1,763,516**

At 31 December 2021, in the Taxes category, VAT recoverable for subsidiary EVER IMO (former Țesătoriile Reunite) in amount of 215.680 lei (31 December 2020: 103.101 lei) and other receivables from the state budget for other subsidiaries 874.723 lei (31 December 2020: 847.996 lei) accounted for the highest amount.

26. NON-CURRENT ASSETS HELD FOR SALE

In LEI	31 December 2021	31 December 2020
Freehold land and buildings	24,087,236	23,779,031
Total	**24,087,236**	**23,779,031**

At 31 December 2021, assets held for sale included freehold land and buildings belonging to EVER IMO S.A, Mecanica Ceahlău S.A and Regal S.A (31 December 2020: assets belonging to EVER IMO SA, Mecanica Ceahlău SA and Regal SA subsidiaries), whose sale was approved by the Board of Directors, the sale process being started by actively searching buyers.

27. INVESTMENT PROPERTY

In LEI	**2021**	**2020**
Balance at 1 January	**74,450,361**	**77,571,274**
Changes in fair value	859,634	3,342,251
Purchases	24,812,947	16,151,528
Transfers from property plant and equipment	68,005	363,218
Sales	(359,885)	(294,900)
Transfers to assets held for sale	-	(22,683,010)
Balance at 31 December	**99,831,062**	**74,450,361**

In 2021, the Group purchased land in amount of 24,812,947 lei, though the Company's subsidiaries.
In 2020, the Group transferred freehold land and constructions worth 22,823,645 lei, held by subsidiary EVER IMO SA (former Țesătoriile Reunite SA), that were the object of a promissory sale agreement to the category of non-current assets held for sale.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of investment property was classified as level 3 in the fair value hierarchy.

Valuation technique

The following table presents the valuation technique used to determine the fair value of investment property classified as level 3 of fair value hierarchy.

Valuation technique	**Input**	**Connection between input and fair value measurement**
The valuation method applied in the income approach for the evaluation of the entire real estate property (location-building) is direct capitalization. The method consists in the division of stabilized annual income by a corresponding capitalization rate, using the net operating income in conjunction with the net capitalization rate. In order to estimate the net operating income, from the gross income corresponding to properties located in segmented markets of primary cities, with central locations we deducted the non-recoverable operating expenses for the property. The contribution of the land resulted from the assigning process through which the net building replacement cost was deducted from the value of the entire property.	Market rent obtainable by an operator of a reasonable efficiency or average-competence management acting in an efficient manner. The percentage of non-recoverable expenses (of the landlord) applied to the effective gross income. Average vacancy rate, given the location, area, technical qualities of the building (finishing, equipment), balance between request and demand and specific market offer (18.4%). Average net capitalization rate applied to net operating income (8.8%).	Estimated value increases (decreases) in case: the market rate is higher (lower). the non-recoverable expenses ratio is lower (higher). the vacancy rate is lower (higher). the capitalization rate is lower (higher).

27. INVESTMENT PROPERTY (continued)

These valuations are periodically revised by the management of the Group. The valuation frequency is dictated by the dynamics of the market the investment property held by the Group belongs to, so that the fair value of investment property reflects the market conditions on the date of the consolidated financial statements.

The valuation model applied in the market comparison method, the sales comparison method is based on the economic principle of substitution. The method was mainly used to valuate freehold land or land considered freehold for valuation purposes, namely in case of value assignment by components – to determine the value of the land – as a subsequent method after the value of the entire property was determined.

The value derived from the market information on trading prices of similar assets, namely the value was determined following the analysis of the market prices of comparable assets, from the same market area, that were traded on a date close to the evaluation. The analysis of the prices the sale transactions or offers were made was followed by corrections made within the admissible limit to insure result credibility, quantifying the differences between the prices paid or asked per area unit, caused by the different specific characteristics of properties and transactions (called comparison elements).

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Gross book value	1 January 2021	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2021
Intangible assets								
Goodwill	4,339,505	-	-	-	-	-	-	4,339,505
Intangible assets	4,804,737	104,821	-	(7,191)	-	-	-	4,902,367
Total	**9,144,241**	**104,822**	**-**	**(7,191)**	**-**	**-**	**-**	**9,241,872**
Tangible assets								
Land cultivated with productive plants	10,999,509	-	-	-	-	-	-	10,999,509
Freehold land	8,484,834	-	-	-	-	186,005	(7,697)	8,589,623
Buildings	13,969,024	94,395			(960,465)	956,305	(41,002)	14,018,257
Equipment	19,514,356	369,969	-	(116,410)	-	-	-	19,767,915
Transportation vehicles	3,259,070	57,741	699,940	(38,839)	-	-	-	3,977,912
Blueberry plantations	10,033,341		4,275,043	-	-	-	-	14,308,384
Other fixed assets	611,078	19,967	10,370	(13,676)	-	-	-	627,739
Tangible assets in progress	4,292,457	1,785,073	(4,300,447)	(18,928)	-	-	-	1,758,155
Total	**71,163,669**	**2,327,145**	**684,906**	**(261,372)**	**(960,465)**	**1,142,310**	**(48,699)**	**74,047,494**
Right-of-use assets from leases								
Right-of–use - transportation vehicles	2,461,361	264,393	(607,611)	(76,777)	-	-	-	2,041,366
Right-of-use- office area	1,429,328	6,943,056		(89,558)	-	-	-	8,282,826
Right-of-use - concession	368,948	46,550	(77,295)		-	-	-	338,203
Total	**4,259,637**	**7,253,998**	**(684,906)**	**(166,335)**	**-**	**-**	**-**	**10,662,395**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation / amortization and impairment	1 January 2021	Depreciation/ amortization in the current period	Depreciation transfer	Cumulated depreciation of disposals	Annulment of accumulated depreciation / amortization (no revaluation date)	Setup of impairment allowances	Reversal of impairment allowances	31 December 2021
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	3,731,173	307,533		(7,191)	-	-	(89,732)	3,941,783
Total	**3,731,173**	**307,533**	**-**	**(7,191)**	**-**	**-**	**(89,732)**	**3,941,783**
Tangible assets								
Freehold land	862,376	204,608	-	(5,514)	-	-	-	1,061,470
Buildings	130,752	989,947	-	-	(960,465)	7,850	-	168,084
Equipment	12,412,237	850,501	-	(95,447)	-	23,522	(40,783)	13,150,030
Blueberry farms	954,059	546,875	-	-	-	-	-	1,500,934
Transportation vehicles	2,366,741	657,384	678,647	(38,968)	-	-	-	3,663,804
Other fixed assets	399,312	41,700	-	(13,676)	-	5,467	-	432,803
Total	**17,125,477**	**3,291,015**	**678,647**	**(153,605)**	**(960,465)**	**36,839**	**(40,783)**	**19,977,125**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,403,245	473,243	(632,270)	(51,824)	-	-	-	1,192,394
Rights-of-use – office space	493,553	408,183	-	(89,558)	-	-	-	812,178
Rights-of-use lease assets-concession	52,749	9,190	(46,377)	-	-	-	-	15,562
Total	**1,949,547**	**890,616**	**(678,647)**	**(141,382)**	**-**	**-**	**-**	**2,020,134**
Net book value	*61,761,351*							*68,012,719*
Goodwill	*4,339,505*							*4,339,505*
Intangible assets	*1,073,564*							*960,584*
Tangible assets	*54,038,192*							*54,070,369*
Right-of-use assets from leases	*2,310,090*							*8,642,261*

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28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSET

Gross book value	1 January 2020	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2020
Intangible assets								
Goodwill	4,339,505	-	-	-	-	-	-	4,339,505
Intangible assets	4,513,008	353,795	-	(62,066)	-	-	-	4,804,737
Total	**8,852,513**	**353,794**	**-**	**(62,066)**	**-**	**-**	**-**	**9,144,241**
Tangible assets								
Land cultivated with productive plants	10,875,440	17,500	106,569	-	-	-	-	10,999,509
Freehold land	7,812,534	73,519	22,322	-	(744)	588,506	(11,303)	8,484,834
Buildings	15,136,351	68,455	399,308	(383,734)	(1,383,830)	373,855	(241,381)	13,969,024
Equipment	18,697,841	407,400	(316,057)	(316,057)	-	-	-	19,514,356
Transportation vehicles	3,786,514	90,886	(618,331)	(618,331)	-	-	-	3,259,070
Blueberry plantations	10,021,671	23,575	(11,904)	(11,904)	-	-	-	10,033,341
Other fixed assets	681,655	11,948	(99,801)	(99,801)	-	-	-	611,078
Tangible assets in progress	3,979,379	1,595,822	(12,096)	(12,096)	-	-	-	4,292,457
Total	**70,991,384**	**2,289,104**	**-**	**(1,441,923)**	**(1,384,574)**	**962,361**	**(252,684)**	**71,163,669**
Right-of-use assets from leases								
Right-of–use - transportation vehicles	2,160,605	487,610	-	(186,854)	-	-	-	2,461,361
Right-of-use- office area	975,511	453,817	-	-	-	-	-	1,429,328
Right-of-use - concession	-	368,948	-	-	-	-	-	368,948
Total	**3,136,115**	**1,310,376**	**-**	**(186,854)**	**-**	**-**	**-**	**4,259,637**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation / amortization and impairment	**1 January 2020**	**Depreciation / amortization in the current period**	**Depreciation transfer**	**Cumulated depreciation of disposals**	**Annulment of accumulated depreciation / amortization (no revaluation date)**	**Setup of impairment allowances**	**Reversal of impairment allowances**	**31 December 2020**
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	3,632,286	250,684	-	(62,066)	-	-	(89,732)	3,731,173
Total	**3,632,286**	**250,684**	**-**	**(62,066)**	**-**	**-**	**(89,732)**	**3,731,173**
Tangible assets								
Freehold land	657,347	205,772	-	-	(744)	-	-	862,376
Buildings	615,110	913,844	-	(22,223)	(1,383,830)	7,850	-	130,752
Equipment	11,842,629	854,940	-	(305,760)	-	21,056	(628)	12,412,237
Blueberry farms	481,480	472,579	-	-	-	-	-	954,059
Transportation vehicles	2,360,608	623,784	-	(617,651)	-	-	-	2,366,741
Other fixed assets	495,061	41,820	-	(117,843)	-	-	(19,726)	399,312
Total	**16,452,236**	**3,112,740**	**-**	**(1,063,477)**	**(1,384,574)**	**28,906**	**(20,355)**	**17,125,477**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,008,392	501,587	-	(106,734)	-	-	-	1,403,245
Rights-of-use – office space	273,686	219,867	-	-	-	-	-	493,553
Rights-of-use lease assets-concession	-	52,749	-	-	-	-	-	52,749
Total	**1,282,078**	**774,203**	**-**	**(106,734)**	**-**	**-**	**-**	**1,949,547**
Net book value	*63,467,449*							*61,761,351*
Goodwill	*4,339,505*							*4,339,505*
Intangible assets	*880,722*							*1,073,564*
Tangible assets	*54,539,148*							*54,038,192*
Right-of-use assets from leases	*1,854,037*							*2,310,090*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

The book value of tangible assets mortgaged/pledged in loan contracts or letters of bank guarantee entered into by the Group's subsidiaries at 31 December 2021 was 31,792,802 lei (31 December 2020: 24,759,800 lei).

The value of assets transferred to the investment property category in 2021 was 68,005 lei (2020: 363,218 lei).

Fair value measurement

At 31 December 2021, the Group's land and buildings (and on 31 December 2020 lands and buildings) were assessed by independent valuers, authorized by the National Agency of Authorized Valuers of Romania ("ANEVAR"). The revaluation of lands and buildings at 31 December 2021 was made based on the following specific approaches and methods, in compliance with the valuation principles and techniques included in the ANEVAR Goods Valuation Standards:

- market comparison method and sales comparison approach for lands;
- income method, income capitalization method, with an average capitalization rate of 9% and an average vacancy rate of 14.2%, corroborated for assignment, if applicable, with the cost method for buildings.

Where applicable, the net replacement cost method applicable for certain properties built was also used, for goods for which there is not sufficient market information.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of buildings was classified as Level 3 in the fair value hierarchy.

Valuation techniques

Sales or offers of properties similar to those subject to valuation were collected, analyzed, compared and adjusted in direct comparisons in order to identify the similarities and differences between these properties, and the prices of comparable property were adjusted to justify the differences between the characteristics of the valued properties. The comparison elements used include ownership rights, financing and sale conditions, expenses incurred right after purchase, market conditions, location, physical characteristics, best use and town planning regulations in force.

The valuation model applied in case of revenue approach for the valuation of full properties (lands and buildings) is direct capitalization. The method consists in dividing the annual income stabilized by a corresponding capitalization rate, using the net operating income, in conjunction with the net capitalization rate.

In the cost-based approach we have used the net replacement cost method given the specialized nature of some buildings. Therefore, the net replacement cost has been determined based on the price in specialized catalogues, updated with discounted indexes

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

or based on working minutes. The degree of wear and tear has been determined taking into consideration the improvements made for finishes and installations, capital repairs and development stages of the building.

Property, plant and equipment, like investment property, have been measured taking into consideration the best use for these assets. Following the analysis of information regarding the location and characteristics of properties identified in the market analysis, it was determined that in general the best use is the one existing at the valuation date.

The other property, plant and equipment categories are presented at cost, less accumulated depreciation and value impairment, where necessary.

The goodwill registered by the Group comes from the acquisition of the Viștea blueberry plant by subsidiary Agrointens in 2015, and was allocated to cash-generating unit Viștea (the cash-generating units for subisidiary Agrointens are the blueberries plants).

The cash-generating units (blueberries plants) were tested for impairment at 31 December 2021 and 31 December 2020, according to the accounting policy described in Note 4 (i).

The recoverable amount of the cash-generating units (blueberries plants, including the Viștea plant) was determined based on the approved financial projections, prepared for a period of 20 years, and the cash flows are discounted using the weighted average cost of the subsidiary's capital.

The impairment test revealed that the recoverable amount of each of the cash-generating units, including the Viștea plant, is higher than their carrying amount (obtained by adding up the carrying amount of all assets allocated to such cash-generating units, including goodwill, in case of the Viștea farm). Therefore, there is not a need to register an impairment loss for goodwill.

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29. BORROWINGS

	31 December 2021	31 December 2020
Long-term liabilities	**4,779,254**	**7,221,722**
Long-term bank loans	4,779,254	7,221,722
Short-term liabilities	**3,527,772**	**2,571,643**
Short-term bank loans	3,527,772	2,571,643
Total borrowings	**8,307,026**	**9,793,365**

The reconciliation of opening and closing loan balances is shown in the table below:

In LEI	2021	2020
At 1 January	**9,793,365**	**27,362,225**
Proceeds from loans	1,958,375	3,371,462
Reimbursement of loans	(3,444,714)	(20,940,322)
At 31 December	**8,307,026**	**9,793,365**

29. BORROWINGS (continued)

The tables below present detailed information regarding the loans contracted by the Group at 31 December 2021 and 31 December 2020:

31 December 2021

In LEI	**Bank**	**Type of credit**	**Loan balance (Lei)**	**Currency of the contract**	**Annual interest rate (%)**	**Final maturity of the loan**
Branch						
Agrointens	Banca Transilvania	Partial project financing Mandra	2.548.000	Lei	ROBOR 1 month + 2.75%	8 Aug 2024
Agrointens	Banca Transilvania	Working capital	1.484.801	Lei	ROBOR 1 month + 2.5%	27 Apr 2022
Agrointens	Banca Transilvania	Project financing Popesti	3.555.742	Lei	ROBOR 1 month + 2.9%	2 Jun 2026
Ceahlău Mechanics	Banca Transilvania	Investment	718.483	Euro	EURIBOR 6 months +2.5%	20 May 2024
Total			**8.307.026**			

31 December 2020

In LEI	**Bank**					
Branch						
Agrointens	Banca Transilvania	Partial project financing Mandra	3.503.500	Lei	ROBOR 1 month + 2.75%	8 Aug 2024
Agrointens	Banca Transilvania	Vistea project financing	259.017	Lei	ROBOR 1 month + 2.75%	15 Apr 2021
Agrointens	Banca Transilvania	Working capital	1.064.580	Lei	ROBOR 1 month + 2.5%	30 Apr 2021
Agrointens	Banca Transilvania	Project financing Popesti	3.966.736	Lei	ROBOR 1 month + 2.9%	2 Jun 2026
Ceahlău Mechanics	Banca Transilvania	Investment	999.532	Euro	EURIBOR 6 months +2.5%	20 May 2024
Total			**9.793.365**			

30. LEASE LIABILITIES

In LEI	31 December 2021	31 December 2020
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	4,654,939	1,209,200
Lease liabilities (between 1 and 5 years)	3,919,840	1,026,102
Lease liabilities (up to 1 year)	1,565,842	866,669
Total	**10,140,621**	**3,101,971**
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	3,755,037	472,388
Lease liabilities (between 1 and 5 years)	3,397,206	902,413
Lease liabilities (up to 1 year)	1,373,188	804,829
Total	**8,525,431**	**2,179,630**

The Group has leases mainly for transportation vehicles, office areas and lands, presented in note 28.

Expenses related to short-term leases and for which the qualifying asset is of low value are presented in note 15 Other operating expenses.

31. DIVIDENDS PAYABLE

In LEI	31 December 2021	31 December 2020
Dividends payable for 2012	641	641
Dividends payable for 2013	985	6,118
Dividends payable for 2014	162,380	190,788
Dividends payable for 2015	167,010	194,053
Dividends payable for 2016	188,800	192,108
Dividends payable for 2017	203,816	12,206,567
Dividends payable for 2018	7,402,391	7,639,135
Dividends payable for 2019	15,159,192	15,909,263
Dividends payable for 2020	11,203,747	-
Total dividends payable	**34,488,962**	**36,338,673**

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law and registered to equity, with the exception of amounts garnished according to the law (e.g, if shareholders are subject to enforcement procedures.

32. FINANCIAL LIABILITIES AT AMORTIZED COST

In LEI	31 December 2021	31 December 2020
Suppliers	7,565,555	4,371,364
Advances from customers	245,970	67,057
Other financial liabilities	1,246,133	1,038,632
Total	**9,057,658**	**5,477,053**

33. OTHER LIABILITIES

In LEI	31 December 2021	31 December 2020
Taxes and levies	2,246,302	2,400,741
Liabilities related to employees' cash benefits plan and other rights	2,675,383	1,470,699
Other liabilities	902,526	907,962
Total	**5,824,211**	**4,779,402**

Liabilities regarding the cash benefits plan represent the amounts that are to be offered to employees as profit-sharing in cash, in accordance with the Collective Employment Contract and to directors, according to the management contracts.

Other liabilities regarding salaries mainly include amounts that are to be paid representing allowances for vacations not taken.
Current liabilities, including current income tax liabilities, were paid by the Group on time.

34. PROVISIONS FOR RISKS AND CHARGES

In LEI	31 December 2021	31 December 2020
Litigation provisions	3,314,743	129,344
Other provisions	939,138	1,313,124
Total	**4,253,881**	**1,442,468**

In general, for the amounts established by enforceable titles and enforced by the bailiffs, lawsuits were initiated by the Authority for the Administrations of State Assets (AAAS). Litigation provisions represent the amounts collected by the Group in 2011 and later challenged by AAAS, which the Group estimates that they are likely to be returned by the Company, and litigation provisions related to EVER IMO, for which the Group estimates un unfavourable outcome for the subsidiary.

34. PROVISIONS FOR RISKS AND CHARGES (continued)

The litigation provisions can be analyzed as follows:

In LEI	31 December 2021	31 December 2020
At 1 January	**1,442,468**	**1,008,657**
Setup	3,932,957	854,778
Reversal	(1,121,544)	(420,967)
At 31 December	**4,253,881**	**1,442,468**

Provision reversal was due to the favourable settlement or increase of the likelihood for some litigation to be favorably settled in 2021.

35. DEFERRED INCOME TAX LIABILITIES

Liabilities related to deferred income tax at 31 December 2021 are generated by the elements in the following table:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	795,777,726	-	795,777,726
Tangible assets and investment property	69,266,338	-	69,266,338
Other assets	(4,662,617)	-	(4,662,617)
Liabilities related to profit sharing and other benefits	-	(18,158,251)	(18,158,251)
Provisions and other liabilities	-	(9,822,913)	(9,822,913)
Tax loss	-	(9,694,399)	(9,694,399)
Total	**860,381,447**	**(37,675,563)**	**822,705,884**
Net temporary differences - 16% rate			822,705,884
Deferred income tax liabilities			**131,632,941**

35. DEFERRED INCOME TAX LIABILITIES (continued)

Liabilities related to deferred income tax at 31 December 2020 are generated by the elements presented in the table below:

In LEI	Assets	Liabilities	Net
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 sharing in cash and other benefits	-	(1,362,573)	(1,362,573)
Provisions and other liabilities	-	(10,240,587)	(10,240,587)
Total	**619,792,312**	**(11,603,160)**	**608,189,153**
Net temporary differences - 16% rate			608,189,153
Deferred income tax liabilities			**97,310,265**

Deferred income tax directly recognized through the decrease of equity is 129,850,783 lei at 31 December 2021 (31 December 2020: 89,897,158 lei), generated by financial assets measured at fair value through other comprehensive income for which the Group's interest is under 10%, for a period of time of less than one year and by property, plant and equipment.

36. CAPITAL AND RESERVES

(a) Share capital

The structure of the Group's shareholding structure at 31 December 2021 and 31 December 2020 is the following:

31 December 2021	No. of shareholders	No. of shares	Amount (Lei)	(%)
Individuals	5,745,988	368,458,146	36,845,815	38%
Companies	168	612,754,905	61,275,491	62%
Total	**5,746,156**	**981,213,051**	**98,121,305**	**100%**

31 December 2020	No. of shareholders	No. of shares	Amount (Lei)	(%)
Individuals	5.748.590	365.813.829	36.581.383	37%
Companies	180	623.665.347	62.366.535	63%
Total	**5.748.770**	**989.479.176**	**98.947.918**	**100%**

36. CAPITAL AND RESERVES (continued)

(a) Share capital (continued)

All shares are ordinary and have been subscribed and paid in full at 31 December 2021 and 31 December 2020.

All outstanding shares have the same voting 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 at 31 December 2021 had a nominal value of 98,121,305 lei (31 December 2020: 98,947,918 lei).

At 31 December 2021, the difference of 411,983,757 lei between the book value of share capital of 510,105,062 lei and its nominal value is the inflation difference generated by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" up to 1 January 2004.

In September 2021, the Company's share capital was decreased from 98,947,917.60 lei to 98,121,305.10 lei, divided in 981,213,051 shares with a nominal value of 0.10 lei, following the annulment of a number of 8,266,125 own shares purchased by the Company, in accordance with Resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 2 of 29 April 2021.

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

This reserve includes the accumulated net fair value modifications of financial assets measured at fair value through other comprehensive income from the date of their classification in this category until the date of derecognition or impairment.

36. CAPITAL AND RESERVES (continued)

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

Reserves from the revaluation of financial assets measured 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 decrease of equity is presented in note 35.

(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 the legal reserve is included in retained earnings.

Legal reserves cannot be distributed to shareholders.

(d) Dividends

In the General Meeting of Shareholders on 29 April 2021, the Company's shareholders approved the distribution of a gross dividend of 0.043 lei/share (total 42,012,148 lei), corresponding to the statutory profit of 2020 financial year.

In the General Meeting of Shareholders on 27 April 2020, the Company's shareholders approved the distribution of a gross dividend of 0.06 lei/share (totalling 59,063,889 lei), corresponding to the statutory profit of 2019.

(e) Treasury shares

The total number of treasury shares held by the Company at 31 December 2021 is 23,649,507 representing 2.41% of the share capital (31.12.2020: 8,497,889 shares, representing 0.86% of the share capital) in total 41,119,507 lei (31.12.2020: worth 9,595,338 lei).

36. CAPITAL AND RESERVES (continued)

(e) Treasury shares (continued)

The evolution of the number of shares (and their value) in 2021, namely 2020 is the following:

Own shares	Balance at 1 January 2021	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2021
Buy-back program approved by EGMS on 29 April 2021	-	19,459,459	-	-	19,459,459
Buy-back program approved by EGMS on 27 April 2020	3,416,855	14,135,441	(8,266,125)	(5,096,123)	4,190,048
Buy-back program approved by EGMS on 18 April 2019	4,000,000	-	-	(4,000,000)	-
Buy-back program approved by EGMS on 25 April 2016	1,081,034	-	-	(1,081,034)	-
Total no. of shares	**8,497,889**	**33,594,900**	**(8,266,125)**	**(10,177,157)**	**23,649,507**
Total share value (Lei)	**9,595,338**	**57,184,679**	**(13,225,800)**	**(12,434,710)**	**41,119,507**

Own shares	Balance at 1 January 2020	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2020
Buy-back program approved by EGMS on 19 April 2020	-	3,416,855	-	-	3,416,855
Buy-back program approved by EGMS on 18 April 2019	15,087,556	1,612,444	(12,700,000)	-	4,000,000
Buy-back program approved by EGMS on 25 April 2016	6,934,057	-	-	(5,853,023)	1,081,034
Total no. of shares	**22,021,613**	**5,029,299**	**(12,700,000)**	**(5,853,023)**	**8,497,889**
Total share value (Lei)	**30,335,310**	**6,888,598**	**(23,495,000)**	**(4,133,570)**	**9,595,338**

In 2021, two were carried out by the Society public offers to buy own shares.
The first, conducted in the first quarter of 2021, has the following main characteristics:

- number of own shares repurchased in the offer: 8,266,125, representing 0.84% of the share capital
- purchase price: 1.6 lei per share
- period: 9 – 22 March 2021
- intermediary of the offer: BT Capital Partners SA

The purpose of the program is to reduce the share capital by cancelling the repurchased shares, according to agea decision no. 4 of 27 April 2020.

36. CAPITAL AND RESERVES (continued)

(e) Treasury shares (continued)

The second, which began in September and was completed in October 2021, has the following main characteristics:

- number of own shares repurchased in the offer: 19.459.459Representing 1,98% of share capital
- purchase price: 1.85 lei per share
- duration: 28 September – 11 October 2021
- intermediary of the offer: BT Capital Partners SA

The purpose of the program is to reduce the share capital by annulling the repurchased shares, according to the AGEA Decision No. 3 from 29.04.2021.

Also, in 2021, the Company repurchased a number of 5,869,316 own shares under the program approved by the decision of the Extraordinary General Meeting of Shareholders of the Company no. 4 of April 27, 2020, the purpose of the program being the distribution of shares to employees, administrators and directors of the Company, within the framework of "stock option plan" (SOP) programs.

In September 2021, the share capital of the Company was reduced from 98,947,917.60 lei to 98,121,305.10 lei, divided into 981,213,051 shares, following the cancellation of a number of 8,266,125 acțown shares redeemed by the Company, in accordance with the Decision of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 2 of 29 April 2021.

In 2021 have been assigned to employees and administrators a number of 10.177.157 shares (2020: 5,853,023 shares), which represents 1,0372% of the share capital (2020: 0.5915%), totaling 12.434.710 lei (2020: RON 4,133,570), within the "stock option plan" (SOP) benefit program for 2019 (2020: SOP 2018).

(f) Equity-based payments to employees, directors and administrators

Benefits provided to employees, directors and directors in the form of equity instruments are the amount of the benefits related to participation in the benefit plan of directors, directors and employees under SOP programs, the portion granted in the shares. The benefits related to the following SOP programs are in balance as at December 31, 2021, respectively December 31, 2020:

In LEI	**31 December 2021**	**31 December 2020**
SOP 2019	-	13,077,647
SOP 2020	5,398,224	5,379,653
SOP 2021	10,853,788	-
Total	**16,252,012**	**18,457,300**

36. CAPITAL AND RESERVES (continued)

(f) Equity-based payments to employees, directors and administrators (continued)

The options exercised at the beginning of the reporting period, which were fully exercised in 2021, correspond to the shares related to SOP 2019 in the value of 13,077,646 lei (a number of 10,177,157 shares), assigned in 2021 at a price of 1.2850 lei / share (closing price as of April 24, 2020).
The options granted during 2021 and which are exercised at the end of the reporting period correspond to the actions related to the SOP 2020 that are in the value of RON 5,398,224 (a number of 3.842.152 shares) and will be assigned in 2022 at a price of 1.4050 lei / share (closing price as of April 28, 2021).

There were no expired or lost options during 2021.

The shares related to SOP 2021 are in the value of 10.853.788 lei and will be awarded in 2023 at a market price provided for in the SOP 2021 program, a program that will be submitted for approval to the Board of Directors. The number of shares estimated based on the closing price as of December 31, 2021 (of 1.2250 lei / share) would be 8,860,235 shares.

(g) Other items of equity

Other items of equity include acquisition costs for treasury shares (commissions and fees and other costs related their acquisition) and the gain/loss on allocation of treasury shares to administrators, officers and employees, as share-based benefits (the difference between value at granting price and the value at acquisition price of treasury shares).

37. 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 consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the capital of the parent company's shareholders.
The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

In LEI	**2021**	**2020**
At 1 January	**15,396,521**	**18,917,295**
Profit attributable to non-controlling interests	495,257	(622,161)
Reserves from the revaluation of tangible assets attributable to non-controlling interests	130,432	184,520
Dividends distributed to non-controlling interests	-	(3,083,133)
At 31 December	**16,022,210**	**15,396,521**

Evergent INVESTMENTS

38. EARNINGS PER SHARE

The calculation of the basic earnings per share was made based on the profit attributable to the Company's shareholders and weighted average number of outstanding ordinary shares (without bought-back shares):

In LEI		**31 December 2021**	**31 December 2020** **restated*
Net profit attributable to the Company's shareholders		51,422,793	3,135,550
Weighted average number of outstanding ordinary shares		*972,033,967*	*982,312,571*
Basic earnings per share (net profit per share)		**0,0529**	**0,0032**
Net profit attributed to the Company's shareholders		51,422,793	3,135,550
Net gain on sale of financial assets at fair value through other comprehensive income, transferred to retained earnings, attributable to shareholders		102,239,049	39,584,589
Weighted average number of outstanding ordinary shares		*972,033,967*	*982,312,571*
Result per share (including earning from the sale of FVTOCI financial assets)	*4 (w)*	**0,1581**	**0,0435**

*See note 40

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

Basic and diluted result per share is calculated based on net income, which includes, in addition to net profit, the gain on the sale of FVTOCI financial assets.

The Group also presents in the financial statements, together with the basic and diluted earnings per share, the basic and diluted result per share (including the gain from the sale of FVTOCI financial assets), because along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Group's performance and is a potential source for dividend distribution to the Company's shareholders.

39. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Legal disputes (litigations)

At 31 December 2021, the Group was involved in lawsuits both as plaintiff and defendant.

Litigation provisions are registered for the proceedings where the Group is plaintiff/defendant whose object influences the Company's patrimony (see explanatory note no. 34).

Most lawsuits where EVERGENT Investments (former SIF Moldova) is plaintiff are related to lawsuits against the Authority for State Assets Management ("AAAS"). For the amounts claimed by the Company and won through final and irrevocable civil decisions, receivables from AAAS were registered in the accounting records, for most of which the enforcement procedure started. Impairment allowances were registered for such receivables (see explanatory note 23).

The contingent liabilities where the Group acts as defendant are presented below:

In LEI	**2021**	**2020**
1 January	**270,907**	**-**
Setup during the period	24,253	270,907
Lawsuits settled during the period	(63,553)	-
31 December	**231,607**	**270,907**

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Subsidiary EVER IMO SA is involved in some lawsuits with its former general contractor, at present bankrupt, a file where the company has registered all receivables as recoverable.

The former contractor filed proceedings challenging the notice to terminate the contract of services. The court will issue the ruling on the case. The Company set up a litigation provision in amount of 1,565,000 lei (see note 34).

Besides the lawsuits with the former general contractor, subsidiary EVER IMO SA is also involved in a number of lawsuits resulted in the normal course of business, mainly as plaintiff or creditor.

Subsidiaries Mecanica Ceahlău and CASA are involved in a number of lawsuits resulted in the normal course of business, in which they act mainly as plaintiff for the recovery of certain claims. The Group registered adjustments for expected credit loss in this regard.

Subsidiary Regal is involved in a number of lawsuits, as creditor for the recovery of amounts not collected from customers.

The Group estimates that the result of these lawsuits will not have a significant impact on its financial position.

Of all contingent assets registered at 31 December 2021 and 31 December 2020 of 3.657.149 lei, the amount of 3.644.554 lei represents the value of shares according to Law 151/2014, following the withdrawal of EVERGENT from Vastex.

(b) Contingencies related to the environment

The Group has not registered any types of obligations at 31 December 2021 and 31 December 2020 for any kind of anticipated costs, including legal and consultancy fees, location surveys, design and implementation of remedy plans concerning the environment.

Management does not consider the expenses related to possible environmental issues to be significant.

(c) Transfer Pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the principle of "market value" for transactions between affiliates as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Group cannot measure the result of such verifications.
The Group does not have significant transaction with related parties.

40. ADJUSTMENT OF ERRORS

At 31 December 2021, the Company adjusted the accounting treatment used in 2020 for the dividends received from its associates, which it registered as a write-down of the value of the investment in associates (reflected in the statement of financial position as securities accounted for using the equity method). Previously, the Company registered them as dividend income.

Such change was registered by restating the affected lines in the Statement of financial position, namely Securities accounted for using the equity method and Retained earnings and in the Statement of comprehensive income, namely gross dividend income.

The impact of these changes on equity (at 31 December 2020) was presented separately in the statement of changes in equity.

The tables below summarize the impact of such adjustment:

Consolidated statement of changes in equity

In LEI	**2020 (reported)**	**Adjustments**	**2020 (adjusted)**
Gross dividend income	67,030,197	(3,625,000)	63,405,197

Consolidated statement of financial position

In LEI	**31 December 2020 (reported)**	**Adjustments**	**31 December 2020 (adjusted)**
Assets			
Securities accounted for using the equity method	43,700,058	(3,625,000)	40,075,058
Equity			
Retained earnings	(876,747,483)	3,625,000	(873,122,483)

Earnings per share and result per share (basic and diluted)

In LEI	**2020 (reported)**	**Adjustments**	**2020 (adjusted)**
Earnings per share (basic and diluted)	0,0069	(0,0037)	0,0032
Result per share* (basic and diluted)	0,0472	(0,0037)	0,0435

* Result per share is calculated on the basis of the net result which includes, apart from net profit, the net gains on the sale of FVTOCI financial assets reflected in retained earnings

The adjustment did not have an impact on the statement of cash flows for the financial year ended 31 December 2020.

41. 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 investment in an associate at 31 December 2021 and 31 December 2020, Străuleşti Lac Alfa S.A., with an ownership of 50%.

In December 2019, the Company fully subscribed its corporate bonds in lei issued by Străuleşti Lac Alfa S.A., of 16,700,000 lei, with maturity on 9 December 2022 and fixed interest rate (coupon) of 8% per year.

Key management personnel

31 December 2021

At 31 December 2021 the members of the Board of Directors were Mr. Liviu Claudiu Doroş (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 Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

At 31 December 2020 the members of the Board of Directors of EVERGENT Investments were Mr. Costel Ceocea (President of the Board of Directors), Mr. Octavian Claudiu Radu (vice-president of the Board of Directors), Mr. Claudiu Doroş (CEO), Mr. Cătălin Jianu Dan Iancu (deputy CEO) and Mr. Horia Ciorcilă (non-executive administrator).

The key management staff includes the members of the Board of Directors of the the Company and its subsidiaries, members of the Management Committee of the Company and the management committees/CEOs of its subsidiaries.

The salaries, remunerations and other benefits offered to key management staff are presented in the table below:

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

In LEI	**2021**	**2020**
Management Board	16.235.542	12.309.968
Executives	6.051.303	5.917.891
Total, of which:	**22.286.845**	**18.277.159**
Benefits settled in the form of shares	7.936.400	3.108.689

Detailed information regarding the remunerations and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 14.

The Group does not offer post-employment benefits or benefits for the termination of the employment contract to its key personnel.

42. SUBSEQUENT EVENTS

Resolutions of the Extraordinary General Meeting of Shareholders (EGMS) of EVERGENT Investments SA of 20 January 2022

The main resolutions of the shareholders in the EGMS of 20 January 2022 were the following:

- Approval of amendment and supplementation of Art. 7, paragraphs 20 - 23 of the Company's Articles of Association, regarding the organization and functioning of the Management Committee.
- Approval of the Company's share capital decrease from 98,121,305.10 lei to 96,175,359.20 lei in accordance with EGMS Resolution no. 3 of 29.04.2021.
- Approval of a buy-back treasury shares program ("Program 6") of the Company, in order to decrease the share capital, by annulment of shares. The number of shares that may be bought back is maximum 23,100,000 shares, and the maximum price per share is 2.2 lei.

Beginning of first stage of treasury shares buy-back program

On 26 January 2022, the first stage of the treasury shares buy-back program began in accordance with EGMS Resolution no. 4/20.01.2022, with the following characteristics:

- Program period: 26.01.2022 – 15.06.2022;
- Number of shares: maximum: 8,000,000 shares;
- Daily volume: maximum 25% of the daily average number of shares traded on the BSE, calculated based on the daily average number in the 20 trading days preceding the purchase date, as per art. 3 paragraph (3) letter b) of EU Delegated Regulation 2016/1052;
- Price: the minimum purchase price will be the BSE purchase price on the date of purchase, maximum price – 2.2 lei/share;
- Purpose of the program: the Company will buy back shares in order to decrease the share capital, by annulment of the shares;
- Intermediary: BT CAPITAL PARTNERS.

The armed conflict between the Russian Federation and Ukraine

On 24 February 2022, Russia started a military operation against Ukraine. This was preceded by an amassing of troops at the Ukrainian border and by the diplomatic recognition by Russia on 21 February 2022 of the People's Republic of Donetsk and People's Republic of Lugansk.

Group EVERGENT Investments does not have direct exposure to Russia or Ukraine. Nevertheless, this event is expected to have an adverse impact on many economic sectors, given the important role Russia plays on the market of energy raw materials in Europe.

42. SUBSEQUENT EVENTS (continued)

There is already an increased volatility of quotations on the Bucharest Stock Exchange and we estimate that this situation will continue at least of the short term, for a period of 3-6 months. Moreover, this also affects the fair value measurement of the Group's investments, with a potential impact on both profit or loss, and other comprehensive income.

EVERGENT Investments Group analyzed on the basis of existing data the possible evolutions of the domestic and international economic environment as a result of this event, ad-hoc crisis simulations were performed according to risk procedures, concluding that the Group's performance may be affected, but in the short or medium term, and no difficulties are estimated in meeting the Group's commitments, and business continuity is not affected. At the date of authorization of these annual financial statements, the Management is not in a position to accurately estimate the impact, as the events are constantly changing from day to day.

EVERGENT Investments Group is closely following the development of this event, the impact of the conflict and of the measures taken internationally on the economy at domestic level, to which the Group's assets are exposed.

The consolidated financial statements were approved by the Board of Directors on 25th March 2022 and were signed on its behalf by:

Claudiu Doroş	**Mihaela Moleavin**
CEO	**Finance Director**

Annex 5

STATEMENT

In accordance with article 63 paragraph (1) letter c) of Law 24/2017, the undersigned Claudiu DOROŞ – President CEO and Mihaela MOLEAVIN as Finance Director - responsible for preparing the consolidated financial statements of EVERGENT Investments Group (the Group) on December 31, 2021, hereby state the following:

a) The consolidated financial statements have been prepared in compliance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority - Financial Instruments and Investments Sector, approved by the Financial Supervisory Authority Norm no. 39/2015;

b) The accounting policies used in preparing the annual financial statements are in accordance with the applicable accounting regulations;

c) EVERGENT Investments Group carries out its activity in conditions of continuity;

d) We are not aware, at the date of this statement, of any other information, events, circumstances that would significantly alter the above statements.

We confirm that the consolidated financial statements, which comply with the above-mentioned regulations, **provide an accurate picture which is in compliance with the reality of the position and financial performance (including the Group' s assets, liabilities, profit and loss account) and that the Report of the Board of Directors includes a correct analysis of the development, financial position and performance of the Group, as well as a description of the main risks and uncertainties specific to the activity carried out.**

Claudiu Doroş
President CEO

Mihaela Moleavin
Finance Director