

EVERGENT INVESTMENTS S.A.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE SIX MONTHS'
PERIOD ENDED ON 30th JUNE 2022**

Prepared in accordance with IAS 34 Interim Financial
Reporting
with the application of Financial Supervision Authority's
(„FSA”) Norm no. 39/2015 on the approval of accounting
regulations compliant with the International Financial
Reporting Standards applicable to entities authorized,
regulated and supervised by FSA in the field of Financial
Instruments and Investments

UNAUDITED

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>		6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
	<i>Note</i>		
Revenue			
Gross dividend income	6	80,495,207	24,643,122
Interest income		2,766,492	1,668,192
Other operating revenue	7	25,678,854	17,499,650
Net gain/(net loss) on financial assets at fair value through profit or loss	8	(17,011,153)	38,716,881
Net gain/(net loss) from disposal of non-financial assets		(2,747)	(21,057)
Expenses			
(Impairment loss)/loss reversal on financial assets		2,350,614	1,195,853
(Loss)/loss reversal on non-financial assets impairment		(110,511)	(40,624)
(Set-up)/reversal of provisions for risks and charges		(6,450)	18,319
Expenses with wages, remunerations and other similar expenses	9	(15,398,955)	(15,075,506)
Other operating expenses	10	(23,279,169)	(18,049,599)
Operating profit		55,482,182	50,555,231
Financing expenses		(357,887)	(243,412)
Share from the profit/(loss) corresponding to associates		15,432,770	(252,464)
Profit before tax		70,557,065	50,059,355
Profit tax	11	(5,222,487)	(4,029,748)
Net profit of the period		65,334,578	46,029,607
Other comprehensive income elements			
Increase / (Decrease) from revaluation of property, plant and equipment, net of deferred tax		44,406	39,224
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	13 e)	(83,738,909)	240,632,978
Other comprehensive income – elements that will not be reclassified in profit or loss		(83,694,503)	240,672,202
Net gain from the revaluation of FVTOCI bonds		(79,175)	49,758
Other comprehensive income elements that will be reclassified in profit or loss		(79,175)	49,758

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>		6 months' period ended on 30 th June 2022	6 months' period ended on 30 th June 2021
	Note		
Other comprehensive income – Total		(83,773,678)	240,721,960
Total comprehensive income of the period		(18,439,100)	286,751,567
Basic and diluted earnings per share (net profit per share)	26	0.0681	0.0470
Basic and diluted result per share (including gain from the sale of FVTOCI assets)	26	0.0796	0.1163
Net profit attributable to the Company's shareholders		64,965,363	45,845,720
Net profit attributable to non-controlling interests		369,215	183,887
Total net profit		65,334,578	46,029,607
Comprehensive income attributable to			
The Company's shareholders		(18,808,315)	286,567,680
Non-controlling interests		369,215	183,887
		(18,439,100)	286,751,567

The consolidated financial statements were approved by the Board of Directors on 14th September 2022 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF
FINANCIAL POSITION ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	<i>Note</i>	30th June 2022	31st December 2021
Active			
Cash and current accounts		19,115,998	14,039,475
Bank deposits with initial maturity within 3 months	12 a)	79,379,430	174,396,940
Bank deposits with initial maturity of more than 3 months	12 b)	6,552,818	6,682,039
Financial assets measured at fair value through profit or loss	13 a)	313,926,743	325,937,896
Financial assets measured at fair value through other comprehensive income	13 b)	1,763,058,206	1,770,881,534
Investments accounted for using the equity method	14	54,729,806	42,850,061
Bonds at fair value through other comprehensive income	15	4,067,742	3,982,215
Bonds at amortized cost	15	17,422,671	16,689,194
Other financial assets at amortized cost	16	11,114,132	10,626,512
Inventory	17	31,656,109	22,853,276
Other assets		3,066,672	3,445,715
Assets held for sale		27,197,996	24,087,236
Investment property		98,474,373	99,831,062
Plant, property and equipment		54,677,089	54,070,369
Right-of-use asset		8,194,141	8,642,261
Goodwill		4,339,505	4,339,505
Intangible assets		1,079,478	960,584
Total assets		2,498,052,909	2,584,315,874
Liabilities			
Borrowings	18	7,982,384	8,307,026
Lease liabilities	19	8,100,529	8,525,431
Dividends payable	20	53,052,945	34,488,962
Current income tax liabilities		-	167,079
Other financial liabilities at amortized cost	21	10,965,716	9,057,658
Other liabilities	22	4,799,478	5,824,211
Provisions for risks and expenses		3,918,335	4,253,881
Deferred tax liabilities	23	117,169,416	131,632,941
Total liabilities		205,988,803	202,257,189
Equity			
Share capital	24 a)	510,105,062	510,105,062
Retained earnings		1,001,814,272	987,726,077
Reserves from the revaluation of property, plant and equipment		16,598,367	16,699,675
Reserves from the revaluation of financial assets at fair value through other comprehensive income	13 d)	777,866,353	872,688,152
Treasury shares	24 e)	(45,723,253)	(41,119,507)
Equity-based payments to employees, directors and administrators	24 f)	10,850,388	16,252,012
Other items of equity		4,370,192	3,685,004
Total equity attributable to shareholders		2,275,881,381	2,366,036,475
Non-controlling interests	25	16,182,725	16,022,210
Total equity		2,292,064,106	2,382,058,685
Total liabilities and equity		2,498,052,909	2,584,315,874

The consolidated financial statements were approved by the Board of Directors on 14th September 2022 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)



In Lei

	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	Equity-based payments to employees, directors and administrators	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance on 31st 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
Comprehensive income										
Net profit of the period ended on 30th June 2022	-	-	-	64,965,363	-	-	-	64,965,363	369,215	65,334,578
Other comprehensive income										
Increase/(decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	-	44,406	-	-	-	-	-	44,406	-	44,406
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment	-	(145,714)	-	145,714	-	-	-	-	-	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax	-	-	(83,738,909)	-	-	-	-	(83,738,909)	-	(83,738,909)
Revaluation at fair value of FVTOCI bonds	-	-	(79,175)	-	-	-	-	(79,175)	-	(79,175)
Net gain on sale of FVTOCI equity instruments, transferred to retained earnings	-	-	(11,003,715)	11,003,715	-	-	-	-	-	-
Total other comprehensive income	-	(101,308)	(94,821,799)	11,149,429	-	-	-	(83,773,678)	-	(83,773,678)
Total comprehensive income of the period	-	(101,308)	(94,821,799)	76,114,792	-	-	-	(18,808,315)	369,215	(18,439,100)
Transactions with shareholders directly recognized in equity										
Acquisition of treasury shares	-	-	-	-	(9,298,185)	-	(18,597)	(9,316,782)	-	(9,316,782)
Treasury shares granted to employees and directors	-	-	-	-	4,694,439	(5,398,224)	703,785	-	-	-
Dividends expired according to the law	-	-	-	26,386	-	-	-	26,386	-	26,386
Dividends distributed to non-controlling interest	-	-	-	-	-	-	-	-	(113,889)	(113,889)
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	-	-	(94,811)	(94,811)
Dividends distributed from the result of 2021 financial year	-	-	-	(62,052,983)	-	-	-	(62,052,983)	-	(62,052,983)
Other elements	-	-	-	-	-	(3,400)	-	(3,400)	-	(3,400)
Total transactions with shareholders directly recognized in equity	-	-	-	(62,026,597)	(4,603,746)	(5,401,624)	685,188	(71,346,779)	(208,700)	(71,555,479)
Balance on 30th June 2022	510,105,062	16,598,367	777,866,353	1,001,814,272	(45,723,253)	10,850,388	4,370,192	2,275,881,381	16,182,725	2,292,064,106

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Finance Director

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)



In Lei

	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Equity-based payments to employees, directors and administrators	Treasury shares	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance on 31st December 2020 - reported	514,402,388	16,029,111	575,885,218	876,747,483	18,457,300	(9,595,338)	3,564,379	1,995,490,541	15,396,521	2,010,887,062
Correction (Note 27)	-	-	-	(3,624,976)	-	-	-	(3,624,976)	-	(3,624,976)
Balance on 31st December 2020 - corrected	514,402,388	16,029,111	575,885,218	873,122,507	18,457,300	(9,595,338)	3,564,379	1,991,865,565	15,396,521	2,007,262,086
Comprehensive income										
Net profit of the period ended on 30 June 2021	-	-	-	45,845,720	-	-	-	45,845,720	183,887	46,029,607
Other comprehensive income										
Increase/(decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	-	39,224	-	-	-	-	-	39,224	-	39,224
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment	-	(130,380)	-	130,380	-	-	-	-	-	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax	-	-	240,632,978	-	-	-	-	240,632,978	-	240,632,978
Revaluation at fair value of FVTOCI bonds	-	-	49,758	-	-	-	-	49,758	-	49,758
Net gain on sale of FVTOCI equity instruments, transferred to retained earnings	-	-	(67,573,959)	67,573,959	-	-	-	-	-	-
Total other comprehensive income	-	(91,156)	173,108,777	67,704,339	-	-	-	240,721,960	-	240,721,960
Total comprehensive income of period	-	(91,156)	173,108,777	113,550,059	-	-	-	286,567,680	183,887	286,751,567
Transactions with shareholders directly recognized in equity										
Acquisition of treasury shares	-	-	-	-	-	(21,184,680)	(236,581)	(21,421,261)	-	(21,421,261)
Treasury shares granted to employees and directors	-	-	-	-	(13,077,647)	12,434,710	642,937	-	-	-
Dividends distributed from the result of 2020	-	-	-	(42,012,144)	-	-	-	(42,012,144)	-	(42,012,144)
Other elements	-	-	-	-	18,571	-	-	18,571	-	18,571
Total transactions with shareholders directly recognized in equity	-	-	-	(42,012,144)	(13,059,076)	(8,749,970)	406,356	(63,414,834)	-	(63,414,834)
Balance on 30th June 2021	514,402,388	15,937,955	748,993,995	944,660,422	5,398,224	(18,345,308)	3,970,735	2,215,018,411	15,580,408	2,230,598,819

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Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)

In LEI

		6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
Operating activities			
Net profit of the period		65,334,578	46,029,607
<i>Adjustments:</i>			
Loss/(Loss reversal) from financial assets impairment		(2,350,614)	(1,195,853)
Loss/(Loss reversal) from non-financial assets impairment		110,511	40,624
(Net gain)/Net loss from financial assets at fair value through profit or loss	8	17,011,153	(38,716,881)
Set-up/(reversal) of provisions for risks and charges		6,450	(18,319)
Gross dividend income	6	(80,495,207)	(24,643,122)
Interest income		(2,766,492)	(1,668,192)
Financing expenses		357,887	243,412
Income tax	11	5,222,487	4,029,748
Other adjustments		(11,466,713)	1,709,389
Modifications of assets and liabilities corresponding to operating activities			
Payments for the acquisition of financial assets at fair value through profit or loss		(5,000,000)	(10,014,667)
Proceeds from sale of financial assets at fair value through profit or loss		-	36,756,924
Payments for the acquisition of financial assets at fair value through other comprehensive income		(107,495,320)	(30,342,134)
Proceeds from the sale of financial assets at fair value through other comprehensive income		18,359,588	206,685,913
Proceeds from bonds		5,880	5,880
Changes in deposits with initial maturity higher than 3 months		147,446	(139,007)
Changes in other assets		(7,989,601)	(12,890,716)
Changes in other liabilities		(860,717)	1,733,163
Proceeds from dividends		76,601,275	24,444,967
Proceeds from interest		1,920,271	895,524
Income tax paid		(1,539,721)	(9,907,560)
Net cash resulted from operating activities		(34,886,859)	193,038,700
Investment activities			
Payments for acquisition of property, plant and equipment		(2,768,416)	(604,724)
Payments for acquisition of intangible assets		(6,306)	(77,198)
Payments for acquisition of investment property		(1,754,071)	(124,238)
Proceeds from the sale tangible assets, property investment and assets held for sale		-	-
Dividends received from associates		3,553,026	-
Net cash used in investment activities		(975,767)	(806,160)
Financing activities			
Paid dividends		(43,576,503)	(30,017,027)
Payments for the acquisition of shares in subsidiaries from non-controlling interest		(94,811)	-
Proceeds from borrowings		1,809,441	1,114,324
Return of borrowings		(2,134,083)	(2,003,514)
Lease payments		(482,381)	(399,824)
Payments of loan interest		(255,506)	(207,433)
Payments of lease liability interest		(102,382)	(35,978)
Acquisition of treasury shares		(9,316,782)	(21,421,261)
Net cash used in financing activities		(54,153,007)	(52,970,713)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2022
(All amounts are presented in Lei, unless otherwise stated)

Net increase /(decrease) in cash and cash equivalents

Cash and cash equivalents on 1st January

Cash and cash equivalents on 30th June

(90,015,633)

188,328,257

98,312,624

139,261,827

102,332,376

241,594,203

In LEI

30th June 2022

30th June 2021

Cash at hand

12,265

30,831

Current bank accounts

19,103,812

4,534,339

Bank deposits with maturity within 3 months (principal)

79,196,547

237,029,033

Cash and cash equivalents

98,312,624

241,594,203

The consolidated financial statements were approved by the Board of Directors on 14th September 2022 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

EVERGENT Investments SA (“the Company”), is set up as a Romanian private-law legal entity, organized as a 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.

The Company 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. 101/25.06.2021/101/25.06.2021*.

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 29th March 2021 (the Company's shares 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 ASF.

The Company's consolidated financial statements for the 6 months' period ended on 30th June 2022 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 interim condensed consolidated financial statements for the 6 months' period ended on 30th June 2022 have been prepared by the Group in accordance with IAS 34 "Interim Financial Reporting" and 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.

These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the financial year ended on 31st December 2021, available on the Company's internet page: www.evergent.ro. These interim financial statements will also be available on this site starting on 14th September 2022.

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

(c) 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.

(d) 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. The results of these estimates represent the basis for the judgements used when establishing the accounting value of assets and liabilities for which no other valuation sources are available. 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 interim financial statements, are the following:

- Determining the fair value of financial instruments (see explanatory note 13 (c))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory note 13 (c))
- Classification of financial instruments (see explanatory note 5)

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgments (continued)

- Adjustments for the expected credit losses of assets measured at amortized cost
- 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..

(e) Impact of the Russia-Ukraine military conflict and other tendencies on international level, on the Group's financial position and performance

On 24th February 2022, Russia started military operations against the Ukraine. This action was preceded by a gathering of troops at Ukrainian border and the diplomatic recognition by Russia – on 21st February 2022 of Donetsk Folks' Republic and Folk's Republic of Lugansk.

This event had and is expected to continue to have a negative impact on several economic sector, given Russia's important role in the energy raw materials market in Europe.

EVERGENT Investments Group does not have direct exposures in Russia or Ukraine.

Following this event, in the first quarter of 2022, quotations on Bucharest Stock Exchange showed decreases and high volatility.

In addition, against the backdrop of inflationary pressures due mainly to the rising commodity prices on global level, the National Bank of Romania has been operating, since September 2021 successive increases of monetary policy interest (accentuated by the start of the military conflict in Ukraine) reaching 4,75% per annum at the start of July 2022. The general increase in interest rates that resulted from this had a negative effect on share prices on the BSE.

Insecurities on global level in the context of the energy crisis and war in Ukraine are added the perspective of the COVID-19 pandemic return. Internally, additional risks concern reform delays and delays in the absorption of European funds, especially through the National Recovery and Resilience Plan (NRRP) and the risk of non-payment of loans contracted by the non-governmental sector.

As a result of these international events and trends, the Company registered a decrease of its financial position and performance, mainly due to changes in fair value, in the sense of a decrease of investments in shares and fund units in the portfolio (see explanatory notes 8 and 13 a) and b)).

2. BASIS OF PREPARATION (continued)

(e) Impact of the Russia- Ukraine military conflict and other tendencies on international level, on the Group's financial position and performance (continued)

Given this context, it is expected that, in the near future, at least on the short-term on a 3-6 months time horizon, there will be a high volatility of quotations on Bucharest Stock Exchange, the market on which the Company's portfolio is mainly exposed. On the authorization date of these interim financial statements, the management of the Company is unable to estimate with accuracy the impact, since these events are still on-going.

EVERGENT Investments has analysed, based on the existent 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 performance of EVERGENT Investments may be affected, but in the short term or and no difficulties are estimated in meeting the Company's commitments, and business continuity is not affected.

The management is closely monitoring the evolution of this conflict, as well as other events and tendencies on international level, their impact and the impact of other measures taken on international level, on the domestic economic environment, where most of the Company's assets are exposed.

(f) Subsidiaries

Subsidiaries are entities under the Group's control. Control exists when the Group is exposed, or has rights to variable returns from its involvement in the investee and has the ability to affect its returns through its authority over the investee. At the time control is assessed, potential or convertible vote rights that are exercisable at that particular time should be considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the time control starts to be exercised, until its cease. Accounting policies of the Group's subsidiaries have been modified for the purpose of aligning them to those of the Group.

2. BASIS OF PREPARATION (continued)

(f) Subsidiaries (continued)

The list of consolidated subsidiaries on 30th June 2022, namely on 31st December 2021 is the following:

<i>Subsidiary</i>	<i>Field of activity</i>	<i>30th June 2022</i>	<i>31st December 2021</i>
Casa SA	Rental of space	99.60%	99.60%
Mecanica Ceahlău SA	Manufacture and sale 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%	99.99%
EVERLAND SA	Acquisition and sale of own 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.

(g) 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, on 30th June 2022 and on 31st December 2021 is represented by the 50% ownership in Străulești Lac Alfa S.A. Further to the analysis, the Group concluded that it does not hold either control, or joint control over Străulești Lac Alfa S.A.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied to these condensed interim financial statements are consistent with those of the Group's annual financial statements for the financial year ended on 31st December 2021, and have been consequently applied for all periods presented in these condensed interim financial statements.

4. SEGMENT REPORTING

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

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

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

The Group is comprised of the following operating segments:

- financial investment services
- manufacture and sale of agricultural machines and equipment
- 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 and business and management consultancy. Although the Group closely 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. SEGMENT REPORTING (continued)

Segmentation of income, expenses and result

6 months' period ended on 30 th June 2022	Group	Financial investment services	Manufacture of agricultural machines and equipment	Real –estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
<i>In LEI</i>						
Income						
Gross dividend income	80,495,207	80,111,302	-	-	-	383,905
Interest income	2,766,492	2,541,859	79,667	83,867	974	60,125
Other operating revenue	25,678,854	904,852	22,661,123	623,654	517,771	971,454
Net gain/(net loss) from financial assets at fair value through profit or loss	(17,011,153)	(17,027,579)	1,509	-	-	14,917
Net gain from disposal of non-financial assets	(2,747)	-	6,723	-	(9,470)	-
Net gain/ (Net loss) from the revaluation of investment property	-	-	-	-	-	-
Net gain from the revaluation of assets held for sale	-	-	-	-	-	-
Expenses						
(Losses)/loss reversal from impairment of financial assets	2,350,614	2,255,940	76,790	25,000	4	(7,120)
(Losses)/Loss reversal from impairment of non-financial assets	(110,511)	671	9,864	(121,046)	-	-
(Setup)/Reversal of provisions for risks and charges	(6,450)	44,446	16,247	(67,143)	-	-
Expenses with wages, remunerations and other similar expenses	(15,398,955)	(8,534,927)	(3,446,590)	(698,679)	(1,950,458)	(768,301)
Other operating expenses	(23,279,169)	(4,541,923)	(17,785,467)	(860,028)	305,992	(397,743)
Operating profit /(loss)	55,482,182	55,754,641	1,619,866	(1,014,375)	(1,135,187)	257,237
Share in the loss related to associates	(357,887)	(14,228)	(27,556)	(68,280)	(247,145)	(678)
Financing costs	15,432,770	15,432,770	-	-	-	-
Profit / (loss) before tax	70,557,065	71,173,183	1,592,310	(1,082,655)	(1,382,332)	256,559
Profit tax	(5,222,487)	(5,408,413)	(154,564)	331,943	-	8,547
Net profit /(loss)	65,334,578	65,764,770	1,437,746	(750,712)	(1,382,332)	265,106

4. SEGMENT REPORTING (continued)

Segmentation of income, expenses and result (continued)

6 months' period ended on 30 th June 2021	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real-estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
<i>In LEI</i>						
Income						
Gross dividend income	24,643,122	24,485,518	-	-	-	157,604
Interest income	1,668,192	1,587,202	40,506	5,028	71	35,385
Other operating income	17,499,650	294,901	15,125,626	1,039,130	250,665	789,328
Net gain/(net loss) from financial assets at fair value through profit or loss	38,716,881	38,702,482	3,452	-	-	10,947
Net gain from disposal of non-financial assets	(21,057)	-	-	(21,057)	-	-
Net gain from the revaluation of investment property	-	-	-	-	-	-
Net gain from the revaluation of assets held for sale	-	-	-	-	-	-
Expenses						
(Losses)/loss reversal from financial assets impairment	1,195,853	75,070	1,143,200	(39,239)	222	16,600
(Losses)/Loss reversal from non-financial assets impairment	(40,624)	-	54,680	(95,304)	-	-
(Setup)/reversal of provisions for risks and charges	18,319	(3,600)	(39,989)	61,908	-	-
Expenses with wages, remunerations and other similar expenses	(15,075,506)	(9,191,688)	(2,916,659)	(758,516)	(1,508,848)	(699,795)
Other operating expenses	(18,049,599)	(4,154,923)	(12,257,932)	(1,383,755)	325,913	(578,902)
Operating profit / (loss)	50,555,231	51,794,962	1,152,884	(1,191,805)	(931,977)	(268,833)
Financing costs	(243,412)	(18,606)	(26,058)	(553)	(198,195)	-
Share in the loss related to associates	(252,464)	(252,464)	-	-	-	-
Profit / (Loss) before tax	50,059,355	51,523,892	1,126,826	(1,192,358)	(1,130,172)	-268,833
Profit tax	(4,029,748)	(3,568,132)	(439,544)	32,241	-	(54,313)
Net profit / (loss)	46,029,607	47,955,760	687,282	(1,160,117)	(1,130,172)	(323,146)

4. SEGMENT REPORTING (continued)

Segmentation of assets and liabilities

30th June 2022

	Group	Financial investment services	Manufacture and sale of agricultural machinery and equipment	Real-estate development (apartments)	Cultivation of fruit- bearing trees (blueberries)	Other
<i>In LEI</i>						
Assets						
Cash and current accounts	19,115,998	10,733,101	7,424,396	528,056	47,753	382,692
Bank deposits with initial maturity within 3 months	79,379,430	67,259,737	-	6,532,447	2,881,106	2,706,140
Bank deposits with initial maturity higher than 3 months	6,552,818	-	5,035,586	-	-	1,517,232
Financial assets at fair value through profit or loss	313,926,743	312,923,023	268,143	-	-	735,577
Financial assets measured at fair value through other comprehensive income	1,763,058,206	1,752,654,950	-	-	-	10,403,256
Investments accounted for using the equity method	54,729,806	54,729,806	-	-	-	-
Bonds at fair value through other comprehensive income	4,067,742	4,067,742	-	-	-	-
Bonds at amortized cost	17,422,671	17,422,671	-	-	-	-
Other financial assets at amortized cost	11,114,132	3,112,261	6,129,090	360,411	1,313,884	198,486
Inventory	31,656,109	112,533	26,752,706	915,727	3,871,657	3,486
Other assets	3,066,672	924,196	382,092	751,342	774,138	234,904
Assets held for sale	27,197,996	-	383,907	23,643,083	-	3,171,006
Investment property	98,474,373	4,247,186	458,477	39,920,721	-	53,847,989
Property, plant and equipment	54,677,089	8,540,881	16,247,436	447,540	27,383,211	2,058,021
Right-of-use assets	8,194,141	763,062	1,120,414	6,040,733	185,187	84,745
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,079,478	324,174	26,767	791	724,180	3,566
Total assets	2,498,052,909	2,237,815,323	64,229,014	79,140,851	41,520,621	75,347,100
Liabilities						
Borrowings	7,982,384	-	569,186	-	7,413,198	-
Lease liabilities	8,100,529	714,867	1,102,681	6,047,376	151,592	84,013
Dividends payable	53,052,945	52,576,181	285,409	-	-	191,355
Liabilities regarding current income tax	-	-	-	-	-	-
Financial liabilities at amortized cost	10,965,716	563,862	7,923,608	1,248,747	1,019,986	209,513
Other liabilities	4,799,478	2,565,454	1,272,803	389,094	367,067	205,060
Provisions for risks and charges	3,918,335	1,705,297	80,895	2,132,143	-	-
Deferred income tax liabilities	117,169,416	111,090,834	1,534,579	1,933,229	-	2,610,774
Total liabilities	205,988,803	169,216,495	12,769,161	11,750,589	8,951,843	3,300,715

4. SEGMENT REPORTING (continued)

Segmentation of assets and liabilities (continued)

31st December 2021

	Group	Financial investment services	Manufacture and sale of agricultural machinery and equipment	Real-estate development (apartments)	Cultivation of fruit- bearing trees (blueberries)	Other
<i>In LEI</i>						
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	1,760,478,278	-	-	-	10,403,256
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

5. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair value

The table below summarizes the book values and fair values of financial assets and liabilities of the Group on 30th June 2022:

<i>In LEI</i>	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	-	-	19,115,998	19,115,998	19,115,998
Deposits placed with banks with an initial maturity of less than 3 months	-	-	79,379,430	79,379,430	79,379,430
Deposits with banks with an initial maturity of more than 3 months	-	-	6,552,818	6,552,818	6,552,818
Financial assets at fair value through profit or loss	313,926,743	-	-	313,926,743	313,926,743
Financial assets at fair value through other comprehensive income	-	1,763,058,206	-	1,763,058,206	1,763,058,206
Liabilities at fair value through other comprehensive income	-	4,067,742	-	4,067,742	4,067,742
Bonds at depreciated cost	-	-	17,422,671	17,422,671	17,422,671
Other financial assets at amortized cost	-	-	11,114,132	11,114,132	11,114,132
Total financial assets	313,926,743	1,767,125,948	133,585,049	2,214,637,740	2,214,637,740
Borrowings	-	-	7,982,384	7,982,384	7,982,384
Lease liabilities	-	-	8,100,529	8,100,529	8,100,529
Dividend payment	-	-	53,052,945	53,052,945	53,052,945
Financial liabilities at amortized cost	-	-	10,965,716	10,965,716	10,965,716
Total financial liabilities	-	-	80,101,574	80,101,574	80,101,574

For financial assets and liabilities at amortised cost the Group analysed fair value on 30th June 2022 and concluded that there are no significant differences between fair value and amortized cost.

5. FINANCIAL ASSETS AND LIABILITIES (continued)

Accounting classifications and fair value (continued)

The table below summarizes the book values and fair values of financial assets and liabilities of the Group on 31st December 2021:

<i>In LEI</i>	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

6. GROSS DIVIDEND INCOME

<i>In LEI</i>	6 months' period ended on 30 th June 2022	6 months' period ended on 30 th June 2021
Banca Transilvania	48,355,982	-
BRD - Groupe Société Générale	21,124,249	-
OMV Petrom	4,092,000	3,644,628
Aerostar	3,465,920	2,751,286
SN Nuclearelectrica	1,751,501	2,775,228
Fondul Proprietatea	922,695	-
Bursa de Valori București	334,047	371,659
SNGN Romgaz	-	13,548,464
SNTGN Transgaz	-	164,029
Other	448,813	1,387,828
Total	80,495,207	24,643,122

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 30th June 2022 were 5% or 0% (2021: 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 the first half of 2022, the value of gross dividends distributed by companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 80,161,160 lei (6 months' period ended on 30th June 2021: 23,380,490 lei).

7. OTHER OPERATING INCOME

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
Income from sales of production	10,917,364	6,306,975
Income from merchandize sold	12,346,301	8,662,838
Income from sales of apartments	250,454	940,659
Income from service	62,617	55,467
Total income from contracts with customers	23,576,736	15,965,939
Rental income	1,197,286	1,028,829
Income from recovered receivables	52,635	3,012
Other operating income	852,197	501,870
Total other categories of operating income	2,102,118	1,533,711
Total	25,678,854	17,499,650

Revenue from contracts with customers

In the category of income from sales of production, the highest share in the first 6 months of 2022 is held by Mecanica Ceahlău with an amount of 10,526,718 lei, i.e. 96% (6 months' period ended on 30th June 2021: 6,203,250 lei, i.e. 98%), representing income from the sale of the agricultural machinery and equipment manufactured by this subsidiary, followed by Agointens with the amount of 390,647 lei, i.e. 4% (6 months' period ended on 30th June 2021: 73,904 lei, i.e. 2%), representing income from the sale of agricultural products (blueberries).

In the first half of 2022, the highest share in the category of income from the sale of merchandize is held by Mecanica Ceahlău with an amount of 11,910,184 lei, i.e. 96% (6 months' period ended on 30th June 2021: 3,568,076 lei, i.e. 98%), representing sale of agricultural machinery (tractors, herbicide equipment, front loaders, etc.).

In 2022, income from sales of apartments was obtained by subsidiary EVER IMO SA following the sale of parking lots from Baba Novac Residence residential centre, developed by this subsidiary.

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).

7. OTHER OPERATING INCOME (continued)

In the first half of 2022, the Group obtained income from contracts with customers from sales in Romania, except for the external sales (mainly the Republic of Moldova) of Agointens subsidiary (sale of blueberries): 234,268 lei from the sale of production, and 119,607 lei from the sale of merchandise (6 months 2021: there have been no external sales) and income from Mecanica Cehlau subsidiary (agricultural machinery and equipment): 32,904 lei from the sale of production, namely 40,704 lei from the sale of merchandise (in Bulgaria, Hungary, Ukraine, Poland and Republic of Moldova) of 32,904 lei, namely (6 months 2021: 60,094 lei, namely 244,187 lei, in Hungary and 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 receivable balance in contracts with customers is included in explanatory note 16.

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

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
Net gain / (net loss) from revaluation of financial assets at fair value through profit or loss	(17,011,153)	36,296,712
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	-	2,420,169
Total	<u>(17,011,153)</u>	<u>38,716,881</u>

The unrealised net gains registered in the first half of 2022, in the amount of 17.011.153 lei (6 months' period ended on 30th June 2021: unrealized net gain of 36.296.712 lei) represents the difference from the fair value revaluation of shares and unit funds held at fair value through profit or loss.

In the first half of 2022, the unrealized net loss was mainly generated by the decrease in the fair value of investments in fund units, as a result of the unfavourable impact of the Russian–Ukrainian war, as well as other tendencies on global level (increase of raw materials price, increase of inflation, etc.) have had on international and national financial markets, including on financial instruments quotations on Bucharest Stock Exchange.

In the first half of 2021, unrealized net loss was mainly generated by the increase of fair value of fund units, while the realized net gain comes from the sale of fund units.

9. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

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

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
<i>Fixed remunerations</i>		
Management Committee	3,649,859	4,438,832
Board of Directors	2,531,422	2,959,170
Employees	8,800,535	7,219,944
<i>Total fixed remuneration</i>	<u>14,981,816</u>	<u>14,617,946</u>
<i>Variable remunerations</i>		
Board of Directors, Management Committee		
Bonuses for the current year	48,581	-
<i>Total</i>	<u>48,581</u>	<u>-</u>
Employees		
Bonuses for the current year	81,083	132,504
<i>Total</i>	<u>81,083</u>	<u>132,504</u>
<i>Total variable remunerations</i>	<u>129,664</u>	<u>132,504</u>
<i>Expenses with social contributions and similar expenses</i>	<u>424,295</u>	<u>330,509</u>
<i>Estimated expenses with untaken leaves</i>	<u>(136,820)</u>	<u>(5,453)</u>
Total wages, remunerations, contributions and similar expenses	<u>15,398,955</u>	<u>15,075,506</u>

The remunerations of directors are approved by the General Meeting of Shareholders through the Articles of Incorporation and Administration Contracts, and those of the executive managers are approved by the General Meeting of Shareholders and Board of Directors through the Management Contracts.

9. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES (continued)

The Group's average number of employees in the first half of 2022 was 166 (6 months' period ended on 30th June 2021: 179).

The number of Group's employees employed in the first 6 months of 2022 was 21 (6 months' period concluded on 30th June 2021: 13).

10. OTHER OPERATING EXPENSES

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
Expenses with outsourced services	2,837,828	2,062,561
Expenses with commissions and fees	1,949,118	2,134,424
Expenses for protocol and advertising	223,910	422,651
Expenses with the amortization of tangible and intangible assets	1,882,590	1,806,680
Expenses for the amortization of assets related to right-of-use assets from leasing contract	669,271	417,349
Expenses for sponsorship and patronage	217,333	86,000
Expenses for merchandize	10,954,129	7,858,429
Changes in finished goods and work in progress	(2,217,398)	(1,543,097)
Other operating expenses	6,762,388	4,804,602
Total	<u>23,279,169</u>	<u>18,049,599</u>

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, other taxes and other expenses.

In the first half of 2022, namely 2021, the change in stocks of finished goods and production in progress mainly included the increase of stock from on-going production Agointens subsidiary.

10. OTHER OPERATING EXPENSES (continued)

In the first half of 2022, the expenses related to short-term lease contracts and / or for which the underlying asset has a small value were 51,488 lei (6 months' period ended on 30th June 2021: 38,114 lei).

11. PROFIT TAX

In LEI

	6 months' period ended on 30 th June 2022	6 months' period ended on 30 th June 2021
Current income tax		
Current income tax (16%)	487,969	2,399,361
Dividend tax (5%)	3,832,269	1,042,041
	4,320,238	3,441,402
Deferred income tax		
Financial assets	65,285	779
Investment property and tangible assets	(4,300)	62,889
Inventory	(135,741)	(33,021)
Liabilities related to profit sharing in cash and other benefits	1,081,615	137,245
Provisions for risks and charges	137,638	420,454
Other items (including tax loss)	(242,248)	-
	902,249	588,346
Total	5,222,487	4,029,748

11. INCOME TAX (continued)

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

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
Profit before tax	<u>70,557,065</u>	<u>50,059,355</u>
Tax in compliance with statutory taxation rates of 16% (2021: 16%)	11,289,130	8,009,497
Effect on income tax of:		
Non-deductible expenses	6,622,022	1,487,609
Non-taxable income	(14,654,817)	(4,649,273)
Registration and reversal of temporary differences	(2,768,366)	(2,448,472)
Other elements	902,249	588,346
Dividend tax (5%)	3,832,269	1,042,041
Income tax	<u><u>5,222,487</u></u>	<u><u>4,029,748</u></u>

The effective income tax rate in the first half of 2022 is 7% (6 months 2021: 8%).

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.

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 mainly include expenses regarding the benefits plan, expenses with provisions, expenses from differences between the revaluation of financial assets at fair value through profit or loss (holdings under 10%) and expenses assigned proportionally to non-taxable income.

12 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

<i>In LEI</i>	30th June 2022	31st December
Term deposits with initial maturity within 3 months	79,196,547	174,288,723
Accrued interest receivable	<u>187,237</u>	<u>117,936</u>
Total bank deposits – gross value	<u>79,383,784</u>	<u>174,406,659</u>
Expected credit loss	<u>(4,354)</u>	<u>(9,719)</u>
Total bank deposits	<u>79,379,430</u>	<u>174,396,940</u>

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

<i>In LEI</i>	30th June 2022	31st December 2021
Term deposits with initial maturity higher than 3 months	6,512,748	6,660,194
Accrued interest receivable	<u>45,395</u>	<u>27,594</u>
Total term deposits – gross value	<u>6,558,143</u>	<u>6,687,788</u>
Expected credit loss	<u>(5,325)</u>	<u>(5,749)</u>
Total bank deposits	<u>6,552,818</u>	<u>6,682,039</u>

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

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

13. ACTIVE FINANCIARE

a) Financial assets at fair value through profit or loss

<i>In LEI</i>	30th June 2022	31st December 2021
Fund units	302,096,348	314,872,418
Shares	11,830,395	11,065,478
Total	313,926,743	325,937,896

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
1st January	325.937.896	312.771.668
Purchases	5,000,000	10,014,667
Sales	-	(36,756,924)
Changes in fair value	(17,011,153)	36,296,712
Gain on FVTPL sale	-	2,420,169
31st December	313,926,743	324,746,292

b) Financial assets at fair value through other comprehensive income

<i>In LEI</i>	30th June 2022	31st December 2021
Shares measured at fair value through other comprehensive income	1,763,058,206	1,770,881,534
Total	1,763,058,206	1,770,881,534

On 30th June 2022 and 31st December 2021 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, Straulesti Lac Alfa.

The Group has used its irrevocable option to designate these equity instruments at fair value through other comprehensive income, as these assets are held both for dividend collection and gains on sale, and not for trading.

13. FINANCIAL ASSETS (continued)

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

The movement of shares at fair value through other comprehensive income in the periods ended on 30th June 2022, namely 30th June 2021 is presented in the following table:

<i>In LEI</i>	6 months period ended on 30th June 2022	6 months' period ended on 30th June 2021
1st January	<u>1,770,881,534</u>	<u>1,485,586,364</u>
Purchases	107,495,320	30,342,134
Sales	(18,359,588)	(206,685,913)
Changes in fair value	(96,959,060)	279,374,894
31st December	<u>1,763,058,206</u>	<u>1,588,617,479</u>

In the first 6 months of 2022, shares measured at fair value through other comprehensive income significantly decreased, following the negative effect of the Russian –Ukrainian war on financial markets (including Bucharest Stock Exchange), and also following interest increase caused by the increase of monetary policy interest by Romania's National Bank, amid heightened inflationary pressures, starting from the second half of 2021.

The sales of shares measured at fair value through other comprehensive income have been decided based on the Group's average and long-term objectives, or the capitalization of certain opportunities. Sales have not been made shortly after acquisition, and transaction of those shares have not targeted the obtaining of short-term profits.

For details concerning the net gain from shares measured at fair value through other comprehensive income, see Note 13 d).

13. FINANCIAL ASSETS (continued)

c) Fair value hierarchy

The below table analyses 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).

30th June 2022

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	311,885,417	-	2,041,326	313,926,743
Financial assets measured at fair value through other comprehensive income	1,660,038,374	-	103,019,832	1,763,058,206
Bonds at fair value through other comprehensive income	4,067,742	-	-	4,067,742
Total	<u>1,975,991,533</u>	<u>-</u>	<u>105,061,158</u>	<u>2,081,052,691</u>

31st December 2021

<i>In LEI</i>	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	<u>1,995,650,363</u>	<u>-</u>	<u>105,151,282</u>	<u>2,100,801,645</u>

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13. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th June 2022	Valuation technique	Unobservable inputs, average values	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5,824,578	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	5,359,891	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.

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13. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th June 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	79,491,240	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.5% Discount for lack of control: 18.4% 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 marketability discount, the higher the fair value.
Not listed minority interest	8,811,289	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.8% Discount for lack of control: 17.6% Discount for lack of marketability: 9.5%	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 marketability discount, the higher the fair value.
Total	105,061,158			

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13. FINANCIAL ASSETS (continued)

c) 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/income 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/Sales 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 The lower the ratio between equity market value and carrying value, 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 liquidity discount, the higher the fair value..

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13. FINANCIAL ASSETS (continued)

c) Fair value Hierarchy (continued)

Financial assets	Fair value on 31 st 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 Discount for lack of control: 18.4% 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	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 Discount for lack of control 17.6% Discount for lack of marketability 9.5%	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	105,151,282			

13. 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 on 30th June 2022 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

13. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

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 instrument 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 valuers 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, due to possible lack of marketability and other differences between the comparable peer group and specific company.

Price/ book value: the indicator 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. Valuers 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 of adjusted net asset, namely the book net asset was adjusted following subsequent valuation where the income-based method was used.

13. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Level 3 fair value modification

<i>In LEI</i>	30th June 2022	30th June 2021
On 1 January	105,151,282	100,903,743
Total gain/(loss) recognized in profit or loss	(114,298)	(869,899)
Total gain/(loss) recognized in other comprehensive income	24,174	46
Purchases	-	14,666
Sales	-	-
On 30 June	105,061,158	100,048,556

On 30th June 2022 and 31st December 2021, the Group classified as Level 1 titles measured based on the closing prices on BSE market, on the last trading day. Within this level 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 of 30th June 2022 (31st December 2021: 6%), 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.

13. FINANCIAL ASSETS (continued)

d) Reserve from fair value revaluation of financial assets at fair value through other comprehensive income, net of deferred tax

<i>In LEI</i>	30th June 2022	30th June 2021
On 1st January	872,688,152	575,885,218
Gross (loss)/gain from the revaluation of financial assets measured at fair value through other comprehensive income	(97,053,317)	279,434,131
Deferred tax corresponding to the gain/(loss) from the revaluation of financial assets measured at fair value through other comprehensive income	13,235,233	(38,751,395)
<i>Net gain/(Net loss) from revaluation of financial assets measured at fair value through other comprehensive income</i>	(83,818,084)	240,682,736
Net gain on sale of financial assets at fair value through other comprehensive income, transferred to retained earnings	(11,003,715)	(67,573,959)
On 30th June	777,866,353	748,993,995

In the first half of 2022, net gain obtained of 11,003,715 lei, was mainly achieved from the sale of shares in Banca Transilvania (6 months 2021: mainly from the sale of Banca Transilvania, Tansgaz, OMV Petrom and Nuclearelectrica).

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

<i>In LEI</i>	30th June 2022	31st December 2021
Share	54,729,806	42,850,061
Total	54,729,806	42,850,061

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

The summary of the financial information for Străulesti Lac Alfa is presented in the table below:

<i>In LEI</i>	30th June 2022	31st December 2021
Current assets	120,312,195	171,532,813
Fixed assets	10,838,728	11,352,087
Total assets	131,150,923	182,884,900
Current liabilities	21,691,311	20,907,014
Long-term debts	-	76,277,766
Total debts	21,691,311	97,184,780
Equity	109,459,612	85,700,120
Total debts and equity	131,150,923	182,884,900

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
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<i>In LEI</i>		
Turnover	100,370,041	3,350,357
Net Profit/(Loss)	30,865,543	(504,878)

In the first six months of 2022 EVERGENT Investments received from Străulești Lac Alfa dividends of 3,553,026 Lei (in the first six months of 2021: 998,275 Lei).

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

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:

<i>In LEI</i>	30th June 2022	30th June 2021
Net assets of the associate on 1 January	85,700,120	80,150,115
Net profit /(loss) of the associate	30,865,543	(504,878)
Dividends distributed by the associate	(7,106,051)	(1,996,551)
Net asset of the associate on 30th June	109,459,612	77,648,686
<i>Percentage holding in the associate</i>	<i>50%</i>	<i>50%</i>
Equity securities	54,729,806	38,824,343

15. BONDS

<i>In LEI</i>	30th June 2022	31st December 2021
Corporate bonds	17,416,244	16,744,533
Municipal bonds	53,269	59,032
Total bonds at amortised cost – gross value	17,469,513	16,803,565
Expected credit loss	(46,842)	(114,371)
Total bonds at amortised cost	17,422,671	16,689,194
Corporate bonds	4,067,742	3,982,215
Total bonds at fair value through other comprehensive income	4,067,742	3,982,215

On 30th June 2022 and 31st December 2021, the category of bonds at amortised cost included the bonds issued by the Bacău City Hall and Străulești Lac Alfa.

On 30th June 2022 and 31st December 2021, 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 Group's bonds are classified as Level 1.

16. OTHER FINANCIAL ASSETS AT AMORTISED COST

<i>In LEI</i>	30th June 2022	31st December 2021
Sundry debtors	57,085,200	61,568,353
Trade receivable	10,662,717	9,745,270
Dividends to collect	61,663	-
Advances to suppliers	1,622,400	388,874
Total other financial assets – gross value	69,431,980	71,702,497
Less expected credit loss corresponding to other financial assets	(58,317,848)	(61,075,985)
Total other financial assets	11,114,132	10,626,512

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,870,660 lei (31st December 2021: 51,214,709 lei), for which expected credit loss is registered.

16. OTHER FINANCIAL ASSETS AT AMORTIZED COST (continued)

On 30th June 2022, customer contracts, included in the table above in the “Trade receivables” line were in amount of 6,202,654 lei (31st December 2021: 5,960,633 lei).

<i>In LEI</i>	30th June 2022	31st December 2021
Other performing financial assets	11,465,669	11,025,025
Other impaired financial assets	57,966,311	60,677,472
Total other financial assets – gross value	69,431,980	71,702,497
Adjustments for expected credit loss for other performing financial assets	(374,771)	(413,444)
Adjustments for expected credit loss for other impaired financial assets	(57,943,077)	(60,662,541)
Total other financial assets	11,114,132	10,626,512

<i>In LEI</i>	30th June 2022		31st December 2021	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Overdue for more than 365 days	(57,943,077)	57,966,311	(60,662,541)	60,677,472

<i>In LEI</i>	30th June 2022		31st December 2021	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Not overdue	(50,342)	10,403,350	(50,341)	9,637,031
Overdue between 0 and 30 days	(48,376)	515,563	(48,376)	540,325
Overdue between 31 and 60 days	(17,641)	204,548	(65,584)	225,545
Overdue between 61 and 90 days	(77,082)	160,046	(77,082)	299,629
Overdue between 91 and 180 days	(101,769)	101,769	(82,835)	168,107
Overdue between 181 and 365 days	(79,561)	80,393	(89,226)	154,388
Total	(374,771)	11,465,669	(413,444)	11,025,025

16. OTHER FINANCIAL ASSETS AT AMORTIZED COST (continued)

Adjustment movements for expected credit loss for other assets at amortized cost can be analyzed as follows:

<i>In LEI</i>	30th June 2022	30th June 2021
On 1st January	(61,075,985)	(68,494,265)
Setup	(97,610)	(72,110)
Reversal	2,855,747	2,674,351
On 30th June	(58,317,848)	(65,892,024)

17. INVENTORY

<i>In LEI</i>	30th June 2022	31st December 2021
Raw materials and consumables	4,908,408	2,058,965
Work in progress	3,443,307	1,634,660
Semi-finished products	133,516	60,274
Finished products	12,842,146	12,661,797
Merchandize	10,328,732	6,437,580
Total	31,656,109	22,853,276

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 26,752,706 lei (31st December 2021: 20,185,315 lei) and Agointens with 3,871,657 lei (31st December 2021: 1,062,218 lei).

On 30th June 2022 and 31st December 2021, the Group does not register pledged inventories.

18. BORROWINGS

<i>In LEI</i>	30th June 2022	31st December 2021
Long-term liabilities	4,277,764	4,779,254
Long-term bank loans	4,277,764	4,779,254
Short-term liabilities	3,704,620	3,527,772
Short-term bank loans	3,704,620	3,527,772
Total loans	7,982,384	8,307,026

18. BORROWINGS (continued)

The tables below present detailed information on loans contracted by the Group on 30th June 2022 and 31st December 2021:

30th June 2022

<i>In LEI</i>	Bank	Credit type	Loan balance (Lei)	Contract curren- cy	Annual interest date (%)	Final maturity of the loan
Branch						
Agrointens	Banca Transilvania	Partial project financing Mândra	2,070,250	Lei	ROBOR 1 month + 2,75%	8 Aug 2024
Agrointens	Banca Transilvania	Working capital	1,493,063	Lei	ROBOR 1 month + 2,5%	27 Apr 2023
Agrointens	Banca Transilvania	Project financing Popești	3,160,659	Lei	ROBOR 1 month + 2,9%	2 Jun 2026
Agrointens	Banca Transilvania	Refrigeration hall financing	689,226	Lei	ROBOR 1 month + 2,9%	14 Jul 2026
Mecanica Ceahlău	Banca Transilvania	Investments	569,186	Euro	EURIBOR 6 months +2,5%	20 May 2024
Total			7,982,384			

31st December 2021

<i>In LEI</i>	Bank	Credit type	Loan balance (Lei)	Contract curren- cy	Annual interest date (%)	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 Popești	3,555,742	Lei	ROBOR 1 month + 2,9%	2 Jun 2026
Mecanica Ceahlău	Banca Transilvania	Investment	718,483	Euro	EURIBOR 6 months +2,5%	20 May 2024
Total			8,307,026			

19. LEASE LIABILITIES

<i>In LEI</i>	30th June 2022	31st December 2021
Gross lease liabilities – residual maturity		
Lease liabilities (over 5 years)	4,342,274	4,654,939
Lease liabilities (between 1 and 5 years)	4,024,983	3,919,840
Lease liabilities (up to 1 year)	1,341,926	1,565,842
Total	9,709,183	10,140,621
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	3,442,139	3,755,037
Lease liabilities (between 1 and 5 years)	3,505,491	3,397,206
Lease liabilities (up to 1 year)	1,152,899	1,373,188
Total	8,100,529	8,525,431

The Group has leases mainly for transport vehicles, office and lands.

Expenses related to short-term leases and for which the qualifying asset is of low value are presented in explanatory note 10 Other operating expenses.

20. DIVIDENDS PAYABLE

<i>In LEI</i>	30th June 2022	31st December 2021
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162,380	162,380
Dividends payable for 2015	167,010	167,010
Dividends payable for 2016	162,414	188,800
Dividends payable for 2017	203,815	203,816
Dividends payable for 2018	7,354,246	7,402,391
Dividends payable for 2019	14,995,630	15,159,192
Dividends payable for 2020	10,960,651	11,203,747
Dividends payable for 2021	19,045,173	-
Total dividends payable	53,052,945	34,488,962

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).

21. FINANCIAL LIABILITIES AT AMORTIZED COST

<i>In LEI</i>	30th June 2022	31st December 2021
Suppliers	9,680,463	7,565,555
Advances from customers	74,827	245,970
Other financial liabilities	1,210,426	1,246,133
Total	<u>10,965,716</u>	<u>9,057,658</u>

22. OTHER LIABILITIES

<i>In LEI</i>	30th June 2022	31st December 2021
Taxes and levies	3,089,177	2,246,302
Liabilities related to employees' cash benefits plan and other rights	730,932	2,675,383
Other liabilities	979,369	902,526
Total	<u>4,799,478</u>	<u>5,824,211</u>

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 holidays not taken.

Current liabilities, including current income tax liabilities, were paid by the Group on time.

23. DEFERRED INCOME TAX LIABILITIES

Liabilities related to deferred income tax on 30th June 2022 are generated by the elements in the following table:

<i>In LEI</i>	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	700,019,174	-	700,019,174
Tangible assets and investment property	68,951,891	-	68,951,891
Other assets	(5,454,798)	-	(5,454,798)
Liabilities related to profit sharing and other benefits	-	(1,705,297)	(1,705,297)
Provisions and other liabilities	-	(18,293,670)	(18,293,670)
Tax loss	-	(11,208,448)	(11,208,448)
Total	<u>763,516,267</u>	<u>(31,207,415)</u>	<u>732,308,852</u>
Net temporary differences - 16% rate			<u>732,308,852</u>
Deferred income tax liabilities			<u>117,169,416</u>

Liabilities related to deferred income tax at 31 December 2021 are generated by the elements presented in the table below:

<i>In LEI</i>	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 in cash 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	<u>860,381,447</u>	<u>(37,675,563)</u>	<u>822,705,884</u>
Net temporary differences - 16% rate			<u>822,705,884</u>
Deferred income tax liabilities			<u>131,632,941</u>

23. DEFERRED INCOME TAX LIABILITIES (continued)

Deferred income tax directly recognized through the decrease of equity is 115,471,671 lei on 30th June 2022 (31st December 2021: 129,850,783 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.

24. CAPITAL AND RESERVES

(a) Share Capital

The structure of the Group's shareholding structure on 30th June 2022 and 31st December 2021 is as follows:

30th June 2022	No. of shareholders	No. of shares	Amount (Lei)	(%)
Individuals	5,744,732	372,406,991	37,240,699	38%
Companies	163	608,806,060	60,880,606	62%
Total	5,744,895	981,213,051	98,121,305	100%

31st December 2021	No. of shareholders	No. of shares	Value (Lei)	(%)
Individuals	5,745,988	368,458,146	36,845,815	38%
Companies	168	612,754,905	61,275,490	62%
Total	5,746,156	981,213,051	98,121,305	100%

All shares are ordinary and have been subscribed and paid in full on 30th June 2022, and 31st December 2021.

All 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 on 30th June 2022 had a nominal value of 98,121,305 lei (31st December 2021: 98,121,305 lei).

On 30th June 2022, the 411,983,757 lei difference 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 1st January 2004.

24. CAPITAL AND RESERVES (continued)

(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.

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 13 d).

(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 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share (total 62,052,983 lei), corresponding to the statutory result of 2021 financial year.

The 18th May 2022 was approved as registration date (ex-date 17th May 2022), and 10th July 2022 as dividend payment date.

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 result of 2020 financial year.

24. CAPITAL AND RESERVES (continued)

(e) Treasury Shares

The total number of treasury shares held by the Company on 30th June 2022 is 27,598,123 shares representing 2.81% of share capital (31.12.2021: 23,649,507 shares, representing 2.41% of share capital) in total 45,723,253 lei (31.12.2021: of 41,119,507 lei).

The evolution of the number of shares (and their value) in the first half of 2022 namely 2021 is the following:

Treasury shares	Balance on 1 st January 2022	Purchases during the period	Allocations during the periods (directors and employees)	Balance on 30 th June 2022
Buy-back program approved by EGMS on 20 January 2022	-	7,790,768	-	7,790,768
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	4,190,048	-	(3,842,152)	347,896
Total no. of shares	23,649,507	7,790,768	(3,842,152)	27,598,123
Total share value (Lei)	41,119,507	9,298,185	(4,694,439)	45,723,253

Treasury shares	Balance on January 1 st 2021	Purchases during the period	Allocations during the periods (directors and employees)	Balance on 30 th June 2021
Buy-back program approved by EGMS on 27.04.2020	3,416,855	14,135,441	(5,096,123)	12,456,173
Buy-back program approved by EGMS on 18.04.2019	4,000,000	-	(4,000,000)	-
Buy-back program approved by EGMS on 25.04.2016	1,081,034	-	(1,081,034)	-
Total no. of shares	8,497,889	14,135,441	(10,177,157)	12,456,173
Total share value (Lei)	9,595,338	21,184,680	(12,434,710)	18,345,308

24. CAPITAL AND RESERVES (*continued*)

(e) *Treasury shares (continued)*

In EGMS on 20.01.2022 we approved the running of a treasury shares buy-back program ("Program 6") abiding by legal provisions applicable and with the following main characteristics:

- a) Program purpose: the Company shall buy-back shares for the purpose of decreasing the share capital, through share annulment.
- b) Maximum number of shares that can be bought-back: max. 23,100,000 shares (max. 2.402% of share capital that will result following the decrease.
- c) Minimum price per share: the minimum acquisition price shall be the market price on BVB at the time the purchase is made.
- d) Maximum price per share: 2.2 lei.
- e) Program duration: maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV.
- f) The payment of bought-back shares shall be made from the distributable profit of available resources of the Company, entered on the latest annual approved financial statement, with the exception of legal reserves registered on 2020 financial statements, in accordance with the provisions of art. 103 Index 1 Companies' Law no. 31/1990.
- g) The acquisition of shares shall be through market operations, for the purpose of acquiring a maximum number of 23,100,000 shares, in order to reduce the share capital through share annulment.

In EGMS on 28.04.2022 we approved the running of a treasury shares buy-back program ("Program 7") abiding by legal provisions applicable and with the following main characteristics:

- a) Program purpose: the Company shall buy-back shares for the purpose of decreasing the share capital, through share annulment, as well as for the running of "stock option plan"-type programs.
- b) Maximum number of shares that can be bought-back: max. 28,025,000 shares (2.856% of registered share capital), of which maximum 19,625,000 shares (2.000% of registered share capital) through public offering, for the purpose of lowering the share capital through share annulment, and maximum 8,400,000 shares from market operations (0.856% of registered capital) for distribution to the employees, directors and executive managers of the Company, within "stock option plan"-type projects.
- c) Minimum price per share: the minimum acquisition price shall be the market price on BVB at the time the purchase is made.
- d) Maximum price per share: 2.2 lei.
- e) Program duration: maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV a.

24. CAPITAL AND RESERVES (*continued*)

(e) *Treasury Shares (continued)*

f) The payment of bought-back shares shall be made from the distributable profit of available resources of the Company, entered on the latest annual approved financial statement, with the exception of legal reserves registered on 2020 financial statements, in accordance with the provisions of art. 103 Index 1 Companies' Law no. 31/1990.

All shares bought-back by the Company in the first quarter of 2022 have been bought-back within "Program 6" Treasury shares buy-back program, for the purpose of lowering the share capital through share annulment.

In the first quarter of 2022 directors, executive managers and employees of the company were distributed a number of 3,842,152 shares (6 months 2021: 10,177,157 shares), within the "stock option plan" (SOP) benefit plan for year 2020 (6 months 2021: SOP 2019).

(f) *Equity-based payments to employees, directors and administrators*

Equity-based payments to employees, directors and administrators represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding on 30th June 2022, namely 31st December 2021:

<i>In LEI</i>	30th June 2022	31st December 2021
SOP 2020	-	5,398,224
SOP 2021	10,850,388	10,853,788
Total	10,850,388	16,252,012

Options exercisable at the start of the reporting period, that have been fully exercised in the first quarter of 2022 corresponding to SOP 2020 shares, of 5.398.224 lei (a number of 3.842.152 shares) assigned in 2022 for a price of 1,4050 lei/share (closing price on 28th April 2021).

Options granted in 2022 that are exercisable at the end of the reporting period, correspond to shares related to SOP 2021, in the amount of 10.850.388 lei (a number of 8.930.361 shares) and will be assigned in the second quarter of 2023 for a price of 1,2150 lei/share (closing price on 27th April 2022).

There were no expired or forfeited options during 2021 or the first 6 months of 2022.

24. CAPITAL AND RESERVES (*continued*)

(f) 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).

25. 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.

<i>In LEI</i>	30th June 2022	30th June 2021
On 1st January	16,022,210	15,396,521
Profit attributable to non-controlling interests	369,215	183,887
Reserves from the revaluation of tangible assets attributable to non-controlling interests	-	-
Dividends distributed to non-controlling interests	(113,889)	-
Shares in subsidiaries bough-back from non-controlling interests.	(94,811)	-
On 30th June	<u>16,182,725</u>	<u>15,580,408</u>

26. 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):

<i>In LEI</i>	30th June 2022	30th June 2021
Net profit attributable to the Company's shareholders	64,965,363	45,845,720
<i>Weighted average number of outstanding ordinary shares</i>	<i>954,651,739</i>	<i>975,563,106</i>
Basic earnings per share (net profit per share)	0.0681	0.0470
Net profit attributed to the Company's shareholders	64,965,363	45,845,720
Net gain on sale of financial assets at fair value through other comprehensive income, transferred to retained earnings, attributable to shareholders	11,003,715	67,573,959
<i>Weighted average number of outstanding ordinary shares</i>	<i>954,651,739</i>	<i>975,563,106</i>
Result per share (including earning from the sale of FVTOCI financial assets)	0.0796	0.1163

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

Basic and diluted earnings per share are 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.

27. CORRECTION OF ERROR

On 31st 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 recorded them as dividend income.

The impact of this adjustment on equity on 31st December 2020 was presented separately in the Statement of changes in equity.

The tables below summarize this impact:

Statement of changes in equity

<i>In LEI</i>	31st December 2020 (reported)	Correction	31st December 2020 (adjusted)
Equity			
Retained earnings	(876,747,483)	3,625,000	(873,122,483)

28. 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.

Associates of the Group

The Group has an investment in an associate at 31 December 2021 and 31 December 2020, Străulești Lac Alfa S.A., with an ownership of 50%.

In December 2019, the Company fully subscribed its corporate bonds in lei issued by Străulești Lac Alfa S.A., of 16,700,000 lei, with maturity on 9 December 2022 and fixed interest rate (coupon) of 8% per year.

Key management personnel

On 30th June 2022 and 31st December 2021 the members of the Board of Directors were Mr. Liviu Claudiu Doroș (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceoceă (Non-Executive Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

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.

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

The salaries, remunerations and other benefits offered to key management staff are presented in the table below:

<i>In LEI</i>	6 months' period ended on 30th June 2022	6 months' period ended on 30th June 2021
Management board	3,698,440	4,438,832
executives	2,531,422	2,959,170
Total, of which:	6,229,862	7,398,002
Benefits settled in the form of shares	-	-

Detailed information regarding the remunerations and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 9.

The Group does not offer post-employment benefits or benefits for the termination of the employment contract to its key personnel.

29. SUBSEQUENT EVENTS

Share capital decrease

In July 2022, following legal procedures, the Company's share capital was reduced from 98,121,305.10 lei to 96,175,359.20 lei, divided into 961,753,592 shares with a nominal value of 0.10 lei, as a result of the cancellation of a number of 19,459,459 own shares acquired by the Company in accordance with the Decision of the Extraordinary General Meeting of Shareholders of EVERGENT Investments on 29th April 2022.

The consolidated financial statements were approved by the Board of Directors on 14th September 2022 and have been signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director