

EVERGENT INVESTMENTS SA

**CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE NINE MONTHS' PERIOD ENDED
ON 30th SEPTEMBER 2022**

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

UNAUDITED

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CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE 9 MONTHS ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in Lei, unless otherwise stated)

In LEI

	Note	9 months' period ended on 30 th September 2022	9 months' period ended on 30 th September 2021
Revenue			
Gross dividend income	5	120,777,371	54,656,711
Interest income		5,221,031	3,090,091
Other operating revenue		1,385,486	801,377
Net gain /(net loss) on financial assets at fair value through profit or loss	6	(14,069,082)	50,589,139
Net gain from the revaluation of investment property		760,816	-
Expenses			
Impairment loss reversal on financial assets		2,325,962	2,180,921
Impairment loss reversal on non-financial assets		671	-
(Set-up)/reversal of provisions for risks and expenses		42,646	(1,618,599)
Expenses with wages, remuneration and other similar expenses	7	(12,838,634)	(13,219,532)
Other operating expenses	8	(7,201,347)	(7,255,837)
Operating profit		96,404,920	89,224,271
Interest expense from lease liability contract		(69,176)	(26,253)
Profit before tax		96,335,744	89,198,018
Income tax	9	(9,331,469)	(6,839,732)
Net profit of the financial period		87,004,275	82,358,286
Other comprehensive income			
Increase of reserve from the revaluation of property, plant and equipment, net of deferred tax		21,528	18,499
Net gain /(net loss) from the revaluation of financial instruments at fair value through other comprehensive income (FVTOCI)	11 d)	(326,025,853)	392,570,025
Other comprehensive income - elements that will not be reclassified in profit or loss		(326,004,325)	392,588,524
Net gain /(Net loss) from the revaluation of FVTOCI bonds	11 d)	(284,769)	17,327
Other comprehensive income – elements that will be reclassified in profit or loss		(284,769)	17,327
Other comprehensive income elements Total		(326,289,094)	392,605,851
Total comprehensive income of the period		(239,284,819)	474,964,137
Basic and diluted earnings per share (net profit per share)	17	0,0913	0,0844
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)		0,1064	0,1847

The separate financial statements were approved by the Board of Directors on 15th November 2022 and signed on its behalf by:

Claudiu Doroş
CEO

Mihaela Moleavin
Finance Director

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

<i>In LEI</i>	<i>Note</i>	30th September 2022	31st December 2021
Assets			
Cash and current accounts		262,647	267,380
Bank deposits with initial maturity within 3 months	10	50,258,895	157,466,639
Financial assets measured at fair value through profit or loss	11 a)	334,716,116	381,215,357
Financial assets measured at fair value through other comprehensive income	11 b)	1,721,022,714	1,952,286,731
Bonds at fair value through other comprehensive income	11 e)	3,857,763	3,982,215
Bonds at amortized cost	11 e)	34,908,324	34,171,645
Other financial assets at amortized cost	12	28,485,490	5,361,399
Other assets		571,074	1,579,222
Investment property		4,247,186	4,247,186
Plant, property and equipment		8,500,820	8,308,912
Right-of-use assets		3,399,269	3,570,975
Intangible assets		309,836	360,960
Total assets		<u>2,190,540,134</u>	<u>2,552,818,621</u>
Liabilities			
Lease liabilities		3,368,326	3,511,637
Dividends payable	13	44,224,064	34,036,742
Current income tax liabilities		2,131,499	-
Financial liabilities at amortized cost		2,337,633	1,833,601
Other liabilities	14	1,543,895	3,409,990
Provisions for risks and expenses		1,707,097	1,749,743
Deferred tax liabilities	15	71,590,527	125,338,378
Total liabilities		<u>126,903,041</u>	<u>169,880,091</u>
Equity			
Share capital	16	499,988,637	510,105,062
Retained earnings		1,001,886,511	981,801,980
Reserves from the revaluation of property, plant and equipment		8,989,364	8,967,836
Reserves from the revaluation of financial assets at fair value through other comprehensive income	11 d)	562,545,990	903,246,143
Treasury shares	16 d)	(25,468,890)	(41,119,507)
Equity-based payments to employees, directors and administrators	16 e)	10,850,388	16,252,012
Other equity elements		4,845,093	3,685,004
Total equity		<u>2,063,637,093</u>	<u>2,382,938,530</u>
Total liabilities and equity		<u>2,190,540,134</u>	<u>2,552,818,621</u>

The separate financial statements were approved by the Board of Directors on 15th November 2022 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in Lei, unless otherwise stated)



In Lei	Note	Share capital	Reserve from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
Balance on 31st December 2021	16	510,105,062	8,967,836	903,246,143	981,801,980	(41,119,507)	16,252,012	3,685,004	2,382,938,530
Comprehensive income									
Profit of the period ended on 30th September 2022									
Other comprehensive income		-	-	-	87,004,275	-	-	-	87,004,275
Increase of revaluation reserve on property, plant and equipment, net of deferred tax		-	21,528	-	-	-	-	-	21,528
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax		-	-	(326,025,853)	-	-	-	-	(326,025,853)
Revaluation at fair value of FVTOCI bonds		-	-	(284,769)	-	-	-	-	(284,769)
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	11 d)	-	-	(14,389,531)	14,389,531	-	-	-	-
Total comprehensive income of the period		-	21,528	(340,700,153)	101,393,806	-	-	-	(239,284,819)
Transactions with shareholders directly recognized in equity									
Capital lowering		(10,116,425)	-	-	(26,389,968)	35,999,999	-	506,394	-
Bought-back treasury shares		-	-	-	-	(25,043,822)	-	(50,089)	(25,093,911)
Treasury shares assigned to employees and directors		-	-	-	-	4,694,440	(5,398,224)	703,784	-
Dividends expired according to the law		-	-	-	7,133,676	-	-	-	7,133,676
Dividends payable for 2021		-	-	-	(62,052,983)	-	-	-	(62,052,983)
Other elements		-	-	-	-	-	(3,400)	-	(3,400)
Total transactions with shareholders directly recognized in equity		(10,116,425)	-	-	(81,309,275)	15,650,617	(5,401,624)	1,160,089	(80,016,618)
Balance on 30th September 2022	16	499,988,637	8,989,364	562,545,990	1,001,886,511	(25,468,890)	10,850,388	4,845,093	2,063,637,093

The separate financial statements were approved by the Board of Directors on 15th November 2022 and were signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

The attached notes are integral part of the financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(all amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
Balance on 31st December 2020	16	514,402,388	8,527,896	591,817,817	871,860,684	(9,595,338)	18,457,300	3,564,379	1,999,035,126
Comprehensive income									
<i>Profit of the financial period ended on 30th September 2021</i>		-	-	-	82,358,286	-	-	-	82,358,286
<i>Other comprehensive income</i>									
Reserve increase from the revaluation of property, plant and equipment, net of deferred tax		-	18,499	-	-	-	-	-	18,499
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax		-	-	392,570,025	-	-	-	-	392,570,025
Revaluation at fair value of FVTOCI bonds		-	-	17,327	-	-	-	-	17,327
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	11 d)	-	-	(97,903,676)	97,903,676	-	-	-	-
Total comprehensive income of the period		-	18,499	294,683,676	180,261,962	-	-	-	474,964,137
Transactions with shareholders directly recognized in equity									
Capital lowering		(4,297,326)	-	-	(9,149,137)	13,225,800	-	220,663	-
Acquisition of treasury shares		-	-	-	-	(21,184,680)	-	(278,575)	(21,463,255)
Treasury shares assigned to employees and directors		-	-	-	-	12,434,710	(13,077,647)	642,937	-
Dividends payable for 2020		-	-	-	(42,012,144)	-	-	-	(42,012,144)
Other elements		-	-	-	-	-	18,571	-	18,571
Total transactions with shareholders directly recognized in equity		(4,297,326)	-	-	(51,161,281)	4,475,830	(13,059,076)	585,025	(63,456,828)
Balance on 30th September 2021	16	510,105,062	8,546,395	886,501,493	1,000,961,365	(5,119,508)	5,398,224	4,149,404	2,410,542,435

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Claudiu Doros
CEO

Mihaela Moleavin
Finance director

The attached notes are integral part of the financial statements.

SEPARATE STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	Note	9 months' period ended on 30 th September 2022	9 months' period ended on 30 th September 2021
Operating activities			
Net profit of the period		87,004,275	82,358,286
Adjustments:			
Loss / (Loss reversal) from financial assets impairment		(2,325,962)	(2,180,920)
Loss/(Loss reversal) from non-financial assets impairment		(671)	-
Net gain from the revaluation of investment property		(760,816)	-
(Net gain) / Net loss of financial assets at fair value through profit or loss	6	14,069,082	(50,589,139)
Set-up / (reversal) of provisions for risks and charges		(42,646)	1,618,599
Gross dividend income	5	(120,777,371)	(54,656,711)
Interest income		(5,221,032)	(3,090,091)
Interest expenses from lease liability contracts		69,176	26,253
Profit tax	9	9,331,469	6,839,732
Other adjustments		(1,049,320)	(97,424)
Changes of assets and liabilities corresponding to operating activities			
Payments for acquisition of financial assets at fair value through profit or loss		(5,000,000)	(20,029,498)
Proceeds from sales of financial assets at fair value through profit or loss		37,430,159	36,756,924
Payments for the acquisition of financial assets at fair value through other comprehensive income		(167,498,749)	(63,051,640)
Proceeds from sales of financial assets at fair value through other comprehensive income		22,390,321	263,416,596
Payments for bonds acquisition		-	(16,800,000)
Proceeds from bonds		8,820	8,820
Changes in other assets		(21,189,073)	(3,632,618)
Changes in other liabilities		39,983	(1,209,762)
Proceeds from dividends		115,165,356	24,586,022
Proceeds from interest		4,489,026	1,435,322
Income tax paid		(1,372,642)	(19,442,446)
Net cash resulted from/(used for) operating activities		(35,240,615)	182,266,305
Investment activities			
Payments for acquisition of property, plant and equipment		(691,408)	(117,288)
Payments for acquisition of intangible assets		(4,826)	(56,356)
Payments for acquisition of property investments		(948,484)	-
Net cash used in investment activities		(1,644,718)	(173,644)
Financing activities			
Dividends paid		(44,731,985)	(30,967,996)
Lease payments		(410,719)	(311,051)
Payments of lease liability interest		(69,176)	(26,253)
Acquisition of treasury shares		(25,093,911)	(21,463,255)
Net cash used in financing activities		(70,305,791)	(52,768,555)
Net increase / (decrease) of cash and cash equivalent		(107,191,124)	129,324,106
Cash and cash equivalents on 1 st January		157,633,721	85,331,836
Cash and cash equivalents on 30th September		50,442,597	214,655,942

The attached notes are integral part of the financial statements.

SEPARATE STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
Cash at hand	524	4,744
Current bank account	262,124	236,801
Bank deposits with initial maturity within 3 months (principal)	50,179,949	214,414,397
Cash and cash equivalents	<u>50,442,597</u>	<u>214,655,942</u>

The separate financial statements were approved by the Board of Directors on 15th November 2022 and were 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*.

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 as a one-tier company.

The shares issued by Evergent Investments SA are listed at the Bucharest Stock Exchange (“BVB”), the primary market, Premium category, with indicative EVER, since 29th March 2021 (the Company's share were previously traded using indicative “SIF2”, according to BVB resolution on 01.11.2011).

The shares and shareholders' record is kept according to the law by Depozitarul Central SA.

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 FSA.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The interim condensed separate financial statements for the 9 months' period ended on 30th September 2022, have been prepared in accordance with IAS 34 "Interim Financial Reporting" applying the provisions of Norm 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA in the field of Financial Instruments and Investments (Rule 39/2015).

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

These interim condensed separate financial statements should be read together with the annual 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 are also available here, starting on 15th November 2022.

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

The Company has not prepared the interim consolidated financial statements of EVERGENT Investments Group on 30th September 2022.

The Company's accounting records are held in Lei (national currency symbol: „RON”).

(b) Functional and Presentation Currency

The Company's management considers that the functional currency, as defined by IAS 21 "The Effects of Changes in Foreign Exchange Rates", is the Romanian currency ("Leu" or "RON"). The separate financial statements are presented in RON, rounded to the closest RON, a currency that the management of the Company has selected as presentation currency.

(c) Basis of Measurement

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

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

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgements

The preparation of the interim condensed separate financial statements in accordance with IFRS requires the use of management estimates, judgments in determining and applying the Company'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, liabilities, revenues and expenses. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

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

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

- Determining the fair value of financial instruments (see explanatory notes 11 (c))
- fair value hierarchy and unobservable inputs used in the evaluation (Level3) (see explanatory notes 11 (c))
- Classification of financial instruments (see explanatory note 4)

(e) The impact of the Russian-Ukrainian conflict and other tendencies on international level, on the Company's financial position and performance

On 24th February 2022, Russia started military operations against the Ukraine.

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 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.

2. BASIS OF PREPARATION (continued)

(e) The impact of the Russian-Ukrainian conflict and other tendencies on international level, on the Company's financial position and performance (continued)

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 6.25% per annum at the start of October 2022. The general increase in interest rates that resulted from this had a negative effect on share prices on the BSE.

Internally, additional risks refer to the delay of reforms and absorption of European funds, especially through the National Recovery and Resilience Plan (PNRR) and the risk of non-payment of loans contracted by the non-governmental sector.

As a result of these national and international events and trends, the Company recorded 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 6 and 11 a) and b)).

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 accurately estimate the impact, as these events are still on-going.

Based on existing data, EVERGENT Investments analysed 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, as business continuity is not affected.

EVERGENT Investments closely monitors the evolution of this conflict, as well as other events and tendencies on global level, their impact and measures taken on international level on the national economic environment, where most of the Company's assets are exposed.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in these interim condensed financial statements are consistent with those in the annual financial statements of the Company for the financial year ended on 31st December 2021 and were applied consistently for all periods presented in these simplified financial statements.

4. FINANCIAL ASSETS AND LIABILITIES

The table below summarizes the book values and fair values of the Company's financial assets and liabilities on 30th September 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 book value	Fair value
Cash and current accounts	-	-	262,647	262,647	262,647
Bank deposits with initial maturity within 3 years	-	-	50,258,895	50,258,895	50,258,895
Financial assets at fair value through profit or loss	334,716,116	-	-	334,716,116	334,716,116
Financial assets at fair value through other comprehensive income	-	1,721,022,714	-	1,721,022,714	1,721,022,714
Bonds at fair value through other comprehensive income	-	3,857,763	-	3,857,763	3,857,763
Bonds at amortized cost	-	-	34,908,324	34,908,324	34,908,324
Other financial assets at amortized cost	-	-	28,485,490	28,485,490	28,485,490
Total financial assets	334,716,116	1,724,880,477	113,915,356	2,173,511,949	2,173,511,949
Lease liabilities	-	-	3,368,326	3,368,326	3,368,326
Dividends payable	-	-	44,224,064	44,224,064	44,224,064
Financial assets at amortized cost	-	-	2,337,633	2,337,633	2,337,633
Total financial liabilities	-	-	49,930,023	49,930,023	49,930,023

For financial assets and liabilities at amortized cost, the Company has analysed fair value on 30th September 2022 and concluded that there are not significant differences between fair value and amortized cost.

4. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the book values and fair values of the Company's financial assets and liabilities 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 book value	Fair value
Cash and current accounts	-	-	267,380	267,380	267,380
Bank deposits with initial maturity within 3 months	-	-	157,466,639	157,466,639	157,466,639
Financial assets at fair value through profit or loss	381,215,357	-	-	381,215,357	381,215,357
Financial assets at fair value through other comprehensive income	-	1,952,286,731	-	1,952,286,731	1,952,286,731
Bonds at fair value through other comprehensive income	-	3,982,215	-	3,982,215	3,982,215
Bonds at amortized cost	-	-	34,171,645	34,171,645	34,171,645
Other financial assets at amortized cost	-	-	5,361,399	5,361,399	5,361,399
Total financial assets	381,215,357	1,956,268,946	197,267,063	2,534,751,366	2,534,751,366
Lease liabilities	-	-	3,511,637	3,511,637	3,511,637
Dividends payable	-	-	34,036,742	34,036,742	34,036,742
Financial liabilities at amortized cost	-	-	1,833,601	1,833,601	1,833,601
Total financial liabilities	-	-	39,381,980	39,381,980	39,381,980

The attached notes are integral part of the financial statements.

5. GROSS DIVIDEND INCOME

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period on 30th September 2021
Banca Transilvania	48,355,982	28,908,155
SNGN Romgaz SA	28,759,388	13,547,185
BRD	21,124,249	338,126
OMV Petrom	10,927,544	3,644,628
Straulesti Lac Alfa S.A.	3,553,026	998,275
Aerostar	3,465,920	2,751,286
SN Nuclearelectrica SA	1,751,501	2,775,228
Regal	1,518,111	-
Fondul Proprietatea	922,695	-
Bursa de Valori Bucuresti	334,047	371,659
SNTGN Transgaz	-	164,029
Other dividends	64,908	1,158,140
Total	<u>120,777,371</u>	<u>54,656,711</u>

Dividend revenue is recorded at gross value. Dividend tax rates for the period ended on 30th September 2022 were 5% and 0% (9 months' period ended on 30th September 2021: 5% and 0%). Dividend tax exemption is applied in case the Company's holding percentage was more 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 9 months of 2022, the value of gross dividends distributed by the companies for which holdings were classified as financial assets at fair value through comprehensive income was 118,925,213 lei (9 months' period ended on 30th September 2021: 53,247,405 lei).

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

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
Net gain / (net loss) from the revaluation of financial assets measured at fair value through profit or loss	(12,157,551)	48,168,970
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	(1,911,531)	2,420,169
Total	<u>(14,069,082)</u>	<u>50,589,139</u>

6. NET GAIN / (NET LOSS) FROM ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Unrealized net loss recorded in the first 9 months of 2022, of 12,157,551 lei (9 months' period ended on 30th September 2021: unrealized net gain of 48,168,970 lei) represents the difference from the revaluation at fair value of fund units and shares at fair value through profit or loss.

In the first nine months of 2022, unrealized net loss was mainly generated by the modification of fair value, that is the decrease of investments in fund units following the negative impact of the Russian –Ukrainian military conflict, as well as other tendencies on global level (increase of raw materials price, inflation increase, etc.) on international and national financial markets, including on the quotation of financial instruments on Bucharest Stock Exchange.

In the first nine months of 2021, unrealized net gain was mainly generated by the increase of fair value of fund unit investments, and realized net gain comes from the sale of fund units.

Net loss recorded in 2022, namely net gain in 2021 resulted from the sale of certain fund unit holdings.

7. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with the salaries, allowances, contributions and other benefits, as well as corresponding contributions of the employees, members of the Board of Directors and Management Committee.

<i>In LEI</i>	9 months' period ended on 30th September 2022		9 months' period ended on 30th September 2021	
	No. of beneficiaries	Value	No. of beneficiaries	Value
Fixed remunerations				
Board of Directors	5	4,282,551	5	5,041,393
Management Committee	2	2,525,625	2	3,037,394
Employees	42	5,356,156	39	4,573,368
Total fixed remunerations		<u>12,164,332</u>		<u>12,652,155</u>
Variable remunerations				
Board Of Directors and Management Committee				
Bonuses for the current year	5	175,698	5	189,317
Total		<u>175,698</u>		<u>189,317</u>
Employees				
Bonuses for the current year	42	222,358	38	89,192
Total		<u>222,358</u>		<u>89,192</u>
Total variable remunerations		<u>398,056</u>		<u>278,509</u>
Expenses with social contributions and similar		<u>311,259</u>		<u>288,868</u>
Net expenses/(income) from provisions for untaken leaves		<u>(35,013)</u>		<u>-</u>
Total wages, allowances, contributions and similar expenses		<u>12,838,634</u>		<u>13,219,532</u>

The remuneration of directors are approved by the General Meeting of Shareholders through the Articles of Incorporation, Administration Contracts and Policy remuneration for the Company's directors, and for those of the executive managers are approved by the General Meeting of Shareholders and Board of Directors through the Management Contracts and Policy remuneration for the Company's directors.

The average number of employees for the 9 months' period ended on de 30th September 2022 was 41 (9 months' period ended on 30th September 2021: 39).

8. OTHER OPERATING EXPENSES

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
Commission and fee expenses	2,473,517	2,826,567
Expenses with outsourced services	2,092,590	1,760,193
Expenses with the amortization of tangible and intangible assets	553,801	462,355
Expenses with the depreciation of right-of- use assets from lease contracts	439,341	322,908
Sponsorship and patronage expenses	234,333	228,155
Advertising and protocol expenses	280,059	648,320
Other operating expenses	1,127,706	1,007,339
Total	<u>7,201,347</u>	<u>7,255,837</u>

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

Expenses with outsourced services are represented mainly by the cost of portfolio monitoring services, insurance, assets evaluation services and services for the management of property owned by the Company.

Other operating expenses include expenses with travel, post and telecommunication, expenses with maintenance and repairs, utilities, fuel, inventory objects and materials, other taxes and other expenses.

In the first 9 months of 2022, short term lease expenses were 21,333 lei (9 months' period ended on 30th September 2021: 12,797 lei).

9. INCOME TAX

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
Current profit tax		
Current profit tax (16%)	2,584,415	4,496,748
Dividend tax (5%)	5,612,015	2,493,474
	8,196,430	6,990,222
Deferred income tax		
Investment property and property, plant and equipment	(16,940)	(14,908)
Liabilities related to cash benefit plan and other benefits	1,078,850	123,394
Provisions for risks and charges	6,823	(258,976)
Other elements	66,306	-
	1,135,039	(150,490)
Total	9,331,469	6,839,732

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

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
Profit before tax	96,335,744	89,198,018
Tax in accordance with the statutory taxation rate of 16% (2021: 16%)	15,413,719	14,271,683
Effect on income tax of:		
Non-deductible expenses	8,308,492	2,432,900
Non-taxable income	(20,038,473)	(9,131,883)
Other elements	(1,099,324)	(3,075,952)
Registration/(reversal) of temporary differences	1,135,040	(150,490)
Dividend tax (5%)	5,612,015	2,493,474
Profit tax	9,331,469	6,839,732

The effective rate of income tax rate in the first 9 months of 2022 is 10% (9 months' period ended on 30th September 2021: 8%).

9. INCOME TAX (continued)

The main non-taxable income from the income tax point of view is represented by dividend income (taxed through deduction at source), and income from the differences following the revaluation of financial assets at fair value through profit or loss (holdings over 10%), and non-deductible expenses include expenses with the benefit plan, expenses from the revaluation of financial assets at fair value through profit or loss (holdings over 10%) as well as expenses proportionally assigned to non-taxable income.

In determining the tax result, non-deductible expenses, management and administration expenses, as well as other expenses are taken into account in proportion to the share of non-taxable income in the total income recorded by the Company.

Other elements similar to expenses mainly include benefits granted to directors and employees as equity instruments settled in shares, at the time of their actual assignment.

10. BANK DEPOSITS WITH INITIAL MATURITY UNDER 3 MONTHS

<i>In LEI</i>	30th September 2022	31st December 2021
Term deposits with initial maturity within 3 months	50,179,949	157,366,340
Attached receivables from interest	82,418	109,388
Total bank deposits – gross value	50,262,367	157,475,728
Expected credit loss	(3,472)	(9,089)
Total bank deposits	50,258,895	157,466,639

The bank deposits are constantly at the Company's disposal and are not restricted. All Company's bank deposits are classified as Stage 1.

11. FINANCIAL ASSETS

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

<i>In LEI</i>	30th September 2022	31st December 2021
Fund units	267,347,984	313,914,450
Shares	67,368,132	67,300,907
Total	<u>334,716,116</u>	<u>381,215,357</u>

<i>In LEI</i>	2022	2021
1st January	<u>381,215,357</u>	<u>364,462,371</u>
Acquisitions	5,000,000	20,029,498
Sales	(37,430,159)	(36,756,924)
Changes in fair value	(12,157,551)	48,168,970
Gain /(loss) from FVTPL sale	(1,911,531)	2,420,169
30th September	<u>334,716,116</u>	<u>398,324,084</u>

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

<i>In LEI</i>	30th September 2022	31st December 2021
Shares measured at fair value	1,721,022,714	1,952,286,731
Total	<u>1,721,022,714</u>	<u>1,952,286,731</u>

On 30th September 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 Company has used its irrevocable option to designate such equity instruments at fair value through other comprehensive income, as these financial assets are held both for dividend collection and for gains on sale and are not held for trading.

11. FINANCIAL ASSETS (continued)

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

The movement of financial assets at fair value through other comprehensive income in the period ended on 30th September 2022, namely 30th September 2021 is presented in the table below:

In LEI

	2022	2021
1st January	<u>1,952,286,731</u>	<u>1,643,409,645</u>
Acquisitions	169,208,049	63,051,640
Sales	(22,390,321)	(263,416,596)
Changes in fair value	(378,081,745)	450,336,604
30th September	<u>1,721,022,714</u>	<u>1,893,381,293</u>

In the first 9 months of 2022, shares classified at fair value through other comprehensive income registered a decrease, following the negative effect that the Russian-Ukrainian military conflict has had on financial markets (including on Bucharest Stock Exchange), and also following the increase of interest caused by the monetary policy interest increase by Romania's national Bank, due to sharp inflationist pressures this year.

For information regarding the net gains from the sale of shares carried at fair value through other comprehensive income, see Explanatory Note 11 d).

11. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy

The table below 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 prices (not adjusted) on active markets for identical assets or liabilities;
- 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 September 2022

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	278,596,653	-	56,119,463	334,716,116
Financial assets measured at fair value through other comprehensive income	1,454,926,248	-	266,096,466	1,721,022,714
Bonds at fair value through other comprehensive income	3,857,763	-	-	3,857,763
Total	<u>1,737,380,664</u>	<u>-</u>	<u>322,215,929</u>	<u>2,059,596,593</u>

31st December 2021

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	322,794,978	-	58,420,379	381,215,357
Financial assets measured at fair value through other comprehensive income	1,691,978,374	-	260,308,357	1,952,286,731
Bonds at fair value through other comprehensive income	3,982,215	-	-	3,982,215
Total	<u>2,018,755,567</u>	<u>-</u>	<u>318,728,736</u>	<u>2,337,484,303</u>

EXPLANATORY NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in „Lei”, unless otherwise stated)

11. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th September 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest without active market	2,427,929	Market approach, comparable companies method	Invested capital/ revenues multiple: 0,8 Invested capital/EBITDA : 7,4 Equity /book value: 0,8 Discount for lack of marketability: 16,3%	The lower the EV/Rev 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
Not listed minority interest	5,126,055	Market approach, comparable companies method	Invested capital/turnover multiple: 0,6 Equity / book value multiple: 1,2 Discount for lack of marketability: 13%	The lower the EV/Sales 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
Not listed minority interest with control right	53,682,439	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 9,9% Discount for lack of marketability: 18,9%. Constant long-term income growth rate: 2,5%	The lower the weighted average cost of capital, the higher the fair value. The lower the lack of marketability discount, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value.
Not listed minority interest	5,878,974	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 19.6% Constant long-term income growth rate: 2.8% Discount for lack of control: 15.3% Discount for lack of marketability: 19.6%	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.

The attached notes are integral part of the financial statements.

EXPLANATORY NOTES TO THE CONDENSED SEPARATE FINANCIAL
STATEMENTS FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in „Lei”, unless otherwise stated)

11. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th September 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Not listed minority interest with control right	121,692,266	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 1,0 Discount for lack of marketability: 11.2%	In the balance sheet, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed control right minority interest, without active market	79,467,137	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 1,5 Discount for lack of control: 18,4% Discount for lack of marketability: 9,6%	In the balance sheet, 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	53,941,129	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0,7 Discount for lack of control: 16.7% Discount for lack of marketability: 13.0%	In the balance sheet, 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	322,215,929			

The attached notes are integral part of the financial statements.

EXPLANATORY NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE 9 MONTHS' PERIOD ENDED ON 30th SEPTEMBER 2022
(All amounts are presented in „Lei”, unless otherwise stated)

11. 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 holdings, without active market	2,403,249	Market approach, comparable companies method	Invested capital/turnover multiple: 0,8 Discount for lack of marketability: 16,3%	The lower the EV/Sales multiple, the lower the fair value. The lower the lack of liquidity discount, the higher the fair value.
Not listed minority interest	5,360,398	Market approach, comparable companies method	Invested capital/turnover multiple: 0,6 Invested capital/EBITDA multiple: 6,2 Equity value/ book value multiple: 1,2 Discount for lack of marketability: 14,6%	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 liquidity discount, the higher the fair value.
Not listed control right interest	46,542,439	Income-based approach –discounted cash-flow method	Weighted average cost of capital: 9,9% Discount for lack of control: 18,9%. Constant long-term income growth rate: 2,5%	The lower the weighted average cost of capital, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value
Not listed minority interest	434,574	Income-based approach –discounted cash-flow method	Weighted average cost of capital: 12,4% Constant long-term income growth rate: 2,5% Discount for lack of control: 15,3% 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.

The attached notes are integral part of the financial statements.

11. 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
Not listed, control right interest	111,701,204	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 1,0 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 marketability discount, the higher the fair value.
Listed interest with control right without active market	9,777,490	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 1,1	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.
Listed minority interest, without active market	79,467,137	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity, by reference 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	63,042,245	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity, by reference to their book value: 0,8 Discount for lack of control: 23,4% Discount for lack of marketability: 11,8%	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	318,728,736			

11. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Sensitivity Analysis

Although the Company 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 modification of one or more assumptions would influence the Company's profit or loss and other comprehensive income on 30th September 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	-	(9,255,265)
WACC decrease by 50 bps		10,498,052
Increase of the perpetuity growth rate by 25 bps	-	2,566,457
Decrease of the perpetuity growth rate by 25 bps	-	(2,366,315)
Increase of (EBITDA, CA, P/E) multiples by 10%	137,182	652,840
Decrease of (EBITDA, CA, P/E) multiples by 10%	(137,182)	(652,840)
Increase in land sale price per sqm by 10%	5,513,610	3,085,288
Decrease in land sale price per sqm by 10%	(5,513,610)	(3,085,288)
Sale price increase for apartments on sqm by 10%	-	7,256,236
Sale price decrease for apartments on sqm by 10%	-	(7,256,236)
	83,411	192,539
Rent increase on sqm by 10%		
Rent decrease on sqm by 10%	(83,411)	(192,539)
Increase in rent per sqm by 10%	(218,264)	(477,568)
	242,516	531,598
Decrease in rent per sqm by 10%		
Increase of DLOM by 10%	(427,762)	(3,558,439)
Decrease DLOM by 10%	427,762	3,558,439

The main unobservable inputs refer to the relevant multiples of the total invested capital and multiples of equity in ordinary shares.

Revenues/ Turnover multiple: is an instrument used to evaluate companies based on a market comparison with similar listed companies.

11. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Sensitivity Analysis (continued)

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 assessed company.

Price/book value: often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share. The Price / Book value ratio multiple varies significantly based on the industry.

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 company).

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 reviewed 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.

11. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Sensitivity Analysis (continued)

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used.

Level 3 fair value changes

<i>In LEI</i>	2022	2021
Balance on 1st January	<u>318,728,736</u>	<u>288,693,176</u>
Acquisitions / participation to capital increases	14,174,265	8,067,000
Sales	(4,030,734)	(4,929,250)
Total loss recognized in profit or loss	(2,300,916)	(735,884)
Total loss recognized in other comprehensive income	(4,355,422)	(449,146)
Balance on 30th September	<u>322,215,929</u>	<u>290,645,896</u>

On 30th September 2022 and 31st December 2021, classified as Level 1 securities measured on the basis of the BSE closing prices, on the last day of trading. Fund units evaluated based on the unit value of their net asset certified by the fund's depositary are included in this level.

Investments classified in Level 3, representing 18% of the Company's share portfolio on 30th September 2022 (31st December 2021: 16%), have been evaluated by independent external or internal values, based on the financial information provided by the monitoring departments, using measurement techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, with the management's supervision and review, which makes sure that all inputs underlying the valuation reports are accurate and adequate.

11. FINANCIAL ASSETS (continued)

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

	<u>2022</u>	<u>2021</u>
On 1st January	903,246,143	591,817,817
Gross gain/(loss) from the revaluation of financial assets measured at fair value through other comprehensive income	(378,440,933)	450,357,231
Deferred tax corresponding to the gain/loss from revaluation of financial assets measured at fair value through other comprehensive income	52,130,311	(57,769,879)
<i>Net gain/(loss) from the revaluation of financial assets measured at fair value through other comprehensive income</i>	<i>(326,310,622)</i>	<i>392,587,352</i>
Net gain transferred to retained earnings as a result of the sale of financial assets measured at fair value through other comprehensive income	(14,389,531)	(97,903,676)
On 30th September	562,545,990	886,501,493

In the first 9 months of 2022, net gain obtained, of 14,389,531 lei, , mainly comes from the sale of Banca Transilvania shares (9 months 2021: mainly from the sale of Banca Transilvania, Transgaz, OMV Petrom and Nuclearelectrica shares).

e) Bonds

<i>In LEI</i>	30th September 2022	31st December 2021
Corporate bonds	34,977,667	34,350,933
Municipal bonds	50,673	59,032
Total bonds at amortized cost –gross value	35,028,340	34,409,965
Expected credit loss	(120,016)	(238,320)
Total bonds at amortized cost	34,908,324	34,171,645
Corporate bonds	3,857,763	3,982,215
Total bonds at fair value through other comprehensive income	3,857,763	3,982,215

On 30th September 2022 and 31st December 2021, the category of bonds at amortised cost included the bonds issued by EVER IMO, Bacau Town Hall and Străulești Lac Alfa.

On 30th September 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 Company bonds are classified as Stage 1.

12. OTHER FINANCIAL ASSETS AT AMORTISED COST

<i>In LEI</i>	30th September 2022	31st December 2021
Sundry debtors	51,869,741	56,353,603
Claims from transactions pending settlement	25,159,291	-
Advances to suppliers	246,233	129,949
Trade receivables	103,454	140,438
Dividends to receive	-	-
Collateral (guarantees)	19,627	19,627
Total other financial assets – gross value	77,398,346	56,643,617
Less expected credit loss corresponding to other financial assets	(48,912,856)	(51,282,218)
Total other financial assets	<u>28,485,490</u>	<u>5,361,399</u>

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,859,625 lei (31st December 2021: 51,214,709 lei).

On 30th September 2022, other financial assets at amortised cost are divided into performing assets in amount of 28,485,490 lei (31.12.2021: 5,361,399 lei) and impaired receivables in amount of 48,912,856 lei (31.12.2021: 51,282,218 lei), of which sundry debtors: 48,912,000 lei (31st December 2021: 51,279,147 lei).

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

<i>In LEI</i>	2022	2021
On 1st January	<u>(51,282,218)</u>	<u>(55,188,562)</u>
Set-up	(16,180)	(8,259)
Reversal	2,385,542	2,263,998
On 30th September	<u>(48,912,856)</u>	<u>(52,932,823)</u>

13. DIVIDENDS PAYABLE

<i>In LEI</i>	30th September 2022	31st December 2021
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162,381	162,380
Dividends payable for 2015	167,010	167,010
Dividends payable for 2016	162,414	162,414
Dividends payable for 2017	198,293	203,816
Dividends payable for 2018	120,170	7,321,525
Dividends payable for 2019	14,523,049	14,814,224
Dividends payable for 2020	10,784,483	11,203,747
Dividends payable for 2021	18,104,638	-
Total dividends payable	<u>44,224,064</u>	<u>34,036,742</u>

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law and recorded in equity, with the exception of amounts garnished according to the law (e.g, if shareholders are subject to enforcement procedures).

14. OTHER LIABILITIES

<i>In LEI</i>	30th September 2022	31st December 2021
Taxes and levies	827,926	1,332,985
Liabilities related to the cash benefits offered to employees, directors and executive managers	220,074	1,526,256
Liabilities related to wages and other wage rights	473,917	493,201
Other liabilities	21,978	57,548
Total	<u>1,543,895</u>	<u>3,409,990</u>

Liabilities related to cash benefits represent the amounts that are to be offered as participation to the benefits and/or bonuses plan, in cash, to the employees, directors and executive managers, according to the provisions of the Collective Employment Contract, Director and Management Agreements.

Liabilities regarding salaries and other salary rights represent the amounts that are to be paid, representing salaries, allowances for vacations not taken, medical leaves and other rights according to the provisions of the Collective Employment Contract.

Taxes represent current liabilities that have been paid by the Company on time.

15. DEFERRED TAX LIABILITIES

Deferred income tax liabilities on 30th September 2022 are generated by the elements detailed in the following table:

<i>In LEI</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets at fair value through other comprehensive income	453,308,619	-	453,308,619
Tangible assets	4,044,093	-	4,044,093
Investment property	3,210,617	-	3,210,617
Provisions for litigations	-	(1,707,097)	(1,707,097)
Liabilities related to profit sharing and other benefits	-	(11,415,437)	(11,415,437)
Total	<u>460,563,329</u>	<u>(13,122,534)</u>	<u>447,440,795</u>
Net temporary differences - 16% rate			447,440,795
Deferred income tax liabilities			<u>71,590,527</u>

Deferred tax liabilities on 31st December 2021 are generated by the elements presented in the table below:

<i>In LEI</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets at fair value through other comprehensive income	795,777,726	-	795,777,726
Tangible assets	4,178,638	-	4,178,638
Investment property	3,316,495	-	3,316,495
Provisions for litigations	-	(1,749,743)	(1,749,743)
Liabilities related to profit sharing in cash and other benefits	-	(18,158,251)	(18,158,251)
Total	<u>803,272,859</u>	<u>(19,907,994)</u>	<u>783,364,865</u>
Net temporary differences, 16% rate			783,364,865
Deferred income tax liabilities			<u>125,338,378</u>

Deferred income tax directly recorded through the decrease of equity is 73,280,574 lei on 30th September 2022 (31st December 2021: 128,163,465 lei), being generated by financial assets measured at fair value through other comprehensive income for which the Company's interest is under 10%, for a period of time under one year and property, plant and equipment.

16. CAPITAL AND RESERVES

a) Share capital

The Company's shareholding structure on 30th September 2022, namely 31st December 2021 is presented in the tables below.

30th September 2022	No. of shareholders	No. of shares	Nominal value (lei)	(%)
Individuals	5,743,872	369,983,205	36,998,321	38%
Companies	158	591,770,387	59,177,039	62%
Total	5,744,030	961,753,592	96,175,359	100%

31st December 2021	No. of shareholders	No. of shares	Nominal 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 September 2022, namely on 31st December 2021.

shares have the same voting right and a 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 September 2022 had a nominal value of 96,175,359 lei (31st December 2021: 98,121,305 lei).

On 30th September 2022, the 403,813,278 lei differences between the book value of the share capital of 499,988,637 lei and its nominal value, is the inflation difference generated by the application of IAS 29 “Financial reporting in hyperinflationary economies” up to 1 January 2004.

16. 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.

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are recorded at value net of deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in explanatory note 11 d).

(c) Legal Reserves

According to legal requirements, the Company sets up legal reserves of 5% of the recorded profit in accordance with statutory accounting regulations applicable, up to 20% of the share capital. The value of the legal reserve on 30th September 2022 is 20,763,584 lei (31st December 2021: 20,763,584 lei).

Legal reserves cannot be distributed to shareholders and are included in retained earnings.

16. CAPITAL AND RESERVES (continued)

(d) Treasury Shares

The total number of treasury shares held by the Company on 30th September 2022 is 21,038,267 shares representing 2.19% of share capital (31.12.2021: 23,649,507 shares, representing 2.41% of share capital) in total 25,468,890 lei (31.12.2021: 41,119,507 lei).

The evolution of the number of shares (and their value) in the 9 months' period ended on 30th September 2022, namely on 30th September 2021 is the following:

Treasury shares	Balance on 1 st January 2022	Acquisitio ns during the period	Cancellations during the period	Assignments during the period (directors and employees)	Balance on 30 th September 2022
Buy-back program approved by EGMS on 20 th January 2022	-	20,690,371	-	-	20,690,371
Buy-back program approved by EGMS on 29 th April 2021	19,459,459	-	(19,459,459)	-	-
Buy-back program approved by EGMS on 27 th April 2020	4,190,048	-	-	(3,842,152)	347,896
Total no. of shares	23,649,507	20,690,371	(19,459,459)	(3,842,152)	21,038,267
Total share value (Lei)	41,119,507	25,043,822	(35,999,999)	(4,694,440)	25,468,890
Treasury shares	Balance on 1 st January 2021	Acquisitio ns during the period	Cancellations during the period	Assignments during the period (directors and employees)	Balance on 30 th September 2021
Buy-back program approved by EGMS on 18 th April 2020	3,416,855	14,135,441	(8,266,125)	(5,096,123)	4,190,048
Buy-back program approved by EGMS on 18 th April 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	(8,266,125)	(10,177,157)	4,190,048
Total share value (Lei)	9,595,338	21,184,680	(13,225,800)	(12,434,710)	5,119,508

16. CAPITAL AND RESERVES (*continued*)

(d) *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 will buyback shares in order to reduce the share capital, through share annulment.
- b) Maximum number of shares that can be bought-back: maximum 23.100.000 shares (max. 2,402% of share capital that will result after the operation of the reduction).
- c) Minimum price per share: the minimum purchase price shall be the market price on BSE from the moment the purchase is made.
- d) Maximum price per share: 2,2 lei.
- e) Program period: maximum 18 months from the date the resolution is published in Romania’s Official Journal, Part IV.
- f) The payment of bought-back shares will be made from from the distributable profit or from the available reserves of the company, entered in the last approved annual financial statement, except for the legal reserves recorded in 2020 financial statements, according to the provisions of art. 103 index 1 of Companies’ Law no. 31/1990.
- g) The acquisition of shares will be carried out through market operations, for the purpose of acquiring a maximum 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 in order to reduce its share capital, through share annulment, as well as in order to run “*stock option plan*” 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 a public purchase offer, in order to reduce the share capital by cancelling the shares and maximum 8.400.000 shares through market operations (0,856% of registered capital) in order to be distributed to the employees, directors and executive managers of the Company, within “*stock option plan*” programs.
- c) Minimum price per share: the minimum purchase price shall be the BSE market price on 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.

16. CAPITAL AND RESERVES (continued)

(d) Treasury Shares (continued)

f) The payment of bought-back shares shall be made from the distributable profit or from the company's available reserves, entered in the last approved annual financial statement, except for the legal reserves recorded in the 2021 financial statements, in accordance with the provisions of art. 103 index 1 of Companies' Law.

All shares bought-back by the Company in the first 9 months 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 9 months of 2022 directors, executive managers and employees of the company were distributed a number of (9 months 2021: 10,177,157 shares), in the "stock option plan" (SOP) benefit program for 2020 (9 months 2021: SOP 2019), abiding by the provisions in ESMA Guide no. 232/2013 on solid remuneration policies in accordance with DAFIA, AIFM policy for the remuneration of managers, directors and employees of the company – Chapter 7 and provisions of art. 13 of the Company's Articles of Incorporation.

(e) 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 September 2022, namely 31st December 2021:

<i>In LEI</i>	30th September 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 9 months 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 9 months of 2022.

16. CAPITAL AND RESERVES (*continued*)

(f) *Dividends*

In the Ordinary General Shareholders' Meeting of April 29, 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share (total 62,052,983 lei), related to the statutory result of the 2021 financial year.

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

In the Ordinary General Meeting of Shareholders on 29th April 2021, the shareholders of the Company have 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.

17. EARNINGS PER SHARE

The calculation of the basic earnings per share was made based on the profit attributable to ordinary shareholders and weighted average number of outstanding ordinary shares (without bought-back shares):

In LEI	Note	30 th September 2022	30 th September 2021
Net profit attributable to Company's shareholders		87,004,275	82,358,286
<i>Weighted average number of outstanding ordinary shares</i>		953,016,467	976,055,086
Basic earnings per share (net profit per share)		0.0913	0.0844
Net profit/(Net loss) attributable to Company's Shareholders		87,004,275	82,358,286
gain recorded in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)		14,389,531	97,903,676
<i>Weighted average number of outstanding ordinary shares</i>		953,016,467	976,055,086
Result per share (including earnings from the sale of FVTOCI financial assets)		0,1064	0,1847

Diluted earnings per share are equal to the basic earnings per share since the Company does not have potential ordinary shares.

The result per share are calculated based on net profit, which includes, in addition to net profit, the gain on the sale of FVTOCI financial assets.

17. EARNINGS PER SHARE (*continued*)

The company also presents in the interim, condensed financial statements, together with the basic and diluted earnings per share, the 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 Company's performance and is a potential source for dividend distribution to the Company's shareholders.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

In the normal course of business, the Company has identified the following related parties:

List of subsidiaries and interest percentage:

	30th September 2022	31st December 2021
Agointens SA	99.99%	99.99%
Casa SA	99.60%	99.60%
Mecanica Ceahlău SA	73.30%	73.30%
Regal SA	93.02%	93.02%
EVER IMO SA	99.99%	99.99%
Everland SA	99.99%	99.99%
EVER AGRIBIO SA	99.99%	-
VISIONALFA Investments SA	99.99%	-
A3 Snagov SRL	99.99%	99.99%

In the first 9 months of 2022 the following subsidiaries of the company have been set-up:

- Subsidiary VISIONALFA Investments SA, set-up in August 2022, EVERGENT Investments holding 99.99% of its shares.
- Subsidiary EVER AGRIBIO SA, set-up in September 2022, held directly by EVERGENT Investments holding 99.99% of its shares.
- Subsidiary A3 Snagov SRL, set-up in June 2021, is held by the Company indirectly, through Everland SA, who holds 100% of its shares.

And the Company has participated to share capital increases at its subsidiaries, based on the justification notes approved by the EGMS of subsidiaries, as follows:

- VISIONALFA Investments SA: by cash contribution of 249,975 lei;
- EVER AGRIBIO SA: by cash contribution of 124,990 lei and contribution in kind- a land of 1,709,300 lei;
- Agointens SA: by cash contribution of 4,845,000 lei.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

In 2021, the Company took part in the capital increases of its subsidiaries:

- Agrintens SA, by cash contribution, in the amount of 1.750.000 lei.
- EVERLAND SA, by cash contribution, in the amount of 6.287.500 lei
- EVER IMO SA, by cash contribution, in the amount of 8.000.000 lei

Associates of the Company

The Company holds an investment in an associated entity on 30th September 2022 and 31st December 2021, Străulești Lac Alfa S.A., with a holding percentage 50%.

In the first 9 months of 2022 and 2021 there were no sales of subsidiaries.

At the end of the reporting period, the following balances correspond to transactions with related parties:

<i>In LEI</i>	30th September 2022	31st December 2021
CASA SA		
Other financial assets at amortized cost	-	12,540
Financial liabilities	89,022	89,022
EVER IMO SA		
Corporate bonds at amortized cost	17,220,000	17,606,400
Right-of-use assets	2,468,841	2,670,838
Other financial assets at amortized cost	108,728	109,040
Other assets	10,038	9,301
Lease liabilities	2,482,715	2,662,393
Financial liabilities	2,424	618,977
STRAULESTI LAC ALFA		
Corporate bonds at amortized cost	17,757,667	16,744,533

In the reporting period the following transactions were carried out within the group, representing mainly dividends, bond interest, rents and delivery of management and archiving services.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(continued)*

<i>In LEI</i>	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
EVERLAND SA		
Other operating income	1,199	1,194
CASA SA		
Other operating income	278,862	276,527
Other operating expenses	639,458	752,549
EVER IMO SA		
Dividend income	1,013,133	420,000
Other operating income	-	29,259
Other operating expenses	315,855	-
Lease liabilities	48,587	-
STRAULESTI LAC ALFA		
Dividend income	1,013,133	1,013,133
Gross dividend income	3,553,026	998,275
REGAL SA		
Gross dividend income	1,518,111	-

Key Management Staff

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

Key management staff includes the members of the Board of Directors and Management Committee of the Company.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(continued)*

The remunerations for the nine months' period of 2022 and 2021 are presented in the table below:

	9 months' period ended on 30th September 2022	9 months' period ended on 30th September 2021
Board of Directors	4,374,061	5,087,122
Management Committee	2,609,813	3,080,857
Total, of which:	6,983,874	8,167,979
Share-based payment	-	-

Detailed information regarding the compensation and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 7.

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

19. SUBSEQUENT EVENTS

Completion of Program no. 6 for share buy-back

In October we anticipatively completed Buy-back Program no. 6.

The results of the operations run in Buy-back Program no. 6 between 26th January 2022 and 06th October 2022 are the following:

- Total number of bought-back shares: 23,100,000
- Average buy-back price lei/share: 1.2141
- Total value of bought-back shares in lei: 28,045,385,29
- Bought-back percentage of share capital: 2.4019%
- Purpose of share buy-back: share capital decrease
- Broker: BT Capital Partners

19. SUBSEQUENT EVENTS (continued)

Running of Program no. 7 for treasury shares buy-back

On 10th October 2022, we started treasury shares buy-back program no. 7 through market operations, in accordance with the resolution of the General Meeting of Shareholders no. 2 on 28th April 2022 and resolution of the Management Board no. 1 on 7th October 2022. The program was completed on 28th October 2022.

The characteristics of the Program are the following:

- Total number of bought-back shares: 8,400,000
- Average buy-back price lei/share: 1.2525
- Total value of bought-back shares in lei: 10,520,776.32
- Bought-back percentage of current share capital: 0.873 (0.856% of the share capital registered at the adoption date of EGMS resolution no. 2 on 28.04.2022)
- Purpose of share buy-back – to comply with legal obligations arising from the “stock optional plan” programs for year 2021, in accordance with the provisions of art. 5 (1) letter c) (EU) Regulation no. 596/2014
- Broker: BT Capital Partners

The separate financial statements were approved by the Board of Directors on 15th November 2022 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director