2022 Board of Directors Report

Relating to the Consolidated Financial Statements

Contents:

Annexes:

Yearly report, in accordance with: *Law no. 24/2017 on the issuers of financial instruments and market operations, Title III – Issuers whose securities are admitted to trading on a regulated market; Chapter III – Regular Information; FSA Regulation no. 5/2018 on the issuers of financial markets and market operations; FSA Rule no. 39/2015 on the approval of accounting regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA.*
Report date: *24th March 2023*
Issuer name: *EVERGENT Investments SA*
Headquarters: *Pictor Aman St., no. 94 C, Bacau*
Phone/fax/e-mail: *0234576740 / 0234570062 / office@evergent.ro*
Sole registration no.: *2816642*
Trade Registry no.: *J04/2400/1992*
EUID*:* ROONRC. J/04/2400/1992
LEI: *254900Y1O0025N04US14*
Subscribed and paid-up capital: *96,175,359.2 lei*
Number of issued shares*: 961,753,592*
Nominal value: *0.1 lei/share*
Shareholding structure: *100% private*
Free float: *100%*
FSA Registry no.: *PJR09FIAIR/040003*
Regulated market on which issued securities are traded: *Bucharest Stock Exchange, Premium category*
International identifiers*:* Bucharest Stock Exchange*: EVER;* ISIN*: ROSIFBACNOR0;* Bloomberg FIGI*: BBG000BMN556;* Reuters RIC*: ROEVER.BX*

NOTE 1 – to allow for a comparison of information, EVERGENT Investments maintains the same structure of the consolidated, yearly and half-yearly reports.
NOTE 2 – Figures presented in the report are presented in lei, unless another measurement unit is stated.

1. Presentation of the development and performance of EVERGENT Investment Group's activities and position

EVERGENT Investments SA is classified, according to applicable regulations as Alternative Investments Fund of the Investment Companies Type – F.I.A.S., category: Alternative Investment Fund intended for Retail Investors (AIFRI), authorized by the Financial Supervision Authority with Permit no. 101/25.06.2021 and functions abiding by the provisions of Law no. 74/2015 on the managers of alternative investment funds, Law no. 243/2019 (AIF), Law no. 24/2017 on the issuers of financial instruments and market operations, Companies' Law no. 31/1990 and FSA regulations issued to apply primary law.

Its purpose is to increase the value of assets under management.
The main business activity of the Company consists in financial investments.
Its object of activity consists in:
a) Portfolio management;
b) Risk management;
c) 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 have been listed at the Bucharest Stock Exchange ("BVB"), the primary market, Premium category, with indicative „EVER" since 29th March 2021 (before this date the shares of the Company were traded under 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 Financial Supervisory Authority.

1.1. Consolidation Area

The consolidated financial statements on 31st December 2022, include the company and its subsidiaries (hereinafter referred to as “Group”), as well as the Group’s interests in associates.

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

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

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

On 31st December 2022 EVERGENT Investments Group holds investments in one associate, Company Străuleşti Lac Alfa S.A. with a holding of 50%.

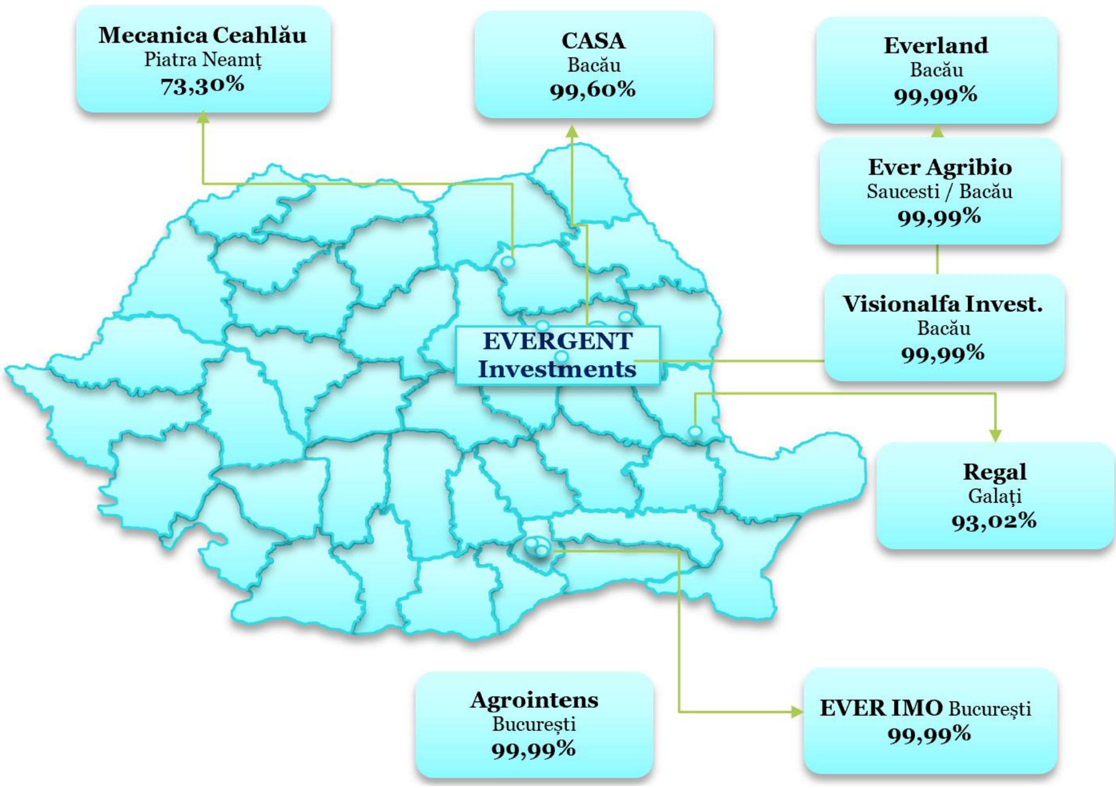
The policies of the Group regarding consolidation grounds can be found in the explanatory notes to the Group’s *consolidated financial statements*.

Members of EVERGENT Investments Group:

No.	Subsidiary name	Direct holding of EVERGENT Investments – mother company %	Weight in total Group’s assets % 31.12.2022	Company type (closed/ listed)	Activity
1	EVERLAND SA	99.99	1.93	Unlisted	Real estate - private equity portfolio
2	EVER IMO SA	99.99	3.25	Unlisted	
3	REGAL SA	93.02	0.37	Unlisted	
4	MECANICA CEAHLAU SA	73.30	2.82	BVB–REGS (MECF)	Agriculture and agricultural machines - private equity portfolio
5	AGROINTENS SA	99.99	1.99	Unlisted	
6	EVER AGRIBIO SA	99.99	0.10	Unlisted	
7	CASA SA	99.60	1.01	unlisted	Rental /sub-rental of real property and support for EVERGENT Investments
8	VISIONALFA INVESTMENTS SA	99.99	0.01	Unlisted	AFIA
9	A3 SNAGOV SRL*	99.99	0.26	Unlisted	Real estate
	Total		**11.74**		

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

Subsidiaries EVER AGRIBIO SA and VISIONALFA INVESTMENTS SA were set-up in September and August 2022, EVERGENT Investments holding 99.99% of their shares.



Statement of mutual holdings included in the consolidated area - 31.12.2022

Subsidiary name	Shareholders	No. shares	% holding	Face value (lei)
Agrointens SA	EVERGENT Investments SA	4,151,911	99.99998	10
	CASA SA	1	0.00002	
	TOTAL	*4,151,912*	*100*	
Everland SA	EVERGENT Investments SA	4,440,750	99.99998	10
	CASA SA	1	0.00002	
	TOTAL	*4,440,751*	*100*	
Casa SA	EVERGENT Investments SA	7,978,462	99.60	2.5
	Other shareholders	31,946	0.40	
	TOTAL	*8,010,408*	*100*	
EVER IMO SA	EVERGENT Investments SA	4,963,027	99.99998	2.5
	CASA SA	1	0.00002	
	TOTAL	*4,963,028*	*100*	
Regal SA	EVERGENT Investments SA	1,116,258	93.021	0.1
	A.A.A.S. BUCURESTI	29,035	2.42	
	Other shareholders	54,707	4.559	
	TOTAL	*1,200,000*	*100*	
Mecanica Ceahlau SA	EVERGENT Investments SA	175,857,653	73.30	0.1
	NEW CARPATHIAN FUND	48,477,938	20.21	
	Other shareholders	15,572,869	6.49	
	TOTAL	*239,908,460*	*100*	
Ever Agribio SA	EVERGENT Investments SA	378,430	99.9997	10
	CASA SA	1	0.0003	
	TOTAL	*378,431*	*100*	
Visionalfa Investments SA	EVERGENT Investments SA	2,499,750	99.99	0.1
	Other shareholders	250	0.01	
	TOTAL	*2,500,000*	*100*	
A3 Snagov SRL	Everland SA	6,297,500	100%	1

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

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

- Manufacture of agricultural machines and equipment
- Real-estate development (apartments, including parching lots)
- Rental and sale of own real-estate,
- Cultivation of fruit-bearing shrubs (blueberries) and
- Business and management consultancy.

Below, we shall briefly present the main financial benchmarks for the Group's subsidiaries.

1.2.1. Mecanica Ceahlău S.A.

The company's main object of activity is the manufacture of agricultural machines and logging. Set-up in 1921 SC Mecania Ceahlău SA Piatra - Neamt is today one of the most famous agricultural machinery manufacturing companies in Romania. The machines and equipment manufactured by „Mecanica Ceahlău" cover the entire range of agricultural works, from soil preparation for seeding to harvesting. Moreover, the company sells agricultural machines and equipment (Steyr tractors, Project herbicide equipment, Stoll front-loaders, etc).

Main financial results (IFRS restatement):

Lei	2020	2021	2022	2022/2021 evolution %
Total assets	54,432,950	62,466,480	68,821,682	110
Turnover	18,020,000	36,526,905	49,028,602	134
Profit (loss)	(2,338,925)	1,720,446	1,856,098	108
ROE %	N/A	4.87	3.98	
ROA %	N/A	2.75	2.7	

In 2022, sales of Mecanica Ceahlău, especially those from sale, and the profitability of the company reflected in ROA indicator increased.

1.2.2. EVER IMO S.A.

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

Main financial results (IFRS restatement):

Lei	2020	2021	2022	2022/2021 evolution %
Total assets	47,455,543	75,503,343	78,672,490	104
Turnover	95,498,541	2,161,278	1,992,126	92
Profit (loss)	14,832,992	(4,659,456)	3,717,308	N/A
ROE %	41.74	N/A	N/A	
ROA %	32.02	N/A	N/A	

The company shall re-enter a income increase cycle as projects in various stages of town-planning approval shall be started on land already held.

1.2.3. Regal S.A.

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

On the report date, the company holds three commercial areas and its administrative headquarters. The company has been delisted since 18.05.2022, based on FSA Resolution 584 on 16.05.2022.

Main financial results (IFRS restatement):

Lei	2020	2021	2022	2022/2021 evolution %
Total assets	10,022,202	10,702,459	8,924,544	83
Turnover	276,893	299,718	316,700	106
Profit (loss)	178,828	415,740	(28,932)	N/A
ROE %	3.52	7.1	N/A	
ROA %	1.78	3.88	N/A	

Income obtained in the reporting period corresponds to the low number of commercial areas that the company manages, with impact on the profitability of the company, without jeopardizing the continuation of the activity.

1.2.4. Casa S.A.

The company was set-up in 1999 based on Companies' Law no. 31/1990, its main field of activity being the lease and sub-lease of own or rented real-estate.

Main financial results (IFRS restatement):

Lei	2020	2021	2022	2022/2021 evolution %
Total assets	22,567,765	22,738,528	24,523,039	108
Turnover	1,557,886	2,064,743	2,382,898	115
Profit (loss)	(1,487,629)	1,023,334	87,742	9
ROE %	N/A	1.87	1.44	
ROA %	N/A	4.5	0.36	

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

Income from the rental of owned spaces, obtained in 2022 increased in comparison to those of the previous years. At the same time, the company sold its holdings in two companies with a positive effect on the income from the sale of financial assets measured at fair value through other comprehensive income (FVTOCI) that increased in 2022 by 1.7 million lei.

1.2.5. Agrointens S.A.

The company was set-up in 2014 based on Companies' Law no. 31/1990, its main object of activity being the cultivation of fruit-bearing shrubs, strawberries, nut trees and other fruit-bearing trees.

Main financial results (IFRS restatement):

Lei	2020	2021	2022	2022/2021 evolution %
Total assets	38,982,127	37,779,163	48,138,592	127
Turnover	8,215,101	8,078,047	11,252,760	139
Profit (loss)	(1,351,559)	(1,881,934)	(1,047,466)	N/A
ROE %	N/A	N/A	N/A	
ROA %	N/A	N/A	N/A	

The loss registered by the company is in accordance with the implementation status of the financial development model that foresees the purchase of new land and set-up of new blueberry farms with mixed financing from own sources, bank loans and contribution of the majority shareholder.

1.2.6. EVERLAND S.A.

The company was set-up in 2014 based on Companies' Law no. 31/1990, with the purpose of capitalizing on investment opportunities in real-estate field. At present, the main activity is connected to the approval of the urban planning documentation for the leand held in Iaşi, Str. Primăverii, no. 2 for the development of a real-estate centre with mixed home, commercial and residential functions.

Main financial results (IFRS restated):

Lei	2020	2021	2022	2022/2021 evolution %
Total assets	41,582,609	49,770,950	52,901,642	106
Turnover	32,811	50,421	50,013	99
Profit (loss)	2,303,234	1,602,167	2,624,785	164
ROE %	6.7	3.91	6.07	
ROA %	5.54	3.22	4.96	

The company holds 100% of company A3 SNAGOV SRL's shares, set-up in 2021, a company acting in the real-estate development (promotion) sector.

1.2.7. EVER AGRIBIO SA

The company was set-up in September 2022 and is to operate in the field of agriculture and renewable energy, on the 50 ha land it owns in Saucesti commune, Bacău county.

1.2.8. VISIONALFA INVESTMENTS SA

The company was set-up in August 2022 and currently has no activity.

1.3. Influences resulted from consolidation operations

1.3.1. Comparative statement of assets on 31st December 2022

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

Balance position	Company	Group	Differences
Cash and current accounts	788,781	7,838,826	7,050,045
Bank deposits with initial maturity within 3 months	104,971,764	120,630,869	15,659,105
Bank deposits with initial maturity higher than 3 months	-	6,141,286	6,141,286
Financial assets at fair value through profit or loss	333,619,756	279,782,253	(53,837,503)
Financial assets measured at fair value through other comprehensive income	1,875,688,529	1,673,533,619	(202,154,910)
Investments accounted for using the equity method	-	55,371,088	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	3,982,047	-
Bonds at depreciated cost	17,550,535	47,661	(17,502,874)
Other financial assets at depreciated cost	9,869,910	19,884,188	10,014,278
Inventory	-	28,734,899	28,734,899
Other assets	497,055	2,176,788	1,679,733
Intangible assets held for sale	-	3,540,657	3,540,657
Investment property	4,284,448	135,229,675	130,945,227
Property, plant and equipment	9,282,127	65,345,532	56,063,405
Right–of-use assets	3,474,536	9,276,583	5,802,047
Goodwill	-	4,339,505	4,339,505
Intangible assets	412,375	1,165,704	753,329
Total assets	**2,364,421,863**	**2,417,021,180**	**52,599,317**

Evergent INVESTMENTS

1.3.2. Comparative statement of liabilities and equity on 31st December 2022

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

Balance position	Company	Group	Difference
Loans	-	11,818,565	11,818,565
Lease liabilities	3,456,939	9,109,377	5,652,438
Dividends payable	42,633,808	43,029,452	395,644
Current profit tax liabilities	5,370,896	5,370,896	-
Financial liabilities at depreciated cost	2,871,103	11,363,910	8,492,807
Other liabilities	4,154,999	7,910,679	3,755,680
Provisions for risks and charges	1,632,553	3,842,888	2,210,335
Liabilities related to deferred profit tax	89,669,402	97,526,193	7,856,791
Total liabilities	**149,789,700**	**189,971,960**	**40,182,260**
Share capital	499,988,637	499,988,637	-
Retained earnings	1,018,427,444	1,044,899,843	26,472,399
Reserves from the revaluation of property, plant and equipment	9,774,793	18,419,631	8,644,838
Reserves from the revaluation of FVTOCI assets	699,891,438	660,473,055	(39,418,383)
Treasury shares	(38,991,230)	(38,991,230)	-
Equity-based payments to employees	20,765,780	20,765,780	-
Other equity elements	4,775,301	4,775,301	-
Total equity applicable to the shareholders of the company	**2,214,632,163**	**2,210,331,017**	**(4,301,146)**
Non-controlling interests	-	16,718,203	16,718,203
Total equity	**2,214,632,163**	**2,227,049,220**	**12,417,057**
Total liabilities and equity	**2,364,421,863**	**2,417,021,180**	**52,599,317**

1.3.3. Comparative analysis of the statement of comprehensive income on 31st December 2022

Statement of comprehensive income	Company	Group	Differences
Income			
Gross dividend revenue	120,777,371	116,092,853	(4,684,518)
Interest income	7,087,713	6,262,712	(825,001)
Other operating revenue	1,607,660	65,334,018	63,726,358
(Net loss)/Net gain on financial assets at fair value through profit or loss	(474,436)	965,522	1,439,958
Net gain on the disposal of non-financial assets	-	18,708	18,708
Net gain/ (net loss) on real-estate investments revaluation	798,078	11,356,717	10,558,639
Net gain / (net loss) on the revaluation of intangible assets held for sale	-	(14,256)	(14,256)
Expenses			
(Loss)/loss reversal on financial assets impairment	2,332,072	2,379,256	47,184
(Loss)/loss reversal on non-financial assets impairment	671	3,137,296	3,136,625
(Set-up)/reversal of provisions for risks and charges	117,190	52,750	(64,440)
Expenses with wages, remunerations and other similar expenses	(28,773,429)	(46,968,732)	(18,195,303)
Other operating expenses	(11,660,747)	(61,293,246)	(49,632,499)
Operating profit	**91,812,143**	**97,323,598**	**5,511,455**
Financing expenses	(95,436)	(913,791)	(818,355)
Share from the profit/(loss) corresponding to associates		16,074,052	16,074,052
Profit before tax	**91,716,707**	**112,483,859**	**20,767,152**
Income tax	(8,863,072)	(10,222,009)	(1,358,937)
Net profit of the financial year	**82,853,635**	**102,261,850**	**19,408,215**
Other elements of comprehensive income			
Increase/ (decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	806,957	2,421,954	1,614,997
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	(168,168,297)	(175,797,504)	(7,629,207)
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	**(167,361,340)**	**(173,375,550)**	**(6,014,210)**
Net gain from the revaluation of FVTOCI bonds	(105,304)	(105,304)	-
Other elements of comprehensive income – elements that will be reclassified in profit or loss	**(105,304)**	**(105,304)**	**-**
Other elements of comprehensive income - Total	**(167,466,644)**	**(173,480,854)**	**(6,014,210)**
Total comprehensive income of the period	**(84,613,009)**	**(71,219,004)**	**13,394,005**

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

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

(Lei)	Company	Group	Differences
Net profit of the financial year	82,853,635	102,261,850	19,408,215
Gain related to the transfer of FVTOCI* financial assets, net of tax, recycled in retained earnings	35,081,104	36,312,289	1,231,185
Net result	**117,934,739**	**138,574,139**	**20,639,400**

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

1.3.4. Criteria for the recognition, measurement and evaluation of financial assets on 31st December 2022 and 31st December 2021

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

Depending on these criteria, financial assets are classified as: FVTPL financial assets, FVTOCI financial assets and financial assets measured at amortized cost.

1.4. Predictable development of EVERGENT Investments Group

1.4.1. The Group's objectives and strategy for 2023

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

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

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

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

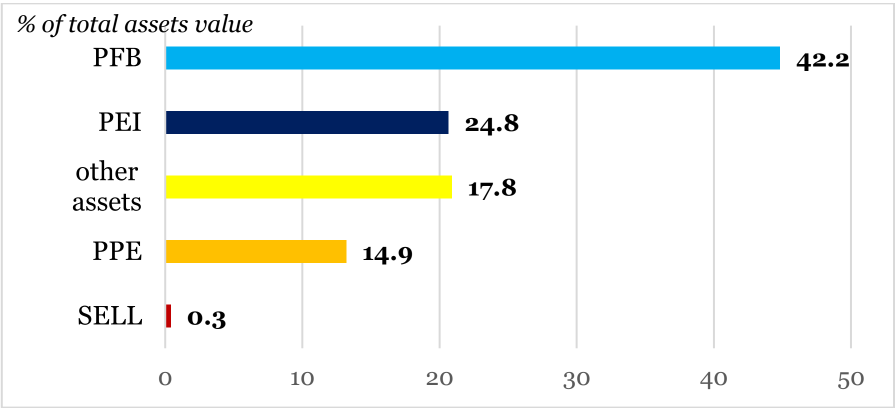
The Company has a predictable dividend policy and annually runs buy-back programs to ensure the liquidity of EVER shares and bring benefits to shareholders through the possibility to share their holdings for a price as close to the assets value as possible. Along with the dividends, these represent a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

Capital operations through the running of a new buy-back program for the purpose of lowering the share capital and engaging the interest of management and employees, in order to increase the efficiency of the management act and in agreement with legal AIFM/AIF policies on remuneration.

Maintaining the strategies defined for the assets portfolios:

- *Increase* for PRIVATE-EQUITY PORTFOLIO (PPE) - "private equity" type-approach within existent majority holdings (real-estate, agriculture, other sectors).
- *Performance increase for* the FINANCIAL BANKING PORTFOLIO (PFB) and ENERGY – INDUSTRIAL PORTFOLIO (PEI) – listed portfolios that provide liquidity to EVERGENT Investments' assets, being the main generators of revenue and sources for new investments.
- *Restructure* for SELL portfolio – sale of the historic shares portfolio.

Portfolio weight in total assets of assets on 31.12.2022:



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

On 31st December 2022, the assets of the 8 subsidiaries of EVERGENT Investments Group registered a value of 221.95 million lei, representing 9.39% of total assets of EVERGENT Investments Group.

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

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

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

Rules applied in accordance with AIFM legislation

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

The "private equity" type approach involves and active involvement in entrepreneurial projects, which leads to an increase of managed assets profitability and offers the possibility to compensate the risks of possible involutions of EVERGENT Investments' ownership interest in listed companies. Some of the investments presented in the paragraphs below are in the growth/development stage while others are in the maturity stage of the business life cycle.

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

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

Project description: The object of the project is the set-up and development of blueberry farms. At present the farms in Brasov county- Vistea and Mandra and Arges county - Popesti and Ratesti are in various development stages. At the end of the reporting period, the planted area was 86 ha and 19 ha in the process of planting.

EVERGENT Investments investment: 8.85 million euro.

Current status: Activities specific for the activity sector have been carried out.

Corporate events:

09.02.2022 – EGMS approved the set-up of a lucrative facility in Bucharest, Bdul Poligrafiei no. 1A
10.03.2022 – EGMS approved: the purchase of a 23,25 ha land; increase of share capital by 950 thousand euro
28.03.2022 – EGMS approved: the revised price and acquisition of the 23.25 ha land;
13.04.2024 – EGMS approved: the accessing of a work capita credit type facility of 2.5 mil lei and corresponding collateral; the contracting of a financial leasing facility of 833 mii lei
20.04.2022 – OGMS approved the Board of Directors report, 2021 financial statements, discharge of office for the managers, KPI, activity report and performance indicators for 2022, the extension of the mandate of external financial auditor, Deloitte Audit SRL, for another 2 years
01.08.2022 – EGMS approved: correction of IEB 2022, increase of share capital by 450 thousand euro and approval of an investment credit type credit facility for 6 million lei and corresponding collateral
31.08.2022 – EGMS approved: the set-up of a lucrative facility in Ratesti commune, Argeş county, and set-up of collateral in favour of Banca Transilvania, agricultural cultures- shrubs and products obtained at Popeşti farm
23.12.2022 – OGMS approved: updated financial projections and revision of the indicators for the project: Extension of the blueberry farm project, 2023 IEB and contracting a financial leasing facility of 3.456 million de lei and corresponding collateral (sorting/packaging equipment).

1.4.2.2. EVERLAND SA –Iasi real-estate project

Premises: The company was set-up for the purpose of capitalizing on investment opportunities in the agribusiness real-estate field for the purpose of generating value for shareholders. The company holds assets located in the central area of Iaşi municipality, with a significant real-estate development potential on all segments: residential, office and commercial:
- ✓ held land of 2.55 ha;
- ✓ administrative building (GF+8) with a built area of 4,600 square meters.

Status:
- ✓ PUZ approved by Iasi local council on 28.02.2022
- ✓ Maximum built area is 83,800 sqm, the project value being estimated to 100 million euro;
- ✓ The town planning indicators in the PUZ stage for M1 area are the following POT max 45%, CUT max 4 and Rh max S/Ds+P+20E, and for the M2 area they are POT max 45%, CUT max 2.5 and $R_h$max S/Ds +P+16E, with a spread are of 83,800 sqm, of which 16,765 sqm office space, 62,870 sqm living space with 850 apartments, 4,191 sqm for related services, 6,000 sqm green area and corresponding parking lots, most of them underground.
- ✓ In June 2021, the company set-up an investment vehicle with 100% holding for the development or ulterior real-estate project.

Corporate events:
18.04.2022 – OGMS approved: the financial statements for financial year 2021, discharge of office for the directors, activity program. IEB and performance indicators for 2022
28.10.2022 – OGMS approved the 2 years' extension of the contract with financial auditor Deloitte Audit SRL

1.4.2.3. CASA SA

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

On 31st December 2022 the company's share portfolio is comprised of 43 companies of which 15 functioning and 38 in judicial liquidation (bankruptcy), and the real-estate portfolio is comprised of 12 real-estate properties in cities from Moldova area.

The company has the following legal documents concluded with EVERGENT Investments:
- ✓ contract for the monitoring of information and events regarding companies from EVERGENT Investments' portfolio;
- ✓ contract for the delivery of archive services;
- ✓ Rental agreements for spaces in Bacau and Iasi belonging to EVERGENT Investments SA;
- ✓ Contract for the delivery of real-property management services for properties belonging to EVERGENT Investments SA.

Corporate events:
27.04.2022 – OGMS approved: the report of directors, financial statements for 2021 financial year, discharge of office for the directors, activity program, IEB and performance indicators for 2022
22.08.2022 – OGMS approved: the revocation of a directors and appointing of a new director
18.11.2022 – OGMS approved: the extension of the contract with financial auditor Deloitte Audit SRL for another 2 years.

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

The company manufactures agricultural equipment for working the land, and distributes:
(i) Steyr tractors,
(ii) Project herbicide equipment and
(iii) Stoll front loaders.

Corporate events:
18.04.2022 – OGMS approved the directors' report, financial statements for financial year 2021, discharge of office for the directors, activity program, IEB and performance indicators for 2022
13.10.2022 – OGMS approved the extension of the mandate of external financial auditor Deloitte Audit SRL for another 2 years
16.12.2022 – OGMS approved 2023 IEB

1.4.2.5. REGAL SA

On the report date, the company owns 3 commercial spaces plus its headquarters. The company was withdrawn from trading starting on 18.05.2022, according to FSA resolution no. 584 on 16.05.2022.

Corporate events:
19.04.2022 – OGMS approved the directors' report, financial statements for the financial year, distribution of dividends for 2021, discharge of office for the directors, activity program, IEB and performance indicators foe 2022
19.04.2022 – EGMS approved the sale of certain
15.09.2022– EGMS approved the reduction of the share capital and update of the memorandum of association
15.09.2022 – OGMS approved the election of a new board of directors comprised of three individuals and the extension for another 2 years of the contract with financial auditor Deloitte Audit SRL

1.4.2.6. EVER IMO SA

The company owns in the northern part of Bucharest, for real-estate development:
(i) A plot of land of 1.9 ha and
(ii) a plot of land with an area of 1.6 ha, purchased in July 2021.

Corporate events:
20.04.2022 – OGMS approved the election of a board of directors comprised of three individuals
03.05.2022 – OGMS approved the directors' report, financial statements for financial year 2021, discharge of office for the directors, the activity program, IEB and performance indicators for 2022
03.05.2022 – EGMS approved the change of destination for the amount 8 mil. lei from the financing of a real investment, purpose approved by EGMS on 15.12.2021 to the purpose of financing the activities of the company, operating and financing expenses, in accordance with the cash need forecast in IEB 2022 and based on the presentation note in EGMS, the start of the preliminary operations for Straulesti investment program, including: the contracting of planning services, obtaining the town planning certificate, PUD, solution notes, building permits, real-estate market survey, offer selection, planning theme study, and other; the chase of the headquarters in Bucharest, Str. Poligrafiei, no. 1A; emblem of the company

27.10.2022 OGMS approved the extension for another 2 years of the contract with financial auditor Deloitte Audit SRL.

1.4.2.7. EVER AGRIBIO SA

The company was set-up in September 2022 and is to carry out activities in the agriculture and renewable energy field, on the 50 ha land it owns in Saucesti commune, Bacau county.

Corporate events:
30.09.2022 – OGMS approved: the director and management agreements for a period of 2 years
30.09.2022 – EGMS approved: the increase of share capital in kind – land of 1.7 million lei and opening of a lucrative facility in Saucesti commune, Bacau county
08.12.2022 – EGMS decided the increase of share capital with 1.95 mil. lei for expenses for the preparation of the preliminary operations for setting-up Saucesti blueberry farm.

1.4.2.8. VISIONALFA INVESTMENTS SA

Set-up in August 2022, the company has not carried out any activity.

1.4.3 Implementation of 2022 Investment Program

EVERGENT Investments has analysed and implemented investments *in agreement with the directions and principles presented in 2022 Activity Program* approved by shareholders in the ordinary general meeting of shareholders on 28th April 2022.

mil. lei	2022 Activity Report	Achieved in 2022	% achievement 2022
Total investment program, of which assigned for the following portfolios:	**169.9**	**212.8**	**125%**
• FINANCIAL - BANKING	60	70	117%
• ENERGY-INDUSTRIAL	51.7	124.7	241%
• PRIVATE - EQUITY	58.2	18.1	31%

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

Starting on 28.08.2020, through the modification of Law no.24/2017, the reporting obligation for transactions with associates applies to transactions representing more than 5% of the issuer's net assets, while the previous threshold was 50,000 euro.

In financial year 2022 there have been no transactions covered by reporting requirements.

2. Analysis of IFRS results of EVERGENT Investments Group

2.1. Key Financial Indicators (comparative presentation)

2.1.1. Liquidity indicators

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

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

Irrespective of the activity sector the company operates in, the value that is considered optimal for the current liquidity indicators is of about 2. For an accurate interpretation of the level of current liquidity, it should be compared to the average level per branch, or that registered by competitors.

Quick liquidity indicator shows the company's ability to honour its short-term debts through the most liquid current assets of the company.

Indicator name	2020	2021	2022
Current liquidity indicator	9.36	10.84	7.01
Quick liquidity indicator	8.80	10.38	6.54

2.1.2. Activity indicators

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

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

Total assets turnover speed is calculated as a ratio between turnover and total assets. The total assets turnover speed analysis the turnover obtained by a given total assets volume.

Indicator name	2020	2021	2022
Fixed- assets turnover speed	0.11	0.07	0.10
Total assets turnover speed	0.09	0.05	0.08

2.1.3. Profitability indicators

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

Return on equity (ROE) is calculated as a ratio between profit before the payment of interest and profit tax expenses and equity.
The return on equity represents one of the most important indicators used in measuring the performance of a Company. The main objective of every business is to maximize the investments made by its shareholders. Therefore, a high ROE indicator value shows that the investment made by the shareholders has been turned into high profit by the company's management.

Return on assets (ROA) is calculated as a ratio between net profit and total assets of the company and measures the efficiency with which assets are used from the point of view of the profit obtained, indicating how many lei are obtained for each leu invested in company's assets.
Return on assets is, along with return on equity, one of the most important return indicators of a company.
Earnings per basic share is ascertained as a ratio between net profit or loss of a company during a financial year, and the number of ordinary shares present over that period.
Earnings per basic and *diluted share* represent, from financial point of view, an important indicator when the earnings of a company over a period of time are compared, or when the results obtained are compared to the earnings of other companies in the same sector of activity.

Earnings per basic and diluted share (including gain from the sale of FVTOCI financial assets).

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

Indicator name	2020*	2021	2022
ROE %	0.5	2.1	4.4
ROA %	0.1	2.0	4.2
Earning per basic share (lei/share) – profit per share	0.003	0.053	0.107
Earning per basic share (lei/share) – including net gain from the sale of FVOCI assets	0.044	0.158	0.146
Dividend per share (lei/share) – distributed during the year, din from the profit of the previous year	0.06	0.043	0.065

*restated

2.1.4. Other indicators

Indicator name	2020	2021	2022
Receivables recovery period	34.06	36.64	27.84
Debt repayment period	124.60	153.96	130.43
Indebtness degree (%)*	7.45	7.83	7.86
Return on employed capital) %	0.45	2.12	4.35

**reported to total debts*

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

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

The management of risks within the Group is carried out within a consistent methodological framework, representing an important part of the strategy regarding the maximization of the Group's return while maintaining an acceptable risk exposure and abiding by legal regulations. The risk management structure set by the management of the Group is an integral part of the Group's strategic objectives.

The investment activity exposes the Group to a series of risks associated to the financial instruments held and the financial markets it operates on. The main risks the Group is exposed to are:

- Market risk (interest rate risk, currency risk and price risk);
- Liquidity risk;
- Credit and counterparty risk;
- Issuer risk
- Operational risk
- Sustainability risk
- Other risks (regulatory risk, systemic risk, strategic risk, reputational risk, conflict of interest risk, risk associated to activities carried out by the Group's subsidiaries)
- Tax risk
- Economic environment risk

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

3.1.1. Market Risk

Market risk is defined as the risk to register a loss or not to obtain forecast profit, as a result of price fluctuations, interest rates and currency exchange rates. For the efficient management of market risk we use diligence procedures in investments and diligence in the monitoring of holdings in the portfolio, methods of technical and fundamental analysis, forecasts on the evolution of economic branches and financial markets, and specific procedures, such:

- Constant monitoring of issuers on the market and risk/return characteristics of portfolio holdings
- Diversification of securities and activity sectors range
- Active management of the traded share portfolio through acquisitions and marking-to-markets
- Optimization of performance/market risk ratio
- Adequate evaluation of unlisted interest
- Monitoring of the macroeconomic, political and sectorial context and adapting market risk to this context
- Follow-up of the abidance of asset categories by legal limits
- Setting limits regarding market risk appetite and tolerance and following-up that these abide by the set risk profile.

The selection of investment opportunities is made through:

- Technical analysis;

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

The Group is exposed to the following market risk categories:

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

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

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

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

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

3.1.2. Liquidity Risk

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

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

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

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

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

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

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

3.1.3. Credit and Counterparty Risk

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

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

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

3.1.4. Issuer Risk

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

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

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

3.1.5. Operational Risk

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

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

3.1.6. Sustainability Risk

Sustainability risk means an event or an environmental, social or governance condition that, should it occur it would cause a significant negative effect, actual or potential, on the assets, profitability or balance, or on the reputation of the fund.

Sustainability risks are integrated in the classification and management of the risk that the Group is exposed to in its business activities.

Sustainability risks may manifest as an own risk or may have an impact on and significantly contribute to other risk categories such as market risk, liquidity risk, credit and counterparty risk, issuer risk or operational risk.

3.1.7. Other risks that the Group is exposed to

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

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

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

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

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

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

3.1.8. Tax Risk

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

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

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

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

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

3.1.8. Economic environment risk

The domestic and international economic environment continues to face multiple challenges of stability and predictability, amplified by record inflation, as well as the economic and security implications of the war in Ukraine. At the same time, the Romanian economy continues to have the specific characteristics of an emerging economy. Among the characteristics of Romanian economy there is the existence of a currency that is not fully convertible outside the borders and a low degree of liquidity of the capital market.
Therefore, there is a significant degree of uncertainty regarding the development of the political, economic and social environment in the future.

The prolongation of the war in Ukraine and expansion of the associated sanctions generate uncertainties and risks regarding economic activity perspective, the average term evolution of inflation, with an impact on the evolution of financial instruments quotations, including on Bucharest Stock Exchange, where high volatility is expected in the future, at least on the short-term, a 3 to 6 months' time horizon.

The management carefully monitors the evolution of this conflict and other events and tendencies on global level, their impact and the impact of measures taken on international level on the domestic economic environment, the market where the Group's assets are exposed.

The management is concerned with estimating the nature of the changes that will occur in the economic environment in Romania and their effect on the financial statements and operational and treasury result of the Group.
The main risks and uncertainties for the next period are associated with the high volatility of stock quotes.
The management of the Group cannot predict all effects that a crisis might have on the financial sector in Romania, or its potential impact on the financial statements.

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

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

3.2.1. Exposure to market risk

Exposure to price risk

The Group is exposed to the risk associated with the variation of the price of financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. On 31st December 2022, 87% of total assets with active market helt by the Group (31st December 2021: 86%) were investments in companies included in the BET index of Bucharest Stock Exchange, an index weighted with the free float capitalization of the most liquid Romanian companies on the regulated market of the Bucharest Stock Exchange.
A positive 10% variation of the price of financial assets at fair value through profit or loss would lead to an increase in profit after tax by 23,418,411 lei (31st December 2021: 27,298,314 lei), a negative 10% variation having an equal net impact of the opposite sign.

A positive 10% variation of the prices of financial assets measured at fair value through other comprehensive income would lead to an increase of equity, net of profit tax by 145,150,267 lei (31st December 2021: by 149,074,963 lei), a negative 10% variation having an equal net impact of the opposite sign.

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

	31st December 2022	%	31st December 2021	%
Financial, banking and insurance activities	998,680,935	59	1,144,622,670	64
Natural gas industry	248,648,907	15	295,191,468	17
Manufacture and maintenance of transport means	177,917,240	11	190,675,914	11
Oil industry	122,045,217	7		
Real-estate development (promotion)	56,512,758	4	61,522,556	3
Energy industry	37,945,196	2	41,668,790	2
Wholesale, retail, tourism and restaurants	19,173,213	1	21,719,987	1
Food industry	7,321,768	1	9,709,783	1
IT&C industry	6,118,695	0		
Manufacture of machines, tools and equipment	4,790,940	0	5,140,466	0
Textile industry	3,166,185	0	6,073,024	1
Transport, storage, communication	1,996,157	0	2,403,249	0
Construction materials industry	1,543,829	0	1,782,748	0
Other	1,357,424	0	1,436,347	0
TOTAL	**1,687,218,464**	**100**	**1,781,947,002**	**100**

As can be seen in the table above, on 31st December 2022 the Group mainly held shares in companies from the financial –banking and insurance field, with a weight of 59% of total portfolio (31st December 2021: 64%).

Exposure to interest rate risk

On 31st December 2022 and 31st December 2021, most of the Group's assets and liabilities were not interest-bearing. Therefore the Group is not significantly affected by the interest rate fluctuation risk. Cash surplus or other money availabilities are mainly invested in short-term bank deposit with initial maturity between 1-12 months. Moreover, the Group has invested in a non-significant manner in corporate and municipal bonds with fixed or variable interest.

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

In Lei	Net value on 31st December 2022	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current accounts	7,838,826	7,825,212	-	-	-	13,614
Bank deposits with initial maturity within 3 months	120,630,869	113,108,136	7,522,733	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	3,088,189	537,898	2,515,199	-	-
Financial assets at fair value through profit or loss	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair vlue through other comprehensive income	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	-	-	24,127	3,957,920	-
Bonds at depreciated cost	47,661	3,594	-	8,820	35,247	-
Other financial assets at amortized cost	19,884,188	-	-	-	-	19,884,188
Total financial assets	**2,167,211,837**	**124,025,131**	**8,060,631**	**2,548,146**	**3,993,167**	**2,028,584,762**
Liabilities						
Loans	11,818,565	11,397,488	-	421,077	-	-
Lease liabilities	9,109,377	119,643	233,983	993,545	7,762,206	-
Dividends payable	43,029,452	-	-	-	-	43,029,452
Financial liabilities at depreciated cost	11,363,910	-	-	-	-	11,363,910
Total financial liabilities	**75,321,304**	**11,517,131**	**233,983**	**1,414,622**	**7,762,206**	**54,393,362**

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

The impact on the Group's net profit of a modification of +/- 100 bp of the interest rate corresponding to assets and liabilities bearing variable interest presented in other currencies, corroborated with a modification of +/- 500 bp of the interest rate related to the assets and liabilities bearing variable interest and presented in lei is -/+ -/+ 480,230 lei (31st December 2021: -/+ 322,284 lei).

Exposure to currency risk

Assets expressed in lei and in other currencies on 31st December 2022 and 31st December 2021 are presented in the tables below.

In Lei	Vet value on 31st December 2022	Lei	EUR	USD
Financial assets				
Cash and current accounts	7,838,826	6,698,089	1,127,525	13,212
Bank deposits with initial maturity within 3 months	120,630,869	111,915,373	8,715,496	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,141,286	-	-
Financial assets at fair value through profit or loss	279,782,253	278,419,233	1,363,020	-
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-
Investments accounted for using the equity method	55,371,088	55,371,088	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at depreciated cost	47,661	47,661	-	-
Other financial assets at amortized cost	19,884,188	19,487,585	396,603	-
Total financial assets	**2,167,211,837**	**2,151,613,934**	**15,584,691**	**13,212**
Loans	11,818,565	11,397,488	421,077	-
Lease liabilities	9,109,377	919,489	8,189,888	-
Dividends payable	43,029,452	43,029,452	-	-
Financial liabilities at amortized cost	11,363,910	3,542,686	7,821,224	-
Total financial liabilities	**75,321,304**	**58,889,115**	**16,432,189**	**-**

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

The net impact on the Group's profit of a ± 15% modification of the Leu/EUR exchange rate corroborated with a ± 15% modification of Leu/USD exchange rate, on 31st December 2022, all other variable remaining constant, is -/+105,120 lei (31st December 2021: +/- 233,930 lei).

3.2.2. *Exposure to credit risk*

On 31st December 2022 and 31st December 2021 the Group did not hold, in general, real estate collateral or other improvements of credit risk. On 31st December 2022 and 31st December 2021 the Group did not register any outstanding financial assets, with the exception of trade receivables or sundry debtors.

The Group's maximum exposure to credit risk is 158,507,133 lei on 31st December 2022 (31st December 2021: 226,389,846 lei), including current accounts and bank deposits, bonds and other financial assets at amortized cost, and can be analysed as follows:

Exposures from deposits and current accounts

	Rating	31st December 2022	31st December 2021
Banca Transilvania	Fitch: BB+	118,923,409	155,697,075
Raiffeisen Bank	Moody's: Baa1	5,986,235	8,328,367
Garanti Bank	Fitch: BB-	4,651,888	4,567,978
BRD – Groupe Societe Generale	Fitch: BBB+	2,829,657	4,952,337
BCR	Fitch: BBB+	543,713	2,503,450
CEC Bank	Fitch: BB	7,110	11,547
EximBank	Fitch: BBB- (assimilated to sovereign rating)	529	16,535,151
Unicredit Tiriac Bank	Fitch: BBB	-	15,010
Other commercial banks	no rating	1,662,807	2,496,538
Total bank availabilities		**134,605,348**	**195,107,453**
Cash		17,744	26,529
Total cash and current accounts and bank deposits (gross value), of which:		**134,623,092**	**195,133,982**
Cash and current account		*7,838,857*	*14,039,534*
Bank deposits with initial maturity within 3 months		*120,637,934*	*174,406,659*
Bank deposits with initial maturity higher than 3 months		*6,146,301*	*6,687,789*
Expected credit loss, of which, corresponding to:		**(12,111)**	**(15,528)**
Current accounts		(31)	(59)
Bank deposits with initial maturity within 3 months		(7,065)	(9,719)
Bank deposits with initial maturity higher than 3 months		(5,015)	(5,750)
TOTAL cash, current accounts and bank deposits		**134,610,981**	**195,118,454**

Exposures from bonds at amortized cost

	Rating	31st December 2022	31st December 2021
Bacau municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	47,694	59,032
Straulesti Lac Alfa bonds	No rating	-	16,744,533
Total bonds of amortized cost – gross value		**47,694**	**16,803,565**
Expected credit loss		(33)	(114,371)
Total bonds at amortized cost		**47,661**	**16,689,194**

Exposures from bonds at fair value through other comprehensive income

	Rating	31st December 2022	31st December 2021
Autonom Service bonds	Fitch: B+	3,982,047	3,982,215
Total		**3,982,047**	**3,982,215**

Financial assets at amortized cost

	31st December 2022	31st December 2021
AAAS receivables	48,756,218	51,084,774
Traded receivables	12,644,936	9,745,270
BRD – transactions under settlement	-	3,768,797
Advances from the Central Depositary for payment of dividends to shareholders	1,051,798	1,218,575
Advances granted to suppliers	788,684	388,874
Other financial assets at amortized cost	13,729,908	5,496,207
Adjustments for expected credit loss	*(57,087,356)*	*(61,075,985)*
Total	**19,884,188**	**10,626,512**

Other assets at amortized cost mainly include receivables from the Authority for State Assets Administration ("AAAS"), traded receivables, sundry debtors, receivables related to transactions under settlement and advances to suppliers.

Adjustments for expected credit loss correspond mainly to receivable from AAAS from litigations won definitively, which are covered in full, and part of traded receivables.

3.2.3. Liquidity risk

The structure of the Group's assets and liabilities has been analysed based on the remaining period of time from the balance date until the contract maturity date, for both the financial year ended on 31st December 2022, and the financial year ended on 31st December 2021, as follows:

31st December 2022	Book value	Undiscounted value	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No predetermined maturity
Financial assets							
Cash and current accounts	7,838,826	7,838,826	7,838,826	-	-	-	-
Bank deposits with initial maturity within 3 months	120,630,869	120,957,880	113,882,393	7,075,487	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,245,807	3,106,234	540,543	2,599,030	-	-
Financial assets at fair value through profit or loss	279,782,253	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at depreciated cost	47,661	58,493	3,947	-	11,560	42,986	-
Other financial assets at depreciated cost	19,884,188	19,884,188	18,180,879	1,225,462	232,321	199,219	46,307
Total financial assets	**2,167,211,837**	**2,167,958,684**	**143,012,279**	**8,841,492**	**2,994,911**	**4,376,735**	**2,008,733,267**
Financial liabilities							
Loans	11,818,565	14,316,954	291,861	570,387	4,503,234	8,951,472	-
Lease liabilities	9,109,377	10,808,580	142,230	280,954	1,172,775	9,212,621	-
Dividends payable	43,029,452	43,029,452	43,029,452	-	-	-	-
Financial liabilities at depreciated cost	11,363,910	11,363,910	3,285,434	7,197,391	567,535	313,550	-
Total financial liabilities	**75,321,304**	**79,518,896**	**46,748,977**	**8,048,732**	**6,243,544**	**18,477,643**	**-**
Net financial assets	**2,091,890,533**	**2,088,439,788**	**96,263,302**	**792,760**	**(3,248,633)**	**(14,100,908)**	**2,008,733,267**

31st December 2021	Book value	Undiscounted value	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No predetermined maturity
Financial assets							
Cash and current accounts	14,039,475	14,039,475	14,039,475	-	-	-	-
Bank deposits with initial maturity within 3 months	174,396,940	174,567,851	173,261,334	1,306,517	-	-	-
Bank deposits with initial maturity higher than 3 months	6,682,039	6,717,306	3,546,540	-	3,170,766	-	-
Financial assets at fair value through profit or loss	325,937,896	325,937,896	-	-	-	-	325,937,896
Financial assets measured at fair value through other comprehensive income	1,770,881,534	1,770,881,534	-	-	-	-	1,770,881,534
Investments accounted for using the equity method	42,850,061	42,850,061	-	-	-	-	42,850,061
Bonds at fair value through other comprehensive income	3,982,215	4,462,843	-	-	152,007	4,310,836	-
Bonds at depreciated cost	16,689,194	18,120,775	3,292	-	18,068,038	49,445	-
Other financial assets at depreciated cost	10,626,512	10,626,512	9,136,885	745,345	473,503	218,341	52,438
Total financial assets	**2,366,085,866**	**2,368,204,253**	**199,987,526**	**2,051,862**	**21,864,314**	**4,578,622**	**2,139,721,929**
Financial liabilities							
Loans	8,307,026	8,890,988	202,472	400,033	3,209,997	5,078,486	-
Lease liabilities	8,525,431	10,140,621	143,181	275,337	1,147,324	8,574,779	-
Dividends payable	34,488,962	34,488,962	34,488,962	-	-	-	-
Financial liabilities at depreciated cost	9,057,658	9,057,658	2,634,434	5,102,087	113,790	1,207,347	-
Total financial liabilities	**60,379,077**	**62,578,229**	**37,469,049**	**5,777,457**	**4,471,111**	**14,860,612**	**-**
Net financial assets	**2,305,706,789**	**2,305,626,024**	**162,518,477**	**(3,725,595)**	**17,393,203**	**(10,281,990)**	**2,139,721,929**

3.2.4. Exposure to treasury risk

	31st December 2022	31st December 2021
Net cash resulted from operating activities	36,402,579	203,504,260
Net cash used in investment activities	(13,119,340)	(24,748,700)
Net cash used in financing authorities	(83,425,150)	(92,759,678)
Net increase / (decrease) of cash and cash equivalents	**(60,141,911)**	**85,995,882**
Cash and cash equivalents on 1st January	188,328,257	102,332,375
Cash and cash equivalents on 31st December	**128,186,346**	**188,328,257**

Cash and cash equivalents include the following elements:

	31st December 2022	31ST December 2021
Cash in the cash register	17,744	26,529
Current bank accounts	7,821,113	14,013,005
Bank deposits with maturity under 3 months (principal)	120,347,489	174,288,723
Cash and cash equivalents	**128,186,346**	**188,328,257**

3.3. Main risks and uncertainties in 2023

a) *presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the liquidity of the issuer compared to the same period of the previous year.*

The main systemic risks to financial stability, according to BNR report on financial stability in December 2022 are those generated by:

(i) global uncertainties, in the context of the energy crisis and war in the Ukraine, and

(ii) deterioration of macroeconomic balances, including as a result of regional and international geopolitical evolutions.

Other significant systemic risks, of lower intensity, are caused by:

(i) the delay in reforms and absorption of European funds, mainly through the National Recovery and Resilience Plan (PNRR) and

(ii) the risk of default for loans contracted by the non-governmental sector.

Macroeconomic outlook on a global level have significantly deteriorated since the last assessment, while financial sustainability risks have intensified.
High and persistent inflation, the escalation of the war in Ukraine, continued difficulties associated to the supply chains, as well as the tightening of financial conditions have amplified already existing vulnerabilities in the financial system and lead to a readjustment of economic growth forecasts.
In this context, the IMF estimates a growth rate of the global economy of 3.2 percent in 2022 and 2.7 percent in 2023, respectively, revised down by 0.2 percentage points compared to the July forecast of IMF for the year 2023. At the same time, *forward-looking indicators* (such as consumer and business confidence indices) also reflect a decrease of expectations regarding a favourable evolution of economy in the near future. The deterioration of the macroeconomic outlook, together with the adjustment of investors' perception on the rapid tightening of monetary policy on the global level have marked the evolution of financial markets in the reference period, significantly increasing investors' risk aversion.

On the level of euro zone, IMF forecasts an economic growth of 3.1 % in 2022 and, respectively a sharp deceleration, up to 0.5% in 2023. Inflationary pressures in the euro have recently intensified due to the rapidly growing of energy and food prices. Thus, inflation in the euro area has reached a historic value in September of 9.9%, utilities and food costs registering annual increases of 21%, respectively 13.8 %.
ECB estimates an inflation rate of 8.1 % for 2022 and 5.5% for 2023 (forecasts being considerably revised upwards in comparison to those in March).

The war in Ukraine and the sanctions in response to the military attack continue to destabilize the global economy, with effects particularly felt at the European level. In addition to the direct human and economic costs of war, it endangers energy and food security. Against the background of suspensions of Russian gas deliveries to the EU, the price of natural gas experienced high volatility, and a new all-time high of 316 euros/MWh at the end of August, then falling below 100 euros/MWh in October.
Given the structure of EU energy market, where natural gas price is a determining factor, the price of electricity also had a volatile evolution, followed by a similar tempering at the end of the reference period.
Increased volatility in electricity markets has led to liquidity problems for some suppliers. In several countries measures have been implemented to support them in order to avoid potential negative implications on the economy and financial stability.

At the European level, the European Committee for Systemic Risk issued in September 2022 a warning regarding vulnerabilities in the financial system, the main systemic risks identified being:

(i) the deterioration of the macroeconomic outlook and the tightening of financial conditions, which negatively affects the financial situation of non-financial companies and the population, putting pressure on their ability to repay loans (especially in the sectors and Member States most affected by the energy crisis),

(ii) sudden adjustment of financial assets prices and
(iii) deterioration of macroeconomic status with a negative impact on the quality of financial assets and profitability perspectives of credit institutions.

In Romania, the energy crisis and increase of financing costs make the tax consolidation process difficult. Romania is in excessive deficit procedure since the start of 2020 following the expansionary tax policy before the pandemic crisis. The tax-budgetary strategy foresees a gradual correction of the excessive deficit by the end of 2024, the target for 2022 being of de -6.24 % of GDP.
Romania continues to record lower European funds absorption rates (69% placing Romania in the second part of EU countries ranking, data for the 2014-2020 multiannual financial framework, 8th November 2022).
Increasing the institutional capacity to absorb European funds and complying with the strict schedule of reforms in the programs assumed by the European Commission are essential for ensuring a sustainable economic growth, adapted to technological and climate changes. The continuation of these reforms will also contribute to the reduction of macroeconomic vulnerabilities, especially those caused by balance of payments imbalances.

Among the vulnerabilities of the Romanian banking sector, we have:
(i) the expectations of an increase in the risk of non-repayment of loans granted to the real sector against the background of the deterioration of macroeconomic conditions, uncertainties regarding future developments, but also the increase in debt service by increasing interest rates; (ii) the close connection between the banking sector and the government sector; (iii) polarization of credit institutions according to size.

b) *Presentation and analysis of the effect of capital expenses both current and anticipated on the financial statements of the issuer, in comparison to the same period of the previous year.*

The detailed presentation of current or anticipated capital expenses on the financial situation of EVERGENT Investments, respectively related to the share buy-back programs in order to reduce share capital can be found in the materials submitted for the approval of EGMS on 27th April 2023" *"Approval of a share buy-back program for share capital reduction"*.

c) *Presentation and analysis of events, transactions, economic changes that significantly affect income from basic activity.*

Dividend income for 2022, included in 2023 Income and Expenses Budget, which represent the main income reflected in the profit and loss account have been estimated based on 2022 preliminary results of companies in the portfolio, new legislative provisions, management notifications, estimates of investments and cash-flows of companies. The recommendation of Central European Bank shall influence dividend distribution of bank companies.

The Russian-Ukrainian military conflict

On 24 February 2022, Russia started a military operation against Ukraine. This was preceded by an amassing of troops at the Ukrainian border and by the diplomatic recognition by Russia on 21 February 2022 of the People's Republic of Donetsk and People's Republic of Lugansk.
2022 has been a difficult year for the capital market, the energy shock created by the military conflict, enhanced by inflationist pressures having negative influences on listed shares that registered decreases and high volatility.

Against the background of inflationary pressures arising mainly from the increase of raw materials prices on global level, Romania's National Bank has operated since September 2021 successive increases of monetary policy interest rate (sharpened by the start of the military conflict in Ukraine as well), reaching 7% per year at the end of January 2023. The generalized increase in interest rates has had a negative effect on share prices on BSE.

Internally, additional risks refer to the delay in reforms and the 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.

The prolongation of the war in Ukraine, and the expansion of associated sanctions generate uncertainties and risks concerning economic activity perspective, the medium-term evolution of inflation, with impact on the evolution of financial instruments quotations, including those on Bucharest Stock Exchange, where volatility is expected to continue to remain high, at least on the short term, on a 3 to 6 months' time horizon.

EVERGENT Investments Group has not direct exposures in Russia or Ukraine. Nevertheless it is expected that this event have a negative impact on several economic sectors, given the important role played by Russia on the energy raw material market in Europe. An increased volatility of quotations on the Bucharest Stock Exchange is already manifesting itself and we expect it to continue at least in the short term, over a horizon of 6 - 8 months. It is also reflected in the fair value assessment of holdings in the Group's portfolio, with potential impact both on the profit and loss account and on other elements of comprehensive income.
BSE has had an average evolution compared to international markets in 2022, a good thing if we consider its proximity to the conflict zone in the Ukraine and the evolution of two of the markets in the region, those in Poland and Hungary. BET-BK index dropped in 2022 by 17%, less than BUX (Hungary) and WIG 20 (Poland), that dropped by 25%, namely 27% in 2022.

Based on existent data, EVERGENT Investments has analysed possible evolutions of the internal and international economic environment following this event, ad-hoc crisis simulations were carried out in accordance with risk procedures, the conclusion being that the performance of the Group may be effected, but on the short or medium term, and no difficulties are estimated in honouring its engagements while the continuation of the activity is not affected. On the date these annual financial statements are authorized, management is unable to accurately estimate the impact, since events are constantly changing from day to day.

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

EVERGENT Investments Group has no direct exposures in Russia or Ukraine.

4. Important events after the closing of the financial year

4.1. EVERGENT Investments SA

4.1.1. Completion of the Public Offering for the buy-back of shares issued by EVERGENT Investments, approved by FSA resolution no. 1672 / 14.12.2022 – current reports on 06.01.2023 and on 11.01.2023 supplied to the market by BT Capital Partners, as offer broker.

- ✓ Tendering period: 22.12.2022 – 06.01.2023
- ✓ Allocation index set within the offer: 0.0908835825
- ✓ Number and percentage represented by the equity submitted within the offer: 215,935,590 shares, representing 22.45% of share capital;
- ✓ Number of shares purchased within the offer: 19,625,000, representing 2.045% of share capital;
- ✓ Total value of purchased shares: 27,671,250 lei;

4.1.2. Contracting a credit facility

In January 2023, EVERGENT Investments contracted from Banca Comerciala Romana a revolving type credit facility, as overdraft for a 12 months' period, maximum value 19,200,000 euro, to capitalize on market opportunities in the new investment context.

4.1.3. The potential sale of REGAL S.A. subsidiary

In February 2023, EVERGENT Investments initiated the process of selling the package of shares held in its subsidiary Regal S.A., representing 1,116,258 shares, through a Dutch auction type that will take place on March 22, 2023.

4.2. Mecanica Ceahlau SA – n/a

4.3. Regal SA – the share capital reduction as per EGMS resolution on 15.09.2022 to 118,890.80 lei, from 120,000 lei was completed.

4.4. Agrointens SA – n/a

4.5. Everland SA – n/a

4.6. EVER IMO SA – n/a

4.7. Casa SA – n/a

4.8. Ever Agribio SA – the increase of share capital was completed based on EGMS resolution on 08.12.2022, through its full payment

4.9. Visionalfa Investments SA – n/a

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

The running of the treasury shares buy-back program ("Programme 6") in accordance with the resolution of EGMS EVERGENT Investments no. 4/20.01.2022

1. **The first stage** of the buy-back program (current report on 16.06.2022) – cumulated results of operations run:
   - ✓ Period: 26.01.2022 – 15.06.2022;
   - ✓ Number of bought-back shares: 7,448,391;
   - ✓ Average price: 1.1954 lei/share;
   - ✓ Total value of shares: 8,903,966 lei;
   - ✓ Percentage of EVERGENT Investments' share capital: 0.7591%;
   - ✓ Broker: BT Capital Partners.

2. **The second stage** of the buy-back program (current report on 20.09.2022) – cumulated result of the operations run in the first and second stage:
   - ✓ Period: 26.01.2022 – 20.09.2022;
   - ✓ Number of bought-back shares: 15,448,391;
   - ✓ Average price: 1.2069 lei/share;
   - ✓ Total value of shares: 18,645,388.74 lei;
   - ✓ Percentage of EVERGENT Investments' share capital: 1.6063%;
   - ✓ Broker: BT Capital Partners.

3. **The third stage** of the buy-back program (current report on 06.10.2022) – cumulated results of operations run in the first, second and third stage:
   - ✓ Period: 26.01.2022 – 06.10.2022;
   - ✓ Number of bought-back shares: 23,100,000;
   - ✓ Average price: 1.2141 lei/share;
   - ✓ Total share value: 28,045,385.29 lei;
   - ✓ Percentage of EVERGENT Investments' share capital: 2.4019%;
   - ✓ Broker: BT Capital Partners.

The buy-back of shares in the three stages of the program has been made for the purpose of reducing the share capital through share annulment, in accordance with EGMS EVERGENT Investments resolution no. 4/20.01.2022

The running of the treasury shares buy-back program ("Programme 7") in accordance with resolution of EGMS EVERGENT Investments no. 2/28.04.2022 with two components:

1. buy-back of shares for the running of *"stock option plan"* type programs.
2. buy-back of shares through PO for the reduction of share capital.

1. The cumulated results of operations run within buy-back programme no. 7, with the purpose the running of a *"stock option plan" type-program* (current report on 31.10.2022):

- ✓ Period: 10.10.2022 – 30.10.2022;
- ✓ Number of bought shares: 8,400,000;
- ✓ Average price: 1.2525 lei/share;
- ✓ Total share value: 10,520,776.32 lei;
- ✓ Percentage of EVERGENT Investments' share capital: 0.873%;
- ✓ Broker: BT Capital Partners.

2. The start of the Public Offering for the purchase of EVER shares (current report on 14.12.2022 – FSA Resolution no. 1672 / 14.12.2022)

FSA resolution no. 1672/14.12.2022 approved the public purchase offer for shares issued by EVERGENT Investments SA, with the following main characteristics:

- ✓ Number of shares that are object of the offer: 19,625,000, representing 2.045% of share capital;
- ✓ Purchase price: 1.41 lei per share;
- ✓ Tendering period: 22.12.2022 – 06.01 2023;
- ✓ Offer broker: BT Capital Partners;
- ✓ Subscription locations: according to the offer document displayed on website www.evergent.ro.

The purpose of the program is the reduction of the share capital through the annulment of bought-back shares, in accordance with EGMS resolution no. 2 on 28.04.2022.

The operations are part of the policy mix of EVERGENT Investments that includes buy-back programs and the assignment of dividends that ensure a higher yield of invested capital than other investments.

6. Corporate Governance

6.1. Corporate Governance Code

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

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

6.1.1. Structure and functioning method of management and administrative bodies

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

6.1.1.2. Board of Directors - the Company is managed by a Board of Directors comprised of 5 members, natural persons, elected by the General Meeting for a 4 years' period, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA. The current members of the Board of Directors: Doros Liviu Claudiu – president, CEO; Iancu Catalin-Jianu-Dan – vice-president, deputy CEO; Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu – were approved by OGMS Resolution no. 2/28.01.2021, for the 5th April 2021 – 5th April 2025 mandate and authorized by FSA (Authorization no. 49/30.03.2021).
(Details on the organization and responsibilities of the Board of Directors are presented in Annex 1)

6.1.1.3. Audit Committee - is a permanent committee, independent from EVERGENT Investments' management, subordinate to the Board of Directors. The Audit Committee assists the Board of Directors in fulfilling its responsibilities in the field of financial reporting, internal control, internal and external audit and risk management. The Audit Committee is comprised of 3 members, namely:
1. Octavian Claudiu Radu – president – non-executive and independent member;
2. Horia Ciorcila – member – non-executive and independent director;
3. Costel Ceocea – member – non-executive director.

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

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

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

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

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

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

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

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

6.2.1.7. Management Committee

The CEO and deputy CEO who comprise the Management Committee effectively lead the activity of the company within their assigned competence limits.

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

For this purpose, the Committee adopts resolutions regarding:

- ✓ Implementation of the investment strategy set by the Board of Directors ;
- ✓ Implementation of the resolutions of the Board of Directors that target assigned competencies;
- ✓ Issues under the competence of the Board of Directors that are to be presented for its debate and approval, concerning assigned attributions ;
- ✓ Issue that, through their nature, can impact all lines of activities (business, support, compliance);
- ✓ Issues that, in order for a resolution to be adopted, require a full understanding and harmonization of business and compliances aspects.
- ✓ Approval of procedures that are specific for company departments.

The meetings of the Management Committee are also the internal framework for the full and reciprocal information of directors on issues specific for the coordinated areas.

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

6.1.2. Protection of EVERGENT Investments' interests and assets through legal procedures

The main objectives of the Legal Department are: legal assistance, consultancy and representation. Wall modifications stemming from the applicable law are analysed and implemented within the Legal Department, so that the rights and obligations of the company be fulfilled on time and within legality conditions. The department is subordinate to the CEO being coordinated by an executive manager who

is responsible for leading all activities regarding legal consultancy and representations, insuring the legality endorsement for all legal document that the company is party in.
In the reporting period, the company registered in its specific records a number of 235 litigations, of which 48 files are definitively solved, legal assistance and representation activity focusing on litigations that interest EVERGENT's patrimony and shareholders' interests. For the recovery of debits (especially from AAAS) the enforcement procedures are continued, the Department carrying out constant research on judicial methods to recover the debit of over 60.000.000 lei and a maturity of over 10 years.

Legal consultancy is also a current activity of maximum important and a special weight within the Legal Department, this activity being provided both for the company and companies within the Group, with the purpose of reaching the strategy and protecting the legitimate interests of the company in the transactions and operations that the Company is party in, abiding by the legal provisions in force.
(Details regarding the Statement of Litigations on 31st December 2022 are presented in Annex 2)

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

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

6.2.2. Compliance - EVERGENT Investments sets-up and maintains a permanent and efficient function for compliance verification that is independent. Structurally and hierarchically the Compliance Department is subordinate to the Board of Directors. Each individual employed by the Compliance Department is subjected to FSA authorization and registered in the Public FSA Register.
Staff of the Compliance department:
1. Michaela Puscas – compliance officer, department manager (FSA Reg. no.: PFR131RCCO/04003);
2. Catalin Nicolaescu – compliance officer until January 20, 2022 (FSA Reg. no.: PFR13RCCO/04004);
3. Gabriel Lupascu - compliance officer, starting from March 31, 2022. (FSA Reg. no.: PFR14RCCO/040020)
(Details on the organization and responsibilities of the Compliance department are presented in annex 3)

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

2022 Activity Report of the Board of Directors relating to the Consolidated Financial Statements was approved in the Board meeting on 24 th March 2023.

Claudiu DOROȘ
CEO and President

Mihaela MOLEAVIN
Finance Director

Michaela PUȘCAȘ
Compliance Manager

Georgiana DOLGOȘ
Director

Evergent INVESTMENTS

Annex 1

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

1.1. General Meeting of Shareholders

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

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

1.2. Board of Directors

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

The directors and executive managers who comprise the Board of Directors enter Director's and/or Manager's Contracts prepared abiding by the applicable law. The contents of these contracts entered with the company shall be declare and/or made public if applicable regulations require it.

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

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

The president of the Board of Directors has the following basic responsibilities:
a) coordinates the activity of the Board of Directors;
b) convenes the Board of Directors;
c) establishes the agenda of the Board of Directors;
d) oversees the adequate information of the members of the Board regarding the items on the agenda;
e) chairs the meetings of the Board of Directors;
f) ensures the representation of the Board of Directors in relation to the Directors by signing the director's and manager's contracts;
g) follows the fulfillment of the resolutions of the Board of Directors;
h) signs the minutes of the meeting of the Board of Directors together with another director, if he chaired the meeting;

i) conducts the GMS works and submits to the debate and approval of the GMS the issues on the agenda;
j) watches over the proper functioning of the company's bodies.

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

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

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

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

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

The Board of Directors has the following basic competencies, that cannot be assigned:
a) setting the main activity and development directions of the Company;
b) setting the accounting policies and financial control system, and approves financial planning;
c) appointing and revocation of directors, setting their rights and obligations
d) supervision of directors' activity
e) preparing the annual report, organization of the general meeting of shareholders, and implementing its resolutions;
f) submitting the request to open the company's insolvency procedure;
g) proper fulfillment of the attributions set for the Board of Directors by the general meeting of shareholders
h) setup/cancellation of subsidiaries and other secondary offices, without legal personality, or change of their headquarters;
i) setting and approving the vote procedure during the general meeting of shareholders;
i^1) adopting proper measures on the setting and application of corporate governance principles, regarding the following, without being limited to them:

1. setting relevant criteria for the monitoring of the activity of executive /higher management and the company as a whole, and annual assessment of the way these criteria are applied;
2. analysis of the adequacy, efficiency, update of the risk management system for the efficient management of assets held, as well as the way in which the risks that the company is exposed to are managed;
3. insurance of the abidance regarding the outsourcing/assignment of certain operational activities or functions, both before these are assigned and over the outsourcing/assignment period;
4. analysis and setting of the remuneration policy so that it corresponds to the business strategy, long-term objectives and interests and includes measures to prevent the occurrence of conflicts of interest;
5. insurance of the development and application of ethic and professional standards to provide for a professional and responsible conduct on the level of the company, in order to prevent the occurrence of conflicts of interest;

6. approval of the risk appetite and risk tolerance of the company as well as of the procedure for the identification, assessment, monitoring, management and reporting of the significant risks that the company is or could be exposed to;
7. insurance of the preparation of activity continuity plans and emergency situations plan and their half-yearly assessment.

j) setting up other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by the law;

k) pledging, rental, setup of real estate guarantees and mortgaging the company's property, under the following condition:
   - the purchase, sale, exchange or guarantee setup of certain assets in the fixed assets category of the issuer, whose value exceeds either individually or cumulated, 20% of total fixed assets value over one financial year, less liabilities, are concluded by the Board of Directors or directors of the company, only after being previously approved by the extraordinary general meeting of shareholders.
   - the rental of tangible assets, for a period over one year, whose individual or cumulated value with the same contracted party or individuals involved, or acting in a concert manner exceeds 20% of total tangible assets value, less liabilities on the date the legal document is singed, as well as associations over a period longer than one year, exceeding the same value, are to be previously approved by the extraordinary general meeting of shareholders.

l) approval of the exceeding of the limit foreseen by Law no. 31/1990, with the approval of the competent authority, in compliance with the regulations issued by it, for the buy-back of own shares issued in compliance with art. 4 Law 133/1996, in the property of initial holders. The bought-back shares can be used, based on the resolution of the board of directors, with the approval of the competent authority for the purpose of diminishing the capital or regulating the course of own shares on the capital market.

Other attributions of the Board of Directors:

(a) drafting general investment policies;

(b) integration of sustainability risks within following activities:
   - ✓ application of general investment policies, as defined by the Fund Rules, in the Memorandum of Association and Issue Prospectus;
   - ✓ approval of the investment strategy;
   - ✓ approval and regular examination of the adequate nature of internal procedures for the adoption of investment decisions for EVERGENT Investments, to make sure that these decisions are in accordance with approved investment strategies;
   - ✓ insurance and regular verification that the general investment policy, investment strategies and risk limits of EVERGENT Investments are properly and efficiently applied and abided by;
   - ✓ approval and regular examination of the risk measurement policies, processes and techniques for their application, including the risk limit system of the Fund;
   - ✓ setting and application of assessment policies, in accordance with art. 19 Directive 2011/61/EU;
   - ✓ making sure that the Fund has a permanent and efficient compliance verification function;
   - ✓ setting and application of a remuneration policy that is consistent with the provisions in Annex II Directive 2011/61/EU.

(c) Bank loan contracting;

(d) conclusion of contracts with the depository, auditor and the entity that keeps the shareholders' records;

(e) assigning the company representation right to other managers, setting the limitations of the mandate as well;

(f) approval of the company's internal regulations and compliance procedure, internal audit, risk management and legal assistance for employees, directors and members of the board of directors;
(g) negotiating the collective employment contract;
(h) approval of the setup/cancellation of the management committee, with the quorum of votes for resolutions as foreseen in the Memorandum of Association;
(i) approval of the organization of the company, organization chart, positions and remuneration limits;
(j) appointing the individual(s) to replace the manager;
(k) approval of the participation level to the benefit plan for managers and directors, paid including through share assignment or options to buy company shares, abiding by statutory provisions;
(l) making sure that the company has an IT system that allows the safe keeping of market price records for each asset in the portfolio, of the net assets, the unitary value of net assets for the regulated reporting periods, record of the calculation method for all commissions, taxes and fees due, and keeping the history of these operations over a maximum period of 5 years;
(m) approval of the activity reports for the internal audit, compliance and risk management departments;
(n) approval of the investigation plan for the compliance department;
(o) ordering measures to remove any law infringement situation, infringement of regulations applicable to be capital market or internal procedures by EVERGENT Investments or its employees, following the analysis of the suggestions submitted in writing by the compliance officer;
(p) notification to FSA and capital market institutions involved about the circumstances ascertained by the compliance officer regarding the infringements of the legal regiment applicable to capital market and about the measures adopted;
(q) approval of the multiannual and annual audit plan and necessary resources;
(r) approval of the internal audit reports and measure plans to implement recommendations;
(s) approval of the results of crisis simulations;
(t) approval of the quarterly risk reports of the risk management department;
(u) approval of the classification of information as *privileged and confidential information* categories and the measures taken to manage them;
(v) approval of the assets evaluation method in compliance with SEV evaluation standards that include mainly:
    a. market approach methods;
    b. revenue approach methods;
    c. cost approach methods.
(w) approval and examination of each modification of the policies and procedures for assets evaluation;
(x) solving any other issues set by the general shareholders' meeting or legal regulations and provisions.

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

The directors' obligations and responsibilities are regulated by provisions regarding the mandate and those especially foreseen by Companies Law no. 31/1990, Law no. 74/2015 on the issuers of alternative investment funds, Law no. 24/2017 regarding issuers and market operations, applicable FSA regulations and statutory provisions.

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

EVERGENT Investments invests in

Advisory Committees of the Board of Directors

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

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

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

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

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

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

Audit Committee

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

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

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

[2] Memorandum of Association, art. 7, alin. 24 - The Board of Directors may set up advisory committees consisting of at least 2 members of the board, charged with conducting investigations and developing recommendations for the board, in compliance with the applicable legal framework.

independent non-executive director.

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

Attributions, responsibilities:

a) informs the Board of Directors about the results of the statutory audit and explains how it contributed to the integrity of the financial reporting and what was the role of the Audit Committee in this process;
b) monitors the financial reporting process and sends recommendations or proposals to ensure its integrity;
c) approves the EVERGENT Investments Accounting Policy Manual;
d) monitors the effectiveness of the company's internal quality control systems and risk management systems and of the internal audit regarding the financial reporting of EVERGENT Investments, without violating its independence;
e) monitors the audit of the annual financial statements and of the consolidated annual financial statements, in particular its performance, taking into account the findings and conclusions of the competent authority, in accordance with the relevant regulations in force;
f) analyzes the audit report and / or the opinion of the financial auditor regarding the essential aspects resulting from the financial audit, as well as regarding the financial reporting process and recommends the necessary measures;
g) analyzes the findings and recommendations of the financial auditor regarding the significant deficiencies of the internal control, regarding the financial reporting process;
h) is responsible for the selection procedure of the financial auditor or the audit firm and makes recommendations to the Board of Directors regarding its selection, appointment and replacement, subject to GMS approval, as well as its remuneration terms and conditions, in accordance with the regulations in force;
i) evaluates and monitors the independence of the financial auditor or of the audit firm and, in particular, the opportunity to provide non-audit services, in accordance with the relevant regulations in force;
j) evaluates the conflicts of interests in connection with the transactions of the company, of its subsidiaries, as well as of their directors, managers and employees with the affiliated parties;
k) any transaction of the company with any of the companies with which it has close relations, whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Board following a mandatory opinion of the Audit Committee;
l) approves the Internal Audit Charter and the internal audit and internal control procedures;
m) analyzes and approves the multiannual plan and the annual internal audit plan, the significant interim changes and the necessary resources related to this activity;
n) analyses and approves the annual investigation plan for internal audit and its modifications;
o) makes sure that the internal audit and internal control analysis and reports drafted are compliant with the audit and control plans approved by the Board of Directors;
p) monitors the application of legal standards and generally accepted internal audit standards. The audit committee receives and evaluates the reports of the internal audit team, analyzes and approves the findings and recommendations of the internal audit and the plan of measures for their implementation.
q) receives the report of the compliance officer, analyses and approves the ascertainments and recommendations suggested and the measure plan for their implementation;
r) analyses and approves the annual report regarding internal audit activity;
s) analyses and approves the annual report regarding the compliance activity;

t) analyses and approves the annual report regarding the risk management activity;
u) analyses and approves the risk policy, risk procedures and risk management methodologies;
v) analyses and approves risk reports from the risk management department

Appointing and Remuneration Committee

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

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

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

Attributions, responsibilities:
a) elaborates recommendations regarding the nomination policy of the directors and managers of the company in order to be submitted to the approval of the Board of Directors.
b) approves, prior to the approval by the board of directors, and monitors the observance of the remuneration policy of the directors, managers and employees of the company, drawn up and applied by the executive management of the company. If they notice irregularities in the elaboration or application of the remuneration policy, the members of the committee immediately communicate in writing to the executive management the situations found and follow their correction, informing accordingly the members of the board of directors. The executive management has the obligation to provide a written answer to the committee within 3 working days from the moment of receiving the notification, which in turn will inform the members of the board of directors. If the executive management unjustifiably refuses or postpones the application of the amendments requested by the committee, the board of directors has the obligation to submit to the FSA of a report regarding the deviations identified within the remuneration policy of EVERGENT Investments SA. The report shall be sent within 10 working days from the date of the written communication made by the nomination-remuneration committee.
c) can elaborate recommendations regarding the remuneration policy for the EVERGENT Investments Group;
d) presents to the Board of Directors the annual report on the remuneration and other benefits granted to the directors and managers within the financial year;
e) takes note of the documentation that is made available to the financial auditor for the analysis of the reported transactions according to art. 82 of Law no. 24/2017 regarding the legal acts concluded with the directors and managers and, following the audit report, will recommend the measures that must be taken, if applicable;
f) elaborates recommendations regarding the filling of vacancies within the Board of Directors, in compliance with the GMS decisions and the incident legislation;
g) elaborates recommendations regarding the adoption of the decision of the Board of Directors and / or the executive management for the appointment, hiring, dismissal, respectively dismissal of department directors and staff with key and control functions, as well as for establishing the level of remuneration as well as their rights and duties;

h) periodically evaluates the level of acquisition and application of the specialized knowledge and makes recommendations regarding the process of continuous updating of the professional competencies of the directors, managers;
i) makes recommendations for the improvement of the knowledge regarding the company's activity in order to apply the best corporate governance practices;
j) monitors the observance of the requirements and obligations of transparency, information and reporting regarding the information from this activity segment.

Investment Committee

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

Attributions, responsibilities:
a) issues recommendations to the Board of Directors regarding the investment strategy and policy;
b) issues recommendations to the Board of Directors regarding the main directions of activity and development of the company;
c) issues recommendations regarding the annual investment objectives substantiated within the annual activity programs;
d) issues recommendations to the Board of Directors regarding the new investment / divestment programs / projects that are within the competence of the Board of Directors for approval;
e) issues recommendations to the Board of Directors regarding:
• maximizing the performance of the financial instruments portfolio;
• the allocation of assets for increasing performance, correlated with the activity program approved by the GMS, with the Investment Strategy and Policy (AIFM) and the economic forecasts;
f) analyzes any investment proposal addressed to it and proposes to the Board of Directors new investment opportunities and methods to improve the activity of efficient asset management;
g) analyzes and issues recommendations regarding the capital operations, increases / decreases of the share capital, as well as the share buyback programs for the purpose of managing the share capital or for the purpose of carrying out the Stock Option Plan programs;
h) suggests investments that will be analyzed by the Investment Committee and will target mainly;

- investments in companies where EVERGENT Investments holds control, in accordance with statutory provisions and BD resolutions:

"art. 7 line (18) letter j) decides the set-up of other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by legal provisions"

- transactions with securities from the portfolio and not included in the annual activity program, which exceed the value of 20 million lei;
- investments in new projects, transactions with newly issued securities and / or not included in the portfolio, as well as the development of new strategic lines

i) issues recommendations regarding the strategy of restructuring the asset portfolio;
j) issues recommendations regarding the portfolio optimization strategies;
k) conducts investigations in the fields within its sphere of competence
l) analysis and approves the way sustainability risks are included in the decision-making process.

Advisor to the Board of Directors

By decision of the Board of Directors, people may be hired as advisers to the Board of Administration.

Main attributions:
1. analyzes and formulates substantiated observations and proposals based on the documents and notes drawn up by the other structures on topics subject to the attention or approval of the FSA and other competent authorities.
2. Identifies, based on the analysis of the topics presented for the debate of management structures, the aspects that area not properly regulated and submits proposals for improving the regulatory framework;
3. Analysis and submits observations and suggestions regarding the way in which corporate governance principles are abided by EVERGENT Investments and the measures that should be applied for the application of BSE recommendations from the Corporate Governance Code, including on the content of Corporate Governance Regulation of EVERGENT Investments;
4. makes proposals regarding the revision of the internal regulations and the optimization of the organization of the activity of the Board of Directors/BD secretariat and of the advisory committees of the BD/secretariats of the advisory committees, including regarding the Regulations for the organization and operation of these structures.
5. monitors, at the express request of the management structures or their members, how management decisions are carried out;
6. can participate, following the designation by the management structures or their members, in external work meetings, after which he will make reports;
7. provide specialized assistance to the non-executive members of BD.

Delegation of power on the level of the Board of Directors

The Board of Directors approves the delegation of power and sets the limitation of powers for the CEO, deputy-CEO and Management Committee.

Operations made based on the powers delegated to executive managers are reported to the Board of Directors through written or verbal reports.

The Board of Directors has delegated to the CEO and deputy-CEO the attributions presented within these regulations.

The Board of Directors approves the delegation of powers and/or right of representation to other directors, setting their limitations. Operations made based on powers delegate by the Board of Directors are object of reports that will be presented in the meetings of the Board of Directors.

1.3. Executive management of EVERGENT Investments

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

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

The executive management:

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

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

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

CEO

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

The CEO has the following attributions:
a) direct and actual management of the company's activity, in compliance with the objectives set by GMS;
b) implementation of the company's general investment policy;
c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, GMS resolutions or the resolutions of the Board of Directors;
d) patrimonial engagement of the company in its relationship with third parties, through his own signature;
e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors;

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

The CEO coordinates the entire activity of the Company in compliance with the attribution of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, Legal, Corporate Governance Service and Relationship with investors, IT system, Asset Valuation Department, Human Resources –Logistics Department, Activity related to work safety and health and activity for fire prevention and extinction.

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

Deputy CEO

The deputy CEO has the following attributions:
a) implementation of the board of directors' resolutions;
b) direct and actual management of the company's activity in compliance with the general objectives set by GMS;
c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, resolutions of the general meeting of shareholders or of the Board of Directors;
d) patrimonial engagement of the company in its legal relationship with third parties, through own signature, in compliance with the provisions of internal regulations and within the set competence limits;

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

The Deputy CEO insures the daily coordination of departments: "ENERGY- INDUSTRIAL" Portfolio, "FINANCIAL- BANKING" Portfolio, "SELL" Portfolio, "PRIVATE – EQUITY" Portfolio, "Transactions" Department. The components of the financial instruments portfolios are set through BD resolution.

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

1.4. Management Committee

The Board of Directors delegates the management of the company to the CEO and Deputy CEO, who together form the Management Committee.
The CEO and Deputy CEO can also be directors of the company.

The set-up and dissolution of the Management Committee is approved with the majority of present directors.

The CEO and Deputy CEO who comprise the Management Committee actually lead the activity of the company within the limitation of their delegated powers.

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

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

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

The competence limits of the Board of Directors, CEO, Deputy CEO are set taking into consideration the basic responsibilities of the Board of Directors that cannot be assigned (provisions of art. 7 line 19 letter a-l of the Memorandum of Association).

Organization and carrying out of the Management Committee's activity

In the interval between the meetings of the Board of Directors, the Management committee carries out its activity within the competence limitations set.
The Management Committee presents adopted resolution and status of running operations in the Board of Directors.

The legally adopted decisions are mandatory for the directors and employees and enforceable at the time of their communication in writing if they do not stipulate in their wording another term, following the notification.

The resolutions of the Management Committee are adopted unanimously.
In case decisions cannot be adopted in the Management Committee in case the vote requirements are not met, the subject discussed shall be presented for the analysis of the Board of Directors, in order for a decision to be adopted.

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

1.5. Executive Manager

The executive manager is an employee of the company and is subordinate to the Management Committee.

The functional relationship of the executive manager are:
1. subordination to the CEO, Management Committee, Deputy CEO;
2. collaboration with all company departments;
3. coordination of departments under his subordination according to the organisational chart.

The executive manager has mainly the following attributions:
1. Ensures the daily coordination of the departments and the necessary framework for carrying out the activities of the coordinated departments according to the Organization Chart, by organizing, planning and monitoring their activities, in order to reach specific objectives at a high level of performance;

2. Organizes, directs, verifies and supervises internal and inter-departmental activities, applying the necessary measures to ensure the proper running of internal processes according to specific approved procedures, compliance with legislation and correct understanding and application of specific regulations;
3. Makes sure that decisions adopted by the Management Committee and CEO are implemented within the set deadline;
4. Makes proposals for improving the activity of the departments they coordinate, in order to optimize internal resources and streamline operations carried out according to applicable internal procedures;
5. Facilitates and ensures collaboration with other departments and structures within the company, ensuring the necessary information transfer for decision-making;
6. Analyses and assigns for solving the documents entered within the company, implements the resolutions on documents assigned by the CEO and/or submits resolutions on documents that regard the activity of coordinated departments, assigned works and sets deadlines;
7. Endorses and/or approves all documents prepared within the coordinated activity according to his competence and within the limits approved by the CEO/Board;
8. Coordinates, prepares and/or actually participates to the preparation of works assigned to the departments of the company and/or inter-department works, within the set deadline and reports to the executive management on the way these are fulfilled;
9. Coordinates, from the point of view of compliance with internal regulations, procedures and decision-making processes, the activities under the responsibility of the coordinated departments;
10. Reports to the Management Committee, CEO on the activity carried out;
11. Fulfils any other work attribution assigned to him according to legal and internal regulations in force, job description or that is assigned to him by executive management.

Annex 2

Protection of EVERGENT Investments' interests/assets through legal procedures

Legal assistance, consultancy and representation activity

The legal department is subordinated to the CEO, being coordinated by an executive manager who is responsible for the management of all activities regarding legal consultancy and representation, providing the legality endorsement for all the legal documents that the company is party in. All amendments resulting from applicable law are analysed and implemented within the Legal Department, so that the rights and obligations of the company be fulfilled on time, under legal conditions.

Legal representation

The legal assistance and representation activity had the main object the representation of company interests before courts through the filing, within procedural deadlines, of all defences necessary.

In the reporting period, the company had a number of **235 litigations** registered in the specific records, **48 files being solved**, with final solutions**.**

Synthetic statement of litigations (Details in Annex 2.1.)

1. Litigations where EVERGENT Investments is **plaintiff**:
   - 173 files, of which: 149 files are litigations pending in various trial stages (of which 111 files are against AAAS), and 24 files are completed;
   - The value of litigations pending on the dockets of courts: 68,885,159.36 lei (claims and insolvency procedure)
2. Litigations where EVERGENT Investments is **respondent**:
   - 62 files, of which: 38 files are litigation pending in various trial stages, and 24 files are completed;
   - The value of litigations on the dockets of courts: 148,720.95 USD files with various claims as object.

Legal Consultancy

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

At the end of 2022 the legal consultancy activity includes a number of 63 consultancy files and a total number of 456 legality endorsements granted for various legal documents such as contracts, addenda, resolutions, mandates, agreements. The main documents and operations carried out within the legal consultancy and endorsement activity relate to:

- ✓ Participation to negotiation meetings, submission of notes, amendments, additions and conformations by attorneys of the suggestions of EVERGENT for the *Shareholders' Consent* and its annexes regarding the investment in mWARE Solutions, according to internal analysis and decisions.
- ✓ Participation to work meetings, submission of suggestions, endorsement of fiduciary contracts and justification note, participation to the tender meetings for the acquisition of the land located in Săucești, Bacău.

  - ✓ Eximbank's opinion and endorsement of the Note concerning the maintenance of the request to withdraw from the company. Revision and endorsement for the withdrawal request.

- ✓ Revision and endorsement of all documents related to the General Meeting of Shareholders of EVERGENT Investments held in 2022;
- ✓ Support for the real-estate transactions of the subsidiaries;
- ✓ Vote justification notes for the general meetings of issuers in the portfolio;
- ✓ Participation to the analysis regarding the access of the facility revolving credit facility type;
- ✓ Constant participation to the work session concerning EVERGENT's objectives in ESG matters;
- ✓ Legal consultancy and endorsement regarding all mandates issued by the company within the General Meetings of Shareholders held in subsidiaries from EVERGENT Group;
- ✓ Observations and legislative proposals in various areas of interest of the company.

Annex 2.1

LITIGATIONS STATEMENT on 31.12.2022

Statement of pending litigations with object annulment of GMS resolutions for companies in Evergent Investments' Portfolio – quality: plaintiff				
No.	**Company**	**Object**	**Litigation status**	**Observations**
1*	Martens SA	Annulment of BD Resolution on 03.12.2021	Action dismissed. With appeal	
2*	Vastex SA	Annulment of OGMS resolution on 14.04.2022	Litigation pending on the merits	
3*	Vastex SA	Annulment of EGMS resolution on 14.04.2022	Action dismissed. With appeal	
4*	Dyonisos Cotesti	Annulment of OGMS resolution on 14.04.2022	Litigation pending on the merits	
5*	Martens SA	Annulment of EGMS resolution on 28.04.2022	Litigation pending on the merits	
6*	Brikston Construction	Annulment of OGMS resolution on 28.04.2022	Action dismissed. With appeal	
7*	Rulmenti Barlad	Annulment of OGMS resolution on 31.05.2022	Action dismissed	Evergent's appeal
8*	Vastex SA	Annulment of GMS resolution on 21.09.2022	Action allowed. With appeal	
9*	Vastex SA	Annulment of GMS resolution on 12.12.2022	Litigation pending on the merits	
SOLVED LITIGATIONS				
1	Martens SA	Annulment of EGMS resolution on 30.03.2021	Evergent's appeal dismissed	
2	Martens SA	Partial annulment of EGMS resolution on 28.04.2021	Evergent's appeal dismissed	
3	Brikston Construction	Annulment of EGMS resolution on 09.06.2020	Evergent's appeal dismissed	
4	Santier Naval Constanta	Annulment of OGMS resolution on 27.04.2021	Evergent's appeal dismissed	
5	Dyonisos Cotesti	Annulment of OGMS resolution on 09.07.2020	Action allowed	
6	Dyonisos Cotesti	Annulment of OGMS resolution on 13.01.2021	Action allowed	
7	Dyonisos Cotesti	Annulment of EGMS resolution on 15.04.2021	Action allowed	
8*	Martens SA	Appel for annulment file 2680/121/2021 (EGMS resolution 30.03.2021)	Appeal for annulment dismissed	
9	Martens SA	Partial annulment of OGMS resolution on 28.04.2021	Evergent's appeal dismissed	
10*	Vastex SA	Suspension of GMS resolution on 21.09.2022	Action allowed	
11	Martens SA	Dissolution action	Evergent's appeal dismissed	

Statement of pending litigations with object claims - Evergent Investments SA acting as plaintiff				
No.	**Legal entity/ individual - defendant**	**Claims value in lei**	**Object**	**Observations**
1	Vastex S.A.	0.00	Claims- share value Law 151/2014 - claim presented in the insolvency procedure	EVER's appeal allowed. Vastex's recourse
2	AIPC	3,479.45	Enforcement	
3	AAAS	3,765.75	Enforcement	
4	AAAS	3,817.58	Enforcement	
5	A.A.A.S.	1,040.34	Enforcement	
6	A.A.A.S.	5,790.02	Enforcement	
7	A.A.A.S.	572,355.55	Enforcement	
8	A.A.A.S.	7,281,457.98	Enforcement	
9	A.A.A.S.	649,141.66	Enforcement	
10	A.A.A.S.	1,556,338.07	Enforcement	
11	A.A.A.S.	193,989.15	Enforcement	
12	A.A.A.S.	454,371.95	Enforcement	
13	A.A.A.S.	1,045,579.33	Enforcement	
14	A.A.A.S.	1,369,220.26	Enforcement	
15	A.A.A.S.	1,099,612.11	Enforcement	
16	A.A.A.S.	1,600,412.04	Enforcement	
17	A.A.A.S.	425,550.42	Enforcement	
18	A.A.A.S.	13,978.84	Enforcement	
19	A.A.A.S.	29,858.47	Enforcement	
20	A.A.A.S.	6,126.20	Enforcement	
21	A.A.A.S.	141,712.76	Enforcement	
22	AAAS	275.88	Enforcement	
23	A.A.A.S.	1,784,704.61	Enforcement	
24	A.A.A.S.	1,875,749.20	Enforcement	
25	A.A.A.S.	1,042,561.66	Enforcement	
26	A.A.A.S.	1,488,975.30	Enforcement	
27	A.A.A.S.	1,455,363.70	Enforcement	
28	A.A.A.S.	16,878.26	Enforcement	
29	A.A.A.S.	1,539.25	Enforcement	
30	A.A.A.S.	49,037.93	Enforcement	
31	A.A.A.S.	2,390.06	Enforcement	
32	A.A.A.S.	34,678.23	Enforcement	
33	A.A.A.S.	2,138.94	Enforcement	
34	A.A.A.S.	38,560.30	Enforcement	
35	A.A.A.S.	2,228.53	Enforcement	
36	A.A.A.S.	28,754.21	Enforcement	
37	A.A.A.S.	3,060.53	Enforcement	
38	A.A.A.S.	45,528.24	Enforcement	
39	A.A.A.S.	34,781.34	Enforcement	
40	A.A.A.S.	2,307.09	Enforcement	
41	A.A.A.S.	12,693.81	Enforcement	
42	A.A.A.S.	2,273.67	Enforcement	
43	A.A.A.S.	2,183.68	Enforcement	

44	A.A.A.S.	2,349.12	Enforcement
45	A.A.A.S.	18,982.49	Enforcement
46	A.A.A.S.	23,459.89	Enforcement
47	A.A.A.S.	2,502,031.47	Enforcement
48	A.A.A.S.	1,810,944.22	Enforcement
49	A.A.A.S.	1,738,592.80	Enforcement
50	A.A.A.S.	2,522,514.86	Enforcement
51	A.A.A.S.	1,370,335.00	Enforcement
52	A.A.A.S.	1,060,504.31	Enforcement
53	A.A.A.S.	2,081,133.02	Enforcement
54	A.A.A.S.	296,474.57	Enforcement
55	A.A.A.S.	2,896,842.39	Enforcement
56	A.A.A.S.	1,668,099.47	Enforcement
57	A.A.A.S.	125,677.45	Enforcement
58	A.A.A.S.	1,871,909.72	Enforcement
59	A.A.A.S.	3,370,978.56	Enforcement
60	A.A.A.S.	10,546.63	Enforcement
61	A.A.A.S.	462,506.29	Enforcement
62	A.A.A.S.	2,014,036.50	Enforcement
63	A.A.A.S.	1,800,076.35	Enforcement
64	A.A.A.S.	2,111,890.61	Enforcement
65	A.A.A.S.	3,188,636.51	Enforcement
66	A.A.A.S.	190,943.94	Enforcement
67	A.A.A.S.	581.74	Enforcement
68	A.A.A.S.	439,712.67	Enforcement
69	A.A.A.S.	2,756.40	Enforcement
70	AAAS	1,478.36	Enforcement
71	AAAS	2,258.14	Enforcement
72	AAAS	2,982.06	Enforcement
73	AAAS	2,334.13	Enforcement
74	AAAS	2,930.63	Enforcement
75	AAAS	3,758.11	Enforcement
76	AAAS	4,137.34	Enforcement
77	AAAS	4,450.82	Enforcement
78	AAAS	3,777.76	Enforcement
79	AAAS	2,953.30	Enforcement
80	AAAS	3,825.59	Enforcement
81	AAAS	3,198.69	Enforcement
82	AAAS	4,410.19	Enforcement
83	AAAS	2,837.49	Enforcement
84	AAAS	3,349.89	Enforcement
85	AAAS	3,316.71	Enforcement
86	AAAS	3,310.76	Enforcement
87	AAAS	3,326.80	Enforcement
88	AAAS	3,350.85	Enforcement
89	AAAS	3,322.02	Enforcement
90	AAAS	1,373.83	Enforcement
91	AAAS	2,237.46	Enforcement
92	AAAS	1,857.76	Enforcement

93	AAAS	3,838.86	Enforcement	
94	AAAS	3,719.45	Enforcement	
95	AAAS	3,766.46	Enforcement	
96	AAAS	3,767.00	Enforcement	
97	AAAS	3,752.03	Enforcement	
98	AAAS	3,705.67	Enforcement	
99	AAAS	3,786.44	Enforcement	
100	AAAS	2,483.51	Enforcement	
101	AAAS	1,863.09	Enforcement	
102	AAAS	3,748.78	Enforcement	
103	AAAS	1,896.39	Enforcement	
104	AAAS	3,012.23	Enforcement	
105	DGFRP	2,660.18	Enforcement	
106*	AAAS	1,708.19	Enforcement	
107*	AAAS	1,962.64	Enforcement	
108*	AAAS	3,169.44	Enforcement	
109*	AAAS	1,278	Enforcement	
110*	AAAS	3,149.10	Enforcement	
111*	AAAS	1,983.74	Enforcement	
112*	AAAS	1,748.81	Enforcement	
113*	AAAS	3,146.18	Enforcement	
114*	Statul Roman	0	claims	Action dismissed. Evergent's appeal
115*	SNGN Romgaz	378,546	claims	Litigation pending on the merits
	TOTAL:	**58,476,250.22**		
SOLVED LITIGATIONS				
1	A.A.A.S.	debit din DE 108/2016	Enforcement	
2	Nedea Carmen	2,670.00	Enforcement	
3	AIPC	6,376.12	Enforcement	
4	AIPC	1,552.21	Enforcement	
5*	Oltchim/AAAS	1,120.00	Enforcement	
6*	Groza Daniel	284,059.50	Enforcement	

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

No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	Intervention – usucapio action	Action dismissed. With appeal	
2*	Vastex; Delkimvas	validation of garnishment	Trial suspended	
3*	Vastex; Perpetuus COM	validation of garnishment	Trial suspended	
4*	Vastex, Liceul Radu Miron	validation of garnishment	Litigation pending on the merits	
5*	Vastex, Lotex General	validation of garnishment	Litigation pending on the merits	
6*	Vastex, Rovitec Cons	validation of garnishment	Litigation pending on the merits	
7*	Vastex, Nechita Prestserv	validation of garnishment	Litigation pending on the merits	

8*	Vastex, Lexfan Fitness	validation of garnishment	Litigation pending on the merits	
9*	Vastex, Connected-Dval	validation of garnishment	Litigation pending on the merits	
10*	Vastex, Castrum Corporation	validation of garnishment	Litigation pending on the merits	
11*	Vastex, Lacautonacris	validation of garnishment	Litigation pending on the merits	
12*	Vastex, Klique Graphics	validation of garnishment	Litigation pending on the merits	
13*		Criminal complaint	Litigation pending on the merits	
14*	Groza Daniel	Enforcement challenge	Litigation pending on the merits	
SOLVED LITIGATIONS				
1	AAAS. Oltchim SA	validation of garnishment	Obsolesce ascertained	
2	AAAS. Oltchim SA	validation of garnishment	Request dismissed	
3	AAAS. Oltchim SA	validation of garnishment	Request allowed in part	
4*	Vastex Vaslui	Distraint	Action dismissed	
5*	Vastex Vaslui	Intervention request - opening of insolvency procedure	Action dismissed	
6	AAAS. Oltchim SA	Validation of garnishment	Action dismissed	

Statement of pending litigations with object insolvency (Evergent Investments SA acting as plaintiff -creditor)				
No.	**Company**	**Claim value in lei**	**Status**	**Observations**
1	BIR	344.12	Bankruptcy	Procedure continues
2	Network Press	3,799.87	Bankruptcy	Procedure continues
3	Pantex S.A. Brasov	10.3	Bankruptcy	Procedure continues
4	Horticola SA	1,466,168.33	Insolvency	Procedure continues
5	Celule Electrice Bailesti	9,921.72	Insolvency	Procedure continues
6	Genko Med Group	93,835.07	Bankruptcy	Procedure continues
7*	Vastex Vaslui	8,834,829.73	Insolvency	Procedure continues
8*	Vastex Vaslui		Challenge of cause report	
9*	Vastex Vaslui		Challenge of creditor chart	Challenge of Creditors Chart
10*	Vastex Vaslui		Challenge of the Meeting of Creditors resolution on 11.11.2022	
11*	Vastex Vaslui		Presidential order	Action dismissed. Evergent's appeal
	TOTAL LEI:	**10,408,909.14**		

SOLVED LITIGATIONS				
1	Nobel Corporation	2,215.31	Bankruptcy	Procedure closed
Statement of pending litigations where Evergent Investments SA acts as respondent				
No.	**Plaintiff**	**Claims value**	**Object**	**Observations**
1	Groza Daniel		Claims – lack of real property use	Challenge in annulment of Evergent
2	Cantoreanu Ioan Florin	148,720.95 USD plus penalizing interest	claims - damages suffered following a so-called failure to enforce of amounts due from AAAS to EVER	Cantoreanu's appeal dismissed. Cantoreanu's recourse
3	Spatariuc Maria		Resolution to replace authentic document	Litigation pending on the merits
4	Spatariuc Dumitru s.a.		Resolution to replace authentic document	Litigation pending on the merits
5	Dionisie Mirela s.a.		Resolution to replace authentic document	Exception of passive trial quality allowed. Plaintiff's appeal
6	Reuti Veronica		Document annulment	Litigation pending on the merits
7	Andrei Lina		Resolution to replace authentic document	Action allowed. AAAS' appeal
8	Tibuleac Petrica Iulian		Resolution to replace authentic document	Litigation pending on the merits
9*	Dron Cristina-Lotrisoara		Resolution to replace authentic document	Litigation pending on the merits
10*	Cazacu Ioan		Resolution to replace authentic document	Disjointed from file no. 9917/193/2021. Competence declined in favour of Botosani court
11*	Placintaru Ion		Resolution to replace authentic document	Litigation pending on the merits
SOLVED LITIGATIONS				
1	Mercom SA Onesti	54,000.00	Real property reclaim and claims	Appeals allowed. Reduces EVERGENT's payment obligation
2	Livadaru Costel s.a.		Resolution to replace authentic document	The passive trial quality exception allowed.
LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)				
No.	**Challenged amount in lei**	**Object**	**Status**	**Observation. Garnished third parties**
1		enforcement challenge	Challenge dismissed. AAAS' appeal	Eximbank, Treasury S4 B
2		garnishment challenge	Challenge dismissed. With appeal	
3*		enforcement challenge	Litigation pending on the merits	
4*		enforcement challenge	Challenge partly dismissed. Appeal of Evergent and AAAS	Treasury

5*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
6*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
7*	garnishment challenge	Challenge allowed. With appeal	Treasury
8*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
9*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
10*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
11*	garnishment challenge	Challenge dismissed. with appeal	Treasury
12*	garnishment challenge	Challenge dismissed. with appeal	Treasury
13*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
14*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
15*	garnishment challenge	Litigation pending on the merits	Treasury
16*	garnishment challenge	Challenge allowed. Evergent's appeal	TP. Regal Galati
17*	garnishment challenge	Challenge allowed. Evergent's appeal	TP. Regal Galati
18*	garnishment challenge	Challenge allowed. With appeal	TP. Regal Galati
19*	garnishment challenge	Challenge allowed. With appeal	TP. Regal Galati
20*	garnishment challenge	Challenge dismissed. With appeal	Treasury
21*	garnishment challenge	Challenge dismissed. With appeal	Treasury
22*	garnishment challenge	Challenge dismissed. With appeal	Treasury
23*	garnishment challenge	Challenge dismissed. With appeal	Treasury
24*	garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
25*	garnishment challenge	Challenge partly allowed. With appeal	TP. Regal Galati
26*	Enforcement challenge	Challenge dismissed. With appeal	Treasury
27*	Enforcement challenge	Litigation pending on the merits	Treasury
SOLVED LITIGATIONS			
1	garnishment challenge	EVERGENT Investments' appeal dismissed	
2	garnishment challenge	EVERGENT Investments' appeal dismissed	
3	enforcement challenge	AAAS' appeal dismissed	
4	garnishment challenge	AAAS' appeal dismissed	

5		garnishment challenge	EVERGENT Investments' appeal dismissed	
6		garnishment challenge	EVERGENT Investments' appeal dismissed	
7		enforcement challenge	Challenge allowed	
8		garnishment challenge	AAAS' appeal dismissed	
9		garnishment challenge	EVERGENT Investments' appeal dismissed	
10		garnishment challenge	Challenge dismissed	
11		garnishment challenge	EVERGENT Investments' appeal dismissed	
12*		revision-appeal	The revision request filed by AAAS is dismissed	
13		enforcement challenge	AAAS' appeal dismissed	
14		garnishment challenge	EVERGENT's appeal dismissed	
15	AAAS	Challenge in annulment	EVERGENT's challenge in annulment is dismissed	
16		garnishment challenge	AAAS' appeal dismissed	
17*		Challenge in annulment	Challenge in annulment filed by EVERGENT is dismissed	
18		enforcement challenge	Appeals dismissed as ungrounded. Final	Appeal of Evergent Investments and DGRFP Bucuresti
19		garnishment challenge	Retrial on the merits/request partly allowed	Evergent's recourse dismissed
20*		garnishment challenge	Litigation pending on the merits	
21		garnishment challenge	AAAS' appeal dismissed	Treasury
22		garnishment challenge	AAAS' appeal dismissed	Treasury

* - new litigation, opened in 2022

Annex 3

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

1. Permanent risk management function

EVERGENT Investments sets and maintains the permanent risk management function that is separate and independent from other functions and activities.

Structurally and hierarchically the Risk Management Department is subordinated to the Board of Directors.

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

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

The personnel within the Risk Management department have the knowledge, skills and professional experience necessary to exercise the function, as well as a good reputation, honesty and integrity It also fulfills the eligibility conditions established by the FSA, being authorized and registered in the Public Register of the FSA.
In case that there are several persons authorized as risk managers, the detailed responsibilities of each person will be established. In the absence of one of the persons, the duties and responsibilities will be automatically taken over by another authorized person.
If the company no longer has a person authorized as a risk manager or in case of its temporary unavailability, one of the company's directors or another employee who has the appropriate knowledge and professional experience will temporarily perform this function until this position will be reoccupied. The manager in charge of coordinating and supervising the portfolio management function within EVERGENT Investments cannot temporarily take over the attributions of the risk management function. The person temporarily performing this function is notified to the FSA.

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

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

The department is specialized and has the following attributions and responsibilities:
a) drafting and implementation of efficient risk management policies, procedures and methodologies, as well as any modification of these;
b) identification, measurement, administration and permanent monitoring of all risks relevant to the investment policy of EVERGENT Investments and to which the company is or may be exposed.
c) making sure that the risk profile of EVERGENT Investments as notified to investors abides by the risk limits set for the coverage of at least the following risks: market risk, issuer, liquidity and operational risks.

d) identification of the risks of hiring EVERGENT Investments in the investment / divestment operations proposed by the departments with the function of portfolio management and proposing measures to prevent and reduce them, if necessary;
e) substantiates and proposes risk limits, monitors their compliance and notifies the Board of Directors and the executive management in a timely manner of any existing or foreseeable exceedances of the established risk limits, to ensure that quick and appropriate measures can be taken;
f) provide assistance to the Board of Directors and the executive management regarding the identification of the risk profile of EVERGENT Investments;
g) the evaluation of the risk profile of the company according to the appetite and risk tolerance established by the Board of Directors and the timely communication to the Board of Directors and the executive management if it considers that the risk profile does not comply with the approved risk limits or that there is a significant risk that the risk profile will become inconsistent with these limits;
h) ensure that the risk profile of EVERGENT Investments communicated to investors respects the risk limits established to cover at least market, issuer, liquidity, credit and counterparty, sustainability and operational risks;
i) calculates monthly the exposure by the gross method and by the commitment method and determines the leverage effect, in order to fulfill the institutional reporting obligations;
j) ensuring the classification of the assets categories of EVERGENT Investments within the legal and internal prudential limits in force, including the value of the assets in the relevant threshold and the compliance with the own funds and additional own funds requirements and the timely notification to the Board of Directors and the executive management. with any existing or foreseeable exceedances thereof, to ensure that prompt and appropriate action can be taken;
k) classification of EVERGENT Investments asset categories by risk classes, from the point of view of the degree of liquidity of the assets;
l) analyzing the plans for ensuring the continuity of the activity and for the emergency situations of the company;
m) performing crisis simulations, once a year and ad-hoc, under the conditions provided in the risk procedures and ASF regulations in force;
n) the evaluation of the way in which the structure of the variable remuneration affects the risk profile of the company;
o) draws up quarterly risk reports to the Board of Administration regarding the risks managed;
p) reporting to the Board of Directors and the executive management the risks identified as potentially significant in accordance with the applied procedures.
q) analyzes the operational risks related to the performance of activities, identified in the internal risk self-assessment process and proposes measures to reduce/maintain the identified risks under control;

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

The activities carried out include, without being limited to: monthly/quarterly/annual analyzes and whenever necessary regarding exposures to the relevant risks: market risk, issuer risk, credit and counterparty risk, liquidity risk, sustainability risk, operational risk, inclusion in the system of prudential limits of the assets/categories of assets in the portfolio (provided in the applicable legal regulations). Also, the compartment analyzes the impact of the investments proposed by the compartments with the portfolio management function on the assumed risk profile and on falling within the legal prudential limits, by performing simulations and proposes, if necessary, measures to keep the assumed risk under control.

For its attributions, the Risk Management department makes regular reports to the Directors and the Board of Directors. Quarterly risk reports and half-yearly reports on the efficiency and effectiveness of the risk management system are subject to the approval of the Board of Directors, with prior approval by the Audit Committee. The reports on the individual contribution of the assets to each type of relevant risk, as well as those on the inclusion of the assets in the system of prudential limits, are sent for information to the departments/structures that perform the function of managing the portfolio.

2. Permanent function of checking the compliance

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

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

In order to allow the individual(s) appointed as compliance officer(s) to properly fulfill their responsibilities in a correct and independent manner EVERGENT Investments must make sure that the following requirements are met:

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

Attributions and Responsibilities:

a) it periodically monitors and evaluates the adequacy and efficiency of the measures, policies and procedures set in compliance with applicable regulations, as well as the actions carried out in order to remedy deficiencies regarding the company's meeting its obligations.
b) it regularly monitors and verifies the application of legal provisions applicable for EVERGENT Investments's activity, of internal regulations and procedures and acts according to its competencies in order to prevent and suggest measures to remedy any law infringement situations, or infringement of applicable regulations for the capital market, or internal regulations and procedures of EVERGENT Investments, by EVERGENT Investments or its employees; follows-up the implementation of suggestions and recommendations;
c) it offers advice and assistance for relevant individuals responsible for the carrying out of activities so that EVERGENT Investments abides by its obligations based on incidental capital market legislation.
d) it makes sure that the reports that EVERGENT Investments must send to FSA and capital market entities are sent within the deadline foreseen by regulations in force;
e) it analyses and approves the documents sent by EVERGENT Investments to the FSA in order to obtain the authorizations foreseen by FSA regulations;
f) it analyses and approves informative materials/advertising materials of EVERGENT Investments;
g) it analyses and approves the documents drafted by EVERGENT Investments in compliance with work procedures;
h) it approves the development of new strategies, investment policies, relevant organizational changes as well as investments on new markets and in new products;
i) it verifies the compliance with prudential regulations;
j) it provides the notifications of EVERGENT Investments and its employees regarding the legal regimen applicable to capital market, concerning approved norms and legislative projects that present interest for the company's activity, to make proposals/recommendations/ observations, if the case be;
k) it manages and monitors the decisions of the Board of Directors, verifying their abidance by legal and prudential limitations at the time of their being adopted/implemented; follows-up the fulfillment of resolutions and periodically sends reports on the status of their implementation;
l) it is responsible for the supervision of the solving and management of complaints regarding EVERGENT Investments's activity on the capital market, for the keeping of the unique complaints record and periodical reporting to FSA about the status of the registered complaints.
   Through the decision of the CEO, a permanent committee is setup within the company to analyze all shareholders' complaints and suggest, depending on the case, measures to be adopted by the management to remedy the situations identified; the communication of the answer to the applicant is made abiding by the legal deadline.
m) it creates a process for the identification, registration, monitoring, prevention and disclosing of conflict of interests; it manages the internal procedure regarding *Conflict of Interest*.
n) it manages the specific work procedure regarding the *Supervision of the application of international sanctions on the capital market* –in applying the express FSA regulations; the compliance officer can also be a member of the Committee (through internal resolution), and in this quality he keeps in touch with FSA.

Permanent and periodical control is carried out as follows:

1. *The drafting of the annual investigation program/plan, abiding by the following principles/criteria:*
   a) it includes control objective as per applicable legal regulations and represents a part of the integrated control process within EVERGENT Investments (compliance, internal audit and risk management);

b) it is drafted based on the analysis of the risks that can be incurred in EVERGENT Investments's activities, given the "Register of identified Operational Risks that might affect EVERGENT Investments's activity" drawn up by the Risk Management Department;
c) the activities carried out for verifying the compliance of the company's activities with applicable legal regulations, policy and procedures of EVERGENT Investments, are periodical and permanent control activities;
d) the main component of the activity is the permanent control, pro-active in nature, carried out through the continuous supervision and monitoring of the activities that fall under internal control competence, in order to prevent the occurrence of legal and internal non-compliance.

2. *Carrying out investigations and submitting reports to the management structure:*
   a) it presents a report regarding the results of the investigations included in the investigation plan to the Board of Directors of EVERGENT Investments, for discussion and approval; the report is firstly approved by the Audit Committee;
   b) reports to the Board of Directors and directors, the cases when the legal regimen applicable to the capital market, internal regulations and work procedures have been infringed, for the urgent notification of FSA and communication of the measures adopted to remedy identified situations.
   c) regularly drafts, at least once a year, reports to the executive management regarding compliance issues, in which mentions should be made whether the proper measures to remedy possible deficiencies have been taken.
   d) the annual report and investigations plan for the following year, approved by the Board of Directors are sent to FSA, if the law foresees so.

3. Permanent function of Internal Audit

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

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

Attributions and Responsibilities:

a) it helps the company, both as a whole and its structures, through the issue of opinions and recommendations;
b) it assists the company in risk management;
c) it contributes to the improvement of risk management, control and governance processes;
d) it evaluates the adequacy and efficiency of controls regarding governance, operations and systems of EVERGENT Investments;
e) it drafts and implements the policies and procedures to carry out internal audit activity, as well as any modification of these;
f) it carries out risk evaluations for the activities carried out by EVERGENT Investments, at least once a year;
g) it sets, implements and maintains an audit plan in order to examine and evaluate the proper nature and efficiency of internal control systems, mechanisms and procedures of EVERGENT Investments;

h) it submits the Audit Committee and Board of Directors the plan regarding audit activity and necessary resources, including significant modifications occurred;
i) it carries out the missions included in the annual plan;
j) it issues recommendation based on the result of the carried out activity;
k) at the request of the Audit Committee or directors, it carried out ad-hoc missions or missions of an exceptional nature (not included in the annual internal audit plan);
l) it verifies it recommendations have been respected;
m) it reports at the end of each mission regarding internal audit issues and the adequacy of the measures adopted to remedy possible deficiencies;
n) it records any relevant information that supports the conclusions and results of the engagement;
o) it coordinates the activity of financial auditor, in order to make sure that audit objectives are met and in order to minimize overlapping;
p) periodically reports to the Audit Committee and the board of Directors on the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, based on the pre-set plan;
q) it verifies if the management has accepted a residual risk level that cannot be acceptable for EVERGENT Investments and notifies to the Board of Directors the cases when no decision has been made regarding residual risk, in order to solve them;
r) carries out formalized counseling missions (included in the Internal Audit Plan), informal, exceptional or in cases of emergency, at the express request of the Board of Directors or Executive Management.

The internal audit carries out assurance and counseling missions.

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

The activity is carried out as follows:

1. ***planning the internal audit activity**:* the drafting and approval of the multiannual internal audit plan and annual internal audit plan, in compliance with the International Standards for internal audit professional practice and national regulations.
2. ***preparing the internal audit mission**:*
   - ✓ notification of the leader of the activity that is to be audited that the internal audit mission is to start;
   - ✓ collection and processing of information regarding the audited structure, activity, program/project or operations, in order to facilitate the carrying out of procedure regarding risk analysis and verification;
   - ✓ identification and analysis of specific risks and internal control evaluation for the audited process/activity/structure, so that the audit effort be oriented towards the most risky areas ;
   - ✓ drafting the audit mission program in order to insure the proper execution of the internal audit mission, to cover all objectives to be audited and their associated risks;
   - ✓ meeting with the representatives of the audited structure to present the members of the internal audit team, purpose of the mission, objectives set for the internal audit mission, as well as for setting a meetings calendar.
3. ***on-the-spot intervention***:
   - ✓ collection of audit samples, for the purpose of the audit team's getting an opinion about the strong and weak points of the audited process/activity/organizational structure and supply audit

samples based on which ascertainments, recommendations and general conclusions will be made;
- ✓ ascertainment and reporting of irregularities identified

4. ***drafting the internal audit report:***
   - ✓ the drafting of the internal audit report project, submitting the internal audit report project to the audited structure for analysis and the issue of its standpoint regarding the auditors' conclusions and recommendations;
   - ✓ analysis of the observations made by the audited structure for the internal audit report project;
   - ✓ analysis, acceptance and approval of the internal audit report and the action plan to implement recommendations.
5. ***follow-up of recommendations:*** making sure that the recommendations made following the internal audit missions are properly implemented within the deadlines set and evaluation of consequences in case they are not applied.
6. ***quality analysis of the internal audit activity:*** for the purpose of offering a reasonable insurance that internal audit abides by its Chart, that it functions efficiently and contributes to added value and improvement of the company's operations and of making sure that all objectives of the internal audit mission have been achieved, in quality conditions.

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

Counseling missions can be:

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

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

Annex 4

EVERGENT INVESTMENTS SA

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
EVERGENT Investments S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of EVERGENT Investments S.A. and its subsidiaries (the Group), with registered office in Bacau, 94C Pictor Aman, Bacau county, identified by unique tax registration code 2816642, which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and notes to the consolidated financial statements.

2. The consolidated financial statements as at December 31, 2022 are identified as follows:

• Equity	RON 2,227,049,220
• Net profit for the financial year	RON 102,261,850

3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA - Financial Investments and Instruments Sector, with subsequent amendments (referred to herein as "FSA Norm no. 39 / 2015").

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
Valuation of equity investments We refer to note 20 to the consolidated financial statements, which presents the equity investments of the Group, representing shares held by the Group. As at December 31, 2022, these financial assets valued at fair value represent approximately 81% of the total assets of the Group. Equity investments presented to Level 3 of the fair value hierarchy represent RON 96.4 million and consist of participations held by the Group in unlisted Romanian companies and listed companies that do not have an active market. The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available prior to 31 December 2022, which involves significant judgments and a high degree of estimates. These reports were performed by independent valuers appointed by the Group management and by authorized in-house valuers of the Group. The management of the Group performed an analysis for the period following the date of the valuation of the participations until 31 December 2022 in order to identify significant changes in the fair values of equity investments as at 31 December 2022. This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the consolidated financial statements.	In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures. For the significant listed equity investments, we have assessed the Company's policies and analyses in respect of frequency of the transactions to identify investments that do not have an active market. For significant listed equity investments within level 1 of the fair value hierarchy, we have assessed the accuracy of the capital market closing price of the shares as of 31 December 2022 or from the last day of trading available at the end of the reporting period. For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the in-house valuers and the external valuers and their professional competence and independence from the Group. We have assessed the Group management's analyses for the period following the date of the valuation reports until December 31, 2022, in order to identify significant events, which may have a significant impact on the fair value of equity investments as at 31 December 2022. We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the consolidated financial statements as at December 31, 2022, by comparing year-on-year fair value variation for equity investments. We have also considered whether the consolidated financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Group and IFRS 13 *Fair Value Measurement* ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.

Other information – Administrators' Consolidated Report

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

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

   In connection with our audit of the consolidated financial statements for the year ended December 31, 2022, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the consolidated financial statements prepared as at December 31, 2022, we are required to report if we have identified a material misstatement of this Administrators' consolidated report. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

15. We have been appointed by the General Assembly of Shareholders on October 30, 2020 to audit the financial statements of EVERGENT Investments S.A. for the financial year ended December 31, 2022. The uninterrupted total duration of our commitment is 2 years, covering the financial years ended December 31, 2021 until December 31, 2022.

We confirm that:

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

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

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

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

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

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

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

This responsibility includes:

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

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

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

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

Deloitte.

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

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

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

- obtaining an understanding of EVERGENT Investments’s process for preparation of the Digital Files in accordance with ESEF, including relevant internal controls;

- reconciling the digital files including the marked-up data with the audited consolidated financial statements of EVERGENT Investments to be submitted in accordance with FSA Norm no. 39 /2015;

- evaluating if consolidated financial statements contained in the annual report have been prepared in a valid XHTML format;

- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.
In our opinion, the consolidated financial statements for the year ended 31 December 2022 included in the annual financial report presented in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Group for the year ended 31 December 2022 is set out in the “Report on the audit of the consolidated financial statements” section above.

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

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

On behalf of:

DELOITTE AUDIT SRL

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

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 24, 2023

In LEI

	Note	2022	2021
Revenue			
Gross dividend income	*9*	116,092,853	53,882,260
Interest income	*10*	6,262,712	4,083,169
Other operating revenue	*11*	65,334,018	49,677,845
Net gain on financial assets at fair value through profit or loss	*13*	965,522	29,873,859
Net gain from disposal of non-financial assets	*12*	18,708	658,126
Net gain from the revaluation of investment property	*27*	11,356,717	859,634
Net gain /(net loss) from the revaluation of assets held for sale		(14,256)	869,256
Expenses			
(Impairment loss)/Loss reversal on financial assets		2,379,256	6,084,408
(Loss)/Loss reversal on non-financial assets impairment		3,137,296	(38,871)
Set-up/(reversal) of provisions for risks and charges		52,750	(2,811,413)
Expenses with wages, remunerations, and other similar expenses	*14*	(46,968,732)	(44,025,145)
Other operating expenses	*15*	(61,293,246)	(48,419,804)
Operating profit		**97,323,598**	**50,693,324**
Financing expenses	*16*	(913,791)	(484,146)
Share from the profit/(loss) corresponding to associates		16,074,052	3,773,278
Profit before tax		**112,483,859**	**53,982,456**
Income tax	*17*	(10,222,009)	(2,064,406)
Net profit of the financial year		**102,261,850**	**51,918,050**
Other comprehensive income:			
Increase/(Decrease) from revaluation of property, plant and equipment, net of deferred tax		2,421,954	1,022,708
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	*20 d)*	(175,797,504)	398,996,138
Other comprehensive income – elements that will not be reclassified in profit or loss		**(173,375,550)**	**400,018,846**
Net (loss)/gain from the revaluation of FVTOCI bonds	*20 d)*	(105,304)	45,845
Other comprehensive income – elements that will be reclassified in profit or loss		**(105,304)**	**45,845**

In LEI

	Note	2022	2021
Other comprehensive income - Total		**(173,480,854)**	**400,064,691**
Total comprehensive income of the financial year		**(71,219,004)**	**451,982,741**
Basic and diluted earnings per share (net profit per share)		**0.1074**	**0.0529**
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)		**0.1457**	**0.1581**
Net profit attributable to the Company's shareholders		101,767,756	51,422,793
Net profit(net loss) attributable to non-controlling interests	*37*	494,094	495,257
Total net profit		**102,261,850**	**51,918,050**
Total comprehensive income attributable to:			
Company's shareholders		(72,123,697)	451,357,052
Non-controlling interests		904,693	625,689
Total comprehensive income		**(71,219,004)**	**451,982,741**

The consolidated financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

CLAUDIU DOROŞ
CEO and President of the Board

MIHAELA MOLEAVIN
Finance Director

In LEI	*Note*	31 December 2022	31 December 2021
Assets			
Cash and current accounts	*18*	7,838,826	14,039,475
Bank deposits with initial maturity within 3 months	*19 a)*	120,630,869	174,396,940
Bank deposits with initial maturity of more than 3 months	*19 b)*	6,141,286	6,682,039
Financial assets measured at fair value through profit or loss	*20 a)*	279,782,253	325,937,896
Financial assets measured at fair value through other comprehensive income	*20 b)*	1,673,533,619	1,770,881,534
Investments accounted for using the equity method	*21*	55,371,088	42,850,061
Bonds at fair value through other comprehensive income	*22*	3,982,047	3,982,215
Bonds at amortized cost	*22*	47,661	16,689,194
Other financial assets at amortized cost	*23*	19,884,188	10,626,512
Inventories	*24*	28,734,899	22,853,276
Other assets	*25*	2,176,788	3,445,715
Non current assets held for sale	*26*	3,540,657	24,087,236
Investment property	*27*	135,229,675	99,831,062
Property, plant and equipment	*28*	65,345,532	54,070,369
Right-of-use assets	*28*	9,276,583	8,642,261
Goodwill	*28*	4,339,505	4,339,505
Intangible assets	*28*	1,165,704	960,584
Total assets		**2,417,021,180**	**2,584,315,874**
Liabilities			
Borrowings	*29*	11,818,565	8,307,026
Lease liabilities	*30*	9,109,377	8,525,431
Dividends payable	*31*	43,029,452	34,488,962
Current tax liabilities		5,370,896	167,079
Financial liabilities at amortized cost	*32*	11,363,910	9,057,658
Other liabilities	*33*	7,910,679	5,824,211
Provisions for risks and expenses	*34*	3,842,888	4,253,881
Deferred tax liabilities	*35*	97,526,193	131,632,941
Total liabilities		**189,971,960**	**202,257,189**
Equity			
Share capital	*36 a)*	499,988,637	510,105,062
Retained earnings		1,044,899,843	987,726,077
Reserves from the revaluation of property, plant and equipment		18,419,631	16,699,675
Reserves from the revaluation of financial assets at fair value through other comprehensive income	*20 d)*	660,473,055	872,688,152
Treasury shares	*36 e)*	(38,991,230)	(41,119,507)
Equity-based payments to employees, directors and administrators	*36 f)*	20,765,780	16,252,012
Other items of equity	*36 g)*	4,775,301	3,685,004
Total equity attributable to shareholders		**2,210,331,017**	**2,366,036,475**
Non-controlling interests		16,718,203	16,022,210
Total equity		**2,227,049,220**	**2,382,058,685**
Total liabilities and equity		**2,417,021,180**	**2,584,315,874**

The consolidated financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

CLAUDIU DOROȘ
CEO and President of the Board

MIHAELA MOLEAVIN
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
(All amounts are presented in Lei, unless otherwise stated)

Evergent INVESTMENTS

In LEI	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 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:											
Profit of the financial year		**-**	**-**	**-**	**101,767,756**	**-**	**-**	**-**	**101,767,756**	**494,094**	**102,261,850**
Other comprehensive income:											
Increase/(decrease) of reserve from the revaluation of tangible assets, net of deferred tax		-	2,421,954	-	-	-	-	-	2,421,954	-	2,421,954
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(701,998)	-	291,399	-	-	-	(410,599)	410,599	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	(175,797,504)	-	-	-	-	(175,797,504)	-	(175,797,504)
Revaluation at fair value of FVTOCI bonds		-	-	(105,304)	-	-	-	-	(105,304)	-	(105,304)
Net gain, transferred to retained earnings for the sale of FVTOCI equity instruments	20 d)	-	-	(36,312,289)	36,312,289	-	-	-	-	-	-
Total other comprehensive income		**-**	**1,719,956**	**(212,215,097)**	**36,603,688**	**-**	**-**	**-**	**(173,891,453)**	**410,599**	**(173,480,854)**
Total comprehensive income of the financial year		**-**	**1,719,956**	**(212,215,097)**	**138,371,444**	**-**	**-**	**-**	**(72,123,697)**	**904,693**	**(71,219,004)**
Transactions with shareholders directly recognized in equity:											
Dividends distributed to non-controlling interests		-	-	-	-	-	-	-	-	(113,889)	(113,889)
Share capital decrease	36 a)	(10,116,425)	-	-	(26,389,968)	35,999,999	-	506,394	-		-
Acquisition of treasury shares		-	-	-	-	(38,566,162)	-	(119,881)	(38,686,043)	-	(38,686,043)
Treasury shares granted to employees and directors	36 e)	-	-	-	-	4,694,440	(5,398,224)	703,784	-	-	-
Equity-based payments to employees, directors and administrators	36 f)	-	-	-	-	-	9,911,992	-	9,911,992	-	9,911,992
Dividends expired according to the law (Note 4n)		-	-	-	7,245,273	-	-	-	7,245,273	-	7,245,273
Shares in subsidiaries bought back from non-controlling interests		-	-	-	-	-	-	-	-	(94,811)	(94,811)
Dividends distributed from the profit of 2021 financial year		-	-	-	(62,052,983)	-	-	-	(62,052,983)	-	(62,052,983)
Total transactions with shareholders directly recognized in equity		**(10,116,425)**	**-**	**-**	**(81,197,678)**	**2,128,277**	**4,513,768**	**1,090,297**	**(83,581,761)**	**(208,700)**	**(83,790,461)**
Balance at 31 December 2022		**499,988,637**	**18,419,631**	**660,473,055**	**1,044,899,843**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,210,331,017**	**16,718,203**	**2,227,049,220**

The consolidated financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

CLAUDIU DOROȘ
CEO and President of the Board

MIHAELA MOLEAVIN
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
(All amounts are presented in Lei, unless otherwise stated)

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

The consolidated financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

CLAUDIU DOROŞ
CEO and President of the Board

MIHAELA MOLEAVIN
Finance Director

In LEI	***Note***	**2022**	**2021**
Operating activities			
Net profit for the financial year		**102,261,850**	**51,918,050**
Adjustments:			
Loss reversal from financial assets impairment		(2,379,256)	(6,084,408)
Loss/(Loss reversal) from non-financial assets impairment		(3,137,296)	38,871
(Net gain) from the revaluation of investment property	*27*	(11,356,717)	(859,634)
(Net gain) /Net loss from the revaluation of non-current assets held for sale		14,256	(869,256)
Net gain from financial assets at fair value through profit or loss	*13*	(965,522)	(29,873,859)
Charge/(Reversal) of provisions for risks and charges		(52,750)	2,811,413
Gross dividend income	*9*	(116,092,853)	(53,882,260)
Interest income	*10*	(6,262,712)	(4,083,169)
Financing expenses	*16*	913,791	484,146
Income tax	*17*	10,222,009	2,064,406
Other adjustments		(78,866)	11,824,131
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)	(20,049,293)
Proceeds from sale of financial assets at fair value through profit or loss		52,121,165	36,756,923
Payments for the acquisition of financial assets at fair value through other comprehensive income		(197,955,590)	(101,915,103)
Proceeds from the sale of financial assets at fair value through other comprehensive income		91,144,661	272,636,171
Proceeds from bonds		16,711,760	11,760
Changes in deposits with initial maturity higher than 3 months		636,181	(4,444,838)
Changes in other assets		(9,823,157)	15,813,058
Changes in other liabilities		2,632,431	3,787,831
Proceeds from dividends		110,480,838	51,390,226
Proceeds from interest		6,039,624	4,017,479
Income tax paid		(3,671,220)	(27,988,385)
Net cash resulted from operating activities		**36,402,627**	**203,504,260**
Investment activities			
Payments for acquisition of property, plant, and equipment		(11,200,687)	(2,324,879)
Payments for acquisition of intangible assets		(220,240)	(104,821)
Payments for acquisition of investment property		(5,251,439)	(24,935,520)
Proceeds from the sale tangible assets, property investment and assets held for sale		-	1,618,245
Dividends received from associates		3,553,026	998,275
Net cash used in investment activities		**(13,119,340)**	**(24,748,700)**
Financing activities			
Paid dividends		(46,381,109)	(31,980,533)
Payments for the buy-back of subsidiaries' shares from non-controlling interests		(94,811)	-
Proceeds from loans		6,907,080	1,958,375

In LEI	***Note***	**2022**	**2021**
Loan reimbursement		(3,395,541)	(3,444,714)
Payments of lease liability principal		(860,935)	(881,006)
Payments of loan interest		(702,170)	(394,625)
Payments of lease liability interest		(211,621)	(89,521)
Acquisition of treasury shares		(38,686,043)	(57,927,654)
Net cash used in financing activities		**(83,425,150)**	**(92,759,678)**
Increase/(Decrease) in cash and cash equivalents		**(60,141,863)**	**85,995,882**
Cash and cash equivalents at 1 January		188,328,257	102,332,375
Cash and cash equivalents at 31 December		**128,186,394**	**188,328,257**
Cash at hand		17,744	26,529
Current bank accounts		7,821,161	14,013,005
Bank deposits with maturity within 3 months		120,347,489	174,288,723
Cash and cash equivalents		**128,186,394**	**188,328,257**

The consolidated financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

CLAUDIU DOROŞ
CEO and President of the Board

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 duration of the Company is 100 years starting 23 August 2021 and may be extended by the shareholders prior to the expiry thereof, by decision of the Extraordinary General Meeting of Shareholders.

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

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

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

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

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

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

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

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

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

The consolidated financial statements at 31 December 2022 and 31 December 2021 are available on the Company's website, www.evergent.ro.

The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with the applicable statutory accounting regulations, namely Order no. 1802 of 29 December 2014 for the approval of accounting regulations regarding separate and consolidated financial statements ("RAS"). For the preparation of the 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:

- registration adjustments of fair value of investment property through profit or loss, 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) Disclosure of financial statements

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

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

(c) Functional and presentation currency

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

(d) Basis of Measurement

The consolidated financial statements have been prepared based on the fair value convention for financial assets 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.

(e) Use of Estimates and Judgments

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

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

2. BASIS OF PREPARATION (continued)

(e) Use of Estimates and Judgments (continued)

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

- Determining the fair value of financial instruments (see explanatory notes 20 (c) and 4 (d) (vi))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 20 (c) and 34)
- Classification of financial instruments (see explanatory notes 4 (d) i) and 8)
- Adjustments for the expected credit losses of assets measured at amortized cost (see explanatory note 4 (d) (vii))
- Analysis of criteria in IFRS 10 Consolidated Financial Statements, regarding investment entities

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

(f) Impact of the Russian-Ukrainian military conflict and other global trends on the financial position and performance of the Company

On 24 February 2022, Russia began military operations against Ukraine. This was preceded by a pooling of troops on the border with Ukraine and Russia's diplomatic recognition on 21 February 2022 of the Donetsk People's Republic and the Luhansk People's Republic.

This event had, and is expected to continue to have, a negative impact on many economic sectors, considering also the important role played by Russia in the energy raw materials market in Europe.

EVERGENT Investments does not have direct exposures with Russia or Ukraine.

2022 was a difficult year for the capital market, with the energy shock created by the military conflict aggravated by the inflationary pressures which had adverse effects on the quotations of listed shares, which registered decreases and a high volatility.

Against the background of inflationary pressures arising, in particular, from the increase in the prices of raw materials at global level, starting September 2021, the National Bank of Romania successively increased its monetary policy interest rate (also influenced by the start of the military conflict in Ukraine), which reached 6.75% per annum in November 2022, and 7% per annum at the beginning of January 2023. The generalized increase in interest rates that resulted from this had a negative effect on the quotations of the shares on the BSE.

2. BASIS OF PREPARATION (continued)

(f) Impact of the Russian-Ukrainian military conflict and other global trends on the financial position and performance of the Company (continued)

Domestically, additional risks come from the delay in reforms and the absorption of European funds, especially through the National Recovery and Resilience Plan (PNRR) and the risk of default on loans contracted by the non-governmental sector.

As a result of such events and the domestic and global trends, the Company's financial position and performance dropped mainly due to the decrease in the fair value of investments in shares and fund units in its portfolio (see Notes 8 and 13 a) and b)).

EVERGENT Investments analyzed on the basis of existing data the possible evolutions of the domestic and international economic environment as a result of this event, including the impact on the sectors of activity in which the Company has exposure, ad hoc crisis simulations were carried out according to risk procedures, concluding, from all these, that the Company's profitability may be affected, but in the short or medium term and no difficulties are estimated in honoring the Company's commitments, and the business continuity is not affected.

The prolongation of the war in Ukraine and the expansion of the associated sanctions generate uncertainties and risks regarding the prospects of the economic activity, the medium-term evolution of inflation, with an impact on the evolution of financial instrument quotations, including on the Bucharest Stock Exchange, where a high volatility is expected in the future, at least in the short term, on a 3–6-month horizon.
The management closely monitors the evolution of this conflict and other events and trends at the global level and their impact and the measures taken at international level on the economic environment at national level, the market where the Company's assets are exposed.

3. BASES OF CONSOLIDATION

(a) Business combinations

Business combinations are accounted for using the acquisition method at the date control is acquired, unless it is a combination involving entities or businesses under joint control or the acquired entity is a subsidiary of an investment entity.

Each identifiable asset and assumed liability is valued at its fair value as of the acquisition date. Non-controlling interests in an acquired entity, which are current equity interests and through which their holders are entitled to a proportionate share of the entity's net identifiable assets of the acquired entity. All other components of non-controlling interests must be valued at fair value as of the acquisition date.

Goodwill is determined at the value by which the sum of the transferred consideration, the value of any non-controlling interests held in the acquired entity and the fair value as of the acquisition date of the previously held equity interest (if applicable), exceeds the net values as of the acquisition date of the assets acquired and identifiable liabilities assumed.

The consideration transferred in a business combination is valued at fair value, being calculated as the sum of the fair values as of the date of acquisition of the assets transferred

3. BASES OF CONSOLIDATION (continued)

(a) Business combinations (continued)

by the buyer, of the debts borne by the buyer towards the former owners of the acquired entity and of the equity shares issued by the buyer, but deducting the costs of acquisition, brokerage, advisory, legal, accounting, evaluation and other professional or consulting fees, general administrative costs, which are recognized in the profit and loss account.

If the buyer has obtained a gain from a bargain acquisition, this gain is recognized in profit or loss after management has reassessed whether all acquired assets have been identified and all liabilities and contingent liabilities have been accepted and their value assumed.

(b) Subsidiaries

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

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

The list of consolidated subsidiaries at 31 December 2022 and 31 December 2021 is the following:

Subsidiary	Field of activity	31 December 2022	31 December 2021
Casa SA	Rental of space	99.60%	99.66%
Mecanica Ceahlău SA	Manufacturing of agricultural machinery	73.30%	73.30%
Regal SA	Rental of own real-estate property	93.02%	93.02%
EVER IMO SA	Real-estate development	99.99%	99.99%
A3 Snagov SRL*	Real-estate development	99.99%	99.99%
EVERLAND SA	Purchase and sale of real-estate property	99.99%	99.99%
Agrointens SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99.99%	99.99%
EVER AGRIBIO SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99,99%	-
VISIONALFA Investments SA	Fund management activities	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.

VISIONALFA Investments SA, established in August 2022, is directly owned, with EVERGENT Investments holding 99.99% of the ownership,

EVER AGRIBIO SA, established in September 2022, is directly owned, with EVERGENT Investments holding 99.99% of the ownership

3. CONSOLIDATION BASIS (continued)

(c) Investments in associates

Related parties (associates) are those companies where the Group can exercise significant influence but not control over financial and operational policies.

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

The Group's ownership in associated entities at 31 December 2022 and 31 December 2021 is represented by the 50% ownership in Străuleşti Lac Alfa SA. Further to the analysis, the Group concluded that it does not hold either control, or joint control in Străuleşti Lac Alfa SA.

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

(d) Transactions eliminated from consolidation

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign Currency Transactions

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Foreign Currency Transactions (continued)

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

Currency	31 December 2022	31 December 2021	Variation
Euro (EUR)	1: 4.9474 Lei	1:4.9481 Lei	+0.01%
American dollar (USD)	1: 4.6346 Lei	1:4.3707 Lei	+6.04%

(b) Accounting for Hyperinflation Effect

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

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

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

(c) Statement of Cash Flows

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities

(i) Classification of Financial Assets

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

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

- To collect contractual cash flows:

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

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

- To collect contractual cash-flows and to sell:

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

- Other business models:

Other business models include the maximization of cash flows through sale, trading, management of assets based on fair value, financial instruments purchased for sale or trade purposes that are measured at fair value through profit or loss.

The management of this portfolio is made based on the market value evolution of those assets and includes frequent purchases and sales for the purpose of profit maximization.

Analysis of Cash Flow Characteristics (SPPI Test)

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

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

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

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

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

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

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

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

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

Gains or losses corresponding to an equity instrument measured at fair value through other comprehensive income are recognized in other comprehensive income, except for dividend revenue.

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

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

Moreover, on initial recognition, the Group may irrevocably designate that a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial assets and liabilities (continued)

(i) Classification of Financial Assets (continued)

through other comprehensive income, is measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting inconsistency that would occur if another method would be used.

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

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

Assets held for trading are measured at fair value through profit or loss. An asset is held for trading if it cumulatively meets the following requirements:

- it is held for sale and repurchase in the near future;
- on initial recognition, it is part of an identified financial instruments portfolio, that are managed together, and for which there is proof of a recent pattern of following short-term profit; or
- it is a derivative (with the exception of a derivative that is a financial guarantee contract or designated and efficient hedging instrument).

The Group does not hold financial assets held for trading at 31 December 2022 or 31 December 2021.

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

(ii) Classification of Financial Liabilities

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

The Group does not hold financial liabilities carried at fair value through profit or loss at 31 December 2022 or 31 December 2021.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial assets and liabilities (continued)

(iii) Initial Recognition

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

(iv) Off-setting of financial assets and liabilities

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

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

(v) Measurement at amortized cost

The amortized cost of a financial asset or liability represents the value to which the financial asset or liability is measured after initial recognition, less principal payments, plus or minus the accumulated amortization up to that moment using the effective interest method for every difference between the initial value and the value at maturity, except for the case of financial assets, write-downs corresponding to expected credit losses.

(vi) Measurement at fair value

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

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

(vii) Identification and measurement of expected credit losses

Financial assets measured at amortized cost

The Group recognises expected credit losses for financial assets at amortized cost measured according to the provisions of IFRS 9.

For this purpose, these instruments are classified as stage 1, stage 2 or stage 3 depending on absolute or relative credit risk, by reference to the moment of their initial recognition. Thus:

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

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

Stage 3: includes impaired credit exposures.

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

For stage 1 exposures, expected credit loss is equal to expected loss calculated on a timescale of up to one year. For stage 2 or 3 exposures, expected credit loss is equal to expected loss calculated on a timescale corresponding to the entire exposure duration.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

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

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

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

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

The Group recognizes in profit or loss the value of expected credit loss modification on the entire life span of the financial assets as loss or reversal of expected credit losses.

Losses or reversals of expected credit losses are calculated as the difference between the book value of a financial asset and present value of future cash-flows using the actual interest rate of the financial asset at the initial time.

(viii) Derecognition

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

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

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

If an entity transfers a financial asset through a transfer that meets the requirements for derecognition and retains its right to administrate the financial asset in return for a fee, then it must recognize either an asset in administration, or a liability in administration for that contract.

When derecognizing a financial asset in full (except for capital instruments measured at fair value through other comprehensive income), the difference between:

- its book value;

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

should be recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

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

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

(e) Inventory

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

Measurement

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

(f) Investment Property

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

Recognition

An investment property is recognized as asset if:

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment Property (continued)

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

Subsequent Measurement

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

Fair Value Measurement

On 31 December 2022 and 31 December 2021, the Group's investment property was evaluated by independent assessors certified by the National Authority of Authorized Valuers of Romania ("ANEVAR"). The valuers have used mainly the market approach, using the market comparison and income approach, using the direct capitalization method, abiding by the valuation principles and techniques included in ANEVAR Standards for Asset Valuation.

Gains or losses resulted from changes in fair value are recognized in profit or loss in the period when the measurement refers to.

Transfers

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

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

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

Derecognition

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Non-current assets held for sale

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

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

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

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

(h) Tangible and Intangible Assets

Property, plant and equipment

Recognition and Measurement

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

Subsequent measurement

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

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

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

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

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

Depreciation

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

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

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

Intangible assets

Goodwill is determined at the amount by which the sum of the transferred value, the value of any non-controlling interests held in the acquired entity and the fair value from the date of acquisition of the equity investment previously held (if any) exceeds the net values at the acquisition date of the acquired assets and identifiable liabilities assumed.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

If the net values at the acquisition date of the acquired assets and identifiable liabilities exceed the amount between the transfer value, the value of any non-controlling interests held in the acquired entity and the fair value at the acquisition date of the previously held equity (if applicable), the excess is immediately recognized in profit or loss, as a bargain purchase gain.

When the value transferred by the Group includes a contingent consideration arrangement, the contingent value is measured at fair value at the acquisition date and included as part of the value transferred in a business combination.

Goodwill is not amortized but is tested at least annually for impairment.

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

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

Sale/scrapping of tangible and intangible assets

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

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

(i) Impairment of Assets, other than Financial Assets

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

Goodwill is tested for impairment at least annually.

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

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any=

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of Assets, other than Financial Assets (continued)

goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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

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

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

(j) Share Capital

Ordinary shares are recognized in share capital.

(k) Treasury shares

The Group recognizes treasury shares (treasury shares redemption) on the transaction date as a decrease of equity. Treasury shares are recorded at acquisition value, and brokerage fees and other costs directly connected to the acquisition are recorded directly in equity, in a distinct account, in Other items of equity. For details on the scope of buy-back programs, please see Note 36(e)

Cancellation of treasury shares is made in accordance with the approval of shareholders, after meeting all legal requirements. On cancellation, the balance of treasury shares is offset with share capital and retained earnings.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Non-controlling interest

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

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

(m) Distributable dividends

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

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

(n) Dividends prescribed

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

On the time-bar date, the Group registers their value in equity, in a separate retained earnings account.

(o) Provisions for risks and charges

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

(p) Income from contracts with customers

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

Step 1: Identification of the contracts with customers;

Step 2: Identification of obligations resulting from these contracts;

Step 3: Determining the transaction price;

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

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

(q) Interest income and interest expenses

Interest income and expenses (representing borrowing costs) are recognized in the statement of comprehensive income (in profit or loss) through the effective interest method. Effective interest rate represents the date that accurately updates cash payments and collections in the future for the expected useful life of the financial asset or liability to the gross book value of the financial asset or amortised cost of the liability.

(r) Dividend income

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

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

(s) Rental Income

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Rental Income (continued)

Rental income is generated by investment property rented by the Group as operating lease contracts and are recognized in profit or loss, on a straight-line basis during the entire contract duration.

The Group, as lessor does not have any leases classified as finance leases.

(t) Benefits of Managers, Directors and Employees

Short-term benefits

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

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

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

Defined contribution plans

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Benefits of Managers, Directors and Employees (continued)

Equity-based payments to employees, directors and administrators

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Benefits of Managers, Directors and Employees (continued)

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Gains and losses from exchange differences

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

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

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

(v) Income tax

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

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

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

For the period ended 31 December 2022, the income tax rate was 16% (31 December 2021: 16%).

The tax rate corresponding to dividend income was 5% or 0% (2021: 5% or 0%). Dividend tax exemption is applied in case the Group's holding percentage was higher than 10% of the share capital of the company distributing the dividends, for an uninterrupted period of at least one year before distribution.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Income tax (continued)

Deferred tax is calculated based on tax percentages that are expected to the applied to the time differences on their reversal, based on the law applicable on the reporting date. Receivables and liabilities from deferred tax are settled only if there is a legal right to offset the current receivables and liabilities with tax and if they correspond to the tax collected by the same tax authority for the same entity subject to taxation or for different tax authorities, but which want to settle current receivables and liabilities with tax using a net base or the assets and liabilities will be 112ealized simultaneously.

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

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

(w) Contingent assets and liabilities

Contingent liabilities and assets are potential obligations or assets arising from previous events and whose existence will be confirmed or not by the occurrence of one or more uncertain future events, which are not fully controlled by the Group. The assessment of contingent liabilities and assets inherently involves the use of judgments and estimates regarding the outcome of future events.

Contingent liabilities are not recognized in the financial statements. They are presented in the notes, except in cases where the likelihood of an outflow of economic benefits is low. Contingent assets are not recognized in the financial statements, but are presented when an inflow of benefits is likely.

(x) Earnings per share

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Earnings per share (continued)

Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)

The Group presents in its financial statements, along the Basic and diluted earnings per share, an alternative method of measuring performance (not provided under IFRS). The basic and diluted earnings per share including not only the net profit for the period, but also gains from the sale of FVTOCI financial assets (presented in the Consolidated Statement of changes in equity in the line Net gains, transferred to retained earnings, related to sale of FVTOCI), since along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Group's performance and represents a potential source for dividend distribution to the shareholders, but is not however reflected in the statement of comprehensive income for the period.

Reconciliation

In LEI	31 December 2022	31 December 2021
Net profit attributable to Company's shareholders	101,767,756	51,422,793
Gains carried to retained earnings attributable to shareholders (from sale of financial assets at fair value through other comprehensive income)	36,312,289	102,239,049
Net result (including the gains from the sale of FVTOCI assets)	**138,080,045**	**153,661,842**
Average weighted number of outstanding ordinary shares	*947,657,151*	*972,033,967*
Basic earnings per share (including the gains from the sale of FVTOCI assets)	**0.1457**	**0.1581**

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

(y) Leases where the Group is a lessee

Initial recognition and measurement

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Leases where the Group is a lessee (continued)

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

Determining the duration of the lease

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

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

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

Initial measurement of the right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost.

The cost includes the initial amount of the lease liability (as described in the paragraph below), any lease payments made on or before the commencement date of the contract, less any incentives received and any initial direct costs incurred by the lessee (if the case).

Initial measurement of the lease liability

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Leases where the Group is a lessee (continued)

Subsequent measurement of the right-to-use asset

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

Subsequent measurement of the lease liability

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

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

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

Recognition exemption

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

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

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

(z) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment Reporting (continued)

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

- the reported revenue of the operating segment, including sales to external clients and sales or transfers between segments represents 10% or more of combined, internal and external revenue of all operating segments;

- the absolute value of the profit or loss of the reported operating segment is 10% or more of the highest value, in absolute value, between (i) the reported combined profit for all operating sectors that have not reported a loss, and (ii) the combined loss reported from all operating sectors that have reported a loss;

- the assets of the operating segment represent 10% or more of the combined assets of all operating segments;

- should management consider that an operating sector identified as reportable during the immediately previous period maintains its importance, the information for this segment will be reported separately in the current period, irrespective of whether it still meets the reporting criteria or not.

The Group carries out its activity in mainly the following fields: financial investment services, manufacture and sale of agricultural machinery and equipment, real estate development, cultivation of fruit-bearing trees (blueberries), rental and sale of own real estate property, cultivation of fruit-bearing plants (blueberries), business and management consultancy. Segment reporting is presented depending on the activities of the Group and the parent company. Transactions between operating segments are made at arm's length.

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

The Group is comprised of the following operating segments:

- financial investment services
- manufacture and sale of agricultural machinery
- real estate development (apartments, including parking spaces)
- cultivation of fruit-bearing trees (blueberries)
- Other: the Group includes in this category services and products offered by the companies within the Group in the following fields: rental and sale of own real estate property, and business and management consultancy. Although the Group monitors the performances of its subsidiaries on individual level, certain operating segments whose elements represent a lower percentage of the Group's total operations have been classified in the "Other" category for the purpose of presenting the segment reporting note.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment Reporting

Segmentation of income, expenses and result

31 December 2022 *In LEI*	**Group**	**Financial investment services**	**Manufacture of agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
Income						
Gross dividend income	116,092,853	115,706,234	-	-	-	386,619
Interest income	6,262,712	5,554,713	269,813	235,418	15,927	186,841
Other operating revenue	65,334,018	1,241,734	49,078,812	1,496,330	11,507,005	2,010,137
Net gain/(net loss) from financial assets at fair value through profit or loss	965,522	2,158,320	8,807	(1,225,539)	-	23,934
Net gain from disposal of non-financial assets	18,708	-	18,727	-	(5,801)	5,782
Net gain/ (Net loss) from the revaluation of investment property	11,356,717	798,078	440,429	6,585,683	-	3,532,527
Net gain from the revaluation of assets held for sale	(14,256)	-	(21,488)	-	-	7,232
Expenses						
(Losses)/loss reversal from impairment of financial assets	2,379,256	2,311,649	(191,341)	237,873	(16)	21,091
(Losses)/Loss reversal from impairment of non-financial assets	3,137,296	671	291,425	2,845,613	-	(413)
(Setup)/Reversal of provisions for risks and charges	52,750	117,190	20,560	(85,000)	-	-
Expenses with wages, remunerations, and other similar expenses	(46,968,732)	(28,773,429)	(7,969,292)	(1,660,823)	(6,531,690)	(2,033,498)
Other operating expenses	(61,293,246)	(10,374,145)	(39,714,625)	(4,737,677)	(5,337,985)	(1,128,814)
Operating profit /(loss)	**97,323,598**	**88,741,015**	**2,231,827**	**3,691,878**	**(352,560)**	**3,011,438**
Financing costs	(913,791)	(31,640)	(58,537)	(134,153)	(687,678)	(1,783)
Share in the loss related to associates	16,074,052	16,074,052	-	-	-	-
Profit / Loss before tax	**112,483,859**	**104,783,427**	**2,173,290**	**3,557,725**	**(1,040,238)**	**3,009,655**
Income tax expenses	(10,222,009)	(8,863,072)	(195,684)	(345,712)	-	(817,541)
Net profit /loss of the financial year	**102,261,850**	**95,920,355**	**1,977,606**	**3,212,013**	**(1,040,238)**	**2,192,114**

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment Reporting (continued)

Segmentation of income, expenses and result (continued)

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment Reporting (continued)

Segmentation of assets and liabilities

31 December 2022	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	7,838,826	788,781	5,421,333	468,341	578,041	582,330
Bank deposits with initial maturity within 3 months	120,630,869	104,971,764	-	5,738,084	6,332,909	3,588,112
Bank deposits with initial maturity higher than 3 months	6,141,286	-	5,105,187	-	-	1,036,099
Financial assets at fair value through profit or loss	279,782,253	278,762,217	275,441	-	-	744,595
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,667,551,362	-	-	-	5,982,257
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-
Bonds at fair value through other comprehensive income	3,982,047	3,982,047	-	-	-	-
Bonds at amortized cost	47,661	47,661	-	-	-	-
Other financial assets at amortized cost	19,884,188	9,758,388	8,976,565	471,169	525,256	152,810
Inventory	28,734,899	112,200	26,665,751	484,126	1,470,938	1,884
Other assets	2,176,788	374,744	154,736	496,574	1,009,318	141,416
Non-current assets held for sale	3,540,657	-	362,419	-	-	3,178,238
Investment property	135,229,675	4,284,448	898,905	71,077,620	-	58,968,702
Property, plant and equipment	65,345,532	9,282,127	18,556,350	491,733	34,876,565	2,138,757
Right-of-use assets	9,276,583	1,071,147	1,637,959	5,708,710	783,615	75,152
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,165,704	412,375	103,032	1,341	645,878	3,078
Total assets	**2,417,021,180**	**2,136,770,349**	**68,157,678**	**84,937,698**	**50,562,025**	**76,593,430**
Liabilities						
Loans	11,818,565	-	421,077	-	11,397,488	-
Lease liabilities	9,109,377	1,035,643	1,585,877	5,746,535	666,393	74,929
Dividends payable	43,029,452	42,633,808	285,409	-	-	110,235
Liabilities regarding current income tax	5,370,896	5,370,896	-	-	-	-
Financial liabilities at amortized cost	11,363,910	1,395,595	8,004,600	811,455	751,118	401,142
Other liabilities	7,910,679	4,155,000	2,469,615	524,331	268,551	493,182
Provisions for risks and charges	3,842,888	1,632,553	60,335	2,150,000	-	-
Liabilities regarding deferred income tax	97,526,193	89,669,402	1,837,449	2,610,884	-	3,408,458
Total liabilities	**189,971,960**	**145,892,897**	**14,664,362**	**11,843,205**	**13,083,550**	**4,487,946**

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment reporting (continued)

Break-down of Assets and Liabilities (continued)

31 December 2021	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	14,039,475	267,382	12,829,162	229,338	6,209	707,384
Bank deposits with initial maturity within 3 months	174,396,940	157,466,638	-	8,325,043	3,463,430	5,141,829
Bank deposits with initial maturity higher than 3 months	6,682,039	-	5,020,377	-	-	1,661,662
Financial assets at fair value through profit or loss	325,937,896	324,950,601	266,635	-	-	720,660
Financial assets measured at fair value through other comprehensive income	1,770,881,534	1,760,478,278	-	-	-	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
Intangible 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						
Loans	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	-	-
Liabilities regarding deferred income tax	131,632,941	125,338,378	1,410,070	2,265,172	-	2,619,321
Total liabilities	**202,257,189**	**166,533,670**	**11,571,595**	**12,390,174**	**8,239,977**	**3,521,773**

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- **Amendments to IFRS 3 "Business Combinations"** - Reference to the Conceptual Framework with amendments to IFRS 3 adopted by EU on 28th of June 2021 (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** - Onerous Contracts — Cost of Fulfilling a Contract adopted by EU on 28th of June 2021 (effective for annual periods beginning on or after 1 January 2022),

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

- **Amendments to various standards due to "Improvements to IFRSs (cycle 2018 -2020)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 28 June 2021. The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.

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

The following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective at 31 December 2022:

- **IFRS 17 "Insurance Contracts"** including amendments to IFRS 17 issued by IASB on 25 June 2020 - adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IFRS 17 "Insurance contracts"** – Comparatives, adopted by the EU on 8 September 2022 (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Disclosure of Accounting Policies adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023),

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Accounting Estimates adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction adopted by the EU on 11 August 2022 (effective for annual periods beginning on or after 1 January 2023).

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

(ab) Standards and amendments to existing standards issued by IASB, not yet adopted by EU

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

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

- **Amendments to IAS 1 "Presentation of Financial Statements" –** non-current liabilities with covenants (applicable for annual periods beginning on or after 1 January 2024),

- **Amendments to IFRS 16 "Leases"** - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024),

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments.

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

5. MANAGEMENT OF SIGNIFICANT RISKS

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

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

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

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

5.1. Market Risk

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

- permanent monitoring of market issuers and risk / return characteristics of portfolio holdings
- diversification of the range of financial instruments and business sectors
- active management of the stock portfolio
- optimizing the performance / market risk ratio

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

- adequate assessment of unlisted holdings

- monitoring the macroeconomic, political and sectoral context and adapting market risk management to this context

- following the classification of the asset categories in the portfolio within the legal limits

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

The selection of investment opportunities is made through:

- technical analysis;

- fundamental analysis – ascertaining the issuer's ability to generate profit;

- comparative analysis – determining the relative value of an issuer in relation with the market or other similar companies;

- statistical analysis – determining tendencies and correlations using price and traded volume history.

The Group is exposed to the following market risk categories

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)
5.1. Market Risk (continued)
(i) Price Risk

The Group is exposed to the risk related to price variation of financial assets measured at fair value through profit or loss, and financial assets measured at fair value through comprehensive income. At 31 December 2022, 87% of all shares with active market held by the Group (31 December 2021: 86%) represented investment in companies that were included in the BET index of the Bucharest Stock Exchange, index weighted with free-float capitalization of the most liquid Romanian companies on the regulated market of the Bucharest Stock Exchange.

A 10% positive variation of the price of financial assets at fair value through profit or loss would lead to an increase of post-tax profit of 23,418,411 lei (31 December 2021: 27,298,314 lei), a negative variation of 10% having an equal contrary net impact.

A 10% positive variation of the price of financial assets measured at fair value through other comprehensive income would lead to an increase of equity, net of income tax of 145,150,267 lei (31 December 2021: 149,074,963 lei), a negative variation of 10% having an equal contrary net impact.

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

In LEI	**31 December 2022**	**%**	**31 December 2021**	**%**
Financial, bank and insurance	998,680,935	59%	1,144,622,670	64%
Natural gas industry	248,648,907	15%	295,191,468	17%
Manufacture and maintenance of transportation vehicles	177,917,240	11%	190,675,914	11%
Oil industry	122,045,217	7%	-	0%
Real-estate transactions, rentals, and other services	56,512,758	3%	61,522,556	3%
Power industry	37,945,196	2%	41,668,790	2%
Wholesale, retail, tourism, and restaurants	19,173,213	1%	21,719,987	1%
Food industry	7,321,768	0%	9,709,783	1%
IT industry	6,118,695	0%	-	0%
Textile industry	3,166,185	0%	6,073,024	1%
Manufacture of machines, tools and equipment	4,790,940	0%	5,140,466	0%
Transport, storage, communication	1,996,157	0%	2,403,249	0%
Metal construction and metal products industry	1,543,829	0%	1,782,748	0%
Other	1,357,424	0%	1,436,347	0%
TOTAL	**1,687,218,464**	**100%**	**1,781,947,002**	**100%**

As shown in the above table, at 31 December 2022, the Group mainly held shares in companies operating in the financial-banking and insurance field, which account for 59% of the Group's share portfolio (31 December 2021: 64%). The Group's exposure regarding the holding of Banca Transilvania shares is 51% of the Group's share portfolio at 31 December 2022 (31 December 2021: 56%). Unit funds held by the Company are exposed to price risk as they have investments with different degrees of risk (bank deposits, bonds, other fixed-income instruments, shares and other financial instruments).

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

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk

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

At 31 December 2022 and 31 December 2021, most of the Group's assets and liabilities do not bear interest. Therefore, the Group is not significantly influenced by the risk of interest rate fluctuations. Cash surplus or other cash equivalents availabilities are mainly invested in short-term bank deposits with maturity of 1- 12 months. Moreover, the Group has non-significantly invested in corporate and municipal bonds with fixed or variable interest.

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

The following tables present the Group's exposure to interest rate risk, at book value, broken down depending on the latest date of interest change and contractual maturity at 31 December 2022 and 31 December 2021.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk (continued)

In LEI	**Net value at 31 December 2022**	**Under 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Over 1 year**	**No interest rate risk**
31 December 2022						
Financial assets						
Cash and current accounts	7,838,826	7,825,212	-	-	-	13,614
Bank deposits with initial maturity within 3 months	120,630,869	113,108,136	7,522,733	-	-	-
Bank deposits with initial maturity of more than 3 months	6,141,286	3,088,189	537,898	2,515,199	-	-
Financial assets at fair value through profit or loss	279,782,253	-	-	-	-	279,782,253
Bonds at fair value through other comprehensive income	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	-	-	24,127	3,957,920	-
Bonds at amortized cost	47,661	3,594	-	8,820	35,247	-
Other financial assets at amortized cost	19,884,188	-	-	-	-	19,884,188
Total financial assets	**2,167,211,837**	**124,025,131**	**8,060,631**	**2,548,146**	**3,993,167**	**2,028,584,762**
Financial liabilities						
Borrowings	11,818,565	11,397,488	-	421,077	-	-
Lease liabilities	9,109,377	119,643	233,983	993,545	7,762,206	-
Dividends payable	43,029,452	-	-	-	-	43,029,452
Financial liabilities at amortized cost	11,363,910	-	-	-	-	11,363,910
Total financial liabilities	**75,321,304**	**11,517,131**	**233,983**	**1,414,622**	**7,762,206**	**54,393,362**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk (continued)

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

The impact on the Group's net profit of a +/- 100 bp modification of the interest rate for assets and liabilities bearing variable interest and expressed in other currencies, corroborated with a modification of +/- 500 bp of the interest rate corresponding to assets and liabilities bearing variable interest, expressed in lei is -/+ 480,230 lei (31 December 2021:-/+ 322,284 lei).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk

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

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

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

In LEI	**Net value at 31 December 2022**	**Lei**	**EUR**	**USD**
31 December 2022				
Cash and current accounts	7,838,826	6,698,089	1,127,525	13,212
Bank deposits with initial maturity within 3 months	120,630,869	111,915,373	8,715,496	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,141,286	-	-
Financial assets at fair value through profit or loss	279,782,253	278,419,233	1,363,020	-
Financial assets at fair value through comprehensive income	1,673,533,619	1,673,533,619	-	-
Investments accounted for using the equity method	55,371,088	55,371,088	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at amortized cost	47,661	47,661	-	-
Other financial assets at amortized cost	19,884,188	19,487,585	396,603	-
Total financial assets	**2,167,211,837**	**2,151,613,934**	**15,584,691**	**13,212**
Financial liabilities				
Loans	11,818,565	11,397,488	421,077	-
Lease liabilities	9,109,377	919,489	8,189,888	-
Dividends payable	43,029,452	43,029,452	-	-
Financial liabilities at amortized cost	11,363,910	3,542,686	7,821,224	-
Total financial liabilities	**75,321,304**	**58,889,115**	**16,432,189**	**-**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk (continued)

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

The net impact on the Group's profit of a ± 15% modification of the RON/EUR exchange rate, corroborated with a modification of ± 15 of RON/USD exchange rate, at 31 December 2022, all other variables remaining the same is ± 105,120 lei (31 December 2021: ± 233,930 lei).

5.2 Credit Risk

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

At 31 December 2022 and 31 December 2021 the Group did not hold any collateral as insurance or other credit risk improvement. At 31 December 2022 and 31 December 2021 the Group did not register overdue financial assets, with the exception of outstanding trade receivables or amounts from sundry debtors.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

The Group's maximum credit exposure is 158,507,133 lei at 31 December 2022 (31 December 2021: 226,389,846 lei), including current accounts and bank deposits, bonds and other financial assets at amortised cost, and can be analyzed as follows:

Exposures from current accounts and bank deposits

In LEI	**Rating**	**31 December 2022**	**31 December 2021**
EximBank	Fitch: BBB- (assimilated to sovereign rating)	529	16,535,151
Banca Transilvania	Fitch: BB+	118,923,409	155,697,075
Garanti Bank	Fitch: BB-	4,651,888	4,567,978
BRD - Groupe Societe Generale	Fitch: BBB+	2,829,657	4,952,337
Raiffeisen Bank	Moody's: Baa1	5,986,235	8,328,367
BCR	Fitch: BBB+	543,713	2,503,450
Unicredit Tiriac Bank	Fitch: BBB	-	15,010
CEC Bank	Fitch: BB	7,110	11,547
Other commercial banks	No rating	1,662,807	2,496,538
Total		**134,605,348**	**195,107,453**
Cash		17,744	26,529
Total cash and current accounts and bank deposits (gross amounts), of which:		**134,623,092**	**195,133,982**
Cash and current accounts		*7,838,857*	*14,039,534*
Bank deposits with initial maturity within 3 months		*120,637,934*	*174,406,659*
Bank deposits with initial maturity higher than 3 months		*6,146,301*	*6,687,789*
Expected credit losses, out of which for:		**(12,111)**	**(15,528)**
Current accounts		*(31)*	*(59)*
Bank deposits with initial maturity within 3 months		*(7,065)*	*(9,719)*
Bank deposits with initial maturity higher than 3 months		*(5,015)*	*(5,750)*
Total cash, bank account and deposits		**134,610,981**	**195,118,454**

The annual average interest rate for 2022, for bank deposits was 6,74% (2021: 1,43%).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Exposures from bonds at amortized cost

In LEI	**Rating**	**31 December 2022**	**31 December 2021**
Bacau municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	47,694	59,032
Străulești Lac Alfa bonds	No rating	-	16,744,533
Total bonds at amortised cost – gross value		**47,694**	**16,803,565**
Expected credit losses		*(33)*	*(114,371)*
Total bonds at amortised cost		**47,661**	**16,689,194**

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

Străulești Lac Alfa bonds are denominated in Lei, have a fixed interest rate (coupon) of 8% per year and were repaid upon maturity, in December 2022.

Exposures from bonds at fair value through other comprehensive income

In LEI	**31 December 2022**	**31 December 2021**
Autonom Service bonds	3,982,047	3,982,215
Total	**3,982,047**	**3,982,215**

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

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

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Financial assets at amortized cost

In LEI	31 December 2022	31 December 2021
AAAS receivable	48,756,218	51,084,774
Traded receivables	12,644,936	9,745,270
Amounts representing the guarantee for the public offering for the buy-back of treasury shares	8,500,000	-
BRD – transactions under settlement	-	3,768,797
Advances from the Central Depositary for payment of dividends to shareholders	1,051,798	1,218,575
Advances granted to suppliers	788,684	388,874
Other financial assets at amortized cost	5,229,908	5,496,207
Adjustments for expected credit loss	*(57,087,356)*	*(61,075,985)*
Total other assets at amortized cost	**19,884,188**	**10,626,512**

Other assets at amortized cost mainly include the Company's claim against the Authority for State Assets Management ("AAAS"), trade receivables, sundry debtors, claims for transactions not settled yet and supplier advances.

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

The amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter d).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk

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

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

The structure of the Group's assets and liabilities has been analyzed based on the remaining period of time from the balance date until the contract maturity date, both at 31 December 2022 and at 31 December 2021, as follows:

In LEI	**Book value**	**Undiscounted cash flows**	**Under 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Over 1 year**	**No predetermined maturity**
31 December 2022							-
Financial assets							-
Cash and current accounts	7,838,826	7,838,826	7,838,826	-	-	-	-
Bank deposits with initial maturity within 3 months	120,630,869	120,957,880	113,882,393	7,075,487	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,245,807	3,106,234	540,543	2,599,030	-	-
Financial assets at fair value through profit or loss	279,782,253	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at amortized cost	47,661	58,493	3,947	-	11,560	42,986	-
Other financial assets at amortized cost	19,884,188	19,884,188	18,180,879	1,225,462	232,321	199,219	46,307
Total financial assets	**2,167,211,837**	**2,167,958,684**	**143,012,279**	**8,841,492**	**2,994,911**	**4,376,735**	**2,008,733,267**
Financial liabilities							
Loans	11,818,565	14,316,954	291,861	570,387	4,503,234	8,951,472	-
Lease liabilities	9,109,377	10,808,580	142,230	280,954	1,172,775	9,212,621	-
Dividends payable	43,029,452	43,029,452	43,029,452	-	-	-	-
Financial liabilities at amortized cost	11,363,910	11,363,910	3,285,434	7,197,391	567,535	313,550	-
Total financial liabilities	**75,321,304**	**79,518,896**	**46,748,977**	**8,048,732**	**6,243,544**	**18,477,643**	**-**
Net financial assets	**2,091,890,533**	**2,088,439,788**	**96,263,302**	**792,760**	**(3,248,633)**	**(14,100,908)**	**2,008,733,267**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk (continued)

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

For all non-financial assets, except other assets, the expected recovery period is longer than 12 months from the reporting date.

For all non-financial liabilities, except current tax and other liabilities, the expected settlement period is longer than 12 months from the reporting date.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.4 Taxation Risk

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

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

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

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

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

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

5.5 Operational Risk

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

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

5.6 Capital Adequacy

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

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.6 Capital Adequacy (continued)

The Group's equity includes the share capital, different types of reserves and retained earnings. Equity was 2,227,049,220 lei at 31 December 2022 (31 December 2021: 2,382,058,685 lei).

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

According to the applicable regulations, the level of the initial capital is at least the equivalent in lei of 300,000 euros, calculated at the reference rate communicated by the NBR, and the minimum level of own funds is at least a quarter of the fixed general expenses of the previous year.

6. MODIFICATIONS IN THE STRUCTURE OF THE GROUP

In August and September 2022, the subsidiaries VISIONALFA Investments SA and EVER AGRIBIO SA were set up, with EVERGENT Investments holding 99.99% of ownership in each of the companies.

In June 2021, subsidiary A3 Snagov SRL was set up, held by the Company indirectly, through subsidiary EVERLAND SA, which owns 100% of ownership.

There has been no sale of ownership in subsidiaries in 2022 and 2021.

The Group is considering continuing the restructuring process for the purpose of increasing the efficiency of its activity, which would lead to the improvement of the financial performance of managed portfolio project.

7. OWNERSHIP IN SUBSIDIARIES

In 2022, the Company took part in capital increases of its subsidiaries:

- VISIONALFA Investments SA: newly-established company in 2022: by cash contribution, fully paid in, in amount of 249,975 lei,
- EVER AGRIBIO SA: newly-established company in 2022: by in-kind contribution – land worth 1,709,300 and by cash contribution in amount of 2,074,990 lei (of which 709,990 lei paid in at 31 December 2022),
- Agrointens SA: share capital increase: by cash contribution, fully paid in, in amount of 7,140,000 lei.

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

- Agrointens SA, by cash contribution, in amount of 1,750,000 lei.
- EVERLAND SA (former AGROLAND CAPITAL SA), by cash contribution, in amount of 6,287,500 lei
- EVER IMO SA (former Țesătoriile Reunite S.A.), by cash contribution, in amount of 8,000,000 lei

8. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below summarizes the book values and fair values of financial assets and liabilities of the Group at 31 December 2022:

In LEI	Financial assets at fair value through profit or loss, on initial recognition	Financial assets at fair value through other comprehensive income	Amortized cost	Total book value	Fair value
Cash and current accounts	-	-	7,838,826	7,838,826	7,838,826
Bank deposits with initial maturity within 3 months	-	-	120,630,869	120,630,869	120,630,869
Bank deposits with initial maturity higher than 3 months	-	-	6,141,286	6,141,286	6,141,286
Financial assets at fair value through profit or loss	279,782,253	-	-	279,782,253	279,782,253
Financial assets at fair value through other comprehensive income	-	1,673,533,619	-	1,673,533,619	1,673,533,619
Bonds at fair value through other comprehensive income	-	3,982,047	-	3,982,047	3,982,047
Bonds at amortized cost	-	-	47,661	47,661	47,661
Other financial assets at amortized cost	-	-	19,884,188	19,884,188	19,884,188
Total financial assets	**279,782,253**	**1,677,515,666**	**154,542,830**	**2,111,840,749**	**2,111,840,749**
Loans	-	-	11,818,565	11,818,565	11,818,565
Lease liabilities	-	-	9,109,377	9,109,377	9,109,377
Dividends payable	-	-	43,029,452	43,029,452	43,029,452
Financial liabilities at amortized cost	-	-	11,363,910	11,363,910	11,363,910
Total financial liabilities	**-**	**-**	**75,321,304**	**75,321,304**	**75,321,304**

For financial assets and liabilities at amortized cost, the Group has analyzed the fair value of bonds at 31 December 2022 and concluded there are no significant differences between fair value and amortized cost.

8. FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value classification (continued)

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

In LEI	**Financial assets at fair value through profit or loss, on initial recognition**	**Financial assets at fair value through other comprehensive income**	**Amortized cost**	**Total book value**	**Fair value**
Cash and current accounts	-	-	14,039,475	14,039,475	14,039,475
Bank deposits with initial maturity within 3 months	-	-	174,396,940	174,396,940	174,396,940
Bank deposits with initial maturity higher 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
Bonds at fair value through other comprehensive income	-	3,982,215	-	3,982,215	3,982,215
Bonds at amortized cost	-	-	16,689,194	16,689,194	16,689,194
Other financial assets at amortized 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**
Loans	-	-	8,307,026	8,307,026	8,307,026
Lease liabilities	-	-	8,525,431	8,525,431	8,525,431
Dividends payable	-	-	34,488,962	34,488,962	34,488,962
Financial liabilities at amortized cost	-	-	9,057,658	9,057,658	9,057,658
Total financial liabilities	**-**	**-**	**60,379,077**	**60,379,077**	**60,379,077**

9. GROSS DIVIDEND INCOME

In LEI	**2022**	**2021**
Banca Transilvania	48,355,982	28,908,155
SNGN Romgaz SA	28,762,103	13,548,464
BRD – Groupe Société Générale	21,124,249	-
OMV Petrom	10,927,544	3,644,628
Aerostar	3,465,920	2,751,286
SN Nuclearelectrica SA	1,751,501	2,775,228
Fondul Proprietatea	922,695	-
Bursa de Valori Bucuresti	334,047	371,659
SNTGN Transgaz	-	164,029
Other	448,812	1,718,811
Total	**116,092,853**	**53,882,260**

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 31 December 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 2022, the value of gross dividends distributed by the companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 115,756,091 lei (2021: 52,471,674 lei).

10. INTEREST INCOME

In LEI	**2022**	**2021**
Income related to interest and current bank accounts	4,779,468	2,551,732
Interest income related to bonds at amortized cost	1,304,987	1,354,625
Interest income related to bonds at fair value through other comprehensive income	178,257	176,812
Total	**6,262,712**	**4,083,169**

11. OTHER OPERATING INCOME

In LEI	**2022**	**2021**
Income from sales of production	29,041,503	22,120,647
Income from merchandize sold	31,122,668	22,110,913
Income from sales of apartments	890,182	1,953,502
Income from service	146,675	117,442
Total income from contracts with customers	**61,201,028**	**46,302,504**
Rental income	2,395,121	2,213,328
Income from recovered receivables	135,774	142,381
Other operating income	1,602,095	1,019,632
Total other categories of operating income	**4,132,990**	**3,375,341**
Total	**65,334,018**	**49,677,845**

Income from contracts with customers
In the category of income from sales of production, the highest share in 2022 is held by Mecanica Ceahlău with an amount of 18,199,230 lei, i.e. 63% (2021: 15,080,559 lei, i.e. 68%), representing income from the sale of the agricultural machinery and equipment manufactured by this subsidiary, followed by Agrointens with the amount of 10,842,273 lei, i.e. 37% (2021: 7,010,268 lei, i.e. 32%), representing income from the sale of agricultural products (blueberries).

In 2022, the highest share in the category of income from the sale of merchandize is held by Mecanica Ceahlău with an amount of 30,403,425 lei, i.e. 98% (2021: 21,019,910 lei, i.e. 95%), representing sale of distributed products (trucks, herbicide equipment, front loaders, etc.) followed by Agrointens with an amount of 410.487 lei, i.e. 1% (2021: 1,067,780 lei, i.e. 5%), representing income from the sale of blueberries purchased from other local growers.

In 2022, income from sales of apartments and parking lots was obtained by subsidiary EVER IMO SA following the sale of parking lots in Baba Novac Residence, 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).

In 2022, the Group obtained income from contracts with customers from sales in Romania, except for the external sales of subsidiary Agrointens (sale of blueberries) mainly in the UK, Belgium, The Netherlands, the Republic of Moldova, Serbia and Germany in amount of 7,960,901 lei from sale of production and 366,265 lei from sale of goods (2021: 4,680,942 lei from the sale of production and 845,643 lei from the sale of merchandise and foreign sales of cars and agricultural equipment of subsidiary Mecanica Ceahlau in Hungary, Poland and the Republic of Moldova in amount of 58,356 lei from sale of goods and 426,463 lei from the sale of goods (2021: 683,942 lei in Turkey, Bulgaria, Hungary, Ukraine, Poland and the Republic of Moldova from the sale of production.

The Group concluded only contracts with an estimated duration of less than one year and uses the simplified approach of not presenting partly unsettled obligations.

11. OTHER OPERATING INCOME (continued)

The Group obtained income from contracts with customers from direct sales, except for income from sales through distributors of subsidiary Mecanica Ceahlau (sale of agricultural machinery and equipment): 1,432,027 lei (2021: 4,029,737 lei) from the sale of production and 8,946,031 lei (2021: 2,274,285 lei) from the sale of goods.
For further details on income from contracts with customers (e.g. type of contract, timing of the transfer of goods and services), see note 4 (p).
The receivable balance in contracts with customers is included in explanatory note 23.

Other categories of operating income

In 2022, rent income was obtained by: Casa SA of 1,329,227 lei (2021: 1,110,349 lei), followed by SIF Moldova with an amount of 427,907 lei (2021: 445,754 lei), and Regal SA of 316,700 lei (2021: 299,718 lei).

12. NET GAINS FROM SALES OF NON-FINANCIAL ASSETS

In LEI	**2022**	**2021**
Net gain from the sale of investment property and assets held for sale	-	679,184
Net gain /(net loss) from the sale of tangible assets	18,708	(21,058)
Total	**18,708**	**658,126**

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

In LEI	**2022**	**2021**
Net gain from revaluation of financial assets at fair value through profit or loss	3,270,671	27,453,690
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	(2,305,149)	2,420,169
Total	**965,522**	**29,873,859**

The unrealised net gains registered in 2022, in amount of 3,270,671 lei (2021: 27,453,690 lei) represents the difference from the fair value revaluation of shares and unit funds held at fair value through profit or loss.

The unrealized net gain was mainly generated by the increase of fair value of shares classified in such category. The net loss realised in 2022, and the net gain realised in 2021 come from the sale of large holdings of fund units.

14. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

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

In LEI	**2022**	**2021**
Fixed remunerations		
Management Committee	7,250,446	8,071,371
Board of Directors	5,261,731	5,643,851
Employees	19,763,854	16,367,790
Total fixed remuneration	***32,276,031***	***30,083,012***
Variable remunerations		
Board of Directors, Management Committee		
Bonuses for the current year	795,207	635,223
Profit sharing in stocks	6,379,200	7,936,400
Total	***7,174,407***	***8,571,623***
Employees		
Profit sharing in cash for the current year	1,533,984	1,352,345
Bonuses for the current year	1,640,527	312,696
Profit sharing in stocks	3,532,792	2,917,388
Total	**6,707,303**	***4,582,429***
Total variable remunerations	***13,881,710***	***13,154,052***
Expenses with social contributions and similar expenses	***701,817***	***724,593***
Estimated expenses with untaken leaves	***109,174***	***63,488***
Total wages, remunerations, contributions and similar expenses	**46,968,732**	**44,025,145**

The directors' allowances are approved by the General Meeting of Shareholders through the Articles of Incorporation, the management contracts and, in the case of EVERGENT Investments, also through the Policy of Remuneration of the Company's management and the officers' allowances are approved by the General Meeting of Shareholders and Board of Directors through management contracts and the Policy of Remuneration of the Company's management.

The Group's average number of employees in 2022 was 175 (2021: 185). The number of employees hired by the Group in 2022 was 54 (2021: 34).

15. OTHER OPERATING EXPENSES

In LEI	**2022**	**2021**
Expenses with outsourced services	6,801,169	6,460,342
Expenses with commissions and fees	4,269,387	3,983,304
Expenses for protocol and advertising	838,657	1,065,315
Expenses with the amortization of tangible and intangible assets	3,851,604	3,665,336
Expenses for the amortization of assets related to right-of-use assets from leasing contract	1,415,342	865,722
Audit services and other related services rendered by statutory auditor	1,071,700	814,983
Expenses for sponsorship and patronage	349,963	405,855
Expenses for merchandize	27,798,194	19,884,898
Changes in invesntories of finished goods and work in progress	(1,839,409)	3,326,215
Other operating expenses	16,736,639	7,947,834
Total	**61,293,246**	**48,419,804**

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, as well as legal assistance fee and other fees for consultancy services of the Group.

Other operating expenses include expenses for travel, post and telecommunication, utilities, fuel, inventory materials and items, sponsorship, other taxes and other expenses. The 2022 increase compared to the previous year comes mainly from subsidiary Mecanica Ceahlău, and is largely due to the increase of expenses with raw materials.

The audit fees corresponding to 2022 financial statements of the Group (including its subsidiaries), included in the category of Statutory Audit Services and Related Services were 1,000,724 lei (for the audit of 2021 financial statements: 743,064 lei).

Changes in stocks of finished goods and work in progress in 2022 mainly arise from the increase in the value of stocks of Mecanica Ceahlau of finished goods and work in progress related to agricultural equipment, partly compensated by the sale of parking spaces in Baba Novac Residence by EVER Imo. In 2021, the changes in stocks refers mainly to the sale of agricultural machinery manufactured by Mecanica Ceahlau and the sale of parking spaces in Baba Novac Residence by EVER Imo.

In 2022, expenses related to short-term leases and/or for which the underlying asset is of low value, were 328,387 lei (2021: 176,123 lei).

16. FINANCING EXPENSES

In LEI	**2022**	**2021**
Interest expenses from borrowings	702,170	394,625
Interest expenses from leases	211,621	89,521
Total	**913,791**	**484,146**

17. INCOME TAX

In LEI	**2022**	**2021**
Current income tax		
Current income tax (16%)	4,046,835	2,786,534
Dividend tax (5%)	5,612,015	2,493,474
	9,658,850	**5,280,008**
Deferred income tax		
Financial assets	101,612	(17,349)
Investment property and tangible assets	1,830,035	641,016
Inventory	(171,544)	(65,906)
Liabilities related to profit sharing in cash and other benefits	(804,403)	(3,017,708)
Provisions for risks and charges	6,594	359,201
Other items (including impact of tax loss)	(399,135)	(1,114,856)
	563,159	**(3,215,602)**
Total	**10,222,009**	**2,064,406**

17. INCOME TAX (continued)

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

In LEI	**2022**	**2021**
Profit before tax	**112,483,859**	**53,982,456**
Tax in compliance with statutory taxation rates of 16% (2020: 16%)	**17,997,417**	**8,637,193**
Effect on income tax of:		
non-deductible expenses	11,606,975	8,608,719
non-taxable income	(21,497,077)	(11,165,200)
other elements	(4,060,480)	(3,294,178)
registration and reversal of temporary differences	563,159	(3,215,602)
Dividend tax (5%)	5,612,015	2,493,474
Income tax	**10,222,009**	**2,064,406**

The effective income tax rate in 2022 is 9% (2021: 4%).

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

Other elements similar to expenses include mainly benefits granted to directors, officers and employees of the Company in equity instruments sold in shares, at the time of their actual award

18. CASH AND CURRENT ACCOUNTS

In LEI	31 December 2022	31 December 2021
Cash	17,744	26,529
Current accounts	7,821,113	14,013,005
Cash and current accounts – gross value	**7,838,857**	**14,039,534**
Expected credit loss related to current accounts	(31)	(59)
Total cash and current accounts	**7,838,826**	**14,039,475**

Current bank accounts are constantly at the Group's disposal.

All current accounts of the Group are classified as Stage 1.

19 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

In LEI	31 December 2022	31 December 2021
Term deposits with initial maturity within 3 months	120,347,489	174,288,723
Attached receivables on interest	290,445	117,936
Total bank deposits – gross value	**120,637,934**	**174,406,659**
Expected credit loss	(7,065)	(9,719)
Total bank deposits	**120,630,869**	**174,396,940**

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

In LEI	**31 December 2022**	**31 December 2021**
Term deposits with initial maturity higher than 3 months	6,024,013	6,660,194
Attached receivables on interest	122,288	27,594
Total term deposits – gross value	**6,146,301**	**6,687,788**
Expected credit loss	(5,015)	(5,749)
Total bank deposits	**6,141,286**	**6,682,039**

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

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

20. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

In LEI	31 December 2022	31 December 2021
Unit funds	266,097,408	314,872,418
Shares	13,684,845	11,065,478
Total	**279,782,253**	**325,937,896**

In LEI	2022	2021
1 January	**325,937,896**	**312,771,668**
Purchases	5,000,000	20,049,292
Sales	(52,121,165)	(36,756,923)
Changes in fair value	3,270,671	27,453,690
Gain from FVTPL sale	(2,305,149)	2,420,169
31 December	**279,782,253**	**325,937,896**

b) Financial assets at fair value through other comprehensive income

In LEI	31 December 2022	31 December 2021
Shares measured at fair value through other comprehensive income	1,673,533,619	1,770,881,534
Total	**1,673,533,619**	**1,770,881,534**

At 31 December 2022 and 31 December 2021 the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, SNGN Romgaz, OMV Petrom, Aerostar, BRD – Groupe Société Générale, Professional Imo Partners (31 December 2021: Banca Transilvania, SNGN Romgaz, Aerostar, BRD - Groupe Société Générale, Professional Imo Partners).

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

20. FINANCIAL ASSETS (continued)

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

The movement of financial assets in the period ended 31 December 2022 and 31 December 2021 is presented in the table below:

In LEI	**2022**	**2021**
1 January	**1,770,881,534**	**1,485,586,364**
Purchases	197,955,590	101,915,103
Sales	(91,144,661)	(272,636,171)
Changes in fair value	(204,158,844)	456,016,238
31 December	**1,673,533,619**	**1,770,881,534**

In 2022, shares measured at fair value through other comprehensive income decreased due to the unfavorable effect of the Russian-Ukrainian military conflict on financial markets (including the Bucharest Stock Exchange), but also due to the increase of interest rates determined by the increase of the monetary policy interest rate by the National Bank of Romania against the background of increased inflationary pressure this year.

The sales of shares classified at fair value through other comprehensive income were decided following the fundamental analysis developed by the specialized departments, in the context of the Company's medium and long-term objectives or for capitalizing on some opportunities (e.g. public purchase offers carried out by certain issuers). The sales were not made shortly after acquisition and the transactions with such shares were not aimed at obtaining short-term profits.

For information regarding the net gains from the sale of shares carried at fair value through other comprehensive income, see Note 20 d).

c) Fair Value Hierarchy

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

- Level 1: quoted prices (not adjusted) on active markets for shares and bonds and the (unadjusted) unit value of the net asset in case of fund units (that meet the definition of Level 1 inputs;
- 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).

20. FINANCIAL ASSETS (continued)

c) *Fair Value Hierarchy (continued)*

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	278,419,232	-	1,363,021	279,782,253
Financial assets measured at fair value through other comprehensive income	1,578,423,907	-	95,109,712	1,673,533,619
Bonds at fair value through other comprehensive income	3,982,047	-	-	3,982,047
Total	**1,860,825,186**	**-**	**96,472,733**	**1,957,297,919**

31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	323,782,273	-	2,155,623	325,937,896
Financial assets measured at fair value through other comprehensive income	1,667,885,875	-	102,995,659	1,770,881,534
Bonds at fair value through other comprehensive income	3,982,215	-	-	3,982,215
Total	**1,995,650,363**	**-**	**105,151,282**	**2,100,801,645**

20. FINANCIAL ASSETS (continued)

c) Fair value hierarchy (continued)

Financial Assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5.349.377	Market approach, comparable companies method	Invested capital/revenues multiple: 0.66 Invested capital/ turnover multiple: 1.2 Invested capital/EBITDA multiple: 9.7 Discount for lack of marketability: 16.1%	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.
Unlisted majority interest	4.778.247	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,5 Equity value/book value multiple: 1 Discount for lack of marketability: 13.7%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/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	2.821.701	Income approach – discounted cash-flow method	Weighted average cost of capital: 12.8% Constant long-term income growth rate: 2,8% Discount for lack of control: 22.3% Discount for lack of marketability: 16.1%	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.
Unlisted minority interest	8.423.429	Income approach – discounted cash-flow method	Weighted average cost of capital: 13.6% Constant long-term income growth rate: 3.0% Discount for lack of control: 19.5% Discount for lack of marketability: 16%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

c) Fair value hierarchy (continued)

Financial assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	72.035.757	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.3%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.
			Discount for lack of control: 13.2%	The lower the lack of control discount, the higher the fair value.
			Discount for lack of marketability: 11.4%	The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	3.064.222	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.5%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.
			Discount for lack of control: 18.0%	The lower the lack of control discount, the higher the fair value.
			Discount for lack of marketability: 9.5%	The lower the lack of marketability discount, the higher the fair value.
Total	**96.472.733**			

20. 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/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.
Unlisted majority interest	5,360,398	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,6 Invested capital/EBITDA multiple: 6 Equity value/book value multiple: 1.2 Discount for lack of marketability: 14.1%	The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA multiple, the lower the fair value. In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	3,168,790	Income approach – discounted cash-flow method	Weighted average cost of capital: 10.6% Constant long-term income growth rate: 2,5% Discount for lack of control: 18.3% Discount for lack of marketability: 16.3%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	2,405,370	Income approach – discounted cash-flow method	Weighted average cost of capital: 12.5% Constant long-term income growth rate: 2.5% Discount for lack of control: 19.6% Discount for lack of marketability: 12.6%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

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 (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 marketability discount, the higher the fair value.
Unlisted minority interest (including holding-type)	8,925,586	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.8% 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	**105,151,282**			

20. FINANCIAL ASSETS (continued)

c) Fair value hierarchy (continued)

Sensitivity analysis

Although the Group considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the change of one or more assumptions would influence the Group's profit or loss and other comprehensive income at 31 December 2021 as follows:

Modified assumption *(Lei)*	**Impact on profit or loss (before tax)**	**Impact on other comprehensive income (before tax)**
WACC increase by 50 bps	-	(4,882,868)
WACC decrease by 50 bps	-	5,585,440
Increase of the perpetuity growth rate by 25 bps	73,424	-
Decrease of the perpetuity growth rate by 25 bps	(69,828)	-
Increase of (EBITDA, Turnover, P/E) multiple by 10%	136,346	744,273
Decrease of (EBITDA, Turnover, P/E) multiples by 10%	(136,346)	(744,273)
Increase of DLOM by 10%	-	(1,120,848)
Decrease of DLOM by 10%	-	1,120,848

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

The turnover multiple: is an instruments used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

EBITDA multiple: represents the most relevant multiple used when pricing the investments and it is calculated using information from comparable listed public companies (similar geographic location, industry size, target market and other factors that valuators consider as relevant). The trading multiples for the comparable companies are determined by dividing the enterprise value of the a company by its EBITDA and by further discounting, due to possible lack of marketability and other differences between the comparable peer group and specific company.

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

20. FINANCIAL ASSETS (continued)

c) Fair value hierarchy (continued)

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

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

Discount for lack of control: represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the valued company.

Discount for lack of marketability (DLOM): represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuators estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

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

20. FINANCIAL ASSETS (continued)

c) Fair value hierarchy (continued)

Level 3 fair value modification

In LEI	**2022**	**2021**
At 1 January	**105,151,282**	**100,903,743**
Total gain/(loss) recognized in profit or loss	(792,603)	(699,414)
Total gain/(loss) recognized in other comprehensive income	(6,858,971)	10,280,302
Purchases	4,950,000	49,296
Sales	(5,976,975)	(5,179,111)
Transfers	-	(203,534)
At 31 December	**96,472,733**	**105,151,282**

At 31 December 2022 and 31 December 2021, the Group 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 depositary are included in this level.

The investments classified in Level 3, representing 6% of the Group's share portfolio at 31 December 2022 (31 December 2021: 6%), have been measured by independent external or internal valuers, 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.

The evaluation date for Level 3 investments was 30 September 2022 or 30 June 2022, and a further analysis was conducted at the reporting date, 31 December 2022.

In 2021, the Group transferred the shares held in Armax Gaz from Level 3 to Level 1, because the market for such shares traded on the BSE became active this year.

20. FINANCIAL ASSETS (continued)

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

In LEI	**2022**	**2021**
At 1 January	**872,688,152**	**575,885,218**
Gross (loss)/gain from the revaluation of financial assets measured at fair value through other comprehensive income	(204,256,014)	456,070,826
Deferred tax corresponding to the gain/loss from the revaluation of financial assets measured at fair value through other comprehensive income	28,353,206	(57,028,843)
Net gain/(Net loss) from revaluation of financial assets measured at fair value through other comprehensive income	**(175,902,808)**	**399,041,983**
Net gain transferred to retained earnings following the sale of financial assets carried at fair value through other comprehensive income	(36,312,289)	(102,239,049)
At 31 December	**660,473,055**	**872,688,152**

In 2022, the net gain obtained 36,312,289 lei was mainly achieved from the sale of shares in Banca Transilvania, SNGN Romgaz, Aerostar and the ownership in Eximbank (2021: 102,239,049 lei, mainly from the sale of ownership in Banca Transilvania, OMV Petrom, Nuclearelectrica, SNTGN Transgaz and Agricola International).

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In LEI	31 December 2022	31 December 2021
Shares	55,371,088	42,850,061
Total	**55,371,088**	**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 financial information for Străulesti Lac Alfa is summarized in the table below:

In LEI	31 December 2022	31 December 2021
Current assets	121,736,199	171,532,813
Non-current assets	10,179,723	11,352,087
Total assets	**131,915,922**	**182,884,900**
Current liabilities	7,876,097	20,907,014
Non-current liabilities	13,297,649	76,277,766
Total liabilities	**21,173,746**	**97,184,780**
Equity	**110,742,176**	**85,700,120**
Total liabilities and equity	**131,915,922**	**182,884,900**

In LEI	2022	2021
Turnover	109,850,167	34,394,682
Net profit/(loss)	**32,148,107**	**7,546,556**

In 2022, EVERGENT Investments received from Străulești Lac Alfa dividends in amount of 3,553,026 lei (2021: 998,275 lei).

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The reconciliation of the financial information for Straulesti Lac Alfa with the value of securities accounted for using the equity method is presented in the table below:

In LEI	31 December 2022	31 December 2021
Associated entity's net asset at 1 January	**85,700,120**	**80,150,115**
Net profit for the financial year	32,148,107	7,546,556
Dividends paid during the financial year	(7,106,051)	(1,996,551)
The associated entity's net asset at 31 December	**110,742,176**	**85,700,120**
Ownership in associated entity	*50%*	*50%*
Securities accounted for using the equity method	**55,371,088**	**42,850,061**

22. BONDS

In LEI	31 December 2022	31 December 2021
Corporate bonds	-	16,744,533
Municipal bonds	47,694	59,032
Total bonds at amortised cost – gross value	**47,694**	**16,803,565**
Expected credit loss	(33)	(114,371)
Total bonds at amortised cost	**47,661**	**16,689,194**
Corporate bonds	3,982,047	3,982,215
Total bonds at fair value through other comprehensive income	**3,982,047**	**3,982,215**

At 31 December 2022, the category of bonds at amortised cost included the bonds issued by the Bacău City Hall and Străulești Lac Alfa (31 December 2021: Bacău Town Hall and Straulesti Lac Alfa).

At December 31, 2022 and December 31, 2021, the category of bonds at fair value through other comprehensive income included bonds issued by Autonom Service SA, which are held by the Group in a business model whose objective is to keep assets both to collect contractual cash flows and to sell. Autonom Service bonds are listed on the Bucharest Stock Exchange.

All bonds of the Group are classified as Stage 1.

23. OTHER FINANCIAL ASSETS AT AMORTISED COST

In LEI	31 December 2021	31 December 2020
Sundry debtors	55,037,924	61,568,353
Trade receivables	12,644,936	9,745,270
Amounts representing the guarantee for the public offering for the buy-back of treasury shares	8,500,000	-
Advances to suppliers	788,684	388,874
Total other financial assets – gross value	**76,971,544**	**71,702,497**
Less expected credit loss corresponding to other financial assets	(57,087,356)	(61,075,985)
Total other financial assets	**19,884,188**	**10,626,512**

23. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,862,753 lei (31 December 2021: 51,214,709 lei).

The amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter d).

At 31 December 2022, customer contracts, included in the table above in the "Trade receivables" line are in amount of 9,267,718 lei (31 December 2021: 11,921,266 lei).

In LEI	**31 December 2022**	**31 December 2021**
Other performing financial assets	20,574,248	11,025,025
Other impaired financial assets	56,397,296	60,677,472
Total other financial assets – gross value	**76,971,544**	**71,702,497**
Adjustments for expected credit loss for other performing financial assets	(690,060)	(413,444)
Adjustments for expected credit loss for other impaired financial assets	(56,397,296)	(60,662,541)
Total other financial assets	**19,884,188**	**10,626,512**

23. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

In LEI	31 December 2022		31 December 2021	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Overdue for more than 365 days	(56,397,296)	56,397,296	(60,662,541)	60,677,472

In LEI	31 December 2022		31 December 2021	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Not overdue	(266,712)	18,272,039	(50,341)	9,637,031
Overdue between 0 and 30 days	(10,915)	1,114,511	(48,376)	540,325
Overdue between 31 and 60 days	(20,017)	181,718	(65,584)	225,545
Overdue between 61 and 90 days	(142,060)	737,083	(77,082)	299,629
Overdue between 91 and 180 days	(26,594)	45,135	(82,835)	168,107
Overdue between 181 and 365 days	(223,762)	223,762	(89,226)	154,388
Total	**(690,060)**	**20,574,248**	**(413,444)**	**11,025,025**

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

In LEI	2022	2021
At 1 January	**(61,075,985)**	**(68,494,265)**
Setup	(544,551)	(199,507)
Reversal	4,533,180	7,617,787
At 31 December	**(57,087,356)**	**(61,075,985)**

24. INVENTORY

In LEI	31 December 2022	31 December 2021
Raw materials and consumables	3,726,953	2,058,965
Work in progress	2,504,639	1,634,660
Semi-finished products	91,575	60,274
Finished products	13,368,481	12,661,797
Merchandize	9,043,251	6,437,580
Total	**28,734,899**	**22,853,276**

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 26,665,751 lei (31 December 2021: 20,185,315 lei) and Agrointens SA with 1,470,938 (31 December 2021: 1,062,218 lei).

At 31 December 2022 and 31 December 2021, the Group does not register pledged inventories.

25. OTHER ASSETS

In LEI	31 December 2022	31 December 2021
Taxes	1,156,051	1,330,048
Income tax	168,940	1,224,667
Other assets (including prepaid expenses)	851,797	891,000
Total	**2,176,788**	**3,445,715**

At 31 December 2022, in the Taxes category, VAT recoverable for subsidiary Agrointens in amount of 831.635 lei (31 December 2021: 873.609 lei) accounted for the highest amount.

26. NON-CURRENT ASSETS HELD FOR SALE

In LEI	31 December 2022	31 December 2021
Freehold land and buildings	3,540,657	24,087,236
Total	**3,540,657**	**24,087,236**

At 31 December 2022, assets held for sale included freehold land and buildings belonging to EVER IMO S.A, Mecanica Ceahlău S.A and Regal SA, whose sale was approved by the Board of Directors, the sale process being started by actively searching buyers.

27. INVESTMENT PROPERTY

In LEI	**2022**	**2021**
Balance at 1 January	**99,831,062**	**74,450,361**
Changes in fair value	11,356,717	859,634
Purchases	5,218,873	24,812,947
Transfers from property plant and equipment	-	68,005
Transfers to property plant and equipment	(1,709,300)	-
Transfers to assets held for sale	(3,110,760)	-
Transfers from assets held for sale	23,643,083	-
Sales	-	(359,885)
Balance at 31 December	**135,229,675**	**99,831,062**

In 2022 and 2021, the Group purchased land in amount of 5,218,873 lei, though the Company's subsidiaries.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of investment property was classified as level 3 in the fair value hierarchy.

27. INVESTMENT PROPERTY (continued)

Valuation technique

The following table presents the valuation technique used to determine the fair value of investment property classified as level 3 of fair value hierarchy.

Valuation technique	**Input**	**Connection between input and fair value measurement**
The valuation method applied in the income approach for the evaluation of the entire real estate property (location-building) is direct capitalization. The method consists in the division of stabilized annual income by a corresponding capitalization rate, using the net operating income in conjunction with the net capitalization rate. In order to estimate the net operating income, from the gross income corresponding to properties located in segmented markets of primary cities, with central locations we deducted the non-recoverable operating expenses for the property. The contribution of the land resulted from the assigning process through deduction from the value of the entire property.	Market rent obtainable by an operator of a reasonable efficiency or average-competence management acting in an efficient manner. The percentage of non-recoverable expenses (of the landlord) applied to the effective gross income. Average vacancy rate, given the location, area, technical qualities of the building (finishing, equipment), balance between request and demand and specific market offer (15.6%). Average net capitalization rate applied to net operating income (9.3%).	Estimated value increases (decreases) in case: the market rate is higher (lower). the non-recoverable expenses ratio is lower (higher). the vacancy rate is lower (higher). the capitalization rate is lower (higher).

These valuations are periodically revised by the management of the Group. The valuation frequency is dictated by the dynamics of the market the investment property held by the Group belongs to, so that the fair value of investment property reflects the market conditions on the date of the consolidated financial statements.

The valuation model in the market comparison method, the sales comparison method is based on the economic principle of substitution. The method was mainly used to valuate freehold land or land considered freehold for valuation purposes, namely in case of value assignment by components – to determine the value of the land – as a subsequent method after the value of the entire property was determined.

The value derived from the market information on trading prices of similar assets, namely the value was determined following the analysis of the market prices of comparable assets, from the same market area, that were traded on a date close to the evaluation. The analysis of the prices the sale transactions or offers were made was followed by corrections made within the admissible limit to insure result credibility, quantifying the differences between the prices paid or asked per area unit, caused by the different specific characteristics of properties and transactions (called comparison elements).

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Gross book value	1 January 2022	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2022
Intangible assets								
Goodwill	4,339,505	-	-	-	-	-	-	4,339,505
Intangible assets	4,902,367	220,240	215,855	(33,070)	-	-	-	5,305,392
Total	**9,241,872**	**220,240**	**215,855**	**(33,070)**	**-**	**-**	**-**	**9,644,897**
Tangible assets								
Land cultivated with productive plants	10,999,509	1,203,215	-	(10,861)	-	-	-	12,191,863
Freehold land	8,589,623	-	1,709,300	-	(4,464)	713,874	(29,849)	10,978,484
Buildings	14,018,257	939,683	1,400,553	(11,896)	(1,086,161)	2,207,668	(48,096)	17,420,008
Equipment	19,767,915	450,870	28,228	(213,418)	-	-	-	20,033,595
Transportation vehicles	3,977,912	179,359	67,332	(345,910)	-	-	-	3,878,693
Blueberry plantations	14,308,384	-	-	-	-	-	-	14,308,384
Other fixed assets	627,739	273,445	459,964	(57,738)	-	-	-	1,303,410
Tangible assets in progress	1,758,155	7,942,972	(2,565,433)	-	-	-	-	7,135,694
Total	**74,047,494**	**10,989,544**	**1,099,944**	**(639,823)**	**(1,090,625)**	**2,921,542**	**(77,945)**	**87,250,131**
Right-of-use assets from leases								
Right-of–use – transportation vehicles	2,041,365	1,026,105	(67,332)	(722,334)	-	-	-	2,277,804
Right-of-use- office area	8,282,826	756,035	-	(644,159)	-	-	-	8,394,702
Right-of-use – concession	338,203	37,519	-	-	-	-	-	375,722
Right-of-use – equipment	-	441,109	-	-	-	-	-	441,109
Total	**10,662,394**	**2,260,768**	**(67,332)**	**(1,366,493)**	**-**	**-**	**-**	**11,489,337**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation/amortization and impairment	**1 January 2022**	**Depreciation/ amortization in the current period**	**Depreciation on transfer**	**Cumulated depreciation of disposals**	**Annulment of accumulated depreciation/amortization (no revaluation date)**	**Setup of impairment allowances**	**Reversal of impairment allowances**	**31 December 2022**
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	3,941,783	230,975	-	(33,070)	-	-	-	4,139,688
Total	**3,941,783**	**230,975**		**(33,070)**	**-**	**-**	**-**	**4,139,688**
Tangible assets								
Freehold land	1,061,470	204,608	-	-	(4,464)	-	-	1,261,614
Buildings	168,084	1,166,030	-	(11,896)	(1,086,161)	-	-	236,057
Equipment	13,150,030	830,468	-	(175,982)	-	-	(43,250)	13,761,266
Blueberry farms	1,500,934	650,783	-	-	-	-	-	2,151,717
Transportation vehicles	3,663,804	656,691	-	(356,903)	-	-	-	3,963,592
Other fixed assets	432,803	155,219	-	(52,616)	-	414	(5,467)	530,353
Total	**19,977,125**	**3,663,799**	**-**	**(597,397)**	**(1,090,625)**	**414**	**(48,717)**	**21,904,599**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,192,394	1,156,745	(44,887)	(694,762)	-	-	-	1,609,490
Rights-of-use – office space	812,178	250,385	-	(484,941)	-	-	-	577,622
Rights-of-use lease assets-concession	15,562	10,080	-	-	-	-	-	25,642
Total	**2,020,134**	**1,417,210**	**(44,887)**	**(1,179,703)**	**-**	**-**	**-**	**2,212,754**
Net book value	***68,012,719***							***80,127,324***
Intangible assets	*960,584*							*1,165,704*
Tangible assets	*54,070,369*							*65,345,532*
Right-of-use assets from leases	*8,642,261*							*9,276,583*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Gross book value	1 January 2021	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2021
Intangible assets								
Goodwill	4,339,505	-	-	-	-	-	-	4,339,505
Intangible assets	4,804,737	104,821	-	(7,191)	-	-	-	4,902,367
Total	**9,144,241**	**104,822**	**-**	**(7,191)**	**-**	**-**	**-**	**9,241,872**
Tangible assets								
Land cultivated with productive plants	10,999,509	-	-	-	-	-	-	10,999,509
Freehold land	8,484,834	-	-	-	-	186,005	(7,697)	8,589,623
Buildings	13,969,024	94,395	-	-	(960,465)	956,305	(41,002)	14,018,257
Equipment	19,514,356	369,969	-	(116,410)	-	-	-	19,767,915
Transportation vehicles	3,259,070	57,741	699,940	(38,839)	-	-	-	3,977,912
Blueberry plantations	10,033,341		4,275,043	-	-	-	-	14,308,384
Other fixed assets	611,078	19,967	10,370	(13,676)	-	-	-	627,739
Tangible assets in progress	4,292,457	1,785,073	(4,300,447)	(18,928)	-	-	-	1,758,155
Total	**71,163,669**	**2,327,145**	**684,906**	**(261,372)**	**(960,465)**	**1,142,310**	**(48,699)**	**74,047,494**
Right-of-use assets from leases								
Right-of–use - transportation vehicles	2,461,360	264,393	(607,611)	(76,777)	-	-	-	2,041,365
Right-of-use- office area	1,429,328	6,943,056	-	(89,558)	-	-	-	8,282,826
Right-of-use - concession	368,948	46,550	(77,295)	-	-	-	-	338,203
Total	**4,259,637**	**7,253,998**	**(684,906)**	**(166,335)**	**-**	**-**	**-**	**10,662,394**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation/amortization and impairment	1 January 2021	Depreciation/amortization in the current period	Depreciation transfer	Cumulated depreciation of disposals	Annulment of accumulated depreciation/amortization (no revaluation date)	Setup of impairment allowances	Reversal of impairment allowances	31 December 2021
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	3,731,173	307,533	-	(7,191)	-	-	(89,732)	3,941,783
Total	**3,731,173**	**307,533**	**-**	**(7,191)**	**-**	**-**	**(89,732)**	**3,941,783**
Tangible assets								
Freehold land	862,376	204,608	-	(5,514)	-	-	-	1,061,470
Buildings	130,752	989,947	-	-	(960,465)	7,850	-	168,084
Equipment	12,412,237	850,501	-	(95,447)	-	23,522	(40,783)	13,150,030
Blueberry farms	954,059	546,875	-	-	-	-	-	1,500,934
Transportation vehicles	2,366,741	657,384	678,647	(38,968)	-	-	-	3,663,804
Other fixed assets	399,312	41,700	-	(13,676)	-	5,467	-	432,803
Total	**17,125,477**	**3,291,015**	**678,647**	**(153,605)**	**(960,465)**	**36,839**	**(40,783)**	**19,977,125**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,403,245	473,243	(632,270)	(51,824)	-	-	-	1,192,394
Rights-of-use – office space	493,553	408,183	-	(89,558)	-	-	-	812,178
Rights-of-use lease assets-concession	52,749	9,190	(46,377)	-	-	-	-	15,562
Total	**1,949,547**	**890,616**	**(678,647)**	**(141,382)**	**-**	**-**	**-**	**2,020,134**
Net book value	***61,761,351***							***68,012,719***
Intangible assets	*1,073,564*							*960,584*
Tangible assets	*54,038,192*							*54,070,369*
Right-of-use assets from leases	*2,310,090*							*8,642,261*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

The book value of tangible assets mortgaged/pledged in loan contracts or letters of bank guarantee entered into by the Group's subsidiaries at 31 December 2022 was 47,166,858 lei (31 December 2021: 25,341,779 lei).

The value of assets transferred to the investment property category in 2022 was 0 lei (2021: 68,005 lei).

Fair value measurement

At 31 December 2022 and 31 December 2021, the Group's land and buildings were assessed by independent valuers, authorized by the National Agency of Authorized Valuers of Romania ("ANEVAR"). The revaluation of lands and buildings at 31 December 2022 was made based on the following specific approaches and methods, in compliance with the valuation principles and techniques included in the ANEVAR Goods Valuation Standards:

- market comparison method and sales comparison approach for lands;
- income method, income capitalization method, with an average capitalization rate of 9% and an average vacancy rate of 12.5%, corroborated for assignment, if applicable, with the cost method for buildings.

Where applicable, the net replacement cost method applicable for certain properties built was also used, for goods for which there is not sufficient market information.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of buildings was classified as Level 3 in the fair value hierarchy.

Valuation techniques

Sales or offers of properties similar to those subject to valuation were collected, analyzed, compared and adjusted in direct comparisons in order to identify the similarities and differences between these properties, and the prices of comparable property were adjusted to justify the differences between the characteristics of the valued properties. The comparison elements used include ownership rights, financing and sale conditions, expenses incurred right after purchase, market conditions, location, physical characteristics, best use and town planning regulations in force.

The valuation models applied in case of revenue approach for the valuation of full properties (lands and buildings) is the direct capitalization and the cash flow method. The most used method, the capitalization method, consists in dividing the annual income stabilized by a corresponding capitalization rate, using the net operating income, in conjunction with the net capitalization rate.

In the cost-based approach we have used the net replacement cost method given the specialized nature of some buildings. Therefore, the net replacement cost has been determined based on the price in specialized catalogues, updated with discounted indexes or based on working minutes. The degree of wear and tear has been determined taking into

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

consideration the improvements made for finishes and installations, capital repairs and development stages of the building.

Property, plant and equipment, like investment property, have been measured taking into consideration the best use for these assets. Following the analysis of information regarding the location and characteristics of properties identified in the market analysis, it was determined that in general the best use is the one existing at the valuation date.

The other property, plant and equipment categories are presented at cost, less accumulated depreciation and value impairment, where necessary.

The goodwill registered by the Group comes from the acquisition of the Viștea blueberry plant by subsidiary Agrointens in 2015 and was allocated to cash-generating unit Viștea (the cash-generating units for subisidiary Agrointens are the blueberries plants).

The cash-generating units (blueberries plants) were tested for impairment at 31 December 2022 and 31 December 2021, according to the accounting policy described in Note 4 (i).

The recoverable amount of the cash-generating units (blueberries plants, including the Viștea plant) was determined based on the approved financial projections, prepared for a period of 20 years, and the cash flows are discounted using the weighted average cost of the subsidiary's capital.

The impairment test revealed that the recoverable amount of each of the cash-generating units, including the Viștea plant, is higher than their carrying amount (obtained by adding up the carrying amount of all assets allocated to such cash-generating units, including goodwill, in case of the Viștea farm). Therefore, there is not a need to register an impairment loss for goodwill.

29. LOANS

	31 December 2022	31 December 2021
Long-term liabilities	**7,331,000**	**4,779,254**
Long-term bank loans	7,331,000	4,779,254
Short-term liabilities	**4,487,565**	**3,527,772**
Short-term bank loans	4,487,565	3,527,772
Total loans	**11,818,565**	**8,307,026**

29. LOANS (continued)

The reconciliation of opening and closing loan balances is shown in the table below:

In LEI	2022	2021
At 1 January	**8,307,026**	**9,793,365**
Proceeds from loans	6,907,080	1,958,375
Reimbursement of loans	(3,395,541)	(3,444,714)
At 31 December	**11,818,565**	**8,307,026**

The tables below present detailed information regarding the loans contracted by the Group at 31 December 2022 and 31 December 2021:

31 December 2021

In LEI Subsidiary	Bank	Credit type	Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity of the loan
Agrointens	Banca Transilvania	Partial financing of Mandra project	1,592,500	Lei	ROBOR 1M+ 2.75%	8 August 2024
Agrointens	Banca Transilvania	Working capital	2,112,250	Lei	ROBOR 1M+ 2.5%	27 April 2023
Agrointens	Banca Transilvania	Financing of Popesti project	2,765,577	Lei	ROBOR 1M+ 2.9%	2 June 2026
Agrointens	Banca Transilvania	Cold room	1,191,163	Lei	ROBOR 1M + 2.9%	14 July 2026
Agrointens	Banca Transilvania	Ratesti farm	3,735,998	Lei	ROBOR 1M + 2.9%	19 October 2029
Mecanica Ceahlău	Banca Transilvania	Investments	421,077	Euro	EURIBOR 6 month +2,5%	20 May 2024
Total			**11,818,565**			

29. LOANS (continued)

31 December 2021

In LEI Subsidiary	Bank	Credit type	Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity of the loan
Agrointens	Banca Transilvania	Partial financing of Mandra project	2,548,000	Lei	ROBOR 1M+ 2.75%	8 August 2024
Agrointens	Banca Transilvania	Working capital	1,484,801	Lei	ROBOR 1M+ 2.5%	27 April 2022
Agrointens	Banca Transilvania	Financing of Popesti project	3,555,742	Lei	ROBOR 1M+ 2.9%	2 June 2026
Mecanica Ceahlău	Banca Transilvania	Investments	718,483	Euro	EURIBOR 6 month +2,5%	20 May 2024
Total			**8,307,026**			

As per the loan contract concluded by Mecanica Ceahlău with Banca Transilvania, the company must cash at least 50% through the lending bank, a condition which the company has fulfilled.

30. LEASE LIABILITIES

In LEI	31 December 2022	31 December 2021
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	3,951,888	4,654,939
Lease liabilities (between 1 and 5 years)	5,260,733	3,919,840
Lease liabilities (up to 1 year)	1,595,959	1,565,842
Total	**10,808,580**	**10,140,621**
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	3,093,886	3,755,037
Lease liabilities (between 1 and 5 years)	4,667,243	3,397,206
Lease liabilities (up to 1 year)	1,348,248	1,373,188
Total	**9,109,377**	**8,525,431**

The Group has leases mainly for transportation vehicles, equipment, office areas and lands, presented in note 28.

Expenses related to short-term leases or for which the qualifying asset is of low value are presented in note 15 Other operating expenses.

31. DIVIDENDS PAYABLE

In LEI	**31 December 2022**	**31 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	196,240	203,816
Dividends payable for 2018	117,720	7,402,391
Dividends payable for 2019	14,789,165	15,159,192
Dividends payable for 2020	10,673,557	11,203,747
Dividends payable for 2021	16,759,340	-
Total dividends payable	**43,029,452**	**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 the amounts owed to shareholders as dividends are subject to enforcement procedures).

32. FINANCIAL LIABILITIES AT AMORTIZED COST

In LEI	**31 December 2022**	**31 December 2021**
Suppliers and accrued expenses	10,183,731	7,565,555
Advances from customers	146,360	245,970
Other financial liabilities	1,033,819	1,246,133
Total	**11,363,910**	**9,057,658**

33. OTHER LIABILITIES

In LEI	31 December 2022	31 December 2021
Taxes and levies	3,289,995	2,246,302
Liabilities related to employees' cash benefits plan and other rights	3,446,568	2,675,383
Other liabilities	1,174,116	902,526
Total	**7,910,679**	**5,824,211**

Liabilities regarding the cash benefits plan represent the amounts that are to be offered to employees as profit-sharing in cash, in accordance with the Collective Employment Contract and to directors, according to the management contracts.

Other liabilities regarding salaries mainly include amounts that are to be paid representing allowances for vacations not taken.

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

34. PROVISIONS FOR RISKS AND CHARGES

In LEI	31 December 2022	31 December 2021
Litigation provisions	3,382,553	3,314,743
Other provisions	460,335	939,138
Total	**3,842,888**	**4,253,881**

In general, for the amounts established by enforceable titles and enforced by the bailiffs, lawsuits were initiated by the Authority for the Administrations of State Assets (AAAS).

Litigation provisions represent mainly the amounts collected by EVERGENT Investments in the period 2011 - 2016 and later challenged by AAAS, which the Group estimates that they are likely to be returned by the Company in amount of 1,632,553 lei (31 December 2021: 1,613,199 lei), and litigation provisions related to EVER IMO in amount of 1,750,000 lei (31 December 2021: 1,565,000 lei), for which the Group estimates un unfavourable outcome for the subsidiary.

34. PROVISIONS FOR RISKS AND CHARGES (continued)

The provisions can be analyzed as follows:

In LEI	31 December 2022	31 December 2021
At 1 January	**4,253,881**	**1,442,468**
Charge	209,754	3,932,957
Reversal	(262,504)	(1,121,544)
Transfer to other liabilities	(358,243)	-
At 31 December	**3,842,888**	**4,253,881**

Provision reversal in 2022 and 2021 was due to the favourable settlement of some legal disputes or the increase of the likelihood for some lawsuits to be favorably settled during the year in question.
Provisions were set up in 2021 because the company received an amount through the bailiff in a litigation against the AAAS, which is likely to be returned.

35. DEFERRED TAX LIABILITIES

Liabilities related to deferred income tax at 31 December 2022 are generated by the elements in the following table:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	577,028,760	-	577,028,760
Tangible assets and investment property	81,938,706	-	81,938,706
Other assets	(5,165,168)	-	(5,165,168)
Liabilities related to profit sharing and other benefits	-	(23,100,768)	(23,100,768)
Provisions and other liabilities	-	(8,249,558)	(8,249,558)
Tax loss	-	(12,913,263)	(12,913,263)
Total	**653,802,298**	**(44,263,589)**	**609,538,709**
Net temporary differences - 16% rate			609,538,709
Deferred tax liabilities			**97,526,193**

35. DEFERRED TAX LIABILITIES (continued)

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

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	795,777,726	-	795,777,726
Tangible assets and investment property	69,266,338	-	69,266,338
Other assets	(4,662,617)	-	(4,662,617)
Liabilities related to profit sharing and other benefits	-	(18,158,251)	(18,158,251)
Provisions and other liabilities	-	(9,822,913)	(9,822,913)
Tax loss	-	(9,694,399)	(9,694,399)
Total	**860,381,447**	**(37,675,563)**	**822,705,884**
Net temporary differences - 16% rate			822,705,884
Deferred income tax liabilities			**131,632,941**

Deferred income tax directly recognized through the decrease of equity is 96,167,538 lei at 31 December 2022 (31 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.

36. CAPITAL AND RESERVES

(a) Share capital

The structure of the Group's shareholding structure at 31 December 2022 and 31 December 2021 is the following:

31 December 2022	No. of shareholders	No. of shares	Amount (Lei)	(%)
Individuals	5,743,143	368,245,711	36,824,571	38%
Companies	155	593,507,881	59,350,788	62%
Total	**5,743,298**	**961,753,592**	**96,175,359**	**100%**

36. CAPITAL AND RESERVES (continued)
(a) Share capital (continued)

31 December 2021	No. of shareholders	No. of shares	Amount (Lei)	(%)
Individuals	5,745,988	368,458,146	36,845,815	38%
Companies	168	612,754,905	61,275,491	62%
Total	**5,746,156**	**981,213,051**	**98,121,305**	**100%**

All shares are ordinary and have been subscribed and paid in full at 31 December 2022 and 31 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 at 31 December 2022 had a nominal value of 96,175,359 lei (31 December 2021: 98,121,305 lei).

At 31 December 2022, the difference of 403,813,278 lei between the book value of 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.

In July 2022, the Company's share capital was decreased from 98,121,305.10 lei to 96,175,359.2 lei, divided in 961,753,592 shares with a nominal value of 0.10 lei, following the annulment of a number of 19,459,459 own shares purchased by the Company, in accordance with Resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments.

(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 35.

36. CAPITAL AND RESERVES (continued)

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 28 April 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share (total 62,263,501 lei), corresponding to the statutory profit of the 2021 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

In the General Meeting of Shareholders on 29 April 2021, the Company's shareholders approved the distribution of a gross dividend of 0.043 lei/share (total 42,012,148 lei), corresponding to the statutory profit of 2020 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

(e) Treasury shares

The total number of treasury shares held by the Company at 31 December 2022 is 31,847,896 representing 3.31% of the share capital (31.12.2021: 23,649,507 shares, representing 2.41% of the share capital) in total 38,991,230 lei (31.12.2021: worth 41,119,507 lei).

36. CAPITAL AND RESERVES (continued)

(e) Treasury shares (continued)

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

Own shares	Balance at 1 January 2022	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2022
Buy-back program approved by EGMS on 28 April 2022	-	8,400,000	-	-	8,400,000
Buy-back program approved by EGMS on 20 January 2022	-	23,100,000	-	-	23,100,000
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**	**31,500,000**	**(19,459,459)**	**(3,842,152)**	**31,847,896**
Total share value (Lei)	**41,119,507**	**38,566,162**	**(35,999,999)**	**(4,694,440)**	**38,991,230**

Own shares	Balance at 1 January 2021	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2021
Buy-back program approved by EGMS on 29 April 2021	-	19,459,459	-	-	19,459,459
Buy-back program approved by EGMS on 27 April 2020	3,416,855	14,135,441	(8,266,125)	(5,096,123)	4,190,048
Buy-back program approved by EGMS on 18 April 2019	4,000,000	-	-	(4,000,000)	-
Buy-back program approved by EGMS on 25 April 2016	1,081,034	-	-	(1,081,034)	-
Total no. of shares	**8,497,889**	**33,594,900**	**(8,266,125)**	**(10,177,157)**	**23,649,507**
Total share value (Lei)	**9,595,338**	**57,184,679**	**(13,225,800)**	**(12,434,710)**	**41,119,507**

36. CAPITAL AND RESERVES (continued)

(e) Treasury shares (continued)

The EGMS of 20.01.2022 approved a buy-back program of treasury shares ("Program 6") in compliance with the applicable legal provisions and with the following main characteristics:

- Purpose of the program: The company will buy back shares in order to reduce the share capital, by cancelling the shares.
- Maximum number of treasury shares bought back in the offer: 23,100,000 shares (maximum 2.402% of the share capital resulting after the decrease.
- The minimum price per share: the minimum purchase price will be BSE market price valid on the acquisition date.
- Maximum price per share: 2.2 lei.
- Duration of the program: maximum 18 months from the date of publication of the decision in the Official Journal of Romania, part IV.
- The payment of the shares bought back will be made from the distributable profit or from the company's available reserves, registered in the last approved annual financial statement, with the exception of the legal reserves recorded in the 2021 financial statements, according to the provisions of art. 103[1] of Company Law no. 31/1990.
- The shares will be purchase through market operations, for the purpose of acquiring maximum 23,100,000 shares, in order to decrease the share capital by cancelling the shares.

In the first 9 months of 2022, the Company bought back treasury shares within Buyback Program 6 of treasury shares, in order to reduce the share capital by cancelling the shares.

The EGMS of 28.04.2022 approved a buy-back program of treasury shares ("Program 7") in compliance with the applicable legal provisions and with the following main characteristics:

- Purpose of the program: The company will buy back shares in order to reduce the share capital, by cancelling the shares, as well as for running the stock option plans.
- The maximum number of shares that can be bought back: a maximum of 28,025,000 shares (2.856% of the registered share capital), of which a maximum of 19,625,000 shares (2.000% of the registered share capital) through the public purchase offer, in order to reduce the share capital by cancelling the shares and a maximum of 8,400,000 shares through market operations (0.856% of the registered capital) in order to distribute to employees, directors and officers of the Company, as part of stock option plans.
- The minimum price per share: the minimum purchase price will be BSE market price valid on the acquisition date.

36. CAPITAL AND RESERVES (continued)

(e) Treasury shares (continued)

- Maximum price per share: 2.2 lei.
- Duration of the program: maximum 18 months from the date of publication of the decision in the Official Journal of Romania, part IV.
- The payment of the shares bought back will be made from the distributable profit or from the company's available reserves, registered in the last approved annual financial statement, with the exception of the legal reserves recorded in the 2021 financial statements, according to the provisions of art. 103^1 of Company Law no. 31/1990.

As part of "Program 7", between 10 and 29 October 2022, the Company bought back 8,400,000 treasury shares (0.873% of the registered capital at the end of the program) through market operations, with a view to distributing them to employees, directors and officers of the Company, within the stock option plans.

Within the same buyback program approved on April 28, 2022, in December 2022 the Company started the public tender to buy treasury shares with the following main characteristics:

- number of treasury shares bought back in the offer: 19,625,000, representing 2.0405% of the share capital
- purchase price: 1.41 lei per share
- offer period: 22 December 2022 – 6 January 2023
- intermediary of the offer: BT Capital Partners SA

The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 28 April 2022.

In 2022, a number of 3,842,152 shares (2021: 10,177,157 shares) were allocated to directors, officers and employees under the stock option plan (SOP) related to 2020 (2021: SOP 2019), in observance of the provisions of ESMA Guidelines no. 232/2013 on sound remuneration policies under the AIFM, the AIFM Remuneration policy of directors, officers and employees of the Company – Chapter 7 and the provisions of article 14 of the Company's Articles of Association.

36. CAPITAL AND RESERVES (continued)

(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 at 31 December 2022 and 31 December 2021:

In LEI	**31 December 2022**	**31 December 2021**
SOP 2020	-	5,398,224
SOP 2021	10,850,388	10,853,788
SOP 2022	9,915,392	-
Total	**20,765,780**	**16,252,012**

Options that may be exercised at the beginning of the reporting period, which were fully exercised in 2022 relate to SOP 2020 shares, in amount of 5,398,224 lei (3,842,152 shares), allocated in 2022 for 1.4050 lei/share (closing price on 28 April 2021).

Options granted in 2022 and that may be exercised at the end of the reporting period relate to SOP 2021 shares, which are in amount of 10,850,388 lei (8,930,361 shares) and will be allocated in Q2 of 2023 for 1.2150 lei/share (closing price on 27 April 2022).

There were no options that expired or were lost in 2022 and 2021.

Shares corresponding to SOP 2022 are the equivalent of 9,915,392 lei and will be allocated in 2024 for a market price provided in SOP 2022, which will be submitted for approval to the Board of Administration, after the financial statements are approved. The number of shares based on the closing price of 31 December 2022 (1.37 lei/share) is estimated at 7,237,512.

(g) Other items of equity

Other items of equity include acquisition costs for treasury shares (commissions and fees and other costs related their acquisition) and the gain/loss on allocation of treasury shares to administrators, officers and employees, as share-based benefits (the difference between value at granting price and the value at acquisition price of treasury shares).

37. NON-CONTROLLING INTERESTS

Non-controlling interests represent the part of the profit or loss and of net assets not held, neither directly or indirectly by the Group and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the capital of the parent company's shareholders.
The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

In LEI	**2022**	**2021**
At 1 January	**16,022,210**	**15,396,521**
Profit attributable to non-controlling interests	494,094	495,257
Reserves from the revaluation of tangible assets attributable to non-controlling interests	410,599	130,432
Dividends distributed to non-controlling interests	(113,889)	-
Shares in subsidiaries bought-back from non-controlling interests	(94,811)	-
At 31 December	**16,718,203**	**16,022,210**

38. EARNINGS PER SHARE

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

In LEI		**31 December 2022**	**31 December 2021**
Net profit attributable to the Company's shareholders		101,767,756	51,422,793
Weighted average number of outstanding ordinary shares		*947,657,151*	*972,033,967*
Basic earnings per share (net profit per share)		**0.1074**	**0.0529**
Net profit attributed to the Company's shareholders		101,767,756	51,422,793
Gain registered in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)		36,312,289	102,239,049
Weighted average number of outstanding ordinary shares corresponding to the reporting period		*947,657,151*	*972,033,967*
Basic earnings per share (including earning from the sale of FVTOCI financial assets)	*4 (x)*	**0.1457**	**0.1581**

38. EARNINGS PER SHARE- (continued)

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 attributable to the Company's shareholders, the gain on the sale of FVTOCI financial assets.

The company 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 shareholders.

39. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Litigations

At 31 December 2022, the Group was involved in lawsuits both as plaintiff or defendant.

Litigation provisions are registered for the proceedings where the Group is plaintiff or defendant whose object influences the Group's patrimony (see explanatory note no. 34).

Most lawsuits where SIF Moldova is plaintiff are related to lawsuits against the Authority for State Assets Management ("AAAS"). For the amounts claimed by the Company and won through final and irrevocable civil decisions, receivables from AAAS were registered in the accounting records, for most of which the enforcement procedure started. Impairment allowances were registered for such receivables (see explanatory note 23).

The contingent liabilities where the Company acts as defendant are presented below:

In LEI	**2022**	**2021**
1 January	**233,607**	**270,907**
Setup during the period	26,705	24,253
Lawsuits settled during the period	(260,312)	(61,553)
31 December	**-**	**233,607**

Subsidiary EVER IMO SA is involved in some lawsuits with its former general contractor, at present bankrupt, a file where the company has registered all receivables as recoverable. The company is still seeking to enforce the guarantee and recover the remaining debt.

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(a) Litigations (continued)

The former contractor filed proceedings challenging the notice to terminate the contract of services. The court will issue the ruling on the case.

At the end of 2022, the court of law ruled in favor of EVER IMO. The decision was appealed by the general contractor in January 2023, and the company filed a writ of submission and filed an incidental appeal.

The company set up a litigation provision in amount of 1,750,000 lei (31 December 2021: 1,565,000 lei) (see note 34).

Besides the lawsuits with the former general contractor, subsidiary EVER IMO SA is also involved in lawsuits arising in the normal course of business, mainly as plaintiff or creditor.

Subsidiaries Mecanica Ceahlău and CASA are involved in a number of lawsuits resulted in the normal course of business, in which they act mainly as plaintiff for the recovery of certain claims. The Group registered adjustments for expected credit loss in this regard.

Subsidiary Regal is involved in several lawsuits, as creditor for the recovery of amounts not collected from customers.

The Group estimates that the result of these lawsuits will not have a significant impact on its financial position.

Of total contingent assets registered at 31 December 2022 of 9,207,386 lei (31 December 2021: 3,657,149 lei), the amount of 5,111,090 lei (31 December 2021: 3,644,554 lei) represents the value of shares held by the Company in Vastex SA, as per Law 151/2014, and the court order, following the Company's withdrawal from the shareholding of Vastex SA.

(b) Contingencies related to the environment

The Group has not registered any types of obligations at 31 December 2022 and 31 December 2021 for any kind of anticipated costs, including legal and consultancy fees, location surveys, design and implementation of remedy plans concerning the environment.

Management does not consider the expenses related to possible environmental issues to be significant.

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(c) Transfer Pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the principle of “market value” for transactions between affiliates as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Group cannot measure the result of such verifications.

The Group does not have significant transaction with related parties.

40. ADJUSTMENTS

At 31 December 2021, the Company adjusted the accounting treatment used in 2020 for the dividends received from its associates, which it registered as a write-down of the value of the investment in associates (reflected in the statement of financial position as securities accounted for using the equity method). Previously, the Company registered them as dividend income.

The impact of these adjustments on equity at 31 December 2020 was presented separately in the statement of changes in equity.

The tables below summarize this impact:

Consolidated statement of changes in equity

In LEI	**31 December 2022 (reported)**	**Adjustment**	**31 December 2021 (adjusted)**
Equity			
Retained earnings	(876,747,483)	3,625,000	(873,122,483)

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Subsidiaries

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

Associates of the Group

The Group has an investment in an associate at 31 December 2022 and 31 December 2021, Străuleşti Lac Alfa S.A., with an ownership of 50%.

In December 2022, Straulesti Lac Alfa reimbursed, upon maturity, the value of the corporate bonds in lei issued in December 2019, in amount of 16,700,000 lei, with maturity in December 2022 and fixed interest rate (coupon) of 8% per year.

Key management personnel

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

The key management staff includes the members of the Board of Directors of the Company and its subsidiaries, members of the Management Committee of the Company and the management committees/CEOs of its subsidiaries.

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

	2022	**2021**
Board of Directors	11,536,282	13,453,634
Directors	8,150,302	8,833,211
Total, of which:	**19,686,584**	**22,286,845**
Benefits granted as shares	6,379,200	7,936,400

Detailed information regarding the remunerations and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 14.

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

42. SUBSEQUENT EVENTS

Completion of the public offering for purchase of treasury shares

On 6 January 2023, the Company finalised the public offering for the purchase of treasury shares with the following characteristics:

- number of treasury shares bought back in the offer: 19,625,000, representing 2.0405% of the share capital
- purchase price: 1.41 lei per share
- offer period: 22 December 2022 – 6 January 2023
- intermediary of the offer: BT Capital Partners SA
- The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 28 April 2022.

Contracting of a credit facility

In January 2023, EVERGENT Investments contracted a revolving credit facility from Banca Comercială Romană, in the form of an overdraft, for a period of 12 months, with a maximum value of 19,200,000 euro, with the aim of capitalising on market opportunities in the new investment context.

Potential sale of ownership in subsidiary REGAL SA

In February 2023, EVERGENT Investments initiated the sale of its ownership in subsidiary Regal SA representing 1,116,258 shares through a Dutch tender which will take place on 22 March 2023. Therefore, in February 2023, the Group classified the assets (consisting mainly of land and buildings classified as investment property, non-current assets held for sale or plant, property or equipment) and the debts of subsidiary Regal as held for sale. In the consolidated financial statements at 31 December 2022, they are included in line “Other” (see note (z) Segment reporting.

The consolidated financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

CLAUDIU DOROŞ **Chairman, CEO**	**MIHAELA MOLEAVIN** **Finance Director**

Annex 5

STATEMENT

In accordance with article 63 paragraph (1) letter c) of Law 24/2017, the undersigned Claudiu DOROŞ – President CEO and Mihaela MOLEAVIN as Finance Director - responsible for preparing the consolidated financial statements of EVERGENT Investments Group (the Group) on December 31, 2022, hereby state the following:

a) The consolidated financial statements have been prepared in compliance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority - Financial Instruments and Investments Sector, approved by the Financial Supervisory Authority Norm no. 39/2015;

b) The accounting policies used in preparing the annual financial statements are in accordance with the applicable accounting regulations;

c) EVERGENT Investments Group carries out its activity in conditions of continuity;

d) We are not aware, at the date of this statement, of any other information, events, circumstances that would significantly alter the above statements.

We confirm that the consolidated financial statements, which comply with the above-mentioned regulations, **provide an accurate picture which is in compliance with the reality of the position and financial performance (including the Group' s assets, liabilities, profit and loss account) and that the Report of the Board of Directors includes a correct analysis of the development, financial position and performances of the Group, as well as a description of the main risks and uncertainties specific to the activity carried out.**

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director