

TO: BUCHAREST STOCK EXCHANGE
FINANCIAL SUPERVISORY AUTHORITY
Financial Instruments and Investments Sector

Current Report according to: Law 24/2017, FSA Regulation 5/2018; BSE Code
Report date: 15 September 2023
Regulated market on which the issued securities are traded: *Bucharest Stock Exchange, Premium Category*

Availability of the Board of Directors' Consolidated Report
and Consolidated Financial Statements as of 30 June 2023

We announce the investors on the availability of the H1 2023 Board of Directors' Consolidated Report and the Interim Condensed Consolidated Financial Statements as of 30 June 2023, drawn up in accordance 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.

Claudiu Doroş
President and CEO

Gabriel Lupaşcu
Compliance Officer



Board of Directors' Report H1 2023
related to the Consolidated Financial Statements



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Yearly report, in accordance with: *Law no. 24/2017, 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: 15th September 2023

Issuer name: EVERGENT Investments SA

Headquarters: Pictor Aman St., no. 94 C, Bacau

Phone, fax, email: 0234576740 / 0234570062 / office@evergent.ro

Sole registration no.: 2816642

Trade Registry no.: JO4/2400/1992

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: ROSIFBACNORo; 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 Investments Group's activity and position

EVERGENT Investments SA 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 Supervisory 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. 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 ("BSE"), the primary market, Premium category, with indicative „EVER”.

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

The assets deposit services are provided by BCR – a company authorized by the Financial Supervisory Authority.

1.1. Consolidation Area

The interim condensed consolidated financial statements for the 6 months' period ended on 30th June 2023 include the Company and its subsidiaries (hereinafter referred to as "the 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.

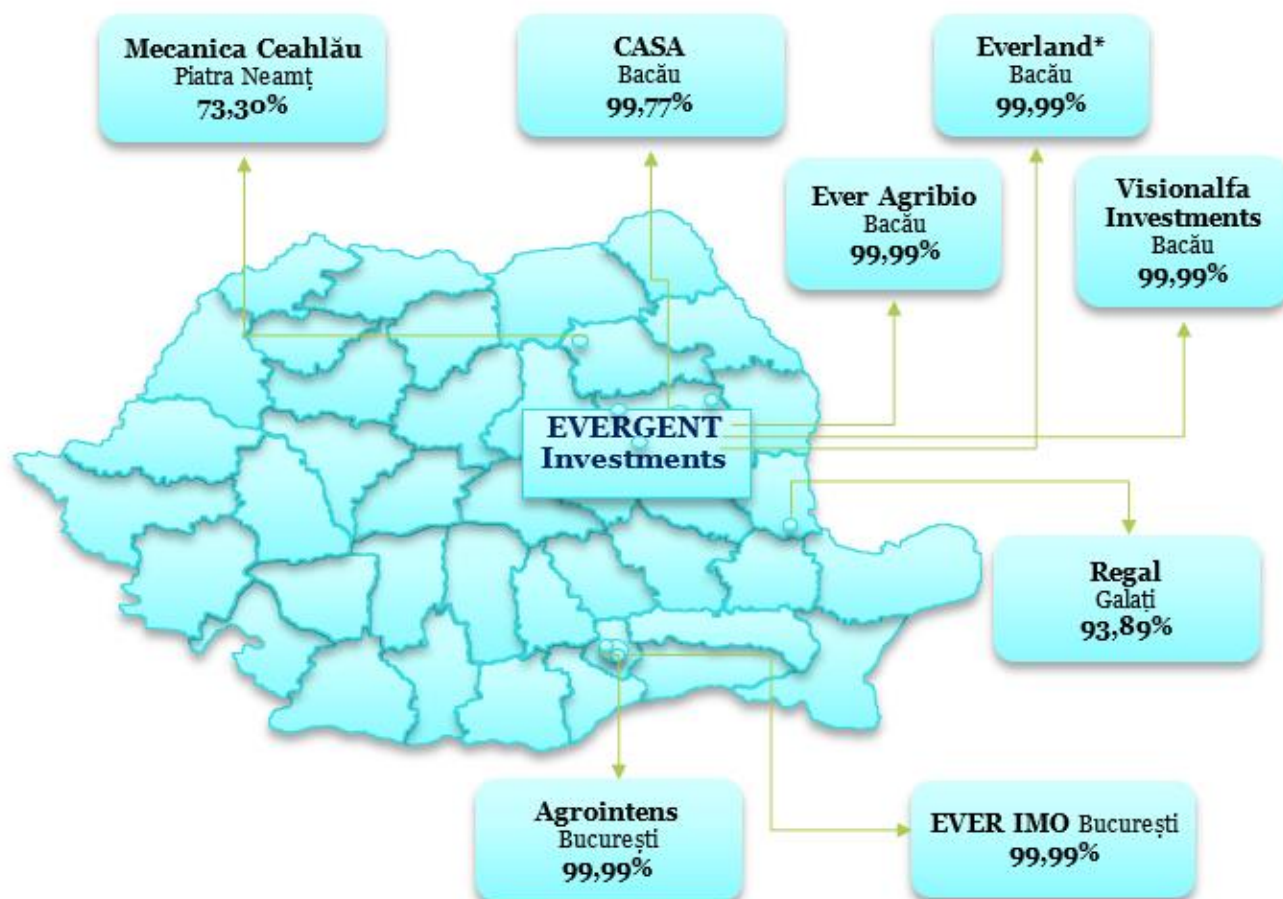
On 30th June 2023 EVERGENT Investments Group holds investments in one associate, company Străulești Lac Alfa S.A. of 50%.

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

The members of EVERGENT Investments Group:

No.	Subsidiary name	Direct holding of EVERGENT Investments – parent company %	Share of the Group's total assets % 30.06.2023	Company type (closed/listed)	Activity
1	EVER-IMO SA	99.99	2.95	Unlisted	Real estate - private equity portfolio
2	EVERLAND SA	99.99	1.81	Unlisted	
3	A3 SNAGOV SRL *	99.99	0.24	Unlisted	
4	MECANICA CEAHLAU SA	73.30	2.66	BVB-REGS (MECF)	Agriculture and agricultural machines - private equity portfolio
5	AGROINTENS SA	99.99	2.08	Unlisted	
6	EVER AGRIBIO SA	99.99	0.13	Unlisted	
7	CASA SA	99.60	1.55	Unlisted	Rental /sub-rental of real property and support for EVERGENT Investments
8	REGAL SA	93.89	0.34	Unlisted	Rental of areas
9	VISIONALFA Investments SA	99.99	0.01	Unlisted	Financial services –no activity
Total			11.77		

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


Statement of mutual holdings included in the consolidated area - 30.06.2023

Subsidiary name	Shareholders	No. shares	% holding	Nominal value (lei)
Agrointens SA	EVERGENT Investments SA	4,326,911	99.99997	10
	CASA SA	1	0.00003	
	TOTAL	4,326,912	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	14,098,462	99.7739	2.5
	Other shareholders	31,946	0.2261	
	TOTAL	14,130,408	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	93.89	0.1
	A.A.A.S. BUCURESTI	29,035	2.44	
	Other shareholders	43,615	3.67	
	TOTAL	1,188,908	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	378,429	99.9997	10
	CASA SA	1	0.0003	
	TOTAL	378,430	100	
Visionalfa Investments SA	EVERGENT Investments SA	2,499,750	99.9997	0.1
	Other shareholders	250	0.0003	
	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
- rental and sub-rental of own or leased properties
- Cultivation of fruit-bearing shrubs (blueberries) and
- Business and management consultancy.

1.2.1. Mecanica Ceahlău S.A.

The company's main object of activity is the manufacture of agricultural machines and equipment. 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	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 Evolution (%)
Total assets	62,466,480	64,918,542	68,821,682	68,970,284	106%
Turnover	36,526,905	22,634,371	49,028,602	17,630,750	78%
Profit/ (loss)	1,720,446	1,378,249	1,856,098	(27,700)	n/a
ROE %	4.87	3.05	3.98	0.43	
ROA %	2.75	2.12	2.70	n/a	

In the first half of 2023, the Company's sales, especially those related to own products registered a decrease, with an impact on the company's profitability, due to the damaged economic and weather environment and also due to the war in Ukraine.

1.2.2. EVER IMO S.A.

The company's main object of activity is at present real-estate development. The company was set-up in 1933.

Through EVER IMO we continue to develop the private equity portfolio, focusing real estate investments on a strategic land bank. The northern area of Bucharest has a rapid and extensive growth, both on the residential and office segments.

Financial results

The company has developed the residential complex Baba Novac Residence and is in the preparation phase for a new residential real estate project / Real estate development projects under analysis: the Intrarea Străulești Project, the Piscul Moșului Project and the Spătarul Preda Project.

Main Financial Results (IFRS restatement):

lei	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 Evolution (%)
Total assets	75,503,343	72,921,395	78,672,490	75,956,151	104%
Turnover	2,161,278	936,376	1,992,126	1,016,343	109%
Profit (Loss)	(4,659,456)	(1,125,424)	3,717,308	(1,212,372)	n/a
ROE %	n/a	n/a	8,56	n/a	
ROA %	n/a	n/a	4,73	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, its main object of activity being at present the sale of own real-estate property.

On the report date, the company holds 3 commercial areas and administrative headquarters with a built area of about 1,500 square meters. The company continues to sell its commercial areas in accordance with the strategy approved.

Main financial results (IFRS restatement):

lei	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 Evolution (%)
Total assets	10,702,459	8,764,077	8,924,544	8,837,235	101%
Turnover	299,718	157,046	316,700	171,097	109%
Profit (Loss)	415,740	(48,369)	(28,932)	(47,126)	n/a
ROE %	7.1	n/a	n/a	n/a	
ROA %	3.88	n/a	n/a	n/a	

Income on the rental of areas obtained in the first part of 2023 decreased compared to the previous years, without jeopardizing activity continuity, but affecting the company's profitability.

1.2.4. Casa S.A.

Setup in 1999, the company's main object of activity is the rental and sub-rental of own or leased real estate properties.

Main financial results (IFRS restatement):

lei	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 Evolution (%)
Total assets	22,738,528	23,403,985	24,523,039	39,919,242	171%
Turnover	2,064,743	1,203,197	2,382,898	1,292,002	107%
Profit (Loss)	1,023,334	684,823	87,742	316,849	46%
ROE %	1.87	3.11	1.44	0.69	
ROA %	4.5	2.93	0.36	0.79	

CASA has purchased spaces in the building in Bacau where it carries out its activity, has negotiated rental fees and increased them, in accordance with the company's activity program.

Income on rent in the first half of 2023 increased in comparison to that of previous years.

1.2.5. Agrointens S.A.

Setup in 2014, the company's main object of activity consists in the cultivation of fruit-bearing shrubs, strawberries, nut trees and other fruit-bearing trees.

The project has the purpose of setting up and developing farms for blueberry production. At present, the farms in Viștea and Mandra – Brașov county, Popești and Rătești – Argeș county are in various development stages. At the end of the reporting period, the planted area was of 105 ha.

Main Financial Results (IFRS restatement):

lei	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 Evolution (%)
Total assets	37,779,163	41,560,404	48,138,592	53,625,481	129%
Turnover	8,078,047	524,030	11,252,760	310,243	59%
Profit (Loss)	(1,881,934)	(1,495,991)	(1,047,466)	(2,459,142)	n/a
ROE %	n/a	n/a	n/a	n/a	
ROA %	n/a	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, with the purpose of capitalizing on investment opportunities in real-estate field. The company holds assets located in the central area of Iași municipality, with significant real-estate development potential on all segments: residential, office and commercial.

Main financial results (IFRS restated):

lei	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 Evolution (%)
Total assets	49,770,950	49,584,597	52,901,642	52,731,902	106%
Turnover	50,421	19,174	50,013	22,306	116%
Profit (loss)	1,602,167	(147,866)	2,624,785	(211,137)	n/a
ROE %	3.91	n/a	6.07	n/a	
ROA %	3.22	n/a	4.96	n/a	

1.2.7. A3 SNAGOV SRL

The company was setup in 2021, based on Companies' Law no. 31/1990, with the purpose of capitalizing investment opportunities in the real-estate field, all its shares being held by EVERLAND.

Main Financial Results (IFRS restatement):

lei	2021	H1 2022	2022	H1 2023	H1 2023 / H1 2022 evolution (%)
Total assets	6,298,324	6,297,520	6,305,129	6,282,666	100%
Turnover	-	-	-	-	n/a
Profit (loss)	(425)	(823)	(20,023)	3,760	n/a
ROE %	n/a	n/a	n/a	0,07	
ROA %	n/a	n/a	n/a	0,06	

1.2.8. EVER AGRIBIO SA – Bio Blueberry culture project

The company was setup in September 2022, and is to carry out activities in the agricultural and renewable energy fields on the 50 ha land it holds in Săucești commune, Bacau County.

Currently, the documentation for accessing non-reimbursable funds for the establishment of an organic blueberry plantation and logistics space is being prepared.

Main Financial Results (IFRS restated):

lei	2022	H1 2023	H1 2023 / H1 2022 evolution (%)
Total assets	3,848,314	3,338,999	n/a
Turover	-	-	n/a
Profit (loss)	(223,091)	(452,211)	n/a
ROE %	n/a	n/a	
ROA %	n/a	n/a	

1.2.9. VISIONALFA Investments SA

The company was setup in August 2022, for the purpose of investment funds management. At present the company does not have an activity.

1.3. Influences resulted from consolidation operations

The table below presents the comparative statement of assets based on the figures in the consolidated individual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

1.3.1. Comparative statement of assets on 30th June 2023

Balance position	Compay	Group	Differences
Cash and current account	1,301,763	4,922,640	3,620,877
Bank deposits with initial maturity within 3 months	51,984,252	56,973,742	4,989,490
Bank deposits with initial maturity higher than 3 months	10,340,300	14,089,013	3,748,713
Financial assets at fair value through profit or loss	324,310,369	270,506,813	(53,803,556)
Financial assets measured at fair value through other comprehensive income	2,080,328,258	1,863,978,141	(216,350,117)
Investments accounted for using the equity method	-	55,654,002	55,654,002
Bonds at fair value through other comprehensive income	3,963,426	3,963,426	-
Bonds at depreciated cost	16,720,903	41,711	(16,679,192)
Other financial assets at depreciated cost	4,877,649	14,647,884	9,770,235
Inventory	-	41,384,937	41,384,937
Other assets	605,703	2,508,556	1,902,853
Intangible assets held for sale	212,738	866,664	653,926
Investment property	4,071,710	153,281,575	149,209,865
Property, plant and equipment	9,005,516	69,291,181	60,285,665
Right-of-use assets	3,040,945	12,171,264	9,130,319
Goodwill	-	4,339,505	4,339,505
Intangible assets	444,971	1,144,005	699,034
Total assets	2,511,208,503	2,569,765,059	58,556,556

1.3.2. Comparative statement of liabilities and equity on 30th June 2023

Balance position	Company	Group	Differences
Loans	95,627,836	114,189,254	18,561,418
Lease liabilities	3,058,477	11,004,600	7,946,123
Dividends payable	54,467,644	54,800,883	333,239
Current profit tax liabilities	3,334,643	3,341,024	6,381
Financial liabilities at depreciated cost	700,740	8,332,075	7,631,335
Other liabilities	4,723,696	7,082,698	2,359,002
Provisions for risks and charges	1,632,553	3,925,468	2,292,915
Liabilities related to deferred profit tax	104,652,052	112,424,393	7,772,341
Total liabilities	268,197,641	315,100,395	46,902,754
Share capital	499,988,637	499,988,637	-
Retained earnings	997,572,538	1,020,624,696	23,052,158
Reserves from the revaluation of property, plant and equipment	9,793,362	18,265,013	8,471,651
Reserves from the revaluation of FVTOCI assets	778,190,327	741,626,737	(36,563,590)
Treasury shares	(56,514,937)	(56,514,937)	-
Equity-based payments to employees	9,905,947	9,905,947	-
Other equity elements	4,074,988	4,074,988	-
Total equity attributable to the company's shareholders	2,243,010,862	2,237,971,081	(5,039,781)
Non-controlling interests	-	16,693,583	16,693,583
Total equity	2,243,010,862	2,254,664,664	11,653,802
Total liabilities and equity	2,511,208,503	2,569,765,059	58,556,556

1.3.3. Comparative analysis of the statement of comprehensive income in the 6 months' period ended on 30th June 2023

Statement of comprehensive income	Company	Group	Differences
Income			
Gross dividend revenue	32,948,168	32,978,419	30,251
Interest income	3,681,078	3,370,103	(310,975)
Other operating revenue	510,418	20,020,446	19,510,028
Net gain on financial assets at fair value through profit or loss	11,398,289	11,432,236	33,947
Net gain on the disposal of non-financial assets	-	(435,303)	(435,303)
Expenses			
Loss reversal on financial assets impairment	19,645	282,921	263,276
Loss reversal on non-financial assets impairment	-	362,433	362,433
Set-up of provisions for risks and charges	-	(82,580)	(82,580)
Expenses with wages, remunerations and other similar expenses	(9,839,136)	(18,884,163)	(9,045,027)
Other operating expenses	(6,499,583)	(20,162,191)	(13,662,608)
Operating profit	32,218,879	28,882,321	(3,336,558)
Financing expenses	(1,679,734)	(2,385,364)	(705,630)
Share in the result of associates		282,915	282,915
Profit before tax	30,539,145	26,779,872	(3,759,273)
Profit tax	(4,303,104)	(4,274,093)	29,011
Net profit of the period	26,236,041	22,505,779	(3,730,262)
Other elements of comprehensive income			
Increase of reserve from the revaluation of property, plant and equipment, net of deferred tax	18,569	67,485	48,916
Net gain on the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	99,950,154	102,804,947	2,854,793
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	99,968,723	102,872,432	2,903,709
Net loss from revaluation of FVTOCI bonds	(146,945)	(146,945)	-
Other elements of comprehensive income – elements	(146,945)	(146,945)	-

that will be reclassified in profit or loss			
Other elements of comprehensive income - Total	99,821,778	102,725,487	2,903,709
Total comprehensive income of the period	126,057,819	125,231,266	(826,553)

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 period attributable to Company's shareholders	26,236,041	22,505,779	(3,730,262)
Gain related to the transfer of FVTOCI* financial assets, net of tax, recycled in retained earnings	21,504,320	21,504,320	-
Net result	47,740,361	44,010,099	(3,730,262)

* 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

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

The solid and sustained **investment policy** is based on the long-term increase of 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 to 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 shareholders, namely NAV increase and indirectly, increase of EVER share price.

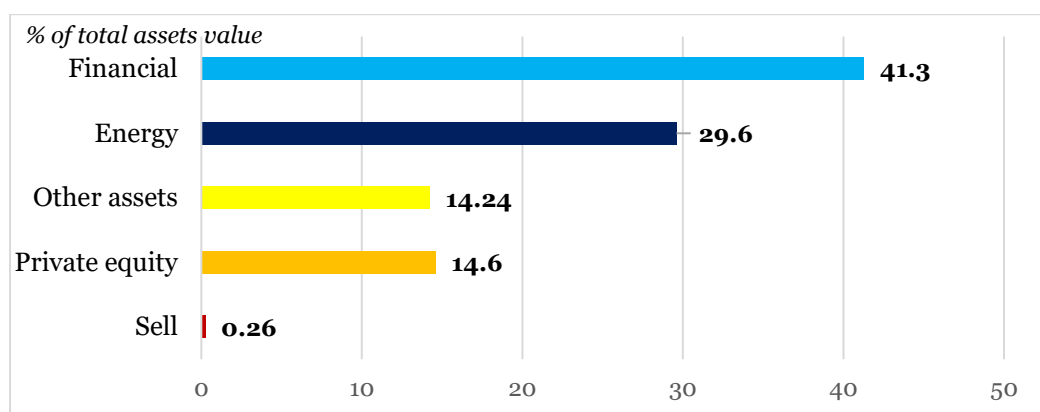
The Company has a predictable dividend policy and annually runs buy-back programs to ensure the liquidity of EVER shares and bring benefits to shareholders through the possibility to share their holdings for a price as close to the assets value as possible. Along with the dividends, these represent a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

Capital operations through 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 30.06.2023:



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

On 30th June 2023, the assets of the 9 subsidiaries of EVERGENT Investments Group registered a value of 218.5 million lei, representing 8.70% of EVERGENT Investments Group’s total assets.

In accordance with its *Investments Strategy and Policy*, EVERGENT Investments has a strategy of mixed allocation of resources to the capital market, in parallel with the implementation of private equity projects that will ensure an additional return on the long term.

Private equity investments target an approach focused on the real-estate and agribusiness sectors that are identified as having average to long-term increase potential. Additional opportunist investments are made in other particular interest areas.

Indirect investments in the real-estate sector, through a company controlled by EVERGENT Investments, are focusing on all branches – residential, office, commercial, etc. – either through the residential development of key properties from EVERGENT Investments' portfolio, or through new projects.

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 90% in all unlisted companies. In the selection and monitoring of unlisted share investments, 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

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 objective of the project is the setup and development of blueberry farms. At present the farms in Vistea- Braşov county, Mandra – Braşov county and Popesti – Arges county are in different development stages, and a farm in Ratesti – Argeş county is being setup. At the end of the reporting period, the total planted area was 105 ha.

EVERGENT Investments' investment: 9.2 million euro.

Current status: seasonal agriculture works were carried out and then the harvesting started.

Corporate events:

- ✓ 05.04.2023 – OGMS approved the Directors' report and financial statements for 2022, the discharge of management for the managers for 2022, activity program and performance indicators for year 2023.
- ✓ 06.04.2023 – EGMS approved the increase of share capital with the amount of 1,750,000 lei (the equivalent of 350,000 euro at an exchange rate of 5 lei/euro) to finance the “Extension of Blueberry Farm” investment, in accordance with the financial forecasts approved in EGMS/22.12.2022.
- ✓ 21.04.2023 – EGMS approved the revocation of Resolution no. 3 related to items 7 and 8 of EGMS Convening Notice/05(06).04.2023 regarding the collateral for the credit facility, based on

the credit offer document revised by the bank on the collateral segment and collateral for the credit facility approved by EGMS on 06.04.2023, that ordered the “approval of the contracting of an investment loan- type credit facility, in the amount of 1,500,000 lei”.

1.4.2.2. EVERLAND SA

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 Iași 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:

- ✓ the zonal urban plan (PUZ) was approved;
- ✓ Maximum built area is 83,800 square meters, the project value being estimated to around 100 million euro.

Corporate events:

05.04.2023 – OGMS approved the report of the sole associate and financial statements for 2022, the sole manager’s discharge of office for 2022, the activity program and performance indicators for year 2023.

1.4.2.3. CASA SA

The company manages own real estate property and delivers real estate management services for real properties owned by EVERGENT Investments.

On 30.06.2023 the share portfolio of CASA SA includes a number of 43 companies, of which 15 and functional and 28 in bankruptcy.

The real estate portfolio on 30.06.2023 comprises a number of 15 real estate properties.

The company has concluded the following legal documents 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.
- ✓ Agreement regarding the sale of property (land belonging to Casa and buildings owned by EVERGENT) located in Vaslui, Miron Costin Street, no. 8.

Corporate events:

- ✓ 20.02.2023 – EGMS approved: increase of the share capital of CASA SA with cash contribution of shareholder EVERGENT Investments SA, in the amount of 15,300,000 lei, without issue premium, for the financing of the investment related to the acquisition of the buildings located in Bacău, 94C Pictor Aman Street (floors 4-7 and 8); by issuing a number of 6,120,000 new shares with a nominal value of 2.5 lei/share.
- ✓ 21.04.2023 – OGMS approved the directors’ report and financial statements for 2022,

discharge of office for the directors for 2022, the activity program, income and expense budget, as well as performance indicators for 2023.

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:

- ✓ 20.04.2023 – OGMS approved the directors' report and financial statements for 2022, the directors' discharge of office for 2022, the activity program and performance indicators for 2023.
- ✓ 20.04.2023 – EGMS approved the amendment of the Articles of Incorporation of the company, with the entry of the new activity.
- ✓ 30.05.2023 - OGMS approved the general remuneration limits for the company's directors and managers.

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.

In 2023, EVERGENT Investments announced to all interested parties the sale of the stake representing 93.89% of the share capital of Regal S.A., a closed (unlisted) company, by organizing a series of tender rounds.

Corporate events:

11.04.2023 – OGMS approved the directors' report and financial statements for 2022, the directors' discharge of office for 2022, the activity program, income and expense budget, as well as performance indicators for 2023.

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:

15.05.2023 - OGMS approved the directors' report and financial statements for 2022, the directors' discharge of office for 2022, the activity program, income and expense budget, as well as performance indicators for 2023.

1.4.2.7. A3 SNAGOV SRL

The company was setup in Bacau, in 2021, and is to capitalize on real-estate investment opportunities.

Corporate events:

19.04.2023 – OGMS approved the report of the sole associate and financial statements for 2022, the discharge of office of the sole associate for 2022, activity program, income and expense budget and performance indicators for 2023.

1.4.2.8. 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 Saucești commune, Bacău county.

EVERGENT Investments' investment: 0.76 million euro.

Current status: The documentation to access non-reimbursable funds for the setup of a bio blueberry plantation and a logistic area is currently being prepared.

Corporate events:

10.04.2023 GMS – approved by the directors' report and financial statements for 2022, activity program, income and expense budget, as well as the performance indicators for 2023.

1.4.2.9. VISIONALFA INVESTMENTS SA

Company set-up in August 2022 for the purpose of investment funds management; does not carry out any activity.

Corporate events:

03.04.2023 – OGMS approved the directors' report and financial statements for 2022, the directors' discharge of office for 2022.

1.4.3 Implementation of 2023 Investment Program

EVERGENT Investments has analysed and implemented investments *in agreement with the directions and principles presented in 2023 Activity Program* approved by shareholders in OGMS on 27th April 2023.

mil. lei	2023 activity program	Achieved in H1 2023	% achievement H1 2023
Total investment program, of which assigned for the following portfolios :	305.2	186.4	61.1
• FINANCIAL-BANKING	-	-	-
• ENERGY- INDUSTRIAL	260	168	64.6
• PRIVATE EQUITY	45.2	18.4	40.7

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

Starting with 28 august 2020, through the amendment 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 H1 2023 there have been no transactions covered by the reporting requirements.

2. Analysis of the 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 cover 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	2021	H1 2022	2022	H1 2023
Current liquidity indicator	10.84	7.49	7.01	5.18
Quick liquidity indicator	10.38	6.94	6.54	4.59

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	2021	H1 2022*	2022	H1 2023*
Fixed- assets turnover speed	0.07	0.05	0.10	0.03
Total assets turnover speed	0.05	0.04	0.08	0.03

* indicators have not been annualized

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	2021	H1 2022*	2022	H1 2023*
ROE %*	2.1	2.4	4.4	1.3
ROA %*	2.0	2.6	4.2	0.9
Earning per basic share (lei/share) – profit per share	0.053	0.068	0.107	0.025
Earning per basic share (lei/share) – including net gain from the sale of FVOCI assets	0.158	0.080	0.146	0.048
Dividend per share (lei/share) – distributed during the year, din from the profit of the previous year	0.043	0.065	0.065	0.09

* Indicators have not been annualized

2.1.4. Other indicators

Indicator name	2021	H1 2022	2022	H1 2023
Receivables recovery period**	36.64	18.06	27.84	68.03
Debt repayment period**	153.96	118.92	130.43	488.27
Indebtness degree (Total liabilities/Total assets) (%)	7.83	8.25	7.86	12.26
Return on capital employed (Equity & borrowings) %*	2.12	2.41	4.35	1.22

* indicator has not been annualized

** these indicators are not relevant for financial institutions, like EVEREGENT Investments, parent company and main company within the Group

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.

Selection of investment opportunities is made through:

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

The Group is exposed to the following market risk categories:

(i) Price risk

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

(ii) Interest rate risk

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

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

(iii) Currency risk

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

Exposure to currency exchange rate fluctuations are mainly due to loans, deposits, shares and bonds in currency.

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 an 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 Group.

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.

For an efficient management of credit and counterparty risks, the Group uses specific procedures, closely connected with the Group's ESG policy and the policy regarding the integration of sustainability risks in the investment decision making process.

The prevention and lowering of sustainability risk is an important objective on the level of the entire Group that is implemented through:

- abidance by legal requirements applicable regarding ESG topics approach
- developing an adequate understanding of ESG issues through continuous training and staff development programmes on ESG issues
- taking ESG factors into account in internal organisational principles and Group policies and strategies
- a structured process for identifying, monitoring and managing sustainability risks in operational activities
- setting of limits for sustainability risks, within the limits of the stated risk appetite

- setting of remuneration systems that also take into account ESG risk management
- inclusion in the conflict of interest risk management policy of the conflicts that might occur following the integration of sustainability risks in the Group's systems and processes, as well as in internal controls
- inclusion within the involvement policies of the principles regarding involvement on sustainability aspects.

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 investments, 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 threat 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 the first half of 2023, the Group adopted all measures necessary to carry out its activity under the current conditions of the financial market through the adequacy of its investment policy and constant monitoring of 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. With regard to subsidiaries, tax inspections targeted specific areas.

3.1.9. Economic environment risk

The Group's management is committed to assess the nature of the changes that will take place in the economic environment in Romania and what their effect will be on the Group's financial situation and operating and cash results.

According to the NBR Inflation Report May 2023, the economic implications of the war in Ukraine reconfirm their importance as a major source of risks for the economic environment. Its future stages and intensity are weighed down by numerous uncertainties, but based on actual developments on the ground, more and more opinions seem to suggest the possibility of a longer prolongation of the armed conflict.

Geopolitical risks have increased, including from the prospect of a possible escalation of trade disputes between China and the US. Such a development would be likely to delay or even reverse progress in restructuring and streamlining global value-added chains, leading to further inflationary spikes and further slowdowns in economic activity. As seen in a number of recent episodes - notably the one that culminated in China's self-isolation amid the response to the COVID pandemic in that country - the contagion effects are multiple and have the potential to be relatively widespread.

A significant source of uncertainties and risks also remains the absorption of European funds, mainly those related to the "Next Generation EU" programme, in the context of the attached conditions. Uncertainties and high risks also continue to be associated with the conduct of tax policy, given, on the one hand, the budget deficit target set for the current year with a view to further budgetary consolidation in the context of the excessive deficit procedure and the significant increase in the cost of financing, and, on the other hand, the characteristics of the budget execution in the first months of the year and the sets of support measures planned to be implemented or extended

into 2023, in a difficult domestic and global economic and social environment, with potential adverse implications on the final budgetary parameters.

The residential market is expected to decline, suggesting that it has entered a readjustment phase and is experiencing a slight downturn.

The Group's management cannot foresee all the effects of a crisis that would have an impact on the financial sector in Romania nor their potential impact on the financial statements, but considers that it has adopted the necessary measures for the Group's sustainability and development under current market conditions.

3.2. Main Risks and Uncertainties in H2 2023

According to the NBR Inflation Report May 2023, the economic implications of the war in Ukraine reconfirm their importance as a major source of risks for the economic environment. Its future stages and intensity are encumbered by many uncertainties, but starting from the actual events on the ground, more opinions seem to suggest the possibility of the armed conflict's extension over a longer period of time. Risks on geopolitical level have amplified including from the perspective of an escalation of commercial disputes between China and the USA.

Such a development would be likely to delay or even reverse progress in restructuring and streamlining global value-added chains, leading to further inflationary spikes and further slowdowns in economic activity. As seen in a number of recent episodes - notably the one that culminated in China's self-isolation amid the response to the COVID pandemic in that country - the contagion effects are manifold and have the potential to be relatively far-reaching.

significant source of uncertainties and risks also remains the absorption of European funds, mainly those related to the "Next Generation EU" programme, in the context of the attached conditionalities.

Uncertainties and high risks also continue to be associated with the conduct of tax policy, given, on the one hand, the budget deficit target set for the current year with a view to further budgetary consolidation in the context of the excessive deficit procedure and the significant increase in the cost of financing, and, on the other hand, the characteristics of the budget execution in the first months of the year and the sets of support measures planned to be implemented or extended into 2023, in a difficult domestic and global economic and social environment, with potential adverse implications on the final budgetary parameters.

The residential market is expected to decline, suggesting that it has entered a readjustment phase and is experiencing a slight downturn. This tendency is influenced by the financing conditions and market segment. Residential prices in 2022 increased by 2.4% which is much less than the 10.8% increase in 2021, the lowest increase since 2015.

According to data published by the NSI, in July 2023 there was a decrease in the number of building permits issued for residential buildings (-20.9%) compared to July 2022 on a national level.

In the Bucharest-Ilfov region there is a 50% decrease in the number of building permits issued. In 2022 there was a 22% decrease compared to 2021.

The residential real estate market in Bucharest and Romania is experiencing a phase of regression and readjustment, with a slight drop in prices and a decrease in the number of building permits issued.

The interest rate decrease process will be slow and inflation will be difficult to bring down, especially once the wage growth spiral has started. Credit-based purchases have fallen sharply, so what is traded at present is mostly cash-based, with purchases being made especially from cash saved by the clients. Prices have slowed down their growth rate, but are not decreasing. Cash has been accumulated in the market, waiting for investment opportunities.

The new IRCC has come into force since 1st April 2023, which was 5.98% for Q2 2023 to which 2% bank margin is added resulting in the end, with all fees into a DAE over 8%. Since 1st July, IRCC changed to 5.94%.

It is estimated that the building materials market will enter a balanced trend in 2023. In Bucharest, the situation generated by the blocking of PUZs will reduce the supply of housing in the coming period.

4. Subsequent important events

4.1. EVERGENT Investments SA

Completion of the 1st stage of Program no. 8 for the buy-back of EVER shares

On 11th July 2023 Program no. 8 for the buy-back of treasury shares in order to implement the resolution of the Extraordinary General Meeting of Shareholders of EVERVENET Investments no. 2 on 27th April 2023 and in accordance with Resolution no. 3 of the Board of Directors on 15th May 2023 was completed.

The cumulated results of operations run between 17th May 2023 and 11th July 2023 are the following:

- total number of bought-back shares: 1,000,000;
- Average buy-back price lei/share: 1.2587;
- Total value in lei of shares bought-back: 1,258,686.64;
- Share bought-back of the company's share capital: 0.1040%;
- Purpose: buy-back of treasury shares in order to abide by the legal obligations from "stock option plan" type programs;
- Broker: BT Capital Partners.

Start of the 2nd stage of Program no. 8 for the buy-back of EVER shares

We have started the 2nd stage of Program no. 8 for the buy-back of treasury shares in accordance with EGMS resolution no. 2 on 27th April 2023 and Resolution of the Board of Directors on 11th July 2023.

The characteristics of the 2nd stage are the following:

- Period: 13th July 2023 – 12th October 2023;
- Program purpose: the company shall buy back shares in order to abide by its legal obligations regarding "stock option plan" type programs, in accordance with the provisions of art. 5 (2) letter. c) (EU) regulation no. 596/2014 and personnel remuneration policy applicable on AIFM level;
- number of shares that can be bought-back: maximum 3,500,000 shares through market operations, representing 0.3639% of share capital;
- minimum price per share: BVB market price from the time the purchase is made;
- Maximum price per share: 2.00 lei;
- Daily volume: average liquidity registered in June 2023;
- Broker: BT Capital Partners.

4.2. Regal SA

- 17.07.2023 – EGMS approved the modification of the Memorandum of Association and sale of company assets.

4.3. Agointens SA

- 17.07.2023 – OGMS approved the election of the Board of Directors members, for 18.07.2023-31.10.2023.
- 18.07.2023 – EGMS approved the correction of indicators referring to "Extension of blueberry farm extension" and increase of share capital with the amount of 2 mil. lei.

4.4. Ever Agribio SA

- 01.08.2023 – OGMS approved the revocation of a member of the Board of Directors who will exclusively maintain his CEO position and the appointing of a new member of the board with a mandate up to 30.09.2024.

4.5. Visionalfa Investments SA

- 25.07.2023 – EGMS approved the temporary suspension of activity and declaration of tax inactivity state for a period of three years.

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

In accordance with the resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 2/28.04.2022, during the period 22.12.2022 - 06.01.2023 a public tender offer for treasury shares was carried out, for a total of 19,625,000 shares, at the purchase price of 1.41 lei/share, with a view to reducing the share capital by cancelling the shares.

The offering was a success in terms of investor interest, with an allocation ratio of 0.0908835825.

The extraordinary general meeting of EVERGENT Investments shareholders adopted Resolution no. 2 on 27.04.2023, through which:

- it approves Programs 8 and 9 for the buy-back of treasury shares, abiding by applicable legal provisions and with the following main characteristics:

a) Purpose of the programs: the company will buy-back shares in order to run "stock option plan" type programs (Program 8), as well as in order to reduce the share capital through share annulment (Program 9).

b) Number of shares that can be bought-back: (i) maximum 9,200,000 shares through market operations (0.956% of registered share capital) for distribution to employees, directors and managers of the Company through "stock option plan" type programs (Program 8) and (ii) maximum 10,000,000 shares (1.039% of registered share capital) through public offering, for the purpose of lowering the share capital through share annulment (Program 9).

c) Minimum price per share: the minimum purchase price will be the BVB market price at the time of purchase.

d) Maximum price per share: 2 lei.

e) Duration of each program: maximum 18 months from the date the resolution is registered in the Trade Registry.

f) Payment for the bought back shares will be made from the distributable profit or from the available reserves of the company, as registered in the latest approved annual financial statements, except for the legal reserves registered in the 2022 financial statements, in accordance with the provisions of art. 103 index 1 of Companies' Law no. 31/1990.

- it authorise the Board of Directors and individually its members to take all necessary resolutions to implement the resolution, including the completion of all steps and formalities for the implementation of the programmes, the application of allocation criteria, the determination of beneficiaries and the number of rights/options to purchase shares, the rights exercise period, preparation and publication of informative documents, according to the law.

The first stage of Program 8 for the buy-back of treasury shares, in accordance with the resolution of the extraordinary general meeting of EVERGENT Investments' shareholders no. 2/27.04.2022, was run according to the resolution of the Board of Directors on 15.05.2023, the characteristics of the program being the following:

- Period: 17.05.2023 – 14.07.2023;
- Number of shares: maximum 1,000,000 shares;
- Daily volume: maximum 25% of the daily average volume of shares traded on BVB calculated based on the daily volume registered in April 2023, in accordance with art. 3 line 3, letter b) of EU Delegated regulation 2016/1052;
- Price: the minimum purchase price shall be the BVB market price from the time the purchase is made, maximum price – 2 lei/share, in accordance with EGMS Resolution no. 2/27.04.2023;

- Program purpose: the company will buy-back shares for the purpose of distributing them to employees, directors and managers of the Company through “stock option plan” type programs.
- Broker: BT CAPITAL PARTNERS.

6. Corporate Governance

6.1. Corporate Governance Code

([www.evergent.ro/about-us/Corporate Governance Code](http://www.evergent.ro/about-us/Corporate-Governance-Code))

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 Board of Directors organization and responsibilities 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 Ceoceca – 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 Ceoceca – 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 Executive Management organization and responsibilities 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 ;
- ✓ Issues 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.

The competence limits of the Management Committee, CEO and deputy-CEO are set taking into account the basic responsibilities of the Management Committee that cannot be delegated (provisions of art. 7 line 19 letter a of EVERGENT Investments – Memorandum of Association).

(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

Legal assistance, advice and representation activity

The Legal Department carried out the specific activities of legal assistance, advice and representation under the direction of the director, so that the objectives pursued in litigations and various judicial and extrajudicial transactions were reached within EVERGENT Investments, and also on Group level.

Legal assistance and advice

An important role is played by legal advice, which covers the entire area of activity, with advisory files being set up in areas such as: investment projects, legislative reviews and proposals, transactions, corporate operations, contracts, general meetings of shareholders, legality opinions.

Legality endorsements are granted for all legal documents the company is part of, or directly interested in, making sure that the documents abide by the applicable legal limits.

- At the end of the first semester of 2023, the legal advice activity recorded a number of 26 advice files and a total number of 170 legality endorsements granted on various legal acts, such as contracts, addenda, decisions, mandates, agreements, etc..
- We also note the endorsement of 1087 provisions for the establishment and/or suspension of payments relating to the payment of dividends to shareholders and the approval by the Director of the corresponding reply addresses, as appropriate.

Legal representation

The legal representation activity focused on the preparation of the necessary defences in the 200 litigations registered in specific records, among these 25 litigations were finally settled. In each litigation the necessary pleadings and defences were prepared and drafted so as to protect EVERGENT's interests.

Claims files are an important component of the litigations where EVERGENT is plaintiff, for which purpose it is pursuing all legal steps for the recovery of claims against AAAS, and other debtors as well. New foreclosure claims have been raised against AAAS, to recover the legal costs that our company has incurred in its defence, and new claims recovery strategies have been developed.

Legal assistance and representation was provided in EVERGENT's litigation with various portfolio companies regarding the annulment of unlawful GMS resolutions, as well as in cases in which the company is a respondent.

As a result of the steps taken, some favourable solutions have been obtained, both in cases with various objects and in the context of challenges to enforcement against AAAS.

Synthetic statement of litigations where EVERGENT Investments is a party in (Details in Annex 2.1)

- Litigations in which the Company is plaintiff:
 - 156 files, of which: 142 files are litigations pending in various trial stages, and 14 files are finally solved.
- Litigations in which the Company is respondent:
 - 44 files, of which: 33 files are litigations pending in various trial stages and 11 files are finally solved.

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, from 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 establishes and maintains a permanent and effective compliance verification function that is independent. Structurally and hierarchically the Compliance Department reports to the Board of Directors. Each person employed in the Compliance Department is subject to F.S.A. authorization and is registered in the public register of F.S.A..

Staff of the Compliance Department:

1. Michaela Puscas – compliance officer, department manager (FSA Reg. no.: PFR131RCCO/04003);
3. Gabriel Lupascu – compliance officer (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, Rodica Grintescu

(Details on the organization and responsibilities of the Internal Audit Department are presented in Annex 3)

7. EVERGENT Investments Group's approach regarding environment, social and governance aspects – “ESG”

For EVERGENT Investments Group generating value means, in addition to financial performance and profitability for its shareholders, a positive impact on the environment and the community in which it operates.

The 2023 ESG Policy of EVERGENT Investments Group is presented on www.evergent.ro





The environmental component – „Environmental”

EVERGENT Investments Group aims to lead by the power of example and use its investment experience in order to generate positive changes on the environment.

The global transition to zero emissions under the Paris Agreement requires the commitment and collaboration of all sectors.

In scenarios analysed by the International Energy Agency, energy demand will grow by 2.1% per year until 2040, especially in developed countries. The share of zero-carbon energy is projected to increase from 36% today to 52% by 2040. Romania supports the European Union's environmental targets to achieve zero carbon emissions by 2050. The decarbonisation target to be achieved by 2030, the intermediate stage, has been accelerated from 40% to 55%. This ambitious target cannot be achieved without the use of all low-carbon energies, in particular nuclear and gas. Thus, Romania's target is to reduce CO₂ emissions by 43.9% by 2030 compared to 2005 levels.

In line with Romania's energy strategy and the EU Taxonomy, EVERGENT Investments Group considers gas and nuclear fuel to be transitional fuels, indispensable in the European economy to achieve neutrality targets by 2050.

Private – equity Portfolio

“Atria Urban Resort” Project is building 350 apartments, according to Phase III, in accordance with the nZEB standard of energy efficiency (near-zero energy consumption), adhering to "eco-friendly" principles and reducing carbon footprint. The buildings will be equipped with solar panels for domestic hot water heating and heat recovery systems..

EVER AGRIBIO has purchased 50 ha of land for organic blueberry production, which meets the growing demand for organic products. The investment in organic production strategically positions the company in line with ESG trends and opens up opportunities for innovation.

Social component – “Social”

Employees are the core of EVERGENT Investments' resource mix. The company's philosophy reflects the belief in a performance and team culture, of people who share the same value system.

The Group believes that a thorough involvement of employees leads to performance, and thus it supports diversity and equity initiatives and constantly promotes a culture of collaboration.

EVERGENT Group acknowledges the positive impact that it may have on the community it is part of, either through capital investments or sponsorships and at the same time it aims to create opportunities for communities with insufficient resources.

EVERGENT Investments Group's involvement in its communities is aimed at sustainable economic development. Creating new jobs and helping disadvantaged people to integrate into the community are sustainable mechanisms of intervention in society in the long term.

Corporate Governance component – “Governance”

The implementation of corporate governance principles, as well as the development of responsible and transparent business practices, represent important milestones of the EVERGENT Investments Group's activity, while ensuring the prerequisites for achieving sustainable performance growth and for harmonizing the interests of all parties involved in the relationship with the EVERGENT Investments Group.

EVERGENT Investments Group is based on values such as responsibility, innovation, action diligence and the way its employees strive to exceed their limits to be better.

8. Prevention and fight against money laundering and the financing of terrorism on the level of EVERGENT Investments Group

In the first half of 2023, individuals appointed for ML/FT have fulfilled their responsibilities as set by FSA Regulation no. 13/2019 on the establishment of measures to prevent and combat money laundering and terrorist financing through the financial sectors supervised by the Financial Supervisory Authority.

The company identifies ML/FT risks it is subjected to both on the level of the entire activity and on Group level in accordance with applicable legal provisions.

EVERGENT Investments, as parent company, implements the means and instruments necessary for the purpose of abiding by ML/FT legislation on the level of Evergent Group, for which purpose, the following operations were carried out during the reporting period:

- ✓ taking the necessary steps to implement the revised policies and procedures in 2023, in line with current legislation, in all subsidiaries.
- ✓ continuation of the subsidiary monitoring stages, in order to adopt procedures depending on the specifics and size of the economic activity carried out, as well as the particularities of the business relations, clients, products and services, that can insure the assessment of the money laundering/financing of terrorism risks on Group level, abiding by legal provisions applicable.
- ✓ taking the necessary measures to appoint assigned individuals according to the law, for each subsidiary and for assigning them the corresponding responsibilities.
- ✓ insuring the conditions for the training and assessment of staff.

The Board of Directors' Report on 30th June 2023 relating to the consolidated financial statements was approved in the Board meeting on 15th September 2023.

Claudiu DOROȘ
CEO and President of the Board

Mihaela MOLEAVIN
Finance director

Michaela PUȘCAȘ
Compliance manager

Georgiana DOLGOȘ
Director

Structure and method of operation of directors bodies, management bodies and committees – EVERGENT Investments SA**1.1. General Shareholder's Meeting**

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

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

1.2. Board of Directors

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

The directors and executive managers comprising the Management Committee enter into administration and/or management contracts with the company, prepared in compliance with the applicable legal framework. The content of these contracts concluded with the company will be declared and/or made public in accordance with applicable regulations if required.

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

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

The President of the Board of Directors has the following basic responsibilities:

- a) coordinates the activity of the Board of Directors;
- b) convenes the Board of Directors;
- c) establishes the agenda of the Board of Directors;
- d) oversees the adequate information of the members of the Board regarding the items on the agenda;
- e) chairs the meetings of the Board of Directors;
- f) ensures the representation of the Board of Directors in relation to the Directors by signing the director's and manager's contracts;
- g) monitors the implementation of the decisions of the Board of Directors and reports quarterly to the Board on the status of their implementation;

- h) signs the minutes of the meeting of the Board of Directors together with another director, if he chaired the meeting;
- i) conducts the GMS works and submits to the debate and approval of the GMS the issues on the agenda;
- j) ensures the proper functioning of the company's bodies.

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

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

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

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

The EVERGENT' Memorandum of Association 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;
- i¹) taking appropriate measures regarding the establishment and implementation of corporate governance principles, including but not limited to:
 1. establishing relevant criteria for monitoring the performance of executive management/senior management and the company as a whole, as well as conducting an annual evaluation of the criteria's implementation.
 2. analyzing the adequacy, efficiency, and updating of the risk management system to ensure the effective management of assets held and the management of the risks to which the company is exposed.
 3. ensuring compliance with requirements related to outsourcing/delegation of operational activities or functions, both before and during the outsourcing/delegation process.
 4. analyzing and establishing a remuneration policy so that it aligns with the business strategy, long-term objectives and interests and includes measures to prevent the emergence of conflicts of interest;
 5. ensuring the development and implementation of ethical and professional standards to promote professional and responsible behavior at the society level to prevent conflicts of interest;
 6. approval of the company's policy and risk profile, appetite and risk tolerance limits, as well as the procedures for identifying, assessing, monitoring, managing and reporting the significant risks to which the company is or may be exposed;

7. ensuring the development of business continuity and emergency response plans, as well as conducting semi-annual evaluations of these plans;
8. semi-annual assessment and review of the effectiveness of the policy, measures and procedures established for risk management and taking appropriate actions to address any deficiencies.
- 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, leasing, creating movable real guarantees and mortgaging the assets of the company, in accordance with the law:
 - 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 cumulative operations related to fixed assets are treated separately for each category: acquisitions, disposals, exchanges, or collateralization;
 - 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 signed, 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) integrating sustainability risks within the activities of:
 - ✓ implementation of the general investment policy as defined in the Fund's Rules, in the Memorandum of Association and in the Prospectus;
 - ✓ approval of the investment strategy;
 - ✓ periodic approval and examination of the adequacy of the internal procedures for adopting investment decisions for EVERGENT Investments, to ensure that these decisions are in line with the approved investment strategies;
 - ✓ periodic assurance and verification that the general investment policy, investment strategies and risk limits of EVERGENT Investments are applied and respected in an appropriate and efficient manner;
 - ✓ periodic approval and examination of the risk management policy and its application measures, processes and techniques, including the fund's risk limit system;
 - ✓ establishing and applying policies and procedures for evaluating the Fund's assets, in accordance with art. 19 of Directive 2011/61/EU;
 - ✓ ensuring that the Fund has a permanent and effective compliance verification function;
 - ✓ establishment and application of a remuneration policy in accordance with the provisions of Annex II to 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 annual internal self-assessment results of operational risks, including IT operational risks and the internal control system and the risk response plan that outlines measures for preventing and mitigating operational risks.
- u) approval of the quarterly risk reports of the risk management department;
- v) approval of the classification of information as *privileged and confidential information* categories and the measures taken to manage them;
- w) approval of the assets evaluation method in compliance with SEV Evaluation Standards and GEV Evaluation Guidelines that are mandatory according to legal provisions to carry out the evaluation activity in Romania, mainly:
 - market approach methods;
 - revenue approach methods;
 - cost approach methods.
- x) the approval and examination of each modification of the policies and procedures for assets evaluation;
- y) approval of the general AML/CFT strategy and oversight of its implementation, ensuring an adequate and efficient governance framework for AML/CFT. Responsibilities include, but are not limited to:
 - ✓ supervises and monitors the adequacy and effectiveness of the policies, internal rules, mechanisms and procedures for managing AML/CFT risks in relation to the AML/CFT risk to which the Company is exposed, and, if necessary, orders measures to review them;
 - ✓ appoints the directly responsible leader for AML/CFT and assesses his adequacy or analyzes the assessment of suitability, communicating decisions that may affect the AML/CFT risks to which the company is exposed;
 - ✓ designates the person responsible for performing the duties of the AML/CFT compliance officer;
 - ✓ approves the activity report of the AML/CFT compliance officer or, if necessary, orders its review;
 - ✓ receives periodic updates regarding activities that expose the company to a higher risk of AML/CFT and is informed about the results of the AML/CFT risk assessment for the entire operation. This includes having direct and continuous access to all data and information held within the company that are necessary to fulfill the obligations specified by the current AML/CFT legislation.
- z) approves the annual activity report of the Commission for the Proper Administration of International Sanctions on the capital market;

aa) addressing any other issues set by the General Meeting of Shareholders or by the regulations or legal provisions.

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

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

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 positions¹, 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 members², according to the legal provisions and the Memorandum of Association.

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.

¹ Law 31/1990 art. 140² 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, para. 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, in areas such as auditing, the remuneration of directors, executive managers and staff, or the nomination of candidates for various management positions. The committees will regularly submit reports on their activities to the Board.

Audit Committee

The Audit Committee is a permanent Committee of the Board of Directors, independent from EVERGENT Investments executive management. 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 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 and of its subsidiaries 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 significant transactions reported according to art. 108 of Law no. 24/2017 regarding the issuers of financial instruments and market operations 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.

The secretariats of the Board of Directors, the Executive Committee, and the consultative committees - general rules

1. The Board of Directors, the Executive Committee and the consultative committees of the Board of Directors operate in accordance with their own rules of organization and functioning, approved by the Board of Directors.
2. The secretariats are not separate organizational departments; they operate within the governance structures.
3. Secretaries of the Board of Directors and committees, as well as their replacements, are appointed by a decision of the Board of Directors, upon the proposal of the CEO.
4. The secretariat has the following core responsibilities:
 - Technical organization of meetings.
 - Communication of opinions and/or decisions to departments.
 - Preparation of meeting minutes, drafting of reports for approval by competent bodies, including monitoring the implementation of the Board of Directors' resolutions, with the support of the involved departments.
 - Physical and electronic archiving of meeting documents; physical archiving is ensured at the registered office.

Consultant 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. analyzes 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 the Board.

Delegations of authority at the Board of Directors level

The Board of Directors approves the delegation of power and sets the limitation of powers for the CEO, Deputy CEO and Executive 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 EVERGENT Investments Executive Management

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

CEO

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

The CEO has the following 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, Occupational Health and Safety activities, Fire Prevention and Firefighting activities, as well as Physical Security activities.

The CEO serves as the direct leader responsible for AML/CFT, with specific responsibilities as outlined by relevant legal provisions, as established in the management contract.

The CEO leads and coordinates the Executive 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 CEO;
- (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 Board 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. Executive 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 Executive 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 Executive 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 Executive 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 Executive Committee are adopted unanimously.

In case decisions cannot be adopted in the Executive 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 Executive Committee, and in this quality:

- a) convenes every time necessary the Executive Committee in order to present for debate and approval issues that fall under its competence;
- b) monitors the implementation of the Executive Committee's decisions and reports quarterly to the Board on the progress of their execution;
- c) informs the Board of Directors about adopted resolution in each meeting of the Board of Directors.

1.5. Director

The director is an employee of the company and is subordinate to the Executive Committee.

The functional relationship of the executive manager are:

1. subordination to the CEO, Executive Committee, Deputy CEO;
2. collaboration with all company departments;
3. coordination of departments under his subordination according to the organisational chart.

The director 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; ensures the execution of the Board of Directors' decisions and provides quarterly reports to the Executive Committee and the Board of Directors on the status of their implementation, based on information provided by managers and department heads, or project leaders, as applicable, following internal procedures and management decisions
11. Fulfills 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.

Protection of EVERGENT Investments' interests and assets through legal proceedings and out-of-court proceedings

Legal assistance, consultancy and representation

The Legal Department has carried out the specific activities of legal assistance, consultancy, and representation under the leadership of the Director, so that the objectives pursued in the context of litigation and various judicial and extrajudicial transactions are met within EVERGENT Investments, as well as at the Group level.

Legal assistance and consultancy

Significant importance is given to legal consultancy, this covering the entire area of activity, with consultancy files established in areas that include: investment projects, legislative reviews and proposals, transactions, corporate operations, contracts, general meetings of shareholders, legal opinions.

Legal approval is granted for all legal documents in which the company is a party or has a direct interest, ensuring that the documents comply with the applicable legal boundaries.

- In H1 2023, the legal consultancy activity reflects a total of 26 consultancy files and a total of 170 legal approvals granted for various legal documents, including contracts, addendums, decisions, mandates and agreements.
- We also highlight the approval of 1087 orders for the establishment and/or cessation of payments related to dividend payments to shareholders, and the Director's approval of the corresponding response letters, as applicable.

Legal representation

The legal representation activity focused on **formulating the necessary defenses in the 200 litigations** recorded in the specific records, of which 25 litigations have been definitively resolved. Within each litigation, the necessary documents and defenses were designed and elaborated to protect EVERGENT's interests.

The cases involving claims are an important component of the litigations in which EVERGENT acts as the plaintiff. In this regard, **legal proceedings continue to be pursued for the realization of claims against AAAS, as well as with respect to other debtors**. New enforcement requests have been initiated in opposition to AAAS to recover the legal costs incurred by our company in defense. Additionally, new debt recovery strategies have been developed.

Legal assistance and representation have been provided **in the litigations that EVERGENT is conducting in opposition to various companies in its portfolio, including cases involving the annulment of unlawful GMS resolutions, as well as in cases where the company is the defendant**.

As a result of the efforts undertaken, favorable outcomes have been obtained in some cases with various subject matters, as well as in appeals to execution proceedings against AAAS.

The summary of the litigations in which EVERGENT Investments is a party (details in Annex 2.1).

- Litigations in which the company acts as the **plaintiff**:
 - 156 cases, of which: 142 cases are ongoing litigations at various stages of the legal process and 14 cases have been concluded.
- Litigations in which the company is the **defendant**:
 - 44 cases, including: 33 cases are ongoing litigations at various stages of the legal process. and 11 cases have been concluded

LITIGATIONS as of 30 June 2023

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	Dyonisos Cotesti	Annulment of OGMS resolution on 14.04.2022	Action dismissed	With appeal
2	Brikston Construction	Annulment of OGMS resolution on 28.04.2022	Action dismissed	With appeal
3	Vastex SA	Annulment of EGMS resolution on din 12.12.2022	Action dismissed	EVERGENT's appeal

SOLVED LITIGATIONS

1	Vastex SA	Annulment of EGMS resolution on 14.04.2022	Action dismissed.
2	Rulmenti Barlad	Annulment of OGMS resolution on 31.05.2022	Evergent's appeal dismissed
3	Vastex SA	Annulment of OGMS resolution on 14.04.2022	Action dismissed
4	Martens SA	Annulment of EGMS resolution on 28.04.2022	Action dismissed
5	Martens SA	Annulment of BD resolution on 03.12.2021	Action dismissed

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

no.	Company/ individual respondent	Claims value in lei	Object	Observations
1	Vastex S.A.	0.00	Claims, shares' value Law 151/2014	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.	1,338,494.26	enforcement	
14	A.A.A.S.	1,369,220.26	enforcement	
15	A.A.A.S.	1,416,542.50	enforcement	
16	A.A.A.S.	1,600,412.04	enforcement	
17	A.A.A.S.	545,128.79	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	4,351.54	enforcement	
85	AAAS	4,326.77	enforcement	
86	AAAS	4,301.25	enforcement	
87	AAAS	4,318.94	enforcement	
88	AAAS	4,325.80	enforcement	
89	AAAS	4,326.64	enforcement	
90	AAAS	1,666.39	enforcement	
91	AAAS	2,823.14	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*	AAAS	1,864.74	enforcement	
115*	Cantoreanu Ioan Florin	15,446	enforcement	
116	Statul Roman	Civil liability	claims	EVERGENT's appeal
117	SNGN Romgaz	378,546	claims	Litigation pending on the merits
118*	Cantoreanu Ioan Florin	7,481	claims	Litigation pending on the merits
TOTAL:		59,237,317.90		
Status of pending litigations where Evergent Investments SA acts and plaintiff – files connected to claims				
No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	Intervention – usucapio action	Action dismissed	With appeal
2	Vastex; Delkimvas	validation of garnishment	Judgment suspended	

3	Vastex; Perpetuus COM	validation of garnishment	Judgment suspended	
4	Vastex, Liceul Radu Miron	validation of garnishment	Request allowed	Liceul Radu Miron's appeal
5	Vastex, Rovitec Cons	validation of garnishment	Judgment suspended	
6	Vastex, Nechita Prestserv	validation of garnishment	Judgment suspended	
7	Vastex, Lexfan Fitness	validation of garnishment	Judgment suspended	
8	Vastex, Connected-Dval	validation of garnishment	Judgment suspended	
9	Vastex, Castrum Corporation	validation of garnishment	Litigation pending on the merits	
10	Vastex, Lacautonacris	validation of garnishment	Litigation pending on the merits	
11	Vastex, Clique Graphics	validation of garnishment	Litigation pending on the merits	

SOLVED LITIGATIONS

1	Vastex, Lotex General	validation of garnishment	Orders the closing of the file.	
2		Criminal complaint	Complaint dismissed	
3	Groza Daniel	Enforcement challenge	Challenge dismissed	
4*	Romanian state	displacement	Request dismissed	
5*	Romanian state	Suspension	Request dismissed	

Status 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*	Castrum Corporation	Challenge of judicial administrator appointment	Vastex Insolvency	On the docket
9*	First Bank SA	Challenge of rectified preliminary table	Vastex Insolvency	On the docket
10*	Vastex SA	Report challenge		On the docket
TOTAL LEI:		10,408,909.14		

SOLVED LITIGATION

1	Vastex Vaslui	Presidential order	EVER's appeal allowed
2	Vastex Vaslui	Challenge of causal report	Challenge allowed

3	Vastex Vaslui	Challenge against the resolution of the Creditors' Meeting on 11.11.2022	Challenge allowed
4	Vastex Vaslui	Challenge of creditor table	The appeals of First Bank and Castrum dismissed

Status of pending litigations where Evergent Investments SA acts as respondent

No.	Plaintiff	Claims value	Object	Observations
1	Spatariuc Maria		Resolution to replace authentic document	Litigation pending on the merits
2	Spatariuc Dumitru s.a.		Resolution to replace authentic document	Litigation pending on the merits
3	Dionisie Mirela s.a.		Resolution to replace authentic document	DGRFP and AAAS' re course
4	Reuti Veronica		Document annulment	Litigation pending on the merits
5	Andrei Lina		Resolution to replace authentic document	Appeal dismissed. AAAS' recourse
6	Tibuleac Petrica Iulian		Resolution to replace authentic document	Litigation pending on the merits
7	Dron Cristina-Lotrisoara		Resolution to replace authentic document	Litigation pending on the merits
8	Cazacu Ioan		Resolution to replace authentic document	Competence declined
9	Placintaru Ion		Resolution to replace authentic document	Litigation pending on the merits
10*	Asavei Gheorghe		Obligation to do	Litigation pending on the merits

LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)

No.	Challenged amount in lei	Object	Status	Observations. Garnished third parties
1		Enforcement challenge	Challenge dismissed. With recourse	
2		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
3		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
4		Garnishment challenge	AAAS' appeal allowed.	Treasury
5		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
6		Garnishment challenge	Challenge dismissed. with appeal	Treasury
7		Garnishment challenge	Challenge allowed. Evergent's appeal	TP. Regal Galati
8		Garnishment challenge	Challenge allowed. AAAS' appeal	Treasury
9		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
10		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
11		Garnishment challenge	Challenge partly allowed. Evergent's appeal	TP. Regal Galati
12		Enforcement challenge	Challenge dismissed. with appeal	Treasury
13		Enforcement challenge	Challenge dismissed.	Treasury

		With appeal.	
14*	Enforcement challenge	Litigation pending on the merits	Treasury
15*	Enforcement challenge	Litigation pending on the merits	Treasury
16*	Enforcement challenge	Litigation pending on the merits	Treasury
17*	Enforcement challenge	Litigation pending on the merits	Treasury
18*	Enforcement challenge	Litigation pending on the merits	Treasury
19*	Enforcement challenge	Litigation pending on the merits	Treasury
20*	Enforcement challenge	Litigation pending on the merits	Treasury
21	Garnishment challenge	AAAS' appeal allowed. EVERGENT's appeal for annulment	Treasury
22	Garnishment challenge	AAAS; appeal allowed EVERGENT's appeal for annulment	Treasury
23	Garnishment challenge	AAAS' appeal allowed. EVERGENT's appeal for annulment	Treasury

<i>SOLVED LITIGATIONS</i>			
1	Enforcement challenge	Appeals dismissed	Treasury
2	Enforcement challenge	AAAS's appeal dismissed	Eximbank, Treasury S4 B
3	Garnishment challenge	AAAS's appeal dismissed	Treasury
4	Garnishment challenge	AAAS's appeal dismissed	Treasury
5	Garnishment challenge	AAAS's appeal dismissed	Treasury
6	Garnishment challenge	Challenge dismissed	Treasury
7	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
8	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
9	Garnishment challenge	AAAS's appeal dismissed	Treasury
10	Garnishment challenge	Evergent's appeal allowed	TP. Regal Galati

* - new litigation, filed in 2023

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) analyzes and provides recommendations on documents drafted by EVERGENT Investments for compliance with the minimum content of internal documents and adherence to the regulatory framework for internal decision-making
- 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 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.
- l) 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*.

Permanent and periodical control:

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 activities carried out by the internal audit are 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 ascertainties, 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. ***analysis of the internal audit quality***: 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 counseling 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.

EVERGENT INVESTMENTS S.A.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS' PERIOD ENDED
30th JUNE 2023**

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

UNAUDITED

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2023
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>		6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
	<i>Note</i>		
Revenue			
Gross dividend income	6	32,978,419	80,495,207
Interest income		3,370,103	2,766,492
Other operating revenue	7	20,020,446	25,678,854
Net gain/(net loss) on financial assets at fair value through profit or loss	8	11,432,236	(17,011,153)
Net loss from disposal of non-financial assets		(435,303)	(2,747)
Expenses			
Loss reversal on financial assets impairment		282,921	2,350,614
Loss reversal/(loss) on non-financial assets impairment		362,433	(110,511)
Set-up of provisions for risks and charges		(82,580)	(6,450)
Expenses with wages, remunerations, and other similar expenses	9	(18,884,163)	(15,398,955)
Other operating expenses	10	(20,162,191)	(23,279,169)
Operating profit		28,882,321	55,482,182
Financing expenses	11	(2,385,364)	(357,887)
Share from the profit corresponding to associates		282,915	15,432,770
Profit before tax		26,779,872	70,557,065
Income tax	12	(4,274,093)	(5,222,487)
Net profit of the period		22,505,779	65,334,578
Other comprehensive income			
Increase from revaluation of property, plant and equipment net of deferred tax		67,485	44,406
Net gain/(net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	14 d)	102,804,947	(83,738,909)
Other comprehensive income – elements that will not be reclassified in profit or loss		102,872,432	(83,694,503)
Net loss from the revaluation of FVTOCI bonds	14 d)	(146,945)	(79,175)
Other comprehensive income elements- that will be reclassified in profit or loss		(146,945)	(79,175)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2023
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>		6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
	<i>Note</i>		
Other comprehensive income – Total		102,725,487	(83,773,678)
Total comprehensive income of the period		125,231,266	(18,439,100)
Basic and diluted earnings per share (net profit per share)	27	0.0247	0.0681
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	27	0.0482	0.0796
Net profit attributable to Company's shareholders		22,515,340	64,965,363
Net profit/(net loss) attributable to non-controlling interests		(9,561)	369,215
Total net profit		22,505,779	65,334,578
Total comprehensive income attributable to			
Company's shareholders		125,255,886	(18,808,315)
Non-controlling interests		(24,620)	369,215
		125,231,266	(18,439,100)

The consolidated financial statements were approved by the Board of Directors on 15th September 2023 and signed on its behalf by:

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 30th JUNE 2023
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	<i>Note</i>	30th June 2023	31st December 2022
Assets			
Cash and current accounts		4,922,640	7,838,826
Bank deposits with initial maturity within 3 months	13 a)	56,973,742	120,630,869
Bank deposits with initial maturity of more than 3 months	13 b)	14,089,013	6,141,286
Financial assets measured at fair value through profit or loss	14 a)	270,506,813	279,782,253
Financial assets measured at fair value through other comprehensive income	14 b)	1,863,978,141	1,673,533,619
Investments accounted for using the equity method	15	55,654,002	55,371,088
Bonds at fair value through other comprehensive income	16	3,963,426	3,982,047
Bonds at amortized cost	16	41,711	47,661
Other financial assets at amortized cost	17	14,647,884	19,884,188
Inventories	18	41,384,937	28,734,899
Other assets		2,508,556	2,176,788
Non-current assets held for sale		866,664	3,540,657
Investment property		153,281,575	135,229,675
Property, plant and equipment		69,291,181	65,345,532
Right-of-use assets		12,171,264	9,276,583
Goodwill		4,339,505	4,339,505
Intangible assets		1,144,005	1,165,704
Total assets		2,569,765,059	2,417,021,180
Liabilities			
Borrowings	19	114,189,254	11,818,565
Lease liabilities	20	11,004,600	9,109,377
Dividends payable	21	54,800,883	43,029,452
Current tax liabilities		3,341,024	5,370,896
Financial liabilities at amortized cost	22	8,332,075	11,363,910
Other liabilities	23	7,082,698	7,910,679
Provisions for risks and expenses		3,925,468	3,842,888
Deferred tax liabilities	24	112,424,393	97,526,193
Total liabilities		315,100,395	189,971,960
Equity			
Share capital	25 a)	499,988,637	499,988,637
Retained earnings		1,020,624,696	1,044,899,843
Reserves from the revaluation of property, plant and equipment		18,265,013	18,419,631
Reserves from the revaluation of financial assets at fair value through other comprehensive income	14 d)	741,626,737	660,473,055
Treasury shares	25 e)	(56,514,937)	(38,991,230)
Equity-based payments to employees, directors and administrators	25 f)	9,905,947	20,765,780
Other items of equity		4,074,988	4,775,301
Total equity attributable to shareholders		2,237,971,081	2,210,331,017
Non- controlling interests	26	16,693,583	16,718,203
Total equity		2,254,664,664	2,227,049,220
Total liabilities and equity		2,569,765,059	2,417,021,180

The consolidated financial statements were approved by the Board of Directors on 15th September 2023 and were signed on its behalf by:

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2023
(All amounts are presented in Lei, unless otherwise stated)



In Lei

	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrator	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance on 31st December 2021	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
Comprehensive income										
Net profit of the period ended on 30th June 2023	-	-	-	22,515,340	-	-	-	22,515,340	(9,561)	22,505,779
Other comprehensive income										
Increase of reserve from the revaluation of tangible assets, net of deferred tax	-	67,485	-	-	-	-	-	67,485	-	67,485
Transfer of revaluation reserve to retained earnings following the derecognition or use of property, plant and equipment	-	(222,103)	-	237,162	-	-	-	15,059	(15,059)	-
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax	-	-	102,804,947	-	-	-	-	102,804,947	-	102,804,947
Revaluation at fair value of FVTOCI bonds	-	-	(146,945)	-	-	-	-	(146,945)	-	(146,945)
Net gain, transferred to retained earnings on the sale of FVTOCI equity instruments	-	-	(21,504,320)	21,504,320	-	-	-	-	-	-
Total other comprehensive income	-	(154,618)	81,153,682	21,741,482	-	-	-	102,740,546	(15,059)	102,725,487
Total comprehensive income of the period	-	(154,618)	81,153,682	44,256,822	-	-	-	125,255,886	(24,620)	125,231,266
Transactions with shareholders directly recognized in equity										
Bought-back treasury shares	-	-	-	-	(28,715,362)	-	(359,046)	(29,074,408)	-	(29,074,408)
Treasury shares granted to employees and directors	-	-	-	-	11,191,655	(10,850,388)	(341,267)	-	-	-
Dividends expired according to the law	-	-	-	14,163,548	-	-	-	14,163,548	-	14,163,548
Dividends distributed from the result of 2022 financial year	-	-	-	(82,695,517)	-	-	-	(82,695,517)	-	(82,695,517)
Other elements	-	-	-	-	-	(9,445)	-	(9,445)	-	(9,445)
Total transactions with shareholders directly recognized in equity	-	-	-	(68,531,969)	(17,523,707)	(10,859,833)	(700,313)	(97,615,822)	-	(97,615,822)
Balance on 30th June 2023	499,988,637	18,265,013	741,626,737	1,020,624,696	(56,514,937)	9,905,947	4,074,988	2,237,971,081	16,693,583	2,254,664,664

The consolidated financial statements were approved by the Board of Directors on 15th September 2023 and signed on its behalf by:

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2023
(All amounts are presented in Lei, unless otherwise stated)



In LEI

	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrator	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance on 31st December 2021	510,105,062	16,699,675	872,688,152	987,726,077	(41,119,507)	16,252,012	3,685,004	2,366,036,475	16,022,210	2,382,058,685
Comprehensive income										
Net profit of the period ended on 30th June 2022	-	-	-	64,965,363	-	-	-	64,965,363	369,215	65,334,578
Other comprehensive income										
Increase/(decrease) of reserve from the revaluation of tangible assets, net of deferred tax	-	44,406	-	-	-	-	-	44,406	-	44,406
Transfer of revaluation reserve to retained earnings following the derecognition or use of property, plant and equipment	-	(145,714)	-	145,714	-	-	-	-	-	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax	-	-	(83,738,909)	-	-	-	-	(83,738,909)	-	(83,738,909)
Revaluation at fair value of FVTOCI bonds	-	-	(79,175)	-	-	-	-	(79,175)	-	(79,175)
Net gain, transferred to retained earnings on the sale of FVTOCI equity instruments	-	-	(11,003,715)	11,003,715	-	-	-	-	-	-
Total other comprehensive income	-	(101,308)	(94,821,799)	11,149,429	-	-	-	(83,773,678)	-	(83,773,678)
Total comprehensive income of the period	-	(101,308)	(94,821,799)	76,114,792	-	-	-	(18,808,315)	369,215	(18,439,100)
Transactions with shareholders directly recognized in equity:										
Bought-back treasury shares	-	-	-	-	(9,298,185)	-	(18,597)	(9,316,782)	-	(9,316,782)
Treasury shares granted to employees and directors	-	-	-	-	4,694,439	(5,398,224)	703,785	-	-	-
Dividends expired according to the law	-	-	-	26,386	-	-	-	26,386	-	26,386
Dividends distributed to non-controlling interests	-	-	-	-	-	-	-	-	(113,889)	(113,889)
Shares 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)
Other elements	-	-	-	-	-	(3,400)	-	(3,400)	-	(3,400)
Total transactions with shareholders, directly recognized in equity	-	-	-	(62,026,597)	(4,603,746)	(5,401,624)	685,188	(71,346,779)	(208,700)	(71,555,479)
Balance on 30th June 2022	510,105,062	16,598,367	777,866,353	1,001,814,272	(45,723,253)	10,850,388	4,370,192	2,275,881,381	16,182,725	2,292,064,106

The consolidated financial statements were approved by the Board of Directors on 15th September 2023 and signed on its behalf by:

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2023 (All amounts are presented in)

In LEI

		6 months' period ended on 30 th June 2023	6 months' period ended on 30 th June 2022
Operating activities			
Net profit of the period		22,505,779	65,334,578
Adjustments:			
Loss reversal from financial assets impairment		(282,921)	(2,350,614)
(Loss reversal)/ Loss from non-financial assets impairment		(362,433)	110,511
(Net gain)/Net loss on financial assets at fair value through profit or loss	8	(11,432,236)	17,011,153
Set-up of provisions for risks and charges		82,580	6,450
Gross dividend income	6	(32,978,419)	(80,495,207)
Interest income		(3,370,103)	(2,766,492)
Financing expenses	11	2,385,364	357,887
Profit tax	12	4,274,093	5,222,487
Other adjustments		2,726,635	(11,466,713)
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)
Proceeds from sale of financial assets at fair value through profit or loss		20,707,676	-
Payments for the acquisition of financial assets at fair value through other comprehensive income		(168,025,840)	(107,495,320)
Proceeds from the sale of financial assets at fair value through other comprehensive income		97,270,693	18,359,588
Proceeds from bonds		5,880	5,880
Changes in deposits with initial maturity higher than 3 months		(7,666,967)	147,446
Changes in other assets		(7,131,057)	(7,989,601)
Changes in other liabilities		(2,252,142)	(860,717)
Proceeds from dividends		30,620,815	76,601,275
Proceeds from interest		3,238,113	1,920,271
Income tax paid		(5,878,159)	(1,539,721)
Net cash used in operating activities		(55,562,649)	(34,886,859)
Investment activities			
Payments for acquisition of property, plant and equipment		(7,211,852)	(2,768,416)
Payments for acquisition of intangible assets		(123,315)	(6,306)
Payments for acquisition of investment property		(15,591,485)	(1,754,071)
Proceeds from the sale tangible assets, property investment and assets held for sale		371,970	-
Dividends received from associates		-	3,553,026
Net cash used in investment activities		(22,554,682)	(975,767)
Financing activities			
Paid dividends		(56,760,538)	(43,576,503)
Payments for the acquisition of shares in subsidiaries from non-controlling interest		-	(94,811)
Proceeds from borrowings		107,236,423	1,809,441
Return of borrowings		(6,372,054)	(2,134,083)
Lease payments		(1,199,394)	(482,381)
Payment of loan interest		(1,938,408)	(255,506)
Payment of lease liability interest		(116,396)	(102,382)

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2023 (All amounts are presented in)

In LEI

	6 months' period ended on 30 th June 2023	6 months' period ended on 30 th June 2022
Acquisition of treasury shares	(29,074,408)	(9,316,782)
Net cash resulted from /(used in) financing activities	11,775,225	(54,153,007)
Net decrease of cash and cash equivalents	(66,342,106)	(90,015,633)
Cash and cash equivalents on 1 st January	128,186,346	188,328,257
Cash and cash equivalents on 30th June	61,844,240	98,312,624

In LEI

	30 th June 2023	30 th June 2022
Cash at hand	24,461	12,265
Current bank accounts	4,898,207	19,103,812
Bank deposits with maturity within 3 months (principal)	56,921,572	79,196,547
Cash and cash equivalents	61,844,240	98,312,624

The consolidated financial statements were approved by the Board of Directors on 15th September 2023 and 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 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 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 shares were previously traded using indicative SIF2).

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

The assets deposit and custody services have been provided by Banca Comercială Română S.A., since 22nd May 2023 in accordance with FSA authorization no. 74 on 18th May 2023. Previously these services had been provided by BRD – Groupe Société Générale S.A.

The Company's consolidated financial statements for the 6 months' period ended on 30th June 2023 include the Company and its subsidiaries (hereinafter referred to as the „**Group**”) as well as the Group's interests in its associates.

The Group's basic activities include the financial investment activity carried out by the Company, as well as activities carried out by its subsidiaries, consisting mainly in the manufacture and sale of machines and equipment, lease and sub-lease of own or leased property, real-estate development, cultivation of fruit-bearing plants, strawberries, nut-trees and other fruit-bearing trees and business and management consultancy activities.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The interim condensed consolidated financial statements for the 6 months' period ended on 30th June 2023 have been prepared by the Group in accordance with IAS 34 "Interim Financial Reporting" and Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities regulated and supervised by FSA in the financial instruments and investments sector, approved by Rule 39/2015.

These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the financial year ended on 31st December 2022, available on the Company's internet page: www.evergent.ro. These interim financial statements will also be available on this site starting on 15th September 2023.

These interim financial statements do not include all information required by a complete set of financial statements, but the selected explanatory notes are included to explain the events and transitions that are significant for understanding the Group's financial position and performance changes in comparison to the consolidated annual statements published. The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with the applicable statutory accounting regulations, namely Order no. 1802 of 29 December 2014 for the approval of accounting regulations regarding separate and consolidated financial statements ("RAS"). For the preparation of those Group's consolidated financial statements, the financial information was restated, where applicable, in order to reflect the differences between RAS and the International Financial Reporting Standards adopted by the European Union („IFRS”).

The most important changes to the financial statements prepared in accordance with RAS in order to be aligned with the IFRS requirements adopted by the European Union are:

- 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) 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 lei, a currency that the management of the Group has selected as presentation currency.

(c) Basis of Measurement

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

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

(d) Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires the use of management estimates, judgments 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 judgments used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

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

The information and 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 note 14 (c))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory 14 (c))
- Classification of financial instruments (see explanatory 5)
- Adjustments for the expected credit losses of assets measured at amortized cost

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgments (continued)

- Analysis of criteria in IFRS 10 “Consolidated Financial Statements”, regarding investment entities.

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

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

In the context of the continuing Russian-Ukrainian military conflict with all its consequences, in the first half of 2023 the Bucharest Stock Exchange recorded high volatility and relatively low liquidity, but continued the upward trend of the last part of last year.

Inflationary pressures are still high. The National Bank of Romania kept the monetary policy interest rate at 7% per annum, the last increase having taken place at the beginning of January 2023, and the European Central Bank continued to raise the benchmark interest rate (on 27th July it announced the ninth consecutive increase, starting from 2nd August 2023), reaching a new historical maximum.

Domestically, additional risks relate to macroeconomic imbalances that have continued to worsen, delays in reforms and absorption of European funds, in particular through the National Recovery and Resilience Plan (NRRP), and the risk of default on loans contracted by the non-governmental sector.

The prolongation of the war in Ukraine and estimates on the medium-term evolution of inflation continue to generate uncertainties and risks regarding the outlook for economic activity, with a potential impact on the evolution of quotations of financial instruments, including on the Bucharest Stock Exchange, where volatility is expected to remain high, at least in the short term, over a horizon of 3-6 months.

In this context, management believes that the Group's profitability may be affected, but in the short to medium term, and no difficulties are expected in meeting the Group's commitments, while business continuity is not affected.

The management closely monitors the evolution of this conflict and other global events and trends and their impact and measures taken internationally on the national economic environment, the market on which the Group's assets are exposed.

2. BASIS OF PREPARATION (continued)

(f) Subsidiaries

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

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

The list of consolidated subsidiaries on 30th June 2023, namely on 31st December 2022 is as follows:

<i>Subsidiary</i>	<i>Field of Activity</i>	<i>30th June 2023</i>	<i>31st December 2022</i>
Mecanica Ceahlău SA	Manufacture and sale of agricultural machinery	73.30%	73.30%
Casa SA	Rental and sub-rental of space	99.60%	99.60%
Regal SA	Rental of own real-estate property	93.89%	93.02%
EVER IMO SA	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%	99.99%
VISIONALFA Investments SA	Fund management activities – no activity	99.99%	99.99%
A3 Snagov SRL	Real-estate development	99.99%	99.99%

Subsidiary A3 Snagov SRL, established in June 2021, is indirectly owned by the Company, through subsidiary EVERLAND SA, which owns 100% of its equity.

2. BASIS OF PREPARATION (continued)

(g) 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 on 30th June 2023, and on 31st December 2022 is represented by 50% ownership in Străulești Lac Alfa S.A. Further to the analysis, the Group concluded that it does not hold either control, or joint control in Străulești Lac Alfa S.A.

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 (if applicable), 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied to these condensed interim financial statements are consistent with those of the Group's annual financial statements for the financial year ended on 31st December 2022 and have been consequently applied for all periods presented in these condensed interim financial statements.

4. SEGMENT REPORTING

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

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

4. SEGMENT REPORTING (continued)

- 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, 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 plants (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. SEGMENT REPORTING (continued)

Segmentation of income, expenses and result

6 months' period ended on 30 th June 2023	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
<i>In LEI</i>						
Income						
Gross dividend income	32,978,419	32,948,168	-	-	-	30,251
Interest income	3,370,103	2,920,878	126,572	137,922	44,392	140,339
Other operating revenue	20,020,446	206,182	17,653,877	862,132	314,749	983,506
Net gain on financial assets at fair value through profit or loss	11,432,236	11,398,079	7,787	-	-	26,370
Net gain/(net loss) on the disposal of non-financial assets	(435,303)	90	166,081	-	(601,268)	(206)
Expenses						
(Loss)/loss reversal from financial assets impairment	282,921	70,527	283,913	(85,282)	(217)	13,980
Loss reversal from the impairment of non-financial assets	362,433	-	214,455	147,564	-	414
(Set-up) of provisions for risks and charges	(82,580)	-	-	(82,580)	-	-
Expenses with wages and remuneration	(18,884,163)	(9,839,136)	(4,206,628)	(635,490)	(3,388,527)	(814,382)
Other operating expenses	(20,162,191)	(5,772,804)	(13,958,159)	(1,358,354)	1,439,665	(512,539)
Operating profit / (loss)	28,882,321	31,931,984	287,898	(1,014,088)	(2,191,206)	(132,267)
Financing cost	(2,385,364)	(1,650,215)	(65,095)	(61,653)	(607,436)	(965)
Share in the loss related to associates	282,915	282,915	-	-	-	-
Profit / (loss) before tax	26,779,872	30,564,684	222,803	(1,075,741)	(2,798,642)	(133,232)
Profit tax	(4,274,093)	(4,303,104)	(186,925)	231,147	-	(15,211)
Net profit / (loss)	22,505,779	26,261,580	35,878	(844,594)	(2,798,642)	(148,443)

4. SEGMENT REPORTING (continued)

Segmentation of income, expenses and result (continued)

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

4. SEGMENT REPORTING (continued)

Segmentation of assets and liabilities

30th June 2023

	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
<i>In LEI</i>						
Assets						
Cash and current accounts	4,922,640	1,301,763	305,088	728,593	516,652	2,070,544
Bank deposits with initial maturity within 3 months	56,973,742	51,984,252	-	2,515,821	1,794,026	679,643
Bank deposits with initial maturity higher than 3 months	14,089,013	10,340,300	1,032,755	191,143	-	2,524,815
Financial assets at fair value through profit or loss	270,506,813	269,452,620	283,229	-	-	770,964
Financial assets measured at fair value through other comprehensive income	1,863,978,141	1,854,387,421	-	-	-	9,590,720
Investments accounted for using the equity method	55,654,002	55,654,002	-	-	-	-
Bonds at fair value through other comprehensive income	3,963,426	3,963,426	-	-	-	-
Bonds at amortized cost	41,711	41,711	-	-	-	-
Other financial assets at amortized cost	14,647,884	4,768,544	8,608,460	500,211	575,240	195,429
Inventory	41,384,937	112,433	36,462,425	69,194	4,740,265	620
Other assets	2,508,556	483,102	366,185	505,808	925,245	228,216
Assets held for sale	866,664	212,738	-	-	-	653,926
Investment property	153,281,575	4,071,710	1,047,746	71,841,491	-	76,320,628
Property, plant and equipment	69,291,181	9,005,516	17,922,746	461,091	39,704,847	2,196,981
Right-of-use assets	12,171,264	772,221	2,186,603	5,402,260	3,744,623	65,557
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,144,005	444,971	128,496	703	567,326	2,509
Total assets	2,569,765,059	2,266,996,730	68,343,733	82,216,315	56,907,729	95,300,552
Liabilities						
Borrowings	114,189,254	95,627,836	3,161,232	-	15,400,186	-
Lease liabilities	11,004,600	752,626	2,101,432	5,482,046	2,602,613	65,883
Dividends payable	54,800,883	54,467,644	285,409	-	-	47,830
Liabilities regarding current income tax	3,341,024	3,334,643	-	606	-	5,775
Financial liabilities at amortized cost	8,332,075	592,096	5,825,501	713,864	780,961	419,653
Other liabilities	7,082,698	4,723,697	1,413,109	282,281	442,635	220,976
Provisions for risks and charges	3,925,468	1,632,553	60,335	2,232,580	-	-
Deferred income tax liabilities	112,424,393	104,652,052	1,975,457	2,378,989	-	3,417,895
Total liabilities	315,100,395	265,783,147	14,822,475	11,090,366	19,226,395	4,178,012

4. SEGMENT REPORTING (continued)

Segmentation of assets and liabilities (continued)

31st December 2022

	Group	Financial investment services	Manufacture and sale of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
<i>In LEI</i>						
Assets						
Cash and current accounts	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
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						
Borrowings	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	-	-
Deferred income tax liabilities	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

5. 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 30th June 2023:

<i>În Lei</i>	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying amount	Fair value
Cash and current accounts	-	-	4,922,640	4,922,640	4,922,640
Bank deposits with initial maturity within 3 months	-	-	56,973,742	56,973,742	56,973,742
Bank deposits with initial maturity higher than 3 months	-	-	14,089,013	14,089,013	14,089,013
Financial assets at fair value through profit or loss	270,506,813	-	-	270,506,813	270,506,813
Financial assets at fair value through other comprehensive income	-	1,863,978,141	-	1,863,978,141	1,863,978,141
Bonds at fair value through other comprehensive income	-	3,963,426	-	3,963,426	3,963,426
Bonds at amortized cost	-	-	41,711	41,711	41,711
Other financial assets at amortized cost	-	-	14,647,884	14,647,884	14,647,884
Total financial assets	270,506,813	1,867,941,567	90,674,990	2,229,123,370	2,229,123,370
Borrowings	-	-	114,189,254	114,189,254	114,189,254
Lease liabilities	-	-	11,004,600	11,004,600	11,004,600
Dividend payment	-	-	54,800,883	54,800,883	54,800,883
Financial liabilities at amortized cost	-	-	8,332,075	8,332,075	8,332,075
Total financial liabilities	-	-	188,326,812	188,326,812	188,326,812

For financial assets and liabilities at amortised cost the Group analysed fair value at 30th June 2023 and concluded that there are no significant differences between fair value and amortized cost.

5. FINANCIAL ASSETS AND LIABILITIES (continued)

Accounting classifications and fair values (continued)

The table below summarizes the book values and fair values of financial assets and liabilities of the Group at 31st December 2022:

<i>In LEI</i>	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying amount	Fair value
Cash and current accounts	-	-	7,838,826	7,838,826	7,838,826
Deposits placed with banks with an initial maturity of less than 3 months	-	-	120,630,869	120,630,869	120,630,869
Deposits with banks with an initial maturity of more 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
Borrowings	-	-	11,818,565	11,818,565	11,818,565
Lease liabilities	-	-	9,109,377	9,109,377	9,109,377
Dividend payment	-	-	43,029,452	43,029,452	43,029,452
Financial liabilities at amortised cost	-	-	11,363,910	11,363,910	11,363,910
Total financial liabilities	-	-	75,321,304	75,321,304	75,321,304

6. GROSS DIVIDEND INCOME

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 2022
OMV Petrom	22,741,926	4,092,000
Aerostar	4,159,104	3,465,920
SN Nuclearelectrica SA	3,771,535	1,751,501
Transilvania Investments Alliance	1,468,285	-
Bursa de Valori București	449,877	334,047
Fondul Proprietatea	298,224	922,695
Banca Transilvania	-	48,355,982
BRD - Groupe Société Générale	-	21,124,249
SNGN Romgaz SA	-	-
Other	89,468	448,813
Total	32,978,419	80,495,207

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 30th June 2023 were 8% or 0% (2022: 5% or 0%). Dividend tax exemption applies if the Group's holding percentage was higher than 10% of the share capital of the company that distributed the dividends, for an uninterrupted period of at least one year before distribution.

In the first half of 2023, the value of gross dividends distributed by companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 32,528,542 lei (6 months' period ended on 30th June 2022: 80,161,160 lei).

7. OTHER OPERATING INCOME

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
	7,632,138	10,917,364
Income from sales of production		
Income from merchandize sold	10,090,734	12,346,301
Income from sales of apartments and parking spaces	620,745	250,454
Income from service	75,275	62,617
Total income from contracts with customers	18,418,892	23,576,736
	1,226,228	1,197,286
Rental income		
Income from recovered receivables	115,361	52,635
Other operating income	259,965	852,197
Total other categories of operating income	1,601,554	2,102,118
Total	20,020,446	25,678,854

Income from contracts with customers

In the category of income from sales of production, the highest share in the first 6 months of 2023 is held by Mecanica Ceahlău with an amount of 7,347,277 lei, i.e. 96% (6 months' period ended on 30th June 2022: 10,526,718 lei, i.e. 96%), representing income from the sale of the agricultural machinery and equipment manufactured by this subsidiary, followed by Agointens with 4% (6 months' period ended on 30th June 2022: 4%), representing income from the sale of agricultural products (blueberries).

In the category of income from the sale of merchandize the highest share, close to 100%, is held by Mecanica Ceahlău, with an amount of 10,062,118 lei (6 months' period ended on 30th June 2022: 11,910,184 lei, i.e. 96%), representing the sale of agricultural products (tractors, herbicide equipment, front loaders, etc.).

In the first half of 2023, income from the sale of apartments and parking lots was obtained by EVER IMO SA following the sale of parking lots from 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).

7. OTHER OPERATING INCOME (continued)

In the first half of 2023, the Group obtained income from contracts with customers from sales in Romania, except for external sales of Mecanica Ceahlau and Agointens subsidiaries. Thus, Mecanica Ceahlau sold agricultural machines and tools, obtaining income of 485,641 lei from the sale of merchandize, respectively 35,611 lei from merchandize sale in Bulgaria, Republic of Moldova, Bulgaria, Poland and Austria (6 months 2022: 32,904 lei from merchandize sale, respectively 40,704 lei from merchandize sale in Bulgaria, Hungary, Ukraine, Poland and Republic of Moldova). Agointens sold blueberries, obtaining income of 316,176 lei from the sale of production, respectively 23,524 lei from the sale of merchandize in the Republic of Moldova and England (6 months 2022: 234,268 lei from the sale of production, respectively 119,607 lei from the sale of merchandize).

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 .

The receivable balance in contracts with customers is included in note 17.

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

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
Net gain / (net loss) from revaluation of financial assets at fair value through profit or loss	11,370,601	(17,011,153)
Net gain from the sale of financial assets at fair value through profit or loss	61,635	-
Total	<u>11,432,236</u>	<u>(17,011,153)</u>

The unrealized net gain registered in the first half of 2023, of 11,370,601 lei (6 months' period ended on 30th June 2022: unrealized net loss of 17,011,153 lei), represents the difference from the fair value revaluation of shares and unit funds held at fair value through profit or loss.

In the first half of 2023, unrealized net gain was generated mainly by the increase of fair value of share investments and unrealized net gain from the sale of fund units.

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

9. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with wages, remunerations and other benefits, as well as the corresponding contributions of employees, members of the Management Committee (referring both to the Management Committee of the Company and the Steering Committees/CEOs of subsidiaries and the Board of Directors (referring both to the Company's Board of Directors and the Board of Directors of the subsidiaries).

In LEI

	6 months' period ended on 30 th June 2023	6 months' period ended on 30 th June 2022
Fixed remunerations		
Board of directors	3,972,589	3,649,859
Management committee	2,784,350	2,531,422
Employees	11,748,424	8,800,535
Total fixed remunerations	18,505,363	14,981,816
Variable remunerations		
Board Of Directors, Management Committee		
Bonuses for the current year	-	48,581
Total	-	48,581
Employees		
Bonuses for the current year	118,815	81,083
Total	118,815	81,083
Total variable remunerations	118,815	129,664
Expenses with social contributions and similar expenses	376,716	424,295
Estimated expenses with untaken leaves	(116,731)	(136,820)
Total wages, remunerations, contributions and similar expenses	18,884,163	15,398,955

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

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

The Group's average number of employees in the first half of 2023 was 192 (6 months' period ended on 30th June 2022: 166).

The number of Group's employees employed in the first 6 months of 2023 was 31 (6 months' period ended on 30th June 2022: 21).

10. OTHER OPERATING EXPENSES

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
Expenses with outsourced services	3,834,190	2,837,828
Expenses with commissions and fees	2,053,847	1,949,118
Expenses for protocol and advertising	605,464	223,910
Expenses with the amortization of tangible and intangible assets	2,253,091	1,882,590
Expenses for the amortization of assets related to right-of-use assets from leasing contracts	766,864	669,271
Expenses for sponsorship and patronage	260,237	217,333
Expenses for merchandize	8,496,866	10,954,129
Changes in inventories of finished goods and work in progress	(7,256,475)	(2,217,398)
Other operating expenses	9,148,107	6,762,388
Total	20,162,191	23,279,169

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 registered services provided of the Central Depositary, as well as legal assistance fees 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.

In the first half of 2023, respectively 2022, changes in inventories of finished goods and work in progress mainly increase the work in progress inventory of subsidiaries Mecanica Ceahlau and Agointens.

10. OTHER OPERATING EXPENSES (continued)

In the first half of 2023, expenses related to short-term leases and/or for which the underlying asset is of low value, were 185,296 lei (6 months' period ended on 30th June 2022: 51,488 lei).

11. FINANCING EXPENSES

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
Interest expenses from borrowings	2,268,968	255,506
Interest expenses from leases	116,396	102,381
Total	2,385,364	357,887

12. INCOME TAX

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
Current income tax		
Current income tax (16%)	6,523	487,969
Dividend tax (5%)	2,303,125	3,832,269
	2,309,648	4,320,238
Deferred income tax		
Financial assets	57,667	65,285
Investment property and tangible assets	(10,977)	(4,300)
Inventory	32,735	(135,741)
Liabilities related to profit sharing in cash and other benefits	1,987,375	1,081,615
Provisions for risks and charges	158,302	137,638
Other items (including impact of tax loss)	(260,657)	(242,248)
	1,964,445	902,249
Income tax (part through profit or loss)	4,274,093	5,222,487

12. INCOME TAX (continued)

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

In LEI

	6 months' period ended on 30 th June 2023	6 months' period ended on 30 th June 2022
Profit before tax	26,779,872	70,557,065
Tax in compliance with statutory taxation rates of 16% (2022: 16%)	4,284,780	11,289,130
Effect on income tax of:		
Non-deductible expenses	2,436,219	6,622,022
Non-taxable income	(5,974,487)	(14,654,817)
Other elements	3,101,918	(682,230)
Registration and reversal of temporary differences	1,964,445	902,249
Dividend tax (2023: 8%, 2022: 5%)	2,303,125	3,832,269
Income tax, of which:	8,116,000	7,308,623
• <i>income tax expenses (through profit or loss)</i>	<u>4,274,093</u>	<u>5,222,487</u>
• <i>income tax through retained earnings corresponding to the sale of FVTOCI financial assets</i>	<u>3,841,907</u>	<u>2,086,136</u>

In the first half of 2023, the effective income tax rate (calculated based on expenses reflected through profit or loss), is 16% (6 months 2022: 7%).

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

The main components of “Other elements” category are elements similar to income that include mainly net gain obtained reflected in retained earnings corresponding to the sale of equity instruments classified at fair value through other comprehensive income (FVTOCI) and elements similar to expenses that mainly include benefits granted to managers, directors and employees of the Company in equity sold in shares at the time of their actual award.

13 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

<i>In LEI</i>	30th June 2023	31st December 2022
Term deposits with initial maturity within 3 months	56,921,572	120,347,489
Accrued interest receivable	54,662	290,445
Total bank deposits – gross value	56,976,234	120,637,934
Expected credit loss	(2,492)	(7,065)
Total bank deposits	56,973,742	120,630,869

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

<i>In LEI</i>	30th June 2023	31st December 2022
Term deposits with initial maturity higher than 3 months	13,690,980	6,024,013
Accrued interest receivable	402,441	122,288
Total bank deposits – gross value	14,093,421	6,146,301
Expected credit loss	(4,408)	(5,015)
Total bank deposits	14,089,013	6,141,286

On 30th June 2023, also includes the collateral deposit in the amount of 10,000,000 lei with Banca Comercială Română, constituted by the Company as a guarantee for the credit facility contracted with this bank (see note 19 Borrowings).

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

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

14. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

<i>In LEI</i>	30th June 2023	31st December 2022
Unit funds	251,996,388	266,097,408
Shares	18,510,425	13,684,845
Total	270,506,813	279,782,253
<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
1st January	279,782,253	325,937,896
Purchases	-	5,000,000
Sales	(20,707,676)	-
Changes in fair value	11,370,601	(17,011,153)
Gain from FVTPL sale	61,635	-
31st December	270,506,813	313,926,743

b) Financial assets at fair value through other comprehensive income

<i>In LEI</i>	30th June 2023	31st December 2022
Shares measured at fair value through other comprehensive income	1,863,978,141	1,673,533,619
Total	1,863,978,141	1,673,533,619

On 30th June 2023 and 31st December 2022 the category of shares measured at fair value through other compressive income mainly includes shares in Banca Transilvania, SNGN Romgaz, Aerostar, BRD - Groupe Société Générale and 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.

14. FINANCIAL ASSETS (continued)

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

The movement of financial assets in the periods ended on 30th June 2023 and on 30th June 2022 is presented in the table below:

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
1st January	<u>1,673,533,619</u>	<u>1,770,881,534</u>
Purchases	168,025,840	107,495,320
Sales	(97,270,693)	(18,359,588)
Changes in fair value	119,689,375	(96,959,060)
30 June	<u>1,863,978,141</u>	<u>1,763,058,206</u>

In the first half of 2023, shares measured at fair value through other comprehensive income recorded an increase against the backdrop of rising stock prices during this period, but also as a result of the implementation of approved investment programme.

In the similar period of 2022, shares measured at fair value through other comprehensive income significantly decreased, due to the unfavourable effect of the Russian –Ukrainian military conflict on financial markets (including Bucharest Stock Exchange), but also due to the increase of interest rates determined by the increase of monetary policy interest rate by the National Bank of Romania, against the background of increased inflationary pressure starting from the second half of 2021.

The sales of shares classified at fair value through other comprehensive income were decided based on the Group's medium and long-term objectives, or for capitalizing on some opportunities. The sales were not made shortly after acquisition, and transaction with such shares have 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 14 d).

14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy

The table below analyses the financial instruments at fair value depending on the valuation method. Fair value levels depending on the inputs in the valuation model have been defined as follows:

- Level 1: quoted (unadjusted) prices in active markets for stocks and bonds and the net asset value (unadjusted) for 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).

30th June 2023

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	269,442,464	-	1,064,349	270,506,813
Financial assets measured at fair value through other comprehensive income	1,768,892,546	-	95,085,595	1,863,978,141
	3,963,426	-	-	3,963,426
Total	<u>2,042,298,436</u>	<u>-</u>	<u>96,149,944</u>	<u>2,138,448,380</u>

31st December 2022

<i>In LEI</i>	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	<u>1,860,825,186</u>	<u>-</u>	<u>96,472,733</u>	<u>1,957,297,919</u>

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14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th June 2023	Valuation technique	Unobservable inputs, average values	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5,325,253	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: 16.2%	The lower the EV/Revenues multiple, the lower the fair value The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Not listed majority interest	4,781,313	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/turnover multiple, the lower the fair value. The lower the equity market value and 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
Not listed minority interest	8,423,316	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.

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14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th June 2023	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 Discount for lack of control: 13.2% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Not listed minority interest	2,762,604	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.7 Discount for lack of control 18.0% 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	96,149,944			

14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 31 st 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/income 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/income, the lower the fair value. The lower the EV/turnover multiple, the lower the fair value. The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Not listed minority 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/turnover multiple, the lower the fair value. The lower the ratio between equity market value and carrying value, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest, without active market	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.
Not listed 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.

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14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on 31 st December 2022	Valuation technique	Unobservable inputs/ intervals	value	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 Discount for lack of control: 13.2% Discount for lack of marketability: 11.4%		In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value
Not listed minority interest	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 Discount for lack of control 18.0% Discount for lack of marketability 9.5%		In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value
Total	96,472,733				

14. 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 on 30th June 2023 as follows:

Modified assumption (Lei)	Impact on profit or loss (before tax)	Impact on comprehensive income (before tax)
	-	(4,882,868)
WACC increase by 50 bps		
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%	106,128	744,273
Decrease of (EBITDA, Turnover, P/E) multiples by 10%	(106,128)	(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 instrument used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

EBITDA multiple: represents the most relevant multiple used when pricing the investments and it is calculated using information from comparable listed public companies (similar geographic location, industry size, target market and other factors that valuers consider as relevant). The trading multiples for the comparable companies are determined by dividing the enterprise value of the a company by its EBITDA and by further discounting, due to possible lack of marketability and other differences between the comparable peer group and specific company.

Price/book value: often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). This indicator reflects the ratio investors are willing to pay for the net asset value per share. A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting company).

Weighted average cost of capital: represents the calculation of a company's cost of capital in nominal terms (including inflation), based on the "Capital Asset Pricing Model". All capital sources – shares, bonds and any other long-term debts - are included in the weighted average cost of capital calculation.

Discount for lack of control: represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the valued company.

Discount for lack of marketability (DLOM): represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgment 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.

14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Level 3 fair value modification

<i>In LEI</i>	30th June 2023	30th June 2022
On 1st January	96,472,733	105,151,282
Gain/(loss) recognized in profit or loss	(298,671)	(114,298)
Gain/(loss) recognized in other comprehensive income	93,567	24,174
Sales	(117,685)	-
On 30 June	96,149,944	105,061,158

On 30th June 2023 and 31st December 2022, 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 5% of the Group's share portfolio 30th June 2023 (31st December 2022: 6%), have been measured by independent external or internal values, based on the financial information provided by the monitoring departments, using measurement techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, with the management's supervision and review, which makes sure that all inputs underlying the valuation reports are accurate and adequate.

14. FINANCIAL ASSETS (continued)

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

<i>In LEI</i>	30th June 2023	30th June 2022
On 1st January	660,473,055	872,688,152
Gross gain/(gross loss) on the revaluation of financial assets measured at fair value through other comprehensive income	119,501,150	(97,053,317)
Deferred tax corresponding to the gain/loss from the revaluation of financial assets measured at fair value through other comprehensive income	(16,843,148)	13,235,233
Net gain/(Net loss) from revaluation of financial assets measured at fair value through other comprehensive income	102,658,002	(83,818,084)
Net gain transferred to retained earnings following the sale of financial assets carried at fair value through other comprehensive income	(21,504,320)	(11,003,715)
On 30 June	741,626,737	777,866,353

In the first half of 2023, net gain obtained of 21,504,320 lei, was mainly achieved from the sale of Romgaz SA and Nuclearelectrica SA shares (6 months 2022: mainly from the sale of Banca Transilvania shares).

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

<i>In LEI</i>	30th June 2023	31st December 2022
Shares	55,654,002	55,371,088
Total	55,654,002	55,371,088

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

The financial information for Străulești Lac Alfa is summarized in the table below:

<i>In LEI</i>	30th June 2023	31st December 2022
Current assets	153,325,778	121,736,199
Non-current assets	9,885,570	10,179,723
Total assets	163,211,348	131,915,922
Current liabilities	19,936,242	7,876,097
Non- current liabilities	31,967,102	13,297,649
Total liabilities	51,903,344	21,173,746
Equity	111,308,004	110,742,176
Total liabilities and equity	163,211,348	131,915,922
<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
Turnover	3,658,197	100,370,041
Net profit	565,829	30,865,543

In the first 6 months of 2023, EVERGENT Investments did not receive dividends from Străulești Lac Alfa (in the first six months of 2022: it received dividends of 3,553,026 Lei).

15. 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:

<i>In LEI</i>	30th June 2023	30th June 2022
Associated entity's net asset on 1st January	110,742,176	85,700,120
Net profit of the associate	565,828	30,865,543
Dividends distributed by the associate	-	(7,106,051)
Net asset of the associate on 30th June	111,308,004	109,459,612
<i>Ownership in the associated entity</i>	<i>50%</i>	<i>50%</i>
Securities accounted for using the equity method	55,654,002	54,729,806

16. BONDS

<i>In LEI</i>	30th June 2023	31st December 2022
Municipal bonds	41,734	47,694
Total bonds at amortized cost – gross value	41,734	47,694
Expected credit loss	(23)	(33)
Total bonds at amortized cost	41,711	47,661
Corporate bonds	3,963,426	3,982,047
Total bonds at fair value through other comprehensive income	3,963,426	3,982,047

On 30th June 2023 and 31st December 2022, the category of bonds at amortized cost included bonds issued by Bacau Town Hall.

On 30th June 2023 and 31st December 2022, 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.

17. OTHER FINANCIAL ASSETS AT AMORTISED COST

<i>In LEI</i>	30th June 2023	31st December 2022
Sundry debtors	58,730,895	55,037,924
Trade receivables	12,078,314	12,644,936
Amounts representing the guarantee for the public offering for the buy- back of treasury shares	-	8,500,000
Dividends to collect	54,479	-
Advances to suppliers	653,280	788,684
Total other financial assets – gross value	71,516,968	76,971,544
Less expected credit loss corresponding to other financial assets	(56,869,084)	(57,087,356)
Total other financial assets	<u>14,647,884</u>	<u>19,884,188</u>

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,864,617 lei (31st December 2022: 48,862,753 lei), for which expected credit loss are registered.

On 31st December 2022, the amount representing the guarantee for the public offering to 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).

On 30th June 2023, customer contracts included in the table above in the “Trade receivables” line are in amount of 9,008,288 lei (31st December 2022: 9,267,718 lei).

17. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

<i>In LEI</i>	30th June 2023	31st December 2022
Other performing financial assets	15,462,745	20,574,248
Other impaired financial assets	56,054,223	56,397,296
Total other financial assets – gross value	71,516,968	76,971,544
Adjustments for expected credit loss for other performing financial assets	(814,861)	(690,060)
Adjustments for expected credit loss for other impaired financial assets	(56,054,223)	(56,397,296)
Total other financial assets	14,647,884	19,884,188

<i>In LEI</i>	30th June 2023		31st December 2022	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Overdue for more than 365 days	(56,054,223)	56,054,223	(56,397,296)	56,397,296

<i>In LEI</i>	30th June 2023		31st December 2022	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Not overdue	(363,352)	14,155,995	(266,712)	18,272,039
Overdue between 0 and 30 days	(17,191)	499,421	(10,915)	1,114,511
Overdue between 31 and 60 days	(5,113)	107,224	(20,017)	181,718
Overdue between 61 and 90 days	(13,033)	248,522	(142,060)	737,083
Overdue between 91 and 180 days	(160,854)	193,555	(26,594)	45,135
Overdue between 181 and 365 days	(255,318)	258,028	(223,762)	223,762
Total	(814,861)	15,462,745	(690,060)	20,574,248

17. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

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

<i>In LEI</i>	30th June 2023	30th June 2022
On 1st January	<u>(57,087,356)</u>	<u>(61,075,985)</u>
Setup	(248,165)	(97,610)
Reversal	466,437	2,855,747
On 30 June	<u>(56,869,084)</u>	<u>(58,317,848)</u>

18. INVENTORY

<i>In LEI</i>	30th June 2023	31st December 2022
Raw materials and consumables	6,074,048	3,726,953
Work in progress	7,613,647	2,504,639
Semi-finished products	140,629	91,575
Finished products	15,704,374	13,368,481
Merchandize	11,852,239	9,043,251
Total	<u>41,384,937</u>	<u>28,734,899</u>

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 36,462,425 lei (31st December 2022: 26,665,751 lei) and Agroitens with 4,740,265 lei (31st December 2022: 1,470,938 lei).

On 30th June 2023 and 31st December 2022, the Group does not register pledged inventories.

19. BORROWINGS

<i>In LEI</i>	30th June 2023	31st December 2022
Long-term liabilities	<u>12,714,574</u>	<u>7,331,000</u>
Long-term bank loans	12,714,574	7,331,000
Short-term liabilities	<u>101,474,680</u>	<u>4,487,565</u>
Short-term bank loans	101,474,680	4,487,565
Total borrowings	<u><u>114,189,254</u></u>	<u><u>11,818,565</u></u>

The tables below present detailed information on loans contracted by the Group on 30th June 2023 and 31st December 2022:

30th June 2023

<i>In LEI</i>	Bank	Credit type	Loan balance (Lei)	Contract curren- cy	Annual interest rate (%)	Final maturity
Company						
EVERGENT Investments	Banca Comercială Română	Facilitate de credit revolving sub forma de overdraft	95,627,836	Euro	Negotiated variable interest	17 Jan 2024
Agrointens	Banca Transilvania	Credit line for working capital	3,495,416	Lei	ROBOR 1 month + 2.5%	27 Apr 2024
Agrointens	Banca Transilvania	Financing of Mândra farm project	1,114,750	Lei	ROBOR 1 month + 2.75%	8 Aug 2024
Agrointens	Banca Transilvania	Financing of Popești farm project	2,370,495	Lei	ROBOR 1 month + 2.9%	2 June 2026
Agrointens	Banca Transilvania	Refrigeration hall financing	1,024,954	Lei	ROBOR 1 month + 2.9%	14 Jul 2026
Agrointens	Banca Transilvania	Financing of Rătești farm project	5,894,571	Lei	ROBOR 1 month + 2.9%	19 Oct 2029
Agrointens	Banca Transilvania	Financing of Popești farm, pot planting	1,500,000	Lei	ROBOR 1 month + 2.9%	8 May 2030
Mecanica Ceahlău	Banca Transilvania	Investment credit	273,346	Euro	EURIBOR 6 months + 2.5%	20 May 2024
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	2,887,886	Lei	ROBOR 3 months + 1.5%	13 May 2025
Total			<u><u>114,189,254</u></u>			

19. BORROWINGS (continued)

31st December 2022

<i>In LEI</i> Company	Bank	Credit type	Loan balance (Lei)	Contra ct curren cy	Annual interest date (%)	Final maturity of the loan
Agrointens	Banca Transilvania	Partial project financing Mândra	1,592,500	Lei	ROBOR 1 month + 2.75%	8 Aug 2024
Agrointens	Banca Transilvania	Working capital	2,112,250	Lei	ROBOR 1 month + 2.5%	27 Apr 2022
Agrointens	Banca Transilvania	Project financing Popești	2,765,577	Lei	ROBOR 1 month + 2.9%	2 Jun 2026
Agrointens	Banca Transilvania	Refrigeration hall	1,191,163	Lei	ROBOR 1 month + 2.9%	14 Jul 2026
Agrointens	Banca Transilvania	Rătești farm	3,735,998	Lei	ROBOR 1 month + 2.9%	19 Oct 2029
Mecanica Ceahlău	Banca Transilvania	investments	421,077	Euro	EURIBOR 6 month +2.5%	20 May 2024
Total			11,818,565			

20. LEASE LIABILITIES

<i>In LEI</i>	30th June 2023	31st December 2022
Gross lease liabilities – residual maturity		
Lease liabilities (over 5 years)	4,654,732	3,951,888
Lease liabilities (between 1 and 5 years)	8,955,861	5,260,733
Lease liabilities (up to 1 year)	2,265,059	1,595,959
Total gross liabilities	15,875,652	10,808,580
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	2,575,556	3,093,886
Lease liabilities (between 1 and 5 years)	6,687,449	4,667,243
Lease liabilities (up to 1 year)	1,741,595	1,348,248
Total	11,004,600	9,109,377

The Group has leases mainly for transport vehicles, equipment, offices areas and land. Expenses related to short-term leases and for which the qualifying asset is of low value are presented in note 10 “Other operating expenses”.

21. DIVIDENDS PAYABLE

<i>In LEI</i>	30th June 2023	31st December 2022
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	162,414
Dividends payable for 2017	196,052	196,240
Dividends payable for 2018	117,607	117,720
Dividends payable for 2019	534,151	14,789,165
Dividends payable for 2020	10,561,940	10,673,557
Dividends payable for 2021	16,419,371	16,759,340
Dividends payable for 2022	26,478,332	-
Total dividends payable	54,800,883	43,029,452

21. DIVIDENDS PAYABLE (continued)

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).

22. FINANCIAL LIABILITIES AT AMORTIZED COST

<i>In LEI</i>	30th June 2023	31st December 2022
Suppliers and accrued expenses	7,657,706	10,183,731
Advances from customers	110,777	146,360
Other financial liabilities	563,592	1,033,819
Total	<u>8,332,075</u>	<u>11,363,910</u>

23. OTHER LIABILITIES

<i>In LEI</i>	30th June 2023	31st December 2022
Taxes and levies	4,898,918	3,289,995
Liabilities related to employees' cash benefits plan and other rights	516,041	3,446,568
Other liabilities	1,667,739	1,174,116
Total	<u>7,082,698</u>	<u>7,910,679</u>

Liabilities regarding the cash benefits plan represent the amounts that are to be offered to employees as profit-sharing in cash, in accordance with the Collective Employment Contract and to directors, according to the management contracts.

Other liabilities regarding salaries mainly include amounts that are to be paid representing allowances for holidays not taken.

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

24. DEFERRED INCOME TAX LIABILITIES

Liabilities related to deferred income tax on 30th June 2023 are generated by the elements in the following table:

<i>In LEI</i>	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	658,356,281	-	658,356,281
Tangible assets and investment property	81,644,363	-	81,644,363
Other assets	(8,284,847)	-	(8,284,847)
Liabilities related to profit sharing and other benefits		(10,597,090)	(10,597,090)
Provisions and other liabilities		(3,822,399)	(3,822,399)
Tax loss		(14,643,851)	(14,643,851)
Total	<u>731,715,797</u>	<u>(29,063,340)</u>	<u>702,652,457</u>
Net temporary differences - 16% rate			<u>702,652,457</u>
Deferred income tax liabilities			<u>112,424,393</u>

Liabilities related to deferred income tax on 31st December 2022 are generated by the elements presented in the table below:

<i>In LEI</i>	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	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 in cash and other benefits of employees	-	(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	<u>653,802,298</u>	<u>(44,263,589)</u>	<u>609,538,709</u>
Net temporary differences- 16% rate			<u>609,538,709</u>
Deferred income tax liabilities			<u>97,526,193</u>

24. DEFERRED INCOME TAX LIABILITIES (continued)

Deferred income tax directly recognized through the decrease of equity is 109,088,774 lei on 30th June 2023 (31st December 2022: 97,526,193 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.

25. CAPITAL AND RESERVES

(a) Share capital

The structure of the Group's shareholding on 30th June 2023 and 31st December 2022 is the following:

30th June 2023	No. of shareholders	No. of shares	Nominal value (Lei)	(%)
Individuals	5,741,692	370,719,037	37,071,904	39%
Companies	146	591,034,555	59,103,455	61%
Total	5,741,838	961,753,592	96,175,359	100%

31st December 2022	No. of shareholders	No. of shares	Nominal value (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%

All shares are ordinary and have been subscribed and paid in full on 30th June 2023, namely 31st December 2022.

All shares have the same voting right and nominal value of 0.1 lei/share. The number of shares authorized for issue is equal to that of issued shares.

Thus, the share capital on 30th June 2023 had a nominal value of 96,175,359 lei (31st December 2022: 96,175,359 lei).

On 30th June 2023, the 403,813,278 lei difference 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 1st January 2004.

25. CAPITAL AND RESERVES (continued)

(b) Reserves from the revaluation of assets measured at fair value through other comprehensive income

This reserve includes the accumulated net fair value modifications of financial assets measured at fair value through other comprehensive income from the date of their classification in this category until the date of their derecognition or impairment.

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are registered at value net of corresponding deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in explanatory note 24.

(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 27th April 2023, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share, corresponding to the statutory profit of 2022 financial year.

9th June 2023 was approved as registration date (ex-date 8th June 2023 and 28th June 2023 as dividend payment date).

In the General Meeting of Shareholders on 28th April 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share, corresponding to the statutory profit of 2021 financial year.

25. CAPITAL AND RESERVES (continued)

(e) Treasury Shares

The total number of treasury shares held by the Company on 30th June 2023 is 43,366,205 shares representing 4.51% of the share capital (31.12.2022: 31,847,896 shares, representing 3.31% of the share capital) in total 56,514,937 lei (31.12.2022: of 38,991,230 lei).

The evolution of the number of shares (and their value) in the first half of 2023, respectively 2022 is as follows:

Treasury shares	Balance on 1 st January 2023	Purchases during the period	Allocations during the periods (directors and employees)	Balance on 30 th June 2023
Buy-back program approved by EGMS on 27 th April 2023	-	823,670	(182,465)	641,205
Buy-back program approved by EGMS on 20 January 2022	8,400,000	19,625,000	(8,400,000)	19,625,000
Buy-back program approved by EGMS on 29 April 2021	23,100,000	-	-	23,100,000
Buy-back program approved by EGMS on 27 April 2020	347,896	-	(347,896)	-
Total number of shares	31,847,896	20,448,670	(8,930,361)	43,366,205
Total share value (Lei)	38,991,230	28,715,362	(11,191,655)	56,514,937

Treasury shares	Balance on 1 st January 2022	Purchases during the period	Allocations during the periods (directors and employees)	Balance on 30 th June 2022
Buy-back program approved by EGMS on 20 January 2022	-	7,790,768	-	7,790,768
Buy-back program approved by EGMS on 29 April 2021	19,459,459	-	-	19,459,459
Buy-back program approved by EGMS on 27 April 2020	4,190,048	-	(3,842,152)	347,896
Total number of shares	23,649,507	7,790,768	(3,842,152)	27,598,123
Total shares value (Lei)	41,119,507	9,298,185	(4,694,439)	45,723,253

25. CAPITAL AND RESERVES (*continued*)

(e) *Treasury shares (continued)*

In the buy-back program approved by EGMS on 28th April 2022, the Company started in December 2022 and completed in January 2023 the public offering for treasury shares purchase with the following main characteristics:

- number of treasury shares bought-back within the offer: 19,625,000, representing 2.0405% of share capital
- purchase price: 1.41 lei per share
- program run time: 22nd December 2022 – 6th January 2023
- offer broker: BT Capital Partners SA.

The purpose of the program is the reduction of the share capital by cancelling the shares, in accordance with EGMS resolution no. 2 on 28th April 2022.

In Buy-back program no. 8 approved by EGMS on 27th April 2023, the Company has run in the second half of 2023 buy-back operations for treasury shares in order to run “*stock option plan*” (SOP) programs.

In the first half of 2023, the directors, managers and employees were attributed a number of 8,930,361 shares (6 months 2022: 3,842,152 shares), within the SOP benefits plan corresponding to 2021 (6 months 2022: SOP 2020).

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

Equity-based payments to employees, directors and administrators represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding on 30th June 2023, namely 31st December 2022:

<i>In LEI</i>	30th June 2023	31st December 2022
SOP 2021	-	10,850,388
SOP 2022	9,905,947	9,915,392
Total	9,905,947	20,765,780

25. CAPITAL AND RESERVES (continued)

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

Options exercisable at the start of the reporting period, that have been fully exercised in the first half of 2023, correspond to SOP 2021 shares, of 10,850,388 lei (a number of 8,930,361 shares) and were attributed in the second half of 2023, for a price of 1.2150 lei/share (closing price on 27th April 2022).

Options granted in 2023 that are exercisable at the end of the reporting period, correspond to shares related to SOP 2022, in the amount of 9,905,947 lei (a number of 7,708,908 shares) and will be attributed in the second half of 2024, for a price of 1.2850 lei/share (closing price on 26th April 2023).

There were no expired or forfeited options during 2022, or in the first 6 months of 2023.

(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).

26. NON-CONTROLLING INTERESTS

Non-controlling interests represent the part of the profit or loss and of net assets not held, neither directly or indirectly by the Group and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the capital of the parent company's shareholders.

The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

<i>In LEI</i>	30th June 2023	30th June 2022
On 1st January	16,718,203	16,022,210
Profit/ (Loss) attributable to non-controlling interests	(9,561)	369,215
Reserves from the revaluation of tangible assets attributable to non-controlling interests	(15,059)	-
Dividends distributed to non-controlling interests	-	(113,889)
Shares in subsidiaries bought-back from non-controlling interests	-	(94,811)
On 30 June	<u>16,693,583</u>	<u>16,182,725</u>

27. EARNINGS PER SHARE

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

<i>In LEI</i>	30th June 2023	30th June 2022
Net profit attributable to the Company's shareholders	22,515,340	64,965,363
<i>Weighted average number of outstanding ordinary shares</i>	<i>912,639,810</i>	<i>954,651,739</i>
Basic earnings per share (net profit per share)	0.0247	0.0681
Net profit attributed to the Company's shareholders	22,515,340	64,965,363
Gain registered in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)	21,504,320	11,003,715
<i>Weighted average number of outstanding ordinary shares corresponding to the reporting period</i>	<i>912,639,810</i>	<i>954,651,739</i>
Basic earnings per share (including earning from the sale of FVTOCI financial assets)	0.0482	0.0796

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

Basic and diluted earnings per share are calculated based on net income, which includes, in addition to net profit, the gain on the sale of FVTOCI financial assets.

The Group also presents in the financial statements, together with the basic and diluted earnings per share, the basic and diluted result per share (including the gain from the sale of FVTOCI financial assets), because along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Group's performance and is a potential source for dividend distribution to the Company's shareholders.

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Subsidiaries

Balances and transactions between Group members have been eliminated in the consolidation process and are not presented in this explanatory note.

Associates of the Group

The Group has an investment in an associate on 30th June 2023 and 31st December 2022, Străulești Lac Alfa S.A., with an ownership of 50%.

Key management personnel

On 30th June 2023 and 31st December 2022, the members of the Board of Directors were Mr. Liviu Claudiu Doroș (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceoceca (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:

<i>In LEI</i>	6 months' period ended on 30th June 2023	6 months' period ended on 30th June 2022
Board of Directors	3,972,589	3,698,440
Directors	2,784,350	2,531,422
Total, of which	6,756,939	6,229,862
Benefits granted as shares	-	-

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

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

29. SUBSEQUENT EVENTS

Completion of the first stage and start of the second stage of Program no. 8 to buy-back treasury shares

1. Completion of the 1st Stage

On 11th July 2023 Stage 1 of Program no. 8 for the buy-back of treasury shares run in order to implement resolution of the Extraordinary General meeting of shareholders no. 2 on 27th April 2023 was completed.

The cumulated results of operations run between 17th May 2023 and 11th July 2023, are as follows:

- Total number of bought-back shares: 1,000,000
- Purpose: buy-back of treasury shares in order to comply with the legal obligations arising from “stock option plan” program
- Average purchase price: 1.2587 lei/share
- Total value of shares bought-back: 1,258,686.64 lei
- Buy-back percentage of the company’s share capital: 0.1040%.

2. The start of the 2nd Stage of Program no. 8 to buy-back treasury shares

The 2nd stage of Program no. 8 for the buy-back of treasury shares started in accordance with EGMS Resolution no. 2 on 27th April 2023.

The main characteristics of the 2nd stage are the following:

- Running period: 13th July 2023 – 12th October 2023
- Purpose: the Company shall buy-back shares for the purpose of complying with its legal obligations regarding the running of “stock option plan” program, in accordance with the provisions of art. 5 (2) letter c) (EU) Regulation no. 596/2014 and remuneration policy applicable on AIFM level;
- Number of shares that can be bought-back: maximum 3,500,000 shares through market operations, representing 0.3639% of the share capital;
- The minimum price per share: market price on BVB from the time the purchase is made;
- Maximum price per share: 2 lei.

The consolidated financial statements were approved by the Board of Directors on 15th September 2023 and signed on its behalf by:

Claudiu Doros
CEO and President of the Board

Mihaela Moleavin
Finance director

STATEMENT

in accordance with the provisions of article 30 of Accounting Law no. 82/1991, article 223, paragraph A (1), letter c) of FSA Regulation no. 5/2018 and article 63 of Law no. 24/2017

The undersigned Claudiu DOROȘ, in his capacity as President & CEO, and Mihaela MOLEAVIN, in her capacity as Finance Director, responsible for preparing the condensed interim consolidated financial statements of EVERGENT Investments Group (the Group) for the six-month period ended on June 30, 2023, declare the following::

- a) The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and by applying accounting regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in Financial Instruments and Investments Sector, as approved by the Financial Supervisory Authority’s Norm no. 39/2015;
- b) The accounting policies used in preparing the interim consolidated 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 condensed interim consolidated financial statements, which are in compliance with the above-mentioned regulations, **provide a true and fair view of the financial position and performance of the Group (including the assets, liabilities, financial position, profit and loss account of EVERGENT Investments SA and its subsidiaries included in the consolidation process).** Furthermore, the Board of Directors' Report includes a correct and comprehensive analysis of the development, financial position and performance of the Group, as well as a description of the main risks and uncertainties specific to the activities carried out.

Claudiu Doros
President & CEO

Mihaela Moleavin
Finance Director