



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.: J04/2400/1992

EUID: ROONRC. J/04/2400/1992

LEI: 254900Y100025N04US14

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.

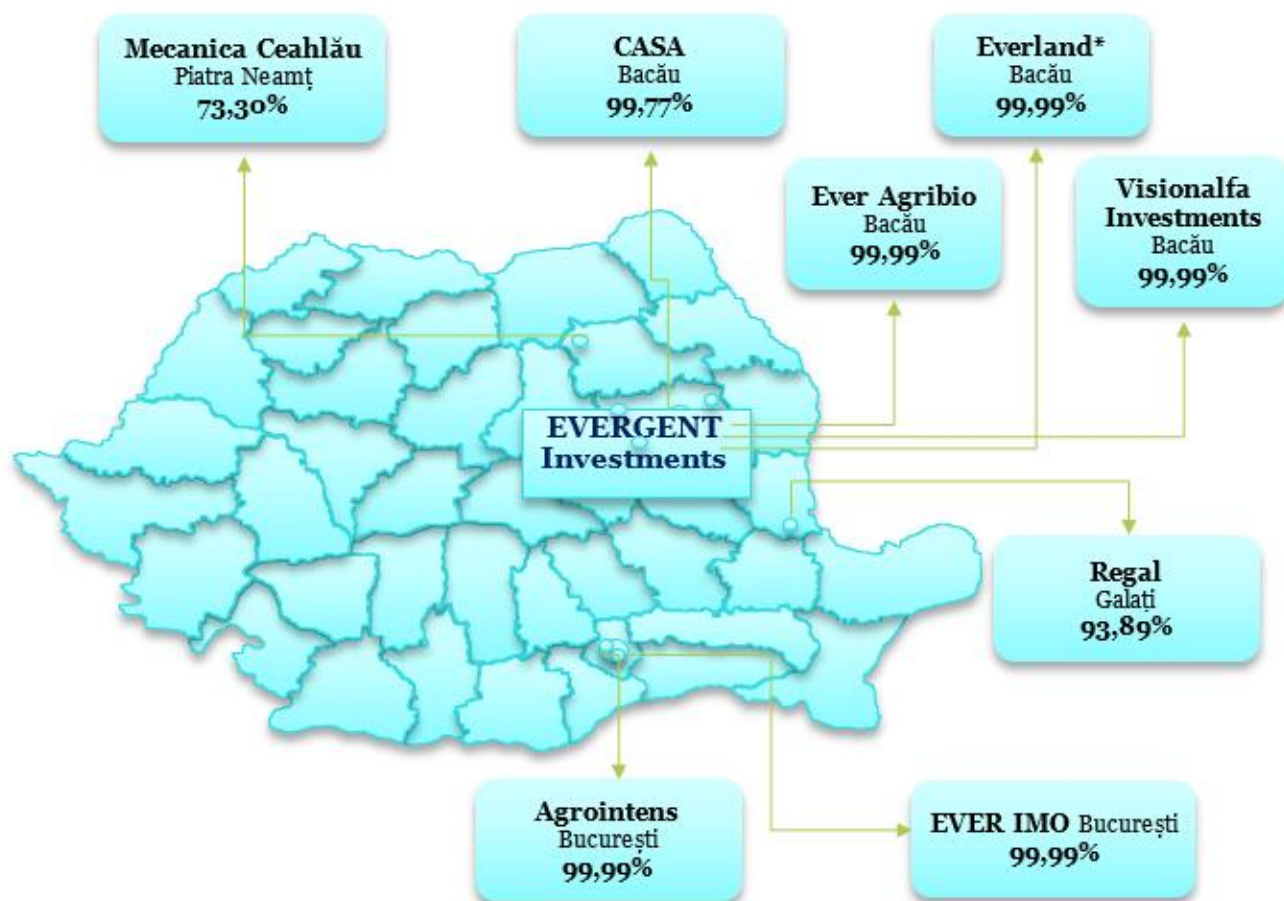
On 30th June 2023 EVERGENT Investments Group holds investments in one associate, company Străulești Lac Alfa S.A. of 50%.

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)
Agroitens 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.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	378430	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 Mecanica 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 evolutio (%)
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.

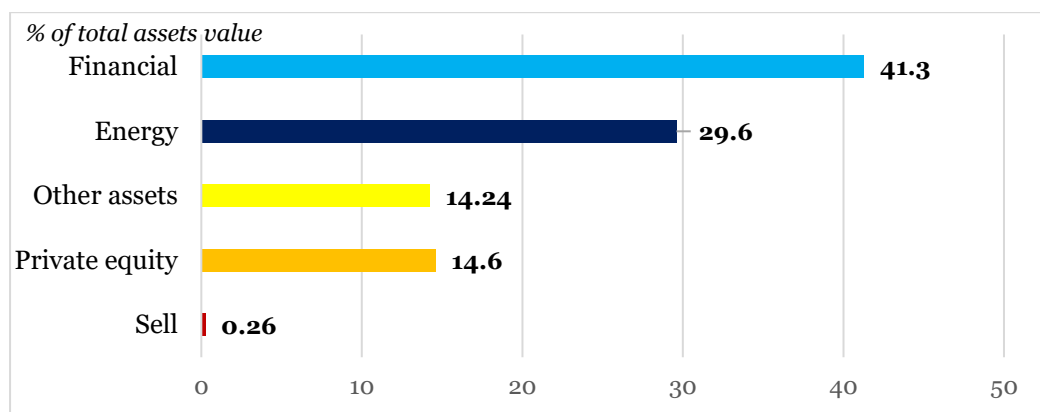
The Company has a predictable dividend policy and annually runs buy-back programs to ensure the liquidity of EVER shares and bring benefits to shareholders through the possibility to share their holdings for a price as close to the assets value as possible. Along with the dividends, these represent a 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 – Argeş 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 CEHLAU SA
(www.mecanicacehlau.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 Saucesti commune, Bacau 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. Agrountens 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 Ceocea – President – non-executive director;
2. Octavian Claudiu Radu – member – non-executive and independent director;
3. Horia Ciorcila – member - non-executive and independent director.

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

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

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

6.1.1.6. The executive management of the company is ensured, in accordance with the provisions of the Memorandum of Association, resolutions of the Board of Directors and regulations in force by the CEO and deputy-CEO, who act as managers of the company as per Companies' Law no. 31/1990. The managers meet the legal requirements for their position; have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM. Members of EVERGENT Investments' management Doros Liviu Claudiu – CEO, Iancu Catalin Jianu Dan – deputy CEO – FSA authorization no. 59/05.04.2021
(Details on the 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, form that of portfolio management and other functional departments through the adoption of all organisational measures to prevent conflicts of interest, expressly foreseen by the company's internal regulations. The permanent risk management function has the necessary authority and access to all relevant information necessary to fulfil attributions and responsibilities Staff of the Risk Management Department:

1. Sonia Fechet- risk administrator, risk manager (FSA Reg. no: PFR132FARA/040050)
2. Elena Rebei – senior risk administrator (FSA Reg. no: PFR132FARA/040049)

(Details on the organization, responsibilities of the Risk Management Department are presented in Annex 3)

6.2.2. Compliance

EVERGENT Investments 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

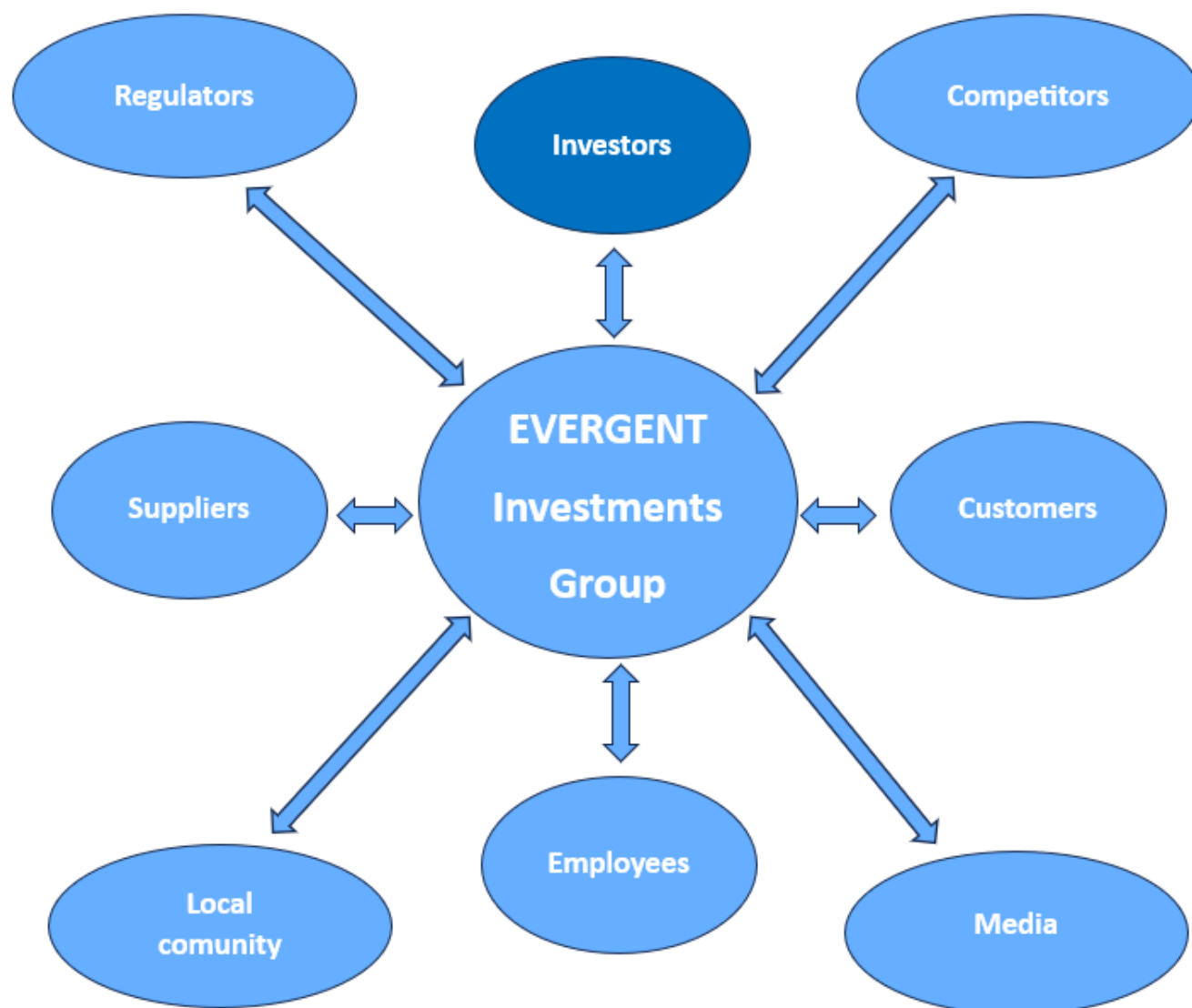
FSA notified internal auditors: Virginia Sofian, Gabriela Stelea, Rodica Grintescu

(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