

**EVERGENT INVESTMENTS SA**

**CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS' PERIOD ENDED ON 30<sup>th</sup>  
SEPTEMBER 2023**

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

**UNAUDITED**

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CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in lei, unless otherwise stated)

<i>In LEI</i>	<i>Note</i>	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
<b>Revenue</b>			
Gross dividend revenue	5	88,357,728	120,777,371
Interest revenue		5,545,233	5,221,031
Other operating revenue		761,659	1,385,486
Net gain/(Net loss) on financial assets at fair value through profit or loss	6	27,526,383	(14,069,082)
Net gain on revaluation of investment property		-	760,816
<b>Expenses</b>			
(Loss)/Loss reversal on financial assets impairment		(54,134)	2,325,962
Loss reversal on non-financial assets impairment		-	671
Reversal of provisions for risks and charges		-	42,646
Expenses with wages, remuneration and other similar expenses	7	(14,753,933)	(12,838,634)
Other operating expenses	8	(9,342,674)	(7,201,347)
<b>Operating profit</b>		<b>98,040,262</b>	<b>96,404,920</b>
Financing expenses	9	(2,861,637)	(69,176)
<b>Profit before tax</b>		<b>95,178,625</b>	<b>96,335,744</b>
Income tax	10	(10,621,322)	(9,331,469)
<b>Net profit of the period</b>		<b>84,557,303</b>	<b>87,004,275</b>
<b>Other comprehensive income</b>			
Reserve increase from the revaluation of property, plant and equipment, net of deferred tax		27,854	21,528
Net gain / (Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	12 d)	302,564,418	(326,025,853)
<b>Other comprehensive income- elements that will not be reclassified in profit or loss</b>		<b>302,592,272</b>	<b>(326,004,325)</b>
Net loss from revaluation of FVTOCI bonds	12 d)	(146,448)	(284,769)
<b>Other comprehensive income – elements that will be reclassified in profit or loss</b>		<b>(146,448)</b>	<b>(284,769)</b>
<b>Other comprehensive income elements - Total</b>		<b>302,445,824</b>	<b>(326,289,094)</b>
<b>Total comprehensive income of the period</b>		<b>387,003,127</b>	<b>(239,284,819)</b>
<b>Basic and diluted earnings per share (net profit per share)</b>			
	19	<b>0.0925</b>	<b>0.0913</b>
<b>Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)</b>			
	19	<b>0.1493</b>	<b>0.1064</b>

The separate financial statements were approved by the Board of Directors on 15<sup>th</sup> November 2023 and signed on its behalf by:

**Claudiu Doros**  
CEO and President of the Board

**Mihaela Moleavin**  
Finance Director

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION  
ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	<i>Note</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
<b>Active</b>			
Cash and current accounts		842,833	788,781
Bank deposits with initial maturity within 3 months	<b>11 a)</b>	167,766,154	104,971,764
Bank deposits with initial maturity over 3 months	<b>11 b)</b>	10,532,578	-
Financial assets measured at fair value through profit or loss	<b>12 a)</b>	336,001,352	333,619,756
Financial assets measured at fair value through other comprehensive income	<b>12 b)</b>	2,206,204,412	1,875,688,529
Bonds at fair value through other comprehensive income	<b>12 e)</b>	4,017,007	3,982,047
Bonds at amortized cost	<b>12 e)</b>	17,103,148	17,550,535
Other financial assets at amortized cost	<b>13</b>	39,906,387	9,869,910
Other assets		564,408	497,055
Fixed assets held for sale		212,738	-
Investment property		4,071,710	4,284,448
Plant, property and equipment		8,813,450	9,282,127
Right-of-use assets		3,471,401	3,474,536
Intangible assets		420,097	412,375
<b>Total assets</b>		<b><u>2,799,927,675</u></b>	<b><u>2,364,421,863</u></b>
<b>Liabilities</b>			
Loans	<b>14</b>	95,897,549	-
Lease liabilities		3,436,730	3,456,939
Dividends payable	<b>15</b>	52,789,902	42,633,808
Current tax liabilities		7,942,608	5,370,896
Financial liabilities at amortized cost	<b>16 a)</b>	609,837	2,871,103
Other liabilities	<b>16 b)</b>	1,788,903	4,154,999
Provisions for risks and charges		1,632,553	1,632,553
Deferred tax liabilities	<b>17</b>	135,718,114	89,669,402
<b>Total liabilities</b>		<b><u>299,816,196</u></b>	<b><u>149,789,700</u></b>
<b>Equity</b>			
Share capital	<b>18</b>	499,988,637	499,988,637
Retained earnings		1,086,278,411	1,018,427,444
Reserves from the revaluation of property, plant and equipment		9,802,647	9,774,793
Reserves from the revaluation of financial assets at fair value through other comprehensive income	<b>12 d)</b>	950,420,477	699,891,438
Treasury shares	<b>18 d)</b>	(60,351,954)	(38,991,230)
Equity-based payments to employees, directors and administrators	<b>18 e)</b>	9,905,947	20,765,780
Other items of equity		4,067,314	4,775,301
<b>Total equity</b>		<b><u>2,500,111,479</u></b>	<b><u>2,214,632,163</u></b>
<b>Total liabilities and equity</b>		<b><u>2,799,927,675</u></b>	<b><u>2,364,421,863</u></b>

The separate financial statements were approved by the Board of Directors on 15<sup>th</sup> November 2023 and were signed on its behalf by:

**Claudiu Doros**  
CEO and President of the Board

**Mihaela Moleavin**  
Finance Director

CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in Lei, unless otherwise stated)

<i>In Lei</i>	Note	Share capital	Reserves from the revaluation of plant, property and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
<b>Balance on 31<sup>st</sup> December 2022</b>	<b>18</b>	<u>499,988,637</u>	<u>9,774,793</u>	<u>699,891,438</u>	<u>1,018,427,444</u>	<u>(38,991,230)</u>	<u>20,765,780</u>	<u>4,775,301</u>	<u>2,214,632,163</u>
<b>Comprehensive income</b>									
<i>Net profit of the period ended on 30<sup>th</sup> September 2023</i>		-	-	-	84,557,303	-	-	-	84,557,303
<i>Other comprehensive income</i>									
Increase of revaluation reserve on property, plant and equipment, net of deferred tax		-	27,854	-	-	-	-	-	27,854
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax		-	-	302,564,418	-	-	-	-	302,564,418
Revaluation at fair value of FVTOCI bonds		-	-	(146,448)	-	-	-	-	(146,448)
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	12 d)	-	-	(51,888,931)	51,888,931	-	-	-	-
<b>Total other comprehensive income</b>		-	<b>27,854</b>	<b>250,529,039</b>	<b>51,888,931</b>	-	-	-	<b>302,445,824</b>
<b>Total comprehensive income of the period</b>		-	<b>27,854</b>	<b>250,529,039</b>	<b>136,446,234</b>	-	-	-	<b>387,003,127</b>
<b>Transactions with shareholders directly recognized in equity</b>									
Acquisition of treasury shares		-	-	-	-	(32,552,379)	-	(366,720)	(32,919,099)
Treasury shares attributed to employees, administrators and directors		-	-	-	-	-	-	-	-
Dividends expired according to the law		-	-	-	14,100,250	11,191,655	(10,850,388)	(341,267)	-
Dividends payable for 2022		-	-	-	(82,695,517)	-	-	-	(82,695,517)
Other elements		-	-	-	-	-	(9,445)	-	(9,445)
<b>Total transactions with shareholders directly recognized in equity</b>		-	-	-	<b>(68,595,267)</b>	<b>(21,360,724)</b>	<b>(10,859,833)</b>	<b>(707,987)</b>	<b>(101,523,811)</b>
<b>Balance on 30<sup>th</sup> September 2023</b>	<b>18</b>	<u>499,988,637</u>	<u>9,802,647</u>	<u>950,420,477</u>	<u>1,086,278,411</u>	<u>(60,351,954)</u>	<u>9,905,947</u>	<u>4,067,314</u>	<u>2,500,111,479</u>

The separate financial statements were approved by the Board of Directors on 15<sup>th</sup> November 2023 and signed on its behalf by:

**Claudiu Doros**  
CEO and President of the Board

**Mihaela Moleavin**  
Finance Director

The attached notes are integral part of the financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in Lei, unless otherwise stated)

<i>In Lei</i>	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
<b>Balance on 31<sup>st</sup> December 2021</b>	<b>18</b>	<u>510,105,062</u>	<u>8,967,836</u>	<u>903,246,143</u>	<u>981,801,980</u>	<u>(41,119,507)</u>	<u>16,252,012</u>	<u>3,685,004</u>	<u>2,382,938,530</u>
<b>Comprehensive income</b>									
<b>Net profit of the period ended on 30<sup>th</sup> September 2022</b>		-	-	-	87,004,275	-	-	-	87,004,275
<b>Other comprehensive income</b>									
Increase of revaluation reserve on property, plant and equipment, net of deferred tax		-	21,528	-	-	-	-	-	21,528
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax		-	-	(326,025,853)	-	-	-	-	(326,025,853)
Revaluation at fair value of FVTOCI bonds		-	-	(284,769)	-	-	-	-	(284,769)
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	12 d)	-	-	(14,389,531)	14,389,531	-	-	-	-
<b>Total other elements of comprehensive income</b>		-	<b>21,528</b>	<b>(340,700,153)</b>	<b>14,389,531</b>	-	-	-	<b>(326,289,094)</b>
<b>Total comprehensive income of the period</b>		-	<b>21,528</b>	<b>(340,700,153)</b>	<b>101,393,806</b>	-	-	-	<b>(239,284,819)</b>
<b>Transactions with shareholders directly recognized in equity</b>									
Capital decrease		(10,116,425)	-	-	(26,389,968)	35,999,999	-	506,394	-
Acquisition of treasury shares		-	-	-	-	(25,043,822)	-	(50,089)	(25,093,911)
Treasury shares attributable to employees, administrators		-	-	-	-	4,694,440	(5,398,224)	703,784	-
Dividends out-dated according to the law		-	-	-	7,133,676	-	-	-	7,133,676
Dividends payable for 2021		-	-	-	(62,052,983)	-	-	-	(62,052,983)
Other elements		-	-	-	-	-	(3,400)	-	(3,400)
<b>Total transactions with shareholders directly recognized in equity</b>		<b>(10,116,425)</b>	-	-	<b>(81,309,275)</b>	<b>15,650,617</b>	<b>(5,401,624)</b>	<b>1,160,089</b>	<b>(80,016,618)</b>
<b>Balance on 30<sup>th</sup> September 2022</b>	<b>18</b>	<u>499,988,637</u>	<u>8,989,364</u>	<u>562,545,990</u>	<u>1,001,886,511</u>	<u>(25,468,890)</u>	<u>10,850,388</u>	<u>4,845,093</u>	<u>2,063,637,093</u>

The separate financial statements were approved by the Board of Directors on 15<sup>th</sup> November 2023 and signed on its behalf by:

**Claudiu Doroş**  
CEO and President of the Board

**Mihaela Moleavin**  
Finance Director

The attached notes are integral part of the financial statements.

SEPARATE STATEMENT OF CASH FLOWS  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	Note	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
<b>Operating activities</b>			
<b>Net profit of the period</b>		<b>84,557,303</b>	<b>87,004,275</b>
<b>Adjustments:</b>			
Loss /(Loss reversal) on financial assets impairment		54,134	(2,325,962)
Loss reversal on non-financial assets impairment		-	(671)
Net gain on the revaluation of property investment		-	(760,816)
(Net gain) / Net loss on financial assets at fair value through profit or loss	6	(27,526,383)	14,069,082
Reversal of provisions for risks and charges		-	(42,646)
Gross dividend income	5	(88,357,728)	(120,777,371)
Interest income		(5,545,233)	(5,221,032)
Financing expenses		2,861,637	69,176
Corporate tax		10,621,322	9,331,469
Other adjustments		793,702	(1,049,320)
<b>Modifications of assets and liabilities corresponding to operating activities</b>			
Payments for acquisition of financial assets at fair value through profit or loss		(57,426)	(5,000,000)
Proceeds from sales of financial assets at fair value through profit or loss		25,202,213	37,430,159
Payments for acquisition of financial assets at fair value through other comprehensive income		(193,316,371)	(167,498,749)
Proceeds from sales of financial assets at fair value through other comprehensive income		219,370,653	22,390,321
Proceeds from bonds		8,820	8,820
Set-up of deposits with initial maturity over 3 months		(10,000,000)	-
Changes in other assets		(3,540,027)	(21,189,073)
Changes in other liabilities		(3,010,415)	39,983
Proceeds from dividends		55,035,238	115,165,356
Proceeds from interest		5,136,025	4,489,026
Paid profit tax		(9,212,803)	(1,372,642)
<b>Net cash resulted from / (used in) operating activities</b>		<b>63,074,661</b>	<b>(35,240,615)</b>
<b>Investment activities</b>			
Payments for acquisitions of property, plant and equipment		(121,027)	(691,408)
Payments for acquisition of intangible assets		(75,935)	(4,826)
Proceeds from the sale of intangible assets and property investments		90	(948,484)
<b>Net cash used in investment activities</b>		<b>(196,872)</b>	<b>(1,644,718)</b>
<b>Financing activities</b>			
Paid dividends		(58,439,173)	(44,731,985)
Lease payments		(409,625)	(410,719)
Proceeds from loans		94,121,516	-
Interest paid on loans		(2,396,238)	-
Interest paid on leases		(80,166)	(69,176)
Acquisition of treasury shares		(32,919,099)	(25,093,911)
<b>Net cash used in financing activities</b>		<b>(122,785)</b>	<b>(70,305,791)</b>
<b>Net increase/(decrease) of cash and cash equivalents</b>		<b>62,755,004</b>	<b>(107,191,124)</b>
Cash and cash equivalents on January 1 <sup>st</sup>		105,541,921	157,633,721
<b>Cash and cash equivalents on 30<sup>th</sup> September</b>		<b>168,296,925</b>	<b>50,442,597</b>

The attached notes are integral part of the financial statements.

SEPARATE STATEMENT OF CASH FLOWS  
 FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
 (All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
Cash at hand	2,897	524
Current bank accounts	839,940	262,124
Bank deposits with initial maturity within 3 months (principal)	167,454,088	50,179,949
<b>Cash and cash equivalents</b>	<b><u>168,296,925</u></b>	<b><u>50,442,597</u></b>

The separate financial statements were approved by the Board of Directors on 15<sup>th</sup> November 2023 and were signed on its behalf by:

**Claudiu Doros**  
 CEO and President of the Board

**Mihaela Moleavin**  
 Finance Director



## 1. REPORTING ENTITY

**EVERGENT Investments SA („the Company”)**, is setup 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 Supervisory 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 on Pictor Aman Street, no. 94C, Bacau municipality, Bacau county, Romania.

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

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

The company is self-managed as a one-tier company.

Shares issued by EVERGENT Investments SA are listed at the Bucharest Stock Exchange, the primary market, Premium category, with indicative EVER, since 29 March 2021 (the Company's share were previously traded under indicative SIF2), as per the BSE Decision of 1<sup>st</sup> November 2011).

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

The assets deposit and custody services are provided, since 22<sup>nd</sup> May 2023 by Banca Comercială Română S.A., according to the FSA authorization no. 74 from 18<sup>th</sup> May 2023. These services were previously provided by BRD – Groupe Société Générale S.A.

## **2. BASIS OF PREPARATION**

### **(a) Statement of Compliance**

The interim condensed separate financial statements for the nine months' period ended on 30<sup>th</sup> September 2023, have been prepared by the Company in accordance with IAS 34 "Interim Financial Reporting", and applying the provisions of Rule 39/2015 on the approval of Accounting Regulations in accordance with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by FSA in the field of Financial Instruments and Investments (Rule 39/2015).

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

These interim condensed separate financial statements should be read together with the annual financial statements for the financial year ended on 31<sup>st</sup> December 2022, available on the Company's internet page: [www.evergent.ro](http://www.evergent.ro). These interim financial statements are also available here, starting on 15<sup>th</sup> November 2023.

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

The Company has not prepared the consolidated interim financial statements of EVERGENT Investments Group on 30<sup>th</sup> September 2023.

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

### **(b) Functional and Presentation Currency**

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

### **(c) Basis of Measurement**

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

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

## **2. BASIS OF PREPARATION (continued)**

### **(d) Use of Estimates and Judgements**

The preparation of the interim condensed separate financial statements in accordance with IFRS requires the use of management estimates, judgements and assumptions that affect the ascertainment and application of the Company's accounting policies, as well as the value reported in the financial statements of assets, liabilities, income and expenses. Judgements and assumptions associated to these estimates are based on historic experience as well as other factors seen as reasonable in the context of these estimates. The results of these estimates lay at the base of judgements regarding the carrying value of assets and liabilities that cannot be obtained from other information sources. Results obtained may differ from the value of 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.

The information and judgments concerning the ascertainment and application of accounting policies and the laying 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 12 (c))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 12 (c))
- Classification of financial instruments (see explanatory note 4)

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

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 has 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 has continued to raise the benchmark interest rate (on 14<sup>th</sup> September 2023 it announced the tenth consecutive increase), reaching a new maximum historical level.

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.

## **2. BASIS OF PREPARATION (continued)**

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

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, the Company's management considers that the Company's profitability may be affected but on the short or average term, and it does not estimate difficulties in meeting the Company's commitments, while business continuity is not affected.

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied for these interim condensed separate financial statements are consistent with those in the annual financial statements of the Company for the financial year ended on 31<sup>st</sup> December 2022, and they have been applied consistently for all periods presented in these condensed financial statements.

#### 4. FINANCIAL ASSETS AND LIABILITIES

The table below summarizes the carrying and fair values of the Company's financial assets and liabilities on 30<sup>th</sup> September 2023:

<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 value	Fair value
Cash and current accounts	-	-	842,833	842,833	842,833
Bank deposits with initial maturity within 3 months	-	-	167,766,154	167,766,154	167,766,154
Bank deposits with initial maturity more than 3 months	-	-	10,532,578	10,532,578	10,532,578
Financial assets at fair value through profit or loss	336,001,352	-	-	336,001,352	336,001,352
Financial assets at fair value through other comprehensive income	-	2,206,204,412	-	2,206,204,412	2,206,204,412
Bonds at fair value through other comprehensive income	-	4,017,007	-	4,017,007	4,017,007
Bonds at amortized cost	-	-	17,103,148	17,103,148	17,103,148
Other financial assets at amortized cost	-	-	39,906,387	39,906,387	39,906,387
<b>Total financial assets</b>	<b>336,001,352</b>	<b>2,210,221,419</b>	<b>236,151,100</b>	<b>2,782,373,871</b>	<b>2,782,373,871</b>
Loans	-	-	95,897,549	95,897,549	95,897,549
Lease liabilities	-	-	3,436,730	3,436,730	3,436,730
Dividends payable	-	-	52,789,902	52,789,902	52,789,902
Financial liabilities at amortized cost	-	-	609,837	609,837	609,837
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>152,734,018</b>	<b>152,734,018</b>	<b>152,734,018</b>

For financial assets and liabilities at amortized cost, the Company analysed fair value on 30<sup>th</sup> September 2023 and concluded that there are not significant differences between fair value and amortized cost.

#### 4. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the carrying and fair values of the Company's financial assets and liabilities on 31<sup>st</sup> December 2022:

<i>In LEI</i>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Amortized cost</b>	<b>Total carrying value</b>	<b>Fair value</b>
Cash and current accounts	-	-	788,781	788,781	788,781
Bank deposits with initial maturity within 3 months	-	-	104,971,764	104,971,764	104,971,764
Bank deposits with initial maturity more than 3 months	-	-	-	-	-
Financial assets at fair value through profit or loss	333,619,756	-	-	333,619,756	333,619,756
Financial assets at fair value through other comprehensive income	-	1,875,688,529	-	1,875,688,529	1,875,688,529
Bonds at fair value through other comprehensive income	-	3,982,047	-	3,982,047	3,982,047
Bonds at amortized cost	-	-	17,550,535	17,550,535	17,550,535
Other financial assets at amortized cost	-	-	9,869,910	9,869,910	9,869,910
<b>Total financial assets</b>	<b>333,619,756</b>	<b>1,879,670,576</b>	<b>133,180,990</b>	<b>2,346,471,322</b>	<b>2,346,471,322</b>
Lease liabilities	-	-	3,456,939	3,456,939	3,456,939
Dividends payable	-	-	42,633,808	42,633,808	42,633,808
Financial liabilities at amortized cost	-	-	2,871,103	2,871,103	2,871,103
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>48,961,850</b>	<b>48,961,850</b>	<b>48,961,850</b>

The attached notes are integral part of the financial statements.

## 5. GROSS DIVIDEND INCOME

*In LEI*

	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
OMV Petrom	51,652,238	10,927,544
SNGN Romgaz SA	16,089,342	28,759,388
Fondul Proprietatea	10,572,057	922,695
Aerostar	4,159,104	3,465,920
SN Nuclearelectrica	3,771,535	1,751,501
Transilvania Investments Alliance	1,468,285	-
Bursa de Valori București	449,877	334,047
Banca Transilvania	-	48,355,982
BRD – Groupe Societe Generale	-	21,124,249
Străulești Lac Alfa	-	3,553,026
Regal	-	1,518,111
Other dividends	195,290	64,908
<b>Total</b>	<b><u>88,357,728</u></b>	<b><u>120,777,371</u></b>

Dividend income is recorded at gross value. Taxation rates for dividends corresponding to the period ended on 30<sup>th</sup> September 2023 are 8% and 0% (9 months' period ended on 30<sup>th</sup> September 2022: 5% and 0%). Dividend tax exemption is applied in case the Company's holding percentage has been higher than 10% of the dividend distributing company for an uninterrupted period of at least one year, prior to the distribution.

In the first 9 months of 2023, the value of gross dividends distributed by companies for which holdings were classified as financial assets at fair value through other comprehensive income was 87,771,777 lei (9 months' period ended on 30<sup>th</sup> September 2022: 118,925,213 lei).

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

*In LEI*

	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
Net gain/(net loss) on the revaluation of financial assets measured at fair value through profit or loss	26,946,412	(12,157,551)
Net gain /(net loss) on the sale of financial assets at fair value through profit or loss	579,971	(1,911,531)
<b>Total</b>	<b><u>27,526,383</u></b>	<b><u>(14,069,082)</u></b>

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

Unrealized net gain in the first 9 months of 2023, of 26,946,412 lei (9 months' period ended on 30<sup>th</sup> September 2022: unrealized net loss of 12,157,551 lei) represents the difference from the revaluation of fair value of fund units and shares held at fair value through profit or loss.

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

In the first 9 months of 2022, unrealized net loss was generated mainly by the decrease of fair value of fund unit investments following the negative impact that the Russian-Ukrainian military conflict as well as other tendencies on global level (increase of raw materials prices, increase of inflation, etc.) have had on international and national financial markets, including financial instruments quotations in Bucharest Stock Exchange. The realized net loss was generated by the sale of fund units.

## 7. EXPENSES WITH SALARIES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

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

<i>In LEI</i>	9 months' period ended on 30 <sup>th</sup> September 2023		9 months' period ended on 30 <sup>th</sup> September 2022	
	No. of beneficiari es	Value	No. of beneficiari es	Value
<b>Fixed remunerations</b>				
Board of Directors	5	4,767,129	5	4,282,551
Management Committee	2	2,811,384	2	2,525,625
Employees – wages and other benefits	47	6,585,767	42	5,356,156
<b>Total fixed remunerations</b>		<b>14,164,280</b>		<b>12,164,332</b>
<b>Variable remunerations</b>				
<b>Board of Directors and Management Committee</b>				
Bonuses for the current year		-	5	175,698
<b>Total</b>		<b>-</b>		<b>175,698</b>
<b>Employees</b>				
Bonuses for the current year	47	274,156	42	222,358
<b>Total</b>		<b>274,156</b>		<b>222,358</b>
<b>Total variable remunerations</b>		<b>274,156</b>		<b>398,056</b>



## 7. EXPENSES WITH SALARIES, REMUNERATIONS AND OTHER SIMILAR EXPENSES (continued)

<i>In LEI</i>	9 months' period ended on 30 <sup>th</sup> September 2023		9 months' period ended on 30 <sup>th</sup> September 2022	
	No. of beneficiari es	Value	No. of beneficiari es	Value
Expenses with social contributions and other similar expenses		316,724		311,259
Net expenses/(income) from provisions for untaken holidays		<u>(1,227)</u>		<u>(35,013)</u>
Total wages, indemnities, contributions and similar expenses		<u>14,753,933</u>		<u>12,838,634</u>

The remunerations of the directors are approved by the General Meeting of Shareholders by the Articles of Association, management contracts and the Remuneration Policy of the Company's officers, and those due to officers are approved by the General Meeting of Shareholders and Board of Directors, through the management contracts and Remuneration Policy of the Company's officers.

The average number of employees for the 9 months' period ended on 30<sup>th</sup> September 2023 was 46 (9 months' period ended on 30<sup>th</sup> September 2022: 41).

## 8. OTHER OPERATING EXPENSES

<i>In LEI</i>	9 months' period ended on 30 <sup>th</sup> September 2023	9 months' period ended on 30 <sup>th</sup> September 2022
Commissions and fee expenses	2,817,518	2,473,517
Expenses with outsourced services	2,211,548	2,092,590
Expenses with promotion and protocol	490,165	280,059
Expenses with the amortization of tangible and intangible assets	657,917	553,801
Expenses with the amortization of rights-of-use assets from lease contracts	396,805	439,341
Expenses with sponsorship and patronage	322,237	234,333
Net expenses with exchange rate differences	1,376,185	11,121
Other operating expenses	1,070,299	1,116,585
<b>Total</b>	<u>9,342,674</u>	<u>7,201,347</u>

## 8. OTHER OPERATING EXPENSES (continued)

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

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

The increase in expenses related to currency rate differences in the first 9 months of 2023, compared to the similar period of the previous year is mainly due to currency rate differences related to the credit facility in euro contracted from Banca Comercială Română, in January 2023.

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

In the first nine months of 2023, expenses related to short-term lease were 54,858 lei (9 months' period ended on 30<sup>th</sup> September 2022: 21,333 lei).

## 9. FINANCING EXPENSES

<i>In LEI</i>	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
Loan interest expenses	2,781,471	-
Lease interest expenses	80,166	69,176
<b>Total</b>	<b>2,861,637</b>	<b>69,176</b>

## 10. INCOME TAX

<i>In LEI</i>	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
<b>Current income tax</b>		
Current income tax (16%)	1,900,878	2,584,415
Dividend tax (2023: 8%, 2022: 5%)	6,725,003	5,612,015
	<b>8,625,881</b>	<b>8,196,430</b>
<b>Deferred income tax</b>		
Financial assets	10,995	-
Investment property and property, plant and equipment	(17,659)	(16,940)
Liabilities related to cash benefit plan participation and other benefits	2,002,105	1,078,850
Provisions for risks and charges and other liabilities	-	6,823
Other elements	-	66,306
	<b>1,995,441</b>	<b>1,135,039</b>
<b>Income tax (the part through profit or loss)</b>	<b>10,621,322</b>	<b>9,331,469</b>

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

<i>In LEI</i>	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
<b>Profit before tax</b>	<b>95,178,625</b>	<b>96,335,744</b>
<b>Tax in accordance with the statutory taxation rate of 16% (2022: 16%)</b>	15,228,580	15,413,719
<b>Effect on income tax of:</b>		
Non-deductible expenses	3,138,675	8,308,492
Non-taxable income	(14,435,733)	(20,038,473)
Registration / (reversal) of temporary differences	1,995,441	3,866,092
Other elements	7,852,992	(1,099,323)
Dividend tax (2023: 8%, 2022: 5%)	6,725,003	5,612,015
<b>Income tax, of which:</b>	<b>20,504,958</b>	<b>12,062,522</b>
• <i>Income tax expense (through profit or loss)</i>	10,621,322	9,331,469
• <i>Income tax through retained earnings corresponding to the sale of FVTOCI financial assets</i>	9,883,636	2,731,053

## **10. INCOME TAX (continued)**

In the first nine months of 2023, the effective income tax rate (calculated based on expenses reflected through profit or loss) is 11% (9 months' period ended on 30<sup>th</sup> September 2022: 10%).

The main non-taxable income is represented by dividend revenue (taxable through withholding) and income from differences from the revaluation of financial assets at fair value through profit or loss (holdings over 10%), while non-deductible expenses include expenses from the difference of the revaluation of financial assets through profit or loss (holdings over 10%) as well as expenses proportionally assigned to non-taxable revenue.

On ascertaining the tax result non-deductible expenses for management and administration, as well as other common expenses are taken into account proportionally to the weight of non-taxable income in total income registered by the Company.

The main components of the Other elements category are elements similar to revenue that mainly include 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 directors, managers and employees of the Company as equity instruments paid in shares, on the date of their actual distribution.

**11 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS**

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Term deposits with initial maturity within 3 months	167,454,088	104,753,137
Attached receivables	354,569	224,697
<b>Total bank deposits – gross value</b>	<b>167,808,657</b>	<b>104,977,834</b>
Expected credit loss	(42,503)	(6,070)
<b>Total bank deposits</b>	<b>167,766,154</b>	<b>104,971,764</b>

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

**11 b) BANK DEPOSITS WITH INITIAL MATURITY OF MORE THAN 3 MONTHS**

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Bank deposits with initial maturity of more than 3 months	10,000,000	-
Attached receivables	533,333	-
<b>Total bank deposits – gross value</b>	<b>10,533,333</b>	-
Expected credit loss	(755)	-
<b>Total bank deposits</b>	<b>10,532,578</b>	-

On 30<sup>th</sup> September 2023, this category includes the collateral deposit at Banca Comercială Română, representing the guarantee for the credit facility contracted from this bank (see explanatory note 14 Loans). The collateral deposit is classified in Stage 1.

## 12. FINANCIAL ASSETS

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

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Fund units	257,158,956	265,105,760
Shares	78,842,396	68,513,996
<b>Total</b>	<b><u>336,001,352</u></b>	<b><u>333,619,756</u></b>
<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>30<sup>th</sup> September 2022</b>
<b>1<sup>st</sup> January</b>	<b><u>333,619,756</u></b>	<b><u>381,215,357</u></b>
Acquisitions	57,426	5,000,000
Sales	(25,202,213)	(37,430,159)
Changes in fair value	26,946,412	(12,157,551)
Gain /(loss) on the sale of FVTPL assets	579,971	(1,911,531)
<b>30<sup>th</sup> September</b>	<b><u>336,001,352</u></b>	<b><u>334,716,116</u></b>

### b) Financial assets assigned at fair value through other comprehensive income

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Shares measured at fair value	2,206,204,412	1,875,688,529
<b>Total</b>	<b><u>2,206,204,412</u></b>	<b><u>1,875,688,529</u></b>

On 30<sup>th</sup> September 2023 and 31<sup>st</sup> December 2022, the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, OMV Petrom, Aerostar, SNGN Romgaz, BRD - Groupe Société Générale, Professional Imo Partners and Străulesti Lac Alfa.

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

## 12. FINANCIAL ASSETS (continued)

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

The movement of financial assets at fair value through other comprehensive income in the period ended on 30<sup>th</sup> September 2023, namely 30<sup>th</sup> September 2022 is presented in the following table:

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>30<sup>th</sup> September 2022</b>
<b>1<sup>st</sup> January</b>	<b><u>1,875,688,530</u></b>	<b><u>1,952,286,731</u></b>
Acquisitions	193,316,371	169,208,049
Sales	(219,370,653)	(22,390,321)
Changes in fair value	356,570,164	(378,081,745)
<b>30<sup>th</sup> September</b>	<b><u>2,206,204,412</u></b>	<b><u>1,721,022,714</u></b>

In the first 9 months of 2023, the category of Shares measured at fair value through other comprehensive income increased as a result of the increase in share prices during the period.

In the similar period of 2022, shares measured at fair value through other comprehensive income registered a drop, following the negative impact of the Russian-Ukrainian war on financial markets (including on Bucharest Stock Exchange), as well as following the increase of interests caused by the increase of monetary policy interest by Romania's National Bank on the background of sharp inflationist pressures started in the second half of 2021.

The sales of shares classified at fair value through other comprehensive income were decided following the fundamental analysis developed by the specialized departments, in the context of the Company's medium and long-term objectives or to harness some opportunities. The sales were not made shortly after acquisition, and the trades in those shares were not aimed at obtaining short-term profits.

For information on net gain from the sale of shares measured at fair value through other comprehensive income, see explanatory Note 12 d).

On 30<sup>th</sup> September 2023, a number of 8,044,831 Banca Transilvania shares by the Company are mortgaged to BCR as guarantee for the credit facility contracted from this bank (See explanatory note 14 Loans).

## 12. FINANCIAL ASSETS (continued)

### c) Fair value hierarchy

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

- Level 1: quoted prices (not adjusted) on active markets for shares and bonds and the (unadjusted) unit value of the net asset in case of fund units (that meet the definition of Level 1 inputs) ;
- Level 2: inputs other than the quoted prices included in level 1 that are observable for assets or liabilities either directly (e.g. prices) or indirectly (e.g. price derivatives);
- Level 3: inputs for assets or liabilities that are not based on observable inputs from the market (unobservable inputs).

### 30<sup>th</sup> September 2023

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	280,074,201	-	55,927,151	336,001,352
Financial assets measured at fair value through other comprehensive income	1,892,823,187	-	313,381,225	2,206,204,412
Bonds at fair value through other comprehensive income	4,017,007	-	-	4,017,007
<b>Total</b>	<b><u>2,176,914,395</u></b>	<b><u>-</u></b>	<b><u>369,308,376</u></b>	<b><u>2,546,222,771</u></b>

### 31<sup>st</sup> December 2022

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	277,399,197	-	56,220,559	333,619,756
Financial assets measured at fair value through other comprehensive income	1,578,423,906	-	297,264,623	1,875,688,529
Bonds at fair value through other comprehensive income	3,982,047	-	-	3,982,047
<b>Total</b>	<b><u>1,859,805,150</u></b>	<b><u>-</u></b>	<b><u>353,485,182</u></b>	<b><u>2,213,290,332</u></b>



EXPLANATORY NOTES TO THE CONDENSED SEPARATE STATEMENTS  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in „Lei” unless otherwise stated)

**12. FINANCIAL ASSETS (continued)**

**c) Fair Value Hierarchy (continued)**

Financial assets	Fair value on 30 <sup>th</sup> September 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted interest with control right	57,927,041	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 11.8% Constant long-term income growth rate: 3% Discount for lack of marketability: 17.9%	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 marketability discount, the higher the fair value.
Listed interest, with control right	22,901,596	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 12.4% Constant long-term income growth rate: 3.5% 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 marketability discount, the higher the fair value.
Unlisted minority interest	6,522,389	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 14.6% Constant long-term income growth rate: 3% Discount for lack of control: 19.5% Discount for lack of marketability: 19.4%	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.
Listed minority interest without active market	1,996,752	Market approach, comparable companies method	Invested capital/revenues multiple: 0.66 Equity market value (Price)/EBITDA multiple: 5.41 Discount for lack of marketability: 16%	The lower the EV/Rev multiple, the lower the fair value. The lower the Price/EBITDA multiple, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.

The attached notes are integral part of the financial statements.

EXPLANATORY NOTES TO THE CONDENSED SEPARATE STATEMENTS  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in „Lei” unless otherwise stated)

**12. FINANCIAL ASSETS (continued)**

**c) Fair value hierarchy (continued)**

Financial assets	Fair value on 30 <sup>th</sup> September 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted minority interest	4,723,767	Market approach, comparable companies method	Invested capital/revenues multiple: 0.5 Equity market value (Price)/book value thereof multiple: 1.0  Discount for lack of marketability: 13.7%	The lower the EV/Turnover multiple, the lower the fair value. In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted interest with control right	139,712,415	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity (Price) by reference to their book value: 0.9  Discount for lack of marketability: 12.2 %	In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	72,035,757	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference 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 price/book value ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted, minority interest	63,488,659	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0.7  Discount for lack of marketability: 5.7%	In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value.  The lower the lack of marketability discount, the higher the fair value.
<b>Total</b>	<b>369,308,376</b>			

The attached notes are integral part of the financial statements.

EXPLANATORY NOTES TO THE CONDENSED SEPARATE STATEMENTS  
FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
(All amounts are presented in „Lei” unless otherwise stated)

**12. FINANCIAL ASSETS (continued)**

**c) Fair value hierarchy (continued)**

Financial assets	Fair value on 31 <sup>st</sup> December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest without active market	2,020,876	Market approach, comparable companies method	Invested capital/revenues multiple: 0.6 Equity value/ book value multiple: 0.9 Equity market value (Price) ) /EBITDA: 5.4 Discount for lack of marketability: 16%	The lower the EV/Rev multiple, the lower the fair value. In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the EV/EBITDA multiple, the lower the fair value. The lower the lack of marketability discount, the higher the fair value..
Unlisted minority interest	4,778,247	Market approach, comparable companies method	Invested capital/turnover multiple: 0.5 Equity value/ book value multiple: 0.99 Discount for lack of marketability: 13.7%	The lower the EV/Rev multiple, the lower the fair value. In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted interest with control right	54,177,041	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 11.8% Discount for lack of marketability: 17.9%. Constant long-term income growth rate: 3%	The lower the weighted average cost of capital, the higher the fair value. The lower the lack of marketability discount, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value.
Unlisted minority interest	6,522,389	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 14.6% Constant long-term income growth rate: 3% Discount for lack of control: 19.5%  Discount for lack of marketability: 19.4%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

The attached notes are integral part of the financial statements.

EXPLANATORY NOTES TO THE CONDENSED SEPARATE STATEMENTS  
 FOR THE 9 MONTHS' PERIOD ENDED ON 30<sup>th</sup> SEPTEMBER 2023  
 (All amounts are presented in „Lei” unless otherwise stated)



**12. FINANCIAL ASSETS (continued)**

**c) Fair Value Hierarchy (continued)**

Financial assets	Fair value on 31 <sup>st</sup> December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted interest with control right	127,266,998	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0.9  Discount for lack of marketability: 12.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.  The lower the lack of marketability discount, the higher the fair value.
Listed interest with control right	22,901,596	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 12.4%  Constant long-term income growth rate: 3.5%  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 marketability discount, the higher the fair value.
Listed majority interest without active market (investment/ holding / start-up)	72,035,757	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference 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.
Unlisted minority interest	63,782,278	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0.7  Discount for lack of marketability: 5.7%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.  The lower the lack of marketability discount, the higher the fair value.
<b>Total</b>	<b>353,485,182</b>			

The attached notes are integral part of the financial statements.

## 12. FINANCIAL ASSETS (continued)

### c) Fair Value Hierarchy (continued)

#### Sensitivity Analysis

Although the Company considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the modification of one or more assumptions would influence the Company's profit or loss and other comprehensive income on 30<sup>th</sup> September 2023 as follows:

Modified assumption (Lei)	Impact on profit or loss (before tax)	Impact on other comprehensive income (before tax)
WACC increase by 50 bps	-	(7,200,569)
WACC decrease by 50 bps	-	11,758,025
Increase of the perpetuity growth rate by 25 bps	-	335,291
Decrease of the perpetuity growth rate by 25 bps	-	(318,067)
Increase of (EBITDA, CA, P/E) multiples by 10%	114,819	710,906
Decrease of (EBITDA, CA, P/E) multiples by 10%	(114,819)	(710,906)
Increase of land sale price per sqm by 10%	6,004,187	3,389,785
Decrease of land sale price per sqm by 10%	(6,004,187)	(3,389,785)
Increase of apartment sale price per sqm by 10%	-	5,154,130
Decrease of apartment sale price per sqm by 10%	-	(5,154,130)
Increase of rent per sqm by 10%	65,164	207,025
Decrease of rent per sqm by 10%	(65,164)	(207,025)
Increase of rent capitalization rate by 50 bps	(177,292)	(520,987)
Decrease of rent capitalization rate by 50 bps	196,991	580,443
Increase of DLOM by 10%	(712,825)	(4,517,013)
Decrease of DLOM by 10%	712,825	4,517,013

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

*Revenue/turnover:* is an instrument used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on

## **12. FINANCIAL ASSETS (continued)**

### ***c) Fair Value hierarchy (continued)***

#### *Sensitivity analysis (continued)*

turnover is particularly useful when profit value is influenced by elements that are not connected to the usual course of business. Turnover is the indicator in the income or loss account that is the hardest to influence by accounting policies, which recommend it as a multiple.

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

*Price/ Book value:* measures a company's market price based on its book value (net assets). This multiple reflects the ratio that investors are willing to pay for 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 firm).

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

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

*Discount for lack of marketability (DLOM):* represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the reassessed company from the portfolio and its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

## 12. FINANCIAL ASSETS (continued)

### c) Fair Value Analysis (continued)

#### Sensitivity Analysis (continued)

In the case of participations that are part of holding companies, the adjusted net asset method was used, respectively the accounting net asset was adjusted as a result of the subsequent evaluations in which the income approach was applied.

#### Level 3 fair value modification

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>30<sup>th</sup> September 2022</b>
<b>Balance on January 1<sup>st</sup></b>	<b><u>353,485,182</u></b>	<b><u>318,728,736</u></b>
Total gain/(loss) recognized in profit or loss	19,107,426	14,174,265
Total gain/(loss) recognized in other comprehensive income	(117,691)	(4,030,734)
Purchases / capital investments	(350,835)	(2,300,916)
Sales	<u>(2,815,706)</u>	<u>(4,355,422)</u>
<b>Balance on 30<sup>th</sup> September</b>	<b><u>369,308,376</u></b>	<b><u>322,215,929</u></b>

On 30<sup>th</sup> September 2023 and 31<sup>st</sup> December 2022, the Company classified as Level 1 securities measured on the basis of the BSE closing prices, on the last day of trading. Fund units evaluated based on the unit value of their net asset certified by the fund's depositary are included in this level.

The investments classified in Level 3, representing 16% of the Company's share portfolio value on 30<sup>th</sup> September 2023 (31<sup>st</sup> December 2022: 18%), have been measured by independent external or internal assessors, 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.

## 12. FINANCIAL ASSETS (continued)

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

	30 <sup>th</sup> September 2023	30 <sup>th</sup> September 2022
<b>On January 1<sup>st</sup></b>	<b>699,891,438</b>	<b>903,246,143</b>
Gross gain / (loss) on the revaluation of financial assets measured at fair value through other comprehensive income	356,382,732	(378,440,933)
Deferred tax corresponding to the gain/loss from revaluation of financial assets measured at fair value through other comprehensive income	(53,964,762)	52,130,311
<b>Net gain/(loss) from the revaluation of available financial assets measured at fair value through other comprehensive income</b>	<b>302,417,970</b>	<b>(326,310,622)</b>
Net gain transferred to retained earnings as a result of the sale of financial assets measured at fair value through other comprehensive income	(51,888,931)	(14,389,531)
<b>On 30<sup>th</sup> September</b>	<b>950,420,477</b>	<b>562,545,990</b>

In the first 9 months of 2023, realized net gain of 51,888,931 lei, resulted mainly from the sale of Romgaz SA and Nuclearelectrica SA share sales (69 months 2022: mainly from the sale of Banca Transilvania shares).

### e) Bonds

<i>In LEI</i>	30 <sup>th</sup> September 2023	31 <sup>st</sup> December 2022
Corporate bonds	17,220,000	17,606,400
Municipal bonds	38,687	47,694
<b>Total bonds at amortized cost – gross value</b>	<b>17,258,687</b>	<b>17,654,094</b>
Expected credit loss	(155,539)	(103,559)
<b>Total bonds at amortized cost</b>	<b>17,103,148</b>	<b>17,550,535</b>
Corporate bonds	4,017,007	3,982,047
<b>Total bonds at fair value through other comprehensive income</b>	<b>4,017,007</b>	<b>3,982,047</b>

On 30<sup>th</sup> September 2023 and 31<sup>st</sup> December 2022, the category of bonds at amortised cost included the bonds issued by EVER IMO and Bacău City Hall.

On 30<sup>th</sup> September 2023 and 31<sup>st</sup> 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 Company in a business model whose objective is to keep assets both to collect contractual cash flows and to sell. Autonom Service bonds are listed on the Bucharest Stock Exchange. All bonds of the Company are classified as Stage 1.



### 13. OTHER FINANCIAL ASSETS AT AMORTIZED COST

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Sundry debtors	61,967,840	50,030,246
Dividends to collect	26,597,486	-
Trade receivables	103,599	106,088
Collateral (guarantees)	19,662	19,662
Advances to suppliers	166,612	129,043
Amount representing the guarantee for the public offering of buy-back of treasury shares	-	8,500,000
<b>Total other financial assets – gross value</b>	<b>88,855,199</b>	<b>58,785,039</b>
Less expected credit loss corresponding to other financial assets	(48,948,812)	(48,915,129)
<b>Total other financial assets</b>	<b><u>39,906,387</u></b>	<b><u>9,869,910</u></b>

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,869,211 lei (31<sup>st</sup> December 2022: 48,862,753 lei).

The amount representing the collateral for the public offering for treasury share buy-back, in balance on 31<sup>st</sup> December 2022 was set-up at the broker, in accordance with the provisions of FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations, art. 57 item 1, letter. d).

On 30<sup>th</sup> September 2023, other financial assets at amortized cost are divided into performing financial assets of 39,958,763 lei (31.12.2022: 9,869,910 lei) and other impaired assets, of 48,896,436 lei (31.12.2022: 48,915,129 lei), representing sundry debtors.

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

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>30<sup>th</sup> September 2022</b>
<b>On January 1<sup>st</sup></b>	<b><u>(48,915,129)</u></b>	<b><u>(51,282,218)</u></b>
Set-up	(33,683)	(16,180)
Reversal	-	2,385,542
<b>On 30<sup>th</sup> September</b>	<b><u>(48,948,812)</u></b>	<b><u>(48,912,856)</u></b>

## 14. LOANS

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
<b>Short-term liabilities</b>		
Short-term bank loans	95,897,549	-
<b>Total loans</b>	<b>95,897,549</b>	<b>-</b>

The reconciliation of opening and closing loan balances is shown in the table below:

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>30<sup>th</sup> September 2022</b>
<b>January 1<sup>st</sup></b>	<b>-</b>	<b>-</b>
Proceeds from loans	94,121,516	-
Attached interest	385,233	-
Loan revaluation differences	1,390,800	-
<b>30<sup>th</sup> September</b>	<b>95,897,549</b>	<b>-</b>

In January 2023, EVERGENT Investments contracted from Banca Comercială Română (BCR) a revolving-type credit facility, as overdraft, for a 12 months' period (maturity date: 17th January 2024), with a maximum value of 19,200,000 euro, with variable interest, for investments in listed shares.

On 30<sup>th</sup> September 2023, EVERGENT Investments had the following collateral set-up in favour of BCR:

- mortgage over the accounts opened by the Company with BCR;
- mortgage on the collateral deposit of 10,000,000 lei opened with BCR;
- mortgage on a number of 8,044,831 Banca Transilvania shares held by the Company.

## 15. DIVIDENDS PAYABLE

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
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	195,956	196,240
Dividends payable for 2018	117,587	117,720
Dividends payable for 2019	248,058	14,444,573
Dividends payable for 2020	10,495,713	10,673,557
Dividends payable for 2021	16,169,502	16,708,288
Dividends payable for 2022	25,069,656	-
<b>Total dividends payable</b>	<b><u>52,789,902</u></b>	<b><u>42,633,808</u></b>

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 amounts owed to shareholders are subject to enforcement procedures).

## 16. a) FINANCIAL LIABILITIES AT AMORTIZED COST

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Suppliers and accrued expenses	573,877	1,478,303
Payments made to companies in the portfolio	-	1,365,000
Other financial liabilities	35,960	27,800
<b>Total</b>	<b><u>609,837</u></b>	<b><u>2,871,103</u></b>

## 16. b) OTHER LIABILITIES

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Taxes and levies	701,433	1,678,622
Liabilities related to the cash benefits plan	86,667	1,877,247
Liabilities related to salaries and other wage rights	752,021	586,572
Other liabilities	248,782	12,558
<b>Total</b>	<b><u>1,788,903</u></b>	<b><u>4,154,999</u></b>

## 16. b) OTHER LIABILITIES (continued)

Liabilities related to cash benefits represent the amounts that are to be offered as profit-sharing bonuses in cash to the employees in accordance with the Collective Employment Contract and to directors and managers in accordance with the Management and Administration Contracts.

Liabilities related to salaries and other salary rights represents the amounts that are to be paid, representing salaries, allowances for holiday not taken, medical leave and other rights.

Taxes and levies represent current liabilities, including those with current profit tax and have been paid by the Company on time.

## 17. DEFERRED INCOME TAX LIABILITIES

Deferred income tax liabilities on 30<sup>th</sup> September 2023 are generated by the elements presented in the table below:

<i>In LEI</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets at fair value through other comprehensive income	852,604,507	-	852,604,507
Tangible assets	5,508,454	-	5,508,454
Investment property	2,345,416	-	2,345,416
Provisions for litigations	-	(1,632,553)	(1,632,553)
Liabilities related to profit sharing and other benefits	-	(10,587,609)	(10,587,609)
<b>Total</b>	<u>860,458,377</u>	<u>(12,220,162)</u>	<u>848,238,215</u>

Net temporary differences - 16% rate 848,238,215

### Deferred income tax liabilities

**135,718,114**

Deferred income tax liabilities on 31<sup>st</sup> December 2022 are generated by the elements presented in the table below:

<i>In LEI</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets at fair value through other comprehensive income	577,028,760	-	577,028,760
Tangible assets	4,925,739	-	4,925,739
Investment property	3,212,586	-	3,212,586
Provisions for litigations	-	(1,632,553)	(1,632,553)
Liabilities related to profit sharing in cash and other benefits	-	(23,100,768)	(23,100,768)
<b>Total</b>	<u>585,167,085</u>	<u>(24,733,321)</u>	<u>560,433,764</u>

Net temporary differences - 16% rate 560,433,764

### Deferred income tax liabilities

**89,669,402**

## 17. DEFERRED INCOME TAX LIABILITIES (continued)

Deferred income tax directly recorded through the decrease of equity is 137,298,074 lei on 30<sup>th</sup> September 2023 (31<sup>st</sup> December 2022: 93,257,490), being generated mainly by financial assets measured at fair value through other comprehensive income for which the Company's interest percentage is under 10% and/or over a period under one year and property, plant and equipment.

## 18. CAPITAL AND RESERVES

### a) Share Capital

The Company's shareholding structure on 30<sup>th</sup> September 2023, namely 31<sup>st</sup> December 2022 is presented in the tables below.

<b>30<sup>th</sup> September 2023</b>	<b>No. of shareholders</b>	<b>No. of shares</b>	<b>Nominal value (Lei)</b>	<b>(%)</b>
Individuals	5,740,915	362,497,745	36,249,774	38%
Companies	147	599,255,847	59,925,585	62%
<b>Total</b>	<b>5,741,062</b>	<b>961,753,592</b>	<b>96,175,359</b>	<b>100%</b>

<b>31<sup>st</sup> December 2022</b>	<b>No. of shareholders</b>	<b>No. of shares</b>	<b>Nominal value (Lei)</b>	<b>(%)</b>
Individuals	5,743,143	368,245,711	36,824,571	38%
Companies	155	593,507,881	59,350,788	62%
<b>Total</b>	<b>5,743,298</b>	<b>961,753,592</b>	<b>96,175,359</b>	<b>100%</b>

All shares are ordinary and paid in full on 30<sup>th</sup> June 2023, namely on 31<sup>st</sup> September 2023, namely 31<sup>st</sup> December 2022.

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

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

On 30<sup>th</sup> September 2023, the 403,813,278 lei difference between that book value of share capital of 499,988,637 lei and its nominal value is the inflation difference generated by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" up to 1<sup>st</sup> January 2004.

## **18. CAPITAL AND RESERVES (continued)**

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

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

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in explanatory note 12 d).

### ***(c) Legal Reserves***

According to legal requirements, the Company sets up legal reserves of 5% of the registered profit in accordance with statutory accounting regulations applicable, up to 20% of the share capital. The value of the legal reserve on 30<sup>th</sup> September 2023 is 20,763,584 lei (31<sup>st</sup> December 2022: 20,763,584 lei).

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

### ***(d) Treasury Shares***

The total number of treasury shares held by the Company on 30<sup>th</sup> September 2023 is 46,579,538 shares representing 4.84% of share capital (31.12.2022: 31,847,896 shares, representing 3.31% of share capital) in total 60,351,954 lei (31.12.2022: in total of 38,991,230 lei).

## 18. CAPITAL AND RESERVES (continued)

### (d) Treasury Shares (continued)

The evolution of the number of shares (and their value) in the first 9 months of 2023, namely 2022 is the following.

Treasury shares	Balance on January 1 <sup>st</sup> 2023	Purchases during the period	Annulments during the period	Allocations during the period (directors and employees)	Balance on 30 <sup>th</sup> September 2023
Buy-back program approved by EGMS on 27 <sup>th</sup> April 2023	-	4,037,003	-	(182,465)	3,854,538
Buy-back program approved by EGMS on 28 <sup>th</sup> April 2022	8,400,000	19,625,000	-	(8,400,000)	19,625,000
Buy-back program approved by EGMS on 20 <sup>th</sup> January 2022	23,100,000	-	-	-	23,100,000
Buy-back program approved by EGMS on 27 <sup>th</sup> April 2020	347,896	-	-	(347,896)	-
<b>Total no. of shares</b>	<b>31,847,896</b>	<b>23,662,003</b>	<b>-</b>	<b>(8,930,361)</b>	<b>46,579,538</b>
<b>Total share value (Lei)</b>	<b>38,991,230</b>	<b>32,552,379</b>	<b>-</b>	<b>(11,191,655)</b>	<b>60,351,954</b>
Treasury shares	Balance on 1 <sup>st</sup> January 2022	Purchases during the period	Annulments during the period	Allocations during the period (directors and employees)	Balance on 30 <sup>th</sup> September 2022
Buy-back program approved by EGMS on 20 <sup>th</sup> January 2022	-	20,690,371	-	-	20,690,371
Buy-back program approved by EGMS on 29 <sup>th</sup> April 2021	19,459,459	-	(19,459,459)	-	-
Buy-back program approved by EGMS on 27 <sup>th</sup> April 2020	4,190,048	-	-	(3,842,152)	347,896
<b>Total no. of shares</b>	<b>23,649,507</b>	<b>20,690,371</b>	<b>(19,459,459)</b>	<b>(3,842,152)</b>	<b>21,038,267</b>
<b>Total share value (Lei)</b>	<b>41,119,507</b>	<b>25,043,822</b>	<b>(35,999,999)</b>	<b>(4,694,440)</b>	<b>25,468,890</b>

## 18. CAPITAL AND RESERVES (continued)

### (d) Treasury Shares (continued)

Within the buy-back program approved by EGMS on 28th April 2022, the Company started in December 2022 and completed in January 2023 its public offering of treasury shares 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
- running time: 22<sup>nd</sup> December 2022 – 6<sup>th</sup> January 2023
- Offer Broker: BT Capital Partners SA

The purpose of the program is the reduction of the share capital through the annulment of bought-back shares, in accordance with EGMS resolution no. 2 on 28<sup>th</sup> April 2022.

Within Buy-back Program no. 8 approved in EGMS on 27<sup>th</sup> April 2023, in the second quarter of 2023, the Company has bought-back treasury shares in order to run “stock option plan”-type programs.

In the first 9 months of 2023, the directors, managers and employees were assigned a number of 8,930,361 shares (9 months 2022: 3,842,152 shares), within the “stock option plan” (SOP) benefit plan for year 2021 (9 months 2022: SOP 2020).

### (e) Equity-based payments to employees, directors and officers

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 30<sup>th</sup> September 2023, namely 31<sup>st</sup> December 2022:

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

Options that may be exercised at the beginning of the reporting period, which were 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) have been allocated in the second quarter of 2023, for a price of 1.2150 lei/share (closing price on 27<sup>th</sup> April 2022).



## **18. CAPITAL AND RESERVES (continued)**

### ***(e) Equity-based payments to employees, directors and officers (continued)***

Options granted in 2023 that can be exercised at the end of the reporting period correspond to SOP 2022 shares, that are of 9,905,947 lei (a number of 7,708,908 shares) and will be allocated in the second quarter of 2024, for a price of 1.2850 lei/share (closing price on 26<sup>th</sup> April 2023).

There were no options that expired or were lost in 2022 or in the first 9 months of 2022.

### ***(f) Dividends***

In the Ordinary General Meeting of Shareholders on 27<sup>th</sup> April 2023, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share (total 82,695,517 lei), corresponding to the statutory result of 2022 financial year.

The 9<sup>th</sup> June 2023 was approved as registration date (ex-date 8<sup>th</sup> June 2023) and 28<sup>th</sup> June 2023 as dividend payment date.

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

## 19. EARNINGS PER SHARE

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

In LEI	Note	30 <sup>th</sup> September 2023	30 <sup>th</sup> September 2022
Net profit/(net loss) assignable to Company's shareholders		84,557,303	87,004,275
<i>Weighted average number of outstanding ordinary shares</i>		<i>914,019,548</i>	<i>953,016,467</i>
<b>Basic earnings/(loss) per share (net profit/(net loss) per share)</b>		<b>0.0925</b>	<b>0.0913</b>
Net profit/(net loss) attributable to the Company's shareholders		84,557,303	87,004,275
Net gain registered in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)		51,888,931	14,389,531
<i>Average weighted number of outstanding ordinary shares</i>		<i>914,019,548</i>	<i>953,016,467</i>
<b>Basic earnings per share (including earnings from the sale of FVTOCI financial assets)</b>		<b>0.1493</b>	<b>0.1064</b>

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

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

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

## 20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

### List of subsidiaries and interest percentage:

	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
Agrointens SA	99.99%	99.99%
Casa SA	99.60%	99.60%
Mecanica Ceahlău SA	73.30%	73.30%
Regal SA	93.89%	93.02%
EVER IMO SA	99.99%	99.99%
Everland SA	99.99%	99.99%
EVER AGRIBIO SA	99.99%	99.99%
VISIONALFA Investments SA	99.99%	99.99%
A3 Snagov SRL	99.99%	99.99%

In the first 9 months of 2023, the Company participated to the share capital increase of subsidiary Casa SA, through a cash contribution of 15,300,000 lei and subsidiary Agrointens SA, through a cash contribution of 1,750,000 lei, contributions paid in full up to the 30<sup>th</sup> June 2023, and transferred the amount of 1,365,000 lei following the share capital increase of EVER AGRIBIO SA, in December 2022.

In the first 9 months of 2022, the Company participated to share capital increases of its subsidiaries, as follows:

- VISIONALFA Investments SA: through cash contribution of 249,975 lei, a company newly set-up in the 3<sup>rd</sup> quarter of 2022;
- EVER AGRIBIO SA: through cash contribution of 124,990 lei and through contribution in kind – a land of 1,709,300 lei, a company newly set-up in the third quarter of 2022;
- Agrointens SA: through cash contribution of 4,845,000 lei.

In the first 9 months of 2023, there have been no purchases, sales or set-up of new subsidiaries.

### Associates of the Company

On 30<sup>th</sup> September 2023 and 31<sup>st</sup> December 2022, the Company held an investment in an associate, Străulești Lac Alfa S.A., with 50% ownership.

## 20. TRANSACTIONS AND BALANCED WITH RELATED PARTIES (continued)

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

<i>In LEI</i>	<b>30<sup>th</sup> September 2023</b>	<b>31<sup>st</sup> December 2022</b>
<b>CASA SA</b>		
Other financial assets at amortized cost	-	2,546
Financial liabilities – other liabilities	105,647	98,148
<b>EVER IMO SA</b>		
Corporate bonds at amortized cost	17,220,000	17,606,400
Other financial assets at amortized cost	109,166	108,976
Other assets	11,197	10,110
Lease liabilities	2,248,939	2,421,297
Financial liabilities	15,985	12,361
<b>EVER AGRIBIO SA</b>		
Financial liabilities – payments to be made for share capital increase	-	1,365,000

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

<i>In LEI</i>	<b>9 months' period ended on 30<sup>th</sup> December 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
<b>EVERLAND SA</b>		
Other operating income	1,201	1,199
<b>CASA SA</b>		
Other operating income	423,690	278,862
Other operating expenses	761,901	639,458
<b>EVER IMO SA</b>		
Interest income	1,146,600	1,146,600
Dividend income	-	-
Other operating income	-	-
Other operating expenses	176,620	315,855
Expenses for the lease interest	43,998	48,587
<b>STRAULESTI LAC ALFA</b>		
Dividend income	-	1,013,133
Gross dividend income	-	3,553,026
<b>REGAL</b>		
Gross dividend income	-	1,518,111

The attached notes are integral part of the financial statements.

## 20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

### *Key Management Staff*

On 30<sup>th</sup> September 2023 and 31<sup>st</sup> December 2022 the members of the Company's Board of Directors were Mr. Liviu Claudiu Doroş (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceoceă (Non-Executive Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

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

The remuneration corresponding to the 6 months period for years 2023 and 2022 are presented in the table below:

	<b>9 months' period ended on 30<sup>th</sup> September 2023</b>	<b>9 months' period ended on 30<sup>th</sup> September 2022</b>
Board of Directors	4,767,129	4,374,061
Management committee	2,811,384	2,609,813
<b>Total, of which:</b>	<b>7,578,513</b>	<b>6,983,874</b>
<i>Share-based payments</i>	-	-

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

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

## 21. SUBSEQUENT EVENTS

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

#### **1. Completion of stage 2**

On 12<sup>th</sup> October 2023 was completed the second stage of Program no. 8 for the buy-back of treasury shares, carried out in order to implement the EVERGENT Investments Extraordinary General Meeting of Shareholders Resolution of no. 2 on 27<sup>th</sup> April 2023.

## **21. SUBSEQUENT EVENTS (continued)**

The cumulative results of the carried out between 13<sup>th</sup> July 2023 – 12<sup>th</sup> October 2023, are the following:

- total number of bought-back shares: 3,500,000
- Purpose: the buyback of own shares in order to comply with the legal obligations arising from the “stock option plan” programs”
- Average buy-back program: 1.1943 lei/shares
- Total value of bought-back shares: 4,179,938.88 lei
- percentage of the share capital that has been bought back: 0.3639%.

## **2. Initiation of the 3<sup>rd</sup> stage of Program no. 8 for the buy-back of treasury shares**

The third stage of Program no. 8 for the buy-back of treasury shares is initiated in compliance with EGMS Resolution no. 2 on 27<sup>th</sup> April 2023.

The characteristics of the third stage are the following:

- Run period: 16<sup>th</sup> October 2023 – 31<sup>st</sup> January 2024
- Program purpose: the company will buy-back shares in order to abide by its legal obligations regarding the running of “stock option plan”-type programs, in accordance with the provisions of art. 5 (2) letter c) (EU) Regulation no. 596/2014 and of the staff remuneration program applicable on AIFM level;
- Number of shares that can be bought-back, maximum 4,700,000 shares through market operations, representing 0.3639% of share capital;
- Minimum price per share: BSE market price from the moment of the purchase;
- Maximum price per share: 2 lei.

The separate financial statements were approved by the Board of Directors on 15<sup>th</sup> November 2023 and signed on its behalf by:

**Claudiu Doros**  
CEO and President of the Board

**Mihaela Moleavin**  
Finance Director