



Evergent
INVESTMENTS S.A.

Board of Directors'
REPORT
Q3 2023





Claudiu Doros
CEO and President of the
Board of Directors



Dear shareholders,

On the 30th of September, 2023, we have concluded another quarter with solid results. The total value of **EVERGENT Investments' assets increased by 27.7 %** compared to the 30th of September of the previous year and remains above the half a billion euro threshold due to the active portfolio management, through a thorough selection of shares and diversified portfolio construction.

In a period of increasing geo-political tensions and high risk aversion, our investments have been adapted to the economic context with high inflation and high interest rates. During the shorter term fluctuation of the economic cycle, we have acted swiftly to take advantage of opportunities. Thus, the net results of 136.4 million lei registered on the 30th of September, 2023, is up by 34.5% compared to the 30th of September, 2022.

We are well positioned on an upward trend, the level of investments has reached 194.7 million lei in the first nine months of 2023, while we continue to distribute dividends to our investors. The annual dividend pay-out ratios over the last 15 years highlight the financial strength of the company. Structural forces and cyclic fluctuations generate changes to the global economy and capital markets, including the local one, and consequently of the way we invest. Identifying these trends gives us reference points that guide our investment decisions.

Company's performance

Assets under management
2,800 million lei
increasing by 27.7% compared to 30 September 2022

Net asset value
2,500 million lei
increasing by 20.9% compared to 30 September 2022

Company's performance

Net asset value per share

2.7321 lei

increasing by 24.3% compared to 30 September 2022

Net result

136.4 million lei

The net result registered on the 30th of September, 2023, is 136.4 million lei, comprised of 84.5 million lei net profit and 51.9 million lei net gain from the sale of financial assets reflected in retained earnings, accounting treatment as per IFRS 9.

Value of investments in securities

194.7 million lei

Equity investments in the first nine months of 2023 were of 194.7 million lei, representing 63.8% of the budget approved by shareholders for 2023.

Portfolio Structure

We are confident that an active management of EVERGENT Investments' portfolio will multiply our shareholders' capital. Therefore, our listed portfolio is comprised through a dynamic assignment, different from the structure of BVB indexes which gives us the ability to generate alpha and reach two figure yields for our assets.

In relation to the total value of assets under management, the listed shares portfolio holds the largest share of 71.9%, while the share of unlisted shares is 9.7%. The main sectors in the structure of the portfolio remain the financial - banking sector with 43.9% and the energy - industrial sector with 24.3% of total assets value.

Investment Strategy

*Our investment philosophy translates into constantly building to capitalize on ideas and **opportunities**. EVERGENT Investments' strategy is aimed at generating long-term performance through investment strategies calibrated for each managed portfolio.*

Therefore, our main objectives are:

Increase in investments in the PRIVATE EQUITY Portfolio – especially agribusiness and real estate.

Increase in the performance of the FINANCIAL and ENERGY portfolios through active management. These portfolios are the main revenue generators and sources for new investments.

Monetizing the SELL portfolio by selling the historical stock portfolio

Private equity investments, an important differentiator of the Company, contributes to the yield increase of long-term managed assets and ensure the compensation of the risk generated by the high volatility of listed titles in the portfolio.

We are focusing our resources and attention to a concentrated private equity portfolio. We have a fundamental analysis process that identifies resilient business models with substantial long-term profit.

Consequently, we implement a customized strategy for each individual project. Our objective is to create strong companies and sustainable long-term value.

Ongoing and/or completed projects



- with 100% holding through Agroitens SA and EVER AGRIBIO SA (subsidiary set-up in 2022, with the objective of entering the bio segment, with high growth potential) is related to intensive high-added value agriculture. We are leaders in blueberry production with a planted area of 105 ha – planted and in the process of being planted. Blueberry production is a scalable business and we already have new lands (50 ha at EVER AGRIBIO farm), that will ensure our future growth.



Real estate project

- with 50% holding through Straulesti Lac Alfa SA, targets the construction in 4 stages of a residential complex that includes 1,378 apartments, located in the NV area of Bucharest Municipality, in the vicinity of Colosseum Retail Park with easy access to the northern part of the capital city. The building and sale of Phase 1, with 160 apartments is completed. Phase 2 includes 398 apartments, was completed in December of 2021 and 326 apartments were sold. Currently, the building stage of Phase 3 for 350 apartments is running in accordance with the nZeb energy efficiency standards.



Project



Phase 1 - completed



Phase 2 - completed



Real estate project
Iasi

developed through EVERLAND SA, on Bd. Primaverii, no. 2, located on an area of 2.25 ha is a multifunctional residential complex with offices and commercial functions, with zonal urban plan approved on 28th February 2022. The EVERLAND complex, worth over 100 million euros, is a major urban conversion project from a former unused industrial area to the newest central urban hub in Iasi.

Project



Town planning indicators of the Zonal Urban Plan for M1 area are the following: land occupancy rate max 45%, site ratio max 4 and height max basement/semi-basement+Gf+20 floors and for M2 area: land occupancy rate max 45%, site ratio max 2,5 and height max basement/semi-basement+Gf+16 floors, with a total area of 83,800 square meters of which 16,765 square meters of offices, 62,870 square meters for living area, 850 apartments, 4,191 sqm for additional services, 6,000 sqm green area and corresponding parking lots, mainly underground. The final heights and surfaces can be optimized up to the construction authorization phase, for best use.

Ongoing and/or completed projects



In the "Veranda Mall" Project we have 37% indirect holding through **Professional Imo Partners SA and Nord SA**. The mall's rentable area is approximately 34,000 square meters of commercial galleries. The mall also has a multiplex cinema with twelve projection rooms. The company has a photovoltaic system under construction that is placed on the building and that will cover 20-30% of the necessary electrical power used for warming up, cooling down, and illuminating the mall. This aspect is a part of the development strategies of clean energy sources and is an important course of action in the direction of decarbonization and prevention of climate change. Decreasing energy use and developing cleaner energy sources are essential steps towards achieving **the Company's objectives regarding the climate and coming up with a solution for external energy source dependency and reducing the carbon footprint**. **Veranda Mall's activity has been improving constantly, exceeding the level registered before the pandemic.**



Completed project

Future real-estate projects to be developed in Bucharest

- 99.99% holding through EVER-IMO.

Through EVER IMO we continue to develop the private equity portfolio, focusing our investments in real-estate in a strategic land bank. The North area of Bucharest has a quick and ample development both on the residential and on the office segment. EVER Imo aims to develop real-estate projects in this promising residential hub.

Intrarea **Străulești** Project

Specific activities are run in order to obtain the detailed urban plan approval for the development of a land of 16,000 square meters in the North part of Bucharest, an area that will become a new premium financial and residential hub.

Piscul **Moșului** Project

Another pending program is on a land of 19,000 sqm in an area with residential development potential in the North of the Capital City.

Spătarul **Preda** Project

It will be developed on a land of 11,480 sqm in the semi-central area of Bucharest, with good perspectives in the residential segment.

On behalf of EVERGENT Investments' team, I hereby thank you for your trust!

Respectfully yours,

Claudiu **Doroș**
CEO & President of the Board

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2. Annex 2 – Condensed interim individual financial statements on 30th September 2023, prepared in accordance with IAS 34 Interim Financial Reporting and applying FSA Norm no. 39/2015 on the approval of financial regulations compliant with IFRS

Quarterly report in accordance with: Law no. 24/2017 on the issuers of financial instruments and market operations. FSA Rule no. 5/2018 on the issuers of financial instruments 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 November 2023

Issuer name: EVERGENT Investments SA

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

Phone/ fax/e-mail: 0234576740 / 0234570062 / office@evergent.ro

Tax identification code: 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: ROSIFBACNOR0; Bloomberg FIGI: BBG000BMN556; Reuters RIC: ROEVER.BX

Field of Activity

INVESTMENT COMPANY TYPE

EVERGENT Investments is an AIFM positioned mainly on Romanian market, as a closed fund for retail investors (FIAIR), investing mainly in shares, with an average risk degree and temporary liquidity investments in fixed rate instruments.

Legal framework - EVERGENT Investments SA is classified, according to applicable regulations as Alternative Investments Fund of the Investment Companies Type – F.I.A.S., category: Retail Investor Alternative Investment Fund (RIAIF), with a diversified investment policy, closed-end, self-managed, 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, Law no. 243/2019 on the **regulation of alternative investment funds, Companies' Law no. 31/1990** and FSA regulations issued to apply primary law.

Purpose – increase of managed assets value.

The main field of activity of the Company is financial investments.

Its activity object consists in:

- a) Portfolio management;
- b) Risk management;
- c) Other auxiliary and related activities to collective management allowed by the law in force

1. Activity Analysis

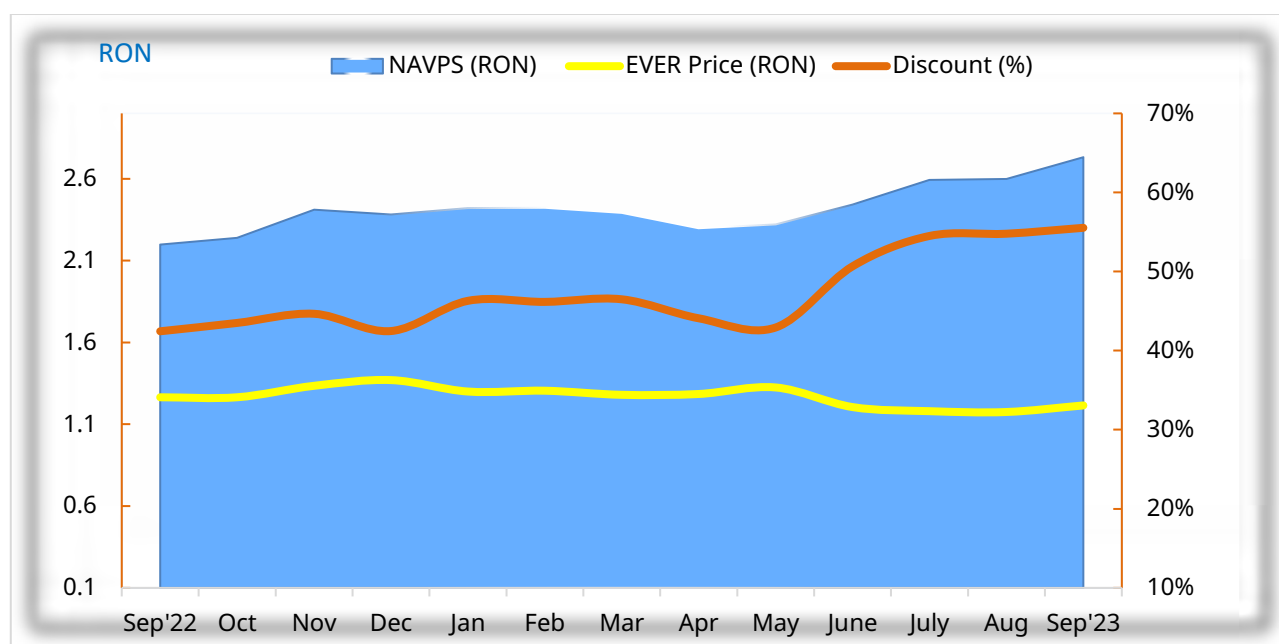
1.1. Performances

Value of assets under management

Indicator	2021	T3 2022	2022	O3 2023	O3 2023 / O3 2022 %
Total assets (mil lei)	2,553	2,192	2,365	2,800	+27.7
Net asset (mil lei)	2,383	2,067	2,215	2,500	+20.9
NAVPS (lei)	2.49	2.198	2.38	2.732	+24.3
Market price (lei)	1.22	1.27	1.37	1.22	-4.0
Discount (%) Market price / NAVPS	51	42	42	56	+14.0pp

* Calculation method for net asset of EVERGENT Investments SA – page. 11

NAVPS/ EVER price/ Discount Evolution (YoY)

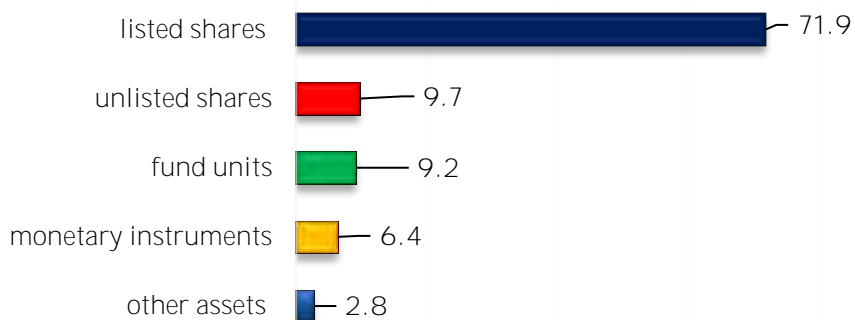


Portfolio structure

Assets structure (% of total assets value)	2021	O3 2022	2022	O3 2023	O3 2023 – O3 2022
Shares, of which:	79.1	81.8	82.2	81.6	-0.2
- listed	70.2	70.8	71.4	71.9	+1.1
- unlisted	8.9	11.0	10.8	9.7	-1.3
Non UCITS +UCITS (fund units)	12.3	12.2	11.2	9.2	-3.0
Monetary instruments (deposits, availabilities)	6.3	3.4	4.5	6.4	+3.0
Other assets	2.3	2.6	2.1	2.8	+0.2

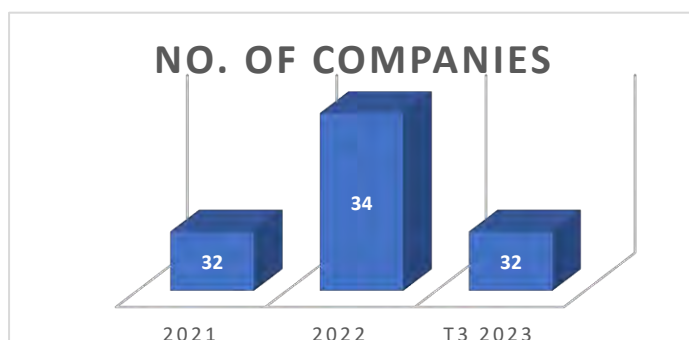
Portfolio Structure – 30th September 2023 (% of total assets value)

Objective:
maintaining the main weight in share, namely listed shares



Number of Companies in the Portfolio

Objective:
Decrease the number of holdings and increase the exposure per issuer, in order to increase the efficiency of the management act.

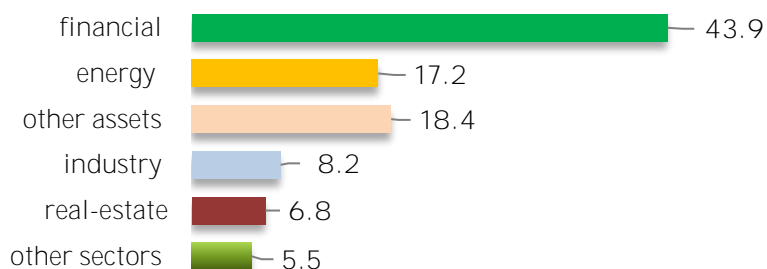


Sectorial Exposure

Sectorial exposure (% of total assets value)	2021	Q3 2022	2022	Q3 2023	Q3 2023 - Q3 2022
Financial	44.8	39.4	42.2	43.9	+4.5
Energy	13.2	19.5	17.3	17.2	-2.3
Industry	6.6	8.3	7.6	8.2	-0.1
Real-estate	8.8	7.5	8.7	6.8	-0.7
Other sectors	5.7	7.1	6.4	5.5	-1.6

Sectorial Exposure – 30th September 2023 (% of total assets value)

Objective:
Maintaining and optimizing the financial –banking and energy-industrial sectors as stability pillars of the portfolio



Top companies/holdings in the portfolio – 30th September 2023

TOP COMPANIES IN THE PORTFOLIO	% holding of the issuer's share capital	> 1% of total assets value
BANCA TRANSILVANIA	6.068	38.3
OMV PETROM	1.031	13.1
AEROSTAR	15.174	7.1
ROMGAZ	0.616	3.8
BRD	0.924	3.6
STRĂULEȘTI LAC ALFA	50.00	2.2
AGROINTENS	100.00	2.1
PROFESSIONAL IMO PARTNERS	31.42	2.0
EVER IMO	100.00	1.7
EVERLAND	100.00	1.7
CASA	99.774	1.2
TRANSILVANIA INVESTMENTS ALLIANCE	4.85	1.0
TOTAL		77.8

Method of calculation of the net asset value of EVERGENT Investments SA

The assessment of EVERGENT Investments SA assets is made with the application of assessment methods that are specific for each assets category, in accordance with the provisions of *FSA Regulation no. 9/2014 on the authorization and operation of investment management companies, undertakings for collective investment in transferable securities and of the depositaries of undertakings for collective investment in transferable securities*, with its later amendments and additions and *FSA Rule no. 10/2015 on the management of alternative investment funds*, with its later amendments and additions.

According to legal provisions, the Company annually revises its assessment policies and procedures for its assets and informs investors about them. Thus, through the current report on 28.02.2023, we have informed the market that the asset assessment policies and procedures have been revised and that these are available on the website www.evergent.ro, namely:

1. “Assessment policies and procedures for assets and for calculating the net asset unit value per share”.
2. “**Assessment rules and procedures for EVERGENT Investments’ assets**”.

Comparative evolution within the sector 30.09.2023 / 30.09.2022

EVERGENT Investments has the greatest dividend yield (7.4%) on the 30th of September 2023 within the sector it activates in and registers the second lowest discount price to NAVPS, of 55.5%.

At the same time, EVERGENT ranks third for market capitalization with 1.16 milliard lei, after SIF4 (1.22 milliard lei) and LION (1.21 milliard lei). Compared to the 30th of September, 2022, company capitalization has decreased for EVERGENT by approximately 4%. The net asset value of 2.5 milliard lei places EVERGENT on the third place for financial investment companies, after LION (3.81 milliard lei) and SIF5 (2.58 milliard lei).

Million lei	LION	EVER	TRANSI	SIF4	SIF5
Net asset 30.09.2023	3,810.74	2,500.31	1,585.52	2,189.63	2,576.64
Net asset 30.09.2022	2,989.34	2,067.69	1,280.73	1,759.86	1,990.35
NAV evolution 23/22%	27.48%	20.92%	23.80%	24.42%	29.46%
Liquidities 30.09.2023*	282.05	190.43	72.39	174.24	63.34
Liquidities 30.09.2022*	200.75	73.79	32.79	187.67	71.41
Liquidities evolution 23/22%	40.50%	158.07%	120.77%	-7.16%	-11.30%
Result of the period on 30.09.2023	242.93	84.56	151.99	147.19	49.38
Result of the period on 30.09.2022	7.27	87.00	55.07	-63.90	175.03
Capitalization on 30.09.2023	1,212.95	1,168.53	603.32	1,220.12	885.00
Capitalization on 30.09.2022	1,262.78	1,216.62	555.75	953.34	860.00
Capitalization evolution 23/22%	-3.95%	-3.95%	8.56%	27.98%	2.91%
NAVPS 30.09.2023	7.5234	2.7321	0.7352	2.8769	5.4245
Price 30.09.2022	2.390	1.215	0.279	1.555	1.770
Price/NAVPS discount 30.09.2023	68.2%	55.5%	62.1%	45.9%	67.4%
Price/NAVPS discount 30.09.2022	58.4%	42.4%	56.8%	47.5%	59.0%
Dividend 2022	0.000	0.090	0.014	0.000	0.000
DY%	0.00%	7.41%	5.02%	0.00%	0.00%
No. of shares	507,510,056	961,753,592	2,162,443,797	784,645,201	500,000,000

*availabilities, deposits, state titles

1.2. Portfolios. Strategies. Results

EVERGENT Investments has four portfolios defined: FINANCIAL – BANKING, ENERGY-INDUSTRIAL, SELL and PRIVATE EQUITY. The management of portfolio holdings was made in accordance to the strategy and 2023 Activity Program, namely:

- ✓ *The Private-Equity Portfolio increase- “private equity” type-approach within existent major holdings (real-estate, agriculture, IT).*
- ✓ *Performance increase for Financial – Banking and Energy-Industrial Portfolio – listed portfolios that provide liquidity to EVERGENT Investments assets, representing the main income and sources generators for new investments.*
- ✓ *Restructure for SELL Portfolio– sale of the historic share portfolio.*

EVERGENT Investments is a long-term investor; therefore investment performance is a key objective in our business. Our investment philosophy is focused on growth, in a wider universe of opportunities through the possibility of investing in real estate assets, in corporate bonds not admitted to trading, shares of limited liability companies whose annual financial statements are audited in accordance with the law and other instruments.

As an investment perspective in the coming years, we will continue our exposure in agribusiness and real estate, but we can also develop our activity in areas that intersect with the two major themes of global and national interest: technological evolution and environmental protection. For example, we are focusing our attention on finding and developing companies with technology for clean resources (water, soil, air) and green energy (hydro and photovoltaic).

Context

Q3 2023 was not very profitable for international equity markets, but this was not reflected in the BVB, whose indices outperformed the relevant markets.

Local stock market recovered after a weaker Q2 2023, in the third quarter of the year it had the best performance among comparable markets.

In Q3 2023 the evolution of the BVB was above the average of international stock exchanges, motivated also by the stock exchange's entry in the attention of foreign investors due to Hidroelectrica's IPO.

The variations over the past 12 months are high because they relate to a time when many of the equity markets were affected by the war in Ukraine. Thus the highest increases come mainly from the markets that had the largest declines at the start of the war.

Index	Evolution Q3 2023	12 months' evolution	Standard deviation
BET-BK	11.19 (%)	43.78 (%)	10.54 (%)
BUX	1.28 (%)	69.22 (%)	21.88 (%)
Nasdaq Composite	-4.12 (%)	25.00 (%)	11.48 (%)
DAX	-7.10 (%)	38.03 (%)	13.14 (%)
CAC 40	-5.99 (%)	34.57 (%)	11.91 (%)
PX	0.58 (%)	31.70 (%)	12.36 (%)
SAX	0.14 (%)	3.70 (%)	3.16 (%)
SOFIX	9.99 (%)	39.88 (%)	11.83 (%)
S&P 500	-3.65 (%)	19.59 (%)	7.03 (%)

Amid an easing energy crisis, annual inflation rate falls to 8.8% in September from 16.4% in December 2022.

1.2.1. FINANCIAL-BANKING Portfolio

The financial-banking sector remains the main investment pillar of EVERGENT Investments, representing 43.9% of total assets on 30th September 2023, compared to 41.3% on the 30th of September, 2022.

After the shocks induced by the pandemic crisis and worsening of geopolitical situation in the region following the conflict in Ukraine, the macroeconomic environment has been marked by strong inflationist pressures, a tendency accelerated by the increase of market interests and high volatility.

The banking sector managed to maintain an adequate financial and prudential position without transferring or amplifying risks on the level of the real sector.

The war in Ukraine and the associated sanctions, as well as the new conflict in the Middle East, continue to generate significant uncertainties and risks for economic activities and the medium-term evolution of inflation, and the absorption of European funds, mainly those related to the Next Generation EU programme, is conditioned by the fulfilment of strict targets and milestones in the implementation of projects.

In Romania, the banking system has a good capitalization and liquidity reserves.

Romanian banking system is well capitalized, as can be shown from the capital adequacy rate of 22.83% at the end of June 2023 (23.40% at the end of December 2022), remaining above EU average (20.0% at the end of June 2023).

In the context of the large liquidity surplus in the banking system, the relevant monetary policy instrument in Romania becomes the 6% interest rate on the deposit facility, and not the key interest rate of 7%.

High interest rates on the deposit facility encourage banks to place their money with the NBR, while lending to the economy has slowed.

The monetary policy decisions by FED and BCE, as well as the attitude of central banks in the region continue to be relevant.

In the third quarter of 2023 inflation continued to fall in line with forecasts, reaching 9.43% at the end of August. The annual inflation rate in September 2023 is 8.8%.

NBR statistics show a general decline in net interest margins in the banking sector in August, influenced by a number of factors, including the deterioration of activity in the real economy, monetary policy decisions and signals (Eurozone, US and Romania) and the climate in international financial markets.

The data of the National Bank of Romania (NBR) indicates an acceleration of the monthly rhythm of crediting to 0.6% in September, at a record level of 381.2 milliard RON. Annual growth decelerated to 4.5% (October 2020 low) amid high financing costs and a deteriorating real economy climate. Between December 2022 and September 2023, household and corporate credit rose by 0.8% YTD and 8.4% YTD, respectively.

According to revised forecasts, non-government credit is expected to grow at average annual rates of 7.2% in 2023, 7.0% in 2024 and 8.5% in 2025 respectively.

NBR statistics show that the balance of non-government deposits increased at an accelerating pace in September (2.7% month/month and 11.4% year/year, to RON 547.9 billion - a historical high), supported by high nominal interest rates and uncertainties. The loan-to-deposit ratio declined from 71.0% in August to 69.6% in September.

RON-denominated non-government credit increased by 0.1% month-on-month to RON 258.3 billion in August, amid a 0.7% monthly increase in the population component to RON 149.6 billion.

Lending to households increased by only 0.5% YTD to RON 172.3 billion in August: the decline in the housing segment by 1.4% YTD to RON 104.7 billion (the highest level since May 2023) was offset by the increase in the consumer component by 3.1% YTD to RON 64.6 billion (the highest since September 2010).

The Ministry of Finance reopened a bond issue maturing in April 2030 and borrowed RON 653.8 million (above the programmed volume of RON 600 million) at an average annual cost of 7.04%, up seven basis points from the September auction.

Data released in September by the NBR show a rebound in the balance of non-government deposits in August, driven by high levels of inflationary pressures, nominal interest rates and uncertainty.

Risks to the evolution of the leu exchange rate remain high, due to the still considerable size of the external imbalance, the uncertainties associated with the fiscal consolidation process, and the narrow domestic interest rate differential vis-à-vis developed countries.

The outlook for 2023 is consistent with a slowdown in economic activity and persistently high inflation in European countries. As the process of falling interest rates is expected to start only in 2024, this year is likely to be characterised by pressures on the sustainability of real sector debt service.

In the coming period, a number of challenges to the profitability of the banking sector are looming, amid continued rising funding costs (especially for term deposits), deteriorating asset quality (under the influence of rising interest rates and a macroeconomic environment that could affect aggregate demand, with adverse effects on the financial positions of non-financial corporations), reduced new lending as banks tighten lending standards and a lower propensity to consume and invest.

Holdings of government securities help improve solvency (through lower risk weights) or liquidity ratios, but expose the banking sector to concentration and interest rate risk in the event of upward adjustment of yields if economic and geopolitical uncertainties persist. Most of the securities portfolio is valued at fair value through other comprehensive income (61.6%, December 2022), with a direct impact on own funds, i.e. solvency.

BANCA TRANSILVANIA (TLV) – the most important bank institution in the system remains the main holding, providing stability and increase to **EVERGENT Investments’ portfolio**.

Banca Transilvania is the largest bank in Romania and the South-East of Europe. As a universal bank, it covers all client segments and business lines in the financial sector. It has a market share of 20%, almost 4 million clients, over 9,200 employees, online banking solutions and 500 headquarters in 180 localities.

Banca Transilvania is the strongest Romanian brand again this year, with an elite AAA+ rating, according to the Brand Finance analysis. With a brand value up 25% year-on-year, BT reached a value **of €494 million, ranking 4th** in the top of the most valuable Romanian brands. At the same time, for the second consecutive year, BT is in the top 10 strongest banking brands worldwide.

TLV shares have generated shareholder value year after year and are included in the FTSE Global Equities Index Series (2020), making it one of the most liquid issuers listed on the BVB.

Banca Transilvania once again obtained this year a very good ESG Risk Rating following Sustainalytics analysis. BT rating is 15.1 (2023), compared to 17 (2022) - Low Risk in both years which places BT on the 106th position (compared to 133rd in 2022) from over 1,000 banks analysed on global level.

At the end of 2022 Banca Transilvania obtained a net profit of 2.18 milliard lei, an increase by 22% compared to the profit obtained at the end of 2021. Therefore OGMS on 29th September 2023 approved the distribution of dividends from the net profit of 2022 as well as from the reserves of previous years, of 897,540,893 lei from the net profit reserves of 2022, as well as the amount of 4,914,768.77 lei from the net profit reserves of the previous years. Therefore, the total amount of 902,455,661.77 lei is granted as dividends, in cash. The approval of a net dividend/share of 1.13 lei has taken into account the number of shares with dividend right on the registration date.

In order to fulfil the legal requirements for MREL-eligible debt (valid at European level), Banca Transilvania sold, in the first 9 months of 2023, EUR 600 million of bonds in an oversubscribed issue **in just a few hours. Investors placed orders of over €850 million. More than 80% of the total issue was** subscribed by international investors from almost 20 countries. The issue consists of 4-year senior

non-preferred bonds at a yield of 9%/year and is listed on Euronext Dublin (ISIN XS2616733981). **Also in July, Banca Transilvania IFC provided Banca Transilvania with €100 million as part of a €200 million subordinated bond package, together with Asian Infrastructure Investments, and in August the international bond issue was increased by a further €190 million.**

The bank is well capitalised, both through the incorporation of realised profits and the amounts attracted in this year's bond issues.

EVERGENT Investments has implemented an internal mechanism for the management of exposure subject to the fluctuation of TLV share, so that the legal and prudential limits regarding holding per issuer (40%), per Group (50%) **and in the bank's share capital (10%) are abided by.**

In the first three quarters of 2023, the evolution of the share price on the capital market led to the sale of very few TLV shares through the aforementioned mechanism, as there was a risk that the exposure on the issuer Banca Transilvania would approach the allowed limit of 40% of total assets in a limited period of time.

BRD - SOCIETE GENERALE (BRD) – is the third largest bank in Romania, with an established business model, oriented towards the retail segment and an 11% market share in assets.

The bank aims to grow in a healthy and steady way, supporting the transition of the Romanian economy towards sustainability. The business model is moderate risk focused exclusively on the domestic market and diversified lending. BRD has managed to weather the pandemic turbulence well, without putting its balance sheet at risk.

In the first nine months of 2023, BRD continued to support the Romanian business environment, has been an active financier of both eligible companies within IMM Invest Plus program and the beneficiaries of non-returnable state/ EU funds. Within IMM Invest Plus program, credit production registered an increase by +31% compared to the previous year in the first 9 months of 2023, reaching 1.97 milliard RON, compared to 1.50 milliard RON for the first 9 months of 2022.

The net loan balance grew 10% year-on-year in 2022, supported by solid lending activity in the corporate segment, while growth in the retail segment was more moderate, reflecting the impact of tighter financial conditions, higher interest rates and increased uncertainty about the outlook.

BRD Group recorded an outstanding financial performance in the first nine months of the year, with a notable increase in revenues, thus the net profit recorded in the first 9 months of 2023, of RON 1,191 million, is up +19.4% year-on-year, compared to RON 998 million in the first 9 months of 2022.

According to the bank's report, the total equity ratio reached 21.2% as of 30th September 2023, slightly below the level as of 31st December 2022 (equity including 2022 net profit and the full impact of the OCI reserve, i.e. excluding the temporary treatment of unrealised gains and losses on debt instruments measured at fair value through other comprehensive income - OCI quick-fix adjustment) and as of 30th September 2022 (22.0%, level including H1 2022 net profit and the OCI quick-fix adjustment).

The Tier I equity ratio was also 17.8% on 30th September 2023 compared to 18.0% on 31st December 2022 and 18.2% on 30th September 2022. BRD's total equity ratio after distribution of exceptional dividends would be 19.4% at the end of September 2023.

The Bank convened the OGMS on 14th December 2023, to approve the distribution as dividends of the amount of 642,961,341 lei, representing 50% of the retained earnings for the year 2022 (the proposed gross dividend is 0.9226 lei / share), as an exceptional payment.

Transilvania Investments Alliance (TRANSI)

Holdings of TRANSI shares represented 1.04% of the total assets of EVERGENT Investments as of 30th September 2023. The Company aims to increase the value of assets under management by maximising aggregate returns and aims to continue the process of portfolio restructuring, improving portfolio liquidity and promoting efficient and attractive shareholder remuneration tools. Transilvania Investments aims to maximise the potential offered by its main business lines, namely tourism, real estate, industry and venture capital/private equity.

BVB

EVERGENT Investments is part of the development of the Romanian capital market and holding 4.33%, an important position in the BVB shareholding, is beneficial for our shareholders in the current context.

The Romanian stock market is going through one of the best periods in its history, thus the total trading value achieved on the Bucharest Stock Exchange in the first 8 months exceeded the record recorded in the whole year 2022.

Liquidity measured by the total trading value of all types of financial instruments listed on the Regulated Market of the Bucharest Stock Exchange (BVB) reached a new record level of 24.5 billion lei (5 billion euro) in the first 8 months of this year. Also in the first 8 months, the threshold of 1 million transactions on the BVB was exceeded and since the beginning of the year, the Romanian stock market has increased by 17.8% through the BET-TR index, including dividends.

Q3 2023 was a record quarter, both in terms of primary market activity and daily liquidity following Hidroelectrica's successful RON 9.2bn IPO.

Thus, the BVB recorded a net profit of 18.27 million lei, up 74% compared to Q3 2022 and a net margin of 50%, directly impacted by the listing of Hidroelectrica (H2O), as well as the post-listing effect on trading activity.

In 2023, the BVB will continue the projects launched in recent years, such as the BVB Research Hub portal and the ESG analysis coverage of listed companies. Thus, in 2022, 17 listed companies were covered with fundamental analysis through the BVB Research programme and 43 companies received ESG analysis following the partnership with Sustainalytics.

1.2.2. ENERGY-INDUSTRIAL Portfolio

The weight of the energy-industrial portfolio is 24.3% of total assets on 30th September 2023 compared to 26.1% on 30th September 2022.

EVERGENT Investments' strategy is to invest in projects and economic activities that have a significant positive impact on the climate and the environment, that adhere to social and governance principles based on their potential to grow and provide sustainable and possibly higher returns compared to other investment opportunities in the market.

EVERGENT Investments is interested in assigning capital to projects in economic sectors that support the transition to a sustainable economy with low carbon emissions.

In line with Romania's Energy Strategy and the EU Taxonomy, we consider gas and nuclear fuel as transitional fuels that are vital within the European economy, to achieve neutrality targets by 2050.

EVERGENT Investments intends to invest in green financial products. This intention largely depends on the ability of the local market to provide such investment alternatives.

At the same time, the Company intends to invest in sovereign green bonds, green bonds listed on BVB or in ESG-weighted indices.

EVERGENT Investments mainly considers the growth rates of companies' profits, but also the sustainability of these profits.

EVERGENT Investments assesses investments from the point of view of sustainability, according to an internally processed methodology that analyses environmental, social and governance criteria. The evaluation of the issuer from the point of view of sustainability is carried out on the basis of public data available in the case of listed companies or data obtained at the level of management for unlisted issuers.

Information from the own ESG assessment is a support for the investment decision and completes the other analysis elements, representing an advantage/disadvantage in the selection of an investment. EVERGENT Investments is constantly analysing the possibility of allocating capital to projects in economic sectors that support the transition to a sustainable economy with low carbon emissions. In this sense, we will try to identify the business segments that produce or supply goods, products and services that offer environmental solutions. We consider that this area can include agriculture, industries producing renewable energy (hydro, photovoltaic) or with low carbon emissions (nuclear energy or produced by modern combined cycle gas turbine power plants, which produce less than half of the volume of carbon dioxide (CO₂) compared to coal-fired plants of equivalent size.

According to the Neutral Romania scenario, Romania aims to become climate neutral in 2050, achieving a 99% reduction in net emissions in 2050 compared to 1990 levels. Romania has already started the decarbonisation process by reducing emissions by 62% in 2019 compared to 1990 levels. However, further efforts are needed to reach climate neutrality in 2050. The 2030 milestone needs to be reached first: 78% net emissions reduction compared to 1990 levels. Achieving the targets is only possible by implementing the right policies and measures in each sector to reach sectorial emission reduction targets. For some sectors, the first step is to halt the upward trend in emissions, followed by starting and continuing the process of reducing emissions.

According to the selected RO Neutral scenario, the share of RES in gross final energy consumption will be 86.1% in 2050 and 36.2% in 2030. Analysing at sectorial level, an increase in gross final energy consumption from RES is observed in the transport, power generation and heating and cooling sectors. The share of RES-E in the transport sector reaches around 95%, due to the sustained use of electricity and hydrogen. In the Medium scenario, the share of RES in transport will be around 80%. The shares are so high because, according to Directive (EU) 2018/2001 on the promotion of the use of RES, electricity consumption from RES in transport is quantified with a factor higher than 1 (e.g. 4 for road transport and 1.5 for rail transport).

The major increase in electricity generation from wind and solar as well as green hydrogen contributes to increasing the share of RES-E in the electricity generation sector (RES-E) to around 80% in 2050 in the RO Neutral scenario. The RES-E share includes electricity produced from RES and used for green hydrogen production.

OMV PETROM (SNP) – in the third quarter of 2023, sales revenue decreased by 43% compared to Q3 2022, negatively impacted by lower commodity prices and lower volumes of electricity sales, only partially offset by higher volumes of natural gas sold.

Sales in the Refining and Marketing segment accounted for 72% of total consolidated sales, sales in the Gas and Power segment accounted for 28%, while sales in the Exploration and Production segment accounted for only 0.1% (Exploration and Production sales being largely intra-Group sales, not to third parties).

Operating income in Q3 2023 decreased to RON 2,417 million, compared to RON 5,203 million in Q3 2022, as a result of lower contribution from all business segments, mainly reflecting significantly lower market prices and additional regulatory intervention in the Gas and Power segment, lower margins in the Refining and Marketing segment, and lower prices in the Exploration and Production segment due to lower quotations.

On 12th May 2023, Law no. 119/2023 for the approval of GEO 186/2022 introduced the payment obligations for years 2022 and 2023 of a 350 lei contribution for each ton of processed crude oil for companies with oil extraction and refining activities. Therefore, in Q3 2023 OMV Petrom registered a solidarity contribution for refined oil of 372 mil lei.

Net profit was 1,604 mil lei (Q3 2022: 4,510 mil lei). In the first 9 months of 2023, net profit was 2,548 mil.lei.

Given the very good cash position (15.3 billion lei) and the favourable market environment, we expect a higher dividend yield next year as well.

SNP is building 4 photovoltaic parks with a total capacity of 450 MW in partnership with CE Oltenia. The total investment will amount to EUR 400 million and 70% will be financed by the Modernisation Fund. According to the 2030 Strategy, SNP will expand this type of renewable capacity to over 1 GW by 2030.

OMV Petrom, together with its partner Romgaz, has made the final investment decision for the development of the Neptun Deep project in the Black Sea. OMV Petrom is the operator of the project with a 50% stake. The two companies have approved the development plan for the Domino and Pelican South commercial gas fields in the Neptun Deep offshore perimeter, which is being submitted to the National Agency for Mineral Resources (ANRM) for confirmation.

Estimated key aspects related to the Neptun Deep project (100%):

- Total investment for development is estimated at up to 4 bn. to be spent mostly between 2024 and 2026
- First production is expected in 2027
- Plateau production is estimated at around 140 thousand boe/day for almost 10 years
- Estimated recoverable volumes are currently about 100 bcm (~700 mil. bep)
- Unit production price is estimated at an average of 3 USD/bep (for the life span of the deposit)
- **HSSE:** The carbon footprint is expected to be better than the industry benchmark (plateau production carbon footprint of approximately 2.2 kg CO₂/boe, significantly below the industry average of 16.7 kg CO₂/boe according to the IOGP). State-of-the-art technology and expertise is to be used to produce natural gas safely and in an environmentally friendly manner.

The Han Asparuh offshore hydrocarbon field in the Bulgarian sector of the Black Sea, under concession from OMV Petrom (42.86%) and TotalEnergies (with 57.14% rights and operator status), has an estimated extraction potential of 13 billion cubic meters of natural gas per year in two blocks, said the head of the French Bulgarian subsidiary, Yves Le Stunff.

In total, the Bulgarian offshore field is expected to produce 221 billion cubic metres of natural gas, of which OMV Petrom is expected to account for 42.86% or 94.7 billion cubic metres.

HIDROELECTRICA (H2O) The company is 100% green energy producer, with the intention to invest only in renewables.

Hidroelectrica's dividend policy indicates a minimum pay-out of 90% with the possibility of special dividends. Dividends accounted for 131% of net profit between 2019 and 2022.

While H2O will maintain its role as a key player in the production market, the change in strategy towards a more balanced activity between production and supply should have a positive impact on the company's profitability.

In addition, Hidroelectrica benefits from a low level of indebtedness (net cash position and short-term investments of 2.2 billion lei as of H1 2023) and is able to generate considerable cash flows each year.

Romania has one of the best conditions for RES in the EU, in the wind, solar and water fields.

Hidroelectrica should be a leader in the RES race, largely financed by EU funds.

In addition to geographical advantage, cost structure and customer base, Hidroelectrica's profitability is closely correlated with regional electricity price.

The company's strategy focuses on three objectives:

- Optimising the existent hydro portfolio

By 2030, the company intends to refurbish 1.1 Gw, or 17% of hydro assets, adding 240 Mw of installed capacity (+4%) and may extend asset life by 30 years

- Development of renewable capacities

The company's business plan aims to add 206 Mw hydro capacity and 59 Mw wind/solar capacity by 2027.

The company plans to increase its long-term capacity by more than 0.1 GW in hydro capacity, 1GW in onshore and offshore wind capacity and more than 2 GW onshore and floating solar capacity.

- Extension of the supply activity

The company intends to increase its supply activity from 3.7 TWh in 2022 to 8 Twh in 2027.

ROMGAZ (SNG)

In H1 2023, Romgaz achieved total revenues lower by 2,478.9 million lei, a decrease of 32.6%, due to the following factors:

- decrease in turnover on the sale of natural gas (4,283.68 million lei in H1 2023 compared to 6,694.78 million lei in H1 2022); the quantity delivered was 5.5% lower than in H1 2022, an important effect in the 36.01% decrease in turnover from the sale of natural gas being the obligation imposed by GEO no.27 /2022 whereby Romgaz had to sell most of its production at the regulated price of 150 lei/MWh (86.16% of H1 2023 deliveries (21.22 TWh) were at the regulated price, compared to H1 2022, when only 4.23% of deliveries (1.10 TWh) were at the regulated price);
- turnover on the sale of electricity has also decreased (200.40 million lei in H1 2023 compared to 498.58 million lei in H1 2022). As of 2023, Romgaz is obliged to sell almost all the electricity produced at a price of 450 lei/MWh, according to the provisions of GEO no.27/2022.;

The net profit, of 1,685.64 million lei, was 2.34% lower, that is 40.30 million lei, compared to the similar period of the previous year.

ROMGAZ has paid for H1 2023 a solidarity contribution of 970.9 million lei - similar to that paid for the whole year 2022.

Romgaz as a minority partner in Neptun Deep with OMV Petrom will jointly invest up to EUR 4 billion for the development phase of the project, which will produce around 100 Bcm of natural gas.

First production is estimated for 2027 and production at the plateau will be approx. 140 kboe/day for almost 10 years.

Although Romgaz's balance sheet is not as strong as Petrom's, the company should remain a generous dividend payer with a dividend pay-out ratio of 50%.

Romgaz aims to extend through rehabilitation the exploitation duration of mature fields, concession new perimeters, maximize the recovery factor of hydrocarbon reserves, develop new exploration and exploitation projects, maintain the annual decline in gas production below 2.5%.

The Iernut gas-fired power plant will be ready within 16 months from the start of works under the new contract signed by Romgaz with Duro Felguera.

NUCLEARELECTRICA (SNN)

In H1 2023, the net profit increased by 5% due to a 94% reduction in the cost of purchased electricity and an increase in the financial result as a result of higher interest rates.

Operating income increased by 20.4% supported by a 19.8% increase in revenue from electricity sales. This increase is driven by a 21.5% increase in the weighted average price, of electricity sold in H1 2023 compared to the weighted average price in the same period of 2022, given the sale of a similar total amount of electricity (-1.3%).

EBITDA decreased by 4.7% compared to the same period of the previous year, significantly influenced by the increase in the energy transition fund contribution expense due for the period 1st January to 30th June 2023 which was 149.5% higher than the additional income tax due for the same period of the previous year.

Nuclear energy is a sustainable alternative for the development of the energy sector, given the limited resources of energy raw materials and the need for electricity generation without greenhouse gas emissions. The role of nuclear energy becomes even more evident in achieving the ambitious targets for reducing greenhouse gas emissions, while contributing to ensuring energy security and promoting an affordable price for final consumers, as well as facilitating an increase in the country's energy independence.

AEROSTAR (ARS) is a leader in Romania for the manufacture of aviation products, an acknowledged supplier in the supply chain of several global programs. The final products in which the parts, subassemblies and equipment manufactured by Aerostar end up are Airbus, Boeing, Bombardier, Dassault or Gulfstream aircraft. AEROSTAR is the main independent supplier of maintenance services in Romania and in the region for the Airbus 320 and Boeing 737. At the same time, it is the first rank supplier for MAPN in the field of defence systems in the aero, land and naval category. The solidity of the business model and the efficient management are the guarantee of successfully overcoming the challenges that the aeronautical and air transport field have faced.

On 30th September 2023, Aerostar reached a turnover of 361.5 million lei, an increase by 14% compared to the same period of the previous year due to the increase of sales in the aviation products manufacturing business line by 16.6% and commercial planes maintenance business line by 22%.

Net profit was 61 million lei on 30.09.2023, with a 17% decrease due mainly to the increase of expenses for materials by 46%.

In the period 1st January to 30th September 2023, the upward trend in the aviation products manufacturing business line continued, due to the partial recovery in international air travel traffic and as a result of the resumption of new aircraft orders.

From the turnover, the company sold products and services worth 65 million lei on the domestic market and 295.8 million lei on the foreign market.

Around 82% of turnover is export sales. Aerostar clients are based in Europe, Asia, Africa, USA and Canada.

Compared to the same period last year, the percentage of export sales is increasing in Europe, where it provides maintenance services for civil aviation, aviation products (landing gear systems, mechanical parts, assemblies and sub-assemblies), electronic equipment and ground equipment. The company provides civil aviation maintenance services in Asia and Africa and aviation products in Canada.

In Romania, Aerostar provides repair services for military aircraft and repair of electronic parts and components for military aircraft, upgrades, integrations and maintenance for military aviation systems, system and launcher repair services and civil aviation products.

The American company Lockheed Martin, in partnership with Aerostar S.A., recently announced that in the coming months it will open a maintenance, repair and overhaul (MRO) centre for Black Hawk helicopters in Bacău, Romania.

According to the contract signed between the two companies earlier this year, the maintenance centre in Bacău will be fully accredited and operational when seven S-70 Black Hawk helicopters, purchased by the Ministry of Interior, arrive in our country. As a reminder, in November 2021 the Ministry of Interior signed a framework agreement for a fleet of 12 Black Hawk helicopters to meet the needs of the country's emergency services.

In 2022 AEROSTAR S.A. announced the realization of an investment worth three million euros, from own sources, consisting in securing energy through the implementation of a photovoltaic park. In 2022, AEROSTAR S.A. achieved the objective that contributes to increasing sustainability and reducing electricity consumption by implementing the photovoltaic park, in order to benefit from green energy from its own source. The photovoltaic park consists of over 7000 panels, located on the roof of the buildings owned by AEROSTAR S.A., with a total installed power of 3MW.

1.2.3. PRIVATE EQUITY Portfolio. EVERGENT Investments Group

On 30th September 2023, the assets of the 8 subsidiaries of EVERGENT Investments Group registered a value of 220 mil lei, representing 7.88 % of EVERGENT Investments' **total assets**.

Members of EVERGENT Investments Group:

No.	Subsidiary name	EVERGENT Investments' holding – parent company %	Weight of total assets % 30.09.2023	Company type (closed/ listed)	Activity
1	EVERLAND SA Bacău	100.00	1.67	Unlisted	Real estate, private-equity portfolio
2	EVER-IMO SA Bucuresti	100.00	1.70	Unlisted	
3	CASA SA Bacau	99.77	1.23	Unlisted	
4	REGAL SA Galați	93.89	0.26	Unlisted	
5	MECANICA CEAHLAU SA Piatra Neamț	73.30	0.82	BVB–REGS (MECF)	Agriculture, private-equity portfolio
6	AGROINTENS SA Bucuresti	100.00	2.07	Unlisted	
7	EVER Agribio SA Săucești, Bacău	100.00	0.12	Unlisted	
8	VISIONALFA Investments SA Bacău	100.00	0.01	Unlisted	Financial services (temporary cease of activity)
	Total		7.88		

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

- Implementation of projects in various activity sectors and business development through the **companies in EVERGENT Investments' portfolio**.
- Investments in this portfolio represent a “private equity”-type approach** that involves the development of certain existent majority holdings (real-estate, agricultural machines, agribusiness, IT), as well as new investments (real-estate, agribusiness,

IT) and provide average or long-term growth opportunities.

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

The “private equity“ approach implies 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 their development stage, while others are going through the maturity period of a **business’ life cycle**.

1.2.3.1. AGROINTENS SA – "BLUEBERRY FARM EXTENSION" Blueberry Farm (www.agrointens.ro)

Agrointens SA is a company whose activity consists in the exploitation and valorisation of blueberry crops

Project description: The project object is the set-up and development of blueberry farms. At present the farms in **Viştea** and **Mandra –Braşov** county, **Popeşti** and **Răteşti Argeş** county are in various development stages. At the end of the reporting period, the planted area was 105 ha.

EVERGENT Investments’ investment: 9.6 mil euro.

Current status: Seasonal agricultural works have been carried out.

Financial results on 30.09.2023

Indicators – AGROINTENS ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/ 2023 Budget (%)
Total income	27.692	11.530	42
Total expenses	(24.818)	(18.017)	73
Net profit/(Loss)	2.874	(6.487)	n/a

The loss registered is caused by the extremely adverse weather conditions in the 2023 season.

1.2.3.2. EVERLAND SA – Iaşi Real-estate Project

Premises: The company owns a plot of land of about 2.55 ha and an administrative building GF+8 **with a built area of 4,600 square meters, located in the central area of Iaşi municipality. Our detailed analysis and projections targeted both the quality of the purchased assets location and the significant real-estate development potential of Iasi municipality.**

Status:

Based on the zonal urban plan approved, we consider the development of a real estate project of about 100 million euro with a maximum built area of 83,800 sqm.

Financial Results on 30.09.2023

Indicators – EVERLAND SA ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/ Budget 2023 (%)
Total income	120	135	113%
Total expenses	(585)	(406)	69%
Net profit/ (Lossed)	(465)	(271)	58%

The loss was generated by the operational expenses of asset management and preparation of the real-estate project.

1.2.3.3. CASA SA

The Company manages own real estate property and properties belonging to EVERGENT Investment delivering real-estate management services for real-estate owned by EVERGENT Investments.

Financial Results on 30.09.2023

Indicators – CASA SA ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/ 2023 Budget (%)
Total income	6.264	3.601	57
Total expenses	(5.967)	(2.659)	45
Net profit/(Loss)	297	942	317

1.2.3.4. MECANICA CEAHLAU SA

The company manufactures and sells agricultural equipment for land process and distributes: Steyer and Hart tractors, Project herbicide equipment and Stoll front loaders.

Financial results on 30.09.2023

Indicators – MECANICA CEAHLAU SA ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/2023 Budget (%)
Total income	46.300	31.171	67
Total expenses (less income tax)	(43.600)	(32.525)	75
Net profit/ (loss)	2.250	(1.569)	n/a

The activity was negatively influenced by the evolution of the agricultural sector that the company serves, which was confronted in 2023 with extreme weather conditions - soil drought and massive import of cereals from Ukraine at very low prices.

1.2.3.5. REGAL SA

On the reporting date, the company has 3 commercial spaces plus administrative headquarters with a built area of around 1.500 sqm. The Company continues the sale of commercial area, according to the approved strategy.

We are considering the use of the holding by selling the shares package held or by obtaining dividends from the sale of its main assets.

Financial results on 30.09.2023

Indicators – REGAL ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/2023 Budget (%)
Total income	4.047	411	10
Total expenses (less income tax)	(4.024)	(515)	13
Net profit / (loss)	(477)	(107)	22

1.2.3.6. EVER-IMO SA

Future real-estate projects in Bucharest

Following the success of the „Baba Novac Residence” Real-estate project, the company is preparing and/or analysing three real-estate development projects: **Intrarea Străulești Project, Piscul Moșului Project and Spătarul Preda Project.**

Financial results on 30.09.2023

Indicators – EVER-IMO SA ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023 2023 Budget (%)
Total income	2.925	2.125	73
Total expenses	(6.616)	(4.622)	70
Net profit / (loss)	(3.691)	(2.497)	68

1.2.3.7. EVER AGRIBIO SA – *Bio Blueberry Culture*

The company was set-up in September 2022 and is to deliver activities in the agriculture and renewable energy field, on the 50ha land it holds in Săucești commune, Bacău County.

The company is preparing the documentation to access non-reimbursable funds for the set-up of a bio blueberry plantation and a logistics area.

Financial Results on 30.09.2023

Indicators – EVER-AGRIBIO SA ((thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/ Budget 2023 (%)
Total income	-	32	n/a
Total expenses	(1.143)	(684)	60
Net profit/(Loss)	(1.143)	(652)	57

Note: The Private Equity Portfolio also monitors the following companies:

- ✓ NORD SA - holding of share capital and Professional Imo Partners SA – 31.42% holding of share capital, that directly / indirectly participate in the implementation of "Veranda Mall" Project Bucharest
- ✓ STRAULESTI LAC ALFA SA - 50% holding of share capital, that implements the "Atria Urban Resort" Project, Bucharest
- ✓ AGROSERV MARIUTA SA –**11.44% holding of the share capital, with „Lăptăria cu caimac” brand**
- ✓ mWare SOLUTIONS SA –5.6% holding of share capital, with activity in the field of IT/big data/AI

1.2.3.8. "VERANDA MALL" Trade Centre Real-estate Project (www.verandamall.ro)

Description: the investment project consisted in the construction of "VERANDA MALL" Trade Centre in Bucharest and its operation through Veranda Obor SA Company. The trade centre is a proximity mall located in a heavily populated area with commercial traffic, Obor-Colentina. "VERANDA MALL" opened on 27th October 2016.

Project characteristics: GLE (built area) around 67,000 sqm; GLA (rentable area) around 34,000 sqm following extension, no. of renting stores: around 100; occupation degree: 98%

Investment: **The value of EVERGENT Investments' investment amounts to 14.3 mil euro.** EVERGENT Investments indirectly holds in Veranda Obor SA a holding around 37% through Professional Imo Partners SA (PPLI) and Nord SA (NORD), companied listed on BVB – ATS segment. Current status: following the pandemic crisis, the Mall has increased its activity, with the revenue surpassing the level previous to the pandemic.

1.2.3.9. STRAULEȘTI LAC ALFA SA "ATRIA URBAN RESORT" Residential Real-estate project (www.atriaresort.ro)

EVERGENT Investments invests in the "ATRIA URBAN RESORT" real-estate project, developed through STRAULESTI LAC ALFA SA. The project targets the building of 1,381 apartments, in 4 stages, on a land of about 9 ha, located in the NW area of Bucharest municipality, in the vicinity of Colosseum Retail Park with quick access to the northern part of the **city's** capital.

Investment: EVERGENT Investments is a shareholder of Straulesti Lac Alfa SA, along with CityRing Property SRL and Mr. Liviu Lepadatu who also provides the management of the real estate project **development. EVERGENT Investments' total investment is 8.3 mil euro. Project financing is ensured** both with own capital and bank loan, binding loan and the estimated project value is over 100 mil. euro.

Current status:

- ✓ Phase 1, that includes a number of 160 apartments has been completed and sold in full;

- ✓ Phase 2 that includes 398 apartments was completed, 323 apartments being sold;
- ✓ Phase 3 includes 350 apartments, under construction, 94 apartments having preliminary contracts entered.

Financial Results on 30.09.2023

Indicators – Straulesti Lac Alfa SA (thousand lei)	2023 Budget	Achieved 30.09.2023	Achieved 30.09.2023/2023 Budget (%)
Total income	106.645	69.649	65
Total expenses (less income tax)	(102.783)	(68.960)	67
Net profit	3.275	534	16

1.2.3.10. AGROSERV MĂRIUȚA SA (www.laptariacucaimac.ro)

Agroserv Măriuța SA is a company that mainly carries out a mixed agricultural activity, meaning vegetable cultivation, **livestock farming and processing cow's milk, namely obtaining dairy products** - whole milk packaged in bottles, matured cheeses, acidophilic products.

The Company has an integrated business model, the sale of the dairy products being carried out through Key Accounts, own shops and online. The company's product portfolio contains milk, yoghurt, cream, curd, sana. All the brand's products (except cheese) are packaged in glass.

For 2023, the company aims to achieve a turnover of 79.6 million lei and a net profit of 2.1 million lei, plans supported by expanding the irrigation system, increasing productivity at the livestock farm and the factory and by implementing investment projects, namely the packaging washing line and the biogas plant.

The value of sales in the first six months of 2023 has been 36.3 million lei, an increase by 23% compared to the same period in 2022.

The company's strategy in the coming period is focused on the growth of the brand Lăptăria with Caimac at national level, increasing the number of products present in each store and by diversifying the offer.

The company shall report its financial results for the 3rd quarter of 2023 on 29th November.

Status:

Investment programs in 2023: packaging washing line and biogas station

Mixed financing: equity, bank credit and grant funds.

In April 2023, Mr Cornel Danilă, **member of the company's BD took over the CEO position.**

Financial results Q1 2023 (latest available financial data on the reporting date)

Indicators – AGROSERV MARIUTA SA (thousand lei)	2023 Budget	Achieved Q1 2023	Achieved Q1 2023 / 2023 Budget (%)
Turnover	79.615	36.271	46
Net profit/(Loss)	2.098	(399)	n/a

(Q1 results are the latest available results on the reporting date).

1.2.3.11. mWare Solutions

MWARE Solutions SA (<https://www.bigconnect.io/>) is a major local player in the deep-tech IT sector, providing integrated Big Data, artificial intelligence and digitization solutions for both the public and private sectors, mainly for data-intensive industries such as telecommunications, financial-banking, energy, agriculture and healthcare.

The company has developed a proprietary platform that introduces the capability to analyse unstructured data within organizations using a semantic data understanding model based on neural

networks, with native deep-learning and machine learning capabilities to uncover new insights into decision making, customer understanding, new metrics and possibilities for automating organizational processes based on artificial intelligence.

Mware Solutions has developed a complete package for digitization, which includes in addition to the existing BigConnect products, an Enterprise edition database and a low-code framework for application development, which currently represents a complete and much more competitive alternative to the technology packages offered by other players in the market.

The company recorded a 31.6% increase in turnover in Q3 compared to the same period last year. The IT sector is of major importance in the Romanian economy, with a contribution of about 6.2% to the Gross Domestic Product which amounts to 13.6 billion euro. This sector is expected to grow at double-digit rates in the coming years, being additionally supported by the NRDP through component C7 - **Digital Transformation with a budget allocation of €1.88 billion.**

1.2.4. “SELL” Portfolio

SELL Portfolio was built based on low liquidity, performance and growth potential criteria of the holdings that make it up. In order to reach the investment objectives **foreseen in „EVERGENT Investments’ Investment Strategy and Policy”, in Q3 2023** we have continued to lower the weight of the SELL Portfolio in total assets of the Company.

Therefore, on 30th September 2023, the weight of SELL portfolio was 0.24% of total assets value, compared to 0.36% on 30th September 2022, the strategy applied being restructure through sale.

By 30th June 2023 the holdings of EVERGENT Investments in the following companies were been sold in full:

- Casa de Bucovina Club de Munte (BCM);
- Martens SA (MABE).

The cumulative amount of 0.77 million lei obtained from the sale of the two companies feeds the investment needs of EVERGENT Investments S.A.

Through activities specific to the SELL Portfolio, the active participation of EVERGENT Investments in the General Meetings of the shareholders of the companies in this portfolio was ensured, questions addressed to the Boards of Directors were sent, the legality of the decisions of the general meetings of shareholders/decisions of the Boards of Administration that affected the interests of the shareholders was monitored minorities and appeal proposals filed, where appropriate.

1.2.5. Implementation of 2023 Investment Program

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

million lei	2023 Activity Program	Achieved on 30.09.2023	% achievement 30.09.2023
Total investment program, of which assigned for the following portfolios:	305.2	194.74	63.8
• FINANCIAL-BANKING	-	0.06	
• ENERGY-INDUSTRIAL	260	174.26	
• PRIVATE – EQUITY	45.2	20.42	

2. Financial Position and Performance

The interim condensed separate **financial statements for the three months' period ended on 30th September 2023, were prepared in accordance with IAS 34 "Interim Financial Reporting" applying the provisions of Rule 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards ("IFRS"), applicable to entities authorized, regulated and supervised by FSA. According to Norm 39/2015, IFRS are the standards adopted according to the procedure foreseen by Regulation (CE) no. 1606/2002 of the European Parliament and Council on 19th July 2002 on the application of international accounting standards, with its subsequent amendments and additions.**

The interim condensed separate financial statements for the nine months' period ended on 30th September 2023 have not been audited.

In the first nine months of 2023, **the Company's financial position registered a significant increase of 18%** due to the appreciation of stock exchange quotations during this period, but also due to the use, in the first quarter of the year, of the credit facility contracted from the Romanian Commercial Bank to take advantage of market opportunities.

The net result obtained in this period that includes along with the net profit, the net gain from the sale of financial assets classified at fair value through other comprehensive income (FVTOCI), was of 136.4 million lei, exceeding by 73% the level budgeted for the entire 2023.

2.1. Comprehensive income. Management Expenses. Financial Position

➤ Separate statement of comprehensive income:

(lei)	2021 (audited)	9 mths. 2022 (unaudited)	2022 (audited)	9 mths 2023 (unaudited)
Income				
Gross dividend income	54,656,711	120,777,371	120,777,371	88,357,728
Interest revenue	4,718,481	5,221,031	7,087,713	5,545,233
Other operating income	1,030,926	1,385,486	1,607,660	761,659
Net gain/ (Net loss) on FVTPL financial assets	25,460,617	(14,069,082)	(474,436)	27,526,383
Net gain from the revaluation of real-property investments	143,329	760.816	798.078	-
Expenses				
(Loss)/Loss reversal from financial assets impairment	3,895,437	2,325,962	2,332,072	(54,134)
(Loss)/Loss reversal from impairment of non-financial assets	(28.989)	671	671	-
(Set-up)/reversal of provisions for risks and expenses	(1,620,399)	42,646	117,190	-
Expenses with wages, remunerations and other similar expenses	(29,426,547)	(12,838,634)	(28,773,429)	(14,753,933)
Other operating expenses	(10,477,957)	(7,201,347)	(11,660,747)	(9,342,674)
Operational profit	48,351,609	96,404,920	91,812,143	98,040,262
Financing expenses	(42,218)	(69,176)	(95,436)	(2,861,637)
Profit before tax	48,309,391	96,335,744	91,716,707	95,178,625
Income tax	(1,920,757)	(9,331,469)	(8,863,072)	(10,621,322)
Net profit	46,388,634	87,004,275	82,853,635	84,557,303
Other comprehensive income elements				
Increase/ (Decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	439,940	21,528	806,957	27,854
Net gain/ (Net loss) from the revaluation of FVOCI financial assets	414,290,697	(326,025,853)	(168,168,297)	302,564,418
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	414,730,637	(326,004,325)	(167,361,340)	302,592,272
Net gain / (net loss) from the revaluation of FVTOCI bonds	45,845	(284,769)	(105,304)	(146,448)
Other elements of comprehensive income – elements that	45,845		(105,304)	

will be reclassified in profit or loss		(284,769)		(146,448)
Other comprehensive income - Total	414,776,482	(326,289,094)	(167,466,644)	302,445,824
Total comprehensive income of the financial year /period	461,165,116	(239,284,819)	(84,613,009)	387,003,127
Basic and diluted earnings per share (net profit per share)	0.0477	0.0913	0.0874	0.0925
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	0.1536	0.1064	0.1244	0.1493

In the first nine months of 2023, the Company registered a net profit of 84.5 million lei generated both by dividend income received from portfolio companies (including special dividends from OMV Petrom and Fondul Proprietatea) and by the gain on financial assets classified at fair value through profit or loss (FVTPL).

The comprehensive income of this period was influenced by net gain from the revaluation of financial assets measured at fair value through other comprehensive income (FVTOCI), of 302.6 million lei, generated by the price increase of listed shares in the portfolio.

According to **IFRS 9 "Financial Instruments"**, in case of shares in the portfolio, depending on their classification, gain or loss from sale are reflected either in profit or in loss (in case of FVTPL financial assets), or directly in retained earnings (in case of FVTOCI financial assets).

Consequently, management considers Net Result as an indicator of the Company's performance, along with Net Profit / (net loss) and gain obtained from the sale of FVTOCI financial.

(lei)	2021 (audited)	9 mths 2022 (unaudited)	2022 (audited)	9 mths 2023 (unaudited)
Net profit	46,388,634	87,004,275	82,853,635	84,557,303
Gain related to the transfer of FVTOCI* financial assets, net of tax, recycled in retained earnings	102,908,216	14,389,531	35,081,104	51,888,931
Net result (including Gain from the transfer of FVTOCI financial assets)	149,296,850	101,393,806	117,934,739	136,446,234

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

➤ Management Expenses

The monthly average percentage of management expenses represents 0.08%, of total assets.

The monthly average percentage of management expenses represents 0.08% of total assets value, being lower than the average commissions paid to management companies by local investment funds (0.15% - 0.32%).

Structure of Management Expenses

Management Expenses (lei)	19,642,375
Expenses with wages, indemnities and similar, of which:	14,880,744
- wages and indemnities	14,437,209
- expenses for social insurance and other social expenses	316,724
- expenses for professional training	126,811
Expenses for outsourced services and other operating expenses	4,189,734
Expenses for energy and water	446,602
Expenses for fuel and materials	125,295

Management expenses include expenses directly connected to the carrying out of the **Company's** current activity.

In management expenses, the main weight, of 76%, is held by *is held by expenses for wages, indemnities and similar (wages, allowances, social benefits and professional training of staff, directors and managers)*. For more details on expenses with wages, allowances and other similar expenses, divided on fixed and variable expenses, see explanatory note 7 to the Separate Financial

Statements on 30th September 2023.

Expenses for outsourced services and other operating expenses represent 21% of total management expenses and mainly include services for the monitoring of companies in the portfolio, consultancy, management of spaces and archive, insurance, post expenses and subscriptions, rents, royalties, concession taxes, travel, expenses for maintenance and repairs, other operating expenses.

➤ Individual Statement of Financial Position:

(lei)	31 st December 2021 (audited)	30 th September 2022 (unaudited)	31 st December 2022 (audited)	30 th September 2023 (unaudited)
Assets				
Cash and current accounts	267,380	262,647	788,781	842,833
Bank deposits with initial maturity within 3 months	157,466,639	50,258,895	104,971,764	167,766,154
Bank deposits with initial maturity over 3 months	-	-	-	10,532,578
Financial assets measured at fair value through profit or loss	381,215,357	334,716,116	333,619,756	336,001,352
Financial assets at fair value through other comprehensive income	1,952,286,731	1,721,022,714	1,875,688,529	2,206,204,412
Bonds at fair value through other comprehensive income	3,982,215	3,857,763	3,982,047	4,017,007
Bonds at amortized cost	34,171,645	34,908,324	17,550,535	17,103,148
Other financial assets at amortized cost	5,361,399	28,485,490	9,869,910	39,906,387
Other assets	1,579,222	571,074	497,055	564,408
Fixed assets held for sale	-	-	-	212,738
Investment property	4,247,186	4,247,186	4,284,448	4,071,710
Plant, property and equipment	8,308,912	8,500,820	9,282,127	8,813,450
Right-of-use assets	3,570,975	3,399,269	3,474,536	3,471,401
Intangible assets	360,960	309,836	412,375	420,097
Total assets	2,552,818,621	2,190,540,134	2,364,421,863	2,799,927,675
Liabilities				
Loans	-	-	-	95,897,549
Lease liabilities	3,511,637	3,368,326	3,456,939	3,436,730
Dividends payable	34,036,742	44,224,064	42,633,808	52,789,902
Current tax liabilities	-	2,131,499	5,370,896	7,942,608
Financial liabilities at amortized cost	1,833,601	2,337,633	2,871,103	609,837
Other liabilities	3,409,990	1,543,895	4,154,999	1,788,903
Provisions for risks and charges	1,749,743	1,707,097	1,632,553	1,632,553
Deferred tax liabilities	125,338,378	71,590,527	89,669,402	135,718,114
Total liabilities	169,880,091	126,903,041	149,789,700	299,816,196
Equity				
Share capital	510,105,062	499,988,637	499,988,637	499,988,637
Retained earnings	981,801,980	1,001,886,511	1,018,427,444	1,086,278,411
Reserves from the revaluation of property, plant and equipment	8,967,836	8,989,364	9,774,793	9,802,647
Reserves from the revaluation of financial assets at fair value through other comprehensive income	903,246,143	562,545,990	699,891,438	950,420,477
Treasury shares	(41,119,507)	(25,468,890)	(38,991,230)	(60,351,954)
Equity-based payments to employees, directors and administrators	16,252,012	10,850,388	20,765,780	9,905,947
Other items of equity	3,685,004	4,845,093	4,775,301	4,067,314
Total equity	2,382,938,530	2,063,637,093	2,214,632,163	2,500,111,479
Total liabilities and equity	2,552,818,621	2,190,540,134	2,364,421,863	2,799,927,675

On 30th September 2023, EVERGENT Investments total assets increased by 18% compared to the end of the previous year.

This significant increase in assets was mainly due to the increase in the value of FVTOCI financial

assets, driven by the favourable evolution of the prices of listed shares in the portfolio classified in this category, but also to the use, in the first quarter of the year, of the credit facility contracted from the **Banca Comercială Română for the capitalization of market opportunities and the receipt of dividends** from portfolio companies.

The increase in total liabilities was determined both by the increase in the deferred tax liability related to the FVTOCI financial assets revaluation reserve, which increased significantly in 2023, and by the use of the EUR 19.2 million credit facility drawn from BCR in January 2023 for the acquisition of listed shares.

2.2 Performance Indicators

	31 st December 2021	30 th September 2022	31 st December 2022	30 th September 2023
Current liquidity indicator	6.6	3.2	3.5	2.9
Rotation speed of debits-clients	29	36	21	56
Rotation speed of intangible assets	0.043	0.072	0.068	0.054
Net profit / (net loss) per share (lei/share)	0.0477	0.0913	0.0874	0.0925
Earnings per basic share (lei/share)	0.1536	0.1064	0.1244	0.1493

Specifications:

- ✓ Current liquidity indicator = current assets/ current liabilities
- ✓ Rotation speed of debits-clients = average balance of claims/turnover x number of days corresponding to the reporting period
- ✓ Rotation speed of non-current assets = revenue from current activity/non-current assets
- ✓ Earnings per basic share (lei/share) = (net profit/(net loss)+gain from the transfer of FVTOCI assets/ no. of shares

Note:

(1) Turnover includes revenue from dividends, interest, other operating revenue and net gain from financial assets at fair value through profit or loss

(2) Earning per share, namely net profit per share have been calculated using the average number of shares in circulation (eg. less treasury shares bought-back by the Company).

2.3 2023 IEB Achievement Degree

million lei	Budgeted 2023	Achieved 9 months 2023	Achievement degree %
Total income	102.75	122.33	119
Financial income	101.96	121.44	119
• dividend income	97.43	88.36	91
• income from bank deposits and bonds	4.53	5.55	122
• net gain from FVTPL financial assets	-	27.53	n/a
Other operating income	0.79	0.89	114
• income from rent and connected activities	0.79	0.83	106
• other income from current activity	-	0.06	n/a
Total expenses	(71.03)	(27.15)	38
Financial expenses	(24.58)	(4.78)	19
• net loss from FVTPL financial assets	(17.15)	-	-
• expenses related to bank transactions and commissions	(0.91)	(0.52)	57
• expenses with currency rate differences	(1.81)	(1.38)	76
• Other financial expenses	(4.71)	(2.88)	61
Expenses from current activities	(46.45)	(22.37)	48
Gross profit	31.72	95.18	300
Income tax	(6.97)	(10.62)	152
Net profit	24.75	84.56	342
Net gain from the sale of FVTOCI financial assets	54.18	51.89	96
Net result	78.93	136.45	173

Net result registered in the first 9 months of 2023 exceeded by 73% the level budgeted for the entire

2023, being generated both from dividend income (including special dividends distributed by companies in the portfolio) and net gain from FVTPL financial assets reflected in profit or loss, and net gain from the sale of FVTOCI financial assets reflected in retained earnings.

At the same time, expenses for current activity registered (main expenses category), represent 48% of the total budgeted for 2023.

3. Risk Management

EVERGENT Investments sets and permanently maintains operational the risk management position that is hierarchically and functionally independent from the activities generating risk exposure and has access all relevant information necessary to fulfil its attributions and responsibilities.

One of the main components of the risk management system is the permanent risk management function. This function has a main role in defining the policy regarding risk management and monitoring in the company, in order to ensure the permanent compliance of the risk level with the company's risk profile.

The risk management responsibility is not limited to the level of risk specialists or control functions. Operational structures, under the supervision of management functions, are primarily responsible for daily risk management, taking into account the risk appetite and in accordance with the policies, procedures and controls of EVERGENT Investments.

The risk management activity is carried out by the risk management department that is subordinate to the Board of Directors, and from an administrative standpoint, it is subordinate to the President CEO. Through its position in the organisational chart, direct access and activity reports on the level of the Audit Committee and Board of Directors is ensured, as well as the independence necessary to carry out the risk management activity.

3.1. Risk Management Policy

EVERGENT Investments sets, implements and maintains an adequate and formalized risk management policy that:

- Identifies all relevant risks that it is or could be exposed to;
- **Includes the necessary procedures to allow the company to assess the exposure to relevant risks that it is or could be exposed to**

The objectives of the risk management policy are the prudent management of risks in order to prevent the impact of internal and external factors on the activity of the company, preventing it from reaching its set goals, causing unplanned and uncontrolled damage, or causing other negative effects.

The efficiency of the risk management system is assessed on a quarterly basis by Executive Management, the Audit Committee and Board of Directors and is carried out in compliance with the provisions of art. 45 FSA Reg. no.2 /2016 on the application of corporate government principles by entities authorized, regulated and supervised by FSA modified and completed by FSA Reg. no. 9/2019.

Following the examination of the characteristics and performances of the risk management system, the Board of Directors concluded that, on 30th June 2023, it is proportional and adequate for the size, nature and complexity of current activity, insuring the coherence of controls with the risks generated by processes and efficient use of company assets.

Personnel of the Risk Management Department:

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

Main activities carried out between 01.01.2023 - 30.09.2023:

- ✓ Annual revision of the policy, profit and procedures for risk management, FSA notification on the revised Risk Policy and Profile.
- ✓ **Assessment of the Company's risk profile;**
- ✓ Calculation of risk indicators set in accordance with risk management procedures and analysis of the abidance by them and by the approved risk tolerance limits;

- ✓ Risk analysis regarding investments suggested by the portfolio management functions;
- ✓ Analysis of the impact of the 2023 activity program on the structure of assets, the system of prudential limits and the risk profile of the company;
- ✓ **Assessment of the way in which the structure of variable remuneration affects the company's risk profile;**
- ✓ Report on the evaluation of the effectiveness of the risk management system;
- ✓ Daily monitoring of portfolio assets within prudential limits;
- ✓ Follow up on the fulfilment of the actions set out in the Annual Risk Response Plan and the Operational Risk Event Reporting Forms;
- ✓ Analysis of the classification of asset classes into risk categories according to their degree of liquidity;
- ✓ Monitoring the EVERGENT Investments synthetic risk indicator (SRI) and calculating past performance scenarios;
- ✓ Weekly and monthly monitoring of liquidity risk indicators;
- ✓ Calculation of exposure and effect of leverage;
- ✓ Filling in the Risk Profile section within the Quarterly Institutional Reporting Annex (Annex IV to (EU) Regulation 231/2013);
- ✓ Carrying out the annual crisis simulation;
- ✓ Calculation of own funds and the need for own funds
- ✓ Update of ISR and previous performance scenarios on 31.05.2023, in the Key Information Document revised following the changing of the depositary for company assets;
- ✓ Reports on the risk management activity, annual self-assessment of IT operational risks, results of the annual crisis simulations, implementation status for the recommendations prepared by the risk manager, own funds and own funds requirements;
- ✓ Administrative activities.

3.2. Risk Profile

The risk profile represents all exposures of EVERGENT Investments to real and potential risks. The risk profile of EVERGENT Investments on 30.09.2023 is the following:

The global risk profile undertaken by EVERGENT Investments is average, corresponding to an average risk appetite

Risk type	Undertaken risk level	Risk level on 30.09.2023
Market risk	Average	Average
Issuer risk	Average	Low
Liquidity risk	Low	Low
Credit and counterparty risk	Average	Low
Operational risk	Average	Average
Sustainability risk	Average	Average

ON 30th September 2023, the risk indicators calculated for the relevant risks that EVERGENT Investment is or could be exposed to abide by the tolerance limits, risk appetite and profile approved by the Board of Directors

Between 01.01.2023 and 30.09.2023 there has been no exceeding of the risk limits undertaken through the risk profile.

3.3. Main Risks that the Fund is exposed to

In its activity, EVERGENT Investments is exposed to various types of risks that are associated to its equities portfolio (shares, fund units, bonds) especially to the portfolio of financial instruments traded on the capital market, these being the most important types of risks that it faces.

The main risks that EVERGENT Investment Company is exposed to are:

1. Market Risk

Most of EVERGENT Investments' assets are subject to market risk, defined as a potential of their market value to change. We distinguish between three types of very different market risks:

- a) Price risk derives from market movements, assets exposed to it being financial assets such as shares and holding titles in open or closed investment funds. Price risk is a relevant risk for EVERGENT Investments.
- b) Currency risk describes the risk that the value of financial and monetary instruments and debt instruments denominated in currencies other than the leu will change due to changes in exchange rates. Currency risk is a relevant risk for EVERGENT Investments.
- c) Interest rate risk refers to the possibility that financial or monetary instruments and bank loans with variable interest suffer following unexpected changes of interest rate. The interest rate risk is a relevant risk for EVERGENT Investments.

The main objective of market risk management, as part of the independent risk management function is to make sure that the business function optimizes the risk/reward relationship and does not expose EVERGENT Investments to unacceptable losses that do not correspond to the risk appetite. In order to reach this objective, market risk management defines and applies a framework that systematically identifies, evaluates, monitors and reports market risk so that higher management may make efficient decisions, in due time, regarding the methods to manage and lower it. The Risk Management Department identifies market risks through the active analysis of the portfolio and investment suggestions of the business function.

2. Liquidity Risk

Liquidity risk is the risk stemming from a potential incapacity to fulfil all payment obligations when these become due, or to fulfil them without excessive costs.

Liquidity risk is a relevant risk for EVERGENT Investments, although the Fund's closed-ended structure results in relatively low prudential liquidity requirements (shareholders are not entitled to request share redemptions from the Fund). Management of the liquidity risk profile during the 9 months of 2023 was an important factor in maintaining adequate liquidity.

The liquidity risk management framework is designed to identify, measure and management the liquidity risk position. The Risk Management Department is responsible for the internal monitoring and reporting of liquidities. The liquidities management position provides a proper framework for the management of liquidities, taking into consideration the investment policy, liquidity risk profile and support obligations of EVERGENT Investments.

Liquidity reserves include cash and cash equivalents available, as well as very liquid equity. The liquidity reserve volume is constantly monitored and reported.

3. Issuer Risk

Issuer risk results from exposures on shares held in entities in the portfolio and represent 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. Issuer risk is a relevant risk for EVERGENT Investments.

The issuer risk management framework is designed to identify, measure and management the issuer risk position. The Risk Management Department is responsible for the monitoring and internal reporting of issuer risk. The portfolio management function provides a proper framework for the management and monitoring of issuers in the portfolio.

4. Credit and Counterparty Risk

The counterparty risk is a risk associated to credit risk. Credit risk is the risk of causing a financial loss

for the company, stemming from the uncertainty related to the capacity, ability or wish of the business partners to fulfil their contract obligations. Counterparty risk represents the risk that a counterparty in a transaction infringe on its contract obligation before the final settlement of the cash flows corresponding to the transactions. The credit and counterparty risk represents a relevant risk for EVERGENT Investments.

The management framework for the credit and counterparty risk is designed to identify, measure and manage the credit and counterparty risk position. The Risk Management Department is responsible for the monitoring and internal reporting of credit and counterparty risk. The portfolio management function provides a proper framework for the monitoring and management of assets in the portfolio that are exposed to credit and counterparty risk.

5. Operational Risk

Operational risk is the risk of loss resulting from internal processes, inadequate individuals or systems or external events. Since operational risks stem from all operations run on the level of the company, these are relevant risks for EVERGENT Investments.

The daily management of operational risk is the responsibility of all company departments. The risk management function manages a consistent application of operational risk management in the entire company. Through our annual operational risks self-evaluation model we aim to maintain a strict monitoring and high awareness of these risks.

In order to comply with the requirements of ASF Rule 4/2018, information technology (IT) risk is treated separately in the operational risk self-assessment process. According to the self-assessment carried out on 31.12.2022, the level of residual operational risk generated by IT systems is maintained in the medium risk category, falling within the requirements of ASF Rule 4/2018. The result of the internal IT operational risk assessment is communicated annually to the ASF. The money laundering and terrorist financing (ML/TF) risk is also assessed in a separate process.

Other subcategories of operational risks include legal risk, vocational liability risk, compliance risk, model risk, risk related to outsourced activities.

6. Sustainability Risk

The risk related to sustainability means an environment, social or governance event or condition that if manifested, could cause a significant negative, actual or potential effect on the assets, profitability or **balance status or on the fund's reputation**.

Sustainability risk may manifest as an own risk or may have a 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. Sustainability risk is a relevant risk for EVERGENT Investments.

The management of sustainability risk is carried out by the department with risk management function, in accordance with specific sustainability risk procedure, through the setting of adequate limits and the follow-up of its abidance by the undertaken limits.

The ESG risk level resulting from the internal self-assessment, according to the self-assessment result as at 30th June 2023, is medium.

On the level of asset portfolios, the management and lowering of sustainability risks is the task of organisational structures with portfolio management function through the integration of sustainability risks in the investment decision-making, based on specific strategies.

7. **The risk of EVERGENT Investments' assets failure to abide by the legal holding limits.**

On 30th September 2023 **the assets in EVERGENT Investments' portfolio** *abide by* the legal

prudential limits. Between 01.01.2023 and 30.09.2023 there has been no exceeding of legal prudential limits.

7.1 Limits regarding exposure level on assets category reported to total assets, in compliance with Net monthly asset report on 30.09.2022 – *Law no. 243/2019, art. 35, line (2)*:

a) Securities and monetary market instruments issued by the same issuer, with the exception of securities or monetary market instruments issued or guaranteed by a member state, local public authorities of the member state, a third state or international public bodies to which one or more member state belong – *allowed limit: 10% of assets, limit that may be increased up to a maximum 40%, provided that the total value of equities held by EVERGENT Investments in each of the issuers it has holdings up to 40%, should not exceed 80% of total assets value.*

Issuer name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Banca Transilvania shares	1,071,073,008	38.25
OMW Petrom shares	366,197,279	13.08
Total	1,437,270,287	51.33

Exposure on TLV issuer (35.52%) abides by the maximum 40% holding limit and is closely monitored through daily holding mechanisms. The two issuers that exceed the 10% individually do not exceed 80% of total assets combined.

b) 1. Securities and money market instruments issued by entities belonging to the same group - *allowed limit: 50% of assets.*

Group name	Market value of asset category (FSA Reg.no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
EVER IMO Group, of which:	64,932,805	2.32
• Ever Imo shares	47,712,805	1.70
• Ever Imo bonds	17,220,000	0.61
BVB Group, of which:	23,635,844	0.84
• Bursa de Valori București shares	22,915,245	0.82
• Depozitarul Central shares	720,599	0.03

b) 2. Securities and money market instruments issued by entities belonging to the same group that EVERGENT Investments is part of - *allowed limit: 40% of assets*

Name	Market value of assets category (FSA Reg. no..7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
AGROINTENS shares	57,927,041	2.07
EVER IMO shares	47,712,805	1.70
EVERLAND shares	46,877,181	1.67
CASA shares	34,369,057	1.23
MECANICA CEAHLAU shares	22,901,596	0.82
EVER IMO bonds	17,220,000	0.61
REGAL shares	7,144,944	0.26
EVER AGRIBIO shares	3,388,583	0.12
VISIOALFA INVESTMENTS shares	219,845	0.01
TOTAL EVERGENT Investments Group	237,761,052	8.49

c) Exposure to a counterparty risk in a transaction with derived financial instruments traded outside regulated markets – *allowed limit: 20% of assets, irrespective of the transaction counterparty – not the case.*

d) Overall exposure to derivatives – *allowed limit*: not to exceed total assets value – *not the case*.

e) Value of current accounts and cash - *allowed limit*: 20% of assets. *The limit may be exceeded up to maximum 50% provided that the amounts come from the issue of equity securities, from investments that reached maturity, or from the sale of financial instruments in the portfolio, and that exceeding is not over 90 days*. In net asset on 30.09.2023, the value of current accounts and cash is 842,836 lei, representing 0.03% of assets value.

f) Bank deposits setup and held at the same bank – *allowed limit*: 30% of assets

Bank name	Deposit value (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Banca Transilvania	141,349,958	5.05
BCR *	21,965,046	0.78
EXIM Banca Românească	15,026,986	0.54

*includes the amount of 10,533,333 lei (collateral deposit collateral guarantee credit, principal and interest attached)

g) UCITS not allowed for trading within a trading venue or on a third party stock exchange, issued by a single AIF destined for retail investors – *allowed limit*: 20% of assets.

RIAIF name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
FIA Fondul Privat Comercial	76,497,553	2.73
FIA DCP Investiții	42,562,036	1.52
FIA Hermes	14,115,573	0.50

h) UCITS not allowed for trading within a trading venue or on a third party stock exchange, issued by a single AIF destined for professional investors – *allowed limit*: 10% of assets.

FIAIP name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
FIA Alchemist	67,618,855	2.41
FIA BT Invest 1	28,946,640	1.03

i) 1. UCITS not allowed for trading in a trading place or on a stock exchange from a third country, issued by open-type AIF- *allowed limit*: 50% of assets.

Name of open-type AIF	Market value of asset category (FSA Reg no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
AIF Fondul Privat Comercial	76,497,553	2.73
AIF Alchemist	67,618,855	2.41
AIF DCP Investiții	42,562,036	1.52
AIF BT Invest 1	28,946,640	1.03
AIF Hermes	14,115,573	0.50
TOTAL open-type AIFs	229,740,657	8.20

i) 2. UCITS not allowed for trading, within a trading value or on a third state stock market, issued by other open-types AIF – case of the Group that EVERGENT Investments is part of- *allowed limit*: 40% of assets – *not the case*

j) 1. UCITS issued by a single OPCVM authorized by FSA or a competent national authority from another member state – *allowed limit*: 40% of assets.

OPCVM name	Market value of assets category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
FDI BT Maxim	6,819,373	0.24
FDI Transilvania	6,608,472	0.24

FDI BT Index Romania ROTX	6,506,572	0.23
FDI Napoca	5,906,784	0.21
FDI Tehnoglobinvest	1,577,097	0.06

j) 2. UCITS issued by a single CIU allowed for trading in a trading venue in Romania, another member state or the stock exchange of a third party – *allowed limit: 40% of assets*

CIU name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Transilvania Investments Alliance	29,260,822	1.04
Fondul Proprietatea	2,505,085	0.09

k) Financial instruments loans, the loan period cannot be longer than 12 calendar months, in compliance with FSA regulation regarding margin transactions and loan operations – *allowed limit: 20% of assets, limit that may be increased up to 30%, with FSA approval, under the conditions set by FSA regulations-* not the case

l) 1. **Granting** cash loans, participation/subscription to syndicated loans in favour of a third party, - *only for entities from the group EVERGENT Investments is part of, setup as investment company- allowed limit: 10% of assets - not the case;*

l) 2. Credit portfolios issued by other financial or non-financial entities, purchased directly, in full or in part – *only in the case of investments in financial instruments issued by internationally recognized financial institutions, credit institution or financial non-banking institutions authorized by B.N.R. or other central banks from a member state or third party states- not the case.*

m) Securities, instruments of monetary market not allowed for trading in a trading location or stock exchange from a third state, *with the exception of state titles and bonds issued by the Ministry of Public Finance, as well as holdings acquired by that particular FIAIR through the law, in whose case no holding limit is allowed – allowed limit: 40% of assets.*

Asset type	Market value of assets category (FSA Reg. no. 7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Shares held in close-type issuers (incl. amounts to collect following the withdrawal from closed-companies)	272,447,239	9.73
Closed bonds	17,220,000	0.61
TOTAL	289,667,239	10.34

Note: new investments in corporate bonds not allowed for trading will be made abiding by the conditions foreseen by art. 44 FSA Regulation no.7/2020; art.44 of FSA Regulation no.7/2020 does not apply in case the corporate bonds not allowed for trading are issued by a company in which EVERGENT Investments holds at least 51% of the share capital.

n) **Shares issued by limited liability companies**, regulated by Companies' Law no. 31/1990 republished with its later amendments and additions – *allowed limit: 20% of assets –not the case.*

o) Greenhouse gas emission certificate as defined by art. 3 letter b) Government's Resolution no. 780/2006 on the setting of the marketing scheme of greenhouse gas emission certificates, – *allowed limit: 10% of assets – not the case.*

Other restrictions applicable to EVERGENT Investments:

- ✓ It cannot make short sales, defined in accordance with the provisions of (EU) Regulation no. 236/2012 of the European Parliament and Council on 14th March 2021 on short selling and certain aspects of credit default swaps, other than for the purpose of risk coverage, namely hedging, in accordance with art.33 line (1) Law no.243/2019.
- ✓ Cannot swap financial instruments for cash or other financial instruments in the portfolio and **does not use free transfers of illiquid assets in its investment portfolio to investors („redemption in kind”), in accordance with art.43, line (2) FSA Regulation no.7/2020.**
- ✓ Cannot invest in money market instruments such as commercial papers, in accordance with art.

35 line (1), letter g) Law no.243/2019.

7.2. Limits regarding the level of EVERGENT Investments' exposure to the issuers' share capital

a) Memorandum of Association of Central Depository, title III, chapter I, Art. 10 (1)
Company shareholders may not hold more than 5% of vote rights, with the exception of market operator, that may hold up to 75% of vote rights with FSA approval.

Issuer name	No. of shares held	Total number of issuer's shares	Holding percentage in the issuer's share capital (%)
Depozitarul Central	7,396,029	252,919,526	2.92

b) Law no. 126/11.06.2018, art. 136 line (5)

No shareholder of a market operator may hold, neither directly or jointly with the persons he/she acts in concerted manner, more than 20% of total vote rights.

Issuer name	No. of shares held	Total number of issuer's shares	Holding percentage in the issuer's share capital (%)
Bursa de Valori Bucuresti	348,256	8,049,246	4.33

c) Banca Transilvania's Memorandum of Association, art.11, item (b)

No shareholder may hold 10% or more of the Bank's share capital, unless:

- (i) they have GMS approval
- (ii) they abide by the formalities requested by the law.

Issuer name	No. of shares held	Total number of issuer's shares	Holding percentage in the issuer's share capital (%)
Banca Transilvania	48,464,842	798,658,233	6.07

7.3. Value of managed assets (Law no. 74/2015, art. 2 line (2)) – on 30.09.2022, the value of assets managed by EVERGENT Investments and reported in compliance with **“EVERGENT Investments' statement of assets and liabilities”**, was 2,800,113,703 lei. Their value in euro is 562,882,182.

EVERGENT Investments policy regarding the use of leverage (according to the Exposure and Leverage Calculation Procedure): *“The maximum level of leverage that EVERGENT Investments can employ is 2 times the total value of the Net Asset (NAV)”*

The value of exposure and level of leverage effect is reported on a monthly basis within the Explanatory Notes of Annex 10 **„Statement of Assets and Liabilities of EVERGENT Investments”** and Annex 11 **„Detailed statement of Investments”** of FSA Regulation no. 7/2020, in accordance with art. 38 line (4) Law no. 243/2019 and quarterly in the Risk Profile section of *Annex IV* to EU Regulation no. 231/2013.

On 30.09.2023 Investments' portfolio includes assets acquired through the use of the leverage effect namely listed shares that were acquired through bank loan, resulting in a leverage ascertained through the gross method of 0.9905 and through the commitment method of 1.0384.

Method type	Leverage level	Exposure level (lei)
Gross method	0.9905 (or 99.05%)	2,476,662,453
Commitment method	1.0384 (or 103.84%)	2,596,207,825

The exposure and leverage effect were calculated based on the *Statement of Assets and Liabilities of EVERGENT Investments* on 30.06.2023 certified by depository BCR SA, with the application of calculation and treatment rules (exclusion, conversion, inclusion) foreseen by art. 7 (gross method) and art. 8 (commitment method) of EU Reg. no. 231/2013.

Between 01.01.2023 and 30.09.2023 there have been no *financing operations through financial instruments (SFT)* and no *total return swap (TRS)* transactions as defined by (EU) Regulation no. 2365/2015.

8. Other risks: regulatory risk, systemic risk, strategic risk, reputational risk, conflict of interest risk, risk related to activities carried out by subsidiaries.

3.4. Crisis Simulations

Stress testing and scenario analysis play an important role in risk management.

EVERGENT Investments prepared the annual crisis simulation for reference date 31st March 2023 in accordance with art. 15 line (3) letter (b) Directive 2011/61/EU and art. 16, line (1), second paragraph of Directive 2011/61/EU corroborated with art.2 FSA Rule no.39/2020.

Results of the crisis simulation in accordance with art. 15 line (3) letter (b) Directive 2011/61/EU:

The simulation of the simultaneous application of extreme shocks to different categories of financial instruments held in the portfolio on 31.03.2023 indicates that they could lead to a decrease by:

- ✓ 17.56 % of total assets and 19.51 % of net asset value (in the historic scenario)
- ✓ 45.54 % of total assets and 50.59 % of net asset value (in the hypothetical scenario)

The results of crisis simulations under normal and exceptional conditions, in accordance with article 16 line (1) second paragraph of Directive 2011/61/UE and art. 2 FSA Rule no. 39/2020: we have run scenarios applying extreme shocks on assets and separately on liabilities of the Fund, as well as combined scenarios, on both assets and liabilities in order to determine the general effect on **the Fund's liquidities. Liquidity crisis simulation reconfirm that the Fund's key elements allow it to remain sufficiently liquid to fulfil its short-term payment obligations under normal and crisis circumstances.**

Crisis simulations will contribute to making the adequate decisions on management level, including decisions related to business strategies. The results of the annual crisis simulations were presented and approved by the Board of Directors in the meeting on 15.05.2023 and will be submitted to FSA along with the used methodology.

4. EVER Share Market

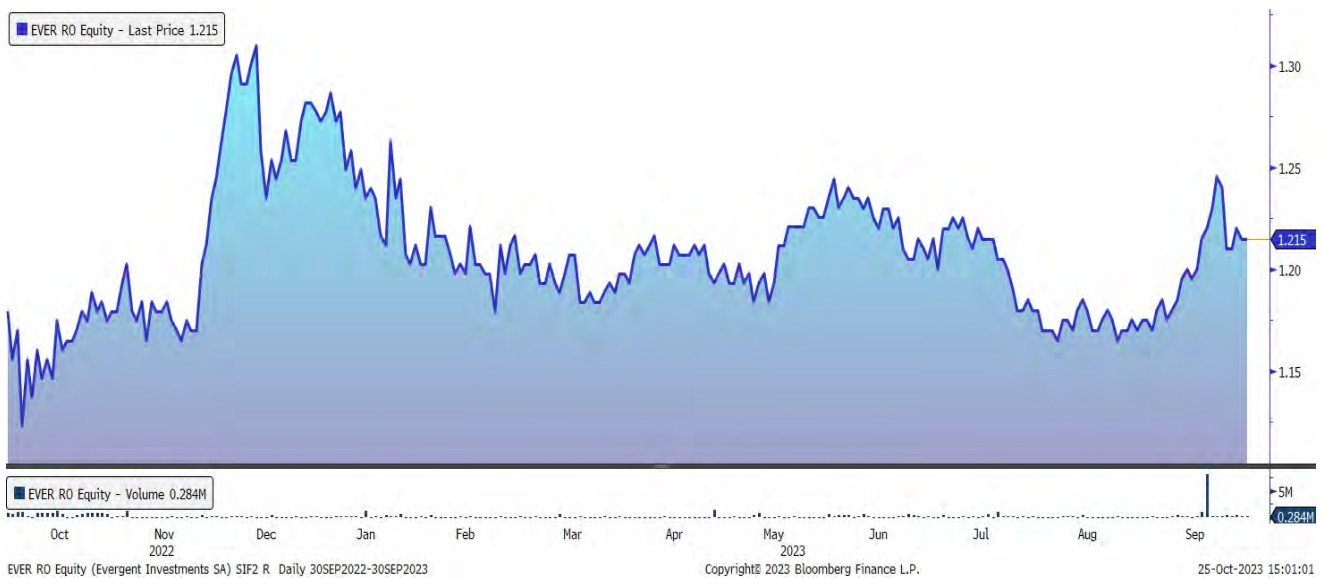
No. of shares:	961,753,592
Nominal value:	0.1 lei
Share capital:	96,175,359.20 lei
Capitalization:	1,168,530,614 lei
30.09.2023	(235 mn euro)

The market on which EVER share is traded:
Bucharest Stock Exchange, *Premium* category,

since 01.11.1999. It is traded under the EVER, symbol since 28th March 2021.

The register of shares and shareholders is kept, in accordance with the law, by Depozitarul Central SA.

EVER share evolution between 30.09.2022 – 30.09.2023



Yields: EVER share, EVER NAVPS, BET-FI

Yields 30.09.2023 (%)	EVER share	BET-FI	VUAN EVER
1 month	3.40	10.14	5.14
3 months	0.83	10.61	11.86
6 months	-5.08	7.55	14.21
12 months	-3.95	14.59	24.30

Note: series of historic prices and NAVPS are taken into consideration for the calculation of yield/risk indicators are adjusted with issuers' corporate events.

Risk Analysis (1Y. daily series): EVER share EVER/BET-FI

Indicator	EVER share	BET-FI
Annualized volatility (%)*	17.10	11.04
Beta**	0.77	1.00

* Volatility (12M) = annualized volatility

** Beta = price sensitivity to market movements

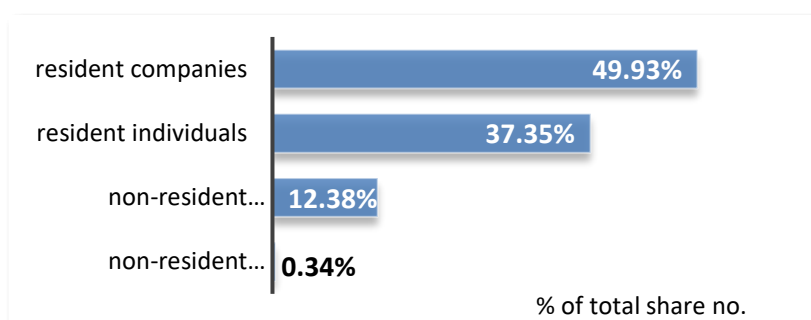
Connected information in
The Corporate
Governance Code of
EVERGENT Investments
Ch.16. Assessment of the
performance of the Company
and EVER Share

4.1. Dividend Policy

Through the optimum mixture between predictable dividend policy and buyback programs, the company returns value to its shareholders, both on the long and on the short term. This aspect is

supported by the dividend distribution rates of recent years, which demonstrate stability of company cash-flows, and indirectly its strong financial position on the market

Shareholding structure - on 30th September 2023 – Number of shareholders: 5,741,062



Dividend payment

Dividend payments on 30.09.2023 lei/share	2020 dividend	2021 dividend	2022 dividend
	0.043	0.065	0.09
Total to pay (lei)	42,012,148	62,052,983	82,695,517
Total paid (lei)	31,516,434	45,883,481	57,625,860
% payment	75.02%	73.94%	69.68%

Dividends related to 2019, not collected by 11th June 2023, in total 14,100,250.05 lei, became out-dated according to the law and according to resolution no. 7 of OGMS AGOA EVERGENT Investments on 27.04.2023.

4.2. Acquisition of Treasury Shares

In accordance with the resolution of the Extraordinary General Meeting of EVERGENT **Investments'** shareholders no. 2/28.04.2022, between 22.12.2022 and 06.01.2023 we have run the public offering for the purchase of treasury shares, for a number of 19,625,000 shares, at a purchase price of 1.41 lei/share, in order to lower the share capital, through share annulment.

The offer was a success from the point of view of the interest shown by investors, the assignment index being 0.0908835825.

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

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

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

b) The 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, managers and directors of the Company, through "stock option plan" type programs (Program 8) and (ii) maximum 10,000,000 shares (1.039% of the registered capital) through public purchase offering, for the purpose of lowering the share capital through share annulment (Program 9).

c) Minimum price per share: the minimum acquisition price will be the BVB price at the time the purchase is made.

d) Maximum price per share: 2 lei.

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

f) Payment of bought-back shares will be from the distributable profit or available reserves of the Company registered on the latest approved annual financial statement, with the exception of legal reserves registered on the 2022 financial statements, according to the provisions of art. 103 index 1 **Companies' Law no. 31/1990**.

- authorizes the Board of Directors and individually its members to adopt all decisions necessary to implement the resolution, including going through all stages and formalities for the implementation of the programs, application of assignment criteria, ascertaining the beneficiaries and number of rights/options to purchase shares, right exercise period, preparation and publication of informative documents according to the law.

The first stage of the buy-back program ended on 11.07.2023.

Main characteristics announced in current report on:

- ✓ Period: 17.05.2023 – 11.07.2023;
- ✓ No. of shares: maximum 1,000,000;
- ✓ Maximum price: 2 lei/share;
- ✓ Purpose: buy-back of treasury shares in order to abide by the legal obligations stemming from **“stock option plan”** type programs;
- ✓ Broker: BT Capital Partners.

The second stage of the buy-back program ended on the 12th of October, 2023

Main characteristics announced in current report on 11.07.2023:

- ✓ Period: 13.07.2023 – 12.10.2023;
- ✓ No. of shares: maximum 3,500,000;
- ✓ Maximum price: 2 lei/share;
- ✓ Purpose: buy-back of treasury shares in order to abide by the legal obligations stemming from **“stock option plan” type programs”**;
- ✓ Broker: BT Capital Partners.

5. Internal Audit

The internal audit function is separate and independent from other functions and activities of EVERGENT Investments SA. The Internal Audit Department is subordinate to the Board of Directors.

FSA notified internal auditors: Virginia Sofian.

Internal audit is an independent activity of objective assurance and counselling, with the purpose of adding **value and improving the company's operations. It helps**

the company fulfil its objectives through a systematic and methodical approach that evaluates and improves the efficiency of the risk management, control and governance processes.

The internal audit activity is carried out by the internal audit department that is subordinated to the Board of Directors and from an administrative point of view it is subordinated to the CEO. Through its position in the organization chart, direct access and activity reporting on the level of the Audit Committee and Board of Directors are insured, as well as the independence required in order to carry out the internal audit activity, for the purpose of the objective evaluation of the efficiency of processes and operations and submission of recommendations for their improvement.

Internal audit is exercised as follows:

- ✓ compliance (regularity) audit – that has the objective of verifying the compliance with applicable laws, regulations, policies and procedures;
- ✓ performance (operational) audit – that has the objective of verifying the quality and adequate nature of systems and procedures, critical analysis of organizational structure, the evaluation of method adequacy, resources and achievement of results in relation to the objectives set;
- ✓ audit of the corporate governance system, that has the objective of evaluating the way in which the management position is exercised in order to reach company objectives.

The internal audit Function:

- ✓ sets, implements and maintains an audit plan for the examination and evaluation of the adequacy and efficiency of internal control systems and mechanisms and procedures of EVERGENT Investments;
- ✓ issues recommendations based on the results of the activities carried out;
- ✓ verifies the abidance by issued recommendations;
- ✓ reports aspects connected to internal audit.

Internal audit activity is carried out in compliance with the International Standards for professional practice of internal audit (IAI), its compliance being supported by the results of the quality assurance and improvement program which includes internal and external assessments.

Once every 5 years the internal audit activity is evaluated by an independent qualified auditor. The last external evaluation was at the end of 2019, and the opinion of the financial auditor was that the internal audit function is in general compliant with IAI standards for the professional practice of internal audit, that is the highest rating offered by IAI and IAI Ethics Code, as well as the approved Charter of the Internal audit, applicable policies, procedures and regulations.

The internal audit activity maintains a multiannual plan that includes, on a time horizon of about 3 years, all activities and processes that can be audited in EVERGENT Investments SA. The internal audit missions included in the Multiannual Plan are defined and selected based on the analysis of risks associated to auditable activities, for the purpose of prioritizing the internal audit missions on the forecast horizon. The internal audit plan is assessed on an annual basis and is in agreement with the objectives of the company.

The internal audit plan and resources necessary are endorsed by the Audit Committee and approved by the Board of Directors. At the same time, significant modifications occurred at a later time are submitted for endorsement and approval. The plan is revised and adapted, if necessary, as an answer to business changes, risks, operations, programs systems and controls of the Company as well as depending on priorities set by the Board of Directors or Management.

For each audit mission a plan is prepared and documented to take the following into consideration:

- objectives of the activity that is revised and means through which it is controlled;

- significant risks related to the activity and means through which the potential impact of the risk is maintained at an acceptable level;
- adequacy and efficiency of management and control systems for activity risks, with reference to the control framework;
- opportunities for the significant improvement of management and control systems of activity risks

The plan of the mission includes objectives of the mission, coverage area, calendar and resource assignment. The objectives of the mission reflect the result of the evaluation of the risk associated to the revised activity. At the same time, on drafting the objectives of the mission the possibility of errors, irregularities, non-compliances and other significant exposures are taken into consideration.

General objectives of internal audit for the reporting period have focused on the assessment of the efficiency of the risk management system and control systems implemented on processes and activities.

Thus, the internal control framework of EVERGENT Investments SA is structured on three levels:

- ✓ Functions that hold and manage risks (operational management) – 1st line. Operational management is responsible for maintaining efficient internal controls and for the execution of daily control procedures;
- ✓ Risk supervision function (risk management function and compliance function) – 2nd line. The risk management function ensures the management and control of risks identified through specific assessment processes and the compliance function ensures the management of compliance risks;
- ✓ the function that ensures an independent examination of the effectiveness of the risk management, control and governance system (internal audit function) – 3rd line. The internal audit function ensures the objective and independent assessment of the risk management system, internal control system and governance and execution processes in order to support the reaching of objectives and issues recommendations to improve the efficiency of these activities.

Activities run by internal audit in the reporting period, based on the internal audit plan targeted:

- ✓ Audit of asset evaluation activity and calculation of net asset value per share (NAVPS);
- ✓ corporate governance audit;
- ✓ **audit of subsidiary Agroitens SA's activity;**
- ✓ **audit of the remuneration policy of the company's leaders (members of the Board of Directors and managers) and staff;**
- ✓ audit of the investment and management activity of Private Equity portfolio – partial run;
- ✓ audit of the activity for the prevention and fight against money laundering and the financing of terrorism – partial run;
- ✓ audit of the activity of EVERLAND SA subsidiary- partial run;
- ✓ follow-up of the progress registered in the implementation of internal audit recommendations, under monitoring;
- ✓ verification of certain compliance aspects, at the request of the Board of Directors or executive managers;
- ✓ participation to the committees/work groups appointed by the Board of Directors or directors for the implementation of certain projects or running certain activities.

Besides the activities presented, other non-audit activities have been run, that include:

- ✓ strategic and annual planning of internal audit activity;
- ✓ internal audit activity reporting;
- ✓ monitoring and reporting on the insurance and improvement program of the quality of internal audit activity;
- ✓ reporting on the implementation status of recommendations submitted by the internal auditor, IT

system auditor and Audit Committee;

- ✓ **extension of the financial auditor's mandate;**
- ✓ Administrative activities.

Adequate measures have been implemented to maintain risks at an acceptable level.

Internal auditors report directly to the Audit Committee and Board of Directors, their ascertainment and proposals regarding the significant improvement of internal controls.

Following the assurance mission run in the reporting period, internal audit has submitted recommendations to improve processes. Based on the conclusions and recommendation submitted by internal audit, executive management of EVERGENT Investments adopted adequate measures for the management of identified risks.

The objectives and purpose of each internal audit mission, opinions/ conclusions of internal auditors, recommendations and measures plan for the implementation of recommendations suggested or applied during the running of the audit mission have been included in internal audit reports that were presented to the Audit Committee and the Board of Directors.

At the same time, internal auditors reported to directors, the Audit Committee and Board of Directors regarding the scope, authority, responsibility and performance of the internal audit activity with respect to its plan and its compliance with the Ethics Code and standards. Reports include significant aspects regarding risks and control, aspects connected to governance and other aspects that require the attention of executive management and/or Board of Directors.

Internal auditors followed the progresses registered by the implementation of recommendations and report to executive management regarding the abidance by the deadlines set for implementation. At the same time, internal auditors followed up the setting of measures by the audited structures for the implementation of recommendations.

There have been no situations when the management decided not to take any measures to reduce the risks considered as unacceptable for the Company.

6. Compliance

The internal control activity has been carried out mainly through permanent control, with a proactive nature, exercised through the constant supervision and monitoring of activities subjected to internal control in order to prevent the occurrence of legal or internal non-compliance, for an efficient

EVERGENT Investments sets up and maintains a permanent and efficient compliance verification function that is independent and has the following responsibilities.

- a) periodically monitors and evaluates the adequacy and efficiency of measures, policies set according to applicable regulations and actions taken to remedy deficiencies regarding **the company's abidance by its obligations**.
- b) regularly monitors and verifies the application of legal provisions applicable to **EVERGENT Investments' activities**, internal regulations and procedures and acts in accordance with its competencies to prevent and suggest measures to remedy any infringement of the laws, regulations in force applicable to the capital market or internal regulations and procedures of EVERGENT Investments by EVERGENT Investments or its staff; follows up the implementation of suggestions and recommendations;
- c) counsels and assists relevant individual responsible for the carrying out of the activities in order for EVERGENT Investments to abide by its obligation based on incidental capital market legislations

increase of the internal control function. The main activities of the Compliance Department for the third quarter of 2023 are specific to EVERGENT Investments as AIFM (permit no.20/23.01.2018), defined by art. 51 Law 74/2015 on alternative investment fund managers and are approved by the Board of Directors within the 2023 Investigations Plan.

With the mention that all objectives set in the investigations plan have been reached, the activity of the compliance officers consisted mainly in the running of the following control actions in compliance to the regulations in force **related to EVERGENT Investments'**

activity, in the tripartite capacity of AIFM, AIF and issuer:

1. Status of compliance with legal norms on:

- ✓ *Alternative Investment Fund Managers*, through the „**Verification of the abidance by the Assessment Policy and Procedure for individuals in the management structure and individuals covering key-positions in EVERGENT Investments SA**”, including the annual verification of the adequacy of the above-mentioned personnel.
- ✓ *Alternative Investment Funds*, through the insertion of the new depositary name and elements of depositary services contracts and contracts for the delivery of custody services and update of certain categories of data and information presented below:
 - a) „*Key Information Document*”
 - alignment to the provisions of the *EU Delegated Regulation no. 2268/2021 amending EU Regulation no. 653/2017 on key information documents relating to insurance-based and structured individual investment products (SIIPs) by laying down regulatory technical standards on the format, content, revision and amendment of key information documents as well as the conditions for the compliance with the requirement to provide such documents, with effect from 1st January 2023*.
 - data update on 31.05.2023 on the synthetic risk indicator and performance scenarios, transposed in the following annexes as well: i) information on the prior performance of the Fund, over the last 10 years; ii) results of the previous performance scenarios.
 - b) „*Rules of EVERGENT Investments SA – Closed-end alternative investment fund for retail investors set-up as an investment company (FIAS)*”
 - Modifications also refer to Section 3.7. *Leverage level calculation method*, to redraft the information on the calculation methods for the exposure and to remove the statement that the Company has no assets acquired through the use of leverage, in line with the current situation regarding the taking out of an investment loan.
 - c) „*Prospectus of the AIFM attracting capital from retail investors – abstract*” – updates regarding:
 - **financial data since the latest reporting, namely 31st March 2023, unaudited.**

- presentation of data on 31st March 2023 regarding the shareholding structure and structure of assets portfolio, taken from the Activity Report of the Board of Directors in Q1.
 - rewording of information on leverage effect regarding the calculation methods for exposure and removal of the statement that the Company does not have assets acquired through the use of leverage effect.
- d) *Issuers of financial instruments*, by verifying, in particular, the convening notice, materials and information presented to shareholders at the OGMS and EGMS on 27.04.2023.
- e) *Information on sustainability in the financial services sector*.

2. Conditions that lay at the base of the **authorization/endorsement of the functioning conditions foreseen by art. 2, 4 and 6-10 Law no. 74/2015** (authorisation of EVERGENT Investments as AIFM – FSA authorization no.20/23.01.2018) **and later amendments** – we continued the process of revising the internal procedural framework, and notified FSA about:

- a) Annual assessment of the adequacy of “Procedures and Policies for asset evaluation and calculation of net asset unit value per share” and communication to investors through Current Report within the legal deadline (28.02.2023) and display on the website of the revised documents:
- (i) “Policies and procedures for the valuation of assets and calculation of net asset unit value per share”.
 - (ii) “Rules and procedures to evaluate the assets of EVERGENT Investments S.A.”.
- The release included the information that the methods for the ascertainment of assets value has not been modified.
- b) „Procedures on organizational structure and administrative and accounting requirements and control and safeguard devices in the field of electronic data processing, as well as appropriate internal control mechanisms”;
- c) Liquidities management policies;
- d) Risk management policy in EVERGENT Investments;
- e) Risk profile of EVERGENT Investments.

Conclusion: *no non-compliances identified*.

3. Prudential rules foreseen by art. 12 Law 74/2015 – *no non-compliances identified*.

4. **Remuneration policies** foreseen by art. 13 Law no. 74/2015

The abidance by the following was verified:

- Remuneration policies of EVERGENT Investments, assignment operations for EVER shares in accordance with the “Share Assignment Plan” for 2022 (CR 05.05.2023/05.05.2023) and granting of EVER share in accordance with the “Share Granting Plan” for 2021 (CR 30.05.2023);
- Remuneration policies on the Group level, including in the balance GMS of subsidiaries.

Conclusion: *no non-compliances identified*.

5. Provisions of art. 14 Law 74/2015 on the identification, prevention, management and monitoring of situations mentioned in art. 30-37 EU Reg. no. 231/2013 generating conflicts of interest – the potential conflict of interest situations, corresponding to the types of conflict of interests identified in the activity of EVERGENT Investments and the EVERGENT Investments Group, were managed according to the rules set.

- The “Policy for the prevention and management of conflicts of interest and personal transactions” and “Procedure for the prevention and management of conflicts of interest”

were revised with the inclusion of certain provisions regarding the individual investment portfolio management contracts managed on a discretionary basis;

- Monitoring of compliance with legal requirements on personal transactions was carried out;
- Verification of compliance with legal requirements on avoidance of conflict of interest and misuse of confidential information has been carried out.

Conclusion: *no conflict was registered.*

6. Provisions of art. 18 Law 74/2015, lines (1), (3) - (9), (11), (12) on **the assessment of AIF assets**- the net monthly asset was endorsed, it also includes the verification of the held assets assessment method.

Conclusion: *no infringements of legal provisions were identified.*

7. Provisions of art. 19 Law 74/2015, on **the delegation of the collective portfolio management activity or risk management** – *not the case.*

8. Provisions of art. 20 of Law 74/2015, lines (1)-(11) regarding the **agreement between the depository and AIFM.**

- EVERGENT Investments notified FSA and informed the investors, through the current report of 28.03.2023, regarding the decision to change the Asset Depository of EVERGENT Investments SA - respectively Banca Comercială Română SA (BCR SA) instead of BRD-Groupe Société Générale SA.
- Through the current report on 19.05.2023, EVERGENT Investments informed investors about the authorization by the Financial Supervisory Authority of Banca Comercială Română as depository of the Company's assets (FSA Authorization no. 74 on 18th May 2023).

9. The **transparency and reporting** obligations foreseen by art. 21 and 23 namely the transparency obligations foreseen under art. 22 Law no. 74/2015.

All mandatory reports and public releases, according to the good practices instituted through the own Corporate Governance Code, have been endorsed by the Compliance Department from the point of view of the abidance by the legal deadline and content of the report; the webpage is constantly updated in the Romanian and English language, once public information is released.

Conclusion: *Full prior verification - no non-compliances identified.*

10. Obligations pertaining to AIFM following **the gaining of control over certain unlisted companies and certain issuers** foreseen by art. 25-29 Law no. 74/2015.

- a) The legal reporting and transparency requirements regarding changes in ownership thresholds have been met;
- b) Information on the activity of the subsidiary were included in the contents of this report, as well as more detailed information in the consolidated activity reports of EVERGENT Investments SA for 2022 and first half of 2023.

Conclusion: Full prior verification - no non-compliances identified.

11. Abidance by EU Regulations (MAD, MAR) on **market abuse** (privileged information, personal transactions).

- a) All persons with access to privileged information were notified of the closed period prior to the announcement of financial results regarding the ban on EVER Share trading, according to the published financial reporting calendar and the ex-post status was checked as per internal procedures. Conclusion: *no non-compliances were identified.*

- b) **BD was submitted and approved the Reports on “The abidance of EVERGENT Investments by legal and internal regulation on the preparation of EGMS and OGMS on 27.04.2023” and the “Abidance of EVERGENT Investments SA by legal and internal regulations regarding the privileged information regimen”.**

Conclusion: *privileged information related to the convening of GMS and presentation of financial statements were properly managed.*

12. The management of complaints regarding EVERGENT Investments activity on the capital market
- An internal control was run regarding the Verification of the abidance of EVERGENT Investments SA by the management method for shareholders' complaints.
 - Reports were made in accordance with FSA Reg. no. 9/2015

13. Abidance by legal and internal provisions for the organization and conducting of:
- Extraordinary and ordinary general meeting of shareholders on 27.04.2023, with the certification of the abidance by these obligations. **BD was submitted Reports on “Abidance of EVERGENT Investments by legal and internal regulation for GMS preparation.”**

Conclusion: *no non-compliances identified.*

14. Verification of the abidance by Norm no. 33/2017 on the organization of the archive activity at entities authorized/certified, regulated and supervised by FSA - on a regular basis, in the endorsement process for certain internal documents/ operations, we also verify the keeping of records and evidence of documents in paper and electronic format.

- a) A regular control was run for the “Verification of the abidance by FSA Norm no. 33/2017 on the organization of archive activities at entities authorized/endorsed, regulated and supervised by FSA”.

Conclusion: *no non-compliances identified.*

15. **Obtaining FSA authorizations/ decisions; FSA Notifications**

- ✓ Authorization by the Financial Supervisory Authority of Banca Comercială Română as depositary of the company's assets - ASF Authorization no. 74 of 18 May 2023. The Compliance Department has endorsed the documentation submitted to the ASF regarding the termination, by agreement of the parties, of the deposit and custody contract concluded with BRD - Groupe Société Générale together with the contracts on deposit and custody services concluded with the Romanian Commercial Bank, approved by the Board of Directors of EVERGENT Investments.

16. Method of abiding by internal procedures – verification of the abidance by internal procedures regarding mainly:

- a) Internal compliance endorsement for investment notes, including cash loan operations contracted in January 2023 (CR on 17.01.2023), work procedure, hob descriptions, from the point of view of the abidance and reflecting of legal provisions and internal regulations;
- b) Compliance endorsement for the running of treasury shares buy-back program in accordance with EGMS Resolution no. 2/27.04.2023 (running period: 1st stage: 17.05-14.07.2023, RC 15.05.2023; 2nd stage 13.07-12.10.2023 RC 11.07.2023)
- c) Reports presented to the Board of Directors on the status of BD and MC resolutions implementation on 31.12.2022 and 31.03.2023;
Starting with internal reports on 30.06.2023, this activity is transferred to another structure.

Conclusion: *no non-compliances were identified following the verifications carried out.*

- 17. Compliance of the investment of managed assets with capital market regulations, internal rules and procedures and Memorandum of Association** – internal compliance visas were issued for investment notes.
Conclusion: no infringement of legal provisions or internal regulations ascertained.
- 18. Abidance by internal procedures regarding “Supervision of the application of international sanctions on the capital market”** –
- Monitoring and notification to FSA, if necessary, if the individuals targeted by the restrictive measures imposed on international level can be found in the shareholding structure of EVERGENT Investments SA or if they have any impact on the activity or on the investment strategy and policy of the Company. No such situation was identified.
 - **Between October 2022 - June 2023 monthly reports were made to the ASF on the non-existence of situations of freezing of funds and economic resources as a result of restrictive measures issued by the European Union against the Russian Federation.**
 - *Monitoring of site asfromania.ro and issue of notification towards the management structure and employees.*
- 16. Verification whether the training of the members of management structure/staff was carried out in accordance with legal provisions and internal policies/procedures of AIFM.**
- **Within the deadline set by ASF Regulation 3/2023, i.e. 30 June, the updated information for the categories of persons specified in the Regulation was uploaded to the ASF Authorisation Portal Platform.**
 - The half-yearly statement on suspended employment contracts has been communicated, in accordance with the provisions of Article 37 (2) of ASF Regulation no. 32/2020 on training, education and professional development on the capital market, as amended and supplemented.
- 19. The briefing of EVERGENT Investments, of the management structure and employees regarding the legal regimen applicable to capital market, including through draft norms under public consultation.**

Staff of the compliance department:

1. **Michaela Pușcaș** – compliance officer, department manager (FSA Reg. no.: PFR13RCCO/04003)
2. **Gabriel Lupașcu** – compliance officer (FSA Reg. n: PFR14RCCO/040020)

The detailed responsibilities of each individual employed in the department are set. In case one of the individuals is missing, his/her attributions and responsibilities are immediately taken over by the other authorized individual

7. Legal assistance, consultancy and legal representation activity

Under the coordination of the Director, who ensures the organisation, guidance and control of internal and inter-departmental activities, the Legal Service has exercised its powers of legal

representation and legal advice, ensuring that the company's rights and obligations are fulfilled on time and in accordance with the law.

7.1. Legal Representation

On the docket of the Legal Department, at the end of the reporting period, there is a total number of 211 files, of which a number of 32 files have been solved and are final. The department made sure that, in all disputes pending before the courts at various procedural stages, the necessary defences were formulated and lodged in good time, and where decisions were not favourable to EVERGENT specific ordinary and extraordinary remedies were exercised (where appropriate).

The statement of litigations is as follows (details in annex 3):

Litigations where EVERGENT Investments is plaintiff:

- ✓ 166 files of which: 146 files are litigations pending in various trial stages (of which 114 files are against AAAS) and 20 files are final.
- ✓ The value of litigations on the docket of courts: 69,648,207.7 lei (claims and insolvency procedure).

Litigations where EVERGENT Investments is respondent:

- ✓ 45 files of which: 33 files are litigations pending in various trial stages, and 12 are final.
- ✓ Litigations that have the object various non-monetary claims.

In line with the business objectives approved at Company level, monitoring statutory events and ensuring the legality of operations in which the Company is involved is an important concern of the Legal Department.

Where breaches of legal rules by portfolio companies were found, actions were brought to annul the decisions of the General Meetings of Shareholders. Derived from the non-compliance with certain obligations, we point out that during September 2023 the Sibiu Court admitted the EVERGENT action against SNGN Romgaz, obliging the latter to pay the amount of 281,373 lei, representing the counter value of the net additional dividends for 2018 and the amount of 97,173.01 lei, representing the legal penalty interest for the period 24.06.2019 - 17.11.2022. At the same time, SNGN was ordered to continue to pay the legal penalty interest for the amount of 281,373 lei, starting from 18.11.2022 and until the date of full compliance with the obligation. The judgment is subject to appeal.

Having a significant weight in the amount of claims EVERGENT has to collect, the Legal Department (LD) pays particular attention to the files in contradiction with AAAS Bucharest. Given the fact that this institution has bank accounts held by creditors, as well as the state of quasi-insolvency publicly declared by the AAAS management, LD has intensified its efforts to identify other possibilities of recovering the debt amounting to approximately 60 million lei. We emphasize that the transaction of datio in solutum of the functional asset of FORTUS Iasi to the patrimony of AAAS was monitored, in which sense the procedures of compulsory execution (notation of injunctions) on the buildings of the mentioned functional asset were started. Following the rejection of the notaries by OCPI Iasi, requests for review of the land register entries were registered, and legal steps related to the case are still being taken.

Defences to hold the Romanian State liable as the direct beneficiary of the sums unlawfully executed by the AAAS continue to be upheld, with a new action for claims being brought against it during the reporting period.

In the third quarter of 2023, EVERGENT obtained favourable solutions in the insolvency proceedings, in particular with regard to the proceedings against the debtor Vastex S.A. Thus, the undersigned's challenges to the report on the grounds for the debtor's entry into insolvency proceedings and the challenges to the preliminary list of creditors were definitively admitted and Castrum Corporation and

First Bank were definitively removed from the list.

7.2. Legal Consultancy

Legal consultancy is an on-going activity of the utmost importance and with a particular weight within the objectives of the Legal Department, this activity being provided both for the company and for the companies of the Group. The consultancy covers the whole area of activity of the Company, with files being prepared in areas such as: investment projects, reviews of legislative proposals, transactions, corporate operations, contracts, general meetings of shareholders.

Thus, speciality opinions were issued for various projects and investments the Company was interested in, work procedures, decisions related to personnel, the reflection in various contracts of the proposals desired by the company in accordance with its legitimate interest.

7.3. Granting the legality endorsement

Legality endorsement is granted by the Coordinating Manager of the Department for all legal documents where the company is a party or directly interested in, making sure that those documents abide by applicable legal limits.

At the end of Q3 2023 we have a number of 209 legality endorsement granted on various legal deeds, such as contracts, addenda, decisions, mandates agreements in all activity areas of the company.

We also highlight the approval of a number of 1490 provisions for the start and/or cease of payments regarding dividend payment to shareholders and approval of the proper correspondence address, depending on the case.

8. Corporate Governance

8.1. Relationship with Investors

In the first nine months of 2023, we have observed and ensured all transparency requirements¹ and transparency, information and reporting obligations, by publishing current² reports and mandatory notifications through press releases and the running of a close correspondence with shareholders. We have provided shareholders with additional information, some of which regular in nature (monthly newsletter), designed in such a way so as to ensure the daily **briefing on the company's activity**.

According to the provisions of "Corporate Governance Code", regular and continuous information was simultaneously released both in the Romanian and English language. An important component of the relationship with shareholders is the direct communication activity: written correspondence (letters, emails) and phone communication.

8.2. Human Resource Management

On the level of the executive special attention is paid to human resources to insure the continuity of professional training programs for the purpose of maintaining the expertise acquired over several years of specialization. Staff working in the following fields was included in the continuous training programs: investment analysis, assets assessment, accounting, audit, risk management, legal, corporate governance. The amount assigned in the reporting period for the professional training and participation to seminars and conferences in the field was 126,572 thousand lei.

The personnel were assessed for the activity carried out in 2022 both from the perspective of performance and from specific knowledge as well.

At the end of the third quarter of 2023 there are 47 employees.

8.3. Involvement Policy

EVERGENT Investments has prepared in 2022 an „Involvement Policy and principles regarding the exercise of rights in companies in EVERGENT Investments SA's portfolio”

The policy is posted on www.evergent.ro, according to the provisions of art. 101 line (2) Law no. 24/2017 on the issuers of financial instruments and market operations, republished.

In the activity report for the year 2022, information was presented regarding the application of the engagement policy within the issuers in the portfolio, according to the provisions of art. 101 par. (1) from Law no. 24/2017.

8.4. IT Safety

In the reporting period, the main objective of the IT activity was ensuring the safety and integrity of **the data stored on the company's servers and lowering of cyber security risks, through:**

1. monitoring the Internet and mail traffic and early identification of cyber-attacks;
2. warning employees about these attacks and offering measures to counter them;
3. adaptation of security policies given the context of remote work;
4. preparation of instructions, use guides for certain remote application and their testing before use;
5. 5. identification of additional risks and management methods in case the staff is allowed to use personal work devices (computer, laptop, phone);
6. optimization of the process for the identification and reporting of cyber safety incidents.

¹ Related information in the Corporate Governance Code of EVERGENT Investments: Ch.1.1. General Meeting of Shareholders and Ch. 8 Shareholders' Rights

² Note - the details regarding each category of reports carried out during the reporting period are presented in the Annex 4.

7. start of the upgrade process based on Oracle data version 19, in order to meet the recommendations of external IT auditor and for the compliance with the requirements of FSA norm 4/2015.

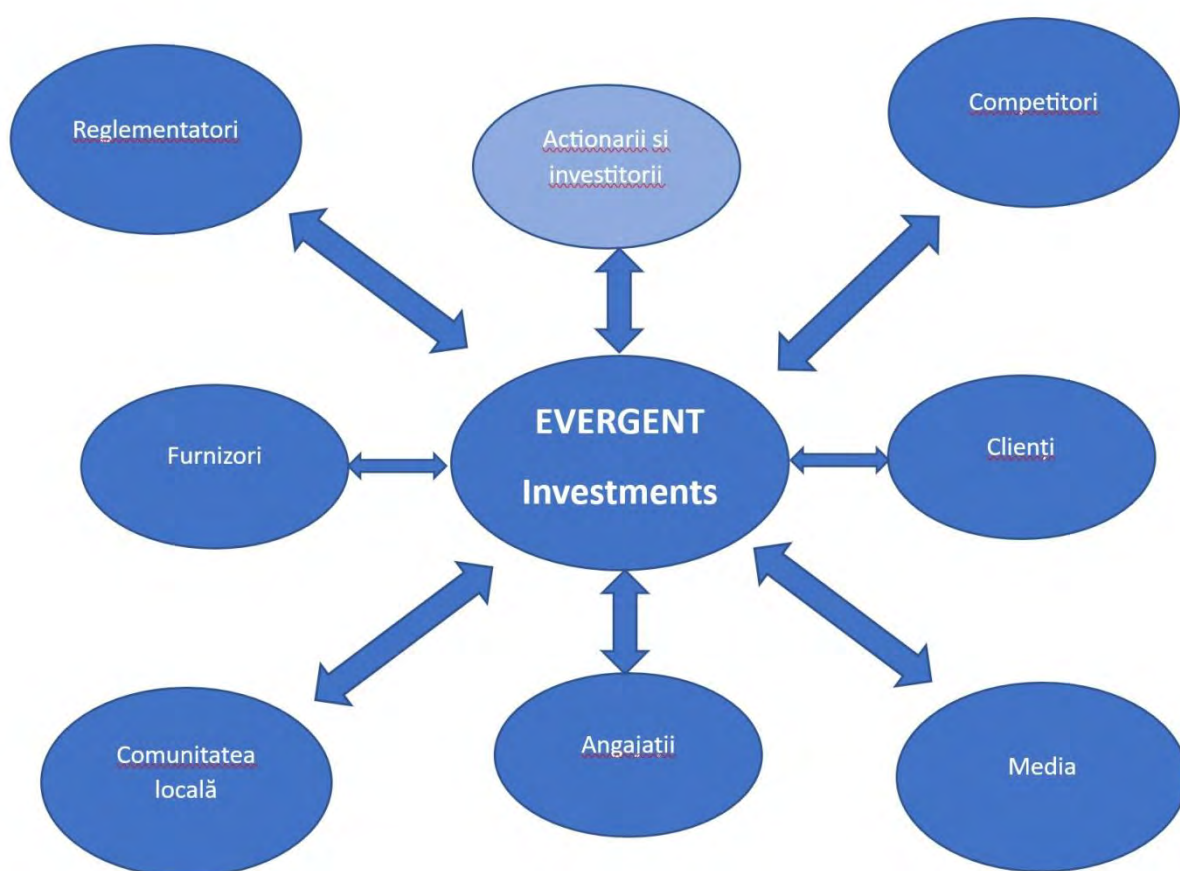


9. EVERGENT Investments' approach regarding environment, social and governance aspects - "ESG"

For EVERGENT Investments generating value means, besides financial performance and yield for its shareholder, a positive impact on the environment and community it carries out its activity in, as well.

By applying its experience and expertise in the field of investments, the company positions itself to contribute to building a sustainable future.

As efforts to mainstream ESG in the investment sector evolve, EVERGENT Investments' approach will continue to develop. The company works closely with all stakeholders to provide transparency to the approach and to adapt it to their needs.



The 2023 ESG policy of EVERGENT Investments Group is posted on www.evergent.ro

Regulatory Framework

EVERGENT Investments, as participant to the financial market falls under the transparency requirements foreseen by regulation (EU) no. 2019/2088 on information regarding sustainability in the financial services sector. EVERGENT has prepared a policy regarding the integration of sustainability risks in the decision-making process and aims to gradually integrate the sustainability decision in investment analysis.

Given this objective, and taking into consideration sustainability risks as relevant risks in accordance with the modifications of (EU) Regulation no. 1255/2021 to amend Regulation (EU) no. 231/2013 concerning risks related to sustainability and sustainability factors that alternative investment funds

should take into consideration, EVERGENT Investments aims to gradually integrate sustainability risks in the investment decision.

The integration of ESG factors into the company's investment strategy and policy can reduce risks and increase profitability.

Environment Component – „**Environmental**”

EVERGENT Investments aims to lead by example and use investment experience to bring about positive changes in the environment. The global transition to zero emissions, according to the Paris Agreement, requires the commitment and collaboration of all sectors.

In the scenarios analysed by the International Energy Agency, energy demand will increase by 2.1% per year until 2040, especially in developed countries. It is estimated that the share of zero-carbon energies will increase from 36% today to 52% by 2040. Romania supports the European Union's environmental objectives aimed at reaching zero carbon emissions by 2050. The decarbonisation target to be reached by 2030, the intermediate stage, has been accelerated from 40% to 55%. This ambitious goal cannot be achieved without the use of all low-carbon energies, especially nuclear energy and gas. Thus, the target assumed by Romania is to reduce CO₂ emissions by 43.9% by 2030 compared to their level in **2005.**”

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

The EVERGENT Investments’ strategy considers investing in projects and economic activities with a significant positive impact on the climate and the environment, which respect social and governance principles depending on their potential for growth and to offer sustainable and higher returns, compared to other investment opportunities from the market.

Which sectors can be targeted by EVERGENT Investments

In this sense, EVERGENT Investments tries to identify the business segments that manufacture or supply goods, products and services that provide environmental solutions. The company believes that the following can be considered in this area:

- agriculture;
- industries producing renewable energy (hydro, photovoltaic) or with low carbon emissions (nuclear energy or produced by modern combined cycle gas turbine power plants, which produce less than half the volume of carbon dioxide (CO₂) compared to coal plants of equivalent size;
- nuclear energy can have a reversible effect on global warming, considering the fact that energy demand is forecast to increase. During the nuclear fuel cycle, nuclear power plants have very low greenhouse gas emissions compared to other sources of energy production.

EVERGENT Investments analyses the possibility to invest in green financial products. The materialization of this intention depends largely on the ability of the local market to provide such investment alternatives.

EVERGENT Investments mainly considers the growth rates of these companies’ profit, and also the sustainability of these profits.

EVERGENT Investments evaluates investments from the point of view of sustainability, according to an internally processed methodology that analyses environmental, social and governance criteria. *Due*

to the experience and diversity of the team of analysts, EVERGENT Investments can have a large coverage of the market depending on the sector and the type of activity, so as to identify the investment opportunities it pursues, aligned with sustainability standards.

The structure of the EVERGENT Investments listed shares portfolio according to ESG principles

On the 30th September 2023, over 50% of the asset portfolio is owned in issuers that integrate ESG factors in the activities carried out. The main issuer is Banca Transilvania, which obtained a very high ESG Risk Rating (15.1) and is classified in the Low Risk category, in terms of ESG initiatives and performances. Thus, the results of the bank are confirmed in areas such as: governance of the supply of products and services; the policy of excluding polluting sectors with regard to the crediting of fossil fuels; the responsible marketing policy and the initiatives implemented for the development of human capital.

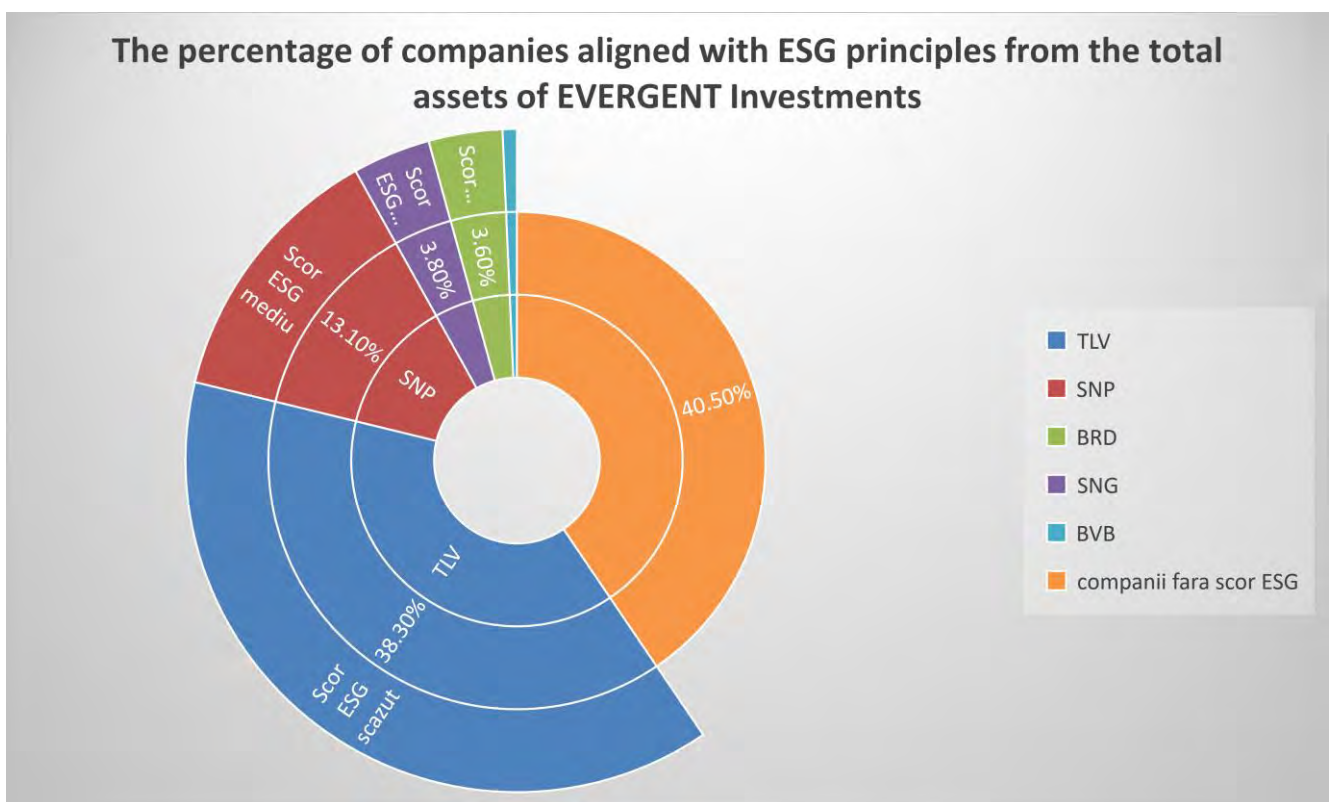
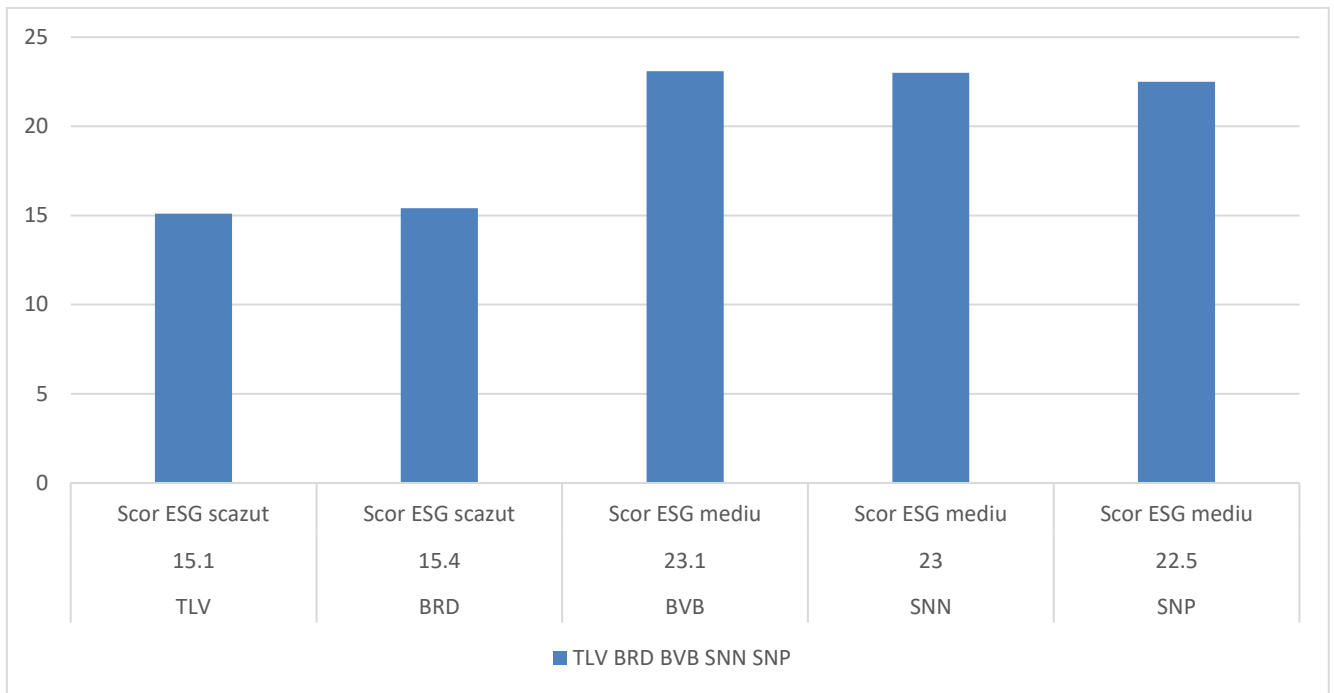


Chart of the ESG scores* obtained by the issuers from the listed portfolio of EVERGENT Investments



* ESG score according to Sustainalytics.

OMV Petrom has set itself the goal of achieving carbon neutrality in its operations by 2050. The company will act in three key areas: decarbonising current operations, expanding its lower carbon natural gas business, and pursuing low and zero carbon business opportunities. The carbon intensity of OMV Petrom's operations is expected to decrease by about 30% and Scope 1-3 emissions intensity is expected to decrease by about 20% by 2030. Targets a reduction in methane emissions intensity to less than 0.2% by 2025, in line with international targets.

To offer customers a range of low-carbon energy options in the long term, OMV Petrom will invest in renewable energy and biofuel production. The company will commission more than 1 GW of renewable energy capacity in Romania by 2030. The company also plans to exceed 15% biofuel of total fuel production in 2030, with 150 thousand tonnes per year of cellulosic ethanol from straw and 450 thousand tonnes per year of sustainable aviation fuel and diesel from renewable sources.

A low-carbon mobility infrastructure will be developed, with more than 500 alternative fuel points. This includes the largest electric vehicle network in OMV Petrom's operating region by 2030, as well as LNG mobility and CNG investments.

In the second half of the decade, the company will step up investments to take advantage of opportunities in carbon capture and storage, as well as hydrogen, which is anticipated to make a significant contribution to decarbonising the country.

As such, OMV Petrom's portfolio will be expanded to include five new low and zero carbon activities, which together will account for approximately 35% of cumulative investment value by 2030 and approximately 15% of EBIT CCA excluding special items in 2030.

During 2022, BRD continued to integrate ESG principles in its activity and launched a full range of green loans: "Green Express" and "Green Habitat", providing sustainable financing worth over 1 billion lei. At the end of 2022, BRD published the first edition of the sustainability report "Building Tomorrow".

From an ESG perspective, the bank aims to provide cumulative sustainable financing of more than €1 billion by 2025.

AEROSTAR S.A. announced the realization of the investment of three million euros, from its own sources, in securing energy by implementing a photovoltaic park in 2022. The company achieved its objective of contributing to increasing sustainability, reducing the effects of global warming and achieving climate neutrality.

Private – Equity Portfolio

EVERGENT Investments has the opportunity to generate a positive impact by being able to influence the behaviour of companies in the private equity portfolio.

The "Atria Urban Resort" project is under construction of 350 apartments, according to Phase III, in accordance with the nZEB energy efficiency standard (near-zero energy consumption), respecting the "eco-friendly" principles and reducing the carbon footprint.

The buildings are equipped with 296 solar panels installed in Phase III and cover a total area of 730 square meters. They have a production capacity of 446.500 kWh/year and the energy produced will be used in the solar domestic hot water system. The panels are flat, with an absorbent surface made of selective aluminium fins, measuring 2.00m x 1.30m.

In addition to the proprietary solar panel system, each apartment is equipped with a central heating system and heat recovery ventilation equipment that further reduces additional energy consumption, as well as exterior wall insulation (15 cm for facades and 25 cm for terraces).

Social Component – “**Social**”

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

The Company believes that a thorough involvement of employees leads to performance and it supports diversity and equity initiatives, constantly promoting a culture of collaboration. EVERGENT Investments continues to improve the working conditions and career plans of the employees. Therefore, sums were allocated through the budget for continuous employee training programs on ESG issues.

EVERGENT Investments offers its employees opportunities to advance and evolve professionally, and in order to keep talented people within the company, it has implemented the "stock option plan" **benefit system**".

The Company acknowledges the positive impact it can have on the community it is part of, either through capital investments or through sponsorships. It aims to create opportunities for communities with insufficient resources. Therefore, he allocated amounts for donations and sponsorships in 2023 to support excellence and performance in education, to support children from disadvantaged backgrounds, for cultural projects or sports competitions, for health and humanitarian needs or crises.

Education

The Company is a strong supporter of education and its excellence.

In order to support performance, access to education or excellence in education, EVERGENT Investments supported the organization of the National Physics Olympiad in Bacau, MBA scholarships, the participation of eminent students in national chess competitions, the projects of the FABIZ faculty within the Academy of Economic Studies, Bucharest.

Health, wellbeing and inclusion

The company is involved in projects that offer financial inclusion and improve the quality of life of disadvantaged people or people with special needs.

Social and humanitarian projects are supported through Casa Sperantei Hospice Foundation, STOP Drug Foundation, through non-profit associations or offered directly to the people in question.

Social Responsibility

Through all its actions, EVERGENT Investments aims to be an integral part of the community, with a

team of professionals with solid principles, whose aim is to generate value for the entire spectrum of stakeholders. The company is involved in social responsibility activities, according to its own Corporate Governance Code, supporting them directly or through specialized foundations or associations.

Its main areas of involvement are: education, health, culture, sport, social.

Education is an essential factor in the sustainable development of society. EVERGENT Investments has strategic partnerships with universities, schools or organizations to support performance in education, creating connections between the local business environment and the national or global academic community. The mission of EVERGENT Investments is to discover talented young people and support them on their way to excellence.

EVERGENT Investments supports the health field on several levels, so that the medical act is provided in conditions aligned with European standards.

EVERGENT supports culture because it wants young people to acquire their Romanian identity, to build their curiosity and critical spirit. Through art and culture, it provides all generations a space for dialogue.

Sport means perseverance, bravery, exceeding limits, team spirit, performance and its continuity. EVERGENT Investments supports both beginners and experienced athletes in achieving their goals.

Communities and companies share the same interests, the positive impact on society contributes to business consolidation. The involvement of EVERGENT Investments in the community it operates in is aimed at sustainable economic development. Creating new jobs and supporting disadvantaged people for their integration into the community are sustainable mechanisms of intervention in society, on the long term.

Corporate Governance Component – **“Governance”**

EVERGENT Investments applies a corporate governance system aligned with the legal provisions applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority, the provisions of the Corporate Governance Code of the Bucharest Stock Exchange, the OECD principles of corporate governance, as well as the best practices in the field. This system represents the set of management responsibilities and practices to provide a strategic direction and a guarantee regarding the achievement of objectives.

The implementations of corporate governance principles, as well as the development of responsible and transparent business practices, represent important milestones of EVERGENT Investments' activity, at the same time ensuring the prerequisites for obtaining an increase in sustainable performance and for harmonizing the interests of all parties involved in the relationship with EVERGENT.

EVERGENT Investments is based on values such as responsibility, innovation, performance, diligence in action and the way employees go beyond their limits to be better. The company's values are well rooted in the organizational culture, being a guide, both on a personal level and in the business strategy. The company's team is made up of talented and persistent people, who share the same values, which have become competitive advantages and generated performance.

10. The Activity of Preventing and Fighting against Money Laundering and Terrorist Financing

Compliance with the legal obligations in the field of preventing and combating money laundering and terrorist financing imposed by Law no. 129/2019 and ASF Regulation no. 13/2019 is one of the main responsibilities of the designated ML/FT persons at EVERGENT Investments level, meaning that the following operations were ensured during the reporting period:

- ✓ continuous training and evaluation of staff, both at company and Group level, so that legal obligations are fully understood and abided by;
- ✓ update of the ML/FT procedure applicable on EVERGENT level starting on 31st August 2023, including up to date legislative modifications;
- ✓ the completion of the revision process for procedures and policies on the level of all subsidiaries so that the documents be aligned to the standards applicable to EVERGENT Investments and allow the company to assess ML/FT on Group level, abiding by applicable legal provisions;
- ✓ participation of appointed and/or responsible individuals to training sessions and/or conferences organized in the field of ML/FT.
- ✓ preparation of specific regular reports imposed by legal and/or procedural provisions, depending on the case.

11. Subsequent Events

I. Completion of the second stage of Program no. 8 for buy-back of shares

Program no. 8 for the buy-back of treasury shares run in accordance with the Resolution no.2 of the Extraordinary General Meeting on 27th April 2023 and Resolution of the Board of Directors no. 1 on 11th July 2023 was completed.

The results of the operations run during this stage, between 13th July 2023 and 12th October 2023, are the following:

- total number of bought-back shares: 3,500,000
- average buy-back price lei/share: 1.1943
- total value in lei of bought-back shares: 4,179,938.88
- Bought-back percentage of the company's share capital: 0.3639
- Purpose of share buy-back: to abide by the legal obligations stemming from „*stock option plan*” type programs, in accordance with the provisions of art. 5 (1), letter c) of (EU) Regulation no. 596/2014
- Broker: BT Capital Partners
- The payment of shares bought-back was made from legal resources in accordance with the provisions of art. 103¹ **Companies' Law no. 31/1990**.

II. Start of the third phase of Program no. 8 for the buy-back of EVER shares

The third stage of Program no. 8 for the buy-back of treasury shares in accordance with Resolution no. 2 of the Extraordinary General Meeting on 27th April 2023 and Resolution of the Board of Directors no. 1 on 16th October 2023 was started.

The characteristics of the third stage are:

- Run period: 16th October 2023 – 31st January 2024;

- Program purpose: abidance by the legal obligations stemming from „*stock option plan*” type programs, in accordance with the provisions of art. 5 (1), letter c) (EU) Regulation no. 596/2014
- The number of shares that can be bought-back: maximum 4.700.000 shares through market operations, representing 0.4886% of share capital;
- Minimum price per share: the BVB price from the time the acquisition is made;
- Maximum price per share: 2.00 lei;
- Daily volume: average liquidity registered in September 2023; average registered in September 2023;
- Broker: BT Capital Partners.

III. Exceeding the 5% threshold of the total vote rights of EVERGENT Investments SA

Through the Current Report on 25th October, the Company notified that it has exceeded the 5% threshold of total treasury shares and vote rights following the acquisition made within the buy-back programs approved through the resolutions of the Extraordinary General Meeting of Shareholders on 28.04.2023 (Program 7) and 27.04.2023 (Program 8),

A suggestion to lower the share capital is to be included on the agenda of the next Extraordinary General Meeting of shareholder following the completion of the buy-back programs approved.

Through these operations we aim to reach an important objective of EVERGENT Investments, the reduction of the discount between net assets and EVER share trading price, so that the price near the assets unit value. Thus, there will be benefits for the shareholders, such as: increase of the liquidity of EVER share and profit per share.

The Activity Report for Q3 2023 of the Board of Directors corresponding to the condensed interim separate financial statements on 30.09.2023, was approved in the BD meeting on 15th November 2023.

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director

Michaela Puşcaş
Compliance Manager

Georgiana Dolgoş
Director