

Hello! The time is 02:00 p.m. so we will begin our conference with the investors.

My name is Cătălin Iancu, I am the Deputy CEO of EVERGENT Investments.

Welcome, once again, to the conference call during which we will present the individual financial results corresponding to the first nine months of this year. I thank you all for your attendance and for your interest!

Next to me is Mrs. Mihaela Moleavin, CFO. Together we will be answering the questions following our presentation.

I will begin by presenting the position and financial performance and the investment strategy, after which our CFO will go into further detail about the net result, which is the Company's main performance indicator.

On the 30th of September 2023, we concluded a new quarter with solid results. The total value of company assets was 2,800 million RON, an increase of 27.7% compared to the 30th of September 2022 and is maintained over the threshold of half a billion euros, all of this being done through a thorough selection of shares and a diversified portfolio construction.

In addition, the net asset value was 2,500 million RON, an increase of 20.9% compared to the 30th of September 2022, and the net asset value per share was 2.7321 RON, increasing by 24.3% compared to the same period of the previous year.

The value which we return to our investors is comprised of several components: allocating dividends and the buy-back programs. On the 28th of June 2023, we started the dividend payment corresponding to the year 2022, valued at 82.7 million RON, representing a very big payout ratio of 70%. We are also very proud that, within the sector we operate in, our company has paid out the biggest dividend yield, 7.41%.

During 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. Therefore, the net result of 136.4 million RON registered on the 30th of September 2023 has increased by 34.5% compared to the same period during the previous year. The net result, as I mentioned, is the Company's performance indicator and it will be further explained by the CFO.

Out of the total value of assets under management, 71.9% represents the listed shares portfolio and 9.7% is the unlisted shares portfolio. In line with the investment strategy, the Company has adjusted the asset portfolio and has continued to pay special attention to the companies in the energy – industrial sector (24.3% of the total value of assets) and financial – banking sector (43.9%).

EVERGENT Investments also continues to develop the Private – Equity portfolio, which is centered on 3 sectors: agribusiness, real-estate, IT. I will go into short detail about these 3 Private Equity sectors.

The “Blueberry Farms” project consists of three farms - Viștea and Mândra in Brașov county, Popești – Rătești in Argeș county, which have a total planted area of 105 ha. Currently, we are ensuring production, processing, and distribution. Our objectives

are the effectiveness of the production of existent cultures, establishing new farms and covering a new segment of consumers. Through purchasing the 50 ha in Bacău county, we wish to reach the bio sector, responding to a new segment of consumers that have an increasing demand, and to ensure development in the sense of a lasting future, a very important matter to be sure.

On the 30th of September 2023, the harvesting operations have concluded and the agricultural work in preparation for next year is underway.

Our second area of interest in Private Equity is real estate.

In real-estate, we have investments in residential and commercial projects, with a great potential for capitalization. We are addressing the middle market segment that shows an increasing demand. I will now go into detail on these projects.

Our constructions are aligned to the nZeb (net zero energy building) standards for energetic efficiency. For example, the ATRIA Urban Resort project, the residential complex from the north-west of Bucharest with 1,400 apartments, is in its third stage of building 350 apartments. Starting with this phase, the construction is in accordance with the energetic efficiency standards, having a low impact on the environment.

The buildings are equipped with 296 solar panels installed during Phase 3 and they cover an area of 730 square meters, with a production capacity of 446,500 kWh/year. The energy produced will be used in the solar system of warm domestic water. The photovoltaic panels are plain, with an absorbent surface.

Along with our own system of solar panels, each apartment is equipped with a central heating system and ventilation equipment with heat recovery that reduces the additional energy consumption even more, as well as the external wall insulation. Thus, we ensure that the apartments built are environmentally friendly, comfortable, and economically efficient. And it is very important to mention that these preoccupations have resulted in distinguishing the ATRIA project with 3 awards in 2023, alongside the 5 obtained in the past 2 years, which represents a new recognition of the entire complex's quality. And I would also like to mention that among the latest awards are the "Residential Buildings", awarded by the Forbes 2023 Gala and the "Residential Development/Renovation 2022-2023", a distinction under the International Property Awards license. These are recognitions that we take great pride in.

Another project is "Veranda Mall", in which we indirectly own 37% through two companies: Professional Imo Partners and Nord S.A. The rentable area is 34,000 square meters. The company currently has underway a photovoltaic system placed on the building that will cover 20-30% of the necessary electrical energy used for the 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 step in the direction of decarbonization and climate change prevention. The decrease of energy consumption and the development of cleaner energy sources are essential in achieving EVERGENT's objectives regarding the climate and coming up with a solution to the external source dependency and the reduction of the carbon footprint.

Veranda Mall's activity has improved constantly and has surpassed the level registered prior to the pandemic.

Regarding our other real-estate preoccupations, for example the EVERLAND Complex from Iași, we have proposed to maximize the project's return. Therefore, we carefully analyze all options that are open to us at this moment.

Also, in Bucharest, we have projects in different stages of obtaining the Zonal Urban Plan, the Detailed Urban Plan, and other authorizations for the following projects:

1. The Intrarea Străulești Project where specific activities are on course to obtain the Detailed Urban Plan, the area already has its Zonal Urban Plan, regarding the development on an area of 16,000 square meters in the north of Bucharest, area that, in our opinion, is set out to be a new financial and premium residential hub.
2. The Piscul Moșului Project, also in north Bucharest, is another project under preparation on a surface of 19,000 square meters, also located in an area with potential.
3. The Spătarul Preda Project, our third project, an area of 11,480 square meters in the semi central part of Bucharest, with an obtained Zonal Urban Plan and good perspectives in the residential segment.

I have the last Private Equity sub-sector left, IT.

The IT sector is of major importance to the Romanian economy, with a contribution of 8.2% to the GDP (Gross Domestic Product) at the end of Q1 2023, according to the National Statistics Institute and, evidently, it could not be left out of our preoccupations and attention. This sector's expectations, like our own, include double-digit growth rates in the coming years, further supported by the National Recovery and Resilience Plan through different components, but the main component is that of digital transformation with a budget allocation of almost 2 billion euros.

Within this sub-sector, we identified a company that we have also invested in, it is called MWARE Solutions. It is an important local player in the IT deep-tech sector. MWARE provides integrated Big Data solutions, artificial intelligence, and digitalization, both for the public sector and the private one, mainly for industries which generate large data volumes like telecommunications, financial – banking, energy, and even agriculture and medical.

MWARE Solutions has developed a complete digitalization bundle that includes, alongside existent Big Connect products, an Enterprise edition database, and a low-code framework for other app developments. It currently represents, and this is an important aspect worth mentioning, a complete and much more competitive alternative to the technological bundles offered by other market players.

MWARE registered, during its third quarter of 2023, a 31.6% turnover increase compared to the same period as last year.

Moving on to the Company's financial performance, I invite our CFO, Mrs. Mihaela Moleavin, to take the floor and then, if you wish, you may ask us questions.

Thank you!

M.M.

Thank you. Hello, everyone.

In the first nine months of 2023 and, especially, during Q3, the Company's financial position has registered a significant increase, mainly driven by the stock quotes appraisal during this time, an aspect that is also shown by the gains from marking the financial assets on the market, reflected both in the P&L and other elements of the comprehensive income.

EVERGENT Investment's performance indicator, the net result, was, as previously mentioned, 136.4 million RON, approximately 1.7 times bigger than the budgeted level for the whole of 2023.

It consists of two components, the first one being the net profit reflected in the profit and loss account, which was 84.5 million RON, level that was determined both by the dividend revenues from the companies in the portfolio, of 88.3 million RON (which also include the special dividends from OMV Petrom and Fondul Proprietatea), and by the gain from the financial assets classified at fair value through profit or loss (FVTPL), in the amount of 27.5 million RON.

The second component, the net gain achieved from the sale of financial assets classified at fair value through other elements of the comprehensive income (FVTOCI), reflected in the reported result was 51.9 million RON, the net gain being mainly achieved from the sale of Romgaz and Nuclearelectrica shares.

Regarding the financial position, EVERGENT Investments' assets under management have increased by 18% on the 30th of September 2023, compared to the end of the previous year, mainly on account of the financial asset appraisal from the portfolios, but also thanks to the use, during the first three months of the year, of the credit facility from BCR for the implementation of the Company's investment programs. The significant increase in the liquidity ratios reflected in the deposits placed with banks was greatly determined by the dividend revenues. The increase in debt was caused both by increasing the debt with the deferred tax corresponding to the reserve from the reevaluation of financial assets at fair value through other elements of the comprehensive income (FVTOCI), reserve that has increased significantly in 2023, and by using the 19.2 million euro credit facility from BCR.

Thank you and we now invite you to ask any questions regarding the aspects that we have presented.

H.M. Hello, my name is Horațiu Mircea and I am an individual investor. I would like to ask if the good results you have achieved, for which I congratulate you, entitle you to hope for or to give us hope for a generous dividend in the next year. Thank you.

C.I. Thank you for your remark and for your congratulations. We have every reason to believe that the very good Q3 results will be maintained so that the premises to continue, and from this our policy to return value to the shareholders will also continue in 2024. This means dividend, buy-back, and share buy-backs. I would like to remind everyone of what I said earlier: we were, in our sector, the company that achieved the greatest dividend yield last year, 7.41%. So, to answer your questions, with such good results we have every premise to return similar value to our shareholders.

Mr. Tancău Tarciziu: I sent an e-mail; I don't know if your colleagues forwarded it.

C.I. They have, we have received it and have some answers prepared.

T.T. It's perfect. Only the questions I sent via e-mail, thank you very much.

C.I. So your first question was:

Recently, EVERGENT has surpassed 5% through own share holdings and has issued a report that a part of these shares will be annulled at the next GMS. Can you, please, go into detail about what the exact number of shares that will be annulled is? In the annulled shares for 2024, will you include the ones from the buyback programs corresponding to the year 2023?

These were the questions, right? On this subject.

T.T. Yes, that was my first one. They are grouped on the subject of buy-backs.

C.I. The answer is that the number – we currently have underway, as publicly expressed, a buy-back program, the number of shares is on a continuous rise so it cannot be determined. This buy-back program is underway. But to answer your question, all GMS resolutions referring to this, that have thus approved such measures will be seen through so that, during the 2024 GMS, in compliance with the shareholder approvals, all these shares will follow through the way approved at that respective GMS. So yes, we will include the ones from the buy-back corresponding to the year 2023 in 2024.

Your second question was:

Several actors on the capital market claim that there is a blockage in this domain, are you confronted by the same things in EVER's real-estate projects?

Notoriously, the current situation on the capital market is not the happiest, nor could it have been different on the background of all the news in the geo-political context and with so many negative macro influences: high interest rates, inflation. So, the current situation has also affected the Atria Urban Resort project by maintaining a reduced demand and a slow rhythm of apartment sales.

But I would like to mention that we're not clearly talking about a blockage in this domain and anyway not in the case of our project – meaning low-rise, parking spaces above ground, large distance between apartment buildings, the energetic efficiency I have previously mentioned - and the management and market strategy

have partially countered the deceleration of the sales. Sure, it is not the same style of sales from 2-3 years ago, but for the actual context it is accessible.

Regarding the other real-estate projects that we are engaged in, they are in different stages of obtaining the urbanistic documents preceding the building activity. We think that the moment the constructions are delivered, the market will be able to absorb them. Still, this is fundamentally the reason for which we are a part of this subsection, Bucharest where we are present, has a fundamental need for new living spaces, priced correctly, built correctly. And our effort is in its document stage, marketing. We very much insist on understanding the specific needs and we want the product to perfectly serve these needs. We are not building in hopes of selling, we consider and hope to have proven that we understand what the consumer wants very well and that we deliver the product in the most effective way possible. This is what I can say about our projects and about how real estate, in general, is now affected by these macro factors.

It was also you that had a question about Veranda Mall, right?

T.T. Yes.

C.I. Ok. You asked, and I quote,

During this year's annual GMS you have stated that you wish to make an exit from the Veranda Mall participation. Have you made any steps in that direction; do you have an update related to this subject?

Yes, we have taken steps, proceedings through real estate agencies, but it is a special market. It is not so easy, but I can confirm that there are preoccupations, we are taking steps back and when we will have concrete details, more than intentions, steps, proceedings, we will certainly inform you.

We are exploring, along with our partners at Veranda, with the Pogonaru family, various options, the right moment, considering the evolution of the international market. We are, after all, talking about real estate market yields evidently correlated to the fixed income yields. We also forecast a compression of these yields that will better prepare for the moment we exit. Yes, it is a preoccupation. Yes, we are taking concrete steps. And yes, we have proceedings in place. These were your three questions.

H.M. I have another question. Mircea here, again. In the investments you are anticipating for the next period, do you prefer to invest in shares or bonds?

C.I. We are looking somewhat differently at investments. First, our strategy is known, we have the allocation target on listed companies, Private Equity, on the sub-sectors we have mentioned, and we are within the limits of this strategy and these allocations, with the sectoral allocations within the sub-portfolios. That is one thing. Secondly, we are a Private Equity fund. To us, investments in fixed income are not the main target. We make them in order to manage cash flow and purely on a temporary basis until we create liquidity buffers for the main investments that are made in listed or unlisted shares. That is how we look at fixed income. We are an equity fund. We do not have long exposures; we are not speaking of long maturities.

This position is held in bank deposits, and this represents over 90% of our available cash. That is how we look at equity vs. fixed income.

If there are no other questions, we will be closing this conference. Are there any more questions at this time?

H.M. Me again, I have a question about SNP. Is the strategy changing in any way? I mean, I know it is complex, you have a huge pack, you cannot make any short-term moves. With the decrease in oil price, how do you see the SNP holding?

C.I. When we build, as you say, a huge position with SNP, we are obviously looking at the lowest multiannual trends. We are not a fund that does in and out trading daily, not even monthly, or quarterly. So, our thought process is on this type of time period. But we intend to maintain the exposure on SNP, considering the superior perspectives of a profitability increase, this being our key approach. We are a fund that is looking at the fundamentals clearly. Therefore, we are keeping in mind the perspectives of profitability increase, this company's ability to generate cash, and a solid balance sheet.

Thanks to the strong cash flow, we think that SNP will maintain the payment of increased dividends for the next 3-4 years, despite the CAPEX they need for the Neptun Deep project. But SNP is a company that is involved in strategic areas, important to our country. They want to associate with the Oltenia Energy Complex for the photovoltaic panel fields. They have expressed interest several times in green energy, they are taking concrete measures in this sense within their company and execute them. They are, as we all know, involved in Neptun Deep.

SNP, OMV themselves that they are a part of, is a company that is seriously engaged and driven towards a transformation. We think that, along this positioning that we agree with, they have the right people that can perform in this sense, they have a solid balance sheet and proven results, in so far as the previous results are a guarantee for the future that qualifies them and that brought them to our attention. So, we believe that the Neptun Deep project will be the major engine of long-term company profitability, knowing it will start in 2027 as they have announced, considering their very good cash position, 14.5 billion RON a few days ago when we last checked, as well as the medium favorable oil price. We think that they have very good perspectives for 2024 so that they convene to hand out that extraordinary dividend. And, in actuality, the company's manager has given indications in this sense. They did not specifically state this, but have said that so long as a series of matters are aligned, like solid cash flow, a solid balance sheet, CAPEX under control, favorable profitability, they will continue to positively surprise the shareholders. That is how we see SNP and this will be our approach for the coming years.

Please, any other questions?

Alright, then. All this being said and considering we have answered all your questions, I thank you for your participation and we will see you soon. All the best!