

Approval of the running of an own shares buyback program (“Program 5”) abiding by applicable legal provisions, with the following main characteristics:

- a) Program purpose: the Company will buyback shares for the purpose of reducing the share capital through share annulment.**
- b) the maximum number of shares that can be bought-back: maximum maximum .625.000 shares (2% of share capital resulting following the reduction, in accordance with item 2 on the agenda).**
- c) minimum price per share: the minimum purchase price shall be the BVB market price at the time the purchase is made.**
- d) Maximum price per share: 2 lei.**
- e) Program duration: maximum 18 months from the date the resolution is published Romania’s Official Journal, Part IV.**
- f) the payment of redeemed shares shall be made from the distributable profit or company’s available resources, registered on the latest approved financial statement, with the exception of legal reserved registered in 2020 financial statements, in accordance with the provisions of Companies’ Law no. 31/1990.**
- g) the purchase of shares shall be made through public offering for the purchase of a maximum number of 19.625.000 shares for capital reduction.**

Authorization of the Board of Directors, and individually of its members to adopt all resolutions necessary to implement the resolution regarding the running of the share redemption program.

A. Presentation of the impact of the buyback Program approved by EGMS on 27.04.2020

The previous redemption program, approved by the Extraordinary General Meeting of Shareholders on 27.04.2020, has been a **success given the interest shown by investors**, run through public offering through which a number of 8.266.125 own shares were redeemed, worth 13.225.800 lei for a price of 1,6 lei/share. Investors’ high interest has led to an assignment index of 0,0328515885 within the offer.

The success of the previous redemption program has led the Board of Directors to present for the approval of the Extraordinary General Meeting of Shareholders a new Redemption Program for the purpose of reducing the share capital.

The effects of the buyback Program approved by EGMS 27.04.2020:

We consider that the benefit generated for EVERGENT Investment’s shareholders through the gain from capitalization exceeds the costs related to the redemption program. The own

shares buyback program has generated benefits both to the shareholders who have sold within the Public Offering (PO) as well as to those who have decided to continue to remain shareholders.

Shareholders who have subscribed to the offer were insured a high price and liquidity. In case of shareholders who have decided not to subscribe to a PO, we think that they have benefited as well as the redemption operation contributed to the support of EVERGENT Investments' share price.

a) buyback of own shares through the public purchase offer for the reduction of share capital

Between March 2nd, 2020 (before the approval of OP by FSA) and March 22nd, 2021 (after the closing of PO), SIF2 share price increased from 1,31 lei to 1,44 lei (+9,9%).

EVERGENT Investments registered treasury shares (redemption of own shares) on the transaction date as an equity deduction (into an equity account, namely account 1091 “Short term own shares”), in accordance with art. 75 FSA Rule no. 39/2015.

Therefore accounting records are the following:

- Own redeemed shares are registered at purchase price in account 1091 “Short term own shares”;
- Trading costs and other costs related to the redemption program are registered in account 1498 “Other losses from equity instruments”, in accordance with art. 75, line 2 FSA Rule no. 39/2015.

Total equity reduction is **13.446.462** lei, of which:

- (a) 13.225.800 lei – the value of redeemed shares (for the purchase price);
- (b) 220.662 lei – trading costs and other legal costs related to the redemption program.

The value of the redemption program, in total **13.446.462** lei, includes the following categories:

Category	Value (lei)
1- Purchase price	13.225.800
2- Trading commission for the purchase of own shares	46.290
3- FSA tax for Public Offering documents (1% of value offer)	132.258
4- Other costs related to the redemption of own shares	42.114

Additional costs represented 1,7 % of the purchase offering value. The nominal value of purchased shares represented 0,84 % of EVERGENT Investments' share capital.

Analysis of indicators, the ratio between the *total purchase price* of the Redemption program and market *capitalization of EVERGENT Investments* at the start of the program.

- (a) *Market capitalization*: Between March 02nd – March 22nd, 2021 we ascertain the increase of the company's market capitalization by 9,9% (SIF2 closing price was 1,31 lei

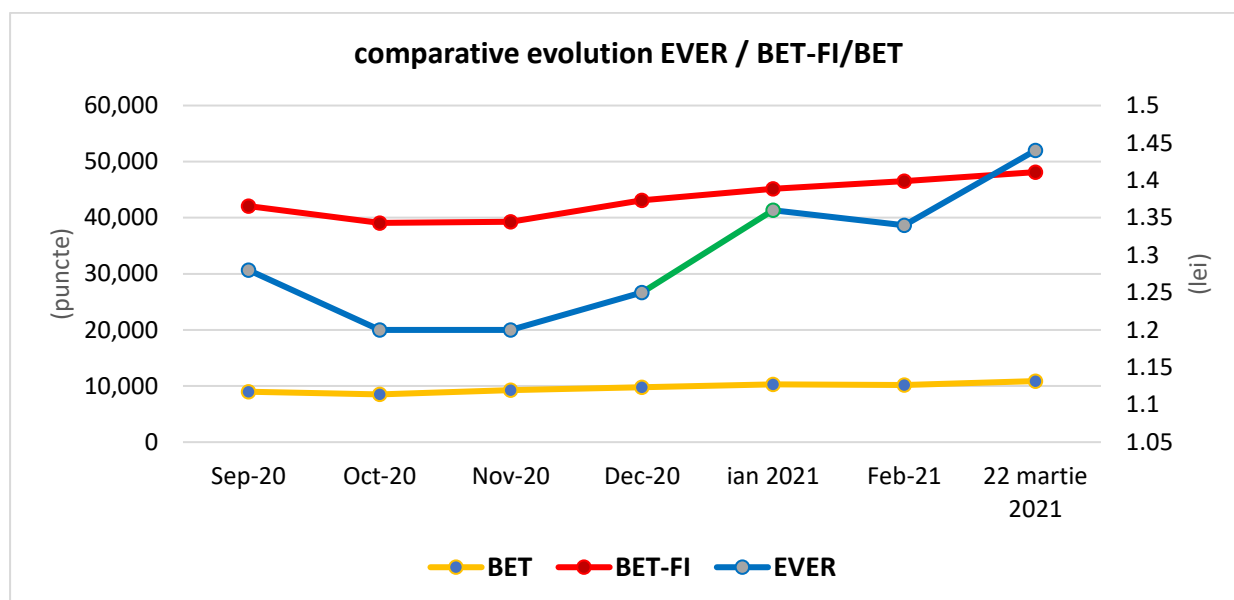
on March 2nd– before the approval of PO by FSA and 1,44 lei on March 22nd, 2021, after the closing of PO), with the reduction by 8.266.125 of the number of tradable shares (from 989.479.176 to 981.213.051).

- (b) *Total purchase price / market capitalization (P/CB) radio*: It is ascertained that even if after the completion of the redemption program the number of shares traded on the market decreased, P/CB radio decreased.

P/CB at the start of the program= 1.02% (13.225.800 lei/1.296.217.720 lei)

P/CB at the end of the program= 0,93% (13.225.800 lei/ 1.412.946.793 lei)

BET/BET-FI/ SIF2/EVER share evolution: Sept 2020 – March 2021



- b) **buyback** of own shares, through market operations, for the running of “stock option plan” type programs for the distribution of shares to the employees, managers and directors of the Company – status on the document draft date

EGMS resolution no. 4/27.04.2020 approved the running of a “Stock option plan” type program for the purpose of assigning the managers, directors and employees of the Company, in order to engage them in the implementation of objectives set and reaching the long-term performance indicators.

Redemption, for the purpose of distribution to the managers, directors and employees of the company, through ”stock option plan” program is made on stages: the first stage was between 12.10.2020 and 04.12.2020, the second between 09.12.2020 and 03.03.2021, and the third is running between 29.03 and 07.05.2021.

In the approved program, in the first two stages, a number of **6.686.171** shares (0.6757 % of share capital) were purchased for an average price of **1,2559** lei, total value 8.397.264 lei.

The value of the “Stock option plan” type redemption program, in total 8.414.059 lei, includes the following categories:

Category	Value (lei)
1-purchase price	8.397.264
2- trading commissions for purchase of own shares	16.795

Additional costs represented 0,2 % of the purchase offer value. The nominal value of purchased shares represented 0,6757 % of EVERGENT Investments’ share capital.

Between 12.10.2020 and 03.03.2021, EVERGENT Investments price increased by 10,3%, while NAV increased by 6,47%, so that the discounted reduced from 37% to 35%.

EVERGENT Investments registered treasury shares (redemption of own shares) on the transaction date as a deduction of equity (in an equity account, namely account 1091 „Short term own shares”), in compliance with art. 75 FSA Rule no. 39/2015.

Accounting records are therefore as follows:

- Own redeemed shares are registered at the purchase price in account 1091 “Short term own shares”;
- Trading costs and other costs related to the redemption program are recorded in account 1498 “Other losses from equity instruments” in accordance with art. 75, line no. 2 FSA Norm no. 39/2015.

Total lowering of equity is 8.414.059 lei, of which:

- (a) 8.397.264 lei – value of redeemed shares (at purchase price);
- (b) 16.795 lei – trading costs

Analysis of indicators ratio between *total purchase price* of the Redemption Program and *SIF2 market capitalization* at the start of the program

(c) *Market capitalization*: between 12.10.2020 and 03.03.2021 (according to the first 2 stages) it is ascertained that the company’s market capitalization increased by 10,3%.

(d) *Total purchase price / market capitalization (P/CB)*: It is ascertained that from the start of the first stage of the redemption program to the end of the second redemption stage, P/CB ratio decreased.

$$P/CB \text{ at the start of the program} = 0,70\% (8.397.332 \text{ lei} / 1.202.217.199 \text{ lei})$$

$$P/CB \text{ at the end of the 2nd stage} = 0,63\% (8.397.332 \text{ lei} / 1.325.902.096 \text{ lei})$$

B. Presentation of the new buyback program presented for the approval of EGMS on 29/30.04.2021

The success of the previous buyback Program that generated a high subscription, so that the assignment index within the Offer was 0,0328515885, led the Board of Directors to submit for the approval of the Extraordinary General Meeting of Shareholders a new Share Redemption Program, under the conditions presented in the Convening Notice and the present Substantiation Note.

Through this new Program, EVERGENT Investments can absorb a limited number of shares

on the market and it is expected that in 2021 the Program contribute to the increase of EVER share demand, with a positive effect on liquidity and the reduction of the discount for which shares are traded.

The Board of Directors presents for EGMS approval a new own share buyback program, with the following main characteristics:

- a) **Program purpose:** The Company will redeem shares for the purpose of decreasing its capital through share annulment.
- b) **Maximum no. of shares** that can be redeemed: maximum 19.625.000 shares (2% of share capital that will result following the reduction, in accordance with item 2 on the agenda).
- c) **Minimum price per share:** the minimum purchase price shall be the BVB market price at the time the purchase is made.
- d) **Maximum price per share:** 2 lei.
- e) **Program duration:** maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV.
- f) **Payment of bought back shares** will be made from the distributable profit or Company's available resources, registered on the latest approved financial statement, with the exception of the provisions of article 103 index 1 Companies' Law no. 31/1990.
- g) **Share purchase** shall be made through the public offering for a maximum number of 19.625.000 shares in order to lower the share capital.

Authorization of the Board of Directors, and individually of its members to adopt all resolutions necessary to implement the resolution regarding the running of the share redemption program.

Objectives of the buyback Program for the purpose of lowering the capital

The operations for the redemption of own shares with the purpose of lowering the share capital might have the following beneficial effects:

- ✓ the lowering of discount between net asset and trading price, increase of the unitary asset, quotation and liquidity of the share on the market, with the effect of increasing profit per share;
- ✓ increasing shareholders' yields based on the possible increase of market quote following program implementation;
- ✓ increasing the capital holding ratio for existent shareholders;
- ✓ shareholders' remuneration.

The redemption operation with the reduction of share capital represents a stage of the discount reduction process that aims to reach the discounts of closed-end-funds that are similar, from the point of view of the organization, to EVERGENT Investments.

Estimation of the total costs of the buyback Program and forecast impact on EVERGENT Investments' equity

buyback for the purpose of reducing the share capital

According to the definition of EU Reg. no. 2016/2067 in accordance with EC no. 1606/2002 of the European Parliament regarding IFRS 9, incremental costs that can be directly assigned to the purchase are “a cost that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.”

From an accounting perspective, EVERGENT Investments registers treasury shares (redemption of own shares) on the transaction date as a deduction from equity (into a reserve account from equity), in accordance with article 75 FSA Rule no. 39/2015.

Own bought back shares are registered at purchase cost, including brokerage commissions and other trading costs.

On the date the shares are annulled, we register only a reassignment between equity accounts without an impact on the profit and loss account and without additionally reducing equity.

At the time shares are annulled there will be a reassignment between equity without an impact on the profit and loss account. The negative difference resulting from the annulment of equity shall be covered, in accordance with legal provisions foreseen in article 75 line (8) FSA Norm ASF 39/2015, from retained earnings (Accounting Account 117) or other equity elements, in accordance with the resolution of the General Meeting of Shareholders.

The Board of Directors monitors this aspect and will analyze if a transfer between equity elements is necessary to cover the negative balance resulted from the annulment of own redeemed shares, based on the relevant audited financial statements.

The total cost of the redemption program described hereinafter will depend on three main factors. These factors are presented in the table below, along with the hypothesis used to estimate possible scenarios regarding the costs generated by the forecast redemption program.

Factors that influence total cost	Hypothesis used to estimate possible cost range
Share purchase price	The share purchase price is between the following interval 29 - 39 mil.lei. The redemption program shall be for a price that will not be lower than BSE price or higher than 2 lei/share.
Trading costs (e.g. brokerage commissions, regulatory commissions) and other costs (e.g. distribution commissions)	The costs estimated in the Public Offering, in all 5 simulated scenarios are similar to those corresponding to OP run in 2021.
Number of shares that are to be redeemed	Maximum no. of shares that are to be redeemed through PO within the program is 19.625.000 shares.

Given all of the above, for the purpose of estimating the number of redeemed shares and the impact on equity, we have simulated 5 scenarios based on a purchase price between 1,5 lei- 2 lei:

Price on 23.03.2021	1.42	1.42	1.42	1.42	1.42
First PO	0.08	0.18	0.28	0.38	0.58
First PO %	6%	13%	20%	27%	41%
Share nominal value	0.1	0.1	0.1	0.1	0.1
PO price (price/share)	1.5	1.6	1.7	1.8	2
Maximum no. of redeemed shares	19,625,000	19,625,000	19,625,000	19,625,000	19,625,000
Purchase price in lei	29,437,500	31,400,000	33,362,500	35,325,000	39,250,000
Trading cost (lei), of which:	438,223	464,717	491,211	517,705	570,692
FSA tax for PO (lei)	294,375	314,000	333,625	353,250	392,500
Commission (lei)	103,031	109,900	116,769	123,638	137,375
Other expenses	40,817	40,817	40,817	40,817	40,817
Total impact on equity, of which:	29,875,723	31,864,717	33,853,711	35,842,705	39,820,692
Impact on reserve (lowering) at the time the shares are annulled	27,913,223	29,902,217	31,891,211	33,880,205	37,858,192
Share capital decrease following the annulment of shares	1,962,500	1,962,500	1,962,500	1,962,500	1,962,500

The payment of redeemed shares shall be made from the distributable profit or Company's available resources, registered on the latest annual financial statement approved, with the exception of legal reserves registered on 2020 financial statements, in compliance with art. 103 index 1 Companies' Law no. 31/1990.

C. Legal provisions

According to the provisions of 103¹ **Companies' Law no. 31/1990**, republished, with the later amendments and additions, the redemption of share may happen under the following conditions:

- „a) the authorization of the purchase of its own shares is granted by the extraordinary general meeting of shareholders that established the conditions to acquire the shares, especially the maximum number of shares which is going to be purchased, the period for which the authorization is drafted and which cannot exceed 18 months as from the date when the resolution was published in the Official Journal of Romania, Part IV, and in case of a purchase for a consideration, the minimum and maximum equivalent value; ;*
- b) the nominal value of the own shares purchased by the company, including those already existing in its portfolio cannot exceed 10% of the subscribed registered capital;*
- c) the transaction can only have as object fully paid shares;*
- d) the payment of the shares thus purchased shall be done only out of distributable profit or of the available reserves of the company, as registered in the latest approved annual financial statement, except for legal reserves”.*

According to art. 104 line (1) letter a) Companies' Law no. 31/1990, republished with its later amendments and additions, the restrictions foreseen by article 103¹ do not apply in case of shares purchased for capital reduction purposes.

In accordance with the provisions of art. 105 Law no. 31/1990 shares purchased by the company do not bear dividend right while held by the company. According to the same article, the vote right conferred by the shares purchased by the company will be suspended as long as these are held by the company.

Transactions within the buyback Program shall be made abiding by the legal provisions defined by:

- ✓ (EU) Regulation no. 596/2014 of the European Parliament and Council regarding market abuse
- ✓ Commission Delegated Regulation (UE) 2016/1052 supplementing Regulation (EU) no. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures
- ✓ Law no. 24/ 2017 on the issuers of financial instruments and market operations and FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations.

The main characteristics of the Public Offering for redemption made in the market with the purpose of reducing share capital: in accordance with article 58, Reg. 5/2018:

”(1) the price in public offerings is at least equal to the highest price between: a) the highest price paid by the tenderer or individuals he acts in a concentrated manner with in the 12 months' period before the date when the offer documentation is submitted to FSA; b) weighted average trading price corresponding to the last 12 months before the date the offer documentation is submitted to F.S.A”

Draft resolution

Approves the running of an own share buyback program (“Program 5”) abiding by the applicable legal provisions, with the following main characteristics:

- a) **Program purpose:** The Company will redeem shares for the purpose of decreasing its capital through share annulment.
- b) **Maximum no. of shares** that can be redeemed: maximum 19.625.000 shares (2% of share capital that will result following the reduction, in accordance with item 2 on the agenda).
- c) **Minimum price per share:** the minimum purchase price shall be the BVB market price at the time the purchase is made.
- d) **Maximum price per share:** 2 lei.
- e) **Program duration:** maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV.

3. Buyback Program– EGMS April 29/30, 2021

- f) **Payment of redeemed shares** will be made from the distributable profit or Company's available resources, registered on the latest approved financial statement, with the exception of the provisions of article 103 index 1 Companies' Law no. 31/1990.
- g) **Share purchase** shall be made through the public offering for a maximum number of 19.625.000 shares in order to lower the share capital.

Authorization of the Board of Directors, and individually of its members to adopt all resolutions necessary to implement the resolution regarding the running of the share redemption program.

President of the Board of Directors
Costel CEOCEA

CEO
Claudiu DOROS

Compliance officer
Michaela PUSCAS