Evergent
INVESTMENTS S.A.

Board of Directors'

REPORT

Separate Financial Statements

2023

ISO 9001

SCS ISO 27001

Claudiu Doroş

CEO and President of the Board of Directors

Evergent INVESTMENTS

Dear shareholders,

In 2023 we had an exceptional year, we achieved a net result of 203.75 million lei, representing an increase of 73% compared to the previous year. Investment performance continued to be at a high level and resulted in a record 2.95 billion lei in assets under management, an increase of 24.7% over the previous year-end, in a volatile environment of global financial markets and geopolitical uncertainties that impacted investors' sentiment.

A significant contribution to these results was generated by the positive evolution of the financial-banking and energy-industrial portfolios, the two pillars of stability and performance included in our active investment strategy. The financial performance of our company is underpinned by a strategic investment approach, carefully constructed and updated annually at EVERGENT Investments Board level, applied to a rigorous and comprehensive system of corporate governance.

We have practiced active management of our resources, both sectorally and within specialised portfolios, by persistently following the financial planning, investment and risk procedures specific to a regulated and supervised fund. We have continuously analysed the national market and the companies we invest in, in a global context, to optimise the weightings of each exposure within the portfolios and extract returns in volatile conditions. At the same time, we have ensured a level of liquidity for opportunities offered by certain market circumstances.

We continued to build investor confidence through outstanding and continued performance. Thus: EVERGENT's total return on assets (including dividends paid to shareholders) was 31.85% in 2023, compared to the annual return of the best performing AAF member funds in Romania, and over the last 10 years we have achieved a compound return of 140%.

In the last 15 years we have paid over 1 billion lei in dividends and share buybacks, directly benefiting our shareholders.

The financial performance of recent years and the long-term strategy prove that:

We return value to shareholders on a consistent and predictable basis

We are boosting the evolution of the company for the benefit of the shareholders

We generate economic growth and value for the entire stakeholder spectrum

We achieved each of our three core objectives: evolution, growth and shareholder remuneration through: allocated dividends of 82.7 million lei and buyback programmes of 38.8 million lei. The dividend yield on the share price was 7.26%, calculated on ex dates.

Company Performance

Evergent INVESTMENTS

Total value of assets under management

2.95 billion lei

an increase by 24.7% compared to 2022

Net asset value

2.66 billion lei

an increase by 20.4% compared to 2022

Net asset value per share

2.9296 lei

an increase by 23% compared to 2022

Net result

203.75 million lei

The net result registered in 2023 is comprised of 124.73 million lei net profit and 79.02 million lei net gain on the sale of financial assets reflected in retained earnings. We have thus exceeded the target approved by shareholders in Budget 2023 by 158%

Value of investment in securities

197.2 million lei

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Portfolio Structure

We are convinced that active management of the EVERGENT Investments portfolio effectively raises capital for our shareholders. Thus, the listed portfolio is constructed through a dynamic allocation, different from the structure of the BVB indices. Therefore, we have the proven our ability to generate alpha.

Reported to the total value of assets under management, the quoted equity portfolio has the largest share of 69.7%, while the share of unquoted equities is 8.9%. The financial-banking sector remains the main sector in the portfolio structure with 45.3% and the energy-industrial sector with 21.5% of the total value of assets.

Investment Strategy

Our investment philosophy translates into continually building on ideas and opportunities. EVERGENT Investments' strategy generates long-term performance through calibrated investment policies on each managed portfolio.

Given that sustainability is of paramount importance, we are committed to integrating ESG principles into our investment analysis, as well as into the company's risk profile and return on assets. By approaching realities and perspectives responsibly and transparently, we protect and multiply the value of the assets managed by the company, for the benefit of shareholders and all stakeholders EVERGENT Investments.

Therefore our main objectives are:

***Increase of investments** in the*

Private equity Portfolio

– especially in agribusiness and real estate.

***Increase of performance** for Financial-Banking and Energy – Industrial Portfolios through their active management. These portfolios are the main income generators and sources for new investments.*

Capitalization of Sell Portfolio, through the sale of the portfolio of shares stemming from the privatization process.

Private equity type investments, the Company's differentiator contribute to the long-term return on assets under management and can compensate for the risk generated by the high volatility of listed securities in the portfolio.

We assign resources following a fundamental analysis process that identifies long-term resilient business models. Consequently, we implement a customised strategy for each individual project. Our goal is to create stronger companies and long-term sustainable value.

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Running and/or Completed Projects

"Blueberry Farm" Project

- with 100% holding through Agrointens SA and EVER Agribio SA (set-up in 2022), the project is about intensive agriculture with high added value. We are leaders in blueberry production with a planted area of 105 ha. Blueberry production is a scalable business. We already have 50 ha of land in preparation at the EVER Agribio farm.

ATRIA URBAN RESORT

Real-estate Project

- with 50% holding through Straulesti Lac Alfa SA, targets the construction in 4 phases 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. Phase 1 building and sale with 160 apartments is completed. Phase 2 includes a number of 398 apartments, was completed in December 2021 and 329 apartments were sold. At present we are currently running the construction of Phase 3 with 350 apartments, according to nZeb energy efficiency standards. This phase will be completed in the 3rd quarter of 2024.

Project

Phase 1 - completed

Phase 2 - completed

Iași Real-estate Project

Located on a 2.55 ha plot of land in Bd. Primăverii, nr 2, the project is a multifunctional residential development with offices and commercial functions, with PUZ approved on 28th February 2022. The project, with a development value of more than 100 million euro, is a major urban conversion project from a former unused industrial area to the newest central urban hub in Iasi. The construction phase has not started due to geopolitical uncertainties in the region.

Project

Town planning indicators of PUZ for M1 area are the following: POT max 45%, CUT max 4 and Rh max S/Ds+P+20E, and for M2 area: POT max 45%, CUT max 2,5 and Rhmax S/Ds +P+16E, 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.

-In "Veranda Mall" Project we have an indirect holding of 37% through Professional Imo Partners SA and Nord SA. The leasable area is approximately 34,000 sqm of commercial galleries. Veranda also has a multiplex cinema with 12 screening rooms. The company has fine-tuned a photovoltaic system located on the building that will cover 20-30% of the electricity used for heating, cooling and lighting the mall. This is part of the strategy to develop clean energy sources and is an important step towards decarbonisation and the fight against climate change. Decreasing energy consumption and developing cleaner energy sources are key to achieving the company's climate targets and addressing its dependence on external sources and reducing its carbon footprint. Veranda's business has steadily improved and surpassed pre-pandemic levels.

A3 Snagov Real Estate Project, full EVERLAND holding

- *an integrated residential project in Snagov area shall be developed on an area of 5ha.*
- *we are currently working on PUZ documentation*

Future Real-Estate Projects in Bucharest

- *99.99% holding through EVER-IMO.*

Through EVER IMO we continue the development of the private-equity portfolio in the residential real-estate sector based on a portfolio of lands. The northern area of Bucharest is growing rapidly and extensively, both in the residential and office segments. EVER Imo aims to develop real-estate projects in this residential hub of great future, as well.

Project
Intrarea Străuleşti

We are currently preparing the urban planning documents for a residential real estate project on a 16,000 sqm plot of land in the north of Bucharest, an area that will be a new premium financial and residential hub.

Project
Piscul Moşului

Another project in preparation on a 19,000 sqm plot of land, located in an area with residential development potential in the North of the Capital. It will go ahead after the PUZ coordinates in the area have been released.

Project
Spătarul Preda

shall be developed on 11.480 sqm land in the semi-central area of Bucharest, with good perspectives in the residential segment.

Thank you, on behalf of EVERGENT Investments' team!

Respectfully yours,

Claudiu Doroş
CEO and president of the Board

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2. Annex 2 – Separate financial statements on 31st December 2023 prepared in accordance with Accounting regulations compliant with the International Financial Reporting Standards (IFRS) applicable to entities authorized, regulated and supervised by FSA in the Financial Instruments and Investments Sector, approved by FSA Rule no. 39/ 2015
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Annual 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: *25th March 2024*
Issuer name: EVERGENT Investments SA
Headquarters: *Pictor Aman Street, no. 94 C, Bacău*
Phone/fax/email: *0234576740 / 0234570062 / office@evergent.ro*
Tax identification code: *2816642*
EUID: *ROONRC J/04/2400/1992*
LEI: *254900Y1O0025N04US14*
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 number: *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 ("the Company" or "EVERGENT Investments") 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.

The purpose of the Company is to manage and increase the value of assets under management.

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

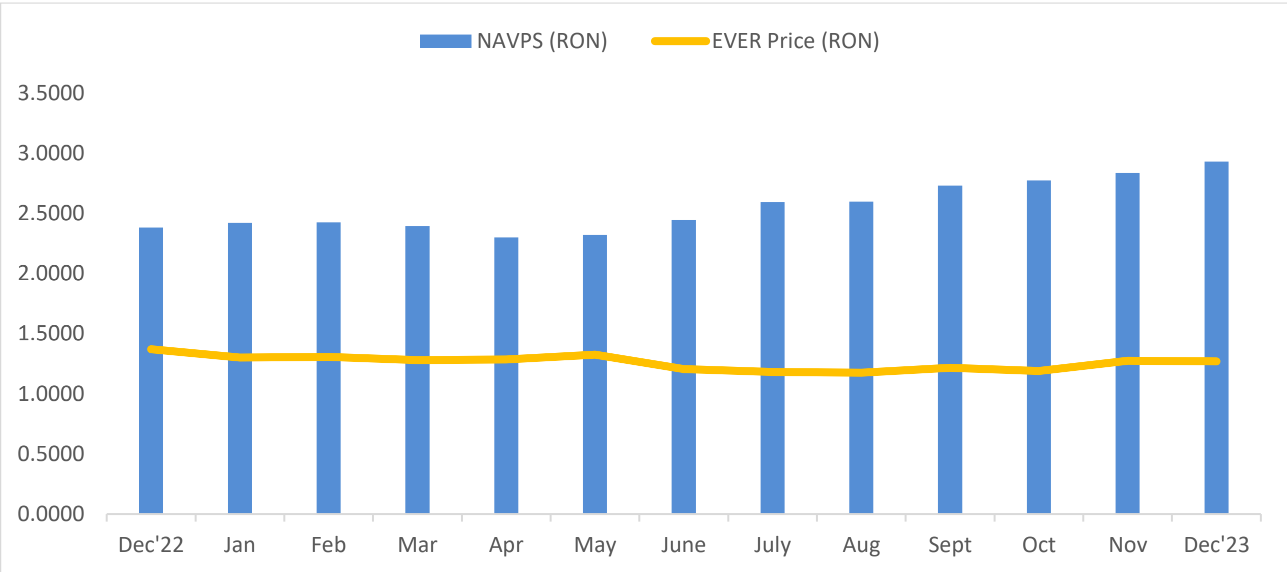
1.1. Performances

Value of assets under management

Indicator	2021	2022	2023	2023/2022 %
Total assets (mil lei)	2,553	2,365	2,949	+24.7
Net asset (mil lei)	2,383	2,215	2,666	+20.4
NAVPS (lei)	2.49	2.38	2.93	+23.0
Market price (lei)	1.22	1.37	1.27	-7.3

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

NAVPS / EVER price

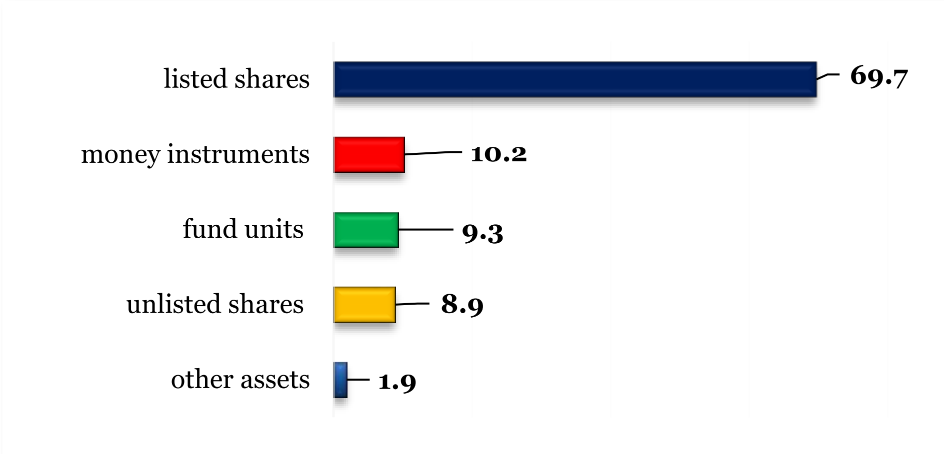


Portfolio structure

Assets structure (% of total assets value)	2021	2022	2023
Shares, of which:	79.1	82.2	78.6
- *listed*	70.2	71.4	69.7
- *unlisted*	8.9	10.8	8.9
Non UCITS +UCITS (fund units)	12.3	11.2	9.3
Monetary instruments (deposits, availabilities)	6.3	4.5	10.2
Other assets	2.3	2.1	1.9

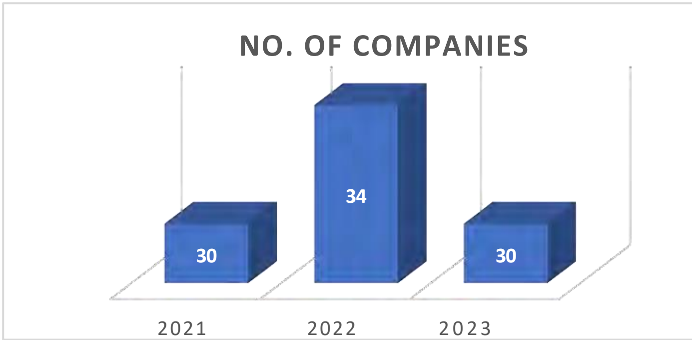
Portfolio structure on 31st December 2023 (% of total assets value)

Objective:
Maintaining the main weight in shares, 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.

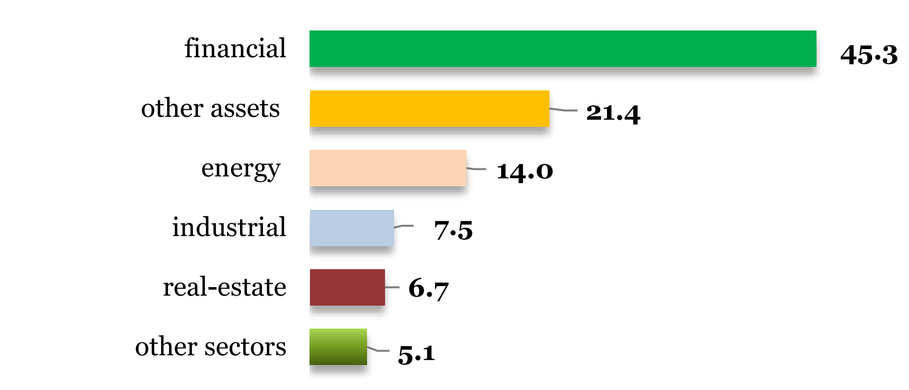


Sectorial exposure

Sectorial exposure (% of total assets value)	2021	2022	2023
Financial	44.8	42.2	45.3
Energy	13.2	17.3	14.0
Industrial	8.8	8.7	7.5
Real-estate	6.6	7.6	6.7
Other sectors	5.7	6.4	5.1

Sectorial exposure – 31st December 2023 (% of total assets value)

Objective:
Optimization of the financial-banking and energy-industrial sectors as stability pillars of the portfolio



Top companies/holdings in the portfolio – 31st December 2023

TOP COMPANIES IN THE PORTFOLIO	% holding of the issuer's share capital	> 1% of total assets value
BANCA TRANSILVANIA	5.99	39,3
OMV PETROM	0.95	11,5
AEROSTAR	15.17	6,9
BRD - GROUPE SOCIETE GENERALE	0.92	3,9
STRĂULEȘTI LAC ALFA	50.00	2,3
PROFESSIONAL IMO PARTNERS	31.42	2,3
ROMGAZ	0.33	2,2
EVERLAND	99.99	1,7
AGROINTENS	99.99	1,5
EVER IMO	99.99	1,5
CASA	99.77	1,2
TRANSILVANIA INVESTMENTS ALLIANCE	4.78	1,1
TOTAL		75,4

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* and *FSA Regulation no. 10/2015 on the management of alternative investment funds,* with its later amendments and additions.

The company annually revises its assets assessment policies and procedures and informs investors about them, according to legal provisions. Thus, through current report on 28th February 2024, we have informed the market about the revision of the policies and procedures for the assessment of assets and the fact that they 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".

By decision of the Board of Directors, it was decided that the equity interests of issuers for which the market is not active should be valued in accordance with the law at fair value as determined by a valuation report prepared in accordance with the international valuation standards in force. The decision is based on the internal analysis carried out by applying IFRS 13 "Fair Value Measurement", which revealed that, for the shares of these companies, valuation by marking to market is not relevant because the market is not active.

Thus, the decision-making was based on internal analyses of the liquidity of shares of issuers listed on the regulated market or on the AeRO market. For each of these, whether or not the respective share market is an active market, the recommendations of IFRS 13 "Fair Value Measurement" on "active market", defined as "a market in which transactions in the asset or debt in question take place at a volume and frequency sufficient to provide price information on a consistent basis", were followed. EVERGENT Investments maintains this assessment method for a period of at least one calendar year.
Issuers' shares, which are valued at fair value determined by valuation report, are presented in a separate category, "listed shares - no active market" in the "Statement of Assets and Liabilities of EVERGENT Investments", Annex 10, prepared in accordance with ASF Regulation no. 7/2020, in the monthly net asset report to the BVB which is also posted on its website.

On 31.12.2023, listed securities for which the analysis has shown that the market is not active and which have therefore been valued at fair value as determined by a valuation report are: Nord SA [NORD], Professional Imo Partners SA [PPLI], Brikston Construction Solution SA [BKS] and Mecanica Ceahlău SA [MECF].
The four issuers have maintained in 2023 the selected valuation method (fair value through valuation report prepared in accordance with international valuation standards).

In summary, the most representative inactive market benchmarks identified for each of the 4 issuers are:

1. *Nord SA* - As regards the liquidity of NORD securities, trading volume was low, only 0.03% of total shares accumulated in the last six months, with price volatility between 10% and 50%.
2. *Professional Imo Partners SA* – the number of transactions in this issuer's shares was very low, ranging from a minimum of 2 transactions to a maximum of 5 transactions per month in the last six months, the volume of transactions was low, only 0.01% of the total shares, with a price volatility above 50%.
3. *Brikston Construction Solution SA* – there were only 36 transactions in BKS shares in the last 6 months, the cumulative half-year trading volume was only 0.26% of total shares, sporadic transactions.
4. *Mecanica Ceahlău SA* – there were only 137 trades in MECF shares in the last 6 months, trading volume was low and declining during 2023, with a price volatility cap of 50%. Cumulatively, over the past 6 months, the average number of shares traded per month was only 0.028% of the total issued.

2023/2022 Comparative evolution within the sector

EVERGENT Investments has the best dividend yield of 7.3% within its sector and ranks second in terms of market capitalization with 1.22 billion lei at the end of 2023.

mil lei	LION	EVER	TRANSI	SIF4	INFINITY
Net asset 31.12.2023	3,982.79	2,665.95	1,718.36	2,277.07	2,792.75
Net asset 31.12.2022	3,238.77	2,214.74	1,358.16	1,854.56	2,105.60
NAV evolution 23/22%	22.97%	20.37%	26.52%	22.78%	32.63%
Liquidities 31.12.2023*	408.81	311.24	60.20	208.35	69.09
Liquidities 31.12.2022*	26.62	105.77	47.17	139.59	15.12
Liquidity evolution 23/22%	1,435.73%	194.26%	27.62%	49.26%	356.94%
Result of the period 31.12.2023	337.25	124.73	228.32	212.97	67.68
Result of the period 31.12.2022	95.47	82.85	63.72	-33.22	164.81
Capitalization 31.12.2023	1,314.45	1,221.43	704.96	1,188.74	950.00
Capitalization 31.12.2022	1,233.25	1,317.60	596.83	941.57	860.00
Capitalization evolution 23/22%	6.58%	-7.30%	18.12%	26.25%	10.47%
NAVPS 31.12.2023	7.8630	2.9296	0.7952	2.9918	5.8795
Price 31.12.2023	2.590	1.270	0.326	1.515	1.900
Price/NAVPS discount 31.12.2023	-67.1%	-56.6%	-59.0%	-49.4%	-67.7%
Price/NAVPS discount 31.12.2022	-61.9%	-42.5%	-56.3%	-50.7%	-61.2%
2022 Dividend	0.000	0.090	0.014	0.000	0.000
DY%	0.00%	7.26%	4.76%	0.00%	0.00%
No. shares	507,510,056	961,753,592	2,162,443,797	784,645,201	500,000,000
Net asset 31.12.2023	3,982.79	2,665.95	1,718.36	2,277.07	2,792.75

*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 on the lines of the multiannual coordinates and 2023 Activity Program, namely:

- ✓ *Increase* for Private-Equity Portfolio- “private equity” type-approach within existent major holdings (real-estate, agriculture, other sectors).
- ✓ *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 stemming from the privatization process.

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.

Context

The fourth quarter of 2023 delivered high returns in the equity markets, with the BVB once again at the top of the rankings.

Although not as good as the third quarter, the fourth quarter of 2023 still brought significant stock market gains for BET-BK and its constituent stocks.

The BET-BK index gained 12.48%, similar to the German DAX (+13.56%) and the US S&P 500 (11.24%), but below the Hungarian BUX (15.56%).

The Polish WIG20 index had the highest quarterly increase, up 35.82%. The worst performers were the Slovak SAX index, down 1.05%, and the Bulgarian SOFIX index, up only 5.6%.

Among the countries with the highest stock market appreciation in 2023 are some Eastern European countries, which were hit the previous year by the outbreak of war in Ukraine. Hungary, Poland, Romania and Bulgaria all recorded significant annual increases.

Index	% Q4 evolution 2023	% 12 months' evolution
BET	7.20	31.78
BET-BK	12.48	35.13
BUX	15.56	50.10
Nasdaq Composite	13.56	43.42
DAX	13.56	24.64
CAC 40	10.27	20.71
PX	7.56	18.93
SAX	-1.05	-3.04
SOFIX	5.6	31.78
S&P 500	11.24	24.23
WIG 20	35.82	46.26

1.2.1. Financial-Banking Portfolio

The financial-banking sector is the main investment pillar of EVERGENT Investments, accounting for 45.3% of total assets at 31st December 2023, up from 42.2% in the same period last year.

Following the shocks induced by the pandemic crisis and the worsening geopolitical situation in the region following the conflict in Ukraine, the macroeconomic environment has been marked by strong inflationary pressures, an accelerating trend of rising market interest rates and increased volatility. At the end of 2023, the global macroeconomic climate improved marginally, due to a moderation of inflationary pressures. The annual inflation rate accelerated its faster-than-expected decline in the first two months of the fourth quarter of 2023, falling to 6.72% in November from 8.83% in

September, under the impact of further significant declines in food and energy price dynamics, as well as the effect of lower fuel prices amid the decline in oil prices.

The banking sector has managed to maintain an adequate financial and prudential position without transmitting or amplifying risks to the real sector. In Romania, the banking system shows good capitalisation and liquidity buffers. The Romanian banking system has prudential indicators of solvency, profitability and balance sheet structure better than the European average, which are placed in the best prudential ranges set by the European Banking Authority (EBA).

BNR statistics indicate a general decline in net interest margins in the banking sector in November 2023, 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. Data from the National Bank of Romania show that non-government credit grew for the seventh consecutive month in November, with the monthly pace accelerating at 0.6% to RON 384.2 billion, a historical high. Loan-to-deposit ratio fell from 69.64% in October to 69.16% in November.
According to BNR, the non-performing loan rate fell for the fourth month in a row in November, at a monthly pace of 0.05 percentage points, to 2.42%. On the other hand, there is a risk of an increase in the domestic NPL ratio in the coming quarters, amid lower annual economic activity dynamics and the upward trend in real financing costs.

BNR quotes the following as the main challenges for banking sector developments in 2024: heightened risk perceptions in international financial markets, the difficult global and European macroeconomic climate (in the context of continuing geopolitical tensions), the critical state of public finances and the domestic electoral context, the prospect of rising non-performing loans (NPLs), continued digital transformation, persistently high regulatory requirements, and climate change and their impact.
Risks to the evolution of the exchange rate of the leu remain high, due to the still significant size of the external imbalance and the uncertainties associated with the fiscal consolidation process, but also due to the narrowing domestic interest rate differential compared to developed countries.

BANCA TRANSILVANIA (TLV) – the largest banking institution in the system, remains the main holding providing stability and growth to the EVERGENT Investments portfolio.

Banca Transilvania is the largest bank in Romania and South-Eastern Europe. As a universal bank, it covers all customer segments and business lines in the financial sector. It ended 2023 with 4 million customers, 6 million cards, 10,000 employees and a 21% market share. The bank is developing state-of-the-art online banking solutions and a strong nationwide branch network.

Banca Transilvania is the strongest Romanian brand, with an elite AAA+ rating according to Brand Finance's Romania 50 2023. With a brand value increasing by 25% in 2023 compared to the previous year, BT reached a value of 494 million euros, 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 maintained a very good ESG Risk Rating of Low Risk during 2023, following Sustainalytics analysis. BT's rating was 15.1 in 2023, compared to 17 in 2022, Low Risk in both years and ranks BT 106th (compared to 133rd in 2022) out of over 1,000 banks analysed globally.

Since 2023, the bank is rated by two international rating agencies, Moody's and Fitch. Capital requirements are increasingly stringent in Romania and the European Union, so the accreditations support BT's efforts to maintain the best possible cost of capital.

EVERGENT Investments has implemented an internal exposure management mechanism, subject to TLV share price fluctuations, so that legal and prudential limits on ownership per issuer (40%), per Group (50%) and in the bank's share capital (10%) are abided by.

The increase in the share price in the market triggered the activation of the internal mechanism at the end of 2023, with marginal sales of the TLV share portfolio held.

Banca Transilvania achieved a net profit of RON 2.49 billion at the end of 2023, up 14% compared to the profit achieved at the end of 2022. At the end of December 2023, ROE exceeded the banking system average of 20.4%, reaching 24.4% on an individual basis, according to the bank's reports.

During 2023, 12.86% bonus shares were distributed to shareholders, as has been the practice in recent years. The bank also distributed dividends from 2022 profits, as well as from other years' reserves, in the total amount of RON 902.5 million, with a gross dividend/share of RON 1.13.

In order to meet the legal requirements for MREL-eligible debt, valid at European level, Banca Transilvania sold bonds amounting to EUR 990 million until August 2023. In November 2023, it completed its first Dublin-listed ESG bond issue with a social and a green component for EUR 500 million with an interest rate of 7.25%, which was subscribed within hours.

BRD - SOCIETE GENERALE (BRD) – is the third largest bank in Romania, with an established business model oriented towards the retail segment. BRD recorded remarkable financial results at the end of 2023.

The bank has performed very well financially year after year and remains a strong and resilient bank. The business model is moderate risk focused exclusively on the domestic market and diversified lending. The bank aims to grow in a healthy and steady way, supporting the transition of the Romanian economy towards sustainability.
BRD Groupe Société Générale received the "Best Trade Finance Provider" award from the US publication Global Finance in the annual "The World's Best Trade Finance Providers 2024" competition, which recognises the best providers of trade finance products and services in over 100 countries and territories.

In recent years, the bank has distributed 70% of its annual profits as dividends to shareholders.
From the profit made in 2022, the bank approved the distribution of dividends at the AGM on 14 December 2023. Dividends were paid to shareholders on 26th January 2024. The dividend distributed per share was 0.9226 lei/share, corresponding to a payout of 50% of the net profit made and with a dividend yield of 5%. The bank also announced on 08th February 2024 that it will pay shareholders a gross dividend of 1.4070 lei/share, representing a payout of 60% of 2023 profit.

In 2023, the bank granted new loans worth almost 7.7 billion lei, up 13% from the end of 2022, leading to a 13% increase in gross operating income.
Thus, 2023 performance was excellent, and net income marked a robust 24% y/y growth.

BRD's capital position is sound, with a capital adequacy ratio of 21.5% in December 2023 (on an individual basis, with own funds including 40% of the profit for H1 2023, an upfront incorporation already approved by BNR), according to the report published by the bank.
Transilvania Investments Alliance (TRANSI)

Holdings of TRANSI shares represented 1.14% of the total assets of EVERGENT Investments as at 31.12.2023. The Company aims to increase the value of assets under management by maximising aggregate returns and continuing the process of portfolio restructuring, improving portfolio liquidity and promoting attractive shareholder remuneration instruments. Transilvania Investments aims to maximise the potential offered by the main lines of business, i.e. tourism, real estate, industry and private equity.

BVB

EVERGENT Investments contributes to the development of the Romanian capital market, and the 4.33% ownership, an important position in the BVB shareholding, brings value to our shareholders by supporting BVB projects.

In 2023, the largest initial public offering (IPO) in Europe took place on the Bucharest Stock Exchange: RON 9.3 billion (EUR 1.8 billion) through the listing of 20% of Hidroelectrica.
The total trading value recorded in 2023 on all markets, with all types of financial instruments, exceeded 38 billion lei, up 58% from the previous year.
Average daily liquidity on all types of instruments listed on the Main Market (PP) and the Multilateral Trading Facility (MTF) reached 153 million lei. This represents a 60% increase from 2022, underlining investor confidence in the efficiency and transparency of the capital market.
The Bucharest Stock Exchange (BVB) share price rose 86% in 2023, to 65.6 lei/share, corresponding to a capitalization of 528 million lei (106.2 million euros). During 2023, BVB shares traded between a low of 35.6 lei (3 January 2023) and a high of 73 lei (17 - 19 November 2023).
The main BET index climbed 32% and the BET-TR 40%. The BET-TR index had the best performance in the region in 2023.
A record €5.5 billion was raised through 34 share and bond listings.

The BVB will continue in 2024 the projects launched in recent years, such as the Central Counterparty, the BVB Research Hub portal and the project of ESG analysis coverage of listed companies.

Recalibration of the unit trust portfolio

During 2023, EVERGENT Investments continued to reduce its exposure per fund unit, with holdings in three funds being redeemed. Full redemptions of holdings in the funds were made: FIA Multicapital Invest, FDI STAR Focus and FDI STAR Next.

This provided new liquidity resources to support ongoing investment programmes, with a focus on the financial-banking, energy and private equity sectors. The gradual capitalisation of holdings in fund units, as part of liquidity management, makes an important contribution to meeting the resource requirements for the current investment programmes.

1.2.2. Energy-Industrial Portfolio

The share of the Energy-Industrial portfolio was 20.8% of total assets at 31st December 2023, compared to 24.8% at 31st December 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 respect social and governance principles according to their potential to grow and provide sustainable and possibly higher returns compared to other investment opportunities in the market.

EVERGENT Investments focuses on the growth rates of company profits, but also on the sustainability of these profits. EVERGENT Investments assesses investments for sustainability according to an internally developed methodology that analyses environmental, social and governance criteria. The sustainability assessment of investments is carried out on the basis of publicly available data in the case of listed companies or data obtained from the management of unlisted issuers. The information from the own ESG assessment supports the investment decision and complements the other elements of the analysis, representing an advantage/disadvantage in selecting an investment. EVERGENT Investments is constantly considering the possibility of allocating capital to projects in economic sectors that support the transition to a sustainable, low-carbon economy. We believe that this area can include agriculture and renewable energy industries (hydro, photovoltaic).

OMV PETROM (SNP) - OMV Petrom S.A.'s management proposed a gross basic dividend of 0.0413 lei/share for the financial year 2023, which translates into an annual increase of 10%, at the upper limit of the 5-10% range set out in the dividend policy. It also announced its intention to propose a special dividend in 2024.

Consolidated sales revenue of 38,808 million lei in 2023 decreased by 37% compared to 2022, negatively influenced by lower gas and oil prices and lower volumes of electricity sales, only partially offset by higher volumes of natural gas sales. The operating result in 2023 decreased to RON 7,554 million, compared to RON 12,039 million in 2022, largely due to lower market prices and lower asset availability as a result of planned maintenance activities, mainly at Petrobrazi refinery and Brazi power plant.
In 2023 net profit was 4,030 mil lei compared to 10,301 mil lei in 2022.
The decrease in profitability in 2023 was due to lower contributions from all business segments, mainly as a result of lower refining margins and lower utilization rates due to the overall refinery turnaround in the Refining and Marketing segment, lower prices in the Exploration and Production segment, and lower natural gas margins from both third-party transactions and natural gas transactions from own production in the Gas and Power segment.

Solidarity contributions on refined crude oil in the amount of 1,485 million lei for the year 2022 and in the amount of 1,244 million lei for the year 2023 were recorded in the profit and loss account of the year 2023.

We believe that the Neptun Deep project will keep the company's profitability high in the long term. Under the current regulatory framework, OMV Petrom has the ability to achieve profitability above 2023 in the long term.

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
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).

OMV Petrom announced in its Strategy 2030 its intention to invest more in renewable energy production and to develop a network of electric charging stations. Strategy 2030 foresees investments of €11 billion by 2030, of which €3.7 billion for low-carbon and zero-carbon projects.

We estimate prospects for profit growth in 2024 compared to 2023 on the back of lower taxes and increased refinery and power plant capacity.
Massive investments in green energy will allow the company to maintain high profitability over the long term by offsetting the reduction in oil production.
OMV Petrom has superior cash generation capacity and a strong balance sheet, allowing it to finance these investments and distribute dividends with higher yields.

HIDROELECTRICA (H2O) The company is 100% green energy producer, with the intention to invest only in renewable energy.
Hidroelectrica's dividend policy indicates a minimum payout of 90%, with the possibility of special dividends. Dividends accounted for 131% of net profit in 2019 - 2022.
While H2O will maintain its role as a key player in the generation market, the change in strategy towards a more balanced activity between generation and supply should have a positive medium-term impact on the company's profitability.

Hidroelectrica preliminarily estimates a net profit of 6.3 billion lei for 2023, 42% higher than in 2022. The estimated profit for 2023 represents a new historical record for the company. By contrast, for 2024, the company forecasts a reduction of more than 20% in net profit, compared to the preliminary 2023 figure of 4.83 billion lei. Although the price of electricity is expected to decrease, the company expects to achieve high profits: a net profit of 4.8 billion lei for 2025 and a net profit of 4.7 billion lei for 2026.

The company’s strategy focuses on three objectives:

- Optimizing 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.

- Developing 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) Romgaz preliminarily estimates for 2023 a net profit of 2.8 billion lei compared to 2.5 billion lei in 2022 and forecasts for 2024 a net profit of 2.6 billion lei.

The commissioning of the new Iernut power plant will increase revenues from energy sales, but will also increase operational and CO2 and green certificate costs. In addition, interest costs for the external financing needed to support ongoing operations and investments will increase in 2025-2026.

Romgaz's main revenues, from the sale of gas from domestic production, are estimated for 2024 at 6.96 billion lei, down by more than 10% compared to 2023, due to a 2.5% decrease in quantities delivered and a 7.8% decrease in prices. Last year, Romgaz's production decreased by 3% compared to 2022.

Revenues from the sale of electricity are forecast to decrease by almost 35% to 265.13 million lei for 2024, as the company expects to shut down the old Iernut power plant in September 2024 for commissioning work on the new plant, scheduled to be completed by the end of 2024.

Romgaz proposes an investment budget of 4,733 million lei for 2024, of which 70% (3,293 million lei) will be financing granted to the subsidiary Romgaz Black Sea Ltd., which owns 50% of the Neptun Deep project.

Although Romgaz's balance sheet is not as strong as OMV Petrom's, the company could remain a generous dividend payer with a dividend payout ratio of 50%.

NUCLEARELECTRICA (SNN) The draft income and expenditure budget for 2024 foresees a gross profit of 1,509.7 million lei, down 47% compared to the preliminary 2023 and a net profit of 1,272 million lei, down 47.8% compared to the preliminary 2023.

The results are obtained on the basis of total revenues of 4,661.6 million lei, down 41.7%, and total expenditure of 3,151.9 mil. lei, a decrease by 38.8%.

Total revenues were estimated at 4,661.6 million lei, down 41.7% compared to the preliminary 2023, of which operating revenues 4,434.2 thousand lei (-41.5%) and financial revenues 227.4 million lei (-44.9%). Operating revenues of 4,434.2 million lei include revenues from sold production in the amount of 4,324 million lei (-41.8%), of which revenues from the sale of products representing electricity and heat in the amount of 4,316.3 million lei (-41.9%).
The draft revenue and expenditure budget provides for the sale in 2024 of a total of 10 453 GWh of electricity at an average selling price of 416.10 lei/MWh.

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 the Ministry of National Defence 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.

Net profit was 93 million lei as at 31.12.2023, up 3.1%. In 2023, the manufacturing of aviation products maintained the upward trend, due to the partial recovery of international air travel traffic and as a result of the resumption of orders for new aircraft.

As of 31.12.2023, Aerostar achieved a turnover of 506.3 million lei, an increase of 8.4% compared to the same period last year, due to an 11.7% increase in sales from the manufacture of aviation products and a 16.5% increase in maintenance services for commercial aircraft The company sold products and services of 95.4 million lei on the domestic market and 410.9 million lei on the foreign market.

Approximately 81% of turnover is export sales. Aerostar's customers are located in Europe, Asia, Africa, USA and Canada. Compared to the same period last year, the percentage of export sales is increasing in Europe (+32%), where it offers maintenance services for civil aviation, aviation products (landing gear systems, mechanical parts, assemblies and sub-assemblies), electronic equipment and ground equipment.

The American company Lockheed Martin, in partnership with Aerostar S.A., announced in January 2024 that they have opened a Black Hawk helicopter maintenance centre in Bacau, Romania.
The maintenance centre - the first in Europe - will help create and sustain highly skilled jobs in Romania and ensure increased availability and lower operational costs for the S-70 Black Hawk helicopters operated by the Ministry of Interior.

1.2.3. Private equity Portfolio. EVERGENT Investments Group

On 31st December 2023, the assets of the 8 subsidiaries of EVERGENT Investments registered a value of 197.6 million de lei, representing 6.70% of EVERGENT Investments' total assets.

Members of EVERGENT Investments Group:

No	Subsiriary name	EVERGENT Investments' holding - parent compay %	Weight of total assets % 31.12.2023	Company type (closed/ listed)	Activity
1	EVERLAND SA Bacău	100.00	1.73	Unlisted	Real estate
2	EVER-IMO SA București	100.00	1.47	Unlisted	
3	CASA SA Bacău	99.77	1.16	Unlisted	
4	REGAL SA Galați	93.89	0.24	Unlisted	
5	MECANICA CEAHLĂU SA Piatra Neamț	73.30	0.51	BVB–REGS (MECF)	Agriculture
6	AGROINTENS SA București	100.00	1.50	Unlisted	
7	EVER Agribio SA Săucești, Bacău	100.00	0.09	Unlisted	
8	VISIONALFA Investments SA Bacău	100.00	0.00	Unlisted	Financial services (temporary cease of activity)
	Total		6.70		

In line with its *Investment Strategy and Policy*, EVERGENT Investments has a strategy of a mixed allocation of resources to the capital market, in parallel with the implementation of private equity projects that will provide additional long-term returns.
Private equity investments aim to focus on the real estate and agribusiness sectors where opportunities with medium to long-term growth potential are identified. Complementary opportunistic investments can be made in other areas of particular interest.
Indirect investments in the real estate sector, through a company controlled by EVERGENT Investments, target all segments - residential, office, industrial, commercial, etc. - either through residential development of key properties in the EVERGENT Investments portfolio or through new projects

Rules applied as per 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 policies and procedures, their value being reported monthly

"Private equity" type approach implies an 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 –"Extension of Blueberry Farm" Blueberry farm project (*www.agrointens.ro*)

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

Description: The project object is the set-up and development of blueberry farms. At present the farms in Viștea and Mandra – Brașov county, Popești and Rătești Argeș county are in various development stages. At the end of the reporting period, the planted area was 105 ha.

EVERGENT Investments' investment: 10.1 million euro.

Corporate events:

- ✓ OGMS on 05.04.2023 approved:
  2022 financial statement accompanied by the report of the independent financial auditor; discharge of office, performance indicators.

- ✓ EGMS on 06.04.2023 approved:
  Increase the share capital of AGROINTENS SA by the amount of 1,750,000 lei (the equivalent of 350,000 euro at a rate of 5 lei/euro) to finance the investment "Expansion of the AFINE farm investment", according to the financial projections approved in the EGMS/22.12.2022.

- ✓ EGMS on 21.04.2023 approved:
  1. Revocation of Decision No 3 on items 7 and 8 of the Convening Notice EGMS/05(06).04.2023 on the guarantees corresponding to the credit facility, based on the revised credit offer document of the bank on the guarantee segment.
  2. Approval of the guarantees corresponding to the credit facility approved by the EGMS of 06.04.2023, which ordered the "Approval of the contracting of the credit facility for investment credit, in the amount of 1,500,000 lei", according to the supporting materials presented at the EGMS.

- ✓ OGMS ON 17.07.2023 approved:
  Election of the Board of Directors up to 31.10.2023.

- ✓ EGMS on 18.07.2023 approved:
  1. Updated financial projections July 2023 and revision of the related indicators of the project "Blueberry Farm Investment Extension", including the change of the IRR value from 15.7% to 14.3% according to the technical milestones in the background materials of the EGMS agenda items.

2. Increase of share capital of AGROINTENS SA with a maximum amount of 2,000,000 lei (equivalent to 400,000 euro at an exchange rate of 5 lei/euro) for finance the investment "Extension of Blueberry Farm" to be carried out in stages and subject to the following principles:
    a. Cash contribution through the exclusive contribution of the majority shareholder EVERGENT Investments SA in the amount of 1,000,000 lei, with the deadline for subscription and payment within maximum 3 working days from the date of adoption of the EGMS Decision.
    b. Cash contribution by shareholders' contribution, at the company's reasoned request, with the subscription and payment phase to take place by 31st December 2023.
3. Share capital increase with the amount of 1,000,000 lei, with the purpose of financing the first stage of operational and development activities of project "Extension of Blueberry Farm Investment" The share capital is increased from 43,269,120 lei to 44,269,120 lei, through the issue of 100,000 new shares at a nominal value of 10 lei/share, by contribution of shareholder EVERGENT Investments SA.

✓ EGMS on 7.08.2023 approved:
1. the contracting from Banca Transilvania a working capital loan, through the Rural Invest Programme, in the amount of 1,300,000 lei (the sum in words: one million three hundred thousand lei), for an initial period of 36 months, for the company's current expenses, under the credit terms negotiated with the Bank and in compliance with the conditions laid down in GEO No 24/2022 and the implementation procedure and state aid scheme associated with the programme, and the related guarantees.
2. The contracting from Banca Transilvania of a non-recourse export factoring credit facility, with a factoring facility value of EUR 170,000, and related guarantees.

✓ OGMS on 30.10.2023 approved:
The election of a new Board of Directors for a new 4 years' mandate.

✓ EGMS on 28.11.2023 approved:
1. Acknowledgement of the updated financial projections and revision of indicators for the "blueberry farms development". act
2. Increase of share capital with the amount of 2.5 million lei in order to finance the company's activity.

✓ EGMS on 15.12.2023 approved:
Income and expense budget for 2024.

Financial results on 31.12.2023

Indicators – Agrointens (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	27,692	12,753	46
Total expenses	(24,818)	(22,450)	90
Net profit/(loss)	2,874	(9,697)	n/a

The loss registered is in line with the stage of implementation of the financial development model, establishment of the Rătești farm and adverse weather conditions in 2023.

1.2.3.2. EVERLAND SA –Iași Real-estate Project

Premises: The company was set up with the aim of exploiting investment opportunities in the real estate sector in order to create value for shareholders. The company owns assets located in the central area of Iasi, with a significant potential for real estate development in all residential, office and commercial segments:
✓ land held, an area of around 2.55 ha;
✓ administrative building (GF+8) with a built area of 4,000 mp.

Status:
- ✓ PUZ approved by Iasi local council on 28.02.2022
- ✓ The maximum developed built area is 83,000 sqm, the value of the project is estimated at over 100 million euros;

Financial results on 31.12.2023

Indicators – EVERLAND SA (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	120	210	175
Total expenses	(586)	(577)	98
Net profit/(loss)	(465)	(368)	79

The loss was generated by current expenditure to start the building project.

The company owns 100% of the shares of A3 SNAGOV SRL, established in 2021, a company operating in the real estate development sector.

Corporate events:
06.04.2023: OGMS
1. Approval of 2022 financial statements accompanied by the report of the independent financial auditor and annual activity report of the sole associate.
2. Approval that the loss registered in 2022 be recovered from the profits of future years.
3. Approval of the discharge of office of the sole associate for financial year 2022.
4. Approval of the activity program and Income and Expense Budget for financial year 2023.
5. Approval of key performance indicators for the managers of the company for: achieved 2022, proposed for 2023.

1.2.3.3. CASA SA

The company manages own estate property and delivers real-estate management services for real-estate owned by EVERGENT Investments.

Financial Results on 31.12.2023

Indicators– CASA SA (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	6,264	4,514	72
Total expenses	(5,967)	(8,251)	138
Net profit/(loss)	297	(3,737)	n/a

Corporate events:
20.02.2023 – EGMS approved:
Project “Acquisition and refurbishment of Pictor Aman building", financial projections and investment structure, as well as the acquisition of floors 4 to 8.
Increase of the share capital of CASA SA, with cash contribution of the shareholder EVERGENT Investments SA in the amount of 15.3 million lei, without share premium, for the financing of the investment related to the project through the issuance of 6,120,000 shares with a nominal value of 2.5 lei/share.
Update and amendment of the company's Articles of Association in accordance with the new share capital and share holdings.

21.04.2023 – OGMS approved:
The financial statements for the year ended 31st December 2022, accompanied by the opinion of the financial auditor and the report on the activities of the Board of Directors for the year 2022.
2023 Program of Activity and Income and Expense Budget

Award of individual bonus for the year 2022 for company management, performance criteria (KPI) for company management for the year 2023.

29.09.2023 – OGMS approved:
Revocation of a director's mandate as a result of resignation from office as of 01.08.2023.
Election of a new member of the Board of Directors.

1.2.3.4. Mecanica Ceahlău SA
(www.meanicaceahlau.ro)

The company manufactures agricultural equipment for soil tillage and distribution: Steyr tractors, Project herbicide equipment and Stoll front loaders. In 2021, the company introduced irrigation drums to its product portfolio.

Financial results on 31.12.2023

Indicators – Mecanica Ceahlau SA (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	46,300	40,207	87
Total expenses (less income tax)	(43,600)	(43,895)	101
Net profit/(loss)	2,300	(3,903)	n/a

The net result was strongly impacted by the sharp drop in sales of machinery and tractors due to the lack of capital resources of farmers. The difficult situation in which farmers find themselves is due to a combination of factors: climatic conditions of soil drought, grain imports from Ukraine, low grain prices on international markets, accelerated increase in input prices and financing costs.

Corporate events:
20.04.2023 – OGMS approved: Directors' report, financial statements for the financial year 2022, Directors' discharge, work programme, BVC and performance indicators 2023
30.05.2023 – OGMS approved: general remuneration limits for directors and officers of the company, according to Art. 153 index 18 of the Law no. 31/1990 on companies;
Expiry of the dividends for the financial year 2019 established by the AGOA of 22.04.2020, not paid until 13.07.2023 and their recording in the company's accounts in accordance with the applicable regulations.
30.05.2023 - EGMS approved: Ratification of the Decision of the Board of Directors no. 1 of 13.04.2023, at the request of Banca Transilvania, for the extension and increase of the counter-guarantee letter and the contracting of a credit line, representing 16.84% of the total fixed assets of the company, less related receivables and guarantees.
Purchase of a robotic MIG/MAG welding system for a maximum value of EUR 250,000 plus VAT.
To contract a financial loan/leasing for a maximum amount of EUR 200,000 for the financing of the robotic welding system and to grant a mandate to the Managing Director to represent the company with full and unlimited powers in the relationship with the Bank and any other third institutions/persons involved, including before the Notary Public, being authorized to carry out any necessary formalities, to present, negotiate and sign any necessary documents, his signature being fully enforceable against the company.
Submission by the company of an application for funding through the PNRR programme for a photovoltaic system with a maximum capacity of 4.99 MWh.
The cumulative level of guarantees whose total book value is in the amount of 4,768,880 lei representing the cumulative percentage of 21.78% of the total fixed assets of the company, less receivables.
28.12.2023 – OGMS approved: main activity directions and IEB for 2024.

1.2.3.5. REGAL SA

At the reporting date, the company still owns 3 commercial premises plus administrative headquarters.

Financial results on 31.12.2023

Indicators – REGAL (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	4,047	4,223	104
Total expenses (less income tax)	(4,024)	(3,978)	99
Net profit/(loss)	(477)	(249)	n/a

The income obtained during the reporting period corresponds to the reduced number of commercial premises that the company manages, without jeopardizing the continuation of the activity, but with an impact on the profitability of the company. During 2023 the asset "Teren Francezi" was sold.

Corporate events:
11.04.2023 - OGMS approved the directors' report, the financial statements for the financial year, the dividend distribution for the financial year 2022, the discharge of the directors, the work programme, the BVC and the performance indicators 2023.

17.07.2023 – EGMS approved: dissolution of the secondary office, updating and amendment of the articles of association, sale of company assets.

1.2.3.6. EVER IMO SA
Real-estate projects in the North area of Bucharest

The company owns in the northern area of Bucharest, for real estate developments, two plots of land with a total area of 3.5 ha and in the semi-central area a plot of land of 1.1 ha.
Financial results on 31.12.2023

Indicators– EVER IMO SA (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	2,925	3,091	106
Total expenses (less income tax)	(6,616)	(6,167)	93
Net profit/(loss)	(3,691)	(3,076)	n/a

The company will re-enter a revenue growth cycle as projects at various stages of planning approval are started on the land it owns.

Corporate events:
15.05.2023 – OGMS approved the Directors' report, the financial statements for the financial year 2022, the discharge of the Directors, activity program, Budget and performance indicators for 2023.

1.2.3.7. EVER Agribio SA

The company was established in September 2022 for agricultural and renewable energy activities on the 50 ha land it owns in Săucești commune, county of Săucești. Bacău, on which it will set up a blueberry plantation.

Financial results on 31.12.2023

Indicators – EVER Agribio SA (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	0	53	n/a
Total expenses (less income tax)	(1,143)	(881)	77
Net profit/(loss)	(1,143)	(828)	n/a

Corporate events:
10.04.2023 – OGMS approved the Directors' report, the financial statements for the financial year 2022, the discharge to the Directors, the work programme, the BVC and the performance indicators 2023.
01.08.2023 – OGMS approved the revocation of a director's mandate following resignation and the appointment of a new director.

1.2.3.8. Visionalfa Investments SA

Through EGMS on 25.07.2023, the company declared its fiscal inactivity for a period of 3 years, starting from the date of registration of the mention with the ORC. In fact, it was set up for a project that never materialised and never operated.

Note: Private Equity portfolio also monitors the following companies:
- ✓ Nord SA, stock symbol NORD (holding 18.19% of the share capital) and Professional Imo Partners SA, stock symbol PPLI (holding 31.42% of the share capital) which participate directly/indirectly in the implementation of the project "Veranda Mall" Bucharest;
- ✓ Străulești Lac Alfa SA, unlisted company (holding 50% of the share capital) implementing the project "Atria Urban Resort" Bucharest;
- ✓ Agroserv Măriuța SA, stock symbol MILK (holding 11.44% of the share capital);
- ✓ mWare Solutions SA, unlisted company (holding 5.56% of the share capital).

1.2.3.9. "Veranda Mall" real estate project, shopping centre
(www.verandamall.ro)

Description: The investment project consisted in the construction of the "VERANDA MALL" shopping centre in Bucharest and its operation through Veranda Obor SA. The shopping centre is a proximity mall, located in a densely populated shopping area, Obor-Colentina. "Veranda Mall" was inaugurated on 27 October 2016.
Project characteristics: GLE (built-up area) approx. 67,000 sqm; GLA (leasable area) approx. 34,000 sqm after extension; no. of tenant shops: 100; occupancy: 97%
Investment: EVERGENT Investments' investment value amounts to 14.3 million euro. EVERGENT Investments holds indirectly in Veranda Obor SA a stake of approx. 37% through Professional Imo Partners SA (PPLI) and Nord SA (NORD), companies listed on the BVB - ATS segment.
Current status - The company's performance has rebounded after the Covid-19 pandemic, reflected both in the mall traffic and turnover.

1.2.3.10. Străulești Lac Alfa SA
"ATRIA URBAN RESORT" Residential real estate project
(www.atriaresort.ro)

EVERGENT Investments invests in the real estate project "ATRIA URBAN RESORT", developed through the company Străulești Lac Alfa SA. The project aims to build 1.378 apartments in 4 phases, on an area of land approx. 9 ha, located in the north-western part of Bucharest, next to Colosseum Retail Park, with easy access to the northern part of the capital.

Investment: EVERGENT Investments is a shareholder in the company Străulești Lac Alfa SA, together with CityRing Property SRL and Mr Liviu Lepădatu who also manages the development of the real estate project. The total investment of EVERGENT Investments is 8.3 million euro. The financing of the project is secured, both with equity and with a bank loan, a bond loan, and the estimated realization value of the project is over 100 million euro.

Current status:
✓ Phase 1, 160 apartments: sold
✓ Phase 2 (398 apartments):
- around 83% of the total number of apartments were sold or preliminary contracts were entered for them

✓ Phase 3 (350 apartments) – building started in the 4th quarter of 2022
- around 31% of the total number of apartments were contracted

Financial results on 31.12.2023

Indicators – Straulesti Lac Alfa SA (thousand lei)	2023 Budget	Achieved 2023	Achieved 2023 / 2023 Budget (%)
Total income	78,721	75,486	96
Total expenses (less profit tax)	44,172	38,438	87
Net profit	29,297	32,148	110

Corporate events:
15.05.2023 – OGMS approved: 2022 BD report, 2022 financial statements, assignment of 2022 profit, discharge of office for the managers, 2023 activity program.
15.05.2023 – EGMS approved: Offer and contract price with Macon Grup SRL for the external network works Phase 3.
22.09.2023 – OGMS approved: contract offer with City Garden Distribution SRL for the landscaping services Phase 3.
21.12.2023 – EGMS approved:
Modification of the multiannual financial projections following the rectification of the 2023 Revenue and Expenditure Budget (BER) and the update of the Phase 3 and Phase 4 budgets.
Increase in the price of the service contract concluded by the company with Cityring Development SRL, linked to the achievement of certain performance indicators.
Approval of the company's Income and Expenditure Budget for 2024.
Increase in the value of the works execution contract with Macon Grup SRL.

1.2.3.11. Agroserv Măriuța SA (MILK)
(*www.laptariacucaimac.ro*)

Agroserv Mariuta SA is a company that carries out a mixed agricultural activity: crop cultivation, animal husbandry and processing of cow's milk and dairy products.

The company has an integrated business model, selling dairy products through Key Accounts, own stores and online. The company's product portfolio includes milk, yoghurt, cream, curd, sana. All the brand's products (except cheese) are packaged in glass.

In 2023, the company launched new products, namely two types of Kefir and two types of sliced cheeses. The company also obtained a €9.5 million loan to refinance existing loans and support future investment projects, namely the biogas plant and the glass packaging sanitisation line.

1.2.3.12. mWare Solutions SA
(www.bigconnect.io/)

mWare Solutions SA 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 or 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.

In 2023, the company registered and increase of turnover of over 75% compared to the previous year.

The IT sector is of major importance in the Romanian economy, with a share of over 7.5% in the Gross Domestic Product. Expectations for this sector are for double-digit growth in the coming years, supported by the emergence and implementation of new technologies (AI, Big Data, IoT) and the NRRP through component C7 - Digital Transformation with a budget allocation of €1.88 billion.

1.2.4. Sell Portfolio

The SELL portfolio has been constructed based on the criteria of liquidity, performance and low growth potential of its constituent holdings. In order to achieve the investment objectives set out in the "Investment Strategy and Policy of EVERGENT Investments S.A.", in 2023 steps continued to be taken to reduce the weight of the SELL Portfolio in the total assets of the company. Thus, as at 31st December 2023, the proportion of the SELL portfolio was 0.16% of the total value of assets, compared with 0.37% as at 31st December 2022, the strategy applied being restructuring through sale.

In 2023 EVERGENT Investments' holdings in the following companies were sold in full:

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

The cumulated amount of 3.37 million lei obtained from the sale of the three companies feeds the investment needs of EVERGENT Investments S.A.

Through activities specific to the Sell Portfolio, EVERGENT Investments' active participation in General Meetings of Shareholders of the portfolio companies was ensured, questions were submitted to the Boards of Directors, the legality of resolutions of General Meetings of Shareholders affecting the interests of minority shareholders was monitored, and proposals were made to challenge them, 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 31.12.2023
Total investment program, of which assigned for the following portfolios:	305.2	197.24
• Financial - banking	0	0.06
• Energy- industrial	260	174.27
• Private equity	45.2	22.91

1.2.6. Perspective elements regarding EVERGENT Investmetns' activity. 2024 Risks and uncertainties. 2024 Objectives

a) *Presentation and analysis of trends, elements, events or uncertainties affecting or likely to affect the issuer's liquidity compared to the same period of the previous year.*

On the local level, the main elements that could support the increase of the BVB share prices in 2024 are the decrease of interest rates by the ECB and the NBR starting from the second semester, the distribution of dividends with high yields by some BVB companies, the transition of the Romanian capital market to the emerging category according to MSCI classifications and the increase of contributions to private pension funds Pillar II.

On the other hand, elections in our country and internationally could generate volatility in the marke.

Election year 2024 will bring a reduced likelihood of deficit-correcting measures, and the government's financing needs will be significant, including due to Eurobond maturities.

The BVB will probably be dependent on the evolution of global markets which will determine the financing costs for the State's debt, but also the attractiveness for investment in the Romanian capital market.

Mandatory private pension contributions increase from 3.75% to 4.75%, so pension funds will have more cash available for capital market investments.

A potentially important event would be the inclusion of the BVB in the emerging markets by MSCI, as well as the launch of the central counterparty. These events could significantly increase liquidity, attractiveness and valuation of the local market. The inclusion of the BVB in the MSCI index will attract the attention of international investors to the Romanian capital market, providing a guarantee of its maturity and stability. At the same time, the launch of the central counterparty will offer new tools to investors, will improve the efficiency of transactions and will give the possibility to reduce risk through hedging, important aspects to attract more institutional investors and to increase confidence in the local market.

The resilience of the financial system continues to be tested by the uncertain macroeconomic and geopolitical context, driven by risks of higher than expected inflation or a more pronounced economic slowdown. Optimistic investor sentiment is already reflected in equity prices, and geopolitical risks are increasing due to the continuing war between Russia and Ukraine or the regional escalation of the Middle East conflict, with adverse implications for global commodity markets and supply chains, with international trade already fragmented following previous shocks.

At its first monetary policy meeting of 2024, the Federal Reserve (Fed) kept the benchmark interest rate at 5.25% to 5.50% and signalled that the likelihood of initiating downward adjustment at its next meeting in March is low.

The likelihood that the US administration will take action to correct the budget deficit is low, given that 2024 is an election year; on the contrary, it is likely to react promptly to any signs that the US economy could fall into recession.

For the global economy, the IMF forecasts a growth rate of 2.9% for 2024. At the level of developed countries, the favourable evolution of the US economy stands out, with the IMF forecast revised upwards by 0.5% for the year 2024, in contrast to expectations for the euro area, for which the outlook has been revised downwards by 0.3% in 2024.

Significant geopolitical risks also remain, such as a potential re-intensification of tensions between Russia and Ukraine or regional escalation of the conflict between Israel and Hamas, with adverse implications for commodity markets and global supply chains, as international trade is already relatively fragmented following previous shocks.

Fears about the scale, duration and impact of the Middle East conflict are also reflected in commodity markets, increasing uncertainty, particularly in the oil market. This comes at a time when oil prices are already high amid concerns about falling production in OPEC+'s biggest exporters, Russia and Saudi Arabia.

In a hypothetical scenario involving a regional expansion of the Middle East conflict, the World Bank estimates oil prices to rise to between $140 and $157 per barrel (compared to an average of $81 per barrel in 2024 in a no-deal scenario). So far, the effects of the conflict on global commodity markets have been limited, with the most significant price increases in the European gas market (+32.2% from 7-31 October 2023) reflecting a geopolitical risk premium rather than supply chain disruptions.

b) *Presentation and analysis of the effects of current and forecast capital expenses on the financial position of the issuer, compared to the same period of the previous year.*

   The detailed presentation of the current or expected capital expenditures on EVERGENT Investments' financial situation, respectively related to the Share Buyback Programmes for the purpose of reducing the share capital are contained in the materials submitted for approval to the AGM of 29 April 2024: "*Approval of the implementation of a share buyback programme for the purpose of reducing the share capital".*

c) *Presentation and analysis of events, transactions and economic changes that significantly affect core business revenue.*

   Dividend income for 2023 included in the 2024 Income and Expenditure Budget, which is the main income reflected in the income statement, has been estimated on the basis of the preliminary 2023 results of the portfolio companies, new legislative provisions, management announcements, investment and cash-flow estimates of the companies.

2024 Objectives

The key elements of EVERGENT Investments' investment strategy and policy are based on an allocation of resources that ensures the sustainable development of EVERGENT Investments' business and the satisfaction of shareholders' interests on both short and long term:

Sound investment policy is the basis for long-term growth in the value of assets under management, which is fundamental to building investor confidence.

EVERGENT Investments Shareholder Remuneration Policy

EVERGENT Investments has a predictable dividend policy and conducts annual buyback programs that support the liquidity of EVER shares. In the context of volatile capital markets, the Board of Directors seeks to strike a balance between the need to secure resources to support the investment programmes to be developed, short-term shareholder expectations, i.e. the distribution of dividends, and long-term shareholder expectations, i.e. the growth of total assets and hence the EVER share price.

The policy mix of dividend allocation and the possibility to subscribe to public offerings (IPOs) is considered to offer a higher yield than traditional dividend distribution.

Capital operations by carrying out share buyback programmes for the purpose of reducing share capital.

Strategies defined per assets portfolios:

- Private equity portfolio growth - private equity approach within existing majority holdings (real estate, agricultural, other sectors)
- Increase the performance of the Financial - Banking and Energy - Industrial portfolios, listed portfolios that provide liquidity to EVERGENT Investments assets, representing the main income generators and sources for new investments.
- Sell for Portfolio Sell - extracting value from the portfolio of shares from the privatisation process.

2. Risk Management

EVERGENT 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.

2.1. 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 31st December 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)

The main activities run in 2023 targeted:

- ✓ 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 2024 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;
- ✓ Preparation of a half-yearly 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;
- ✓ Weekly and monthly monitoring of liquidity risk indicators;
- ✓ Calculation of exposure and leverage;
- ✓ Filling in the Risk Profile section of the semi-annual Institutional Reporting Annex (Annex IV to Regulation (EU) 231/2013);
- ✓ Monitoring the EVERGENT Investments synthetic risk indicator (SRI) and calculating past performance scenarios;
- ✓ Carrying out the annual stress test;
- ✓ Calculation of own funds and own funds requirements;
- ✓ Update the information in the Key Information Document on the Synthetic Risk Indicator (SRI) and Past Performance Scenarios to 31.05.2023 due to the change of the Custodian of the company's assets;
- ✓ Reporting on risk management activity, annual IT operational risk self-assessment, annual stress testing, status of implementation of risk manager recommendations, own funds and own funds requirements;
- ✓ Administrative activities.

2.2. Risk Profile

The risk profile represents all exposures of EVERGENT Investments to real and potential risks. The risk profile of EVERGENT Investments on 31.12.2023 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 31.12.2023
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 31st December 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 01.01.2023-31.12.2023 there has been no exceeding of the risk limits undertaken through the risk profile.

2.3. Main risks that the company 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
   a) 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:
   b) 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.
   c) 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.
   d) 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 in 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 31.12.2023, 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.
In addition, the risk related to the *prevention and combating of money laundering and terrorist financing* (ML/FT) activity is 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 can manifest itself as a risk in its own right or can have an impact and contribute significantly 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's assets failure to abide by legal holding limits
On 31st December 2023, assets in EVERGENT Investments portfolio abide by the legal prudential limits. Between 01.01.2023 and 31.12.2023 there has been no exceeding of legal prudential limits.

7.1 Limits regarding the exposure level on assets categories reported to total assets, in accordance with the Net monthly Report on 31.12.2023 – *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	Weight of total EVERGENT Investments assets
BANCA TRANSILVANIA shares	1,160,575,717	39.35
OMW PETROM shares	340,363,310	11.54
Total	1,500,939,027	50.89

Exposure per TLV issuer is within the maximum holding limit of 40% and is closely monitored through daily holding monitoring mechanisms. The two issuers exceeding 10% individually do not exceed cumulatively 80% of total assets.

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

Group name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of EVERGENT Investments' total assets value (%)
EVER IMO, of which:	61,056,709	2.07
• Ever Imo shares	43,450,309	1.47
• Ever Imo bonds	17,606,400	0.60
BVB, din care:	23,757,419	0.81
• BVB stocks	22,845,594	0.77
• Depozitarul Central shares	911,825	0.03

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

Name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total assets of EVERGENT Investments (%)
EVERLAND shares	50,952,229	1.73
AGROINTENS shares	44,223,366	1.50
EVER IMO shares	43,450,309	1.47
CASA shares	34,209,918	1.16
EVER IMO bonds	17,606,400	0.60
MECANICA CEAHLAU shares	15,141,344	0.51
REGAL shares	7,082,453	0.24
EVER AGRIBIO shares	2,582,026	0.09
VISIONALFA INVESTMENTS shares	0	0
Total EVERGENT Investments Group	215,248,045	7.30

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

d) Overall exposure to derivatives – *allowed limit: should not 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 31.12.2023, the value of current accounts and cash is 1,024,389 lei, representing 0.03% of total assets value.

f) Bank deposits set-up and held at the same bank – *allowed limit: 30% of assets.*

Bank name	Deposit value (FSA Reg. no.7/2020) (lei)	Weight of total assets of EVERGENT Investments (%)
BANCA TRANSILVANIA	179,623,046	6.09
EXIM Banca Românească	111,449,882	3.78
BCR	19,076,284	0.65

g) UCITS not allowed for trading within a trading venue or a third state 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	82,830,850	2.81
FIA DCP Investiții	43,604,700	148
FIA Hermes	14,678,341	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	71,939,768	2.44
FIA BT Invest 1	31,052,889	1.05

i) 1. UCITS not allowed for trading in a trading place or on a stock exchange from a third country, issued by an 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 (%)
FIA Fondul Privat Comercial	82,830,850	2.81
FIA Alchemist	71,939,768	2.44
FIA DCP Investiții	43,604,700	1.48
FIA BT Invest 1	31,052,889	1.05
FIA Hermes	14,678,341	0.50
TOTAL open-type AIF	244,106,547	8.28

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.

UCITS name	Market value of asset category (FSA reg. no.7/2020) (lei)	Weight of total EVERGENT Investments assets (%)
FDI BT Maxim	7,352,246	0.25
FDI BT Index Romania ROTX	7,019,240	0.24

FDI Transilvania	6,927,743	0.23
FDI Napoca	6,285,313	0.21
FDI Tehnoglobinvest	1,664,082	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	Marke value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments assets (%)
Transilvania Investments Alliance	33,664,165	1.14
Fondul Proprietatea	1,636,560	0.06

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 asset 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)	262,884,456	8.91
Closed bonds	17,606,400	0.60
TOTAL	280,490,856	9.51

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 the Central Depository, 3rd Title, 1st Chapter, 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 (Regisco)	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 București	348,256	8,049,246	4.33

c) Banca Transilvania Memorandum of Association, art. 11, item b (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	47,839,065	798,658,233	5.99

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 2,949,306,015 lei. Their value in euro is 592,872,998.

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 31.12.2023, EVERGENT 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 1.0029 and through the commitment method of 1.0239.

Method type	Exposure value (lei)	Leverage level	Leverage limit internal level
Gross method	2,673,586,747	1.0029 (or 100.29%)	2
Engagement method	2,729,620,159	1.0239 (or 102.39%)	

The exposure and leverage effect were calculated based on the *Statement of Assets and Liabilities of EVERGENT Investments* on 31.12.2023 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 - 31.12.2023 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.

2.4. 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.

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 hypothetic 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 of 15.05.2023 and were submitted to FSA along with the used methodology.

3. Financial Position and Performance

The separate financial statements have been prepared by EVERGENT Investments in accordance with the provisions of Rule 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the ASF in the Financial Instruments and Investments Sector ("Rule 39/2015"). Within the meaning of Rule 39/2015, International Financial Reporting Standards ("IFRS") are standards adopted in accordance with the procedure laid down in Regulation (EC) No 1606 /2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards, as amended and supplemented.

In 2023, the Company's financial position recorded a significant increase of 25% and a record value of total assets of RON 2.95 million as at 31st December 2023, on the back of the appreciation of the value of the shares in the portfolio, 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 achieved in 2023, including net profit and net gain on sale of financial assets classified at fair value through other comprehensive income (FVTOCI), was 203.8 million lei, exceeding the budgeted level by 158%.

3.1. Comprehensive Income. Management Expenses. Financial Position

- Separate statement of comprehensive income:

(lei)	2021 (audited)	2022 (audited)	2023 (audited)
Income			
Gross dividend income	54,656,711	120,777,371	143,419,181
Interest revenue	4,718,481	7,087,713	9,909,187
Other operating income	1,030,926	1,607,660	1,163,202
Net gain/ (net loss) on financial assets at fair value through profit or loss (FVTPL)	25,460,617	(474,436)	39,332,779
Net gain on sale of non-financial assets	-	-	5,490
Net gain on revaluation of investment property	143,329	798,078	37,290
Expenses			
Loss reversal from financial assets impairment	3,895,437	2,332,072	100,129
(Loss)/loss reversal from impairment of non-financial assets	(28,989)	671	-
(Set-up)/reversal of provisions for risks and expenses	(1,620,399)	117,190	-
Expenses with wages, remunerations and other similar expenses	(29,426,547)	(28,773,429)	(37,100,983)
Other operating expenses	(10,477,957)	(11,660,747)	(13,553,289)
Operating profit	48,351,609	91,812,143	143,312,986
Financing expenses	(42,218)	(95,436)	(4,084,887)
Profit before tax	48,309,391	91,716,707	139,228,099
Income tax	(1,920,757)	(8,863,072)	(14,494,674)
Net profit	46,388,634	82,853,635	124,733,425
Other comprehensive income elements			
Increase of reserve from the revaluation of property, plant and equipment, net of deferred tax	439,940	806,957	1,530,984
Net gain/(net loss) on the revaluation of FVTOCI financial assets	414,290,697	(168,168,297)	414,997,141
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	414,730,637	(167,361,340)	416,528,125
Net gain/ (net loss) from the revaluation of FVTOCI bonds	45,845	(105,304)	(185,969)
Other elements of comprehensive income – elements that will be reclassified in profit or loss	45,845	(105,304)	(185,969)
Other elements of comprehensive income - Total	414,776,482	(167,466,644)	416,342,156
Total comprehensive income	461,165,116	(84,613,009)	541,075,581
Basic and diluted earnings per share (net profit per share)	0.0477	0.0874	0.1365
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	0.1536	0.1244	0.2230

In 2023, the Company registered a net profit of 124.7 million lei, 50% higher than that registered in the previous year, growth driven both by dividend income received from portfolio companies (including special dividends from OMV Petrom and Fondul Proprietatea) and significant net gain from financial assets at fair value through profit or loss (FVTPL).
Comprehensive income was also significantly influenced by the net gain on revaluation of financial assets measured at fair value through other comprehensive income (FVTOCI), in the amount of MDL 415.0 million, due to the increase in prices of listed shares in the portfolio.
According to IFRS 9 "Financial Instruments", in the case of portfolio shares, depending on their classification, gains or losses on sale are reflected either in profit or loss (in the case of FVTPL financial assets) or directly in Retained Earnings (in the case of FVTOCI financial assets).
Accordingly, management considers the Company's performance indicator to be Net Profit, including Net Profit and Net Gain on Sale of Financial Assets FVTOCI:

(lei)	2021 (audited)	2022 (audited)	2023 (audited)
Net profit	46,388,634	82,853,635	124,733,425
Gain on the sale of FVTOCI* financial assets, net of tax, reflected in retained earnings	102,908,216	35,081,104	79,023,327
Net result *(including Gain on the sale of FVTOCI financial assets)*	149,296,850	117,934,739	203,756,752

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

Gain on the sale of FVTOCI financial assets worth 79 million lei, reflected in retained earnings was significantly higher than that registered in the previous year due to the increase in stock market prices during the year, and therefore to the opportunities to capitalize on portfolio holdings.

➢ Management Expenses

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

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)	27,026,217
Expenses with wages, indemnities and similar, of which:	20,233,812
- wages and indemnities, wihtout participation to the benefit plan of directors and employees	*19,560,715*
- expenses for insurance and social protection	*472,078*
- expenses with vocational training	*201,019*
Expenses with outsourced services and other operating expenses	6,033,715
Expenses for energy and water	588,471
Expeense for fuel and materials	170,219

Management expenses include expenses directly related to the carrying out of everyday activity.
In management expenses, the main weight, of 75%, is held by *expenses with wages, indemnities and similar,* that include wages, indemnities, social insurance and vocational training expenses, without the participation to the benefit plan of directors and employees). For more details regarding expenses with wages, indemnities and similar expenses, divided into fixed and variable expenses, see explanatory note 11 to the individual financial statements on 31st December 2023 and information in section “3.5 Remunerations for financial year 2023” below.
Expenses for outsourced services and other operating expenses represent 22% 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.

➢ Separate statement of financial position:

(lei)	31st December 2021 (audited)	31st December 2022 (audited)	31st December 2023 (audited)
Assets			
Cash and current accounts	267,380	788,781	1,024,388
Bank deposits with initial maturity within 3 months	157,466,639	104,971,764	299,408,624
Bank deposits with initial maturity over 3 months	-	-	10,724,880
Financial assets at fair value through profit or loss	381,215,357	333,619,756	347,807,747
Financial assets at fair value through other comprehensive income	1,952,286,731	1,875,688,529	2,240,394,284
Bonds at fair value through other comprehensive income	3,982,215	3,982,047	3,884,483
Bonds at depreciated cost	34,171,645	17,550,535	17,555,243
Other financial assets at depreciated cost	5,361,399	9,869,910	6,418,790
Other assets	1,579,222	497,055	515,601
Intangible assets held for sale	-	-	212,738
Investment property	4,247,186	4,284,448	4,109,000
Property, plant and equipment	8,308,912	9,282,127	10,435,507
Right-of-use assets	3,570,975	3,474,536	3,320,774
Intangible assets	360,960	412,375	402,983
Total assets	2,552,818,621	2,364,421,863	2,946,215,042
Liabilities			
Loans	-	-	63,674,421
Lease liabilities	3,511,637	3,456,939	3,303,893
Dividends payable	34,036,742	42,633,808	49,950,267
Current profit tax liabilities	-	5,370,896	7,410,272
Financial liabilities at depreciated cost	1,833,601	2,871,103	1,267,195
Other liabilities	3,409,990	4,154,999	6,144,422
Provisions for risks and charges	1,749,743	1,632,553	1,632,553
Liabilities related to deferred profit tax	125,338,378	89,669,402	149,977,380
Total liabilities	169,880,091	149,789,700	283,360,403
Equity			
Share capital	510,105,062	499,988,637	499,988,637
Retained earnings	981,801,980	1,018,427,444	1,153,588,929
Reserve from the revaluation of property, plant and equipment	8,967,836	9,774,793	11,305,777
Reserves from the revaluation of financial assets at fair value through other comprehensive income	903,246,143	699,891,438	1,035,679,283
Own shares	(41,119,507)	(38,991,230)	(66,642,400)
Equity-based payments to employees	16,252,012	20,765,780	24,881,378
Other equity elements	3,685,004	4,775,301	4,053,035
Total equity	2,382,938,530	2,214,632,163	2,662,854,639
Total liabilities and equity	2,552,818,621	2,364,421,863	2,946,215,042

On 31st December 2023, the value of the Company's total assets was de 2.95 billion lei, an increase by 25% compared to the level at the end of the previous year. This significant increase in assets is mainly reflected in the increase in the value of FVTOCI financial assets, largely driven by the favourable evolution of the value of listed portfolio shares classified in this category. Dividend receipts from portfolio companies and the use, in the first quarter of the year, of the credit facility contracted with Banca Comercială Română to take advantage of market opportunities also contributed to the increase in the value of total assets.

The increase in total liabilities was driven both by the increase in the deferred tax liability related to the FVTOCI financial assets revaluation reserve, correlated with the increase in this reserve in 2023, and by the drawdown of the EUR 19.2 million credit facility taken from BCR in January 2023.
At the Ordinary General Meeting of Shareholders held on 27th April 2023, the Company's shareholders approved the distribution of a gross dividend of RON 0.09/share (total RON 82.7 million), related to the statutory result for the financial year 2022, consisting of the net profit and the net gain reflected in the retained earnings from the sale of FVTOCI equity instruments.

3.2. Performance indicators

	2021	2022	2023
Current liquidity indicator	6.6	3.5	4.5
Rotation speed of debits-clients	29	21	15
Rotation speed of intangible assets	0.04	0.07	0.09
Net profit per share (lei/share)	0.0477	0.0874	0.1365
Earnings per basic share (lei/share)	0.1536	0.1244	0.2230

Specification:

- ✓ 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 own shares bought-back by the Company).

3.3. 2023 Budget Achievement Degree

million lei	Budgeted 2023	Achieved 2023	Achievement degree %
Total income	102.75	194.16	189
Financial income	101.96	192.79	189
• dividend income	97.43	143.42	147
• income from bank deposits and bonds	4.53	9.91	219
• net gain on FVTPL financial assets	-	39.33	n/a
• other financial income	-	0.13	n/a
Other operating income			
• income from rent and connected activities	0.79	1.10	140
• other income from current activity	-	0.27	n/a
Total expenses	(71.03)	(54.93)	77
Financial expenses	(24.58)	(6.17)	25
• loss from FVTPL financial assets	(17.15)	-	-
• expenses related to bank transactions and commissions	(0.91)	(0.74)	81
• net expenses from currency rate differences	(1.81)	(1.35)	75
• other financial expenses	(4.71)	(4.08)	87
Expenses from current activities	(46.45)	(48.76)	105
Gross profit	31.72	139.23	439
Income tax	(6.97)	(14.49)	208
Net profit	24.75	124.74	504
Net gain on the sale of FVTOCI financial assets	54.18	79.02	146
Net result	78.93	203.76	258

The net result obtained in 2023, of 203.76 million lei, is 158% higher than the budgeted one.

Realised net profit significantly exceeded the budgeted level, mainly due to the recording of 47% higher than expected dividend income for 2023 and a significant net gain on FVTPL financial assets compared to a cautiously projected loss for 2023, given the international environment at the beginning of the year.

The net gain from the sale of FVTOCI assets is 46% higher than the budgeted level, on the back of the increase in stock prices on the BVB during the year, and therefore also of the opportunities to exploit the portfolio holdings.

At the same time, the recorded current activity expenses (the main category of expenses), are 5% higher than the budgeted level, the variable remuneration being correlated with the Company's profitability which was significantly above the forecast level.

3.4. Tangible assets of the Company

Location and characteristics of the main tangible assets

On 31st December 2023, EVERGENT Investments owned tangible assets, including tangible fixed assets, real estate investments and assets representing rights of use in leasing contracts, with a gross value of 21.5 million lei and a net value of 17.7 million lei, with the following composition:

Tangible assets category	Value (lei)	
	Gross	Net
Lands	946,201	946,201
Buildings	9,289,837	9,289,837
Equipment and means of transportation, of which:	2,313,140	65,696
• *equipment*	2,082,058	65,696
• *transportation means*	*231,082*	-
Other fixed means	*467,520*	*133,773*
Assets under construction	-	-
Real estate investments	4,109,000	4,109,000
Right-of-use assets	4,331,264	3,320,774
TOTAL	21,456,962	17,865,281

The company reassessed the land and buildings owned as on 31st December 2023.

The main tangible assets held are buildings. The company owns 5 buildings on the following sites:

ASSET	Address	Description
Headquarters	94 C Pictor Aman Street, Bacau	building S + GF + 3 floors
București	str. Unirii, Splai nr.6, 4th district, Bucharest	block GF + M
București	No. 12 Nerva Traian Street, block 1437, 3rd district, Bucharest	block GF
Iași	No. 3 Grigore Ureche Street, Gh. Sontu block, Iași	block GF
Vaslui	8 Miron Costin Street, Vaslui	Building

3.5. Remuneration of staff for financial year 2023

Remuneration of EVERGENT Investments staff was awarded in compliance with the remuneration principles of the Company in accordance with the relevant legal provisions, internal regulations and contractual provisions, namely:

1. "*Remuneration policies and practices for categories of staff whose professional activities have a significant impact on its risk profile*", specific regulation of the status of AIFM, developed in accordance with the provisions of Law 74/2015 on AIFM and ESMA Guideline 232/2013 on sound remuneration policies under AIFMD. According to legal regulations, "staff" means all categories of staff, i.e. directors, officers, key functions and other staff whose actions have a significant impact on the Company's risk profile.

   Remuneration policies and practices include all types of remuneration granted to staff.
2. EVERGENT Investments' Memorandum of Association (FSA Authorization no. 108/13.07.2022).
3. Administration and management contracts, approved at the Ordinary General Meeting of Shareholders No. 4 of 28th January 2021.
4. The collective labour agreement and individual employment contracts applicable to the Company's employees.

Remuneration paid to all staff is detailed in the table below, in total and separately for: members of the Board of Directors; Directors; control functions (i.e. employees in departments: Compliance, Internal Audit, Risk Management) and other functions included in the category of identified staff other than those indicated above (i.e. replacements of Directors - Director and PPE Manager, CFO, compartment coordinators, excluding key area coordinators), with presentation of the calculation method for Fixed Remuneration and Variable Remuneration.

The method of calculation for each type of Remuneration is presented in this section, with clear identification of the functions and with the internal legal and procedural provisions, namely:

Evergent Investments does not pay performance commissions and has no outsourced functions.

Remuneration of directors and executive managers

Details regarding the remuneration of directors and executive managers are presented in Annex 7 – "Remuneration report for 2023 financial year".

Remuneration of employees

Employees' remuneration is comprised of:

(a) the fixed component, representing the monthly remuneration for the duties and responsibilities carried out in accordance with the provisions of the individual employment contracts;
    The fixed component also includes meal vouchers, holiday vouchers, retirement allowances, sickness or death grants, holiday gifts, etc.

(b) Variable component, consisting of participation in the annual benefit plan and quarterly awards. The total amount of Variable Remuneration (in cash and/or in shares at market value) is at the level of 5% of net profit, in the range of 0-9 gross monthly basic salaries, as set out in the Collective Employment Agreement.

The benefit plan granted annually, after approval of the annual financial statements by the General Meeting of Shareholders, based on the achievement of performance targets, the Company's implementation of projects and prudent risk management.

At individual level, job performance is evaluated annually, qualitatively and quantitatively, on the basis of the criteria laid down in the Collective Labour Agreement, the Internal Rules and the individual employment contracts, in accordance with specific internal procedures.

Quarterly bonuses are granted in accordance with the criteria foreseen in the Remuneration Policy and Collective Employment Contract.

The benefit plan for the directors, executive managers and employees of the Company are granted in cash and/or Company shares (EVER shares), at least 50% being granted in shares through Stock Option Plan (SOP) type programs.
Stock benefit awards are made through SOP programs, approved by shareholders, for the purpose of distributing EVER shares to the Company's directors, officers and employees, with the source of shares repurchased by the Company.
The right to receive shares is granted on the basis of a Plan approved by the Board of Directors in accordance with the resolutions adopted by the General Meeting of Shareholders.
The shares shall be allotted following the exercise of the right by the beneficiaries, after the expiry of a period of 12 months from the grant of the right.

In 2023:

- the cash component of the 2022 benefit plan was paid, and
- EVER shares were assigned to as granted as part of 2021 benefit plan. The assignment was made after the expiry of the 12 months vesting period (the right was granted in 2021, after the approval of 2021 financial statements for 2021 by OGMS). The event was subject of current report on 5th May 2023 on the granting of EVER shares, in accordance with "2021 *Share assignment plan*".

Total and detailed gross remuneration by staff category and type of remuneration

Gross remunerations (lei)	Gross remunerations (expenses for 2023)	Gross remunerations Actually paid in 2023	Gross remunerations to be paid in 2024 and value of shares to be assigned or deferred (in 2025)	No. of beneficiaries		Amount of benefits actually granted and shares actually awarded during 2023 (prior years' expenses *)
	A = B+C	B	C			
1. Remunerations offered to the entire AIFM staff	36,436,563	19,274,948	17,161,615			12,455,968
Fixed remunerations	19,005,962	19,005,962	-	52		-
Variable remunerations						
- in cash						
• bonuses	362,411	268,986	93,425	47		77,405
• participation to benefit plan	2,102,204	-	2,102,204	34		1,528,175
- as shares (share-based participation to the benefits plan)	14,965,986	-	14,965,986	49		10,850,388
2. Remunerations offered to AIFM's identified staff	28,418,943	14,486,482	13,932,461			10,402,154
A. Members of the Board of Directors (BD)	13,217,325	6,356,172	6,861,153			5,154,492
Fixed remunerations	6,356,172	6,356,172	-	5		-
Variable remunerations						
- as shares (participation to the share-based benefits plan)	6,861,153	-	6,861,153	5		5,154,492
•						
• B. Executive managers, of which:	7,794,833	3,748,512	4,046,321			2,781,908
Fixed remuneration	3,748,512	3,748,512	-	2		-
Variable remunerations						
- as shares (participation to the share-based benefits plan)	4,046,321	-	4,046,321	2		2,781,908

Gross remunerations (lei)	Gross remunerations (expenses for 2023)	Gross remunerations Actually paid in 2023	Gross remunerations to be paid in 2024 and value of shares to be assigned or deferred (in 2025)	No. of beneficiaries	Amount of benefits actually granted and shares actually awarded during 2023 (prior years' expenses *)
	A = B+C	B	C		
C. Functions with control attributions (with the express indication of all functions included in this category)	2,498,580	1,468,537	1,030,043		905,393
Fixed remunerations	1,417,906	1,417,906	-	8	-
Variable remunerations					
- in cash					
• bonuses	65,627	50,631	14,996	7	15,196
• participation to benefit plan	473,114	-	473,114	7	392,382
- in shares (participation to the share-based benefits plan)	541,933	-	541,933	7	497,815
D. Functions other than those indicated in lit. A-C above, included in the identified personal category (with the actual indication of all functions included in this category)	4,908,205	2,913,261	1,994,944		1,560,361
Fixed remunerations	2,829,964	2,829,964	-	11	-
Variable remunerations					
- in cash					
• bonuses	112,902	83,297	29,605	11	26,269
• participation to the benefit plan	678,118	-	678,118	8	479,714
- as shares (share-based participation to the benefits plan)	1,287,221	-	1,287,221	10	1,054,378

* Includes:
- cash: 2022 cash benefit plan participation and awards related to the fourth quarter of 2022 paid in 2023;
- shares: share-based participation in the 2021 benefit plan (shares actually distributed in the year 2023).

4. EVER Share

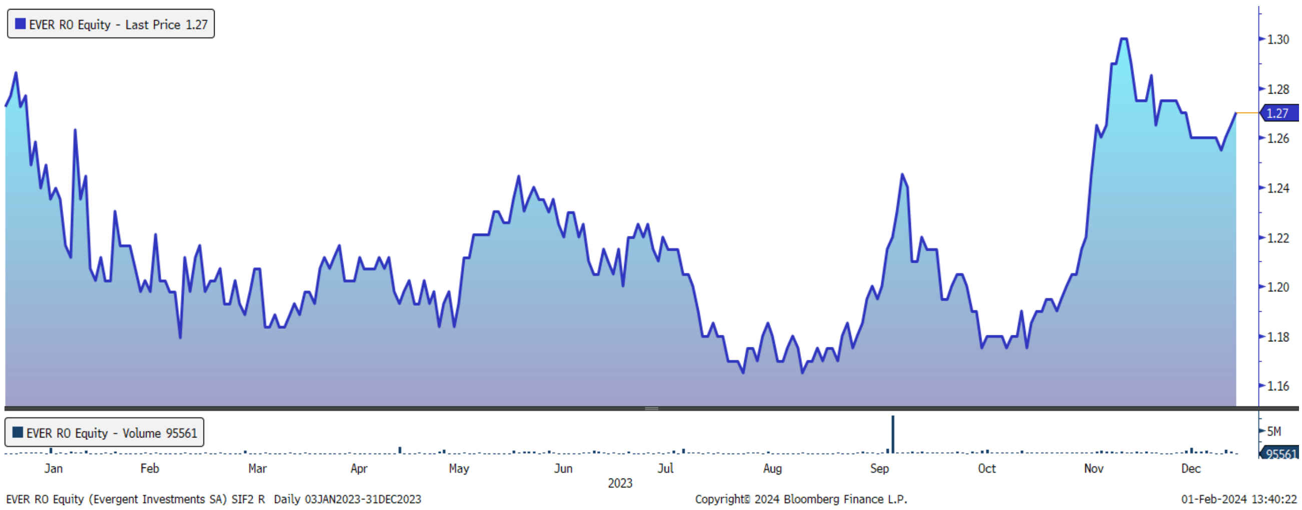
Number of shares: 961,753,592
Nominal value: 0.1 lei
Share capital: 96,175,359.2 lei
Capitalization (31.12.2023): 1,221,427,061 lei (246 million euro)
Price: 1.27 lei, EPS*: 0.2118 lei, PER*: 5.99; DY: 7.08%

*Note: EPS and PER indicators were calculated taking into consideration net result, of 203.75 million lei, comprised of 124.73 million lei net profit and 79.02 million lei net gain on asset sale reflected in retained earnings – accounting treatment as per IFRS 9.

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.

Evolution of EVER share between 01.01.2023 – 31.12.2023



Yields: EVER share, BET-FI, VUAN EVER

Yields December 2023 (%)	EVER Share	BET-FI	VUAN EVER
1 month	-0.39	2.40	3.31
3 months	4.53	9.63	7.23
6 months	5.39	21.25	19.95
12 months	-7.30	17.95	23.00

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

Connected information in the Corporate Governance Code of EVERGENT Investments

Ch. 16. Assessment of the performance of the company and EVER share

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

Indicator	EVER share	BET-FI
Annualized volatility (%)*	14.51	10.67
Beta**	0.47	1.00

** Volatility (12M) = annualized volatility*

*** Beta = price sensitivity to market movements*

EVERGENT Investments is not subject to the transparency requirements of the "EU Regulation 2019/2088 on sustainability reporting in the financial services sector" regarding the promotion of environmental or social features and sustainable investments. The EVER share does not fall under the category of products mentioned in Art. 8, para. (1) and art. 9, par. (1), (2) and (3) respectively, at this moment it does not promote environmental or social features or a combination of these features, it does not aim at sustainable investments and no index has been designated as a benchmark.

Statement in accordance with art. 7 of EU Regulation no. 852/2020: "*The investments underpinning this financial product do not take into account the EU criteria for environmentally sustainable economic activities*."

4.1. Dividend Policy

EVERGENT Investments aims to provide its shareholders with a competitive dividend yield in the capital market. Through the optimal mix of predictable dividend policy and redemption programs, the Company returns value to shareholders in both the long and short term. This is supported by dividend payout ratios in recent years that demonstrate the stability of the Company's cash flows and therefore a strong financial position in the market.

has informed shareholders that it is starting the payment of dividends for the year 2022, through the press release dated 29th May 2023, in accordance with the Resolution of the General Meeting of Shareholders No. 4 of 27th April 2023, as follows:

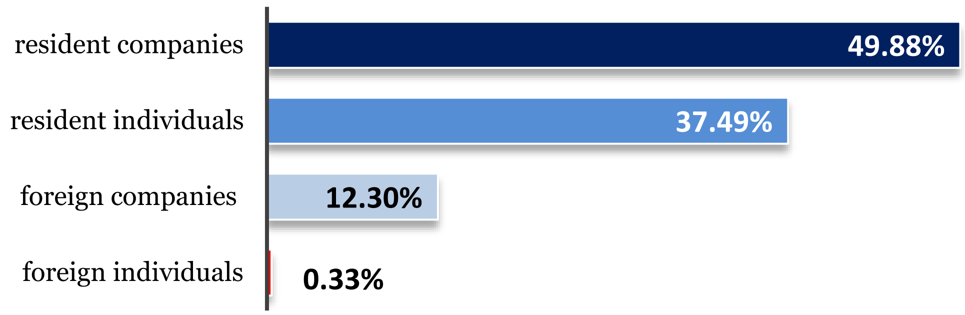
- ✓ The gross dividend per share is 0.09 lei, from which dividend tax will be deducted at source and commissions on payment will be charged to the net dividend amount;
- ✓ Payment date is 28th June 2023;
- ✓ Shareholders entitled to receive 2022 dividends are those registered in the consolidated register of shareholders on 9th June 2023 – Registration date. In case of deceased shareholders, dividends shall be paid at the request of one of the heirs, only after the transfer of shares by Bucharest Central Depository to the name of the heirs.

Dividend payment

Dividend payment on 31.12.2023	2020 dividend	2021 dividend	2022 dividend
	0.043 lei	0.065 lei	0.09 lei
Total payable (lei/share)	42,012,148	62,052,983	82,695,517
Total paid (lei)	31,564,005	46,029,394	60,272,201

The dividends for the year 2019, unpaid until 11th June 2023, in the total amount of 14,100,250.05 lei, were prescribed by law and according to the resolution no. 7 of the EVERGENT Investments AGOA on 27.04.2023.

Shareholding structure on 31st December 2023
Total shareholders: 5,740,303



4.2. Acquisition of own shares

1. 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 own 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.

2. 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 own 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.

I. *First stage of Buy-back Program no. 8 (current report on 11.07.2023) – cumulated results of operations run:*

- ✓ Period: 17.05.2023 – 11.07.2023;
- ✓ total no. of bought-back shares: 1,000,000, representing 0.104% of share capital;
- ✓ average buy-back price: 1.2587 lei/share;
- ✓ Total value of bought-back shares: 1,258,686.64 lei
- ✓ Purpose: buy-back of own shares in order to abide by the legal obligations stemming from "stock option plan" type programs
- ✓ Broker: BT Capital Partners.

II. *The second stage of Buy-back program no. 8 (current report on 13.10.2023) – cumulated results of operations run:*

- ✓ Period: 13.07.2023 – 12.10.2023;
- ✓ total number of bought-back shares: 3,500,000, representing 0.3639% of share capital;
- ✓ average buy-back price: 1.1943 lei/share;
- ✓ total value of bought-back shares: 4,179,938.88 lei
- ✓ Purpose: buy-back of own shares in order to abide by the legal obligations stemming from "stock option plan" type programs
- ✓ Broker: BT Capital Partners.

III. *Third stage of Buy-back Program no. 8 (current report on 28.11.2023) – cumulated results of operations run:*

- ✓ Period: 16.10.2023 – 28.11.2023;
- ✓ Total number of shares bought-back: 4,700,000, representing 0.4886% of share capital;
- ✓ Average buy-back price: 1.2198 lei/share;
- ✓ Total value of bought-back shares: 5,732,949.64 lei
- ✓ Purpose: buy-back of own shares in order to abide by the legal obligations stemming from "stock option plan" type programs;
- ✓ Broker: BT Capital Partners.

IV. Initiation of the Public Offering of EVER shares – Buy-back program 9 (current report on 29.11.2023 and FSA Resolution no. 1328/22.12.2023)

Through FSA resolution no. 1328/22.12.2023 we approved the public offering for shares issued by EVERGENT Investments SA, with the following main characteristics:

- ✓ number of shares that are object of the offer: 10,000,000, representing 1.0398% of share capital;
- ✓ Buy-back price: 1.45 lei per share;
- ✓ Period: 08.01.2024 – 19.01 2024;
- ✓ Offer broker: BT Capital Partners;
- ✓ Subscription location: according to the offer document displayed on the website www.evergent.ro.
- ✓ The purpose of the program is the lowering of share capital through the annulment of bought-back shares, in accordance with EGMS resolution no. 2 on 27.04.2023.

The operations are part of the EVERGENT Investments policy mix which includes redemption and dividend allocation programs that provide a higher return on invested capital than other types of investments.

5. Company Management

5.1. List of Directors

5.1.1. CV (name, forename, age, qualification, vocational experience, position and seniority)

No.	Name forename	Age	Qualification	Vocational experience	Current position in EVERGENT Investments	Seniority
1	Doroș Liviu Claudiu	54	Higher education • MBA - Management and Business Administration • Economist – specialization Economy of Services • Specializations: capital market: • Investment consultant • Specialist in technical analysis and trading strategies • Agent for financial investment services • Project management • Internal control	• Economist • Brokerage • Company management • Consultancy • Assets management	BD president CEO Member of the Management Committee	BD member 2006 - present
2	Iancu Cătălin – Jianu - Dan	48	• Graduation certificate Stanford University. Graduate School of Business • MBA in management. Rotterdam School of Management Bachelor studies - Bachelor of Economy – the Academy of Economic Studies Bucharest; Faculty of Economic studies in foreign language	• Training courses at Morgan Stanley. Standard Bank. Barclays Capital • Management "OTP Management Academy • Investment management. Capital market consultant • Member of the Association of Financial Markets in Romania	BD Vice-president Deputy -CEO Member of the Management Committee	BD Member 2013 - present
3	Radu Octavian Claudiu	62	• FernUniversitaet Hagen – Betriebswirtschaftlehre • Bachelor studies – Bachelor of Economics - the Academy of Economic studies Bucharest – Faculty of Commerce	• Business consultation • Marketing • Management	Independent non-executive manager President of the audit committee	BD Member 2013 - present
4	Ciorcilă Horia	60	• Cluj Napoca Polytechnic Institute. Faculty of electronics. Specialization Automation and Computers	• BD President – Banca Transilvania • BD member at BT Asset Management SAI	Non-executive, independent director President of the Investment Committee	BD member 2013 - present
5	Ceocea Costel	67	Higher education • Doctor in industrial engineering with thesis "Risk in Management Activity" • MBA - Management and Business Administration. • Economist - major Economy of the Constructions and Transport Industry Specialization: Capital Market: • Investment consultant • Business manager • Company assessor • Company liquidator • Acquisitions manager • Chartered accountant • Project management • Internal control	• President of EVERGENT Investments (2009 - 2021) • CEO EVERGENT Investments (2009 – 2017) • Banca Transilvania Manager • University lecturer –Vasile Alecsandri University of Bacau	Non-executive director President of the Appointing-Remuneration Committee	BD member 2001 - present

Authorization of EVERGENT Investments' Board of Directors
The members of the Board of Directors, presented above have been approved by OGMS resolution no. 2/28.01.2021, for the 5th April 2021 – 5th April 2025 mandate and authorized by FSA (authorization no. 49/30.03.2021).
(Current report on 31.03.2021)

Authorization of EVERGENT Investments' management
The company's executive management, presented in the table above, has been approved by BD resolution on 5th April 2021 and authorized by FSA (authorization no. 59/05.04.2021) for a 4 years' mandate, namely for 5th April 2021 - 5th April 2025.
(Current report on 06.04.2021)
Consultative committees of the Board of Directors *(BD Resolution on 5th April 2021)*

- *Appointing -Remuneration Committee is comprised of 3 members, namely*:
  1. Costel Ceocea – President – non-executive director;
  2. Octavian Claudiu Radu – member – non-executive and independent director;
  3. Horia Ciorcilă – member – non-executive and independent director.
- *Audit Committe* este is comprised by 3 members, namely:
  1. Octavian Claudiu Radu – President - non-executive and independent director;
  2. Horia Ciorcilă – member - non-executive and independent director;
  3. Costel Ceocea – membru – non-executive director.
- *Investment Committee* – is comprised of 3 members, namely:
  1. Horia Ciorcilă – President – non-executive and independent director;
  2. Octavian Claudiu Radu – member – non-executive and independent director;
  3. Costel Ceocea – member – non-executive director.

The non-executive quality for the members of the Consultative Committees and independent directors for their presidents insures the fulfilment of the conditions foreseen by the Corporate Governance Code of EVERGENT Investments, aligned to the requirements of the Bucharest Stock Exchange Code.

5.1.2. Any agreement, convention or family connection between that director and another individual due to whom he was appointed director – n/a.

5.1.3. Directors' holding in the company's share capital (direct and indirect holding on 31.12.2023)

No.	Name	Forename	Holdings as of 31.12.2023	% of share capital
1	Ceocea	Costel	5,343,128	0.55
2	Doroș	Liviu Claudiu	521,531	0.05
3	Iancu	Cătălin Jianu Dan	5,884,655	0.61
4	Radu	Octavian Claudiu	0	0.00
5	Ciorcilă	Horia	5,268,993	0.54

5.1.4. List of individuals affiliated to the company. EVERGENT Investments Group – detailed presentation in Ch. 1.2.3.

Transactions with related parties in 2023 are presented in explanatory note 29 to the individual financial statements of the Company on 31st December 2023.

5.2. List of executive management members:

Members of EVERGENT Investments' management: Doroș Liviu Claudiu – CEO, Iancu Cătălin Jianu Dan – deputy-CEO – FSA authorization no. 59/05.04.2021.

5.2.1. Term for which the individual is part of executive management
The directors of the company have entered Management Contracts for a 4 years' mandate, namely 5th April 2021 - 5th April 2025.

5.2.2. Any agreement, convention or family relationship between that individual and another individual due to whom that individual was appointed member of executive management- *not the case.*

5.2.3. Participation of the individual to the capital of the company – see the list presented under item 5.1.3.

5.3. For all individuals foreseen under item 5.1. and 5.2. mention possible litigations or administrative procedures in which they were involved over the last 5 years, regarding their activity within the issuer, as well as those regarding the ability of that individual to fulfil his attributions within the issuer – *not the case.*

5.4. Assessment of individuals in the management structure
According to *"Policies for the evaluation of individuals in the management structure and individuals holding key positions within EVERGENT Investments"* (www.evergent.ro/despre noi) and statutory provisions, the Board of Directors has carried out the annual assessment of the efficiently of the Board and its Committees as well as assessment of the performance of directors based on the criteria set for the monitoring of the results of executive management's activity and of the company as a whole. The President of the Board and the Board in its entirety have ascertained that the way in which the Board carries out its activity has insured the fulfilment of its responsibilities.

The consultative committees tasked with the carrying out of investigations and the drafting of recommendations for the board in fields such as audit (*Audit Committee*), remuneration of staff (managers, directors, employees) or appointing of candidates for various management positions (*Appointing-Remuneration Committee),* investments *(Investment Committee)* have submitted the Board recommendations for each meeting concerning issues under their area of competence (see: *Corporate Governance Code of EVERGENT Investments*) and presented half-yearly reports on their activity.

The Board of Directors has appointed the management of the company to the CEO and deputy CEO, who together form the Management Committee.

Each executive manager of the company coordinates the daily activity of certain departments according to the organizational chart and adopts individual decisions on its specific area of activity, and together they adopt decisions within the collective work body, the Management Committee, in applying the legal requirements that executive managers ensure the actual management of the company.
For this purpose, the Committee adopts decisions on:
- ✓ Implementation of the investment strategy set by the Board of Directors ;
- ✓ Implementation of the resolutions of the Board of Directors that target assigned competencies;
- ✓ Issues that fall under the competence of the Board of Directors that are to be subject to its debate and approval, which concern assigned attributions ;
- ✓ Issues that, through their nature may impact all lines of activity (business, support, compliance);

- ✓ Issues that, in order to adopt a decision, require the full understanding and harmonization of all business and compliance aspects;
- ✓ Approval of the specific procedures of company departments.

The Management Committee presents the decisions adopted and situation of running operations in the meetings of the Board of Directors and prepares regular reports on its activity.

6. 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 expertize acquired over several years of specialization. Staff working in the following fields was included in the continuous training programs: investment analysis, assets evaluation, accounting, audit, risk management, legal, corporate governance. The amount assigned in the reporting period for the professional training and participation to seminaries and conferences in the field was 201.019 lei.

Staff were assessed for their work in 2022 in terms of both performance and specific knowledge.

The company had 45 employees at the end of 2023. In line with the Succession and Development Plan approved by the Board of Directors, the recruitment and selection process continues, with a timeframe of 2025-2026.

7. Internal Audit Department

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 auditor: Virginia Sofian, Gabriela Stelea, Rodica Grințescu

Internal audit activity 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 in 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 positioning in the organization chart, direct access is insured and activity reporting on the level of the Audit Committee and Board of Directors, 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 / 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.

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;
- ✓ issued recommendations based on the result of activities carried out;
- ✓ verifies the abidance by issued recommendations;
- ✓ reports on aspects related 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 evaluated 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 chances in business, risks, operations, programs systems and controls of the company and to the priorities decided 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.

The overall internal audit objectives for 2023 focused on assessing the effectiveness of the risk management system and the system of controls implemented by process and activity.
Thus, the internal control framework of EVERGENT Investments is structured on three levels:
- ✓ functions that own and manage risks (operational management) – 1st line. Operational management is responsible for maintaining effective internal control and executing daily control procedures;
- ✓ risk supervision functions (risk management function and compliance function) – 2nd line. The risk management function ensures the management and control of risks identified through specific valuation processes, and the compliance function provides the management of compliance risks;
- ✓ function that provides an independent examination of the efficiency of the risk management system, control and governance (internal audit function) – 3rd line. The internal audit function provides the objective and independent valuation of the efficiency of the risk management system, internal control system and governance and execution processes, to support the reaching of objectives and issues recommendations for the improvement of these activities.

Activities run in year 2023 based on the internal audit plan targeted:
- ✓ audit of asset valuation activity and calculation of unit net asset value per share (NAVPS);
- ✓ corporate governance audit;
- ✓ audit of the remuneration policy of company managers (members of the board of directors and executive managers) and of the staff;
- ✓ audit of the investment activity and private equity portfolio management;
- ✓ audit of the activity for the prevention and fight against money laundering and the financing of terrorism;
- ✓ audit of legal activity - partial implementation;
- ✓ human resources audit - partial implementation;
- ✓ audit of regular and current reports – partial implementation;
- ✓ audit of the activity of Agrointens SA subsidiary;
- ✓ audit of the activity of Everland SA subsidiary;

- ✓ follow-up of progresses registered in the implementation of internal audit recommendations, under supervision;
- ✓ verification of certain compliance aspects, at the request of the Board of Directors or executive managers;
- ✓ participation to committees/work groups nominated by Board of Directors or Directors for the implementation of certain projects/activities.

Besides the activities presented, other non-audit activities were run, that included:
- ✓ strategic and annual planning of internal audit activities;
- ✓ reports on the internal audit activity;
- ✓ monitoring and report on the assurance and improvement program of the quality of internal audit activity;
- ✓ report on the implementation status of recommendations submitted by internal auditors and the audit committee;
- ✓ extension of the mandate of the financial auditor;
- ✓ administrative activities

Proper measures were implemented to keep risks at an acceptable level.

Internal auditors report directly to the Audit Committee and Board of Directors their ascertainments and suggestions for the significant improvement of internal controls.

Following the assurance missions run in the reporting period, internal audit has presented recommendation for process improvement. Based on the conclusions and recommendations presented by internal audit, EVERGENT Investments' executive management and the management of subsidiaries have adopted adequate measures for the management of identified risks.

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

At the same time, internal auditors reported to the directors, the Audit Committee and the Board of Directors on the purpose, authority, responsibility and performance of the internal audit activity in relation to its plan and on its compliance with the Code of Ethics and the Standards. The report includes significant risk and control issues, governance issues and other issues that require the attention of executive management and/or the Board of Directors.

Internal auditors followed-up the progresses registered in the implementation of recommendations and reported to executive management on the abidance by the deadlines set for implementation. AT the same time, internal auditors followed-up the setting of measures by the audited structures to complete the implementation of recommendations.

No situations were identified in which the management decided not to take any measures to reduce risks considered unacceptable for the Company.

8. Compliance Department

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.

The internal control activity has been carried out mainly through **permanent control**, with a **pro-active 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 increase of the internal control function. The main activities of the Compliance Department for H 1 2023 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** regarding regulations 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 depository 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 *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 investment company (AIFRI)"

- 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 valuation 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 Investment;
   e) Risk profile of EVERGENT Investments.
   Conclusion: *no non-compliances identified.*

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

4. Remuneration policies foreseen under 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) 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/ 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 infringement 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 Law 74/2015, line (1)-(11) regarding the agreement between depositary 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 current report on 19.05.2023 EVERGENT Investments informed investors about the authorization by the Financial Supervisory Authority of Banca Comerciala Romana as depository of the Company's assets (FSA Authorization no. 74 on 18th M2023).

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 the changes of holding 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 18th 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 own shares buy-back program in accordance with EGMS Resolution no. 2/27.04.2023 (period: 1st stage: 17.05-14.07.2023, RC 15.05.2023 ; 2nd stage 13.07-12.10.2023 CR 11.07.2023); 3rd 16.10-28.11.2023;

c) Compliance endorsement for the running of own shares buy-back program in accordance with EGMS Resolution no 2/27.04.2023 through the Public Offering run between 08.01.2024-19.01.2024 – according to FSA resolution no. 1328/22.12.2023.

d) 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 passed 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. 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

- The updated information for the categories of persons specified in the Regulation for 2023, with reference to 31.01.2024, was uploaded to the ASF Authorisation Portal Platform within the deadlines set out in ASF Regulation no. 3/2023..

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.*

19. Notification of EVERGENT Investments, its management structure and employees regarding the legal regime applicable to the capital market, including on draft rules under public consultation.

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Staff of the Compliance Department:

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

9. Legal assistance, consultancy and legal representation activity

The mission of the Legal Department is to make sure that the rights and interests of the company are protected and reached in accordance with applicable laws and regulations. For this purpose, under the coordination of the Director who is responsible for leading all activities related to legal advice and representation, the department has been involved in pursuing litigation strategy, providing professional advice and legal representation before the courts and other private and public law institutions.

9.1. Legal Representation

The legal assistance and representation activity run in the reporting period focused on the formulation of the necessary defences in the 273 litigations registered in specific records, a number of 41 files being concluded. In order to insure a correct solving of a case in court, the service pays the outmost importance on the abidance by legal terms and measures, correlated with the presence of the conventional representatives in court.

A summary of litigations is the following (details in annex 3):

Litigations in which EVERGENT Investments SA acts as plaintiff:
- ✓ 225 cases, of which: 203 cases are pending in various trial stages (of which 170 cases are against AAAS) and 22 cases are concluded.
- ✓ The value of pending litigations: 70,227,426.64 lei (claims and insolvency).

Litigations in which EVERGENT Investments SA is defendant:
- ✓ 48 cases, of which: 29 cases are litigations pending in various trial stages, and 19 are concluded.
- ✓ Litigations against EVER has various claims as object (e.g. resolution to replace authentic document) non-quantifiable in money.

9.1.1. During 2023, the Legal Service paid particular attention to claims files, as they aim to recover amounts owed to our company.
A favourable solution was obtained in the case brought against SNGN - Romgaz regarding claims for the countervalue of the additional net dividends due and not paid for 2018, the court ordering the defendant company to pay to EVERGENT both the principal debt and the interest and costs advanced. The amount was partially recovered in December 2023.

In view of the high proportion of debts in total receivables, legal steps to recover the amounts owed by AAAS have been continued and intensified, and the company has developed a complex strategy in relation to this debtor. Enforcement proceedings against AAAS are continuing, with the Legal Service in constant contact with the bailiffs and helping to identify assets that can be pursued.

At the same time, two cases are pending before the courts against the Romanian State in order to hold it liable as the final beneficiary of the amounts unlawfully executed from the undersigned by AAAS. In one of the cases, the court ordered the Romanian State to pay EVERGENT the sum of 50,000 lei as material damages. The judgment is subject to appeal, and we will take all steps in our defence to allow the action as formulated.

We also note the promotion of a number of 56 files on the subject of Complaint against the Land Registry Orders issued by OCPI Iasi, which unlawfully rejected our requests for the registration of the Summonses on the real estate execution of the assets taken over by AAAS from the company Fortus S.A., the undersigned also taking other extrajudicial steps in order to protect the interests of EVERGENT, in an operation in which they are trying to evade real estate from execution, to the detriment of AAAS creditors.

9.1.2. In the statement of litigations there are 16 cases (of which 11 pending and 5 solved) with object insolvency and connected files. Litigations in this category target the recovery of claims in files dating back a long time, on the dockets of courts since insolvency proceedings involve lengthy operations. In this cases we have unsecured claims and we don't expect a high change of recovering all amounts declared on creditors' tables.
In the category of debtors from this category, a different situation is that of debtor Vastex S.A., EVERGENT being the majority creditor with a claim registered in the debtors' creditors table of 8,834,829.73 lei. Special attention is paid to this procedure since the debt can be recovered, the debtor having assets in its estate, both movable and immovable that could cover the amount due. We would like to point out that, following legal action taken by EVERGENT in the insolvency proceedings of debtor Vastex for the protection of our interest as majority creditor, syndic judge ordered:

- the supplementing the Report on the causes and circumstances leading to the insolvency of the debtor Vastex S.A..;
- removal from the list of definitive creditors of the claim of Castrum Corporation S.R.L. in the amount of 26,685,999.27 lei;
- the entry into bankruptcy through the general procedure of the debtor Vastex S.A. as of 13.09.2023.

Expenses in the amount of 6,105.41 lei incurred after the date of entry into insolvency proceedings have been fully recovered.

9.1.3. As a defendant, the company has 48 registered cases, of which 29 are pending and 19 have been finally settled. Litigations in this category mainly comprise challenges to enforcement against AAAS. In all cases of appeals against enforcement brought by this institution, the necessary defences are formulated in a timely and thorough manner. We show that during 2023 EVERGENT has obtained final success in more than 50% of these cases.
New litigations have been filed against our company with object the pronouncement of a resolutions to replace authentic documents, actions filed by various plaintiffs who in the past have carried out various operations with companies that are now cancelled from the Trade Registry and in which our company was a shareholder.

9.2. Legal Consultancy

The Legal Department is responsible for offering legal advice and for protecting the interests of the Company. For this purpose, the department is consulted and it provides consultancy in all fields of activity of the company and/or its subsidiaries within the Group in an important number of consultancy cases, highly complex from a legal point of view, such as: investment projects, revisions of legislative proposals, transactions, corporate operations, contracts.

At the end of 2023 the legal consultancy activity covers a number of 51 consultancy files and a total number of 269 legality endorsements on various legal documents such as contracts, addenda, decisions, mandates, agreements. In this way, the department has achieved its objective of maintaining a high level of responses on legality opinions within the deadlines set.

The main documents and operations carried out during the legal consultancy and endorsement activity refer to:

- ✓ Review and endorsement of documents related to EVERGENT Investments' General Meetings of Shareholders held in 2023;
- ✓ Legal advice and opinion on all mandates issued by the company at General Meetings of Shareholders held by EVERGENT Group companies;
- ✓ endorsement of documents within the Public Offering run by the company in 2023;
- ✓ participation to negotiation meetings, submission of comments, amendments, provision of legal advice and legality endorsement in corporate operations and/or transactions run by the company in 2023, with stress on the private equity area.
- ✓ From among the projects in which the legal department was involved, we mention:
  - ➢ change of provider for storage and custody services. Thus, contracts were concluded with the new depositary - Banca Comercială Română SA (BCR SA), a credit institution approved by the Financial Supervisory Authority (ASF) as depositary (ASF Register - Section of Approved Depositories in Romania - Decision no. 27/04.05.2006).
  - ➢ the Company's contracting from Banca Comerciala Română a "revolving" type credit as overdraft, for a 12 months' period, with a maximum value of 19,200,000 euro and set-up of guarantees for this contract.
  - ➢ Development of the Group's ESG policy through which EVER aims to generate long-term value for the entire spectrum of the interested parties, both through the achievement of financial performance and shareholder return objectives, and through the positive impact on the environment and the community.
  - ➢ advice on the competitive tendering procedure for the sale of the majority of shares issued by REGAL SA.
  - ➢ assistance and consultancy for the drafting of internal documents such as internal regulations, collective employment contract, procedures, etc.

We would also like to mention the approval, on the level of the director's activity, of a number of 2141 orders for the set-up and/or suspension of garnishments regarding the payment of dividends to shareholders and corresponding reply notices.

10. Corporate Governance

The annual directors report is accompanied by:

- ✓ Statement on the application of corporate governance principles in accordance with the provisions of *ASF Regulation No 9/2019 amending and supplementing ASF Regulation No 2/2016 on the application of corporate governance principles by entities authorised, regulated and supervised by the FSA (Annex* 5);
- ✓ Statement on the compliance of corporate governance code presented in the *Corporate Governance Code of Bucharest Stock Exchange (*Annex 6).

The above-mentioned documents are posted on website www.evergent.ro

10.1. Relationship with investors

Connected information in the Corporate governance code of EVERGENT Investments
Ch. 1.1. General Meeting of Shareholders
Ch. 8. Shareholders' rights

Note – details regarding each category of reports in the reporting period are presented in annex 4.

In the reporting period we have observed and ensured all transparency obligation, notification and reporting obligation through press releases, publication of mandatory reports 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: e-mails, social media platforms or letters as well as telephone communication.

Processing of personal information - EVERGENT Investments processes personal data it has access to in accordance with European Regulation no. 679/2016 ("Regulation") on the protection of natural individuals regarding the processing of personal data and the free circulation of this data based on the legal obligations and legitimate interests of the Company and its shareholders. The company makes sure that all principles foreseen by the Regulation regarding the processing of personal data it has access to are abided by. The processing of personal data is made through automated and manual means, abiding by legal requirements and under conditions that insure the safety, confidentiality and observance of the targeted individual's rights.

10.2. Ensuring Business Continuity

Business continuity is insured through the preparation and implementation of

a) Continuity plan - with its half-yearly assessment and regular testing, in accordance with the requirements of FSA Reg. no. 2/2016 and FSA Norm no. 4/2018;
b) Succession and Development Plan – the personnel selection and recruitment process is run in accordance with EVERGENT Investments' characteristics.

10.3. Application of corporate governance principles in accordance with FSA regulation no. 2/2016

Relevant events registered in 2023 in connection with the application of the provisions of Regulation no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the FSA:

1. Board responsibilities: references in chapter 5 – Company management
2. Responsibilities of executive management and individuals holding key positions: references in chapter 2: Risk management, chapter 5 – Management of the Company, chapter 7- Internal Audit, chapter, Chapter 8 - Compliance
3. Conflicts of interest and their management: references in chapter 8- Compliance
4. Risk management and risk management function: references in chapter 2 – Risk management
5. Provisions regarding transparency – information foreseen by art. 48^1 of the Regulation are found on the website in the section: *Investor information / Corporate Governance / Corporate Governance Code/ Information foreseen by art. 48 index 1 FSA Regulation no. 2/2016*

10.4. Engagement policy of EVERGENT Investments

Information on the application of involvement policy within issuers in the portfolio, according to the provisions of art. 101 line (1) Law no. 24/2017 on the issuers of financial instruments and market operations.

EVERGENT Investments SA abides by the requirements mentioned in art. 101 Law no. 24/2017 R on the involvement policy within issuers in the portfolio, the policy that is subordinate to the objectives and principles set by the Company's investment strategy and policy through:

a) The Company's Corporate Governance Code, documents that meets the legal requirements mentioned for the involvement policy in issuers in the portfolio.
   The Company's corporate governance code presents, in an integrated and concise manner, all relevant aspects related to the management and functioning of the Companies, by assimilating significant aspects from the company's authorization as AIF and AIFM.
   The Code is aligned with the relevant legal provisions and best practices in the field, with reference to principles and rules of national and international representative entities.
   The Code is regularly revised, the latest edition is posted on website www.evergent.ro.
b) A series of other company documents, consistent with AIFM and AIF legislation include descriptions of the way in which EVERGENT Investments meets the provisions stipulated by line (3) Law no. 27/2017, namely:
   1 Procedures regarding the organisational structure and administrative, accounting requirement and control and protection tools in the field of electronic data processing, as well as mechanisms adequate to internal control;
   2 Investment strategy and policy: Statements regarding diligence policies, taking into consideration the main negative effects of investment decisions of sustainability factors;
   3 Policy on the prevention and management of conflicts of interests and personal transactions.

In 2023, EVERGENT Investments acted in the best interest of its investors and followed an active involvement strategy in relationship with the company it invests in for the purpose of improving their potential to create average and long-term value and implicitly risk-adjusted performance for its shareholders.

EVERGENT Investments has diligently and constantly monitored the relevant aspects related to the issuers it invested in, including the strategy, performances, financial and non-financial risks, capital structure, social impact, on the environment and corporate governance, in accordance with the legal provisions and applicable internal procedures.

The monitoring focused on the way in which issuers proceeded to identify potential risks, especially those related to environment, social factors and corporate governance code which may have a significant impact on the performance of companies on the average and long term. At the same time, the monitoring focused on the way the issuers insured the transparency of this component and the extent to which they managed the impact of these factors on the company's activity.

In addition to the information obtained through direct analysis and research, EVERGENT Investments started the dialogue with the representatives of companies in order to get a clearer image on the financial position of the company and the main aspects connected to its activity, including, depending on the case, the sustainability component as well.

As Alternative Investment Fund of the investment companies type– F.I.A.S., category Alternative Investment Fund for Retail Investors (FIAIR), with diversified investments, closed-end, self-managed, EVERGENT Investments has exercised the vote rights corresponding to its holdings in the managed companies, in accordance with the investment objectives and strategy for each individual portfolio.

The exercise of voting rights and the evaluation of the corporate governance code adopted by the issuers in which EVERGENT Investments invested represented important elements of the investment process in 2023.

Thus, EVERGENT Investments has acted honestly, correctly, professionally and diligently, in accordance with the best interest of its shareholders and abiding by professional ethics sets by legal regulations in force, its own Corporate Governance Code and established practices in the field.

General presentation of the vote conduct in companies where it is shareholder

The internal analysis for vote substantiation is made based on operational procedure "*Exercise of EVERGENT Investments' attributions as shareholder of the companies in the portfolio*". The regulation foresees that analysis within the portfolio management department analyse the materials and information made available to the shareholders in order to identify the best representation solution and protect the interests of the Company. Proposals shall be transposed into mandates of representation, special proxies or ballot through correspondence that shall be subject to the approval of the deputy CEO /CEO and/or Management Committee.

In exercising the vote policy, as well as in all of its activity, the Company acts honesty, equitably, professionally and independently in the interest of the Company and its investors.
Thus, in accordance with the best practices and provisions of the Corporate Governance Code, the Company supports the proposals of the directors of companies in the portfolio referring to: change of name, change of headquarters, setting the date and venue for the annual general meeting; acceptance / approval of the financial statements; approval of dividend payment; authorization of the transfer of reserves and income assignment; amendments to authorized signers; approval of the modification of the methods for accounting records holding; acceptance of work agreements, appointment of internal auditors.

Regarding aspects related to the Board of Directors, the Company usually considers supporting the management. However, a vote against the management will be considered in case the corporate performance has been poor.
The Company considers voting "for" for: cumulative vote – for the protection of minority

shareholders; increase of share capital with contributions from reserves; share buy-back programs in case all shareholders can participate, under equal conditions; the lowering of share capital following the annulment of bought-back shares.

In the case of the vote for the following categories, the Company makes case-to-case assessment: capital operation for which there are the premises that the Company's interests shall be affected; the contracting of credits and pledging/ mortgaging of company property; issue of corporate bonds; merger or division of the company; conversion of shares from one category to another; conversion of a category of bonds to another or shares; modification of the Memorandum of Association; setup or cancellation of secondary headquarters: subsidiaries, agencies, or other such units without legal personality; assets sale; anticipatory dissolution of the Company.

The company considers voting "against" for share capital increase with contribution in kind; share capital increase without granting preference right to the shareholders.

In case it is considered that, based on professional reasoning and taking into account the specific situation of that particular company, it is not necessary to involve the Company's shareholder in the GMS due to conjuncture situations or general policy interests of EVERGENT, in relation to companies classified in different categories, the proposal concerns the company's non-participation in the GMS, with the information regarding the adopted decisions and the course of the GMS session to be obtained subsequently.

All these principles are transposed according to the above-mentioned legal and internal provisions in the vote options sent to the companies in the portfolio, following the close and responsible analysis of the management proposals of that particular company.

10.5. 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 on the background of remote work;
4. preparation of instructions, use guides for certain remote application and later testing of their use;
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.

The business continuity plan (BCP) was revised, with its quarterly and regular testing, in accordance with the requirements of FSA Reg. no. 2/2016 and FSA norm no. 4/2018.

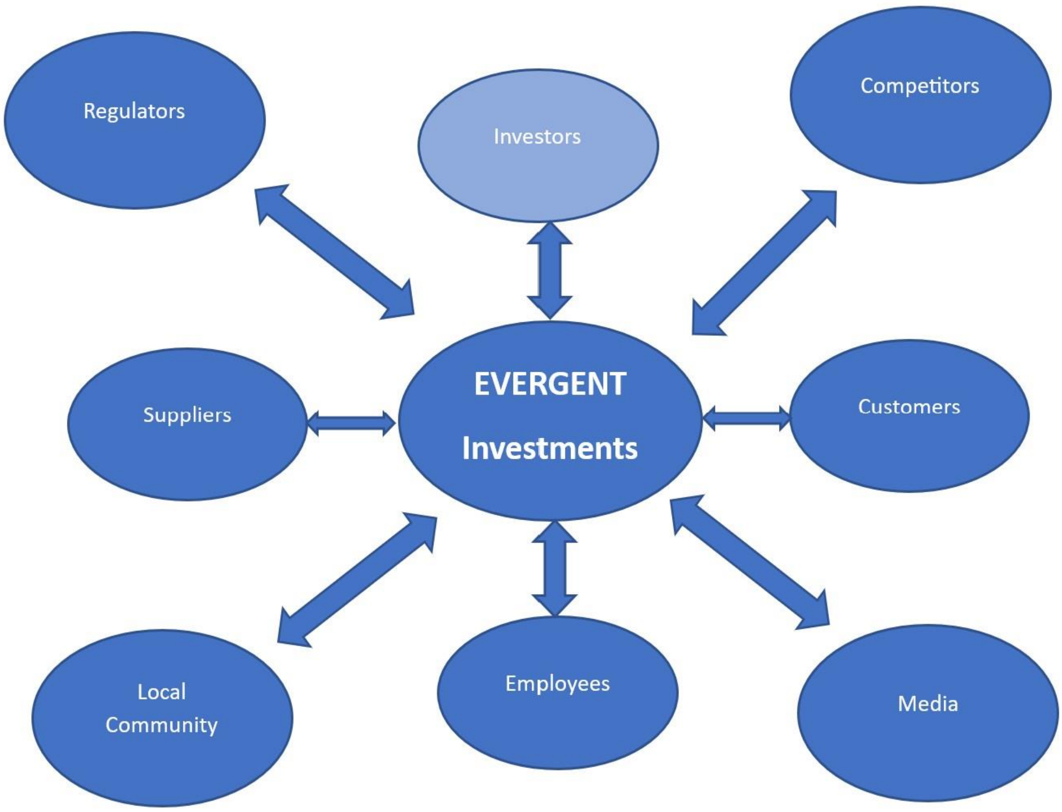
The IT Security Incident Response Plan (PRIS) has been tested in accordance with the requirements of ASF Standard 4/2018.

Annual vulnerability and social engineering tests have been performed as required by ASF Rule 4/2018.


ESG

11. EVERGENT Investments' approach regarding environmental, social and governance aspects - "ESG"

For EVERGENT Investments Group generating value means, in addition to financial performance and profitability for its shareholders, a positive impact on the environment and the community in which it operates.
By applying its investment experience and expertise, the company is positioning itself to help build a sustainable future.
As ESG integration efforts 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 – „Enviromental"

The global transition to zero emissions under the Paris Agreement requires the commitment and collaboration of all sectors. In scenarios analysed by the International Energy Agency, energy demand will grow by 2.1% per year until 2040, especially in developed countries. The share of zero-carbon energy is projected to increase from 36% today to 52% by 2040. Romania supports the European Union's environmental targets to achieve zero carbon emissions by 2050. The decarbonisation target to be achieved by 2030, the intermediate stage, has been accelerated from 40% to 55%. This ambitious target cannot be achieved without the use of all low-carbon energies, in particular nuclear and gas. Thus, Romania's target is to reduce CO_2 emissions by 43.9% by 2030 compared to 2005 levels."

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

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

What sectors can EVERGENT Investments target

To this extent, EVERGENT Investments tries to identify business segments that manufacture or supply goods, products and services that provide environmental solutions. The Company considers that this area may include:

- agriculture;
- industries that manufacture renewable energy (hydro, photovoltaic) or with low carbon emissions (nuclear energy or energy obtained by modern combined cycles gas turbines that generate less than half the volume of carbon-dioxide (CO_2) compared to coal-fired power plants of the same size.
- Nuclear power can have a reversible effect on global warming, as energy demand is projected to increase. Over the nuclear fuel cycle, nuclear power plants have very low greenhouse gas emissions compared to other sources of energy production.

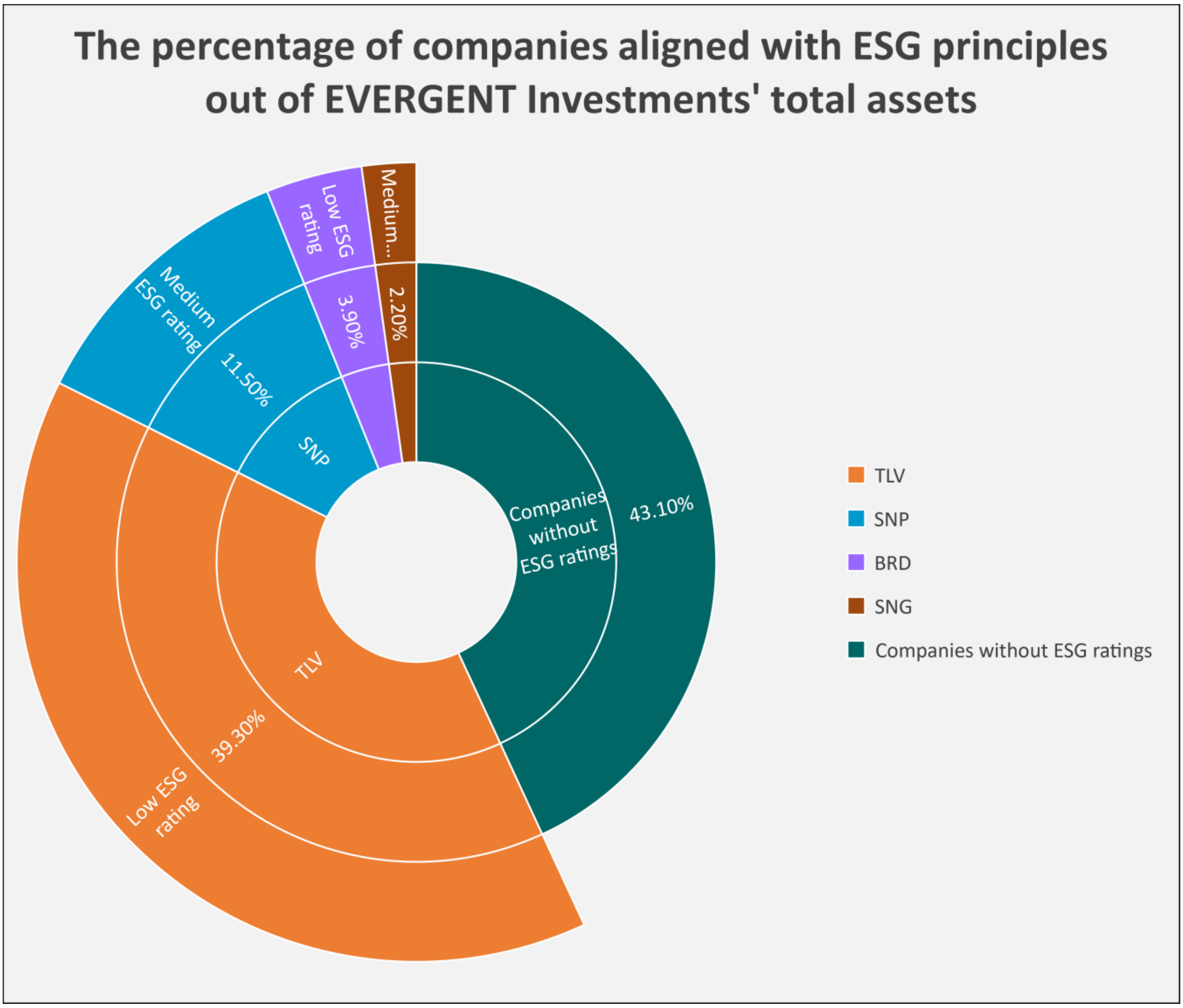
EVERGENT Investments focuses mainly on the growth rates of Company profits, but also on the sustainability of these profits.

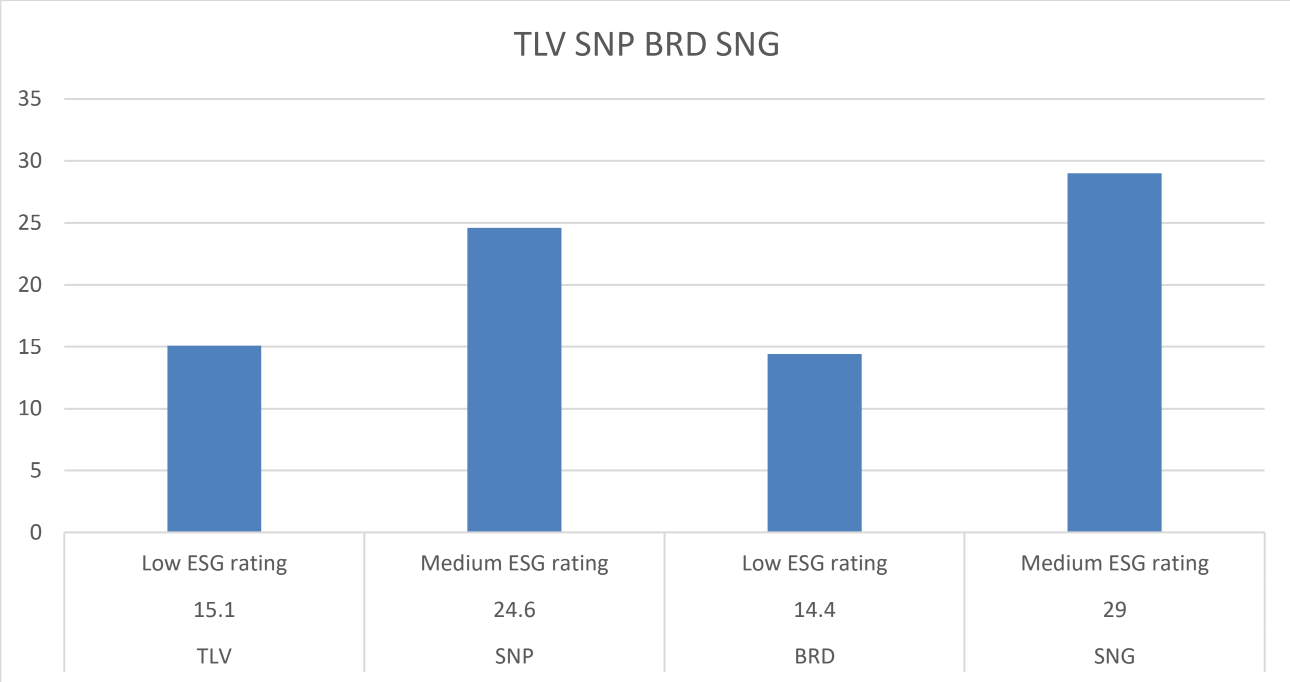
EVERGENT Investments evaluates investments from the point of view of sustainability, according to an internally processed methodology that analyses environmental, social and governance criteria. Due to the experience and diversity of the team of analysts, EVERGENT Investments can have a large coverage 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 EVERGENT Investments' listed shares portfolio according to ESG principles

On 31st December 2023, more than 50% of the asset portfolio is held in issuers that integrate ESG factors into their activities.

Chart of ESG scores* achieved by issuers in EVERGENT Investments' listed portfolio





* ESG ratings according to Sustainalytics.

The main issuer is Banca Transilvania, which obtained a very good ESG Risk Rating (15.1) and is classified in the Low Risk category in terms of ESG initiatives and performance. The result ranks Banca Transilvania in the top 15% of the companies analysed by Sustainalytics globally.
The Company also received Most GHG Mitigated in Central Europe recognition from the International Finance Corporation (IFC) for its contribution to reducing the impact of greenhouse gas emissions for providing green financing to companies in Romania.
In December 2023, Banca Transilvania received a ESG rating of 3.5, following the assessment of FTSE Russell. The ESG Index is the result of an assessment based on three pillars: environmental, social and governance. More than 300 indicators were used to analyse the bank's exposure and the way Banca Transilvania manages the ESG area.

Banca Transilvania sold bonds worth EUR 500 million in November 2023. It is the first bond issue with an ESG label, with a minimum 50% social component and a green component. The issue is listed on the Dublin Stock Exchange. The bonds are MREL, helping to ensure an optimal level of MREL-eligible funds, as distinct from customer deposits, which are guaranteed by the Bank Deposit Guarantee Fund, according to European standards.

Following Refinitiv's analysis, a London Stock Exchange Group company, the Bank is rated 81/100 in terms of ESG performance. This indicates a high degree of transparency in the public reporting of sustainability materials.
This rating ranks Banca Transilvania 49^{th} out of 1,124 banks rated by Refinitiv worldwide.
This confirms the bank's results in areas such as: the governance of its product and service offering; the policy of excluding polluting sectors from fossil fuel lending; the responsible marketing policy and the initiatives implemented to develop human capital.

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, 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. It 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 investment to take advantage of opportunities in carbon capture and storage, as well as hydrogen, which is anticipated to make a significant contribution to the country's decarbonisation.
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.

OMV Petrom will acquire from RNV Infrastructure a 50% stake in Electrocentrale Borzești, which owns renewable energy projects with a capacity of about 1 GW, of which 950 MW wind and 50 MW photovoltaic. The projects will be developed, built and operated in partnership with RNV Infrastructure. Furthermore, OMV Petrom will acquire in full Renovatio Asset Management, owner of the largest charging network for electric vehicles in Romania, with more than 400 charging points in Romania, with prospects to grow to about 650 by 2026. OMV Petrom together with Renovatio plan to invest around €1.3 billion by 2027, including bank financing, in renewables in Romania.

BRD approaches the future from three main perspectives: customer satisfaction and digitalisation, transition to sustainability and business line efficiency, through the HORIZONS 2025 action plan. This strategy translates into the execution of the Bank's vision to strengthen the long-term relationship with its individual and corporate customers by offering more personalisation and an omnichannel journey. Through Horizons 2025, BRD aims to strengthen its position on the Romanian market, to be a leader in the energy transition towards sustainability and to provide more support to the Romanian economy and society. From an ESG perspective, the bank aims to provide cumulative sustainable financing of more than €1 billion by 2025.

AEROSTAR S.A. announced a €3 million investment, from its own sources, in securing energy by implementing a photovoltaic park in 2022. The company has achieved its goal of contributing to increased 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).

On the report date, Veranda Mall has completed a photovoltaic plant located on the building that will cover 20-30% of the electricity used for heating, cooling and lighting the mall. This is part of the strategy to develop clean energy sources and is an important action towards decarbonisation and combating climate change. Decreasing energy consumption and developing cleaner energy sources are key to achieving the company's climate targets and addressing its dependence on external sources and reducing its carbon footprint.

Social component – "Social"

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

The Company believes that a thorough involvement of employees leads to performance, and thus it supports diversity and equity initiatives and constantly promotes a culture of collaboration. EVERGENT Investments continues to improve working conditions and career plans for employees. All employees participated in continuous training programs on the ESG field throughout the year 2023.

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, in 2023 it allocated amounts for donations and sponsorships 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 has supported the organization of national Olympiads, contributed to the participation of students in international stages, MBA scholarships, national chess competitions, it supported high school, university and academic projects.

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 highly committed professionals who aim to generate value for the full spectrum of stakeholders. The Company engages in social responsibility activities, in accordance with its own Corporate Governance Code, supporting them directly or through foundations or specialized associations, in order to build a strong community.
The many initiatives and projects it has been involved in during 2023 reflect the Company's mission to build resilient communities.

The main areas in which we are involved 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. EVERGENT Investments' mission is to discover talented young people and support them on their journey to excellence.

EVERGENT Investments supports the health sector on several levels, so that healthcare can be carried out in line with European standards.

EVERGENT supports culture because it wants young people to acquire Romanian identity, to cultivate their curiosity and critical spirit. Through art and culture, it encourages dialogue between all generations.

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 implementation of corporate governance principles, structures and mechanisms, as well as the development of responsible and transparent business practices, are important cornerstones of EVERGENT Investments' business, while ensuring the prerequisites for achieving sustainable performance growth and for aligning the interests of all parties involved in the EVERGENT relationship.

EVERGENT Investments is based on values such as accountability, innovation, performance, diligence in action and how employees go above and beyond to be better. The Company's values are firmly rooted in the organisational culture, guiding both personal and business strategy. The Company's team is made up of talented and persistent people who share the same values, which have become the competitive advantages and generated performance.

12. The activity of preventing and fighting against money laundering and the financing of terrorism

ML/FT designated individuals have fulfilled their responsibilities in 2023 as set by FSA rule no. 13/2019 on the establishment of measures to prevent and combat money laundering and terrorist financing through the financial sectors supervised by the Financial Supervisory Authority, as well as those specified in the internal regulations.

The main activities run and implemented in the reporting period are:

1. Approval of the *Genearl ML/TF Strategy,* in accordance with the provisions of FSA rule no. 13/2019.
2. Update of ML/FT Procedure applicable on the level of EVERGENT, including up-to-date legislative changes and their transposition at Group level, taking into account the specific activity carried out by each subsidiary.
3. carrying out the assessment of money laundry and financing of terrorism risk on individual level and on the level of the entire activity, as well as the assessment of internal controls. All internal controls were assessed as compliant.
4. Proper training and information of Company staff.
5. Drawing up regular activity reports and ensuring the necessary correspondence with the authorities.

During the reporting period no breaches of legislation for the fight against money laundering and the financing of terrorism were identified at EVERGENT and no sanctions were applied.

13. Supervision of the implementation of international capital market sanctions

The activity is internally regulated, the compliance department manages the specific working procedure in application of the express regulations of FSA.

The procedure applies to persons designated for the proper administration of international capital market sanctions, employees who come into direct contact with clients, and all EVERGENT Investments employees.

An internal committee is currently appointed by the Board of Directors/executive management, subject to legal requirements; the representative of the compliance department may also be a member of the committee, in which capacity he/she also liaises with the A.S.F.

The designated persons are responsible for the fulfilment of responsibilities set by the applicable special law.

The main activities carried out and implemented in the reporting period are:

- Ensuring compliance with the internal procedure on *"Supervision of the application of international sanctions on capital market"*
- Monitoring and communicating to the FSA, if applicable, whether the persons concerned by the restrictive measures imposed at international level are in the EVERGENT Investments SA shareholding structure or whether they have an impact on the activity or on the investment strategy and policy of the Company. No such situation has been identified.
- Verification of the implementation of staff training - continuous professional training programmes for the year 2023 were conducted, attended by all employees, organised by trainers authorised by the ASF; in addition there were trainings of all staff conducted by the compliance officer, and
- Preparation of the annual activity report to the Management Board

During the reporting period there was no situation of freezing of funds and economic resources as a result of the verification of restrictive measures issued by the European Union against the Russian Federation.

14. Subsequent events

14.1. Completion of the Public Offering of shares issed by EVERGENT Investments, approved by FSA resolution no. 1328/22.12.2023– current reports on 19.01.2023 and on 25.01.2023 supplied to the market by BT Capital Partners, as offer broker.

- ✓ Offer period: 08.01.2024 – 19.01.2024
- ✓ allocation index set within the offer: 0.0409086221.
- ✓ Number and percentage of securities tendered in the offer: 244,447,246 shares, representing 25.42% of the share capital;
- ✓ Number of shares bought within the offer: 10,000,000, that represent 1.0398% of the share capital;
- ✓ Total value of bought-back shares: 14,500,000 de lei.

14.2. Accessing credit facilities to capitalize on market operations

The revolving credit facility in the form of an overdraft facility of up to EUR 19,200,000 was extended for a period of 12 months and a new revolving credit facility in the form of a ceiling on object credits of up to EUR 10 million was contracted for a period of 24 months, of which 12 months were the drawdown period.

14.3 On February 28, 2024, the Board of Directors of EVERGENT Investments approved a series of operations aimed at optimizing the Company's activities, as well as continuing ongoing projects, as follows:

- Purchasing from the subsidiary CASA S.A. a property worth 5,441,600 lei and selling to it a property worth 7,572,000 lei, both located in Bacău;
- Contributing to the share capital of the subsidiary CASA S.A. with properties worth 1,108,900 lei, located in Iași and Vaslui;
- Contributing to the share capital of the subsidiary EVER IMO S.A. with properties worth 4,975,000 lei, located in Bucharest;
- Increasing the cash share capital of the subsidiary EVER IMO SA by the amount of 2,100,000 lei;

- Increasing the cash share capital of the subsidiary AGROINTENS SA by the amount of 7,650,000 lei;
- Subscribing and paying the amount of 4,950,000 lei as part of the subsequent increase in the share capital of mWare Solutions.

The 2023 Board of Directors' Report relating to the separate financial statements was approved in the session on 25th March 2024.

Claudiu DOROȘ
President and CEO

Finance Director
Mihaela MOLEAVIN

Compliance officer
Gabriel LUPAȘCU

Director
Georgiana DOLGOȘ

Evergent INVESTMENTS

Annex 1.1.

In accordance FSA Regulation no 7/2020

STATEMENT OF ASSETS AND LIABILITIES OF EVERGENT Investments
Date of calculation 31/12/2023 - Monthly, balanta IFRS

		LEI	% total assets
1	**Intangible assets**	**402.982,68**	**0,014**
2	**Tangible assets**	**10.435.506,91**	**0,354**
3	**Investment property**	**4.109.000,00**	**0,139**
4	**Biological assets**	**0,00**	**0,000**
5	**Right-of-use asset from leasing contracts**	**3.320.773,83**	**0,113**
6	**Financial assets, of which:**	**2.612.719.740,44**	**88,588**
6.1	**Financial assets at amortized cost, of which:**	**17.642.111,19**	**0,598**
6.1.1	Bonds, of which:	17.642.111,19	0,598
6.1.1.1	Listed bonds, of which:	0,00	0,000
6.1.1.1.1	Corporate bonds	0,00	0,000
6.1.1.1.2	Municipal bonds	0,00	0,000
6.1.1.2	Listed and not traded over the last 30 days bonds, of which:	35.711,19	0,001
6.1.1.2.1	Corporate bonds	0,00	0,000
6.1.1.2.2	Municipal bonds	35.711,19	0,001
6.1.1.3	Unlisted bonds, of which:	17.606.400,00	0,597
6.1.1.3.1	Corporate bonds	17.606.400,00	0,597
6.1.1.3.2	Municipal bonds	0,00	0,000
6.2	**Financial assets at fair value through profit or loss, of which:**	**347.807.747,24**	**11,793**
6.2.1	Shares, of which:	74.452.577,19	2,524

Str. Pictor Aman 94C, Bacău 600164, România, T: +40 234 576 740, Fax: +40 234 570 062, office@evergent.ro, www.evergent.ro
Capital social: 96.175.359,20, **Depozitar**: BCR S.A., București, **CIF**: 2816642, **EUID**: ROONRC, J04/2400/1992
Nr. Registru ASF: PJR09FIAIR/040003, **COD LEI**: 254900Y1O0025N04US14, **COD ISIN**: ROSIFBACNOR0

6.2.1.1	Listed shares	22.845.593,60	0,775
6.2.1.2	Listed shares not traded over the last 30 trading days	0,00	0,000
6.2.1.3	Unlisted shares, of which:	51.606.983,59	1,750
6.2.1.3.1	Unlisted shares	50.532.762,00	1,713
6.2.1.3.2	Unlisted shares from a member state	1.074.221,59	0,036
6.2.2	UCITS and/or AIF equity securities, of which:	273.355.170,05	9,268
6.2.2.1	Fund units, of which:	273.355.170,05	9,268
6.2.2.1.1	Listed fund units	0,00	0,000
6.2.2.1.2	Unlisted fund units	273.355.170,05	9,268
6.2.2.2	Shares, of which:	0,00	0,000
6.2.2.2.1	Listed shares	0,00	0,000
6.3	**Financial assets measured at fair value through other comprehensive income, of which:**	**2.247.269.882,01**	**76,197**
6.3.1	Shares, of which:	2.208.084.673,84	74,868
6.3.1.1	Listed shares	1.996.880.168,84	67,707
6.3.1.2	Listed shares not traded over the last 30 trading days	0,00	0,000
6.3.1.3	Untraded shares	211.204.505,00	7,161
6.3.1.4	New issued securities	0,00	0,000
6.3.2	UCITS and/or AIF equity securities, of which:	35.300.725,15	1,197
6.3.2.1	Fund units, of which:	0,00	0,000
6.3.2.1.1	Listed fund units	0,00	0,000
6.3.2.1.2	Unlisted fund units	0,00	0,000
6.3.2.2	Shares, of which:	35.300.725,15	1,197
6.3.2.2.1	Listed shares	35.300.725,15	1,197
6.3.3	Bonds	3.884.483,02	0,132
6.3.3.1	Listed bonds, of which:	3.884.483,02	0,132
6.3.3.1.1	Corporate bonds	3.884.483,02	0,132
6.3.3.1.2	Municipal bonds	0,00	0,000

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6.3.3.2	Listed and untraded over the last 30 days bonds, of which:	0,00	0,000
6.3.3.2.1	Corporate bonds	0,00	0,000
6.3.3.2.2	Municipal bonds	0,00	0,000
6.3.3.3	Unlisted bonds, of which:	0,00	0,000
6.3.3.3.1	Corporate bonds	0,00	0,000
6.3.3.3.2	Municipal bonds	0,00	0,000
7	**Availability (cash and current accounts), of which:**	**1.094.946,89**	**0,037**
7.1	Amounts in current accounts and financial investment services company accounts	1.024.389,32	0,035
7.2	Amounts under settlement	70.557,57	0,002
7.3	Amounts in transit	0,00	0,000
8	**Bank deposits**	**310.149.212,71**	**10,516**
9	**Other assets**	**6.673.079,77**	**0,226**
9.1	**Dividends or other receivables, of which:**	**0,00**	**0,000**
9.1.1	Dividends due from listed issuers	0,00	0,000
9.1.2	Shares distributed without cash contribution	0,00	0,000
9.1.3	Shares distributed with cash contribution	0,00	0,000
9.1.4	Amounts due from capital decreases	0,00	0,000
9.2	**Other assets, of which:**	**6.673.079,77**	**0,226**
9.2.1	Other financial assets measured at amortized cost	6.275.137,96	0,213
9.2.2	Other assets	397.941,81	0,013
10	**Accrued charges**	**400.771,81**	**0,014**
11	**Total assets**	**2.949.306.015,04**	**100,000**
12	**Total liabilities**	**281.705.891,14**	
12.1	**Financial liabilities measured at amortized cost**	**1.267.032,74**	
12.2	**Deferred tax liabilities**	**149.977.380,22**	
12.3	Loans	63.674.420,52	
12.4	**Other liabilities, of which:**	**66.787.057,66**	
12.4.1	Dividends payable to shareholders	49.950.267,22	

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12.4.2	Amounts subscribed and not paid to the share capital increases of the issuers	0,00	
12.4.3	Other liabilities	16.836.790,44	
13	**Provisions for risks and expenses**	**1.632.553,14**	
14	**Deferred income**	**21.831,97**	
15	**Equity capital, of which:**	**2.666.034.409,19**	
15.1	Share capital	96.175.359,20	
15.2	Capital assimilated elements	403.813.278,04	
15.3	Other equity elements	28.934.412,57	
15.4	Capital bonuses	0,00	
15.5	Revaluation reserves	1.050.164.830,92	
15.6	Reserves	904.200.810,39	
15.7	Treasury shares	66.642.399,51	
15.8	Retained earnings	124.654.692,66	
15.9	Earnings of the period	124.733.424,92	
16	**Net assets**	**2.665.945.738,79**	
17	**Number of issued shares in circulation**	**910.011.057**	
18	**Net asset value per share**	**2,9296**	
19	**Number of companies in the portfolio, of which:**	**30**	
19.1	Companies admitted to trading on an EU trading venue	15	
19.2	Companies admitted to trading on a third country stock exchange	0	
19.3	Companies not admitted to trading	15	
* According to article 123 paragraph (3) of FSA Regulation 9/2014, regarding the NAV/share calculation, this position represents: 'The number of issued outstanding shares at that date, excluding the own shares bought back by the company'			

Prepared
EVERGENT Investments

President and CEO
Claudiu DOROS

Business Valuation Manager
Marta ANTOCHI

Depositary Certification
Banca Comerciala Romana

Coordinator of Depositary Team
Alexandra DUMITRASCU

Depositary Expert
Mihaela Nicoleta IOSIF

Drafted, Gabriela PETER

Compliance Officer
Gabriel LUPASCU

ANNEX – according to Article 38 paragraph (4) of Law no. 243/2019

EVERGENT Investments portfolio assets which were assessed by valuation methods in accordance with International Valuation Standards, on 31.12.2023							
No.	Issuer	Fiscal Code	Symbol	Number of shares held	No/Evaluation Report date	Value	
						share	total
EUR							
Unlisted shares (closed)							
1	CATALYST ROMANIA SCA SICAR Munsbach	LU25590227		299,5440	1494 / 15.11.2023	720,9001	1.074.221,59
RON							
Shares listed on an inactive market							
1	BRIKSTON CONSTRUCTION SOLUTIONS IASI	1989343	BKS	225,0000	1497 / 15.11.2023	3,5289	794,00
2	NORD S.A. Bucuresti BUCURESTI	1558154	NORD	1.665.004,0000	1749 / 29.12.2023	10,3849	17.290.900,00
3	PROFESSIONAL IMO PARTNERS S.A. BUCURESTI	24599480	PPLI	24.307.608,0000	1750 / 29.12.2023	2,7508	66.865.419,00
4	MECANICA CEAHLAU PIATRA NEAMT	2045262	MECF	175.857.653,0000	1747 / 29.12.2023	0,0861	15.141.344,00
Unlisted shares (closed)							
1	AGROINTENS SA BUCURESTI	33857839		4.776.911,0000	1743 / 29.12.2023	9,2577	44.223.366,00
2	CASA S.A. BACAU	8376788		14.098.462,0000	1742 / 29.12.2023	2,4265	34.209.918,00
3	DEPOZITARUL CENTRAL S.A. BUCURESTI	9638020		7.396.029,0000	1495 / 15.11.2023	0,1233	911.825,00
4	DYONISOS COTESTI	7467373		772.824,0000	1744 / 29.12.2023	0,5106	394.582,00
5	EVER AGRIBIO S.A. Saucesti	46793311		378.429,0000	1493 / 15.11.2023	6,8230	2.582.026,00
6	EVER IMO S.A. BUCURESTI	425818		4.963.027,0000	1745 / 29.12.2023	8,7548	43.450.309,00
7	EVERLAND SA BACAU	33857820		4.440.750,0000	1746 / 29.12.2023	11,4738	50.952.229,00
8	MWARE SOLUTIONS S.A. BUCURESTI	31021453		75.000,0000	1748 / 29.12.2023	69,1260	5.184.452,00
9	REGAL GALATI	1647588		1.116.258,0000	1751 / 29.12.2023	6,3448	7.082.453,00
10	RULMENTI BIRLAD	2808089		2.408.645,0000	1752 / 29.12.2023	1,7088	4.115.893,00
11	STRAULESTI LAC ALFA S.A. BUCURESTI	36160878		3.880.307,0000	1753 / 29.12.2023	17,6868	68.630.214,00

Str. Pictor Aman 94C, Bacău 600164, România, T: +40 234 576 740, Fax: +40 234 570 062, office@evergent.ro, www.evergent.ro
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Nr. Registru ASF: PJR09FIAIR/040003, **COD LEI**: 254900Y1O0025N04US14, **COD ISIN**: ROSIFBACNOR0

Explanatory note:

The valuation methods used for securities for which valuation methods have been chosen in accordance with the valuation standards in force, according to the law, based on a valuation report, presented in the Annex are detailed in “Asset Valuation and UNAV Calculation Policies and Procedures”.

EVERGENT Investments’ leverage effect and exposure value, calculated in accordance with the provisions of (EU) Regulation no.231/2013

Method type	Leverage	Exposure value (RON)
Gross method	1,0029 (or 100,29%)	2.673.586.747,00
Commitment method	1,0239 (or 102,39%)	2.729.620.159,00

Prepared
EVERGENT Investments

President and CEO
Claudiu DOROS

Business Valuation Manager
Marta ANTOCHI

Depositary Certification
Banca Comerciala Romana

Coordinator of Depositary Team
Alexandra DUMITRASCU

Depositary Expert
Mihaela Nicoleta IOSIF

Drafted, Gabriela PETER

Compliance Officer
Gabriel LUPASCU

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Evergent INVESTMENTS

Annex 1.2

DETAILED STATEMENT OF INVESTMENTS ON 31.12.2023 IN COMPARISON TO 30.11.2023

No.	Item	Currency	Start of the reporting period (30.11.2023)				End of the reporting period (31.12.2023)				Differences
			% of net asset	% of total asset	Currency	LEI	% of net asset	% of total asset	Currency	LEI	LEI
1	**I. Total assets**	RON	111,595	100,000	0,00	2.879.874.608,09	110,629	100,000	0,00	2.949.306.015,04	69.431.406,95
2	**I.1. Securities and money market instruments, of which:**	RON	76,590	68,632	0,00	1.976.510.326,20	75,762	68,483	0,00	2.019.761.473,63	43.251.147,43
3	**I.1. Securities and money market instruments, of which:**	EUR	0,167	0,150	865.848,09	4.305.516,21	0,146	0,132	780.863,39	3.884.483,02	-421.033,19
4	I.1.1. Securities and money market instruments admitted to or traded on a regulated market in Romania, of which:	RON	76,590	68,632	0,00	1.976.510.326,20	75,762	68,483	0,00	2.019.761.473,63	43.251.147,43
5	I.1.1. Securities and money market instruments admitted to or traded on a regulated market in Romania, of which:	EUR	0,167	0,150	865.848,09	4.305.516,21	0,146	0,132	780.863,39	3.884.483,02	-421.033,19
6	I.1.1.1. - BVB listed shares	RON	73,492	65,856	0,00	1.896.564.521,52	72,310	65,363	0,00	1.927.752.004,52	31.187.483,00
7	I.1.1.2. – ATS listed shares	RON	3,097	2,775	0,00	79.910.312,62	3,450	3,118	0,00	91.973.757,92	12.063.445,30
8	I.1.1.3. – Listed shares, not traded over the last 30 days	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
9	I.1.1.4. – municipal bonds	RON	0,001	0,001	0,00	35.492,06	0,001	0,001	0,00	35.711,19	219,13
10	I.1.1.5. – city bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
11	I.1.1.6. – corporate bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
12	I.1.1.6. – corporate bonds	EUR	0,167	0,150	865.848,09	4.305.516,21	0,146	0,132	780.863,39	3.884.483,02	-421.033,19
13	I.1.1.7. – state bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
14	I.1.1.8. - preemptive rights / assignment	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00

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15	I.1.2. securities and instruments of monetary market admitted to or traded on a regulated market of a member state	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
16	I.1.3. securities and money market instruments admitted at the official rate of a stock exchange from a third country, or negotiated by another regulated market in at third country that operated regularly and is renowned and open to the public, approved by F.S.A., of which:	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
17	**I.2. newly issued securities**	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
18	**I.3. other securities and money market instruments mentioned in art. art. 83 line (1) letter (a) of G.E.O. no. 32/2012 of which:**	RON	11,158	9,999	0,00	287.945.894,00	10,478	9,472	0,00	279.343.667,00	-8.602.227,00
19	**I.3. other securities and money market instruments mentioned in art. art. 83 line (1) letter (a) of G.E.O. no. 32/2012 of which:**	EUR	0,042	0,037	215.941,30	1.073.789,71	0,040	0,036	215.941,30	1.074.221,59	431,88
20	I.3.1. - unlisted shares (closed)	RON	10,481	9,392	0,00	270.469.694,00	9,818	8,875	0,00	261.737.267,00	-8.732.427,00
21	I.3.1. - unlisted shares (closed)	EUR	0,042	0,037	215.941,30	1.073.789,71	0,040	0,036	215.941,30	1.074.221,59	431,88
22	I.3.2. – municipal bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
23	I.3.3. – city bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
24	I.3.4. – corporate bonds	RON	0,677	0,607	0,00	17.476.200,00	0,660	0,597	0,00	17.606.400,00	130.200,00
25	I.3.5. – state bonds	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
26	**I.4. Bank deposits, of which:**	RON	10,777	9,657	0,00	278.116.136,67	11,615	10,499	0,00	309.659.064,89	31.542.928,22
27	**I.4. Bank deposits, of which:**	EUR	0,140	0,126	728.957,61	3.624.814,59	0,018	0,017	98.530,10	490.147,82	-3.134.666,77
28	I.4.1. bank deposits setup at a credit institute in Romania;	RON	10,777	9,657	0,00	278.116.136,67	11,615	10,499	0,00	309.659.064,89	31.542.928,22
29	I.4.1. bank deposits setup at a credit institute in Romania;	EUR	0,140	0,126	728.957,61	3.624.814,59	0,018	0,017	98.530,10	490.147,82	-3.134.666,77
30	I.4.2. bank deposits setup at credit institutions in a member state;	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00

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31	I.4.3. bank deposits setup at credit institutions, in a third state;	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
32	**I.5. Derivatives traded on a regulated market**	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
33	**I.6. Current accounts and cash**	RON	0,064	0,057	0,00	1.644.098,52	0,037	0,033	0,00	983.230,14	-660.868,38
34	**I.6. Current accounts and cash**	EUR	0,011	0,010	58.026,74	288.543,77	0,001	0,001	6.743,60	33.546,71	-254.997,06
35	**I.6. Current accounts and cash**	USD	0,000	0,000	1.208,64	5.476,71	0,000	0,000	1.693,24	7.612,47	2.135,76
36	**I.7. money market instruments, other than those traded on a regulated market, in accordance with art. 82 letter g) GEO no. 32/2012 – repo type contracts on securities**	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
37	**I.8. AIF/UCITS holding titles, of which:**	RON	11,642	10,433	0,00	300.444.366,13	11,578	10,465	0,00	308.655.895,20	8.211.529,07
38	I.8.1. Fund units	RON	10,324	9,251	0,00	266.423.183,74	10,254	9,268	0,00	273.355.170,05	6.931.986,31
39	I.8.2. Shares	RON	1,318	1,181	0,00	34.021.182,39	1,324	1,197	0,00	35.300.725,15	1.279.542,76
40	**I.9. Dividends or other rights to collect**	RON	0,097	0,087	0,00	2.500.000,00	0,000	0,000	0,00	0,00	-2.500.000,00
41	**I.10. other assets (amounts in transit, receivables from distributors, amounts at SSIF, etc.)**	RON	0,907	0,813	0,00	23.415.645,58	0,953	0,862	0,00	25.412.672,57	1.997.026,99
42	**II. Total liabilities**	RON	11,595	10,390	0,00	299.231.529,54	10,629	9,608	0,00	283.360.276,25	-15.871.253,29
43	II.1. Expenses for the payment of commissions to A.I.F.M.	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
44	II.2. Expenses for the payment of commissions due to the depositary	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
45	II.3. Expenses with commissions due to brokers	RON	0,000	0,000	0,00	207,36	0,000	0,000	0,00	127,23	-80,13
46	II.4. expenses with turnover commissions and other bank services	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
47	II.5. Interest expenses	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
48	II.6. Issue expenses	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
49	II.7. Expenses with the commissions/ fees owed to F.S.A.	RON	0,008	0,007	0,00	201.626,00	0,008	0,007	0,00	206.563,00	4.937,00

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50	II.8. Financial audit expenses	RON	0,004	0,004	0,00	106.798,25	0,013	0,012	0,00	355.044,37	248.246,12
51	II.9. Other approved expenses	RON	11,583	10,380	0,00	298.922.897,93	10,608	9,589	0,00	282.798.541,65	-16.124.356,28
52	II.10. Redemptions to pay	RON	0,000	0,000	0,00	0,00	0,000	0,000	0,00	0,00	0,00
53	**III. Net asset value (I-II)**	RON	100,000	89,610	0,00	2.580.643.078,55	100,000	90,392	0,00	2.665.945.738,79	85.302.660,24

NAV Statement

Element no.	Current Period (31.12.2023)	Corresponding period of the previous year (31.12.2022)	Differences
Net assets	2.665.945.738,79	2.214.741.795,06	451.203.943,73
Number of issued shares in circulation	910.011.057	929.905.696	-19.894.639
Net asset value per share	2,9296	2,3817	0,5479

I. Securities admitted to or traded on a Romanian regulated market
1.Shares traded over the last 30 trading days (work days)

2. Shares not traded over the last 30 trading days (work days)

Not the case

3. Shares not traded over the last 30 trading days (work days) for which financial statements are not obtained within 90 days from the legal submission dates.

Not the case

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Evergent INVESTMENTS

4. Preemptive rights / assignment rights

No.	Issuer	Right types	Symbol	Date of latest trading session	No. of owned rights	Right value	Total value	Percentage in F.I.A.I.R. total assets
						lei	lei	%
1	IASITEX	de preferinta	IASXR03		611.269	0,0000	0,00	0.000
TOTAL							**0,00**	**0,000**

5.Bonds admitted to trading issued or pledged by local public administration authorities/ corporate bonds

Issuer	Bond symbol	Date of latest trading session	No. of bonds held	Acquisition date	Coupon date	Coupon maturity date	Initial value	Daily increase	Cumulated interest	Cumulated Discount / bonus cumulate	Market price	Total value	Percentage in total issued bonds	Percentage in F.I.A.I.R. total assets
												lei	%	%
Bonds admitted to trading in EUR														
AUTONOM SERVICES S.A.	AUT24E	27.12.2023	800	12.11.2019	12.11.2023	11.11.2024	800.000,00	97,27	4.863,39		97,0000	3.884.483,02	4,000	0,132
Total bonds admitted to trading in EUR												**3.884.483,02**		**0,132**
Bonds admitted to trading in RON														
MUNICIPIUL BACAU	BAC26B	27.05.2016	2.000	03.09.2009	01.11.2023	31.01.2024	35.280,00	7,07	431,19		93,0000	35.711,19	0,500	0,001
Total bonds admitted to trading in RON												**35.711,19**		**0,001**
TOTAL												**3.920.194,21**		**0,133**

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6. Bonds admitted to trading issued or guaranteed by public central administration authorities

Not the case

7.Other securities admitted to trading on a regulated market

Not the case

8. Amounts pending settlement for securities allowed to trading or traded on a Romanian regulated market

Issuer	Security type	Symbol	Unit value	No. of traded securities	Total value	Percentage in the issuer's share capital / total bonds of an issuer	Percentage in F.I.A.I.R. total assets
			lei		lei	%	%
BANCA TRANSILVANIA SA	Shares	TLV	23,8800	2.960	70.684,80	0,000	0,002
TOTAL					**70.684,80**		**0,002**

II. Securities admitted to trading or traded on a regulated market of another member state

1.Shares traded over the last 30 trading days (work days)

Not the case

2.Bonds admitted to trading or pledged by local public administration authorities, corporate bonds

Not the case

3. Bonds admitted to trading or pledged by central public administration authorities

Not the case

4.Other securities allowed for trading on a regulated market in another member state

Not the case

5. Amounts pending settlement for securities allowed for trading on a regulated market from a member state

Not the case

III. Securities admitted to trading or traded on a regulated market in a third state

1.Shares traded over the last 30 trading days (work days)

Not the case

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2.Bonds admitted to trading issued or pledged by public local administration authorities, corporate bonds, traded over the last 30 days

Not the case

3.Other securities admitted to trading on a regulated market of a third state

Not the case

4. Amounts pending settlement for securities admitted to trading or traded on a regulated market of a third state

Not the case

IV.Money market instruments admitted to trading or traded on a Romanian regulated market

Not the case

Amounts pending settlement for money market instruments admitted to trading or traded on a Romanian regulated market

Not the case

V. Money market instruments admitted to or traded on a regulated market of another member state

Not the case

Amounts pending settlement for money market instruments admitted to trading or traded on a regulated market of another member state

Not the case

VI. Money market instruments admitted to trading or traded on a regulated market of a third state

Not the case

Amounts pending settlement for money market instruments allowed for trading or traded on a regulated market of a third state

Not the case

VII. Newly issued securities

1. Newly issued shares

Not the case

2. Newly issued bonds

Not the case

3. Preemptive rights (following central depositary registration, before being admitted to trading).

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Not the case

VIII. Other securities and money market instruments

VIII.1 Other securities

1. Shares not admitted to trading

No.	Issuer	No. of owned shares	Nominal value	Share value	Total value	Percentage in the issuer's share capital / total bonds of an issuer	Percentage in F.I.A.I.R. total assets
					lei	%	%
Shares not admitted to trading in EUR							
1	CATALYST ROMANIA SCA SICAR	299,5440	1.000,0000	720,9001	1.074.221,59	1,989	0,036
Total shares not admitted to trading in EUR					**1.074.221,59**		**0,036**
Shares not admitted to trading in RON							
2	AGROINTENS SA	4.776.911,0000	10,0000	9,2577	44.223.366,00	100,000	1,499
3	CASA ROMANA DE COMPENSATIE	852.039,0000	0,1000	0,0000	0,00	7,879	0,000
4	CASA S.A.	14.098.462,0000	2,5000	2,4265	34.209.918,00	99,774	1,160
5	DEPOZITARUL CENTRAL S.A.	7.396.029,0000	0,1000	0,1233	911.825,00	2,924	0,031
6	DYONISOS	772.824,0000	0,1000	0,5106	394.582,00	12,410	0,013
7	EVER AGRIBIO S.A.	378.429,0000	10,0000	6,8230	2.582.026,00	100,000	0,088
8	EVER IMO S.A.	4.963.027,0000	2,5000	8,7548	43.450.309,00	100,000	1,473
9	EVERLAND SA	4.440.750,0000	10,0000	11,4738	50.952.229,00	100,000	1,728
10	MWARE SOLUTIONS S.A.	75.000,0000	0,1000	69,1260	5.184.452,00	5,556	0,176
11	REGAL	1.116.258,0000	0,1000	6,3448	7.082.453,00	93,889	0,240
12	RULMENTI	2.408.645,0000	2,7500	1,7088	4.115.893,00	6,005	0,140
13	STRAULESTI LAC ALFA S.A.	3.880.307,0000	10,0000	17,6868	68.630.214,00	50,000	2,327
14	VASTEX	147.105,0000	2,5000	0,0000	0,00	13,935	0,000
15	VISIONALFA INVESTMENTS S.A.	2.499.750,0000	0,1000	0,0000	0,00	99,990	0,000
Total shares not admitted to trading in RON					**261.737.267,00**		**8,875**
TOTAL					**262.811.488,59**		**8,911**

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2. Shares traded within other systems than regulated markets

Not the case

3. Shares not admitted to trading measured at zero value (lack of updated financial statement submitted to the Trade Registry)

Not the case

4. Bonds not admitted to trading

No.	Issuer	No. of owned bonds	Purchase date	Coupon date	Coupn maturity date	Initial value	Daily increase	Cumulated interest	Cumulated discount / bonus	Total value	Percentage in total bonds issued	Percentage in F.I.A.I.R. total assets
										lei	%	%
Bonds not admitted to trading in RON												
1	EVER IMO S.A.	6.720.000	24.06.2021	23.06.2023	22.06.2024	16.800.000,00	4.200,00	806.400,00		17.606.400,00	100,000	0,597
Total bonds not admitted to trading in RON										**17.606.400,00**		**0,597**
TOTAL										**17.606.400,00**		**0,597**

5. Amounts pending settlement for shares traded within other systems than regulated markets

Not the case

VIII.2. Other money market instruments than those mentioned under art. 83 line (1) letter a) of G.E.O. 32/2012

1. Commercial papers

Not the case

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Nr. Registru ASF: PJR09FIAIR/040003, **COD LEI**: 254900Y1O0025N04US14, **COD ISIN**: ROSIFBACNOR0

IX. Availabilities in current accounts and cash

1. Availabilities in current accounts and cash, in lei

No.	Bank name	Currenct value	Percentage in F.I.A.I.R. total assets
		lei	%
1	BANCA TRANSILVANIA SA - RO09BTRLXXXXXXXXXXXXXXXX	0,00	0,000
2	BANCA TRANSILVANIA SA Sucursala BACAU - RO87BTRLXXXXXXXXXXXXXXXX	0,00	0,000
3	BANCA TRANSILVANIA SA Sucursala BACAU - RO95BTRLXXXXXXXXXXXXXXXX	9.996,50	0,000
4	BANCA TRANSILVANIA SA Sucursala Bacau - RO55BTRLXXXXXXXXXXXXXXXX	894.914,08	0,030
5	BCR - RO14RNCBXXXXXXXXXXXXXXXX	5.058,63	0,000
6	BCR - RO41RNCBXXXXXXXXXXXXXXXX	9.970,00	0,000
7	BCR - RO68RNCBXXXXXXXXXXXXXXXX	9.970,00	0,000
8	BCR - RO84RNCBXXXXXXXXXXXXXXXX	4.222,35	0,000
9	BCR - RO95RNCBXXXXXXXXXXXXXXXX	172,25	0,000
10	BCR Sucursala Bacau - RO51RNCBXXXXXXXXXXXXXXXX	0,00	0,000
11	DIRECTIA GENERALA A FINANTELOR PUBLICE BUCURESTI - RO91TREZXXXXXXXXXXXXXXXX	44.659,95	0,002
12	EVERGENT Investments S.A. - Casa	2.394,17	0,000
13	Exim Banca Romaneasca - RO66BRMAXXXXXXXXXXXXXXXX	1.872,21	0,000
TOTAL		**983.230,14**	**0,033**

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2. Availabilities in current accounts and cash, in currency

No.	Bank name	Current value	RNB currency rate	Updated value in lei	Percentage in F.I.A.I.R. total assets
		currency			%
Availabilities in current accounts and cash in EUR					
1	BANCA TRANSILVANIA SA Sucursala Bacau - RO04BTRLXXXXXXXXXXXXXXXX	2.212,31	4,9746	11.005,36	0,000
2	BANCA TRANSILVANIA SA Sucursala Bacau - RO20BTRLXXXXXXXXXXXXXXXX	1.463,12	4,9746	7.278,44	0,000
3	BCR - RO30RNCBXXXXXXXXXXXXXXXX	917,97	4,9746	4.566,53	0,000
4	BCR - RO52RNCBXXXXXXXXXXXXXXXX	1.154,23	4,9746	5.741,83	0,000
5	BCR - RO57RNCBXXXXXXXXXXXXXXXX	995,97	4,9746	4.954,55	0,000
6	BCR Sucursala BUCURESTI - RO90RNCBXXXXXXXXXXXXXXXX	0,00	4,9746	0,00	0,000
Total availabilities in current accounts and cash in EUR		**6.743,60**		**33.546,71**	**0,001**
Availabilities in current accounts and cash in USD					
1	BANCA TRANSILVANIA SA Sucursala BACAU - RO83BTRLXXXXXXXXXXXXXXXX	0,00	4,4958	0,00	0,000
2	BANCA TRANSILVANIA SA Sucursala BACAU - RO86BTRLXXXXXXXXXXXXXXXX	55,26	4,4958	248,44	0,000
3	BCR - RO03RNCBXXXXXXXXXXXXXXXX	995,66	4,4958	4.476,29	0,000
4	BCR - RO25RNCBXXXXXXXXXXXXXXXX	642,32	4,4958	2.887,74	0,000
Total availabilities in current accounts and cash in USD		**1.693,24**		**7.612,47**	**0,000**
TOTAL				**41.159,18**	**0,001**

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X. Bank deposits on distinct categories: setup with Romanian credit institutions/ from another member state/ a third state

1. Bank deposits in lei

No.	Bank name	Setup date	Maturity date	Initial value	Daily increase	Cumulated interest	Total value	Percentage in F.I.A.I.R. total assets
				lei	lei	lei	lei	%
1	Exim Banca Romaneasca	17.10.2023	16.01.2024	6.000.000,00	1.016,67	77.266,67	6.077.266,67	0,206
2	BANCA TRANSILVANIA SA	05.10.2023	04.01.2024	7.000.000,00	1.195,83	105.233,33	7.105.233,33	0,241
3	Exim Banca Romaneasca	19.10.2023	18.01.2024	7.000.000,00	1.195,83	88.491,67	7.088.491,67	0,240
4	Exim Banca Romaneasca	19.10.2023	18.01.2024	6.500.000,00	1.110,42	82.170,83	6.582.170,83	0,223
5	Exim Banca Romaneasca	16.11.2023	15.02.2024	5.000.000,00	833,33	38.333,33	5.038.333,33	0,171
6	Exim Banca Romaneasca	16.11.2023	15.02.2024	4.000.000,00	666,67	30.666,67	4.030.666,67	0,137
7	Exim Banca Romaneasca	12.12.2023	12.03.2024	8.500.000,00	1.463,89	29.277,78	8.529.277,78	0,289
8	Exim Banca Romaneasca	12.12.2023	12.03.2024	7.000.000,00	1.205,56	24.111,11	7.024.111,11	0,238
9	Exim Banca Romaneasca	12.12.2023	12.03.2024	8.000.000,00	1.377,78	27.555,56	8.027.555,56	0,272
10	Exim Banca Romaneasca	12.12.2023	12.03.2024	5.000.000,00	861,11	17.222,22	5.017.222,22	0,170
11	Exim Banca Romaneasca	14.12.2023	14.03.2024	1.500.000,00	256,25	4.612,50	1.504.612,50	0,051
12	Exim Banca Romaneasca	19.12.2023	23.01.2024	8.000.000,00	1.255,56	16.322,22	8.016.322,22	0,272
13	Exim Banca Romaneasca	19.12.2023	23.01.2024	5.200.000,00	816,11	10.609,44	5.210.609,44	0,177
14	Exim Banca Romaneasca	19.12.2023	23.01.2024	6.000.000,00	941,67	12.241,67	6.012.241,67	0,204
15	Exim Banca Romaneasca	28.12.2023	30.01.2024	8.500.000,00	1.334,03	5.336,11	8.505.336,11	0,288
16	Exim Banca Romaneasca	28.12.2023	30.01.2024	9.000.000,00	1.412,50	5.650,00	9.005.650,00	0,305
17	Exim Banca Romaneasca	28.12.2023	27.02.2024	4.000.000,00	661,11	2.644,44	4.002.644,44	0,136
18	Exim Banca Romaneasca	28.12.2023	27.02.2024	6.000.000,00	991,67	3.966,67	6.003.966,67	0,204
19	BCR	18.01.2023	17.01.2024	10.000.000,00	2.083,33	725.000,00	10.725.000,00	0,364
20	BCR	31.12.2023	01.01.2024	8.350.182,57	1.101,76	1.101,76	8.351.284,33	0,283
21	BANCA TRANSILVANIA SA	05.10.2023	04.01.2024	5.000.000,00	854,17	75.166,67	5.075.166,67	0,172

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22	BANCA TRANSILVANIA SA	10.10.2023	11.01.2024	8.000.000,00	1.333,33	110.666,67	8.110.666,67	0,275
23	BANCA TRANSILVANIA SA	10.10.2023	11.01.2024	8.000.000,00	1.333,33	110.666,67	8.110.666,67	0,275
24	BANCA TRANSILVANIA SA	10.10.2023	11.01.2024	7.000.000,00	1.166,67	96.833,33	7.096.833,33	0,241
25	BANCA TRANSILVANIA SA	10.10.2023	11.01.2024	7.000.000,00	1.166,67	96.833,33	7.096.833,33	0,241
26	BANCA TRANSILVANIA SA	02.11.2023	04.01.2024	6.000.000,00	941,67	56.500,00	6.056.500,00	0,205
27	BANCA TRANSILVANIA SA	02.11.2023	04.01.2024	4.000.000,00	627,78	37.666,67	4.037.666,67	0,137
28	BANCA TRANSILVANIA SA	02.11.2023	02.02.2024	4.000.000,00	666,67	40.000,00	4.040.000,00	0,137
29	BANCA TRANSILVANIA SA	02.11.2023	02.02.2024	6.000.000,00	1.000,00	60.000,00	6.060.000,00	0,205
30	BANCA TRANSILVANIA SA	06.11.2023	06.02.2024	7.000.000,00	1.186,11	66.422,22	7.066.422,22	0,240
31	BANCA TRANSILVANIA SA	06.11.2023	06.02.2024	6.000.000,00	1.016,67	56.933,33	6.056.933,33	0,205
32	BANCA TRANSILVANIA SA	06.11.2023	06.02.2024	8.000.000,00	1.355,56	75.911,11	8.075.911,11	0,274
33	BANCA TRANSILVANIA SA	06.11.2023	06.02.2024	9.000.000,00	1.525,00	85.400,00	9.085.400,00	0,308
34	BANCA TRANSILVANIA SA	21.11.2023	22.02.2024	5.000.000,00	833,33	34.166,67	5.034.166,67	0,171
35	BANCA TRANSILVANIA SA	05.10.2023	04.01.2024	6.700.000,00	1.144,58	100.723,33	6.800.723,33	0,231
36	BANCA TRANSILVANIA SA	21.11.2023	22.02.2024	5.000.000,00	833,33	34.166,67	5.034.166,67	0,171
37	BANCA TRANSILVANIA SA	28.11.2023	27.02.2024	8.000.000,00	1.355,56	46.088,89	8.046.088,89	0,273
38	BANCA TRANSILVANIA SA	05.12.2023	05.03.2024	8.000.000,00	1.355,56	36.600,00	8.036.600,00	0,272
39	BANCA TRANSILVANIA SA	05.12.2023	05.03.2024	6.000.000,00	1.016,67	27.450,00	6.027.450,00	0,204
40	BANCA TRANSILVANIA SA	05.12.2023	05.03.2024	7.000.000,00	1.186,11	32.025,00	7.032.025,00	0,238
41	BANCA TRANSILVANIA SA	28.12.2023	28.03.2024	5.000.000,00	847,22	3.388,89	5.003.388,89	0,170
42	BANCA TRANSILVANIA SA	28.12.2023	28.03.2024	8.000.000,00	1.355,56	5.422,22	8.005.422,22	0,271
43	BANCA TRANSILVANIA SA	28.12.2023	28.03.2024	7.000.000,00	1.186,11	4.744,44	7.004.744,44	0,238
44	BANCA TRANSILVANIA SA	22.12.2023	21.03.2024	8.000.000,00	1.355,56	13.555,56	8.013.555,56	0,272
45	BANCA TRANSILVANIA SA	22.12.2023	21.03.2024	7.000.000,00	1.186,11	11.861,11	7.011.861,11	0,238
46	BANCA TRANSILVANIA SA	22.12.2023	21.03.2024	5.000.000,00	847,22	8.472,22	5.008.472,22	0,170
47	Exim Banca Romaneasca	17.10.2023	16.01.2024	5.700.000,00	965,83	73.403,33	5.773.403,33	0,196
TOTAL							**309.659.064,88**	**10,499**

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2. Bank deposits in currency

No.	Bank name	Setup date	Maturity date	Initial value	Daily increase	Cumulated interest	RNB currency rate	Total value	Percentage in F.I.A.I.R. total assets
				currency	currency	currency	lei	lei	%
Bank deposits in EUR									
1	BANCA TRANSILVANIA SA	10.12.2023	10.01.2024	98.500,00	1,37	30,10	4,9746	490.147,82	0,017
Total bank deposits in EUR				**98.500,00**		**30,10**		**490.147,82**	**0,017**
TOTAL								**490.147,82**	**0,017**

XI. Derivatives traded on a regulated market

- on distinct categories: on a Romanian regulated market/ market from a member state / a third state

1. Futures contracts

Not the case

2. Options

Not the case

3. Amounts pending settlement for derivatives traded on a regulated market

Not the case

XII. Derivatives negotiated outside regulated markets

1. Forward Contracts

Not the case

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2. Swap Contracts

- evaluation depending on listing

Not the case

- evaluation depending on the ascertainment of present value of payments within the contracts

Not the case

3. Contracts for differences

Not the case

4. Other derived contracts related to securities, currency, interest rate or yield, or other derivatives, financial indexes or indicators/ derivative contracts related to commodities that must be settled in money funds or can be settleled in company fonds at the request of one of the parties

Not the case

XIII. Money market instruments, other than those traded on a regulated market, in accordance with art. 82 letter g) G.E.O no. 32/2012

Not the case

XIV. UCITS. / OCPU holding titles

1. Holding titles denominated in lei

No.	Fund name	Date of latest trading session	No. of owned fund units	Fund unit value (NAV)	Market price	Total value	Percentage in total holding titles of UCITS/OCPU	Percentage in F.I.A.I.R. total assets
				lei	lei	lei	%	%
Shares								
1	FONDUL PROPRIETATEA	29.12.2023	3.129.178,000000		0,5230	1.636.560,09	0,055	0,055
2	Transilvania Investments Alliance S.A	29.12.2023	103.264.310,000000		0,3260	33.664.165,06	4,775	1,141
Total Shares						**35.300.725,15**		**1,197**
Unit funds								

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3	FDI BT Index Romania ROTX		238.117,915992	29,4780		7.019.239,93	2,205	0,238
4	FDI BT MAXIM		319.468,404575	23,0140		7.352.245,86	2,733	0,249
5	FDI NAPOCA		7.265.417,540000	0,8651		6.285.312,71	33,162	0,213
6	FDI TehnoGlobinvest		1.071,770000	1.552,6480		1.664.081,55	25,993	0,056
7	FDI Transilvania		116.884,880000	59,2698		6.927.743,46	20,008	0,235
8	FIA ALCHEMIST		614,676400	117.036,8144		71.939.767,74	49,995	2,439
9	FIA BT INVEST 1		1.308,797738	23.726,2700		31.052.888,52	8,267	1,053
10	FIA DCP INVESTITII		4.161,462300	10.478,2157		43.604.699,61	42,051	1,478
11	FIA FONDUL PRIVAT COMERCIAL		166.024,330000	498,9079		82.830.849,83	48,209	2,808
12	FIA HERMES		70,958400	206.858,3964		14.678.340,84	49,448	0,498
Total Unit funds						**273.355.170,05**		**9,268**
TOTAL						**308.655.895,20**		**10,465**

2. Holding titles denominated in currency

Not the case

3. Amounts pending settlement for holding titles denominated in lei

Not the case

4. Amounts pending settlement for holding titles denominated in currency

Not the case

XV. Dividends or other receivable rights

1. Dividends to collect

Not the case

2. Shares distributed without money consideration

Not the case

3. Shares distributed with money consideration

Not the case

4. Amount payable for shares distributed with money consideration

Not the case

5. Preemptive rights (before admission to trading and following the trading period)

Not the case

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Evolution of net asset and NAT over the latest 3 reporting periods

	31.12.2023	31.12.2022	31.12.2021
Net assets	2.665.945.738,79	2.214.741.795,06	2.383.174.895,38
Net asset value per share	2,9296	2,3817	2,4888

Explanatory notes:

The valuation methods used for financial instruments for which valuation methods in accordance with the valuation standards in force, according to the law, were used, based on valuation report, presented in the Annex in accordance with art. 38 line (4) din law no. 243/2019, are detailed in “Policies and Procedures for the asset valuation and NAV calculation”.

Leverage effect and the value of EVERGENT Investments’ exposure calculated in accordance with the provisions of (EU) Regulation no. 231/2013

Method type	Leverage lever	Exposure value (RON)
Gross method	1,0029 (sau 100,29%)	2.673.586.747,00
Commitment method	1,0239 (sau 102,39%)	2.729.620.159,00

Prepared EVERGENT Investments	Depositary Certification Banca Comerciala Romana
President and CEO Claudiu DOROS	Coordinator of Depositary Team Alexandra DUMITRASCU
Business Valuation Manager Marta ANTOCHI	Depositary Expert Mihaela Nicoleta IOSIF

Drafted, Gabriela PETER

Compliance Officer
Gabriel LUPASCU

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Annex 2

EVERGENT INVESTMENTS SA

SEPARATE FINANCIAL STATEMENTS
AT 31 DECEMBER 2023

Prepared in accordance with Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority - Financial Instruments and Investments sector, approved by Financial Supervisory Authority's Rule no. 39/ 2015

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Deloitte Audit S.R.L.
The Mark Tower,
82-98 Calea Grivițel,
Sector 1, 010735
Bucharest, Romania

T: +40 21 222 16 61
F: +40 21 222 16 60
www.deloitte.ro

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
EVERGENT Investments S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of EVERGENT Investments SA ("the Company"), with registered office in Bacau, 94C Pictor Aman, Bacau county, identified by unique tax registration code 2816642, which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

2. The financial statements as at December 31, 2023 are identified as follows:

• Equity	RON	2,662,854,639
• Net profit for the financial year	RON	124,733,425

3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2023, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA - Financial Investments and Instruments Sector, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017". Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key audit matter	How our audit addressed the matter
Valuation of equity investments We refer to note 16 to the separate financial statements, which presents the equity investments of the Company, representing shares and fund units held by the Company. As at 31 December 2023, these financial assets valued at fair value represent approximately 88% of the total assets of the Company. Equity investments presented to Level 3 of the fair value hierarchy represent RON 359 million and consist of participations held by the Company in unlisted mainly Romanian companies and listed companies that do not have an active market. The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available prior to 31 December 2023, which involves significant judgments and a high degree of estimates. These reports were performed by independent valuers appointed by the Company management and by authorized in-house valuers of the Company. The management of the Company performed an analysis for the period following the date of the valuation of the participations until 31 December 2023 in order to identify significant changes in the fair values of equity investments as at 31 December 2023. This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the separate financial statements.	In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures. For the significant listed equity investments, we have assessed the Company's policies and analyses in respect of frequency of the transactions to identify investments that do not have an active market. For significant listed equity investments within level 1 of the fair value hierarchy, we have assessed the accuracy of the capital market closing price of the shares as of 31 December 2023 or from the last day of trading available at the end of the reporting period. For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the in-house valuers and the external valuers and their professional competence and independence from the Company. We have assessed the Company's Management analyses for the period following the date of the valuation reports until December 31, 2023, in order to identify significant events which may have a significant impact on the fair value of equity investments as at 31 December 2023. We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the separate financial statements, by comparing year-on-year fair value variation for equity investments. We have considered whether the separate financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Company and IFRS 13 *Fair Value Measurement* ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.

Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Separate Administrators' report and the Remuneration Report, but does not include the separate financial statements and our auditor's report thereon.

   Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

   In connection with our audit of the separate financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   Other responsibilities of reporting with respect to other information – Separate Administrators' report

   With respect to the Separate Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

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On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

a) the information included in the Separate Administrators' report, for the financial year for which the separate financial statements have been prepared is consistent, in all material respects, with these separate financial statements;

b) the Separate Administrators' report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2023, we are required to report if we have identified a material misstatement of this Separate Administrators' report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying FSA Norm no. 39/2015 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of separate the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

15. We were appointed by the General Meeting of Shareholders on 28 April 2022 to audit the separate financial statements of EVERGENT Investments S.A. for the financial year ended December 31, 2023. The uninterrupted total duration of our commitment is three years, covering the financial years ended December 31, 2021 until December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

16. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017 and Commission Delegated Regulation (EU) 2019/815 applicable to the separate financial statements included in the annual financial report of EVERGENT Investments S.A. ("**the Company**") as presented in the digital file which contains the unique code ("LEI") 254900Y1O0025N04US14 ("**Digital Files**").

(i) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;

- ensuring consistency between the Digital Files and the separate financial statements to be submitted in accordance with FSA Norm 39/2015.

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Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(ii) Auditor's Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the separate financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited separate financial statements of the Company to be submitted in accordance with FSA Norm 39/2015;
- evaluating if the separate financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the separate financial statements for the year ended 31 December 2023 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the separate financial statements. Our audit opinion relating to the separate financial statements of the Company for the year ended 31 December 2023 is set out in the "Report on the audit of the separate financial statements" section above.

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 3344

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 25, 2024

In LEI	*Note*	2023	2022
Revenue and gains(losses)			
Gross dividend revenue	*6*	143,419,181	120,777,371
Interest revenue	*7*	9,909,187	7,087,713
Other operating revenue	*8*	1,163,202	1,607,660
Net gain/(net loss) on financial assets at fair value through profit or loss	*9*	39,332,779	(474,436)
Net gain from the sale of non-financial assets		5,490	-
Net gain from the revaluation of investment property		37,290	798,078
Expenses			
Loss reversal on financial assets		100,129	2,332,072
Loss reversal on non-financial assets impairment		-	671
Reversal of provisions for risks and expenses	*24*	-	117,190
Expenses with wages, remunerations and other similar expenses	*10*	(37,100,983)	(28,773,429)
Other operating expenses	*11*	(13,553,289)	(11,660,747)
Operating profit		**143,312,986**	**91,812,143**
Financing expense	*12*	(4,084,887)	(95,436)
Profit before tax		**139,228,099**	**91,716,707**
Income tax	*13*	(14,494,674)	(8,863,072)
Net profit of the financial year		**124,733,425**	**82,853,635**
Other comprehensive income			
Increase from revaluation of property, plant and equipment, net of deferred tax	*16 d)*	1,530,984	806,957
Net gain/(loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)		414,997,141	(168,168,297)
Other elements of comprehensive income – elements that will not be reclassified in profit or loss	*16 d)*	**416,528,125**	**(167,361,340)**
Net loss from the revaluation of FVTOCI bonds		(185,969)	(105,304)
Other comprehensive income- elements that will be reclassified in profit or loss		**(185,969)**	**(105,304)**
Other comprehensive income elements - Total		**416,342,156**	**(167,466,644)**
Total comprehensive income of the financial year		**541,075,581**	**(84,613,009)**
Basic and diluted earnings per share (net profit per share)	*27*	**0,1365**	**0,0874**
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	*27*	**0,2230**	**0,1244**

The separate financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

SEPARATE STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(All amounts are presented in Lei, unless otherwise stated)

In LEI	***Note***	**31 December 2023**	**31 December 2022**
Assets			
Cash and current accounts	***14***	1,024,388	788,781
Bank deposits with initial maturity within 3 months	***15 a)***	299,408,624	104,971,764
Bank deposits with initial maturity of more than 3 months	***15 b)***	10,724,880	-
Financial assets measured at fair value through profit or loss	***16 a)***	347,807,747	333,619,756
Financial assets measured at fair value through other comprehensive income	***16 b)***	2,240,394,284	1,875,688,529
Bonds at fair value through other comprehensive income	***16 e)***	3,884,483	3,982,047
Bonds at amortized cost	***16 e)***	17,555,243	17,550,535
Other financial assets at amortized cost	***17 a)***	6,418,790	9,869,910
Other assets	***17 b)***	515,601	497,055
Non-current assets held for sale		212,738	-
Investment property	***18***	4,109,000	4,284,448
Plant, property and equipment	***19***	10,435,507	9,282,127
Right-of-use assets for qualifying assets in leases	***19***	3,320,774	3,474,536
Intangible assets	***19***	402,983	412,375
Total assets		**2,946,215,042**	**2,364,421,863**
Liabilities			
Borrowings	***20***	63,674,421	-
Lease liabilities	***21***	3,303,893	3,456,939
Dividends payable	***22***	49,950,267	42,633,808
Current tax liabilities		7,410,272	5,370,896
Financial liabilities at amortized cost	***23 a)***	1,267,195	2,871,103
Other liabilities	***23 b)***	6,144,422	4,154,999
Provisions for risks and expenses	***24***	1,632,553	1,632,553
Deferred tax liabilities	***25***	149,977,380	89,669,402
Total liabilities		**283,360,403**	**149,789,700**
Equity			
Share capital	***26***	499,988,637	499,988,637
Retained earnings		1,153,588,929	1,018,427,444
Reserves from the revaluation of property, plant and equipment		11,305,777	9,774,793
Reserves from the revaluation of financial assets at fair value through other comprehensive income	***16 d)***	1,035,679,283	699,891,438
Treasury shares	***26 e)***	(66,642,400)	(38,991,230)
Equity-based payments to employees, directors and administrators	***26 f)***	24,881,378	20,765,780
Other items of equity	***26 g)***	4,053,035	4,775,301
Total equity		**2,662,854,639**	**2,214,632,163**
Total liabilities and equity		**2,946,215,042**	**2,364,421,863**

The separate financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

The attached explanatory notes are integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(all amounts are presented in Lei, unless otherwise stated)

Evergent INVESTMENTS

In LEI	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
Balance at 31 December 2022	**26**	**499,988,637**	**9,774,793**	**699,891,438**	**1,018,427,444**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,214,632,163**
Comprehensive income									
Net profit of the financial year		-	-	-	124,733,425	-	-	-	124,733,425
Other comprehensive income							-	-	-
Increases of revaluation reserve on property, plant and equipment, net of deferred tax		-	1,530,984	-	-	-	-	-	1,530,984
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax		-	-	414,997,141	-	-	-	-	414,997,141
Revaluation at fair value of FVTOCI bonds		-	-	(185,969)	-	-	-	-	(185,969)
Total other comprehensive income		**-**	**1,530,984**	**414,811,172**	**-**	**-**	**-**	**-**	**416,342,156**
Total comprehensive income of the financial year		**-**	**1,530,984**	**414,811,172**	**124,733,425**	**-**	**-**	**-**	**541,075,581**
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	**16 d)**	**-**	**-**	**(79,023,327)**	**79,023,327**	**-**	**-**	**-**	**-**
Transactions with shareholders directly recognized in equity									
Redemption of own shares		-	-	-	-	(38,842,825)	-	(380,999)	(39,223,824)
Own shares attributed to employees, administrators and directors	**26 e)**	-	-	-	-	11,191,655	(10,850,388)	(341,267)	-
Equity-based payments to employees, directors and administrators		-	-	-	-	-	14,965,986	-	14,965,986
Dividends expired according to the law (explanatory note 3 m)		-	-	-	14,100,250	-	-	-	14,100,250
Dividends distributed from the result of 2022 financial year		-	-	-	(82,695,517)	-	-	-	(82,695,517)
Total transactions with shareholders directly recognized in equity		**-**	**-**	**-**	**(68,595,267)**	**(27,651,170)**	**4,115,598**	**(722,266)**	**(92,853,105)**
Balance at 31 December 2023	**26**	**499,988,637**	**11,305,777**	**1,035,679,283**	**1,153,588,929**	**(66,642,400)**	**24,881,378**	**4,053,035**	**2,662,854,639**

The separate financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

The attached explanatory notes are integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(all amounts are presented in Lei, unless otherwise stated)

In LEI	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
Balance at 31 December 2021	**26**	**510,105,062**	**8,967,836**	**903,246,143**	**981,801,980**	**(41,119,507)**	**16,252,012**	**3,685,004**	**2,382,938,530**
Comprehensive income									
Net profit of the financial year		-	-	-	82,853,635	-	-	-	82,853,635
Other comprehensive income									
Increases of revaluation reserve on property, plant and equipment, net of deferred tax		-	806,957	-	-	-	-	-	806,957
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax		-	-	(168,168,297)	-	-	-	-	(168,168,297)
Revaluation at fair value of FVTOCI bonds		-	-	(105,304)	-	-	-	-	(105,304)
Total other comprehensive income		**-**	**806,957**	**(168,273,601)**	**-**	**-**	**-**	**-**	**(167,466,644)**
Total comprehensive income of the financial year		**-**	**806,957**	**(168,273,601)**	**82,853,635**	**-**	**-**	**-**	**(84,613,009)**
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	**16 d)**	**-**	**-**	**(35,081,104)**	**35,081,104**	**-**	**-**	**-**	**-**
Transactions with shareholders directly recognized in equity									
Decrease of share capital	**26 a)**	(10,116,425)	-	-	(26,389,968)	35,999,999	-	506,394	-
Redemption of own shares		-	-	-	-	(38,566,162)	-	(119,881)	(38,686,043)
Own shares attributed to employees, administrators and directors	**26 e)**	-	-	-	-	4,694,440	(5,398,224)	703,784	-
Equity-based payments to employees, directors and administrators		-	-	-	-	-	9,911,992	-	9,911,992
Dividends expired according to the law (explanatory note 3 m)		-	-	-	7,133,676	-	-	-	7,133,676
Dividends distributed from the result of 2021 financial year		-	-	-	(62,052,983)	-	-	-	(62,052,983)
Total transactions with shareholders directly recognized in equity		**(10,116,425)**	**-**	**-**	**(81,309,275)**	**2,128,277**	**4,513,768**	**1,090,297**	**(83,693,358)**
Balance at 31 December 2022	**26**	**499,988,637**	**9,774,793**	**699,891,438**	**1,018,427,444**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,214,632,163**

The separate financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

In LEI	Note	2023	2022
Operating activities			
Net profit for the year		**124,733,425**	**82,853,635**
Adjustments:			
Loss reversal from assets impairment		(100,129)	(2,332,072)
Loss reversal from non-financial assets impairment		-	(671)
Net gain from the revaluation of investment property	*17*	(37,290)	(798,078)
(Net gain) / Net loss of financial assets at fair value through profit or loss	*9*	(39,332,779)	474,436
Reversal of provisions for risks and charges	*24*	-	(117,190)
Gross dividend income	*6*	(143,419,181)	(120,777,371)
Interest income	*7*	(9,909,187)	(7,087,713)
Financing expenses	*12*	4,084,887	95,436
Corporate tax	*13*	14,494,674	8,863,072
Other adjustments		18,417,493	11,021,983
Modifications of assets and liabilities corresponding to operating activities			
Payments for acquisition of financial assets at fair value through profit or loss		(57,426)	(5,000,000)
Proceeds from sales of financial assets at fair value through profit or loss		25,202,214	52,121,165
Payments for acquisition of financial assets at fair value through other comprehensive income		(197,181,371)	(207,420,556)
Proceeds from sales of financial assets at fair value through other comprehensive income		322,049,047	89,198,421
Proceeds from bonds		11,760	16,711,760
Set-ups of deposits with initial maturity of more than 3 months		(10,000,000)	-
Changes in other assets		3,680,264	(2,502,603)
Changes in other liabilities		1,042,630	1,399,845
Proceeds from dividends		132,016,774	115,165,356
Proceeds from interest		7,425,009	7,016,519
Paid profit tax		(17,155,411)	(3,504,141)
Net cash resulted from operating activities		**235,965,403**	**35,381,233**
Investment activities			
Payments for acquisitions of property, plant and equipment		(152,696)	(740,070)
Payments for acquisition of intangible assets		(83,235)	(124,869)
Payments for acquisition of investment property		-	(948,484)
Proceeds from sale of intangible assets and property investments		5,490	2,321
Net cash used in investment activities		**(230,441)**	**(1,811,102)**

SEPARATE STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(All amounts are presented in Lei, unless otherwise stated)

In LEI	Note	2023	2022
Financing activities			
Paid dividends		(61,278,808)	(46,322,241)
Lease payments		(542,462)	(558,211)
Proceeds from borrowings		94,121,516	-
Loan repayments		(32,135,621)	-
Loan interest paid		(3,641,718)	-
Payments of lease liability interest		(111,396)	(95,436)
Acquisition of treasury shares		(39,223,824)	(38,686,043)
Net cash used in financing activities		**(42,812,313)**	**(85,661,931)**
Net increase/(decrease) of cash and cash equivalents		**192,922,649**	**(52,091,800)**
Cash and cash equivalents at 1 January		**105,541,921**	**157,633,721**
Cash and cash equivalents at 31 December		**298,464,570**	**105,541,921**

In LEI	31 December 2023	31 December 2022
Cash at hand	2,394	4,626
Current bank accounts	1,021,995	784,158
Bank deposits with initial maturity within 3 months	297,440,181	104,753,137
Cash and cash equivalents	**298,464,570**	**105,541,921**

The separate financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

EVERGENT Investments SA (“**the Company**” or “**EVERGENT Investments**”), is setup as a Romanian private-law legal entity, organized as a joint-stock company, classified according to applicable regulations as AIS-type Alternative Investment Fund, alternative investment fund category intended for retail investors - AIFRI, with a diversified investment policy, closed, self-managed.

The Company is authorized by the Financial Supervision Authority (FSA) as alternative investment fund manager by Permit no. 20/23.01.2018 and as an Alternative Investment Fund intended for retail investors (AIFRI), by Permit no. 101/25.06.2021.

The duration of the Company is 100 years starting 23 August 2021 and may be extended by the shareholders prior to the expiry thereof, by decision of the Extraordinary General Meeting of Shareholders.

The headquarters of the Company is located in Street Pictor Aman, no. 94C, Bacau municipality, Bacau county, Romania.

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

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

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

The shares issued by Evergent Investments SA are listed at the Bucharest Stock Exchange, the primary market, Premium category, with indicative EVER, since 29 March 2021 (the Company’s share were previously traded using indicative SIF2), as per the BSE Decision of 1 November 2011.

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

As of 22 May 2023, the assets deposit and custody services are provided by Banca Comercială Română SA, as per FSA License no. 74 of 18 May 2023. Previously, such services were provided by BRD – Société Générale SA.

2. BASIS OF PREPARATION

(a) Statement of compliance

The separate financial statements have been prepared by the Company in accordance with Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by FSA in the field of Financial Instruments and Investments approved by "Rule 39/2015".
According to Norm 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted in accordance with the procedure foreseen by Regulation (CE) no. 1606/2002 of the European Parliament and Council of 19 July 2002 regarding the application of international accounting standards, with the subsequent amendments and additions.

The separate financial statements for the financial year ended 31 December 2023, including the financial information used for comparison purposes include the separate statement of financial position, separate statement of comprehensive income, separate statement of cash flows, separate statement of changes in equity and explanatory notes.

The consolidated financial statements of the Group (the Company and its subsidiaries) at 31 December 2023 were approved on 25 March 2024. They will be available on the Company's website: www.evergent.ro

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

2. BASIS OF PREPARATION (continued)

(b) Financial Statements Presentation

The separate financial statements have been prepared in accordance with the requirements of IAS 1 "Presentation of Financial Statements". The presentation adopted by the company is based on liquidity for the statement of financial position and a presentation of income and expenses depending on their nature for the statement of comprehensive income, considering that these presentation methods offer more relevant information for the users, than if presented based on other methods allowed by IAS 1.

These separate financial statements were prepared based on the going concern assumption that assumes that EVERGENT Investments will continue its activity in the predictable future. The management of the Company considers that EVERGENT Investments will normally continue its activity in the future, and consequently, the separate financial statements were prepared on this basis (see explanatory note 2 (g) "Impact of the Russian-Ukrainian military conflict and other global trends on the Company's financial position and performance").

(c) Functional and presentation currency

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

(d) Basis of measurement

The separate financial statements have been prepared based on the fair value convention for financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.
Other financial assets and liabilities are stated at amortized cost, and non-financial assets and liabilities have been presented at historic cost, fair value or revaluated amount.

(e) Use of Estimates and Judgments

The preparation of separate financial statements in accordance with IFRS requires the use of management estimates, judgments and assumptions that affect the ascertainment and application of the Company's accounting policies and the reported value of the assets, liabilities, income and expenses in the financial statements. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

2. BASIS OF PREPARATION (continued)

(e) Use of Estimates and Judgments

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods if the revision affects both current period and following periods.

The information and judgments concerning the ascertainment and application of accounting policies and the laying of accounting estimates with the highest degree of uncertainty regarding the estimates, which have a significant impact on the amounts recognized in these annual financial statements, are the following:

- Determining the fair value of financial instruments (see explanatory notes 16 (c) and 3 (e) (vi))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 16(c) and note 18)
- Classification of financial instruments (see explanatory notes 3 (e) i) and 5)
- Adjustments for expected credit losses of assets carried at amortized cost (see explanatory note 3 (e) (vii)

(f) Information on material accounting policies

The Company also adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

2. BASIS OF PREPARATION (continued)

(g) Impact of the Russian-Ukrainian military conflict and other global events and trends on the financial position and performance of the Company

In the context of the continuation of the Russian-Ukrainian military conflict and the outbreak of other military conflicts, with all their consequences, in 2023 the Bucharest Stock Exchange recorded high volatility and relatively low liquidity, but the upward trend continued.

Inflationary pressures are still high. The National Bank of Romania maintained the monetary policy interest rate at 7% per year, the last increase being operated at the beginning of January 2023, and the European Central Bank continued to increase the reference interest rate (on September 14, 2023 it announced the tenth consecutive increase), which reached a new all-time high.

Domestically, additional risks come from macroeconomic imbalances which continued to rise, the delay in reforms and the absorption of European funds, especially through the National Recovery and Resilience Plan (PNRR) and the risk of default on loans contracted by the non-governmental sector.

The prolongation of the war in Ukraine and the outbreak of other military conflicts and the estimates regarding the medium-term evolution of inflation continued to generate uncertainties and risks regarding the prospects of the economic activity, with potential impact on the evolution of financial instrument quotations, including on the Bucharest Stock Exchange, where a high volatility is expected in the future, at least in the short term, on a 3–6-month horizon.

Under these circumstances, the Company's management considers that the profitability of EVERGENT Investments may be affected, but on the short and medium term, and does not estimate difficulties in honouring the Company's commitments, and going concern is not affected.

The management closely monitors the evolution of this conflict and other events and trends at the global level and their impact and the measures taken at international level on the economic environment at national level, the market where the Company's assets are exposed.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies have been consistently applied on all periods presented in the individual financial statements prepared by the Company.

The comparatives in certain notes to the financial statements (i.e Notes: 11. Other operating expenses and 13. Profit tax) were reclassified/updated for consistency with the information presented in the current year.

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements (see Note 2 (f) for further information).

(a) Foreign currency transactions

Operations expressed in foreign currency are registered in lei at the official exchange rate on the transaction date. Monetary assets and liabilities registered in a foreign currency are converted into the functional currency at the date of preparation of the financial statements at the closing rate of the date in question.

Foreign exchange rate differences arising on the settlement of monetary items or conversion of monetary elements at rates different from those at which they were translated on initial recognition (during the period), or in the previous annual financial statements are recognized as profit or loss in the period in which they arise.

The main exchange rates for foreign currency in accordance with NBR reporting were:

Currency	31 December 2023	31 December 2022	Variation
Euro (EUR)	1: 4.9746 Lei	1: 4.9474 Lei	+0.55%
American dollar (USD)	1: 4.4958 Lei	1: 4.6346 Lei	-2.99%

3. MATERIAL ACCOUNTING POLICIES (continued)

(b) Subsidiaries and associates

Subsidiaries are entities under the Company's control. Control exists when the Company is exposed or has the right to variable earnings from its involvement in the entities it has invested in and has the ability to affect these earnings through its power over the entity it invested in. At the time control is evaluated, the potential or convertible voting rights which can be exercised at that time must also be taken into consideration.

Associates are those companies in which the Company can exercise significant influence, but not control over financial and operational policies.

The list of subsidiaries and associates is presented under explanatory note 29.

In these separate financial statements, the Company has classified its interests in subsidiaries and associates as financial assets measured at fair value through comprehensive income or financial assets at fair value through profit or loss, in accordance with IFRS 9.

(c) Accounting for hyperinflation effect

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current measurement unit on the date when they are prepared (non-monetary elements are restated using a general price index on the purchase or contribution date). In accordance with IAS 29, an economy is considered to be hyperinflationary when, among other factors, the cumulated inflation rate over a three years' period exceeds 100%.

In Romania's case (economy whose functional currency has been adopted by the Company), the provisions of IAS 29 have been adopted for the preparing of separate financial statements up to 31 December 2003, starting 1 January 2004 its economy ceased to be hyperinflationary.

Thus, the values expressed in the current measurement unit at 31 December 2003 are stated as base for the book values reported in the separate financial statements and do not represent measured values, replacement cost, or any other measure of the present value of assets or prices at which the transactions would be made at this moment.

(d) Statement of cash flows

On preparing the statement of cash flow, the Company treats the following as cash and cash equivalents: cash at hand, current bank accounts, bank deposits with an initial maturity within or equal to 3 months (without, if the case be, restricted deposits and restricted current accounts), less the corresponding interest and adjustments for expected credit loss.

Given its main object of activity, the Company considers that the entire activity of investments in financial instruments (both the management of FVTPL classified financial assets and FVTOCI assets) is part of its operational activity.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities

(i) Classification of financial assets

IFRS 9 provides an approach regarding the classification and evaluation of financial assets that reflects the business model within which financial assets and cash flow characteristics are managed.

The business models used by the Company to manage its financial assets are:

- To collect contractual cash flows:

Financial assets held within this business model are managed to obtain cash flows through the collection of contract payments over the life of the instrument. This means that EVERGENT Investments manages the assets held in its portfolio to collect those contractual cash flows (instead of managing the general return of the portfolio through holding or selling assets).

Assets held under this business model are not necessarily held to maturity, "rare frequency" sales are also possible, when the credit risk of those particular instrument increases. An increase of the sale frequency over a certain period of time is not necessarily contrary to this type of business if the Company can explain the reasons that led to these sales and can prove that the sales do not reflect a modification of the current business model.

- To collect contractual cash-flows and to sell:

Financial assets that are held within this business model are managed both for the collection of contractual cash flows and for the sale of financial assets.

- Other business models:

Other business models include the maximization of cash flows through sale, trading, management of assets based on fair value, financial instruments purchased for sale or trade purposes that are measured at fair value through profit or loss.

The management of this portfolio is made based on the market value evolution of those assets and includes frequent purchases and sales for the purpose of profit maximization.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(i) Classification of financial assets (continued)

Analysis of cash flow characteristics (SPPI test)

The SPPI test represents the analysis of the contract terms of financial assets for the purpose of identifying if the cash flows represent solely payments of principal and interest corresponding to the principal.

IFRS 9 includes three categories for the classification of financial assets: measured at amortized cost, measured at fair value through comprehensive income and measured at fair value through profit or loss.

- ***Financial assets measured at amortized cost***

Following initial recognition, a financial asset is classified as measured at amortized cost only if two of the following conditions are met simultaneously:

- the asset is held in a business model whose objective is to keep financial assets to collect contractual cash flows;
- the contractual terms of the financial asset generate, on certain dates, cash flows representing exclusive payments of principal and interest.

- ***Financial assets measured at fair value through other comprehensive income („FVTOCI")***

Following initial recognition, a financial asset is classified as measured at fair value through other comprehensive income, only if two conditions are met simultaneously:

- the asset is held within a business model whose objective is to keep the financial assets to collect contractual cash flows and to sell them;
- the contractual terms of the financial asset generate, on certain dates, certain cash flows represented exclusive payments of principal and interest.

Moreover, on the initial recognition of an investment in equity instruments that is not held for trading, the Company may irrevocable chose to present later modification of fair value in other comprehensive income.

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

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(i) Classification of financial assets (continued)

Gains or losses corresponding to an equity instrument measured at fair value through other comprehensive income are recognized in other comprehensive income, except for dividend revenue.

- ***Financial assets measured at fair value through profit or loss ("FVTPL"):***

All financial assets that are not classified as measured at amortized cost or fair value through other comprehensive income, as described above, are measured at fair value through profit or loss.

Moreover, on initial recognition, the Company may irrevocably designate that a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value through other comprehensive income, is measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting inconsistency that would occur if another method would be used.

Financial assets that do not meet the criteria regarding the collection of cash flows (SPPI test) must be measured at fair value through profit or loss.

Following the adoption of IFRS 9, financial assets such as equity instruments that the Group did not opt to classify as financial assets measured at fair value through other comprehensive income, and which were not held for trading, have been classified at fair value through profit or loss.

Assets held for trading are measured at fair value through profit or loss. An asset is held for trading if it cumulatively meets the following requirements:

- it is held for sale and repurchase in the near future;
- on initial recognition, it is part of an identified financial instruments portfolio, that are managed together, and for which there is proof of a recent pattern of following short-term profit; or
- it is a derivative (with the exception of a derivative that is a financial guarantee contract or designated and efficient hedging instrument).

The Company does not owe financial assets held for trading at 31 December 2023 or 31 December 2022.

In case of financial assets at fair value through profit or loss, fair value modifications are registered in the statement of comprehensive income, in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(ii) Classification of financial liabilities

Financial liabilities, including loans, are classified following initial recognition at amortized cost, except financial liabilities measured at fair value through profit or loss (financial liabilities held for trading purposes that are designated on initial recognition or later at fair value through profit or loss, according to IFRS9 specific provisions, including financial liabilities corresponding to derivatives). Incorporated derivatives are separated from the host contract in case of financial liabilities.

The Company does not hold financial liabilities carried at fair value through profit or loss at 31 December 2023 or 31 December 2022.

(iii) Initial recognition

Assets and liabilities are recognized at the date when the Company becomes a party of the contractual provisions (transaction date). Financial assets and liabilities are measured at fair value at the time of their initial recognition, plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(iv) Offsetting of assets and liabilities

Financial assets and financial liabilities are set off, and the net result presented in the statement of financial position when there is a legal set off right and if it is intended to be settled on a net basis, or if the Company intends to realize its asset and settle the debt simultaneously.

Income and expenses are presented on a net basis only when allowed by accounting standards, or for the profit and loss resulted from a group of similar transactions, such as those from the Company's trading activity.

(v) Measurement at amortized cost

The amortized cost of a financial asset or liability represents the value to which the financial asset or liability is measured after initial recognition, less principal payments, plus or minus the accumulated amortization up to that moment using the effective interest method for every difference between the initial value and the value at maturity, except for the case of financial assets, write-downs corresponding to expected credit risk losses.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(vi) Measurement at fair value

Fair value is the price that would be received following the sale of an asset or the price that would be paid to transfer a liability through an orderly transaction between market participants on the evaluation date (e.g. an exit price).

The determination of the fair value of financial assets and liabilities is based on the quotations of an active market. A financial instrument has an active market if quoted prices are rapidly and regularly available, and these prices reflect the market transactions regularly made under objective market conditions.

Fair value measurement for instruments traded on an active market is made by multiplying the number of shares held by the closing price on the last trading day of the given reporting period.

In case a financial asset is listed on several active markets, the Company uses either the principal market for the asset, or, in the absence of a principal market, the most advantageous market, taking into consideration all barriers/costs associated to the access to each market.

For all other financial instruments, fair value is determined using evaluation techniques.

Evaluation techniques include techniques based on the net present value, discounted cash flow method, comparison with similar instruments for which there is an observable market and other measurement methods.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(vii) Identification and measurement of expected credit losses

Financial assets measured at amortized cost

The Company recognises expected credit losses for financial assets at amortized cost measured according to the provisions of IFRS 9.

For this purpose, these instruments are classified as stage 1, stage 2 or stage 3 depending on absolute or relative credit risk, by reference to the moment of their initial recognition. Thus:

Stage 1: includes (i) newly recognized exposures, other then purchased or originated credit-impaired (POCI); (ii) exposures for which credit risk has not significantly deteriorated since initial recognition (iii) exposures with low credit risk (low credit risk exemption).

Stage 2: includes exposures that, although performing, have registered a significant deterioration of credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

Expected credit loss represents the difference between all contractual hedged cash flows that are owed to the Group and all cash flows that the Group expects to receive, updated to the initial effective interest rate.

For stage 1 exposures, expected credit loss is equal to expected loss calculated on a timescale of up to one year. For stage 2 or 3 exposures, expected credit loss is equal to expected loss calculated on a timescale corresponding to the entire exposure duration.

The Company evaluates if the credit risk for a financial instrument has significantly increased from its initial recognition based on the information available, without unjustified cost or effort, that are indicators of significant credit risk increase since initial recognition, such as the significant deterioration of the financial results or the credit rating of the issuer of the financial instrument or more than 30-day delays in principal or interest payment for that financial instrument.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(vii) Identification and measurement of expected credit losses (continued)

The Company uses the simplified approach applicable to trade receivables, contract assets and leasing contract receivables recorded under Other financial assets at amortised cost, as they do not have a significant financing component. On this approach, the Company measures for these receivables the loss allowance at an amount equal to lifetime expected credit loss (i.e. eliminates the need to calculate expected losses of credit risk for Stage 1 at an amount equal to 12-month expected credit losses and the need to evaluate the occurrence of a significant credit risk increase).

The Company has defined as credit-impaired exposures, the receivables that meet one or both criteria below:

- exposures for which the Company evaluates that it is unlikely that the debtor pay its obligations, irrespective of the value of exposures and number of days for which exposure is delayed (due to significant financial difficulties of the client or if client is expected to enter bankruptcy),

- overdue amounts, with significant delays, over 365 days.

The Company recognizes in profit or loss the value of expected credit loss modification on the entire life span of the financial assets as loss or reversal of expected credit losses.

Losses or reversals of expected credit losses is calculated as the difference between the book value of a financial asset and present value of future cash-flows using the actual interest rate of the financial asset at the initial time.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial assets and liabilities (continued)

(viii) Derecognition

The Company derecognizes a financial asset when the contractual rights to receive cash flows from that asset expire, or when the Company has transferred the contractual rights to receive contractual cash flows for that particular asset in a transaction that significantly transfers all risks and rewards of ownership.

Any interest in the transferred financial assets retained by the Company or created for the Company is recognized separately as an asset or liability.

The Company derecognizes a financial liability when contractual obligations have ended, or when contractual obligations are cancelled or expired.

If an entity transfers a financial asset through a transfer that meets the requirements for derecognition and retains its right to administrate the financial asset in return for a fee, then it must recognize either an asset in administration, or a liability in administration for that contract.

When derecognizing a financial asset in its entirety (other than FVTOCI capital instruments) in full, the difference between:

- its book value, and
- the sum of (i) value of the amount received (including any new asset obtained minus any new liability) and (ii) any accumulated gain or loss that was recognized in other comprehensive income

must be recognized in profit or loss.

In the case of debt instruments, when the financial asset at fair value through other comprehensive income is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from revaluation reserve to profit or loss as a reclassification adjustment (recycled in profit or loss).

In case of equity instruments carried at fair value through other comprehensive income, accumulated gain or loss previously recognized in other comprehensive income is not reclassified from revaluation reserve to profit or loss (i.e. not recycled in profit or loss), but is reclassified to retained earnings.

3. MATERIAL ACCOUNTING POLICIES (continued)

(f) Investment property

(i) Initial recognition

Investment property is real estate (land, buildings or parts of a building) held by the Company for the purpose of rental or for appreciation or both, and not for use in the production or supply of goods or services or for administrative purposes or to be sold in the normal course of business.

A real estate investment is recognized as an asset if, and only if:

- it is likely that the future economic benefits associated with the asset will accrue to the Company;

- the cost of the asset can be reliably determined.

A real estate investment is initially valued at cost, including transaction costs. The cost of a purchased investment property consists of its purchase price plus any directly attributable expenses (for example, professional legal fees, property transfer taxes and other transaction costs).

(ii) Subsequent measurement

The Company registers investment properties at fair value, and changes in fair value are recognised in profit or loss.

Fair value measurement

At 31 December 2023, the Company's investment properties were valued by independent external valuers, authorized by the National Association of Authorized Valuers of Romania ("ANEVAR"). The valuers mainly applied the market approach, using the method of market comparisons, and the income-based approach, using the direct capitalization method, in compliance with the valuation principles and techniques contained in the ANEVAR Asset Valuation Standards.

Gains or losses resulting from changes in the fair value of investment properties are recognized in profit or loss, in the period to which the valuation refers.

(iii) Transfers

Transfers to or from investment property are made when and only when there is a change in the use of the respective asset.

3. MATERIAL ACCOUNTING POLICIES (continued)

(f) Investment property (continued)

(iii) Transfers (continued)

For the transfer of an investment property valued at fair value to property, plant and equipment, the implicit cost of the asset for the purpose of its subsequent registration will be its fair value from the date of the change of use.
If a property used by the Company becomes an investment property that will be registered at fair value, the Company applies IAS 16 until the date of change of use. The Company must treat any difference as of that date in the carrying amount of the property in accordance with IAS 16 and its fair value as a revaluation in accordance with IAS 16.

(iv) Derecognition

The book value of an investment property is derecognized on disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected of its disposal.

The gains or losses resulted from the disposal of an investment property are recognized in profit or loss when it is scrapped or sold.

(g) Tangible and intangible assets

(i) Recognition and measurement

Tangible assets are initially measured at cost by the Company. The cost of a property, plant and equipment is comprised of the purchase price, including non-recoverable taxes, after the deduction of any price discounts of commercial nature to which any cost that can be directly attributed to bringing the asset to the location and condition necessary for it to be used for the intended purpose is added, for example: expenses with employees that directly result from the construction or purchase of the asset, costs for the development of the location, initial delivery and handling costs, costs for installation and assembly, fees for the professionals involved.

Property, plant and equipment are classified by the Company in the following classes of assets of the same nature and with similar use:

- Lands;
- Buildings;
- Equipment, technical installations and machines;
- Transportation vehicles;
- Other property, plant and equipment;
- Right-of-use assets.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(g) Tangible and intangible assets (continued)

(i) Recognition and measurement (continued)

Subsequent measurement

Lands and buildings are presented at revaluated amount, which represents the fair value on the revaluation date. The determination of fair values and revaluation is performed at the end of each reporting period.

All the other classes of assets in this category are accounted for at cost less accumulated depreciation and impairment adjustments (if the case).

In the case of revalued property, plant and equipment (lands and buildings), if the book value of an asset is increased further to revaluation, the increase will be recognized in other comprehensive income, as revaluation reserve. In case the book value is lowered, this lowering will be recognized in profit or loss, exception when it is recognized in other comprehensive income to the extent that the revaluation reserve has creditor balance for the analyzed asset.

Expenses for the maintenance and repairs of tangible assets are registered by the Group in the statement of consolidated comprehensive income (in profit or loss) when they occur, and significant improvements to tangible assets, which meet the definition of property, plant and equipment are capitalized.

(ii) Depreciation

Depreciation is calculated using the straight-line method throughout the estimated useful life of assets, as follows:

Buildings	40 years
Equipment, technical installations and machines	2-12 years
Vehicles	4-8 years
Furniture and other tangible assets	4-12 years
Right-of-use assets in lease contracts	Duration of lease contract

Lands are not subject to depreciation.

Intangible assets that meet the recognition criteria as per IFRS are accounted for at cost less accumulated depreciation. The amortisation of intangible assets is recorded in profit or loss, on a straight-line basis for a maximum estimated period of 3 years, for which the maximum depreciation period is 10 years.

The depreciation methods, estimated useful lives as well as residual values are revised for each reporting period.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(g) Tangible and intangible assets (continued)

(iii) Sale/scrapping of tangible and intangible assets

Property, plant and equipment that are sold or scrapped are written-off together with their corresponding accumulated depreciation. Any profit or loss resulted from such an operation is included in profit or loss in the current period.

The revaluation reserve for revalued property, plant and equipment (lands and buildings) included in equity is transferred directly to retained earnings when the asset is disposed of or scrapped.

(h) Impairment of assets, other than financial assets

The book value of Company's assets that are not financial in nature, other than assets such as deferred taxes, are revised at every reporting date to identify the existence of impairment indicators. If such indication exists, the recoverable value of those assets will be estimated.

An impairment loss is recognized when the book value of the cash generating asset or unit exceeds the recoverable value of the cash generating asset or unit.

A cash-generating unit is the smallest identifiable group generating cash that has the ability to generate cash inflows independent from other assets or other asset groups.

Impairment losses are allocated to reduce the carrying amount of assets in the cash-generating unit in the following order:

(a) first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit (if any); and

(b) then any other assets of the unit, on a pro rata basis, based on the carrying amount of each asset in that unit.

Impairment losses are recognized in comprehensive income, in profit or loss.

The recoverable value of cash generating asset or unit is the maximum between the value in use and fair value less sale costs for that asset or unit. In order to ascertain the value in use, future cash flows are revised using a discount rate before taxation that reflects current market conditions and risks specific for that particular asset. Impairment losses recognized in the previous periods are measured on each reporting date in order to determine if they diminished or no longer exist. Impairment loss is reversed if a change has occurred in the estimates used to determine the recoverable value. Impairment loss is reversed only in case the book value of the asset does not exceed the book value that would be calculated net of amortization and impairment if the impairment loss had not been recognized.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(i) Share capital

Ordinary shares are recognized in share capital.

(j) Own shares

The Company recognises own shares (acquisition of treasury shares) on the transaction date as a decrease of equity, in Other items of equity. Own shares are recorded at acquisition value, and brokerage fees and other costs directly connected to the acquisition are recorded directly in equity, in a distinct account. For details on the scope of buy-back programs, please see Note 26 (e).

Cancellation of own shares is made in accordance with the approval of shareholders, after meeting all legal requirements. On cancellation, the balance of treasury shares is compensated with share capital and retained earnings.

The annulment of own shares may generate gains or losses depending on the acquisition value of own shares reported with their nominal amount. Net gain or loss from the cancellation of own shares are directly recognized in equity, in a distinct account.

(k) Distributable dividends

Dividends are treated as a distribution of result in the period when they were declared and approved by the General Meeting of Shareholders.

The dividends declared before the reporting date and not yet paid are registered as liabilities on the reporting date.

(l) Dividends prescribed

The rights to request dividends not collected by the shareholders within 3 years from the declaration date, are time-barred according to the law.

On the time-bar date, the Company registers their value in equity, in a separate reserve account in retained earnings.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(m) Provisions for risks and charges

Provisions are recognized in the statement of financial position when a legal or implicit obligation arises for the Company connected to a past event and it is probable that in the future it will be necessary to use economic resources to settle this obligation, and a reasonable estimation of the value of the liability can be made. In order to determine the provision, future cash flows are updated using an discounting rate before taxation that reflects the current market conditions and specific risks of that individual liability.

(n) Interest income and expenses

Interest income and expenses (representing borrowing costs) are recognized in the statement of comprehensive income (in profit or loss) through the effective interest method. Effective interest rate represents the date that accurately updates cash payments and collections in the future for the expected lifespan of the financial asset or liability to the gross book value of the financial asset or at the amortised cost of the financial liability.

(o) Dividend income

Dividend income is recognized in profit or loss on the date the right to receive such income is set.

The Company registers dividend income at gross value that includes dividend tax which is recognized as current profit tax expense. The actual calculation is made according to the tax provisions in force on the calculation date.

(p) Benefits of managers, directors and employees

Short-term benefits

Short-term benefits of managers, directors and employees mainly include the remunerations/wages and bonuses, but also participation in the cash benefits plan (see note (s) below). The short-term benefits are recognized as expense when the services are delivered. A liability is recognized for the amounts expected to be paid as cash bonuses on the short-term or schemes for the employees' profit sharing (in cash or in shares) as the Company has, on the reporting date, a legal or implicit obligation to pay these amounts as a result of services delivered beforehand by the managers, directors and employees, and if that obligation can be reliably estimated.

The fixed (remunerations) and variable (bonuses and participation in the benefits plan) component of the remuneration of the directors and managers of the Company are established by the provisions of Article 7 para. (11) of the Articles of Incorporation and of the Remuneration Policy of the Company's directors, approved by the Ordinary

3. MATERIAL ACCOUNTING POLICIES (continued)

(p) Benefits of managers, directors and employees (continued)

General Meeting of Shareholders, being provided in the administration and management contracts.

The fixed component (salaries) and the variable component (bonuses and participation in the benefit plan) of the remuneration of the Company's employees are established by the individual employment contracts and the collective labor contract.

Defined contribution plans

The Company makes payments on behalf of its own managers, directors and employees to the Romanian pension system, health insurance and unemployment fund, during the normal course of business.

All managers, directors and employees of the Company are members, and at the same time have the legal obligation to contribute (through social contributions) to the pension scheme of the Romanian state (a defined contribution plan of the state). All corresponding contributions are recognized in profit or loss in the period when they are made. The Group has no other additional obligations.

The Company is not engaged in any independent pension scheme and, consequently, it has no such obligations. The Company is not engaged in any other post-retirement benefits system. The Company is not bound to pay subsequent services to its former or current managers, directors and employees.

(q) Participation in the profit-sharing plan of managers, directors and employees, in cash or as equity

The managers and directors participate in the benefits plan (part of the variable component of the remuneration), paid including as shares or options to purchase Company's shares, at a rate of 5% of the net profit obtained and of the net gain from transactions reflected in the Company's retained earnings, before the setup of the benefit participation plan.

The actual level of the participation to the benefit plan is set by the Board of Directors, following the approval of the annual financial statements in the General Meeting of Shareholders, based on the result of the assessment of the achievement of the following performance objectives:

- achieving a positive net result, an indicator composed of the net profit realized and the net gain from transactions reflected in retained earnings;
- the result of the annual assessment of the adequacy of the management structure, according to the criteria and procedure established by FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority, namely "appropriate".

3. MATERIAL ACCOUNTING POLICIES (continued)

(q) Participation in the profit-sharing plan of managers, directors and employees, in cash or as equity (continued)

The managers and directors participate in the benefits plan (part of the variable component of the remuneration), paid including as shares or options to purchase Company's shares, at a rate of 5% of the net profit obtained and of the net gain from transactions reflected in the Company's retained earnings, before the setup of the benefit participation plan.

The actual level of the participation to the benefit plan is set by the Board of Directors, following the approval of the annual financial statements in the General Meeting of Shareholders, based on the result of the assessment of the achievement of the following performance objectives:

- achieving a positive net result, an indicator composed of the net profit realized and the net gain from transactions reflected in retained earnings;
- the result of the annual assessment of the adequacy of the management structure, according to the criteria and procedure established by FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority, namely "appropriate".

The fund for the participation of the Company's employees in the benefits plan is maximum 5% of the net profit achieved and the net gain from transactions reflected in the Company's retained earnings, before the setup of the benefit-sharing plan, paid including as shares or options to purchase Company shares, with the approval of the Board of Directors, provided that the annual financial statements are approved by the General Meeting of Shareholders. The total value of individual remunerations for employees is between 0-9 gross monthly wages.

When the employees are appointed and the individual levels are set in the benefits plan the following are taken into account:

- the achievement by the Company of a positive net result (indicator composed of the net profit realized and the net gain from transactions reflected in the carried forward result);
- the results of the annual evaluation of the professional performance criteria applicable to the employees, according to the internal regulations and the specific internal procedure;
- the benefit plan is granted only to employees who actually worked in the Company in the year for which the benefit plan is granted, proportionally to the period worked during that year;

3. MATERIAL ACCOUNTING POLICIES (continued)

(q) Participation in the profit-sharing plan of managers, directors and employees, in cash or as equity (continued)

- employees whose employment contracts have been terminated for reasons attributable to them and employees who have directly or indirectly caused losses to the Company (materials, image) will not participate in the benefit plan.

The benefits plan may be granted annually, in cash and/or shares. The structure of this variable remuneration offered to the managers, directors and employees of the Company (Beneficiaries) is: at least 51% in Company shares, through the running of a Stock Option Plan (SOP) type program, the source being shares redeemed by the Company, and maximum 49% in cash. Beneficiaries may choose that the percentage of variable remuneration offered in shares be up to 100%.

Regarding the cash benefits sharing plan, the payments are made in the year following the year when services were rendered, further to the approval of the Board of Directors, after the Company's annual financial statements are approved in the General Meeting of Shareholders.

Regarding participation in the benefits plan with shares by the Company, Beneficiaries may exercise their right/option only 12 months after the signing by each beneficiary of their agreements with the Company, but no more than 15 months as of such date. The signing of the beneficiaries' agreement with the Company, which takes place following the Board of Directors' approval of the SOP plan (after the Company's annual financial statements are approved in the General Meeting of Shareholders), agreement that also sets the number of shares offered to each Beneficiary).

Therefore, the actual granting of benefits under the plan in the form of shares takes place more than 12 months after the end of the year when the services were rendered.

For the participation of managers, directors and employees to the benefits plan, the Company recognizes an expense in the period when the services were delivered (the period to which the benefits plan refers), in correspondence with a liability, for that portion offered in cash, and in correspondence with an increase of equity (benefits offered to employees as equity instruments) for the portion offered as shares through SOP.

3. MATERIAL ACCOUNTING POLICIES (*continued)*

(r) Profit tax

The profit tax corresponding to the financial year includes current and deferred income tax. Current profit tax includes tax on dividend income recognized at gross value.

Profit tax is recognized in the statement of comprehensive income, or in other comprehensive income if the tax corresponds to other comprehensive income.

Current profit tax represents tax to be paid for the tax profit obtained in the current period (including gain from the sale of FVTOCI financial assets, directly recognized in retained earnings), determined based on the percentages applied on the reporting date and all adjustments corresponding to previous periods.

For the period ended 31 December 2023, the profit tax rate was 16% (31 December 2022: 16%).

The tax rate corresponding to dividend income was 8% or 0% (2022: 5% or 0%). Dividend tax exemption is applied in case the Group's holding percentage was higher than 10% of the share capital of the company distributing the dividends, for an uninterrupted period of at least one year before distribution.

Deferred tax is determined for those temporary differences that occur between the tax base for asset and liability tax calculation and their book value, used for reporting in the consolidated financial statements.

Deferred tax is not recognized for the following temporary differences: initial recognition of the goodwill, initial recognition of assets and liabilities from transactions that are not business combinations and that do not affect the accounting profit or the tax profit and differences coming from subsidiary investments, provided they are not reversed in the near future.

Deferred tax is calculated based on tax percentages that are expected to the applied to the time differences on their reversal, based on the law applicable on the reporting date. Receivables and liabilities from deferred tax are settled only if there is a legal right to offset the current receivables and liabilities with tax and if they correspond to the tax collected by the same tax authority for the same entity subject to taxation or for different tax authorities, but which want to settle current receivables and liabilities with tax using a net base or the assets and liabilities will be realised simultaneously.

The deferred tax asset is recognized only to the extent that it is likely that future profits will be achieved to be used to cover the tax loss. The receivable is revised at the end of each financial year and it is lowered to the extent that it is improbable for the corresponding tax benefit to be achieved.

Additional taxes that occur in dividend distribution (if applicable) are recognized on the same date as the dividend payment obligation.

3. MATERIAL ACCOUNTING POLICIES (*continued)*

(s) Earnings per share

The Company presents the basic and diluted earnings per share for ordinary shares. Earnings per share are calculated through the dividing the profit or loss attributable to the Company's ordinary shareholders to the average weighted number of ordinary shares in the reporting period.

Diluted earnings per share are calculated through the adjustment of profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)

The Company presents in its financial statements, along the Basic and diluted earnings per share, an alternative method of measuring performance (not provided under IFRS). The basic and diluted earnings per share including not only the net profit for the period, but also gains from the sale of FVTOCI financial assets (presented in the Statement of changes in equity in the line Net gains, transferred to retained earnings, related to sale of FVTOCI), since along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Company's performance and represents a potential source for dividend distribution to the shareholders, but is not however reflected in the statement of comprehensive income for the period.

Reconciliation *In LEI*	**31 December 2023**	**31 December 2022**
Net profit attributable to Company's shareholders	124,733,425	82,853,635
Gains carried to retained earnings attributable to shareholders (from sale of financial assets at fair value through other comprehensive income)	79,023,327	35,081,104
Net result (including the gains from the sale of FVTOCI assets)	**203,756,752**	**117,934,739**
Average weighted number of outstanding ordinary shares corresponding to the reporting period	913,537,589	947,657,151
Basic earnings per share (including the gains from the sale of FVTOCI assets)	**0.2230**	**0.1244**

Dividends are treated as an allocation of net result in the period in which they were declared and approved by the General Meeting of Shareholders. The net result available for allocation is the net result of the year registered in the separate financial statements prepared in accordance with IFRS.

3. MATERIAL ACCOUNTING POLICIES (continued)

(t) Leases where the Company is a lessee

Initial recognition and measurement

On the commencement date of a contract, the Company evaluates if that contract is, or includes a lease contract. A contract is or contains a lease contract if that contract offers the right to control the use of an identified asset for a certain period of time, in exchange for a price.

At the commencement date, the Company, as lessee, recognizes a right-of-use asset and a lease liability.

Determining the duration of the lease

The Company determines the duration of the lease as the irrevocable period of a lease, together with:

- the periods covered by an option to extend the lease if the Company has reasonable assurance that it will exercise that option; and
- the periods covered by an option to terminate the lease if the Company has reasonable assurance that it will not exercise that option.

In assessing the extent to which it has reasonable assurance that it will exercise an option to extend a lease or that it will not exercise an option to terminate a lease, the Company shall consider its intentions and all relevant factors and circumstances that is an economic incentive for EVERGENT Investments to exercise the option to extend the lease or not to exercise the option to terminate the lease. The main relevant factors analyzed are: contractual terms and conditions for optional periods compared to market rates, significant modernization of the lease asset, costs related to the termination of the lease.

Initial measurement of the lease liability

At the commencement date, the Company measures the right-of-use asset at cost.

The cost shall include the initial amount of the lease liability (as described in the paragraph below), any lease payments made on or before the commencement date of the contract, less any incentives received and any initial direct costs incurred by the lessee (if the case).

Initial measurement of the lease liability

At the commencement date, the Company measures the lease liability at discounted value of the lease payments that are not paid on that date. The lease payments are discounted using the implicit interest rate in the lease if such rate can be readily determined. If such rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company's incremental borrowing rate is the interest rate that the Company should pay to borrow for a similar period, with a similar guarantee, the funds necessary to obtain an asset with a value similar to that of the right-to-use asset, in a similar economic environment.

3. MATERIAL ACCOUNTING POLICIES (continued)

(t) Leases where the Company is a lessee (continued)

Subsequent measurement of the right-to-use asset

After the commencement date, the Company measures the right-of-use asset applying the cost model, which means that it measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment.

Subsequent measurement of the lease liability

After the commencement date, the Company measures the lease liability by increasing the book value to reflect the interest related to the lease liability and reducing the book value to reflect the lease payments made, reflecting, if the case be, any changes in the lease.

The interest on the lease liability for each period during the entire contract period must be the value that produces a constant interest rate for the balance of the lease liability.

After the commencement date, the interest related to the lease liability is reflected in profit or loss.

Recognition exemption

The Company, as lessee, choses to apply the exemption allowed by IFRS 16:

- short-term leases; and
- leases whose underlying assets are of low value.

Consequently, in case of short-term leases, and in case of contracts with low value underlying asset, the Company recognizes the lease payments associated to such leases as an expense, on a straight-line basis over the entire duration of the lease.

(u) Contingent assets and liabilities

Contingent liabilities and assets are potential obligations or assets arising from previous events and whose existence will be confirmed or not by the occurrence of one or more uncertain future events, which are not fully controlled by the Company. The assessment of contingent liabilities and assets inherently involves the use of judgments and estimates regarding the outcome of future events.

Contingent liabilities are not recognized in the financial statements. They are presented in the notes, except in cases where the likelihood of an outflow of economic benefits is low. Contingent assets are not recognized in the financial statements, but are presented when an inflow of benefits is likely.

3. MATERIAL ACCOUNTING POLICIES (continued)

(v) New IFRS accounting standards and amendments to existing standards, which are into force in the current year

The amendments to the existing standards issued by the International Accounting Standard Board ("IASB") and adopted by the European Union ("EU") presented in the table below are in force for the current reporting period, and are mandatorily effective for reporting period that begins on or after 1 January 2023.

Their adoption, where they were applicable to the Company, has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title
IFRS 17 Insurance Contracts	New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules*

(w) Standards and amendments to existing standards issued by the IASB and adopted by the EU, but not yet effective

At the date of authorisation of these financial statements, the amendments to the existing standards issued by the IASB and adopted by the EU presented in the table below were not in force, therefore the Company has not applied them.

Standard	Title	Effective date
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024

The Company considers that the adoption of these new amendments to the existing standards, where they are applicable to the Company, will not have a significant impact on its financial statements in the upcoming periods.

3. MATERIAL ACCOUNTING POLICIES (continued)

(x) Standards and interpretations issued by the IASB, but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at the date of authorisation of these financial statements:

Standard	Title	EU adoption status
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2024)	Not yet adopted by EU
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Company estimates that the adoption of these new standards and amendments to the existing standards, if applicable to the Company, will not have a significant impact on its financial statements in the future periods.

4. MANAGEMENT OF SIGNIFICANT RISKS

Risk management is carried out in a consistent methodological environment, which represents an important component of the strategy for yield maximization while maintaining an acceptable level of risk exposure and abiding by legal provisions. The formalization of risk management policies and procedures decided by the management of the Company is an integral part of the Company's strategic objectives.

Investments expose the Company to a variety of risks associated to the financial instruments held and the financial markets on which it operates. The main risks that the Company is exposed to are:

- market risk (interest rate risk, currency risk and price risk);
- credit risk;
- liquidity risk;
- taxation risk (non-financial risk);
- operational risk (non-financial risk)

The general risk management strategy aims to maximize the Company's profit by reference to the risk level that it is exposed to and minimize potential adverse variations on the Company's financial performance. The Company has implemented procedures and policies for the management and measurement of the risks it is exposed to. These policies and procedures are presented under the sections dedicated to each individual risk group.

(a) Market Risk

Market risk is defined as the risk of recording a loss or the failure to achieve the expected profit, as a result of fluctuation of prices, fluctuation of interest rates and currency exchange rates. In order to manage market risk efficiently, procedures for investment diligence and diligence in monitoring the portfolio holdings, technical and fundamental analysis methods are used, as well as forecasts regarding the evolution of economic branches and financial markets, as well as specific procedures such as:

- permanent monitoring of market issuers and risk / return characteristics of portfolio holdings
- diversification of the range of financial instruments and business sectors
- active management of the stock portfolio
- optimizing the performance / market risk ratio
- adequate assessment of unlisted holdings
- monitoring the macroeconomic, political and sectoral context and adapting market risk management to this context
- following the classification of the asset categories in the portfolio within the legal limits
- setting limits on appetite and tolerance to market risk and monitoring compliance with the established risk profile.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

The selection of investment opportunities is made through:

- technical analysis;
- Fundamental analysis – determining the issuer's ability to generate profit;
- comparative analysis – determining the relative value of an issuer in relation with the market or other similar companies;
- statistical analysis – determining tendencies and correlations using price and traded volume history.

The Company is exposed to the following market risk categories: price risk, interest rate risk and currency risk.

(i) Price risk

The Company is exposed to the risk related to price variation of financial assets measured at fair value through profit or loss, and financial assets measured at fair value through comprehensive income. At 31 December 2023, 87.5% of all shares traded on an active market by the Company (31 December 2022: 86.5%) represented investments in companies that were included in the BET index of the Bucharest Stock Exchange, index weighted with free-float capitalization of the most liquid Romanian companies on the regulated market of Bucharest Stock Exchange.

A positive variation of 10% variation of the price of financial assets at fair value through profit or loss would lead to an increase of post-tax profit of 30,024,375 lei (31 December 2022: 28,901,780 lei), a negative variation of 10% having an equal contrary net impact.

A positive 10% variation of the price of financial assets measured at fair value through other comprehensive income would lead to an increase of equity, net of profit tax, of 196,949,607 lei (31 December 2022: 165,398,856 lei), a negative 10% variation having an equal contrary net impact.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Company held shares in companies operating in various fields of activity, such as:

In LEI	31 December 2023	%	31 December 2022	%
Financial, bank and insurance	1,336,250,825	57.73%	998,900,780	51.38%
Natural gas industry	340,363,310	14.70%	122,045,217	6.28%
Manufacture and maintenance of transportation vehicles	202,178,681	8.74%	177,917,240	9.15%
Real-estate development (promotion)	177,501,692	7.67%	166,644,821	8.57%
Real-estate transactions, rentals and other services	83,426,626	3.60%	68,801,031	3.54%
Natural gas industry	63,613,273	2.75%	248,620,519	12.79%
Agriculture, animal breeding, fishing	46,805,392	2.02%	57,565,624	2.96%
Wholesale, retail, tourism and restaurants	24,373,353	1.05%	23,224,474	1.19%
Manufacture of machines, tools and equipment	19,257,237	0.83%	26,904,764	1.38%
Food industry	7,930,382	0.34%	7,321,768	0.38%
Power industry	7,680,000	0.33%	37,945,196	1.95%
IT industry	5,184,452	0.23%	6,118,695	0.31%
Metal construction and metal products industry	280,845	0.01%	195,644	0.01%
Transport, storage, communication	-	0.00%	1,996,157	0.10%
Other	793	0.00%	595	0.01%
TOTAL	**2,314,846,861**	**100.00%**	**1,944,202,525**	**100.00%**

As shown in the above table, at 31 December 2023, the Company mainly held shares in companies operating in the financial-banking and insurance field, which account for 57.73% of the Company's total share portfolio (31 December 2022: 51.38%). The Company's exposure regarding the holding of Banca Transilvania shares is 50% of the Company's share portfolio on 31 December 2022 (31 December 2022: 44%).

Fund units held by the Company are exposed to price risk as they have investments with different degrees of risk (bank deposits, bonds, other fixed-income instruments, shares and other financial instruments).

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Company is exposed to interest rate risk. The changes in the interest rate on the market directly influences the revenues and expenses corresponding to financial assets and liabilities bearing variable interest, as well as the fair value of fixed interest-bearing assets.

At 31 December 2023 and 31 December 2022, most of the Company's assets and liabilities do not bear interest. Therefore, the Company is not significantly influenced by the risk of interest rate fluctuations. Cash surplus or other similar cash equivalent are mainly invested in short-term bank deposits with maturity of 1- 3 months. Moreover, the Company has non-significantly invested in corporate and municipal bonds with fixed or variable interest.

The Company does not use derivatives to protect itself from interest rate fluctuations, the interest rate risk being insignificant.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The following tables present the Company's exposure to interest rate risk, at book value, broken down depending on the latest date of interest change and contractual maturity at 31 December 2023 and 31 December 2022:

In LEI	**Net value at 31 December 2023**	**Under 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Over 1 year**	**No interest rate risk**
31 December 2023						
Financial assets						
Cash and current accounts	1,024,388	1,024,388	-	-	-	-
Bank deposits with initial maturity within 3 months	299,408,624	130,600,608	168,808,016	-	-	-
Bank deposits with initial maturity of more than 3 months	10,724,880	10,724,880	-	-	-	-
Financial assets at fair value through profit or loss	347,807,747	-	-	-	-	347,807,747
Financial assets at fair value through other comprehensive income	2,240,394,284	-	-	-	-	2,240,394,284
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483	-	-
Bonds at amortized cost	17,555,243	3,371	-	17,528,371	23,501	-
Other financial assets at amortized cost	6,418,790	-	-	-	-	6,418,790
Total financial assets	**2,927,218,439**	**142,353,247**	**168,808,016**	**21,412,854**	**23,501**	**2,594,620,821**
Financial liabilities						
Borrowings	63,674,421	63,674,421	-	-	-	-
Lease liabilities	3,303,893	44,463	89,907	410,219	2,759,304	-
Dividends payable	49,950,267	-	-	-	-	49,950,267
Financial liabilities at amortized cost	1,267,195	-	-	-	-	1,267,195
Total financial liabilities	**118,195,776**	**63,718,884**	**89,907**	**410,219**	**2,759,304**	**51,217,462**

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

In LEI	Net value at 31 December 2022	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No interest rate risk
31 December 2022						
Financial assets						
Cash and current accounts	788,781	788,781	-	-	-	-
Bank deposits with initial maturity within 3 months	104,971,764	104,971,764	-	-	-	-
Financial assets at fair value through profit or loss	333,619,756	-	-	-	-	333,619,756
Financial assets at fair value through other comprehensive income	1,875,688,529	-	-	-	-	1,875,688,529
Bonds at fair value through other comprehensive income	3,982,047		-	24,127	3,957,920	-
Bonds at amortized cost	17,550,535	3,594	-	815,220	16,731,721	-
Other financial assets at amortized cost	9,869,910	-	-	-	-	9,869,910
Total financial assets	**2,346,471,322**	**105,764,139**	**-**	**839,347**	**20,689,641**	**2,219,178,195**
Financial liabilities						
Lease liabilities	3,456,939	43,069	79,648	326,947	3,007,275	-
Dividends payable	42,633,808	-	-	-	-	42,633,808
Financial liabilities at amortized cost	2,871,103	-	-	-	-	2,871,103
Total financial liabilities	**48,961,850**	**43,069**	**79,648**	**326,947**	**3,007,275**	**45,504,911**

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The impact on the Company's net profit of a +/- 100 bp modification of the interest rate for assets and liabilities bearing variable interest and expressed in other currencies, corroborated with a +/- 500 bp modification of the interest rate corresponding to assets and liabilities bearing variable interest and expressed in lei is +/- 533,365 lei (31 December 2022: +/- 2,002 lei).

(iii) Currency risk

The currency risk is the risk of recording losses or of not obtaining the estimated profit following the adverse fluctuations of the exchange rate.

Most of the Company's financial assets and financial liabilities are expressed in national currency and therefore exchange rate fluctuations do not significantly affect the Company's activity and results. Exposure to changes in the exchange rate is mainly due to current accounts and bank deposits, corporate bonds, shares and bank loans and lease debts in foreign currency.

The assets and liabilities expressed in lei and in other currencies at 31 December 2023 and 31 December 2022 are presented in the tables below:

In LEI	**Net value at 31 December 2023**	**Lei**	**EUR**	**USD**
31 December 2023				
Cash and current accounts	1,024,388	983,229	33,547	7,612
Bank deposits with initial maturity within 3 months	299,408,624	298,918,476	490,148	-
Bank deposits with initial maturity of more than 3 months	10,724,880	10,724,880	-	-
Financial assets at fair value through profit or loss	347,807,747	346,733,526	1,074,221	-
Financial assets at fair value through comprehensive income	2,240,394,284	2,240,394,284	-	-
Bonds at fair value through other comprehensive income	3,884,483	-	3,884,483	-
Bonds at amortized cost	17,555,243	17,555,243	-	-
Other financial assets at amortized cost	6,418,790	6,418,790	-	-
Total financial assets	**2,927,218,439**	**2,921,728,428**	**5,482,399**	**7,612**
Financial liabilities				
Borrowings	63,674,421	-	63,674,421	-
Lease liabilities	3,303,893	180,398	3,123,495	-
Dividends payable	49,950,267	49,950,267	-	-
Financial liabilities at amortized cost	1,267,195	813,787	453,408	-
Total financial liabilities	**118,195,776**	**50,944,452**	**67,251,324**	**-**

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

In LEI	**Net value at 31 December 2022**	**Lei**	**EUR**	**USD**
31 December 2022				
Cash and current accounts	788,781	741,714	33,855	13,212
Bank deposits with initial maturity within 3 months	104,971,764	101,372,972	3,598,792	-
Financial assets at fair value through profit or loss	333,619,756	332,256,736	1,363,020	-
Financial assets at fair value through comprehensive income	1,875,688,529	1,875,688,529	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at amortized cost	17,550,535	17,550,535	-	-
Other financial assets at amortized cost	9,869,910	9,869,910	-	-
Total financial assets	**2,346,471,322**	**2,337,480,396**	**8,977,714**	**13,212**
Financial liabilities				
Lease liabilities	3,456,939	362,389	3,094,550	-
Dividends payable	42,633,808	42,633,808	-	-
Financial liabilities at amortized cost	2,871,103	2,197,712	673,391	-
Total financial liabilities	**48,961,850**	**45,193,909**	**3,767,941**	**-**

The net impact on the Company's profit of a +/- 15% modification of the RON/EUR exchange rate, corroborated with a modification of +/- 15% of RON/USD exchange rate, at 31 December 2023, all other variables remaining the same is ± 7,781,925 lei (31 December 2022: de +/- 658,096 lei).

(b) Credit risk

The Company is exposed to credit risk related to financial instruments arising from the possible failure of a third party to pay its obligations towards the Company. The Company is exposed to credit risk following the investments made in bank deposits and bonds issued by municipalities or companies, current accounts and other receivables.

On 31 December 2023 and 31 December 2022, the Company did not hold any collateral as insurance or other credit risk improvement. At 31 December 2023 and 31 December 2022, the Company did not register overdue financial assets, with the exception of outstanding sundry debtors.

The Company's maximum credit risk exposure is 339,014,014 Lei at 31 December 2023 and 137,158,411 lei at 31 December 2022, and can be analyzed as follows:

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(b) Credit risk (continued)

Exposures from current accounts and bank deposits

In LEI	Rating	31 December 2023	31 December 2022
Banca Transilvania	Moody's: Baa2 (2022: Fitch BB+)	180,546,490	103,026,039
EximBank	Fitch: BBB- (assimilated to sovereign rating)	111,451,754	529
Banca Comercială Română	Fitch: BBB+	19,128,304	2,461
Treasury	Fitch: BBB- (assimilated to sovereign rating)	44,660	199
BRD - Group Societe Generale	Fitch: BBB+	-	2,725,654
CEC Bank	Fitch: BB	-	7,110
Total availabilities with banks		**311,171,208**	**105,761,992**
Cash		2,394	4,626
Total cash, bank accounts and deposits - gross amounts, of which:		**311,173,602**	**105,766,618**
Cash and current accounts		*1,024,389*	*788,787*
Bank deposits with initial maturity within 3 months		*299,424,213*	*104,977,831*
Bank deposits with initial maturity of more than 3 months		*10,725,000*	*-*
Expected credit losses, out of which for:		**(15,710)**	**(6,073)**
Current accounts		*(1)*	*(3)*
Bank deposits with initial maturity within 3 months		*(15,589)*	*(6,070)*
Bank deposits with initial maturity of more than 3 months		*(120)*	*-*
Total cash, bank account and deposits		**311,157,892**	**105,760,545**

The annual average interest rate for 2023, for bank deposits was 6.06% (2022: 5.32%).

4. MANAGEMENT OF SIGNIFICANT RISKS *(continued)*

(b) Credit risk (continued)

Exposures from bonds at amortized cost

In LEI	Rating	31 December 2023	31 December 2022
EVER IMO bonds	No rating	17,606,400	17,606,400
Bacău municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	35,711	47,694
Total bonds at amortised cost – gross value		**17,642,111**	**17,654,094**
Expected credit losses		*(86,868)*	*(103,559)*
Total bonds at amortised cost		**17,555,243**	**17,550,535**

EVER IMO SA bonds are denominated in Lei, convertible in issuer shares, are due on 23 June 2024 and a fixed interest rate (coupon) of 9% per year.

Bacău municipal bonds are denominated in Lei, mature on 31 October 2026 and bear an annual interest rate consisting of the average of the 6M ROBID reference interest rate and 6M ROBOR, plus a margin of 0.85%.

Exposures from bonds at fair value through other comprehensive income

In LEI	31 December 2023	31 December 2022
Autonom Service bonds	3,884,483	3,982,047
Total	**3,884,483**	**3,982,047**

Autonom Service bonds are denominated in EUR, have their maturity on 12 November 2024 and have a fixed interest rate (coupon) of 4.45% per year.

Autonom Service Company has a B+ credit rating issued by Fitch.

4. MANAGEMENT OF SIGNIFICANT RISKS *(continued)*

(b) Credit risk (continued)

Financial assets at amortized cost

In LEI	31 December 2023	31 December 2022
AAAS receivable	48,762,677	48,756,218
Amount representing the guarantee for the public buy-back offer of treasury shares	5,000,000	8,500,000
BRD – settlement transactions	-	-
Advances from the Central Depositary for dividends payments to shareholders	859,628	1,051,798
Dividends to be received	745,297	477,023
Other financial assets at amortized cost		-
Adjustments for expected credit loss	*(48,948,812)*	*(48,915,129)*
Total	**6,418,790**	**9,869,910**

Other assets at amortized cost mainly include the claim against AAAS, trade receivables, sundry debtors and supplier advances.

Adjustments for expected credit loss correspond mainly to receivable from the Authority for State Assets Management ("AAAS"), from litigations won definitively, which are covered in full, and related to a portion of trade receivables.

At 31 December 2023 and 31 December 2022, the amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter d).

(c) Liquidity risk

Liquidity risk represents the risk of recording a loss or of not obtaining the estimated profits, resulting from the impossibility at any time to fulfill short-term payment obligations, without this payment involving excessive costs or losses that cannot be borne by the Company.

The Company's financial instruments may include investments in shares not traded on an organized market that might consequently have low liquidity.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(c) Liquidity risk (continued)

The structure of the Company's assets and liabilities has been analyzed based on the remaining period of time from the balance date until the contract maturity date, both at 31 December 2023 and at 31 December 2022, as follows:

In LEI	Book value	Value not updated	Within 1 month	Under 3 months	Between 3 and 12 months	Over 1 year	No pre-set maturity
31 December 2023							
Financial assets							
Cash and current accounts	1,024,388	1,024,388	1,024,388	-	-	-	-
Bank deposits with initial maturity within 3 months	299,408,624	301,460,062	130,900,769	170,559,293	-	-	-
Bank deposits with initial maturity of more than 3 months	10,724,880	10,758,213	10,758,213	-	-	-	-
Financial assets at fair value through profit or loss	347,807,747	347,807,747	-	-	-	-	347,807,747
Financial assets at fair value through other comprehensive income	2,240,394,284	2,240,394,284	-	-	-	-	2,240,394,284
Bonds at fair value through other comprehensive income	3,884,483	4,033,205	-	-	4,033,205	-	-
Bonds at amortized cost	17,555,243	18,377,284	3,608	-	18,347,794	25,882	-
Other financial assets at amortized cost	6,418,790	6,418,790	6,286,620	-	9,769	78,877	43,524
Total financial assets	**2,927,218,439**	**2,930,273,973**	**148,973,598**	**170,559,293**	**22,390,768**	**104,759**	**2,588,245,555**
Financial liabilities							
Borrowings	63,674,421	66,994,156	331,773	544,219	2,494,337	63,623,827	-
Lease liabilities	3,303,893	4,651,465	54,615	109,231	491,538	3,996,081	-
Dividends payable	49,950,267	49,950,267	49,950,267	-	-	-	-
Financial liabilities at amortized cost	1,267,195	1,267,195	1,267,195	-	-	-	-
Total financial liabilities	**118,195,776**	**122,863,083**	**51,603,850**	**653,450**	**2,985,875**	**67,619,908**	**-**
Net financial assets	**2,809,022,663**	**2,807,410,890**	**97,369,748**	**169,905,843**	**19,404,893**	**(67,515,149)**	**2,588,245,555**

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(c) Liquidity risk (continued)

In LEI	Book value	Value not updated	Within 1 month	Under 3 months	Between 3 and 12 months	Over 1 year	No pre-set maturity
31 December 2022							
Financial assets							
Cash and current accounts	788,781	788,781	788,781	-	-	-	-
Bank deposits with initial maturity within 3 months	104,971,764	105,232,894	105,232,894	-	-	-	-
Financial assets at fair value through profit or loss	333,619,756	333,619,756	-	-	-	-	333,619,756
Financial assets at fair value through other comprehensive income	1,875,688,529	1,875,688,529	-	-	-	-	1,875,688,529
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at amortized cost	17,550,535	19,928,693	3,946	-	1,544,560	18,380,187	-
Other financial assets at amortized cost	9,869,910	9,869,910	9,687,531	-	60,119	78,877	43,383
Total financial assets	**2,346,471,322**	**2,349,415,093**	**115,713,152**	**-**	**1,756,679**	**22,593,594**	**2,209,351,668**
Financial liabilities							
Lease liabilities	3,456,939	4,598,395	51,591	95,684	396,844	4,054,276	-
Dividends payable	42,633,808	42,633,808	42,633,808	-	-	-	-
Financial liabilities at amortized cost	2,871,103	2,871,103	2,871,103	-	-	-	-
Total financial liabilities	**48,961,850**	**50,103,306**	**45,556,502**	**95,684**	**396,844**	**4,054,276**	
Net financial assets	**2,297,509,472**	**2,299,311,787**	**70,156,650**	**(95,684)**	**1,359,835**	**18,539,318**	**2,209,351,668**

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

For all non-financial assets, except other assets and non-current assets held for sale, the expected recovery period is longer than 12 months from the reporting date.

For all non-financial liabilities, except current tax and other liabilities, the expected settlement period is longer than 12 months from the reporting date.

(d) Taxation risk

The taxation system in Romania is subject to various interpretations and permanent changes that can be retroactive. In certain circumstances, tax authorities might adopt different positions than those of the Company and might calculate tax interest and penalties. Although the tax corresponding to a transaction can be minimal, the penalties can be large, depending on the interpretation of the tax authorities.

Moreover, Romania's Government has under its supervision a series of agencies that are authorized to control both the Romanian and foreign entities carrying out activities in Romania. These verifications are largely similar to those carried out in many countries but might also extend over some legal or regulating areas in which the Romanian authorities might be interested.

The tax returns might be subject to control and revisions over a period of five years and in general after the date of their submission. According to the legal provisions applicable in Romania, the already checked periods can be subject to other additional verifications in the future.

The management of the Company considers it has correctly calculated and registered taxes, levies and other liabilities towards the state. Nevertheless, there is a risk that authorities might have a different position than that of the Company.

The latest control of the National Agency of Fiscal Administration, the Company was subjected to, covered the period up to January 1, 2010. Therefore, the Company's tax liabilities after this date may be the subject of subsequent verifications, provided that they are not already time-barred.

(e) Operational risk

Operational risk represents the risk of loss caused either by the use of processes, systems and human resources that are inadequate or have not fulfilled their function property, or by external events and actions.

The management of operational risk is ensured by the Company through the implementation of and compliance with operational risk standards and procedures and a rigorous internal control system.

4. MANAGEMENT OF SIGNIFICANT RISKS (continued)

(f) Capital adequacy

The management's policy regarding capital adequacy is focused on maintaining a solid capital base, for the purpose of supporting the continuous development of the Company and reaching its investment objectives.

The Company's equity includes various types of reserves and retained earnings. At 31 December 2023, equities were 2,662,854,639 lei (31 December 2022: 2,214,632,163 lei).

As AIFM, the Company applies the legal requirements provided by Law no. 74/2015 regarding the minimum level of initial capital and those provided by Law no. 74/2015 and EU Regulation no. 2019/2033, as regards the minimum level of own funds.

According to applicable regulations, the level of initial capital is at least the Lei equivalent of 300,000 euro, calculated at the reference rate communicated by the NBR, and the minimum level of own funds is at least a quarter of the fixed general expenses of the previous year.

5. FINANCIAL ASSETS AND LIABILITIES

The table below summarizes the book values and fair values of the Company's financial assets and liabilities at 31 December 2023:

In LEI	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Amortized cost	Total book value	Fair value
Cash and current accounts	-	-	1,024,388	1,024,388	1,024,388
Bank deposits with initial maturity within 3 years	-	-	299,408,624	299,408,624	299,408,624
Bank deposits with initial maturity of more than 3 years	-	-	10,724,880	10,724,880	10,724,880
Financial assets at fair value through profit or loss	347,807,747	-	-	347,807,747	347,807,747
Financial assets at fair value through other comprehensive income	-	2,240,394,284	-	2,240,394,284	2,240,394,284
Bonds at fair value through other comprehensive income	-	3,884,483	-	3,884,483	3,884,483
Bonds at amortized cost	-	-	17,555,243	17,555,243	17,555,243
Other financial assets at amortized cost		-	6,418,790	6,418,790	6,418,790
Total financial assets	**347,807,747**	**2,244,278,767**	**335,131,925**	**2,927,218,439**	**2,927,218,439**
Borrowings	-	-	63,674,421	63,674,421	63,674,421
Lease liabilities	-	-	3,303,893	3,303,893	3,303,893
Dividends payable	-	-	49,950,267	49,950,267	49,950,267
Financial liabilities at amortized cost	-	-	1,267,195	1,267,195	1,267,195
Total financial liabilities	**-**	**-**	**118,195,776**	**118,195,776**	**118,195,776**

For financial assets and financial liabilities at amortized cost, the Company analysed the fair value at 31 December 2023 and concluded that there are no significant differences between fair value and amortized cost.

5. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the book values and fair values of the Company's financial assets and liabilities at 31 December 2022:

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

6. GROSS DIVIDEND INCOME

In LEI	2023	2022
Banca Transilvania	54,765,272	48,355,982
OMV Petrom	51,652,238	10,927,544
SNGN Romgaz SA	16,385,524	28,759,388
Fondul Proprietatea	10,572,057	922,695
Aerostar	4,159,104	3,465,920
SN Nuclearelectrica SA	3,771,535	1,751,501
Transilvania Investments Alliance	1,468,285	-
Bursa de Valori Bucuresti	449,877	334,047
BRD Group Societe Generale	-	21,124,249
Străuleşti Lac Alfa	-	3,553,026
Regal	-	1,518,111
Other dividends	195,289	64,908
Total	**143,419,181**	**120,777,371**

Dividend revenue is registered at gross value. Dividend tax rates for the period concluded on 31 December 2023 were 8% or 0% (2022: 5% or 0%). Dividend tax exemption is applied in case the Company's holding percentage was more than 10% of the share capital of the company that distributed the dividends, for an uninterrupted period of at least one year before distribution.

In 2023, the value of gross dividends distributed by the companies for which holdings were classified as financial assets at fair value through other comprehensive income was 142,833,231 lei (2022: 118,925,213 lei).

7. INTEREST INCOME

In LEI	2023	2022
Interest income corresponding to bank deposits and current accounts	8,196,745	4,071,469
Interest income corresponding to bonds at amortized cost	1,534,092	2,837,987
Interest income corresponding to bonds at fair value through other comprehensive income	178,350	178,257
Total	**9,909,187**	**7,087,713**

8. OTHER OPERATING INCOME

In LEI	**2023**	**2022**
Rent income	940,113	793,834
Income from recovered receivables	166,364	115,351
Other income from operations	56,725	698,475
Total	**1,163,202**	**1,607,660**

9. NET GAIN / (NET LOSS) FROM ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In LEI	**2023**	**2022**
Net gain from the revaluation of financial assets measured at fair value through profit or loss	38,752,808	1,830,713
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	579,971	(2,305,149)
Total	**39,332,779**	**(474,436)**

Unrealized net gains in 2023, in amount of 38,752,808 lei (2022: 1,830,713 lei) represents the difference from the revaluation at fair value of shares and fund units held at fair value through profit or loss.

In 2023, the unrealized net gain was mainly generated by the increase of fair value of fund units, while in 2022 it was generated mainly by the increase of fair value of shares classified in such category.

The net gain realised in 2023, and the net gain in 2022 come from the sale of fund units.

10. EXPENSES WITH SALARIES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

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

In LEI	2023		2022	
	No. beneficiaries	Value	No. beneficiaries	Value
Fixed remunerations				
Board of Directors	5	6,356,172	5	5,710,068
Management Committee	2	3,748,512	2	3,367,500
Employees	47	8,901,278	43	7,124,543
Total fixed remunerations		**19,005,962**		**16,202,111**
Variable remunerations				
Board of Directors and Management Committee	5		5	
Bonuses for the current year		-		263,547
Participation in the benefit plan in stocks for the current year		10,907,474		6,379,200
Total		***10,907,474***		***6,642,747***
Employees	47		43	
Participation in the benefit plan in cash for the current year		2,102,204		1,533,984
Bonuses for the current year		362,411		297,808
Participation in the benefit plan in stocks for the current year		4,058,512		3,532,792
Total		**6,523,127**		**5,364,584**
Total variable remunerations		**17,430,601**		**12,007,331**
Expenses with social contributions and similar		**472,078**		**405,787**
Expenses with provisions for untaken leaves, net		**192,342**		**158,200**
Total wages, allowances, contributions and similar expenses		**37,100,983**		**28,773,429**

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

The average number of employees for the period concluded on 31 December 2023 was 46 (31 December 2022: 41).

11. OTHER OPERATING EXPENSES

In LEI	**2023**	**2022**
Commission and fee expenses	4,115,438	3,895,593
Expenses with outsourced services	3,301,445	3,079,156
Expenses with promotion and protocol	935,278	664,132
Expenses with the amortization of tangible and intangible assets	870,330	765,152
Expenses with the depreciation of right-of-use assets from lease contracts	547,432	603,329
Audit and audit-related services	486,314	561,964
Expenses with sponsorship and patronage	458,737	349,963
Net expenses with foreign exchange differences	1,353,417	9,611
Other operating expenses	1,484,898	1,731,847
Total	**13,553,289**	**11,660,747**

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

Expenses with outsourced services are represented mainly by the cost of portfolio monitoring services, insurance, assets evaluation services, maintenance, insurance, professional training courses and services for the management of property owned by the Company.
Other operating expenses include expenses with travel, post and telecommunication, expenses with maintenance and repairs, utilities, fuel, inventory objects and materials, other taxes and other expenses.

In 2023, the fees for the Company's statutory financial statements audit included in the category of audit and audit-related services supplied by the statutory auditor were 372,833 Lei excluding VAT in 2023 (443,671 Lei including VAT), and in 2022 415,630 Lei excluding VAT (494,600 Lei including VAT). Such fees relate to the audit of separate and consolidated financial statements, the reporting audit in the ESEF electronic format (European Single Electronic Format) and review of the remuneration report.

In 2023, expenses related to short-term leases were 60,275 lei (2022: 23,379 lei).

12.FINANCING EXPENSES

In LEI	**2023**	**2022**
Expenses with loan interest	3,973,491	-
Expenses with lease interest	111,396	95,436
Total	**4,084,887**	**95,436**

13. PROFIT TAX

In LEI	**2023**	**2022**
Current profit tax		
Current income tax (16%)	4,142,694	4,014,059
Dividend tax (2023: 8%; 2022: 5%)	11,121,034	5,612,015
	15,263,728	**9,626,074**
Deferred profit tax		
Financial assets	20,282	-
Investment property and property, plant and equipment	(17,579)	(16,625)
Liabilities related to cash benefit plan and other benefits	(771,757)	(790,803)
Provisions for risks and charges	-	44,426
	(769,054)	**(763,002)**
Profit tax (part recorded through profit or loss)	**14,494,674**	**8,863,072**

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

In LEI	**2023**	**2022**
Profit before tax	**139,228,099**	**91,716,707**
Tax in accordance with the statutory taxation rate of 16% (2022: 16%)	**22,276,496**	**14,674,673**
Effect on income tax of:		
Non-deductible expenses	7,318,157	10,859,469
Non-taxable income	(23,294,041)	(20,312,170)
Other elements	12,894,175	5,464,392
Registration/ (reversal) of temporary differences	(769,054)	(763,002)
Dividend tax (2023: 8%; 2022: 5%)	11,121,034	5,612,015
Profit tax, of which:	**29,546,767**	**15,535,377**
• *Profit tax expense (through profit or loss)*	*14,494,674*	*8,863,072*
• *Profit tax through retained earnings, on sell of FVTOCI financial assets*	*15,052,093*	*6,672,305*

13. PROFIT TAX (continued)

The effective profit tax rate through profit or loss at 31 December 2023 is 10.4% (31 December 2022: 9.7%).

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

When determining the fiscal result, management and administration expenses, as well as other common expenses, are taken into account as non-deductible expenses, pro rata with the share of non-taxable income in the total income recorded by the Company.

The main components of *Other income* are the items similar to income which include, mainly, the realized net gain, reflected in retained earnings, related to the sales of equity instruments classified at fair value through other comprehensive income (FVTOCI) in case of ownerships below 10%, and items similar to expenses which include mainly benefits granted to directors, officers and employees of the Company in equity instruments sold in shares, at the time of their actual award.

14. CASH AND CURRENT ACCOUNTS

In LEI	**31 December 2023**	**31 December 2022**
Cash	2,394	4,626
Current accounts	1,021,995	784,158
Cash and current accounts – gross value	**1,024,389**	**788,784**
Expected credit loss for current accounts	(1)	(3)
Total cash and bank accounts	**1,024,388**	**788,781**

The current bank deposits are constantly at the Company's disposal. As regards the accounts opened with Banca Comercială Română, the Company entered into a movable mortgage agreement to guarantee the loan facility contracted at such bank (see note 20 Borrowings).

All current accounts of the Company are classified as Stage 1.

15.a) BANK DEPOSITS WITH INITIAL MATURITY UNDER 3 MONTHS

In LEI	**31 December 2023**	**31 December 2022**
Term deposits with initial maturity within 3 months	297,440,181	104,753,137
Interest-related receivables	1,984,032	224,697
Total bank deposits – gross value	**299,424,213**	**104,977,834**
Expected credit loss	(15,589)	(6,070)
Total bank deposits	**299,408,624**	**104,971,764**

15. b) BANK DEPOSITS WITH INITIAL MATURITY OF MORE THAN 3 MONTHS

In LEI	**31 December 2023**	**31 December 2022**
Term deposits with initial maturity of more than 3 months	10,000,000	-
Interest-related receivables	725,000	-
Total bank deposits – gross value	**10,725,000**	**-**
Expected credit loss	(120)	-
Total bank deposits	**10,724,880**	**-**

At 31 December 2023, such category includes the collateral held at Banca Comercială Română, established as guarantee for the loan facility contracted at such bank (see Note 20 Borrowings). The collateral is classified in Stage 1.

16. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

In LEI	**31 December 2023**	**31 December 2022**
Fund units	273,355,170	265,105,760
Shares	74,452,577	68,513,996
Total	**347,807,747**	**333,619,756**

In LEI	**2023**	**2022**
1 January	**333,619,756**	**381,215,357**
Purchases	57,426	5,000,000
Sales	(25,202,214)	(52,121,165)
Changes in fair value	38,752,808	1,830,713
Gain/(Loss) from FVTPL sale	579,971	(2,305,149)
31 December	**347,807,747**	**333,619,756**

b) Financial assets at fair value through other comprehensive income

In LEI	**31 December 2023**	**31 December 2022**
Shares measured at fair value	2,240,394,284	1,875,688,529
Total	**2,240,394,284**	**1,875,688,529**

At 31 December 2023 and 31 December 2022 the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, OMV Petrom, SNGN Romgaz, Aerostar, BRD Groupe Société Générale, Professional Imo Partners and Străulesti Lac Alfa.

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

16. FINANCIAL ASSETS (continued)

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

The movement of financial assets in the period ended 31 December 2023 and 31 December 2022 is presented in the following table:

In LEI	**2023**	**2022**
1 January	**1,875,688,529**	**1,952,286,731**
Purchases	195,816,371	209,129,856
Sales	(322,049,047)	(89,198,421)
Gain/(Loss) in change of fair value	490,938,431	(196,529,637)
31 December	**2,240,394,284**	**1,875,688,529**

In 2023, shares measured at fair value through other comprehensive income increased due to the appreciation of stock quotations during the year.

In 2022, they decreased because of the unfavorable effect of the Russian-Ukrainian military conflict on financial markets (including the Bucharest Stock Exchange), but also due to the increase of interest rates determined by the increase of the monetary policy interest rate by the National Bank of Romania against the background of increased inflationary pressure.

The sales of shares classified at fair value through other comprehensive income were decided following the fundamental analysis developed by the specialized departments, in the context of the Company's medium and long-term objectives or for capitalizing on some opportunities (e.g. public purchase offers carried out by certain issuers). The sales were not made shortly after acquisition and the transactions with such shares were not aimed at obtaining short-term profits.

For information regarding the net gains from the sale of shares carried at fair value through other comprehensive income, see Note 16 d).

At 31 December 2023, 8,044,831 shares at Banca Transilvania held by the Company are mortgaged in favour of BCR, as collateral for the loan facility contracted at such bank (see Note 20 Borrowings).

16. FINANCIAL ASSETS (continued)

c) *Fair Value Hierarchy*

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

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

31 December 2023

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	296,200,764	-	51,606,983	347,807,747
Financial assets measured at fair value through other comprehensive income	1,932,882,437	-	307,511,847	2,240,394,284
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483
Total	**2,232,967,684**	**-**	**359,118,830**	**2,592,086,514**

31 December 2022

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

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

Financial assets	Fair value at 31 December 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest without active market	794	Market approach, comparable companies method	Invested capital/EBITDA multiple: 8.48 Discount for lack of marketability: 15.9%	The lower the EV/EBITDA multiple, the lower the fair value. In The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	5,027,718	Market approach, comparable companies method	Invested capital/turnover multiple: 0.4 Equity value/ book value multiple: 1 Discount for lack of marketability: 13.6%	The lower the EV/Turnover multiple, the lower the fair value. In the balance, the book value is identified through equity. The lower the price/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest with control right	44,223,366	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 13.6% Constant long-term income growth rate: 3% Discount for lack of marketability: 15,7%.	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	5,579,034	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 16.1% Constant long-term income growth rate: 3% Discount for lack of control: 14.7% Discount for lack of marketability: 19%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

Financial assets	Fair value at 31 December 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted interest with control right	136,730,070	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity (Price) by reference to their book value: 0.9 Discount for lack of marketability: 12.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed interest with right of control	15,141,344	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 15.3% Constant long-term income growth rate: 3.0% Discount for lack of marketability: 15.8%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market (investment/ holding / start-up)	84,156,319	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity (Price) by reference to their book value: 1.5 Discount for lack of control: 11.5% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	68,260,185	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0,7 Discount for lack of marketability: 5.7%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	**359,118,830**			

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

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

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

Financial assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted interest with control right	127,266,998	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity (Price) by reference to their book value: 0.9 Discount for lack of marketability: 12.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed interest with right of control	22,901,596	Income-based approach – discounted cash-flow method	Weighted average cost of capital: 12.4% Constant long-term income growth rate: 3.5% Discount for lack of marketability: 16%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market (investment/ holding / start-up)	72,035,757	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity (Price) by reference to their book value: 1.3 Discount for lack of control: 13.2% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	63,782,278	Asset-based approach-asset accumulation method or adjusted net asset method	Market value of equity by reference to their book value: 0,7	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value.
			Discount for lack of marketability: 5.7%	The lower the lack of marketability discount, the higher the fair value.
Total	**353,485,182**			

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

Sensitivity analysis

Although the Company considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the modification of one or more assumptions would influence the Company's profit or loss and other comprehensive income at 31 December 2023 as follows:

Modified assumption *(Lei)*	**Impact on profit or loss (before tax)**	**Impact on other comprehensive income (before tax)**
WACC increase by 50 bps	-	(3,688,951)
WACC decrease by 50 bps	-	3,787,523
Increase of the perpetuity growth rate by 25 bps	-	97,906
Decrease of the perpetuity growth rate by 25 bps	-	(121,740)
Increase of (EBITDA, CA, P/E) multiples by 10%	107,422	432,827
Decrease of (EBITDA, CA, P/E) multiples by 10%	(107,422)	(432,827)
Increase of land sale price per sqm by 10%	6,029,621	3,782,478
Decrease of land sale price per sqm by 10%	(6,029,621)	(3,782,478)
Increase of apartment sale price per sqm by 10%	-	9,467,729
Decrease of apartment sale price per sqm by 10%	-	(9,467,729)
Increase of rent per sqm by 10%	65,501	362,520
Decrease of rent per sqm by 10%	(65,501)	(362,520)
Increase of rent capitalization rate by 50 bps	(174,049)	(1,219,072)
Decrease of rent capitalization rate by 50 bps	193,388	1,360,607
Increase of DLOM by 10%	(650,198)	(4,326,800)
Decrease of DLOM by 10%	650,198	4,326,800

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

Turnover multiple: is an instruments used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

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

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

the comparable peer group and specific company.

Price/book value: this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share.

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

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

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

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

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used. This method was used to determine directly the value of the equity of holding-type majority shareholders.

Level 3 fair value modification

In LEI	**2023**	**2022**
At 1 January	**353,485,182**	**318,728,736**
Purchases/Capital investment	21,607,426	16,124,265
Sales	(2,719,363)	(4,030,734)
Loss recognized in profit or loss	(4,671,002)	(2,199,820)
Gain recognized in other comprehensive income	(8,583,413)	770,237
Transfers	-	24,092,498
Balance at 31 December	**359,118,830**	**353,485,182**

16. FINANCIAL ASSETS (continued)

c) *Fair value hierarchy (continued)*

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

The investments classified in Level 3, representing 16% of the Company's share portfolio at 31 December 2023 (31 December 2022: 18%), have been measured by independent external or internal valuers, based on the financial information provided by the monitoring departments, using measurement techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, with the management's supervision and review, which makes sure that all inputs underlying the valuation reports are accurate and adequate.

The valuation date for Level 3 investments was 30 September 2023 or 30 June 2023, and an analysis was subsequently made at the reporting date, 31 December 2023.

In 2022, the Company transferred the shares held in Mecanica Ceahlau from Level 1 to Level 3, as the market of such shares listed at the BSE became dormant this year.

16. FINANCIAL ASSETS (continued)

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

	2023	2022
At 1 January	**699,891,438**	**903,246,143**
Gross gain/(loss) from the revaluation of financial assets measured at fair value through other comprehensive income	490,692,895	(196,626,807)
Deferred tax corresponding to the gain/loss from revaluation of financial assets measured at fair value through other comprehensive income	(75,881,723)	28,353,206
Net gain/(loss) from the revaluation of available financial assets measured at fair value through other comprehensive income	***414,811,172***	***(168,273,601)***
Net gain transferred to retained earnings as a result of the sale of financial assets measured at fair value through other comprehensive income	(79,023,327)	(35,081,104)
At 31 December	**1,035,679,283**	**699,891,438**

In 2023, the net gain obtained 79,023,327 lei (gross gain 94,075,420 Lei, related tax 15,052,093 lei) was mainly achieved from the sale of shares in SNGN Romgaz, SN Nuclearelectrica, Banca Transilvania, OMV Petrom and Șantierul Naval Constanța. In 2022, the net gain in amount of 35,081,104 lei (gross gain 41,753,409 lei, related tax 6,672,305 lei) was mainly achieved from the sale of shares held in Banca Transilvania SNTGN Transgaz, Eximbank and Aerostar.

16. FINANCIAL ASSETS (continued)

e) Bonds at amortized cost

In LEI	**31 December 2023**	**31 December 2022**
Corporate bonds	17,606,400	17,606,400
Municipal bonds	35,711	47,694
Total bonds at amortised cost – gross value	**17,642,111**	**17,654,094**
Expected credit loss	(86,868)	(103,559)
Total bonds at amortised cost	**17,555,243**	**17,550,535**
Corporate bonds	3,884,483	3,982,047
Total bonds at fair value through other comprehensive income	**3,884,483**	**3,982,047**

At 31 December 2023 and 31 December 2022, the category of bonds at amortised cost included the bonds issued by EVER IMO and Bacău City Hall.

At December 31, 2023 and December 31, 2022, the category of bonds at fair value through other comprehensive income included bonds issued by Autonom Service SA, which are held by the Company in a business model whose objective is to keep assets both to collect contractual cash flows and to sell. Autonom Service bonds are listed on the Bucharest Stock Exchange.

All bonds of the Company are classified as Level 1.

17. a) OTHER FINANCIAL ASSETS AT AMORTISED COST

In LEI	**31 December 2023**	**31 December 2022**
Sundry debtors	49,922,662	50,030,246
Trade receivables	128,618	106,088
Dividends receivable	281,373	-
Collateral (guarantees)	19,803	19,662
Advances to suppliers	15,146	129,043
Amount representing the guarantee for the public offering of buy-back of treasury shares	5,000,000	8,500,000
Total other financial assets – gross value	**55,367,602**	**58,785,039**
Less expected credit loss for other financial assets	(48,948,812)	(48,915,129)
Total other financial assets	**6,418,790**	**9,869,910**

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

The amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter d).

At 31 December 2023, Other financial assets at amortised cost are divided into performing assets in amount of 6,471,166 lei (31 December 2022: 9,869,910 lei) and impaired receivables in amount of 48,948,812 lei (31 December 2022: 48,915,129 lei), of which sundry debtors 48,948,812 lei (31 December 2022: 48,915,129 lei).

In LEI	**31 December 2023**	**31 December 2022**
Other performing financial assets	6,418,790	9,869,910
Other impaired financial assets	48,948,812	48,915,129
Total other financial assets – gross value	**55,367,602**	**58,785,039**
Adjustments for expected credit loss for other performing financial assets	-	-
Adjustments for expected credit loss for other impaired financial assets	(48,948,812)	(48,915,129)
Total other financial assets	**6,418,790**	**9,869,910**

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

In LEI	**2023**	**2022**
At 1 January	**(48,915,129)**	**(51,282,218)**
Setup	(33,683)	(19,308)
Reversal	-	2,386,397
At 31 December	**(48,948,812)**	**(48,915,129)**

17. b) OTHER ASSETS

In LEI	**31 December 2023**	**31 December 2022**
Prepayments	400,772	384,854
Other assets	114,829	112,201
Total	**515,601**	**497,055**

18. INVESTMENT PROPERTY

In LEI	**2023**	**2022**
Balance at 1 January	**4,284,448**	**4,247,186**
Changes in fair value	37,290	798,078
Purchases	-	948,484
Contribution to share capital of subsidiaries	-	(1,709,300)
Transfer to assets held for sale	(212,738)	
Balance at 31 December	**4,109,000**	**4,284,448**

In 2023, the Company transferred a building worth 212,738 lei to the category of assets held for sale.

In 2022, the Company contributed a land in amount of 1,709,300 lei to the share capital of its subsidiary EVER Agribio SA.

The fair value measurement of investment property was made by independent valuers, members of the National Association of Valuers of Romania (ANEVAR).

Fair value hierarchy

Based on the input data used in the valuation technique, the fair value of investment property was classified as level 3 in the fair value hierarchy.

18. INVESTMENT PROPERTY (continued)

Valuation techniques

The table below presents the valuation techniques used to determine the fair value of investment property classified as level 3 in fair value hierarchy.

Valuation techniques	Input	Connection between input data and fair value measurement
The valuation method applied in the income approach for the evaluation of the entire real estate property (location-building) is direct capitalization. The method consists in the division of stabilized annual income by a corresponding capitalization rate, using the net operating income in conjunction with the net capitalization rate. In order to estimate the net operating income from the gross income corresponding to properties located in segmented markets of primary cities, with central locations we deducted the non-recoverable operating expenses for the property.	Market rent obtainable by an operator of a reasonable efficiency or average-competence management acting in an efficient manner.	Estimated fair value would increase (decrease) in case: the market rent is higher (lower).
	The percentage of non-recoverable expenses (of the landlord) applied to the effective gross income.	the ratio of non-recoverable expenses is lower (higher).
	Vacancy rate, given the location, area, technical qualities of the building (finishing, equipment) (15%).	the vacancy rate is lower (higher).
The contribution of the land resulted from the assigning process through which the net building replacement cost was deducted from the value of the entire property.	Capitalization rate applied to the net income from operations (8.8%).	the capitalization rate is lower (higher).

These valuations are periodically revised by the management of the Company. The valuation frequency is dictated by the dynamics of the market the investment property held by the Company belongs to, so that the fair value of investment property reflects the market conditions on the date of the financial statements.

19. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Gross book value	1 January 2023	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from evaluation	31 December 2023
Intangible assets								
Intangible assets	2,667,653	83,236	-	(7,107)	-	-	-	2,743,782
Total	**2,667,653**	**83,236**	**-**	**(7,107)**	**-**	**-**	**-**	**2,743,782**
Tangible assets								
Lands	878,857	-	-	-	-	67,344	-	946,201
Buildings	8,002,203	-	110,382	-	(533,792)	1,711,044	-	9,289,837
Equipment	2,094,963	46,431	-	(59,336)	-	-	-	2,082,058
Transportation vehicles	231,082	-	-	-	-	-	-	231,082
Other fixed assets	464,131	3,389	-	-	-	-	-	467,520
Tangible assets in progress	7,509	102,873	(110,382)	-	-	-	-	-
Total	**11,678,745**	**152,693**	**-**	**(59,336)**	**(533,792)**	**1,778,388**	**-**	**13,016,698**
Right-of-use assets from leases								
Right-of-use transportation vehicles	1,252,611	571,161	-	(384,111)	-	-	-	1,439,661
Right-of-use office space	2,693,281	-	-	-	-	-	-	2,693,281
Right-of-use concessions	375,722	-	-	(177,400)	-	-	-	198,322
Total	**4,321,614**	**571,161**	**-**	**(561,511)**	**-**	**-**	**-**	**4,331,264**

19. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (*continued*)

Accumulated depreciation/amortization and impairment	**1 January 2023**	**Depreciation/amortization in the current period**	**Accumulated depreciation/amortization of disposals**	**Annulment of accumulated depreciation/amortization (on revaluation date)**	**Setup of depreciation adjustments**	**Reversal of impairment allowances**	**31 December 2023**
Intangible assets							
Intangible assets	2,255,278	92,628	(7,107)	-	-	-	2,340,799
Total	**2,255,278**	**92,628**	**(7,107)**	**-**	**-**	**-**	**2,340,799**
Tangible assets							
Buildings	26,975	506,817	-	(533,792)	-	-	-
Equipment	1,925,656	150,043	(59,337)	-	-	-	2,016,362
Transportation vehicles	231,082	-	-	-	-	-	231,082
Other non-current assets	212,905	120,842	-	-	-	-	333,747
Total	**2,396,618**	**777,702**	**(59,337)**	**(533,792)**	**-**	**-**	**2,581,191**
Depreciation of right-of-use assets from leases							
Right-of-use transportation vehicles	529,661	270,860	(384,020)	-	-	-	416,501
Right-of-use office areas	291,775	269,328	-	-	-	-	561,103
Right-of-use concessions	25,642	7,244	-	-	-	-	32,886
Total	**847,078**	**547,432**	**(384,020)**	**-**	**-**	**-**	**1,010,490**
Net book value							
Intangible assets	**412,375**						**402,983**
Tangible assets	**9,282,127**						**10,435,507**
Right-of-use assets from leases	**3,474,536**						**3,320,774**

19. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (*continued*)

Gross book value	1 January 2022	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from evaluation	31 December 2022
Intangible assets								
Intangible assets	2,573,655	124,869	-	(30,871)	-	-	-	2,667,653
Total	**2,573,655**	**124,869**	**-**	**(30,871)**	**-**	**-**	**-**	**2,667,653**
Tangible assets								
Lands	898,529	-	-	-	-	7,970	(27,642)	878,857
Buildings	6,438,897	-	958,931	-	(341,791)	946,166	-	8,002,203
Equipment	2,162,153	81,480	-	(148,670)	-	-	-	2,094,963
Transportation vehicles	231,082	-	-	-	-	-	-	231,082
Other fixed assets	164,808	133,345	185,533	(19,555)	-	-	-	464,131
Tangible assets in progress	626,728	525,245	(1,144,464)	-	-	-	-	7,509
Total	**10,522,197**	**740,070**	**-**	**(168,225)**	**(341,791)**	**954,136**	**(27,642)**	**11,678,745**
Right-of-use assets from leases								
Right-of-use transportation vehicles	1,301,507	579,491	-	(628,387)	-	-	-	1,252,611
Right-of-use office space	3,074,659	-	-	(381,378)	-	-	-	2,693,281
Right-of-use concessions	338,203	37,519	-	-	-	-	-	375,722
Total	**4,714,369**	**617,010**	**-**	**(1,009,765)**	**-**	**-**	**-**	**4,321,614**

19. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS *(continued)*

Accumulated depreciation/amortization and impairment	1 January 2022	Depreciation/amortization in the current period	Accumulated depreciation/amortization of disposals	Annulment of accumulated depreciation/amortization (on revaluation date)	Setup of depreciation adjustments	Reversal of impairment allowances	31 December 2022
Intangible assets							
Intangible assets	2,212,695	73,454	(30,871)	-	-	-	2,255,278
Total	**2,212,695**	**73,454**	**(30,871)**	**-**	**-**	**-**	**2,255,278**
Tangible assets							
Buildings	-	368,766	-	(341,791)	-	-	26,975
Equipment	1,843,039	229,292	(123,153)	-	-	(23,522)	1,925,656
Transportation vehicles	231,082	-	-	-			231,082
Other non-current assets	139,164	93,642	(14,434)	-	-	(5,467)	212,905
Total	**2,213,285**	**691,700**	**(137,587)**	**(341,791)**	**-**	**(28,989)**	**2,396,618**
Depreciation of right-of-use assets from leases							
Right-of-use transportation vehicles	814,075	323,919	(608,333)	-	-	-	529,661
Right-of-use office areas	313,757	269,330	(291,312)	-	-	-	291,775
Right-of-use concessions	15,562	10,080	-	-	-	-	25,642
Total	**1,143,394**	**603,329**	**(899,645)**	**-**	**-**	**-**	**847,078**
Net book value							
Intangible assets	**360,960**						**412,375**
Tangible assets	**8,308,912**						**9,282,127**
Right-of-use assets from leases	**3,570,975**						**3,474,536**

19. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (*continued*)

Impairment losses recognized in profit or loss are classified, if applicable, as asset amortization and impairment expenses.
In 2023, purchases mainly include the capitalization of costs with the development of new facilities or modules of the embedded IT system, licenses and IT equipment.

Fair value measurement

At 31 December 2023 the Company's lands and buildings were assessed by independent valuers, authorized by the National Agency of Authorized Valuers of Romania ("ANEVAR"). The revaluation of lands and buildings at 31 December 2023 was made based on the following methods, in compliance with the valuation principles and techniques included in the ANEVAR Goods Valuation Standards:

- income-based approach, capitalization and discounted cash-flow method with an average capitalization rate of 8.97% corroborated, for component assignment, with the net replacement cost or alternative methods through which the market value of the land was deducted from the value of the full real property.

The average vacancy rate, given the location, area and technical qualities of the building (finishing and equipment): 12%.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of buildings was classified as Level 3 in the fair value hierarchy.

Valuation techniques

Sales or offers of properties similar to those subject to valuation were collected, analyzed, compared and adjusted in direct comparisons in order to identify the similarities and differences between these properties, and the prices of comparable property were adjusted to justify the differences between the characteristics of the valued properties. The comparison elements used include ownership rights, financing and sale conditions, expenses incurred right after purchase, market conditions, location, physical characteristics, best use and town planning regulations in force.

The valuation model applied in case of revenue approach for the valuation of full properties (lands and buildings) is direct capitalization. The method consists in dividing the annual income stabilized by a corresponding capitalization rate, using the net operating income, in conjunction with the net capitalization rate.

19. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (*continued*)

The allocation process between land and building was made either through:

- deduction of the land's market value from the value of the real property, in case of lands in exclusive property or leasehold, the result being the value of the building; or

- deduction of the net replacement cost from the value of the full real property, in case of lands held in joint property, the result being the value of the land.

In the cost-based approach we have used the net replacement cost method given the specialized nature of some buildings. Therefore, the net replacement cost has been determined based on the price in specialized catalogues, updated with discounted indexes or based on works estimates. The wear and tear degree was determined taking into consideration the improvements made for finishing and installations, capital repairs and development stages of the building.

Property, plant and equipment, as investment property have been evaluated taking into consideration the best use for these assets. Following the analysis of information regarding the location and characteristics of properties identified in the market analysis, it was ascertained that in general the best use is that existing at the valuation date.

The other categories of property, plant and equipment are presented at cost, less accumulated amortization and value impairment adjustment, where necessary.

20. BORROWINGS

In LEI	**31 December 2023**	**31 December 2022**
Long-term payables	**63,342,648**	**-**
Long-term bank loans	63,342,648	-
Short-term payables	**331,773**	**-**
Short-term bank loans	331,773	-
Total loans	**63,674,421**	**-**

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

In LEI	**31 December 2023**	**31 December 2022**
At 1 January	**-**	**-**
Proceeds from loans	94,121,516	-
Loan repayments	(32,135,621)	
Related interest	331,773	-
Foreign exchange differences	1,356,753	-
At 31 December	**63,674,421**	**-**

In January 2023, EVERGENT Investments contracted from Banca Comercială Română (BCR) a revolving loan facility as overdraft, of maximum 19,200,000 euro, with floating interest rate, for investments in listed shares.

The loan facility was contracted for a period of 12 months (initial due date: 17 January 2024), with automatic extension of the due date by successive periods of 12 months, if neither party notifies the termination of the contract at least 30 calendar days prior to the initial due date. The due date of the loan facility was extended by 12 months, until 17 January 2025.

At 31 December 2023, EVERGENT Investments established the following guarantees in favor of BCR:

- movable mortgage on accounts opened by the Company with BCR;
- movable mortgage on the 10,000,000 lei collateral established at BCR;
- movable mortgage on 8,044,831 Banca Transilvania shares held by the Company.

21. LEASE LIABILITIES

In LEI	31 December 2023	31 December 2022
Gross lease liabilities		
Lease liabilities (over 5 years)	1,990,865	2,253,133
Lease liabilities (between 1 and 5 years)	2,005,216	1,801,143
Lease liabilities (up to 1 year)	655,384	544,119
Total gross liabilities	**4,651,465**	**4,598,395**
Lease liabilities		
Lease liabilities (over 5 years)	1,011,803	1,459,441
Lease liabilities (between 1 and 5 years)	1,747,501	1,547,834
Lease liabilities (up to 1 year)	544,589	449,664
Total	**3,303,893**	**3,456,939**

The Company registers leases the main object of which is transport, office areas and lands. Assets representing rights of use in leases are presented in note 19.

Expenses related to short-term leases are presented in note 12 Other operating expenses.

22. DIVIDENDS PAYABLE

In LEI	31 December 2023	31 December 2022
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162,380	162,380
Dividends payable for 2015	167,010	167,010
Dividends payable for 2016	162,414	162,414
Dividends payable for 2017	195,956	196,239
Dividends payable for 2018	117,587	117,720
Dividends payable for 2019	247,947	14,444,573
Dividends payable for 2020	10,448,442	10,673,557
Dividends payable for 2021	16,023,589	16,708,289
Dividends payable for 2022	22,423,316	-
Total dividends payable	**49,950,267**	**42,633,808**

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law and registered to equity, with the exception of amounts garnished according to the law (e.g, if the amounts owed to shareholders as dividends are subject to enforcement procedures).

23. a) FINANCIAL LIABILITIES AT AMORTIZED COST

In LEI	**31 December 2023**	**31 December 2022**
Suppliers and accrued expenses	1,242,655	1,478,303
Payments to be made to companies in the portfolio	-	1,365,000
Other financial liabilities	24,540	27,800
Total	**1,267,195**	**2,871,103**

23. b) OTHER LIABILITIES

In LEI	**31 December 2023**	**31 December 2022**
Taxes and levies	2,677,521	1,678,622
Liabilities related to employees' cash benefits plan	2,254,311	1,877,247
Liabilities related to salaries and other salary rights	968,718	586,572
Other liabilities	243,872	12,558
Total	**6,144,422**	**4,154,999**

Liabilities regarding the cash benefits plan represent the amounts that are to be offered to employees as profit-sharing and bonuses, in cash, in accordance with the Collective Employment Contract.

Liabilities regarding salaries and other salary rights include mainly the amounts that are to be paid, representing salaries, allowances for vacations not taken, medical leaves and other rights.

Taxes represent current liabilities, including current income tax payables, which have been paid by the Company on time.

24. PROVISIONS FOR RISKS AND CHARGES

In LEI	**31 December 2023**	**31 December 2022**
Provisions for litigations	1,632,553	1,632,553
Total	**1,632,553**	**1,632,553**

In general, for the amounts ascertained by enforceable titles and enforced by the bailiffs, litigations were initiated by Authority for the Administrations of State Assets (AAAS). Provisions for litigations represent mainly the amounts collected by the Company through bailiffs in the period 2011 – 2016 and later challenged by AAAS, which the Company estimates that it is likely they will be collected.

The provision for litigation can be analyzed as follows:

In LEI	**31 December 2023**	**31 December 2022**
At 1 January	**1,632,553**	**1,749,743**
Setup	-	24,754
Reversal	-	(141,944)
At 31 December	**1,632,553**	**1,632,553**

In 2022, reversals of provisions owed to the settlement of certain legal disputes.

25. DEFERRED INCOME TAX LIABILITIES

Deferred income tax liabilities at 31 December 2023 are generated by the elements detailed in the following table:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	957,340,697	-	957,340,697
Tangible assets	7,228,815	-	7,228,815
Investment property	2,345,917	-	2,345,917
Provisions for litigations and other liabilities	-	(1,632,553)	(1,632,553)
Liabilities related to profit sharing and other benefits	-	(27,924,253)	(27,924,253)
Total	**966,915,429**	**(29,556,806)**	**937,358,623**
Net temporary differences, 16% rate			937,358,623
Deferred income tax liabilities			**149,977,380**

Deferred income tax liabilities at 31 December 2022 are generated by the elements presented in the table below:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	577,028,760	-	577,028,760
Tangible assets	4,925,739	-	4,925,739
Investment property	3,212,586	-	3,212,586
Provisions for litigations and other liabilities	-	(1,632,553)	(1,632,553)
Liabilities related to cash profit and other benefits	-	(23,100,768)	(23,100,768)
Total	**585,167,085**	**(24,733,321)**	**560,433,764**
Net temporary differences, 16% rate			560,433,764
Deferred income tax liabilities			**89,669,402**

Deferred income tax directly recorded through the decrease of equity is 155,487,732 lei at 31 December 2023 (31 December 2022: 93,257,490 lei), being generated by financial assets measured at fair value through other comprehensive income for which the Company's interest is under 10% and/or interest is for a period of time under one year and property, plant and equipment.

26. CAPITAL AND RESERVES

a) Share Capital

The structure of the Company's shareholding structure at 31 December 2023 and 31 December 2022 is presented in the tables below:

31 December 2023	**No. of shareholders**	**No. of shares**	**Nominal value (lei)**	**(%)**
Individuals	5,740,158	363,730,993	36,373,099	38%
Companies	145	598,022,599	59,802,260	62%
Total	**5,740,303**	**961,753,592**	**96,175,359**	**100%**

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

All shares are ordinary and have been subscribed and paid in full at 31 December 2023 and 31 December 2022. All shares have the same voting right and a nominal value of 0,1 lei/share. The number of shares authorized for issue is equal to that of issued shares.

Thus, the share capital at 31 December 2023 had a nominal value of 96,175,359 lei (31 December 2022: 96,175,359 lei).

At 31 December 2023, the difference of 403,813,278 lei between the book value of the share capital of 499,988,637 lei and its nominal value, is the inflation difference generated by the application of IAS 29 "Financial reporting in hyperinflationary economies" up to 1 January 2004.

In 2023, there were no changes in the Company's share capital.

In July 2022, the Company's share capital was decreased from 98,121,305.10 lei to 96,175,359.2 lei, divided in 961,753,592 shares with a nominal value of 0.10 lei, following the annulment of a number of 19,459,459 treasury shares bought back by the Company, in accordance with the Resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments of 20 January 2022.

26. CAPITAL AND RESERVES

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

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

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in note 16 d).

c) Legal reserves

According to legal requirements, the Company sets up legal reserves of 5% of the registered profit in accordance with statutory accounting regulations applicable, up to 20% of the share capital. The value of the legal reserve at 31 December 2023 is 20,763,584 lei (31 December 2022: 20,763,584 lei), and is included in retained earnings.

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

d) Dividends

In the General Meeting of Shareholders on 27 April 2023, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share (total 82,695,517 lei), corresponding to the statutory profit of the 2021 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

9 June 2023 was approved as registration date (former date 8 June 2023), and 28 June 2023 as date of payment of the dividend.

In the General Meeting of Shareholders on 29 April 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share (total 62,052,983 lei), corresponding to the statutory profit of 2021 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

26. CAPITAL AND RESERVES (continued)

e) Own shares

The total number of own shares held by the Company at 31 December 2022 is 51,742,535 representing 5.38% of the share capital (31.12.2022: 31,847,896 shares, representing 3.31% of the share capital) in total 66,642,400 lei (31.12.2022: worth 38,991,230 lei).

The evolution of the number of shares (and their value) in 2023 and 2022 is the following:

Own shares	Balance at 1 January 2023	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2023
Buy-back program approved by EGMS on 27 April 2023	-	9,200,000	-	(182,465)	9,017,535
Buy-back program approved by EGMS on 28 April 2022	8,400,000	19,625,000	-	(8,400,000)	19,625,000
Buy-back program approved by EGMS on 20 January 2022	23,100,000	-	-	-	23,100,000
Buy-back program approved by EGMS on 27 April 2020	347,896	-	-	(347,896)	-
Total no. of shares	**31,847,896**	**28,825,000**	**-**	**(8,930,361)**	**51,742,535**
Total share value (Lei)	**38,991,230**	**38,842,825**	**-**	**(11,191,655)**	**66,642,400**

26. CAPITAL AND RESERVES (continued)

e) Own shares (continued)

Own shares	Balance at 1 January 2022	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2022
Buy-back program approved by EGMS on 28 April 2022	-	8,400,000	-	-	8,400,000
Buy-back program approved by EGMS on 20 January 2022	-	23,100,000	-	-	23,100,000
Buy-back program approved by EGMS on 29 April 2021	19,459,459	-	(19,459,459)	-	-
Buy-back program approved by EGMS on 27 April 2020	4,190,048	-	-	(3,842,152)	347,896
Total no. of shares	**23,649,507**	**31,500,000**	**(19,459,459)**	**(3,842,152)**	**31,847,896**
Total share value (Lei)	**41,119,507**	**38,566,162**	**(35,999,999)**	**(4,694,440)**	**38,991,230**

Within the buyback program approved by the EGMS on April 28, 2022, the Company initiated in December 2022 and completed in January 2023 the public tender to buy own shares with the following main characteristics:

- number of treasury shares bought back in the offer: 19,625,000, representing 2.0405% of the share capital
- purchase price: 1.41 lei per share
- offer period: 22 December 2022 – 6 January 2023
- intermediary of the offer: BT Capital Partners SA

The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 28 April 2022.

To implement buy-back program no. 8 approved by the EGMS of 27 April 2023, the Company made buy-backs of 9,200,000 own shares during 17.05 - 28.11.2023 (representing 0.956% of the share capital), in order to carry out stock option plans.

In 2023, a number of 8,930,361 shares (2022: 3,842,152 shares) were allocated to directors, officers and employees under the stock option plan (SOP) related to 2021 (2022: SOP 2020), in observance of the provisions of ESMA Guidelines no. 232/2013 on sound remuneration policies under the AIFM, the AIFM Remuneration policy of directors, officers and employees of the Company – Chapter 7 and the provisions of article 14 of the Company's Articles of Association.

26. CAPITAL AND RESERVES (continued)

f) Equity-based payments to employees, directors and officers

Equity-based payments to employees, directors and administrators represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding at 31 December 2023, and 31 December 2022:

In LEI	**31 December 2023**	**31 December 2022**
SOP 2021	-	10,850,388
SOP 2022	9,905,947	9,915,392
SOP 2023	14,975,431	-
Total	**24,881,378**	**20,765,780**

Options that may be exercised at the beginning of the reporting period, which were fully exercised in 2023 relate to SOP 2021 shares, in amount of 10,850,388 lei (8,930,361 shares) allocated in Q2 of 2023 for 1.2150 lei/share (closing price on 27 April 2022).

Options granted in 2023 and may be exercised at the end of the reporting period, relate to SOP 2022 shares, in amount of 9,905,947 lei (7,708,908 shares) and will be allocated in Q2 of 2024 for 1.2850 lei/share (closing price on 26 April 2023).

There were no options that expired or were lost in 2023 and 2022.

Shares corresponding to SOP 2023 are the equivalent of 14,975,431 lei and will be allocated in 2025 for a market price provided in SOP 2023, which will be submitted for approval to the Board of Administration, after the financial statements are approved. The number of shares based on the closing price of 31 December 2023 (1.27 lei/share) is estimated at 11,791,678.

g) Other items of equity

Other items of equity include acquisition costs for treasury shares (commissions and fees and other costs related their acquisition) and the gain/loss on allocation of treasury shares to administrators, officers and employees, as share-based benefits (the difference between value at granting price and the value at acquisition price of treasury shares).

27. EARNINGS PER SHARE

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

In LEI	Note	31 December 2023	31 December 2022
Net profit assignable to the Company's shareholders		124,733,425	82,853,635
Weighted average number of outstanding ordinary shares		913,537,589	947,657,151
Basic earnings per share (net profit per share)		**0.1365**	**0.0874**
Net profit assignable to the Company's shareholders		124,733,425	82,853,635
Net gain registered in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)		79,023,327	35,081,104
Average weighted number of outstanding ordinary shares		913,537,589	947,657,151
Basic earnings per share (including earnings from the sale of FVTOCI financial assets)	**3(v)**	**0.2230**	**0.1244**

27. EARNINGS PER SHARE (continued)

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

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

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

28. COMMITMENTS AND CONTINGENT LIABILITIES

a) Legal disputes

At 31 December 2023, the Company was involved in lawsuits as either plaintiff or defendant.

For lawsuits where Company acts as plaintiff/defendant whose object influences the Company's patrimony, litigation provisions were setup.

Most lawsuits where the Company acts as plaintiff are those against the Authority for State Assets Management ("AAAS"). For amounts claimed by the Company and won through final court orders, receivables from AAAS were registered, for most of which the enforcement procedure was initiated. Impairment allowances were recorded for such receivables (see Explanatory note 17 a)).

Contingent liabilities corresponding to the lawsuits where the Company acts as defendant are detailed below:

In LEI	**2023**	**2022**
1 January	**-**	**233,607**
Setups during the period	-	26,705
Lawsuits settled during the period	-	(260,312)
31 December	**-**	**-**

Of total contingent assets registered at 31 December 2023 and 31 December 2022 of 8,834,840 lei (31 December 2022: 9,207,386 lei), the amount of 5,111,090 lei (31 December 2022: 5,111,090 lei) represents the value of shares held by the Company in Vastex SA, as per Law 151/2014, and the court order, following the Company's withdrawal from the shareholding of Vastex SA.

b) Contingencies related to the environment

The Company has not registered any type of liabilities at 31 December 2023 and 31 December 2022 for anticipated costs, including legal and consultancy fees, location surveys, design and implementation of remedy plans concerning the environment.

The management of the Company does not consider the expenses related to possible environment issues to be of significance.

c) Transfer pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the principle of "market value" for transactions between affiliates as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Company cannot measure the result of such verifications.

The Company does not have significant transactions with related parties.

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

List of subsidiaries and interest percentage:

	31 December 2023	31 December 2022
Agrointens SA	99.99%	99.99%
Casa SA	99.77%	99.60%
Mecanica Ceahlău SA	73.30%	73.30%
Regal SA	93.89%	93.02%
EVER IMO SA	99.99%	99.99%
Everland SA	99.99%	99.99%
EVER AGRIBIO SA	99.99%	99.99%
VISIONALFA Investments SA*	99.99%	99.99%
A3 Snagov SRL**	99.99%	99.99%

* On 25 July 2023, the EGMS of subsidiary VISIONALFA Investments SA approved the temporary suspension of the company's activity and declared its fiscal inactivity, for a period of 3 years.
**Subsidiary A3 Snagov SRL, established in June 2021, is indirectly owned by the Company, through Everland SA, which owns 100% of its shares.

In 2023, the Company took part in the increase of share capital of subsidiary Casa SA, by cash contribution in amount of 15,300,000 lei, and of subsidiary Agrointens SA, by cash contribution in amount of 6,250,000 lei, fully paid in at 31 December 2023, and paid in 1,365,000 lei from the share capital increase of EVER AGRIBIO SA of December 2022.

In 2022, the Company took part in capital increases of its subsidiaries:

- VISIONALFA Investments SA: by cash contribution, in amount of 249,975 lei, a company newly established in Q3 2022;
- EVER AGRIBIO SA: by cash contribution in amount of 124,990 Lei and in-kind contribution – land worth 1,709,300, a company newly established in Q3 2022,
- Agrointens SA: by cash contribution, in amount of 4,845,000 lei.

In 2023 and 2022, the Company did not sell any subsidiaries.

Associates of the Company

The Company holds an investment in an associated entity at 31 December 2023 and 31 December 2022, Străuleşti Lac Alfa S.A., with 50% ownership.

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(continued)*

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

In LEI	31 December 2023	31 December 2022
CASA SA		
Other financial assets at amortized cost	25,065	2,546
Financial liabilities	111,159	98,148
EVER IMO SA		
Corporate bonds at amortised cost	17,606,400	17,606,400
Other financial assets at amortised cost	109,166	108,976
Other assets	11,199	10,110
Lease liabilities	2,186,430	2,421,297
Financial liabilities	31,928	12,361
EVER AGRIBIO SA		
Financial liabilities	-	1,365,000

In 2023 and 2022, the following transactions were carried out within the group, representing mainly dividends, bond interest, rents and delivery of management and archiving services.

In LEI	2023	2022
EVERLAND SA		
Other operating income	1,604	1,599
CASA SA		
Other operating income	560,567	364,328
Other operating income	1,016,739	866,848
REGAL SA		
Dividend income	-	1,518,111
EVER IMO SA		
Interest income	1,533,000	1,533,000
Other operating expenses	203,741	153,891
Interest expenses with lease liabilities	58,129	64,101
STRAULESTI LAC ALFA		
Interest income	-	1,310,022
Gross dividend income	-	3,553,026

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(continued)*

Key Management Staff

At 31 December 2023 and 31 December 2022 the members of the Board of Directors were Mr. Liviu Claudiu Doroş (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceocea (Non-Executive Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

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

The remuneration for 2023 and 2022 are presented in the table below:

	31 December 2023	**31 December 2022**
Board of Directors	13,217,325	9,860,045
Management Committee	7,794,833	5,860,270
Total, of which:	**21,012,158**	**15,720,315**
Share-based payment	*10,907,474*	*6,379,200*

Detailed information regarding the compensation and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 11.

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

30. SUBSEQUENT EVENTS

The public offering for the buying of own shares

During 8 – 19 January 2024, the Company carried out the public offering for the purchase of treasury shares with the following characteristics:

- number of treasury shares bought back in the offer: 10,000,000, representing 1.0398% of the share capital
- purchase price: 1.45 lei per share
- intermediary of the offer: BT Capital Partners SA

The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 27 April 2023.

Loan facilities

In January 2024, EVERGENT Investments concluded an addendum whereby it extended by 12 months the revolving loan facility in the form of overdraft, which it contracted from Banca Comercială Romană in January 2023, with a maximum value of 19,200,000 euro, with an initial due date of 12 months, with the aim of capitalising on market opportunities.

Also in January 2023, EVERGENT Investments contracted a multi-product revolving credit facility from Banca Comercială Romană, in the form of object loan, for a period of 24 months of which a 12-month withdrawal period, with a maximum value of 10,000,000 euro, with the aim of purchasing listed shares.

30. SUBSEQUENT EVENTS (continued)

Sales, purchases of properties and contributions to the share capital of subsidiaries CASA SA and EVER IMO SA

On 28 February 2024, the Board of Directors of EVERGENT Investments approved:

- the purchase of a property worth 5,441,600 lei from subsidiary CASA SA and the sale to such subsidiary of a property worth 7,572,000 lei, both located in Bacău.
- The contribution of certain properties in amount of 1,108,900 lei located in Iași and Vaslui to the share capital of subsidiary CASA SA;
- The contribution of certain properties in amount of 4,975,000 lei, located in Bucharest to the share capital of EVER IMO SA.

Cash contributions to share capital increases

On 28 February 2024, the Board of Directors of EVERGENT Investments approved also:

- The increase of the share capital of the subsidiary EVER IMO S.A. with a cash contribution in amount of 2,100,000 lei;
- The increase of the share capital of the subsidiary AGROINTENS SA with a cash contribution in amount of 7,650,000 lei;
- Subscribing and payment of the amount of 4,950,000 lei as part of the subsequent increase of the share capital of mWare Solutions.

The separate financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş Chairman, CEO	**Mihaela Moleavin** Finance Director

Annex 3

STATEMENT OF LITIGATIONS 31.12.2023

Annex 1

Statement of pending litigations with object annulment of GMS resolutions for companies in Evergent Investments' Portfolio – quality: plaintiff

No.	Company	Object	Litigation status	Observations
1	Dyonisos Cotesti	Annulment of OGMS decision on 14.04.2022	Evergent's appeal	
2*	Dyonisos Cotesti	Annulment of OGMS decision on 02.06.2023	Merits	
3*	Rulmenti Barlad	Annulment of OGMS decision on 30.05.2023	Action dismissed	With appeal
4*	Brikston Construction	Annulment of OGMS decision on 12.05.2023	Appeal	
5*	Vastex SA – in bankruptcy	Annulment of OGMS decision on 29.05.2023	Action allowed	Vastex SA's appeal
		SOLVED LITIGATIONS		
1	Vastex SA – in bankruptcy	Annulment of EGMS decision on 14.04.2022	Action dismissed	
2	Rulmenti Barlad	Annulment of OGMS decision on 31.05.2022	Evergent's appeal dismissed	
3	Vastex SA - în Bankruptcy	Annulment of OGMS decision on 14.04.2022	Action dismissed	
4	Martens SA	Annulment of EGMS resolution on 28.04.2022	Action dismissed	
5	Martens SA	Annulment of BD resolution on 03.12.2021	Action dismissed	
6	Vastex SA – in bankruptcy	Annulment of EGMS resolution on 12.12.2022	Evergent's appeal dismissed	
7	Brikston Construction	Annulment of OGMS decision on 28.04.2022	Action dismissed	

Statement of pending litigations with object claims- Evergent Investments SA acting as plaintiff

No.	Company/natural individual respondent	Claims value in lei	Object	Observations
1	AIPC	3,479.45	enforcement	
2	AAAS	3,765.75	enforcement	
3	AAAS	3,817.58	enforcement	
4	A.A.A.S.	1,040.34	enforcement	
5	A.A.A.S.	5,790.02	enforcement	
6	A.A.A.S.	572,355.55	enforcement	
7	A.A.A.S.	7,281,457.98	enforcement	
8	A.A.A.S.	649,141.66	enforcement	
9	A.A.A.S.	1,556,338.07	enforcement	

10	A.A.A.S.	193,989.15	enforcement
11	A.A.A.S.	454,371.95	enforcement
12	A.A.A.S.	1,338,494.26	enforcement
13	A.A.A.S.	1,369,220.26	enforcement
14	A.A.A.S.	1,416,542.50	enforcement
15	A.A.A.S.	1,600,412.04	enforcement
16	A.A.A.S.	545,128.79	enforcement
17	A.A.A.S.	13,978.84	enforcement
18	A.A.A.S.	29,858.47	enforcement
19	A.A.A.S.	6,126.20	enforcement
20	A.A.A.S.	141,712.76	enforcement
21	AAAS	275.88	enforcement
22	A.A.A.S.	1,784,704.61	enforcement
23	A.A.A.S.	1,875,749.20	enforcement
24	A.A.A.S.	1,169,768.24	enforcement
25	A.A.A.S.	1,488,975.30	enforcement
26	A.A.A.S.	1,455,363.70	enforcement
27	A.A.A.S.	16,878.26	enforcement
28	A.A.A.S.	1,716.10	enforcement
29	A.A.A.S.	49,037.93	enforcement
30	A.A.A.S.	2,390.06	enforcement
31	A.A.A.S.	34,678.23	enforcement
32	A.A.A.S.	2,138.94	enforcement
33	A.A.A.S.	38,560.30	enforcement
34	A.A.A.S.	2,228.53	enforcement
35	A.A.A.S.	28,754.21	enforcement
36	A.A.A.S.	3,060.53	enforcement
37	A.A.A.S.	45,528.24	enforcement
38	A.A.A.S.	34,781.34	enforcement
39	A.A.A.S.	2,307.09	enforcement
40	A.A.A.S.	14,171.81	enforcement
41	A.A.A.S.	2,273.67	enforcement
42	A.A.A.S.	2,437.04	enforcement
43	A.A.A.S.	2,596.66	enforcement
44	A.A.A.S.	21,201.69	enforcement
45	A.A.A.S.	26,203.93	enforcement
46	A.A.A.S.	2,502,031.47	enforcement
47	A.A.A.S.	1,810,944.22	enforcement
48	A.A.A.S.	1,738,592.80	enforcement
49	A.A.A.S.	2,522,514.86	enforcement
50	A.A.A.S.	1,370,335.00	enforcement
51	A.A.A.S.	1,060,504.31	enforcement
52	A.A.A.S.	2,276,032.16	enforcement
53	A.A.A.S.	296,474.57	enforcement
54	A.A.A.S.	2,896,842.39	enforcement
55	A.A.A.S.	1,790,573.11	enforcement
56	A.A.A.S.	125,677.45	enforcement

57	A.A.A.S.	1,871,909.72	enforcement
58	A.A.A.S.	3,370,978.56	enforcement
59	A.A.A.S.	10,546.63	enforcement
60	A.A.A.S.	462,506.29	enforcement
61	A.A.A.S.	2,014,036.50	enforcement
62	A.A.A.S.	1,993,866.68	enforcement
63	A.A.A.S.	2,111,890.61	enforcement
64	A.A.A.S.	3,188,636.51	enforcement
65	A.A.A.S.	190,943.94	enforcement
66	A.A.A.S.	581.74	enforcement
67	A.A.A.S.	439,712.67	enforcement
68	A.A.A.S.	3,006.84	enforcement
69	AAAS	1,478.36	enforcement
70	AAAS	2,258.14	enforcement
71	AAAS	3,235.37	enforcement
72	AAAS	2,508.58	enforcement
73	AAAS	3,183.39	enforcement
74	AAAS	4,100.80	enforcement
75	AAAS	4,558.43	enforcement
76	AAAS	4,876.07	enforcement
77	AAAS	4,203.40	enforcement
78	AAAS	3,206.06	enforcement
79	AAAS	4,251.10	enforcement
80	AAAS	3,542.57	enforcement
81	AAAS	4,836.68	enforcement
82	AAAS	2,837.49	enforcement
83	AAAS	4,351.54	enforcement
84	AAAS	4,326.77	enforcement
85	AAAS	4,301.25	enforcement
86	AAAS	4,318.94	enforcement
87	AAAS	4,325.80	enforcement
88	AAAS	4,326.64	enforcement
89	AAAS	1,666.39	enforcement
90	AAAS	2,823.14	enforcement
91	AAAS	1,857.76	enforcement
92	AAAS	3,838.86	enforcement
93	AAAS	3,719.45	enforcement
94	AAAS	3,766.46	enforcement
95	AAAS	3,767.00	enforcement
96	AAAS	3,752.03	enforcement
97	AAAS	3,705.67	enforcement
98	AAAS	3,786.44	enforcement
99	AAAS	2,483.51	enforcement
100	AAAS	1,863.09	enforcement
101	AAAS	3,748.78	enforcement
102	AAAS	1,896.39	enforcement
103	AAAS	3,012.23	enforcement

104	DGFRP	2,660.18	enforcement	
105	AAAS	1,708.19	enforcement	
106	AAAS	1,962.64	enforcement	
107	AAAS	3,169.44	enforcement	
108	AAAS	1,278	enforcement	
109	AAAS	3,149.10	enforcement	
110	AAAS	1,983.74	enforcement	
111	AAAS	1,748.81	enforcement	
112	AAAS	3,146.18	enforcement	
113*	AAAS	1,864.74	enforcement	
114*	AAAS	1,649.92	enforcement	
115*	AAAS	2,943.74	enforcement	
116*	Cantoreanu Ioan Florin	10,228.85	enforcement	
117	Romanian State	Civil liability	claims	EVERGENT's appeal allowed. Partly allowed. with recourse
118	SNGN Romgaz	281,373	claims	Final since no appeal filed. Payment order.
119*	Cantoreanu Ioan Florin	7,481	claims	Action allowed. With appeal.
120*	Romanian State	Civil liability	claims	Litigations pending on the merits
121*	Accesorii Polka Dots SRL	29,513	claims	Litigations pending on the merits
	TOTAL:	**59,818,517.50**		

Statement of pending litigations where EVERGENT Investments acts as plaintiff – files related to claims

No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	intervention-usucapio	Action dismissed	Evergent and Inco's appeal
2	Vastex; Delkimvas	Garnishment challenge	Stay proceedings	
3	Vastex; Perpetuus Com	Garnishment challenge	Stay proceedings	
4	Vastex, Rovitec Cons	Garnishment challenge	Stay proceedings	
5	Vastex, Nechita Prestserv	Garnishment challenge	Stay proceedings	
6	Vastex, Lexfan Fitness	Garnishment challenge	Stay proceedings	
7	Vastex, Connected-Dval	Garnishment challenge	Stay proceedings	
8*	Fortus Iasi	bankruptcy/obligation to do	Litigation pending on the merits	
9*	AAAS	Approval of real estate enforcement	Evergent's recourse	
10*	Conimpuls Bacau	Declaratory action	Litigation pending on the merits	

11*	AAAS/Romanian State	complaint CF registration 159029/DE 244/2012	Litigation pending on the merits
12*	AAAS/Romanian State	complaint CF registration 159029/DE 187/2011	Litigation pending on the merits
13*	AAAS/Romanian State	complaint CF registration 159029/DE 528/2010	Litigation pending on the merits
14*	AAAS/Romanian State	complaint CF registration 159029/DE 46/2011	Litigation pending on the merits
15*	AAAS/Romanian State	complaint CF registration 159039/DE 244/2012	Litigation pending on the merits
16*	AAAS/Romanian State	complaint CF registration 159039/DE 187/2011	Litigation pending on the merits
17*	AAAS/Romanian State	complaint CF registration 159039/DE 528/2010	Litigation pending on the merits
18*	AAAS/Romanian State	complaint CF registration 159039/DE 46/2011	Litigation pending on the merits
19*	AAAS/Romanian State	complaint CF registration 158897/DE 244/2012	Litigation pending on the merits
20*	AAAS/Romanian State	complaint CF registration 158897/DE 187/2011	Litigation pending on the merits
21*	AAAS/Romanian State	complaint CF registration 158897/DE 528/2010	Litigation pending on the merits
22*	AAAS/Romanian State	complaint CF registration 158897/DE 46/2011	Litigation pending on the merits
23*	AAAS/Romanian State	complaint CF registration 131219/DE 244/2012	Litigation pending on the merits
24*	AAAS/Romanian State	complaint CF registration 131219/DE 187/2011	Litigation pending on the merits
25*	AAAS/Romanian State	complaint CF registration 131219/DE 528/2010	Litigation pending on the merits
26*	AAAS/Romanian State	complaint CF registration 131219/DE 46/2011	Litigation pending on the merits
27*	AAAS/Romanian State	complaint CF registration 158923/DE 244/2012	Litigation pending on the merits
28*	AAAS/Romanian State	complaint CF registration 158923/DE 187/2011	Litigation pending on the merits
29*	AAAS/Romanian State	complaint CF registration 158923/DE 528/2010	Litigation pending on the merits
30*	AAAS/Romanian State	complaint CF registration 158923/DE 46/2011	Litigation pending on the merits

31*	AAAS/Romanian State	complaint CF registration 158930/DE 244/2012	Litigation pending on the merits
32*	AAAS/Romanian State	complaint CF registration 158930/DE 187/2011	Litigation pending on the merits
33*	AAAS/Romanian State	complaint CF registration 158930/DE 528/2010	Litigation pending on the merits
34*	AAAS/Romanian State	complaint CF registration 158930/DE 46/2011	Litigation pending on the merits
35*	AAAS/Romanian State	Complaint CF registration 158944/DE 244/2012	Litigation pending on the merits
36*	AAAS/Romanian State	Complaint CF registration 158944/DE 187/2011	Litigation pending on the merits
37*	AAAS/Romanian State	Complaint CF registration 158944/DE 528/2010	Litigation pending on the merits
38*	AAAS/Romanian State	Complaint CF registration 158944/DE 46/2011	Litigation pending on the merits
39*	AAAS/Romanian State	Complaint CF registration 158946/DE 244/2012	Litigation pending on the merits
40*	AAAS/Romanian State	Complaint CF registration 158946/DE 187/2011	Litigation pending on the merits
41*	AAAS/Romanian State	Complaint CF registration 158946/DE 528/2010	Litigation pending on the merits
42*	AAAS/Romanian State	complaint CF registration 158946/DE 46/2011	Litigation pending on the merits
43*	AAAS/Romanian State	complaint CF registration 158890/DE 244/2012	Litigation pending on the merits
44*	AAAS/Romanian State	complaint CF registration 158890/DE 187/2011	Litigation pending on the merits
45*	AAAS/Romanian State	complaint CF registration 158890/DE 528/2010	Litigation pending on the merits
46*	AAAS/Romanian State	complaint CF registration 158890/DE 46/2011	Litigation pending on the merits
47*	AAAS/Romanian State	complaint CF registration 158889/DE 244/2012	Litigation pending on the merits
48*	AAAS/Romanian State	complaint CF registration 158889/DE 187/2011	Litigation pending on the merits
49*	AAAS/Romanian State	complaint CF registration 158889/DE 528/2010	Litigation pending on the merits
50*	AAAS/Romanian State	complaint CF registration 158889/DE 46/2011	Litigation pending on the merits

51*	AAAS/Romanian State	complaint CF registration 158915/DE 244/2012	Litigation pending on the merits
52*	AAAS/Romanian State	complaint CF registration 158915/DE 187/2011	Litigation pending on the merits
53*	AAAS/Romanian State	complaint CF registration 158915/DE 528/2010	Litigation pending on the merits
54*	AAAS/Romanian State	complaint CF registration 158915/DE 46/2011	Litigation pending on the merits
55*	AAAS/Romanian State	complaint CF registration 159036/DE 244/2012	Litigation pending on the merits
56*	AAAS/Romanian State	complaint CF registration 159036/DE 187/2011	Litigation pending on the merits
57*	AAAS/Romanian State	complaint CF registration 159036/DE 528/2010	Litigation pending on the merits
58*	AAAS/Romanian State	complaint CF registration 159036/DE 46/2011	Litigation pending on the merits
59*	AAAS/Romanian State	complaint CF registration 158886/DE 244/2012	Litigation pending on the merits
60*	AAAS/Romanian State	complaint CF registration 158886/DE 187/2011	Litigation pending on the merits
61*	AAAS/Romanian State	complaint CF registration 158886/DE 528/2010	Litigation pending on the merits
62*	AAAS/Romanian State	complaint CF registration 158886/DE 46/2011	Litigation pending on the merits
63*	AAAS/Romanian State	complaint CF registration 131224	Litigation pending on the merits
64*	AAAS/Romanian State	complaint CF registration 159033	Litigation pending on the merits
65*	AAAS/Romanian State	complaint CF registration 156393	Litigation pending on the merits
66*	AAAS	Approval of real estate enforcement	Request dismissed as lacking interest. Evergent's appeal
SOLVED LITIGATIONS			
1	Vastex, Lotex General	Garnishment challenge	Orders the closing of the file.
2		Criminal complaint	Complaint dismissed
3	Groza Daniel	Enforcement challenge	Challenge dismissed.
4*	Romanian State	Displacement	Request dismissed
5*	Romanian State	Suspension	Request dismissed
6	Vastex, Castrum Corporation	Garnishment challenge	Dismissed as without object

7	Vastex, Lacautonacris	Garnishment challenge	Dismissed as without object	
8	Vastex, Liceul Radu Miron	Garnishment challenge	Garnished third party's appeal allowed	
9	Vastex, Klique Graphics	Garnishment challenge	Dismissed as without object	
10	Vastex S.A.	0.00	claims shares value Law 151/2014.	Vastex's recourse dismissed
Statement of pending litigations with object insolvency (Evergent Investments SA acting as plaintiff -creditor)				
No.	**Company**	**Claim value in lei**	**Status**	**Observations**
1	BIR	344.12	Bankruptcy	Procedure continues
2	Network Press	3,799.87	Bankruptcy	Procedure continues
3	Pantex S.A. Brasov	10.3	Bankruptcy	Procedure continues
4	Horticola SA	1,466,168.33	Insolvency	Procedure continues
5	Celule Electrice Bailesti	9,921.72	Insolvency	Procedure continues
6	Genko Med Group	93,835.07	Bankruptcy	Procedure continues
7	Vastex Vaslui	8,834,829.73	Orders the filing of bankruptcy. With appeal	Procedure continues
8*	First Bank SA	Challenge of rectified preliminary table	Action dismissed	First Bank S.A.'s appeal
9*	Vastex SA	Activity report challenge	Action dismissed	With appeal
10*	Vastex SA	Appeal against filing for bankruptcy	Action dismissed	Vastex S.A.'s appeal
11*	First Bank SA	Challenge of additional chart	pending	
	TOTAL LEI:	**10,408,909.14**		
SOLVED LITIGATIONS				
1	Vastex Vaslui		Presidential order	Evergent's appeal allowed
2	Vastex Vaslui		Challenge of casual report	Challenge allowed
3	Vastex Vaslui		Challenge against the resolution of the Creditors' Meeting on 11.11.2022	Challenge allowed.
4	Vastex Vaslui		Challenge of creditor table	Dismisses the appeals of First Bank and Castrum.
5*	Castrum Corporation		Challenge of judicial administrator appointment	Action dismissed

Statement of pending litigations where Evergent Investments SA acts as respondent de parat				
No.	**Plaintiff**	**Claims value**	**Object**	**Observations**
1	Spatariuc Maria		Resolution to replace authentic document	Litigation pending on the merits
2	Spatariuc Dumitru s.a.		Resolution to replace authentic document	Litigation pending on the merits
3	Dionisie Mirela s.a.		Resolution to replace authentic document	Dionisie Mirela's appeal
4	Reuti Veronica		Document annulment	Litigation pending on the merits
5	Tibuleac Petrica Iulian		Resolution to replace authentic document	Litigation pending on the merits
6	Dron Cristina-Lotrisoara		Resolution to replace authentic document	Litigation pending on the merits
7	Cazacu Ioan		Resolution to replace authentic document	Split from file no. 9917/193/2021. Competence declined in favour of Botoşani Court
8	Placintaru Ion		Resolution to replace authentic document	Litigation pending on the merits
9*	Asavei Gheorghe		Obligation to do	Litigation pending on the merits
10*	Ever Imo/Octagon		Enforcement challenge	Litigation pending on the merits
11*	Nane Vasile		Resolution to replace authentic document	Litigation pending on the merits
SOLVED LITIGATIONS				
1	Andrei Lina		Resolution to replace authentic document	Appeal dismissed. AAAS' recourse .recourse ascertained as null
2*	Imobiliar Network		Providing of evidence	Request dismissed
LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)				
No.	**Challenged amount in lei**	**Object**	**Status**	**Observations. Garnished third parties**
1*		Challenge in annulment file 18677/299/ 2022	Extraordinary remedy	Treasury
2		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
3		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury

4	Garnishment challenge	Challenge partly allowed. Evergent's appeal	TP. Regal Galati
5	Enforcement challenge	Challenge dismissed. With appeal	Treasury
6	Enforcement challenge	Challenge dismissed. with appeal.	Treasury
7*	Enforcement challenge	Litigation pending on the merits	Treasury
8*	Enforcement challenge	Challenge dismissed. With recourse.	Treasury
9*	Enforcement challenge	Litigation pending on the merits	Treasury
10*	Enforcement challenge	Litigation pending on the merits	Treasury
11*	Enforcement challenge	Litigation pending on the merits	Treasury
12*	Enforcement challenge	Challenge dismissed. with appeal.	Treasury
13*	Enforcement challenge	Challenge dismissed. with appeal.	Treasury
14	Garnishment challenge	AAAS' appeal allowed. Filing of chalenge in annulment EVERGENT	Treasury
15*	Challenge in annulment file no 17368/ 299/2022	Extraordinary means of attack	Treasury
16*	Enforcement challenge	Litigation pending on the merits	Treasury
17*	Challenge of real estate foreclosure	Litigation pending on the merits	
18*	Challenge of real estate foreclosure	Litigation pending on the merits	
SOLVED LITIGATIONS			
1	Enforcement challenge	Appeals dismissed	Treasury
2	Enforcement challenge	AAAS' appeal dismissed	Eximbank, Treasury S4 B
3	Garnishment challenge	AAAS' appeal dismissed	Treasury
4	Garnishment challenge	AAAS' appeal dismissed	Treasury
5	Garnishment challenge	AAAS' appeal dismissed	Treasury
6	Garnishment challenge	Challenge dismissed	Treasury
7	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
8	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati

9	Garnishment challenge	AAAS' appeal dismissed	Treasury
10	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
11	Garnishment challenge	AAAS' appeal dismissed	Treasury
12	Garnishment challenge	AAAS' appeal dismissed	Treasury
13	Garnishment challenge	AAAS' appeal dismissed	Treasury
14	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
15*	Challenge in annulment file 17696/299/2022	Evergent's challenge in annulment dismissed	Treasury
16	Garnishment challenge	AAAS' appeal dismissed	Treasury
17	Enforcement challenge	AAAS' recourse allowed	
* - new litigation, started in 2023			

Annex 4

Reports to BSE and FSA as of 31 December 2023

A. CURRENT REPORTS

- December 8, 2023: Threshold notification <5%
- November 29, 2023: Submission of Public Tender Offer for the purchase of EVER shares
- November 28, 2023: Completion of the 3rd stage and closure of the share buyback program 8
- November 28, 2023: Notification - buyback 27 November 2023 - 28 November 2023
- November 27, 2023: Notification - buyback 20 November 2023 - 24 November 2023
- November 20, 2023: Holdings sales
- November 20, 2023: Notification - buyback 13 November 2023 - 17 November 2023
- November 15, 2023: Investors and analysts conference call on Q3 2023 results
- November 13, 2023: Notification - buyback 06 November 2023 - 10 November 2023
- November 6, 2023: Notification - buyback 27 October 2023 - 03 November 2023
- October 27, 2023: Notification - buyback 23 October 2023 - 26 October 2023
- October 27, 2023: Threshold notification >5%
- October 23, 2023: Notification - buyback 16 October 2023 - 20 October 2023
- October 16, 2023: Initiation of the 3rd stage of the share buyback program No 8
- October 13, 2023: Completion of the 2nd stage of the share buyback program No 8
- October 13, 2023: Notification - buyback 09 October 2023 - 12 October 2023
- October 12, 2023: Manager's transactions - Article 19 of Regulation (EU) No 596/2014
- October 9, 2023: Notification - buyback 02 October 2023 - 06 October 2023
- October 2, 2023: Notification - buyback 25 September 2023 - 29 September 2023
- September 25, 2023: Notification - buyback 18 September 2023-22 September 2023
- September 21, 2023: Manager's transactions - art.19 MAR
- September 18, 2023: Notification - buyback 11 September 2023 - 15 September 2023
- September 12, 2023: Auction Announcement Sale of Regal SA share package
- September 11, 2023: Notification – buyback 04 September 2023 – 08 September 2023
- September 4, 2023: Notification – buyback 28 August 2023 – 1 September 2023

- August 28, 2023: Notification – buyback 21 August 2023 – 25 August 2023
- August 21, 2023: Notification – buyback 11 August 2023 – 18 August 2023
- August 18, 2023: Manager's transactions - art.19 MAR
- August 11, 2023: Investors and analysts conference call on H1 2023 results
- August 11, 2023: Notification – buyback 07 August 2023 – 10 August 2023
- August 10, 2023: Threshold notification >5%
- August 7, 2023: Notification – buyback 31 July 2023 – 04 August 2023
- July 31, 2023: Notification – buyback 24 July 2023 – 28 July 2023
- July 24, 2023: Notification – buyback 17 July 2023 – 21 July 2023
- July 17, 2023: Notification – buyback 13 July 2023 – 14 July 2023
- July 11, 2023: Completion of 1st stage and initiation of 2nd stage of buyback program no. 8
- July 11, 2023: Notification – buyback 10 July 2023 – 11 July 2023
- July 10, 2023: Notification – buyback 3 July 2023 – 7 July 2023
- July 3, 2023: Notification – buyback 26 June 2023 – 30 June 2023
- June 27, 2023: Unauthorized use of the company's name and image
- June 26, 2023: Notification – buyback 19 June 2023 – 23 June 2023
- June 19, 2023: Notification – buyback 12 June 2023 – 16 June 2023
- June 15, 2023: Manager's transactions – art. 19 Market Abuse Regulation
- June 12, 2023: Notification – buyback 6 June 2023 – 9 June 2023
- June 9, 2023: Manager's transactions – art. 19 Market Abuse Regulation
- June 6, 2023: Notification – buyback 29 May 2023 – 2 June 2023
- May 30, 2023: Information Document regarding the allocation of shares
- May 29, 2023: 2022 Dividend Payment
- May 29, 2023: Notification – buyback 23 May 2023 – 26 May 2023
- May 23, 2023: Notification – buyback 17 May 2023 – 22 May 2023
- May 19, 2023: Authorization of Banca Comercială Română as assets depository
- May 15, 2023: Initiation of the 8th share buyback program
- May 15, 2023: Investors and analysts conference call on Q1 2023 results
- May 5, 2023: Approval of the Rights/Options Granting Plan - SOP
- April 27, 2023: EGMS & OGMS Resolutions – April 27, 2023
- April 27, 2023: Ordinary & Extraordinary General Meeting of Shareholders
- April 13, 2023: Information on the EGMS and OGMS of April 27/28, 2023

- April 3, 2023: Holding sales
- March 28, 2023: Asset Depository Change
- March 24, 2023: EGMS & OGMS Convening Notice – April 27, 2023
- March 1, 2023: EVERGENT Investments approves the Group's ESG Policy
- March 1, 2023: Investors and analysts conference call – March 2, 2023
- February 28, 2023: Asset evaluation methods
- January 27, 2023: Manager's transactions – art. 19 Market Abuse Regulation
- January 17, 2023: EVERGENT Investments takes a credit facility
- January 13, 2023: Threshold notification < 5%
- January 11, 2023: Manager's transactions – art. 19 Market Abuse Regulation
- January 10, 2023: Manager's transactions – art. 19 Market Abuse Regulation
- January 9, 2023: Manager's transactions – art. 19 Market Abuse Regulation

B. PERIODIC REPORTS

- December 15, 2023: NAV as of date 30 November 2023
- November 15, 2023: NAV as of date 31 October 2023
- November 15, 2023: Q3 2023 Report
- October 13, 2023: NAV as of date 30 September 2023
- September 15, 2023: NAV as of date 31 August 2023
- September 15, 2023: H1 2023 Consolidated Report
- August 14, 2023: NAV as of date July 31, 2023
- August 11, 2023: H1 2023 Report
- July 14, 2023: NAV as of date 30 June 2023
- June 15, 2023: NAV as of May 31, 2023
- May 15, 2023: Q1 2023 Report
- May 15, 2023: NAV as of April 30, 2023
- April 27, 2023: 2022 Annual Report
- April 13, 2023: NAV as of March 31, 2023
- March 15, 2023: NAV as of February 28, 2023
- February 28, 2023: 2022 Preliminary financial results
- February 15, 2023: NAV as of January 31, 2023
- January 20, 2023: 2023 Financial Calendar
- January 13, 2023: NAV as of December 31, 2022

Statement regarding the application of corporate governance principles

In compliance with the provisions of the FSA Regulation no. 9/2019 for the amendment and completion of the FSA Regulation no. 2/2016 on the application of the corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority

No.	Rules for corporate governance principles application	Compliance		If NO, explain
		YES	NO	
1.	The regulated entity has stated in its Memorandum of Association, the basic responsibilities of the council regarding the implementation and abidance by the corporate governance principles.	X		
2.	The corporate governance structures, positions, competencies and responsibilities of the Board and executive management/ higher management are stated in internal policies and/or internal regulations.	X		
3.	The annual report of the regulated entity is accompanied by an explanatory note which describes relevant events in connection to the application of corporate governance principles, recorded during the financial year.	X		
4.	The regulated entity has drafted a communication strategy with the interested parties in order to insure proper information.	X		
5.	The structure of the council insures, depending on the case, a balance between the executive and non-executive members so that no individual or close group of individuals can influence the decision-making process.	X		
6.	The council meets at least once every three months in order to monitor the way the activity of the regulated entity is carried out.	X		
7.	The Board or executive/ higher management, depending on the case, regularly examines the policies regarding financial reporting, internal control and the risk administration/management system adopted by the regulated entity.	X		
8	In its activity, the Board is supported by a remuneration committee that issues recommendations.	X		
9	The remuneration committee submits to the Board the annual reports on its activity.	X		
10	In its activity, the Board has the support of consultative committees that issue recommendations regarding various issues that are the object of the decision-making process.	X		
11	Consultative committees submit the Board materials/reports regarding issues entrusted by these.	X		
12	In the internal procedures/policies/regulations are provisions regarding the selection of nominations for the individuals in the executive/higher management, the appointment of new individuals or extending the mandate of those already existent.	X		
13	The regulated entity makes sure that the members of the executive management/ higher management receive professional training so that they can fulfill their attributions efficiently.	X		
14	The key positions are set in such a way so that they are proper for the organizational structure of the regulated entity, and according to the regulations applicable to it.	X		
15	The Board regularly analyze the efficiency of the internal control system of the regulated entity and the updating method, in order to ensure a rigorous management of the risks the regulated entity is exposed to.	X		
16	The audit committee makes recommendations to the Board, regarding the selection, appointment, name and replacement of the financial auditor, as well as the terms and conditions of its remuneration.	X		
17	The Board analysis, at least once a year and makes sure that the remuneration policies are consistent and have an efficient risk management.	X		
18	The remuneration policy of the regulated entity is foreseen in internal regulations that target the implementation and abidance by the corporate governance principles.	X		
19	The Board has adopted a procedure for the purpose of the proper identification and solving of conflict of interest cases.	X		
20	The executive management / higher management, depending on the case, informs the Board about conflict of interest once these occur and does not participate to the decision-making process connected to the conflict state, if these structures or individuals are involved in that particular conflict state.	X		
21	The council analyses, at least once a year, the efficiency of the risk administration /management system of the regulated entity.	X		
22	The regulated entity has drafted procedures regarding the identification, evaluation and management of significant risks to which it can or will be exposed.	X		
23	The regulated entity has clear action plans to ensure the continuity of the activity and for emergency situations.	X		
24	The branch Board applies internal governance principles and policies similar to those of the parent company, unless there are other legal requirements that lead to the establishment of own policies.	X		

Claudiu Doroș
President and CEO

Gabriel Lupașcu
Compliance Officer

Annex 6

Statement on compliance with the BSE Corporate Governance Code

Provisions of BSE Code		Compliance
A.1	All companies must have an internal regulation of the Board that includes the reference terms/responsibilities of the Board and key management positions of the company, which involve, among others, the General Principles in Section A.	YES
A.2	The provisions of conflict of interest management must be included in the Council's regulation	YES
A.3	The Board of Directors or Board of Supervisors should comprise at least five members	YES
A.4	The majority of the members in the Board of Directors should not have an executive position. At least one member of the Board of Directors or Board of Supervisors should be independent in case of Standard Category Companies. In case of Premium Category companies, no less than two non-executive members of the Board of Directors or Board of Supervisors should be independent (*four members in the Board of Directors are independent*).	YES
A.5	Other professional engagement and obligations, relatively permanent of one member of the Board, including executive and non-executive positions in the Board of some non-profit companies and institutions must be disclosed to shareholders and potential investors before appointment and during his mandate.	YES
A.6	Any member of the Board must present the Board information regarding any relationship with any shareholder directly or indirectly holding shares that represent over 5% of all vote rights. This obligation refers to any kind of relationship that might affect the position of the member regarding matters decided by the Board.	YES
A.7	The company must assign a secretary of the Board, responsible for the support of the Board's activity.	YES
A.8	The Corporate Governance Statement will inform if there has been a Board evaluation under the President or Appointment Committee, and if so, it will summarize the key measures and changes resulted from it. The Company should have a policy/guide regarding the Board's evaluation, including the purpose, criteria and frequency of the evaluation process.	YES
A.9	The Statement regarding corporate governance should contain information regarding the number of meetings of the Board and Committees over the previous year, *participation of managers* (in person or in absence) and a report of the Board and committees regarding their activity.	15 Board meetings attended by all directors
A.10	The Corporate Governance Statement should include information regarding the *exact number of independent members* of the Management Board or in the Board of Supervisors.	2 - the independence of the directors is established according to the applicable legal requirements (Law no. 31/1990).
A.11	The Board of companies in the Premium Category should set up an *Appointment Committee* comprised of non-executive members that *will manage the appointment procedure for new Board members* and will make recommendations for the Board. The majority of the Appointment Committee members should be independent.	YES
B.1	In case of companies from Premium Category, the Audit Committee must comprise at least three members and the majority of the Audit Members should be independent.	YES
B.2	The president of the Audit Committee must be an independent non-executive member.	YES
B.3	The Audit Committee should carry out an annual evaluation of the internal control system.	YES
B.4	The evaluation must consider the efficiency and coverage of the internal audit function, de adequacy of the risk management and internal control reports presented by the Audit Committee before the Board, the promptness and efficiency of the executive management in solving identified deficiencies or weaknesses following internal control and the presentation of relevant reports before the Board.	YES
B.5	The Audit Committee must evaluate the conflicts of interest, in connection to the transaction of the company and its branches with affiliated parties.	YES
B.6	The Audit Committee must evaluate the efficiency of the internal control system and risk management system.	YES
B.7	The Audit Committee must monitor the application of legal standards and internal audit standards accepted. The Audit Committee should receive and evaluate the reports of the internal audit team.	YES
B.8	Every time the Code mentiones reports or analysis initiated by the Audit Committee, these must be followed by periodical reports (at least on an annual basis) or ad hoc reports to be later presented to the Boards.	YES

B.9	No shareholder can be awarded preferential treatment in comparison to other shareholders in connection to transactions and agreements entered by the Company with shareholders and their affiliates.	YES
B.10	The Board should adopt a policy to make sure that any transaction of the company with any of the company it is closely connected to and whose value is equal or larger than 5% of the assets company's net assets (according to the latest financial record) is approved by the Board following a mandatory opinion of the Audit Committee and correctly present to the shareholders and potential investors, as long as these transactions are entered in the category of events that are object of the reporting requirements.	YES
B.11	Internal Audits should be carried out by a structurally separate division (Internal Audit Department) from within the Company or through the employment of an independent entity.	YES
B.12	For the purpose of ensuring the fulfillment of the main functions of the internal audit department, this should report to the Board from a functional point of view. For administrative purposes and within the obligations of management to monitor and reduce risks, these should report directly before the general manager.	YES
C.1	The Company should publish on its website its remuneration polity and include in the annual report, a statement regarding the implementation of the remuneration policy during the annual period that is object of the analysis.	YES
D.1	The company should set up an Investor Relations Department - indicating to the public the person / individuals responsible or *organizational unit.* Besides the information requested by legal provisions, the company should include on its website a section dedicated to Investors' Relations, in the Romanian and English language, with all relevant information that might interest the investors, including:	YES
D.1.1	Main corporate regulations: Memorandum of Association, procedures regarding the General Shareholders Meetings.	YES
D.1.2	Professional CVs of the members of the company's management bodies of the Company; other professional engagements of the Board's members, including executive and non-executive positions in the company's management boards or in non-profit institutions;	YES
D.1.3	Current and periodical reports (quarterly, half-yearly and annually) – at least those foreseen under point D8 – including current reports with detained information concerning the non-compliance with the present Code;	YES
D.1.4	Information regarding shareholders' general meetings: agenda and informative materials, selection of Board members; arguments supporting the candidate proposed to be elected in the Board, along with their professional CVs; shareholder's questions regarding items on the agenda and answers of the company, included adopted resolutions;	YES
D.1.5	Information regarding corporate events, such as dividend payment and other distributions to shareholders, or other events that lead to the acquiring or limitations of a shareholder's rights, including the deadlines and principles applicable to these operations. This information shall be published within a deadline that allows investors adopt investment decisions;	YES
D.1.6	Name and contact details of an individual who, on request can supply information	YES
D.1.7	Company's presentation (e.g., presentations for investors, presentations regarding quarterly results, etc.) financial reports (quarterly, half-yearly, annual) audit reports and annual reports.	YES
D.2	The company shall have a policy regarding annual dividend distribution or distribution of other benefits to shareholders proposed by the General Manager or Directorate and approved by the Board, as a set of directorate guidelines that the company intends to follow regarding the distribution of net profit. The main annual policies for the distributions to shareholders will be published on the company's website.	YES
D.3	The company will adopt a policy regarding forecasts. Forecasts refer to the quantified conclusions of some studies that aim to certain the global impact of a number of factors regarding a certain value (so called hypothesis): through its nature, this forecast has a high level of uncertainty, the real results can significantly differ from the initially presented forecasts. The forecast policy will set the frequency, period considered and forecast content. If published, the forecasts can be included only in annual, half-yearly and quarterly reports. The forecast policy will be published on the Company's internet page.	YES
D.4	The rules of the general shareholders' meeting should not limit the participation of shareholders to the general meetings and their exercising their votes. The modifications of the rules come into force, on the following meeting of shareholders.	YES
D.5	External auditors will be present at the general shareholders' meeting when their reports are presented during the meeting.	YES
D.6	The Board will present the annual general shareholders' meeting a short ascertainment of the internal control sand significant risk management systems, as well as opinions on issues presented before the general meeting.	YES

D.7	Any specialist, consultant, expert of financial analyst can be present during the shareholders' meeting based on a prior invitation from the Council. Accredited journalist can participate to the general shareholders' meeting with the exception of the case when the President of the Board decides otherwise.	YES
D.8	Quarterly and semi-annual financial statements will include information in the Romanian and English language regarding key factors that influence changes on the level of the sales, the operational profile, net profit and other relevant financial indicators, from one quarter to the other and from year to the other.	YES
D.9	A Company shall organize at least 2 meetings/ teleconferences with analysts and investors per year. The information presented with such occasion will be published in the Investors' Relation section on the Company's internet page on the date of the meetings/ teleconferences.	YES
D.10	In case a company supports various forms of artistic and cultural events, sporting events, educational or scientific events and considers that their impact on the innovative nature and competitiveness of the company are part of its mission and development strategy, shall publish its *policy regarding its activity in this field.*	YES

Claudiu Doros
President and CEO

Gabriel Lupaşcu
Compliance Officer

Annex 7

2023 Remuneration report, in accordance with the Remuneration Policy approved by the Ordinary General Meeting of Shareholders of EVERGENT Investments for the members of the management structure (directors and executive managers)

Key Information

The present Remuneration Report offers shareholders a full and accurate picture of the remuneration offered to its leaders by EVERGENT Investments SA, so that shareholders, potential investors and other stakeholders may assess remunerations in relation to the company's long-term results and may measure the average and long term evolution of the leaders' remuneration, especially in relation to the company's performance.

In 2023 EVERGENT Investments once again demonstrated the performance of its business model and recorded a net result of 203.8 million lei, an increase of 72.8% compared to the previous year.

The company continued the predictable dividend policy of the last 15 years and started the distribution of 82.7 million lei to its shareholders on 28 June 2023. The amount allocated to the distribution of dividends to shareholders represents a pay-out ratio of 70% of the company's net income. The dividend yield for 2022 is 7.26%, calculated on *ex date*.

The remuneration policy of the directors approved by shareholders in the General Meeting of 28th January 2021 is one of the *key instruments* through which shareholders confirm the importance of the company's management structure. Thus, the contribution to the business strategy and continuity of leadership is validated in agreement with the long-term interests of shareholders, ensuring the sustainability and development of EVERGENT Investments, in the interest of all stakeholders.

The methods and level of remuneration of the members of the management structure connect individual performance and the performance of the Board of Directors with the performance of the company, reflected in the main performance indicator namely net result, comprised of net profit and net gain on the sale of financial assets classified at fair value through other comprehensive income (treated as per IFRSS).

Comparison between management expenses of EVERGENT Investments (self-managed fund) and management committees of share funds

In 2023, EVERGENT Investments' annual management expenses represent 1.5% of total assets under management on 31.12.2023, fixed and variable remunerations of directors, executive managers and employees of the company being included in this percentage. The level of this annual percentage of EVERGENT Investments' management expenses is 37% lower than the average of management fees of actively managed equity funds in Romania (2,4%). *The performance of the management structure* is assessed based on financial and non-financial criteria correlated with the long-term strategy.

Criteria for the granting of remuneration

The company has assessed the leaders' remuneration and performance not only for 2023, but annually, within a relevant timeframe that indicated the contribution to the constantly and long-term generated performance of EVERGENT Investments. The objective performances of the members of the management structure of EVERGENT Investments are related to the value of EVER share on BVB and the added value reflected in the results of the company.

Therefore:

1. in order to grant quarterly bonuses of a maximum value of 5% of fixed basic remunerations, the evolution of EVER share should be higher than the evolution of BET-FI index, on most trading days during the reporting period (quarter).

2. for the granting of the Annual benefits plan, a positive net result is necessary, this indicator is comprised of net profit achieved and net gain from transactions reflected in retained earnings (IFRS treatment), 5% of the net result before the registration of the benefits plan.

In 2023, net result was 203.8 million lei, and total assets on 31st December 2023 were 2,946 million lei.

In 2023, the members of the Board of Directors of EVERGENT Investments were granted net fixed remunerations of 0.13%, and executive managers of 0.07% of total assets under management on 31st December 2023. The variable remuneration for the members of the Board of Directors represents 0.23% of total assets under management, and that of executive managers is 0.14% din of total assets under management (statutory and procedural provisions).

From this perspective, the remuneration of the members of the management structure fully abides by the principles of remuneration established by community and national legislation[1], as well as the best practices of corporate governance.

From the point of view of granting the variable remuneration component as shares, applicable regulations foresee that <u>at least 50%</u> of the annual benefits plan should be granted in company shares. Nevertheless, the members of the Board of Directors, executive managers and a large part of employees have been choosing since 2018 to receive 100% of variable remuneration <u>in shares</u>, through *stock option plan* type programs, which indicates the <u>alignment</u> *of the interests of members of management structure and employees with those of shareholders.*

[1] ESMA Guide No. 232/2013 on sound remuneration policies in accordance with AIFMD, Law No. 74/2015 on alternative investment fund managers, Alternative Investment Fund Managers Directive - AIFMD.

We specify that no member of the management structure of EVERGENT Investments SA has received any remuneration from the companies that belong to the EVERGENT Group.

1. Applicable legal and internal framework

The annual remuneration report of EVERGENT Investments' leaders *(members of the board of directors and executive managers)* is prepared in accordance with the Remuneration Policy of Company's Leaders, approved through the Resolution of the Ordinary General Meeting of Shareholders no. 3 of 28th January 2021 and abiding by the provisions of art. 107 Law no. 24/2017 on the issuers of financial instruments and market operations, republished.

The remuneration report for 2022 will be displayed on the website www.evergent.ro and will remain available to the public free of charge, for a period of 10 years.

In accordance with the provisions of art. 107, line 4 Law no. 24/2017, EVERGENT Investments processes the personal data of the members of management structure included in the present Remuneration Report, based on the previously stated legal article.

The remuneration report for 2022 financial year was verified by financial auditor Deloitte Audit SRL, the conclusion being that it has been prepared abiding by the provisions of Law no. 24/2017 on the issuers of financial instruments and market operations:

" Regarding the Directors' Individual Report, we have read and state that it has been prepared, in all significant aspects, in accordance with the requirements of FSA Norm no. 39/2015, art 8-13. Regarding the Remuneration Report, we have read it and state that it has been prepared, in all significant aspects, in accordance with the provisions of Law 24/2017, art. 107.
Based exclusively on the activities that must be run during the audit of separate financial statements, in our opinion:

a) The information presented in the Individual Directors' Report and Remuneration Report for the financial year for which the separate financial statements were prepared, are consistent, in all significant aspects, with the separate financial statements;
b) The Directors' Individual Report was prepared, in all significant aspects, in accordance with the requirements of FSA norm no. 39/2015, articles 8-13.
c) The Remuneration report has been prepared, in all significant aspects, in accordance with the provisions of Law 24/2017, art no. 107.

Moreover, based on our knowledge and understanding of the Company and its environment, gained during the audit of the separate financial statements for the financial year ended on 31st December 2023, we are required to report if we have identified significant distortions in the Individual Directors' Report and Remuneration Report. We have nothing to report regarding this aspect."

In agreement with the provisions of art. 107, line 6 Law no. 24/2017 on the issuers of financial instruments and market operations, we mention that the Remuneration Policy related to financial 2022 has been presented for shareholders' vote, in accordance with the Ordinary General Meeting Resolution no. 3 of 27th April 2023, the opinion of shareholders, resulted following the vote, being of consultative nature. The remuneration report for financial year 2021 was approved by shareholders with a percentage of 97.81%.

1.1. Remuneration policy for the directors approved by the General Meeting of Shareholders (published on www.evergent.ro).

The remuneration report of the leaders is prepared in accordance with the Remuneration Policy approved by Ordinary General Meeting of 28th January 2021, without any deviation or derogation from the procedure regarding the application of the remuneration policy, as approved in the general meeting of shareholders.

Remuneration of leaders corresponds to the prerogatives, competence, attributions and responsibilities and the time assigned for their fulfilment.

The remuneration policy has not been revised and there have been no modifications of its content in 2023.

1.2. **Remuneration policies and practices for the personnel categories whose professional activities have a significant impact on its risk profile** – document that is specific for companies of the Alternative Investment Fund Manager type authorized by FSA (published on www.evergent.ro).

1.3. Memorandum of Association of EVERGENT Investments SA (published on www.evergent.ro).

In accordance with the provisions of art. 153^18 Companies' Law no. 31/1990, the remunerations of the members of the Board of Directors and general limits of the additional remunerations of the members of the board of directors tasked with specific functions within this body and remunerations of executive managers, are set through the Memorandum of Association, approved by the extraordinary general meeting of shareholders.

The Remuneration Report for the leaders abides by the relevant provisions of the Memorandum of Association, namely art. 7, line 11 and art. 14:

- *"Art. 7. Board of Directors – (11) The annual general limits of remunerations and bonuses for all the directors, including the supplementary remunerations of the directors in charge of specific duties, as well as of the directors, amount to 0.6% of the average total asset value of the previous year, calculated and reported in compliance with the legal provisions. Included in the general limits, the monthly remuneration for all the members of the Board of Directors is at the level of 0.015% of the average total asset value of the previous year, equally divided. The directors and managers participate in the benefit plan, inclusively paid by share allocation* *or option allocation to acquire company shares, amounting to 5% of the realized net profit and net revenue from transactions reflected in reported result. The actual level of this participation is established by the board of directors, after the approval of the annual financial statements in the General Meeting of Shareholders."*

- *"Art. 14. Remuneration Policies and Practices*

(1) *Remuneration policies and practices are compliant with legal regulations and directives applicable to A.I.F.M. and abide by the following basic principles:*

(a) *The remuneration policy is aligned with the Company's strategy and is compatible with the investment policy, risk policy, long-term values and objectives of the Company.*

(b) *The remuneration of the Company's directors, managers and employees is comprised of a fixed and a variable component.*

(c) *There is an appropriate balance between the fixed and the variable component of total remuneration, with the fixed component having a sufficiently large percentage of total remuneration to allow for a flexible policy on variable components of remuneration. The benefits plan for directors, managers and employees is also granted in shares or options to acquire shares of the company. At least 50% of the variable remuneration will consist of shares or options to acquire shares within the Stock Option Plan type programs, in compliance with the legal regulations in force.*

(d) *Variable remuneration is granted according to the achievement of the collective and individual performance targets, Company's implementation of projects and prudential management of operational risks.*

(2) *The fixed and variable component of the directors and managers' remuneration is set in Art. 7 line (11) of the Memorandum of Association. The directors and managers of the Company have the right to participate to the benefits plan as participation to the Company's profit in cash and/or in shares. The performance indicators and criteria for the granting of variable remuneration are presented in the Administration and Management Contracts".*

1.4. Administration and Management Contracts.

The contracts for the mandate for 2021-2025 were approved by the Resolution of the Ordinary General Meeting of Shareholders no. 4 of 28.01.2021, as follows:

"Approves the Administration and Management Contracts that will be entered with the members of the Board of Directors, namely executive managers, for the period of 05.04.2021 - 05.04.2025 mandate".

The main modification approved by the General Meeting were:

(i) the reduction of the fixed monthly remuneration from 6 to 5 average tariff salaries calculated on the basis of the job status valid for the last day of the previous year, with inclusion within the general remuneration limits established according to the provisions of art. 7, par. 11 of the company's Memorandum of Association;

(ii) alignment with the provisions regarding performance objective, according to the provisions of the Memorandum of Association and Remuneration Policy for the company's leaders

2. Management of EVERGENT Investments

The members of the Board of Directors for the 5th April 2021 -5th April 2025 mandate was approved by the Ordinary General Meeting of Shareholders Resolution no. 2/28.01.2021 and authorized by FSA (Authorization no. 49/30.03.2021), as follows: Doros Liviu Claudiu – President of the Board of Directors, Iancu Catalin-Jianu-Dan – Vice-president; Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu.

The consultative committees of the Board of Directors were set-up based on the Resolution of 5th April 2021, with the following members:

- *Appointing-Remuneration Committee*: Costel Ceocea – President; Octavian Claudiu Radu; Horia Ciorcila.
- *Audit Committee*: Octavian Claudiu Radu – President; Horia Ciorcila; Costel Ceocea.
- *Investment committee*: Horia Ciorcila – President; Octavian Claudiu Radu; Costel Ceocea.

The Company's executive management for the 5th April 2021- 5th April 2025 mandate is ensured by Doros Liviu Claudiu – CEO and Iancu Catalin-Jianu-Dan – Deputy CEO and was approved through the resolution of the Board of Directors on 5th April 2021 and authorized by FSA (FSA Authorization no. 59/05.04.2021) for a 4 years' mandate, namely from 5th April 2021 – 5th April 2025.

Management Committee

The Board of Directors has assigned the management of the Company to the CEO and Deputy CEO, who together form the *Management Committee,* in accordance with legal provisions and the provisions of the Memorandum of Association.

Each executive manager of the company coordinates the daily activity of certain departments according to the organizational chart and adopts individual decisions on its specific area of activity, and together they adopt decisions within the collective work body, the Management Committee, in applying the legal requirements that executive managers ensure the actual management of the company.

For this purpose, the Committee adopts decisions on:

- ✓ Implementation of the investment strategy set by the Board of Directors ;
- ✓ Implementation of the resolutions of the Board of Directors that target assigned competencies;
- ✓ Issues that fall under the competence of the Board of Directors that are to be subject to its debate and approval, which concern assigned attributions ;
- ✓ Issues that, through their nature may impact all lines of activity (business, support, compliance);
- ✓ Issues that, in order to adopt a decision, require the full understanding and harmonization of all business and compliance aspects;

- ✓ Approval of the specific procedures of company departments.

The Management Committee presents the decisions adopted and situation of running operations in the meetings of the Board of Directors and prepares regular reports on its activity.

3. Remuneration of the members of the management structure for 2023 in accordance with the Remuneration policy approved by the General Meeting of Shareholders of EVERGENT Investments

In agreement with legal and internal provisions applicable to the activity of EVERGENT Investments, the Remuneration Report provides an overall image of remunerations, including all benefits, irrespective of form, granted or owed for 2023 financial year, to the leaders individually, in a clear and easy to understand manner and in accordance with the Remuneration Policy approved by the General Meeting of Shareholders, including regarding the way in which remuneration contributes to the issuer's long-term performance.

Thus, the implementation of remuneration policies ensures:

- ✓ Performance of management act, on the long-term;
- ✓ Alignment with shareholders' interests, while prudently managing risks;
- ✓ Drawing-in of the best professionals;
- ✓ Remuneration levels correlated to responsibilities;
- ✓ Transparency for investors.

The principles applicable at the company level in terms of remuneration, as approved by the shareholders, are the specific ones for the alternative investment funds managers, namely:

a) The remuneration policy is comparable with the solid and efficient management of risks and promotes this type of management and does not encourage taking on excessive risks, reported to the risk appetite;
b) the remuneration policy is aligned with the business strategy, values and long-term objectives, as well as with the interests of the company's investors and does not generate conflicts of interest;
c) the remuneration of managers corresponds to their prerogatives, tasks, competence and responsibilities.
d) the remuneration of the managers and employees of the company consists of a fixed and a variable component;
e) there is a proper balance between the fixed and variable components of total remuneration, the fixed component having a sufficiently high percentage of total remuneration as to allow the application of a flexible policy regarding the variable component of remuneration. The benefit plan for leaders and employees is also granted in shares, as options to purchase shares of the company. At least 50% of variable remuneration will consist of shares or options to purchase shares within Stock Option Plan type program, abiding by legal regulations in force.
f) Variable remuneration is granted depending on the achievement of collective and individual performance objectives, the implementation by the company of projects

and prudential risk management. The value of variable remuneration is calculated depending on an assessment that combines individual performances and company results and performance assessment is made within a proper framework, uses both financial and non-financial criteria.

The remuneration policy approved by the ordinary general meeting of shareholders does not include clauses on the recovery periods for variable remunerations.

The remuneration structure includes:

(a) A fixed component, set on the level of responsibilities undertakes and assigned through the resolution of the management body; fixed remuneration is sufficiently large for the professional services delivered, depending on the prerogatives, tasks, competence and responsibilities of leaders.
(b) Variable remuneration, comprised of the annual benefits plan and quarterly bonuses, granted depending on the reaching of performance objectives and prudential management of operational risks.
(c) Other benefits granted to the members of the management structure: health insurance.

The remuneration structure does not encourage the taking on of risks incompatible with the risk profile, with the provisions of the Memorandum of Association and rules of the company.

In accordance with the provisions of art. 107 Law no. 24/2017 and Remuneration policy approved by the shareholders of EVERGENT , the remuneration of the members of the management structure for financial year 2023 is the following:

1. Fixed remuneration

Included in the general limits set in accordance with art. 7, line 11 of the Memorandum of Association, monthly remuneration of all members of the Board of Directors is at a level of 0.015% of total assets value average of the previous year, equally divided.

The monthly remuneration of each member of the Board of Directors is 5 average monthly tariff wages in the company.

The additional monthly remuneration of directors charged with specific functions within the Board of Directors (President and Vice-President of the Board of Directors, President and members of the advisory committees) is established by the Board of Directors, within the limit provided in art. 7, par. 11 of the Memorandum of Association.

The fixed monthly remuneration of company's executive managers entered in the Management Contracts approved by the Ordinary general meeting of shareholders is:

- at the level of 12 average monthly tariff salaries per company, for the CEO.
- at the level of 11 average monthly tariff salaries per company, for the Deputy CEO.

The average monthly tariff salary per company is set based on the functions chart valid on the last day of the previous year.

2. Variable remuneration

Variable remuneration is comprised of:
- Quarterly bonuses, within the 5% limit applied on received remuneration;
- Annual benefit plan comprised of cash and shares, 5% of net result, an indicator comprised of net profit obtained and net gain from the sale of financial assets reflected in retained earnings, calculated before the registration of the benefits plan.

Total annual remunerations consisting of the additional remunerations of directors tasked with specific functions within the Board of Directors, remunerations of executive managers and bonuses offered to directors and executive managers is granted within the 0.42% limit of the average total asset value for the previous year, in accordance with the Memorandum of Association.

Quarterly bonuses are granted with the approval of the Board of Directors, who ascertains if the granting criteria are met, that is that the evolution of EVER share price is higher than the evolution of BET-FI index, in most trading days in the reporting period (quarter).

The Benefit Plan is granted annually, following the approval of annual financial statements in the General Meeting of Shareholders.

Directors and executive managers participate to the benefit plan, plaid inclusively through the assignment of shares or options to purchase company shares, of 5% of net result, an indicator comprised of net profit obtained and net gain from the sale of financial assets reflected in retained earnings, calculated before the registration of the benefits plan, in accordance with the Memorandum of Association. The actual level of this participation is set by the Board of Directors.

The benefit plan is granted based on the assessment result of the fulfilment of the following performance objectives set in the Administration and Management contracts:
- the achievement of a positive net result, an indicator composed of the net profit realized and the net gain realized from the sale of financial assets reflected in the carried over result;
- result of the annual assessment of the adequacy of the management structure according to the criteria and procedures set by FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and individuals holding key position within entities regulated by the Financial Supervisory Authority, namely “adequate”.

The assessment of performance aligned to the risks is made annually within an adequate framework, in order to guarantee that the assessment process if based on performance and that the actual payment of variable remuneration components that depend on performance is made for a period that takes into consideration the company’s policies and their inherent risks.

The Appointing-Remuneration Committee has made the annual assessment of the management structure for 2023, according to the criteria and procedures set by FSA Regulation no. 1/2019 and ascertained the adequacy of all individuals assessed.

The benefit plan is not granted in the event of a negative net result, an indicator composed of the net profit realized and the net gain realized from the sale of financial assets reflected in the retained earnings.

Other information on the remuneration of the members of the management structure, the calculation method for each component and relative proportion of fixed and variable components are presented in Annex 7.1 as well.

Details on the Annual Modification in comparison to the previous year, on the last 5 of the net remuneration of each member of the management structure, the Company's performance (reflected in Net result) and net average remuneration of employees of the Company are presented in Annex 7.2.

Share-based remuneration

In agreement with the provisions of the [Memorandum of Association](), the directors and executive managers of the company have the right to participate to the company's benefit plan through the allocation of shares for the mandate exercise period as well. The granting of benefits as shares can also be made through Stock Option Plan (SOP) programs approved by the shareholders for the purpose of distributing "EVER" shares to the directors, executive managers and employees of EVERGENT Investments, the source being shares bought-back by the company.

Share-based remuneration has the purpose the alignment of the beneficiaries; interest in the implementation of objectives proposed and reaching long-term performance indicators, as well as the increase of the management act performance for the benefit of shareholders. At the same time, by offering shares through Stock Option Plan type programs, as part of variable remuneration tax facilities foreseen by the law for the company and for the beneficiaries are used.

Share-based remuneration is done abiding by the legal obligations for the preparation and publication of informative documents for investors, in accordance with the law.

In 2023 financial year, as part of variable remuneration for 2023, expenses with the benefits plan, including share-based, owed to the directors and executive managers of the company were also included. The actual attribution of shares will be in 2025. The market price and the number of shares calculated based on this price will be foreseen in the SOP program for 2023, following the approval of the financial statements for 2023 by the ordinary general meeting of shareholders.

The Board of Directors of EVERGENT Investments has made sure that the Remuneration Report for the members of the management structure of the company has been prepared, published and verified in accordance with applicable legal provisions.

Annex 7.1

Net, fixed and variable remunerations for each member of the management structure for year 2023

Net remunerations*** (expenses for 2023 according to the mandate exercise period) for:	Net sums granted for 2023	Value of owed shares (to be assigned and deferred for 2025*)
A. members of the Board of Directors (BD), of which	3,836,955	6,861,152
Total fixed remunerations, of which:	*3,718,344*	-
- base remunerations		
BD Member	476,712 (x5 members)	-
*- additional remunerations***		
President of the Investment Committee (prior mandate President of the Appointing- Remuneration Committee – remuneration and member of the Audit committee)	572,052	-
President of the Audit Committee (prior mandate President of the Audit Committee and member in the Appointing-Remuneration Committee)	572,052	-
President of the Appointing-Remuneration Committee (previous mandate BD President and member in the Audit and Appointing-Remuneration Committees)	190,680	-
Variable remunerations, of which:		*6,861,152*
- share-based (share-based participation to the Benefits plan)		
President of the Board of Directors	-	*879,637*
Vice- president of the Board of Directors	-	*879,637*
President of the Investment Committee	-	*1,935,194*
President of the audit Committee	-	*1,935,194*
President of the Appointing- Remuneration Committee	-	*1,231,490*
Other benefits (health insurance)	*118,611*	-
President of the Board of Directors	22,537	-
Vice-president of the Board of Directors	19,142	-
President of the Audit Committee	33,566	-
President of the Appointing- Remuneration Committee	43,366	-
B. Executive managers, of which	2,192,880	4,046,321
Total fixed remunerations, of which:	*2,192,880*	-
CEO	1,144,116	-
Deputy-CEO	1,048,764	-
Variable remunerations, of which:		
- cash (bonuses)		*4,046,321*
CEO		-
Deputy CEO		-
- as shares (share-based participation to the benefits plan)		
CEO	-	2,111,127
Deputy CEO	-	1,935,194

*- the number of shares corresponding to the value of the variable remuneration will be determined according to the price of the EVER share on the date of the option is offered, after the approval of the financial statements of 2023 by the Ordinary General Meeting of Shareholders. On the date the option is offered, EVERGENT Investments shall publish "Informative document on the *granting* of rights/options to purchase shares" prepared in accordance with Chapter 1 article 1 line (4) letter (i) EU Regulation no. 2017/1129.

** The position of president and vice-president of the Board of Directors are not remunerated in the current mandate.

*** For total gross remunerations, see section 3.5 of 2023 Annual Report

	Net remunerations (expenses for 2023) lei	%
President CEO	4,634,129	100
Fixed remuneration	1,620,828	35.0
Variable remuneration	2,990,764	64.5
Other benefits (health insurance)	22,537	0.5
Vice-president deputy-CEO	4,359,449	100
Fixed remuneration	1,525,476	35.0
Variable remuneration	2,814,831	64.6
Other benefits (health insurance)	19,142	0.4
President of the Appointing-Remuneration Committee	1,942,248	100
Fixed remuneration	667,392	34.4
Variable remuneration	1,231,490	63.4
Other benefits (health insurance)	43,366	2.2
President of the Investment Committee	2,983,958	100
Fixed remuneration	1,048,764	35.1
Variable remuneration	1,935,194	64.9
Other benefits (health insurance)	-	-
President of the Audit Committee	3,017,524	100
Fixed remuneration	1,048,764	34.8
Variable remuneration	1,935,194	64.1
Other benefits (health insurance)	33,566	1.1

Calculation method for each type of remuneration and benefits for directors and executive managers

categories	Frequency	Calculation method (according to frequency) Period 01.01.2023 -31.12.2023
Members of the Board of Directors (BD) *Fixed remunerations*		
Monthly remunerations *	*Monthly*	5 average monthly salaries (based on the employment Chart of the Company's employees at the end of the previous year), within the limit of 0.015% of the average total asset value of the previous year
Additional remunerations *	*monthly*	2 average monthly salaries for the president of the Appointing-Remuneration committee 6 average monthly salaries for the president of the Audit Committee 6 average monthly salaries for the president of the Investment Committee The President and vice-president of BD functions are not remunerated
Variable remunerations:		
Cash bonuses *	*quarterly*	5% applied on remuneration (less additional remunerations) for the quarters when the evolution of EVERGENT Investments share price is higher than the evolution of the sector index (BET-FI), on most trading days in the reporting period (quarterly)
Share-based participation to the benefits plan	*Annually*	the total annual amount of participation in the benefits of BD/MC members is 5% of the achieved net profit and of the net profit from transactions reflected in the retained earnings, before the registration of the benefit plan At least 50% of the benefit plan will be granted as shares the benefit plan is granted to directors and executive managers depending on the reaching of certain criteria identified in the Administration and Management contracts
Members of the Management Committee (MC)		
*Fixed remunerations CEO**	*Monthly*	12 average monthly salaries (based on the employment chart of the Company's employees at the end of the previous year)
*Fixed remunerations deputy -CEO**	*Monthly*	11 average monthly salaries (based on the employment chart of the Company's employees at the end of the previous year)
Variable remunerations, of which:		
Cash bonuses*	*quarterly*	% applied on remuneration (less additional remunerations) for the quarters when the evolution of EVERGENT Investments share price is higher than the evolution of the sector index (BET-FI), on most trading days in the reporting period (quarter)
Share-based participation to the benefits fund	*Annually*	the total annual amount of participation in the benefits of BD/MC members is 5% of the achieved net profit and of the net profit from transactions reflected in the retained earnings, before the registration of the benefit plan At least 50% of the benefit plan will be granted as shares

Annex 7.2

Annual change compared to the previous year, over the last 5 years, of the net remuneration of each member of the management structure, of the Company's performance (reflected in the Net Result) and of the average net remuneration of the Company's employees.

Modification (%)/year	2023	2022	2021	2020	2019
Net result (lei)	203,756,752	117,934,739	149,296,850	56,074,556	198,204,892
Annual modification (%) of the company's performance (net result)	72.8	-21.0	166.2	-71.7	112.3
Annual modification (%) of the remunerations of management structure compared to the previous years					
President CEO	42.12	-10.3	74.0	-40.6	58.6
Vice-president, deputy CEO	42.13	-13.1	76.4	-41.7	59.9
President of the Appointing-Remuneration Committee	42.74	-31.1	-3.9	-41.0	59.9
President of the Investments Committee	43.14	-16.0	31.1	-43.2	62.4
President of the Audit Committee	42.79	-17.7	30.5	-42.1	80.0
Annual modification (%) of average remuneration based on the full-time equivalent of employees	10.0	8.2	11.4	5.8	4.4

* Variable remuneration varies according to the Annual Net Result

According to the Remuneration Policy approved by shareholders, the assessment of the member of management structure is made annually, at which time it is also checked if total remuneration abides by the remuneration policy adopted and its contribution to the company's long-term performance.

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Annex 8

REPORT ON THE ACTIVITY CARRIED OUT BY THE APPOINTING - REMUNERATION COMMITTEE IN 2023

Preamble

The present report is prepared based on the provisions of Regulation no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority, applicable on 01.01.2020, with its later amendments and additions and shall accompany the 2023 Board of Directors' report related to the separate financial statements (Annex 8 to the Report).

Presentation of the Appointing –Remuneration Committee

The Appointing-Remuneration Committee is a permanent committee with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors.

The Committee assists the Board of Directors in fulfilling its responsibilities in the field of appointing management members and their remuneration.

The Committee is comprised of at least 2 non-executive members, of whom at least one is an independent member, in that it abides by the independence principle foreseen by art. 18 of *FSA Regulation no. 1/2019 on the assessment and approval of the members of the management structure and individuals holding key-positions within entities regulated by the Financial Supervisory Authority*.

The current members of the Appointing-Remuneration committee are set by the resolution of the Board of Directors on 05.04.2021, namely: Costel Ceocea - president, Horia Ciorcilă - member, Octavian Radu - member.

The attributions and responsibilities of the Committee are foreseen in the internal regulation „Procedures regarding the organisational structure and administrative, accounting requirements and control and protection devices in the field of electronic data processing, as well as adequate internal control mechanisms", AIFM authorized, namely:

Attributions, responsibilities:

(a) It drafts recommendations regarding the appointing policy applicable to managers and directors of the company to be presented for the approval of the Board of Directors.

(b) It endorses, prior to the approval by the Board of Directors, and follows-up the abidance by the remuneration policy for managers, directors and employees of the company, prepared and applied by the company's executive management. If they identify irregularities in the preparation or application of the remuneration policy, the members of the committee immediately notify in writing the executive management on the situations found and seek their correction, informing the members of the Board of Directors accordingly. The executive management is bound to submit a written response to the committee within 3 working days from the date of receiving the notification, which in turn will inform the members of the Board of Directors. In case the executive management refuses or unjustifiably delays the application of modifications requested by the Committee, the Board of Directors is bound to submit FSA a report on the irregularities identified within the remuneration policy of EVERGENT Investments SA. The report is submitted within 10 working days from the written notification of the Appointing-Remuneration Committee.

(c) It can draft recommendation on the remuneration policy on the level of EVERGENT Investments Group;

(d) It submits to the Board of Directors the annual report regarding remuneration and other advantages offered to the managers and directors during the financial year;

(e) It is informed about the documentation that is provided to the financial auditor for the analysis of transactions reported in accordance with Art. 108 of Law no. 24/2017 on legal documents concluded with the managers and directors; following the audit report it will recommend measures to be taken, if necessary;

(f) It prepares recommendations regarding the covering of vacant positions in the Board of Directors, abiding by GMS resolutions and applicable law;

(g) It prepares recommendations regarding the adopting of the resolution of the Board of Directors and/or executive management for the appointing, employment, discharge of office or dismissal of department managers and staff in key positions and control position, as well as for setting the their indemnity level and their rights and obligations;

(h) It regularly assesses the level of acquirement and application of specialized knowledge and makes recommendation regarding the continuous update process of the professional knowledge of directors and executive managers;

(i) it makes recommendations for the improvement of knowledge regarding the activity of the company for the purpose of applying the best corporate governance practices;

(j) it monitors the compliance with the requirements and obligations of transparency, information and reporting, regarding the information in this area of activity.

The activity of the Appointing-Remuneration Committee in 2023 covered the following aspects:

A. Annual review of the general principles of the remuneration policy and the evaluation of compliance with the remuneration policy

<u>Legal and internal regulations of remuneration policy</u>

1. Remuneration policy for the directors of the Company, approved by the resolution of the ordinary general meeting of shareholders no. 3 on 28th January 2021.
2. Remuneration policies and practices for the personnel categories whose professional activity has a significant impact on its risk profile;
3. Guide on solid remuneration policies, in accordance with AIFMD;
4. Memorandum of Association , Art. 7. Board of Directors – line 11;

”(11) The annual general limits of remunerations and bonuses for all the directors, including the supplementary remunerations of the directors in charge of specific duties, as well as of the directors, amount to 0.6% of the average total asset value of the previous year, calculated and reported in compliance with the legal provisions. Included in the general limits, the monthly remuneration for all the members of the Board of Directors is at the level of 0.015% of the average total asset value of the previous year, equally divided. The directors and executive participate in the benefit plan, inclusively paid by share allocation or option allocation to acquire company shares, amounting to 5% of the realized net profit and net revenue from transactions reflected in reported result. The actual level of this participation is established by the board of directors, after the approval of the annual financial statements in the General Meeting of Shareholders".

5. Administration and Management Agreements for the mandate corresponding to 2021-2025 approved by the resolution of the Ordinary General Meeting of Shareholders no. 4 on 28.01.2021.
6. The collective employment contract regulates the fixed and variable remuneration for employees and performance indicators for each job category.

Presentation of the remuneration policy. Responsibilities of the Appointing-Remuneration Committee

The remuneration policy is applied to personnel from all levels of organisational structure within the company and represents the framework of remuneration policies for EVERGENT Investments Group. Variable remuneration for companies running new investment programs may also be granted before they become profitable, if the granting of the remuneration is sustainable, depending on the financial status of the entity and justified by the performance of the project status, evaluated in a multiannual framework that is specific for the investment. The result of the evaluation and level of remuneration are approved by the executive management of EVERGENT Investments, with the recommendation of the Appointing-Remuneration Committee.

The Appointing-Remuneration committee is responsible for the management of the remuneration and appointing policy:

(a) it analyses and makes sure that the remuneration and benefits policy and recommendations of the governing body correspond to the long-term business strategy, objectives, values or interests of EVERGENT Investments; for this purpose it analyses and makes recommendations to the Board of Directors regarding the remuneration policy and informs the Board of Directors about possible irregularities identified in the preparation or application of the remuneration policy;

(b) it is responsible for preparing decisions regarding remuneration;

(c) it directly supervises the remuneration of staff with management and control functions;

(d) it annually analyses the general principles of the remuneration policy and informs the Board of Directors about their application; it provides an independent internal assessment of the abidance by the remuneration policy:

The Committee has analysed the items on the Board of Directors' agenda regarding the remuneration policy, to be approved by the Board of Directors:

1. Prior approval regarding the revision of "Remuneration policies and practices for personnel categories whose professional activities have a significant impact on its risk profile" of EVERGENT Investments SA – FSA authorized AIFM.
2. Prior approval of the revision of "Evaluation Policies and Procedures for individuals from the management structure and individuals covering key positions within EVERGENT Investments", for alignment to the provisions of FSA Regulation no. 20/2021
3. Prior approval of the variable remuneration structure for 2022 and recommendation to the Board of Directors to approve the granting of variable remuneration to directors, executive managers and employees, as follows:

   - in cash – maximum 50% of variable remuneration, share-based – the right to receive free of charge a number of 7.708.908 EVER shares, for a unit price of 1,2850 lei, closing price on 26.04.2023, the date before the approval of the Stock Option Plan

The exercise of the right to receive free shares: following the expiry of the 12 months' term from the date the *share-based payment agreement* is entered between the Company and beneficiaries. At the time right is exercises, the company will enter a *contract to exercise the transfer option* with each beneficiary.

4. Endorsement of the assessment of the employees' professional performance for 2022.
   The committee has also analysed the application of internal regulations provisions "Policies and procedures for the assessment of individual in the management structure and individuals holding key functions in EVERGENT Investments", in the process of assessing the professional performance of employees in 2022, namely:
   - ✓ Setting the variable remuneration in correlation with the degree of achievement of performance objectives.
   - ✓ The granting of variable remuneration based on the results of the assessment of professional performance, using quantitative and qualitative assessment criteria that were set as follows:
   - For directors - according to the provisions of the Memorandum of Association, Administration agreements approved by the General Meeting of Shareholders;
   - For executive managers - according to the provisions of the Memorandum of Association, the Management Agreements approved by the General Meeting of Shareholders and resolutions of the Board of Directors;
   - For employees – according to the provisions of the collective employment contract and individual employment contract, the criteria being usually set on a yearly basis.
5. Prior approval and recommendation to the Board of Directors to approve the granting of the quarterly bonus fund for directors, managers and employees, making sure that it abides by budget provisions and the abidance by the provisions in the Management Agreements, Administration agreements and collective employment contract; the Committee has endorsed the suggestions of executive management regarding the granting of the bonus fund for employees, with the abidance by the criteria foreseen in 2023 Collective Employment Contract.
6. Prior endorsement and recommendation of the Board of Directors to approve the Collective Employment contract negotiated with the representatives of management with the representatives of employees, that is to come into force starting on 01.01.2023.

Conclusion: The Committee has examined the general principles of the remuneration policy, the way the remuneration policy is abided by and ascertained the adequacy of criteria and their application in 2023.

The Committee has monitored the abidance by the provisions of art. 21 Law no. 74/2015 regarding the publication of fixed and variable remunerations, on personnel categories:

- ➢ In the annual report of the Board of Directors – in chapter *expenses with personnel,* presenting the salaries, indemnities and bonus fund that represent part of variable remuneration.
- ➢ In the explanatory notes to the separate financial statements that present the following information:
  - Names of the members of the Board of Directors, namely their qualities (including the directors);
  - Number of individual employment contracts, management contracts and administration contracts;
  - Wages and indemnities paid based on the individual employment contracts, management contracts and administration contracts that include the fixed remuneration paid as well as the bonus fund that is part of variable remuneration;

- Variable remuneration paid to employees, in cash and share-based through the *stock options plan* program*;*
- Variable remuneration paid to directors (two of them also fulfilling the position of CEO, namely deputy CEO), in cash and in shares offered through the *stock options plan* program

B. Assessment of the adequacy of individuals in the management structure and key positions, in accordance with new legal provisions stipulated by FSA Regulation no. 1/2019

1. The Committee has presented the Board of Directors reports *regarding* the assessment of the adequacy of individual from management structure and with key positions, in accordance with FSA Regulation no. 1 /2019 regarding:
   1) Annual assessment (for 2022) of the adequacy of individuals in management structure (individual and collective assessment)
   2) Annual assessment of the adequacy of key positions, assessment of the adequacy of the individual newly appointed for the Compliance Officer position. *Assessment conclusion* the committee has ascertained the adequacy of individuals from the management structure and with key positions. The assessment sheets and matrixes approved by the Appointing and Remuneration Committee were used in the assessment.

C. Measures for the application of 2020-2026 Succession Plan. Recommendations regarding the appointing policy within EVERGENT Investments

1. The Appointing-Remuneration committee has made recommendations to the Board of Directors for the application of 2020-2026 succession plan regarding:
   - Set-up of new positions;
   - Initiation/ acceleration of the selection and recruitment procedure in 2021, including by contracting outside specialized consultancy for the newly set-up positions and existent vacant positions.
2. According to its responsibilities, the Committee issues recommendations for the purpose of adopting the Board of Directors' decision for the employment, discharge of function, namely firing of department directors and individuals holding key positions. In exercising these responsibilities, the committee recommended appointing Mr Gabriel Lupaşcu as Compliance Officer, according to FSA Regulation no. 1/2019.

D. Abidance by the appointing and remuneration policies on the level of EVERGENT Investments Group

Recommendations were prepared for companies in EVERGENT Investments Group in 2022, as follows:

1. Subsidiary Mecanica Ceahlău SA – recommendation regarding the remuneration of executive managers and members of the Board of Directors;
2. Subsidiary Agrointens SA:
   – recommendation regarding the appointing and remuneration of the interim CEO
   - recommendation regarding the appointing and remuneration of the CEO
   - recommendation on the extension of director mandates and implementation of corporate governance principles;
   - recommendation regarding the appointing of the members of the Board of Directors, their mandate duration and remuneration
3. Subsidiary CASA SA: recommendation regarding the appointing of a new candidate in the Board of Directors

4. Subsidiary EVER AGRIBIO SA: recommendation on the appointing of a new candidate in the Board of Directors, update of Administration Contracts and remunerations for BD members.

E. Recommendations to executive management on the appointing of candidates for the position of managers in companies in EVERGENT Investments portfolio, submitted for the approval of GMS of that particular companies, according to the procedures regarding the selection and appointing process for individuals in the Boards of Directors of companies in the portfolio

Internal Regulation

The appointing of employees of EVERGENT Investments in companies from the entity's portfolio is a expressly standardized in "Guideline regarding the selection and appointing process of individuals supported by EVERGENT Investments in the Board of Directors of companies in which it is shareholder", annex to the Procedure "Exercise of EVERGENT Investments' attributions as shareholder in companies from Private-Equity, Financial- Banking, Energy-Industrial and - SELL Portfolios".

According to this procedure, in the analysis process of convening notices for GMSs of companies in the portfolio in 2023, based on the selection principles and criteria set, directors have submitted for the approval of the Appointing-Remuneration Committee some candidates for the director position in companies from EVERGENT Investments' portfolio, that were later submitted for the approval of the GMS in that respective company, according to legal provisions.

Note: The half-yearly activity reports of the Appointing-Remuneration committee related to 2023 were approved by the Board of Directors.

Evergent

INVESTMENTS

2023 Board of Directors' Report
relating to the Consolidated Financial Statements

DIFERIȚI PRIN SERVICII ÎNCÂNTĂTOARE ISO 9001 SYSTEMA CERTIFICARI SRL

SERVICII DE CERTIFICĂRI SISTEME SCS ISO 27001

Contents:

Annexes:

Yearly report in accordance with: *Law no. 24/2017, Title III - Issuers whose securities are admitted to trading on a regulated market; Chapter III – Regular Information; FSA Regulation no. 5/2018 on the issuers of financial markets and market operations; FSA Rule no. 39/2015 on the approval of accounting regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA.*
Report date: *25th March 2024*
Issuer name: *EVERGENT Investments SA*
Headquarters: *Pictor Aman Street no. 94 C, Bacău*
Phone/fax/e-mail: *0234576740 / 0234570062 / office@evergent.ro*
Sole registration no.: *2816642*
Trade Registry: *J04/2400/1992*
EUID: ROONRC. J/04/2400/1992
LEI: *254900Y1O0025N04US14*
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

NOTE 1 - to allow for a comparison of information, EVERGENT Investments maintains the same structure of the consolidated yearly reports.
NOTE 2 – Figures in the report are presented in lei, unless another measurement unit is stated

1. Presentation of the development and performance of EVERGENT Investments Group's activities

EVERGENT Investments SA ("The Company" or "EVERGENT Investments") is classified, according to applicable regulations as Alternative Investments Fund of the Investment Companies Type – F.I.A.S., category: Alternative Investment Fund intended for Retail Investors (AIFRI), authorized by the Financial Supervisory Authority with Permit no. 101/25.06.2021 and functions abiding by the provisions of Law no. 74/2015 on the managers of alternative investment funds, Law no. 24/2017 on the issuers of financial instruments and market operations, Companies' Law no. 31/1990 and FSA regulations issued to apply primary law.

Its purpose is to increase the value of assets under management.
The Company's main business activity consists in financial investments.
Its object of activity consists in:
a) portfolio management;
b) risk management;
c) other auxiliary activities related to collective administration activities permitted by the legislation in force.

The Company is self-managed under a one-tier system.
The shares issued by EVERGENT Investments SA are listed on Bucharest Stock Exchange (BSE),

primary market, Premium category, symbol "EVER"
The shares and shareholders' record is kept according to the law by Depozitarul Central S.A.
The assets deposit services are provided by BCR – a company authorized by the Financial Supervisory Authority. Up until May 2023 the assets deposit services were provided by BRD-GSG. The change of depositary took place based on FSA authorization no. 74/18.05.2023 on depositary change approval.

1.1. Consolidation Area

The consolidated financial statements on 31st December 2023 cover the Company and its subsidiaries (hereinafter referred to as the "Group" as well as the Group's interests in its associates.

Subsidiaries are entities under the Group's control. Control represents the power to lead the financial and operational policies of an entity in order to obtain benefits from activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the time control begins to be exercised up to the time control ceases. The accounting policies of the Group's subsidiaries have been modified for the purpose of aligning them to those of the Group.

Associates are those companies in which the Group can exercise a significant influence, but not control over their financial and operational policies.

The consolidated financial statements include the Group's share in the results of the associates based on the equivalence method, from the date that the Group started to exercise significant influence until the date this influence ceases.
On 31st December 2023, EVERGENT Investments Group holds investments in one associate, Străuleşti Lac Alfa S.A., a holding of 50%.

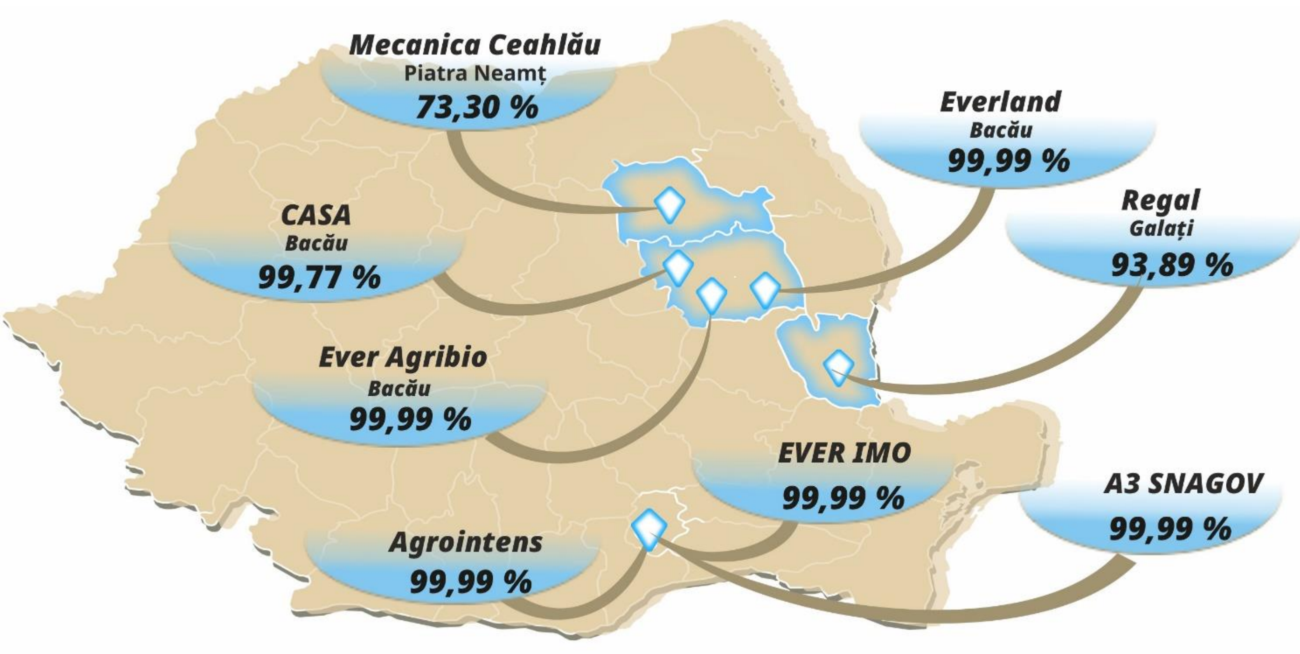
The policies of the Group regarding consolidation grounds can be found in the explanatory notes to the Group's *consolidated financial statements*.

Members of EVERGENT Investments Group:

No.	Subsidiary name	Direct holding of EVERGENT Investments – parent company%	Share of the Group's total assets % 31.12.2023	Company type (closed/listed)	Activity
1	EVERLAND SA	99.99	1.68	Unlisted	Real estate
2	EVER IMO SA	99.99	2.41	Unlisted	
3	REGAL SA	93.89	0.31	Unlisted	
4	MECANICA CEAHLĂU SA	73.30	2.46	BVB–REGS (MECF)	Agriculture and agricultural machines
5	AGROINTENS SA	99.99	1.69	Unlisted	
6	EVER AGRIBIO SA	99.99	0.10	Unlisted	
7	CASA SA	99.77	1.26	Unlisted	Rental/sub-rental of real property and support for EVERGENT Investments
8	VISIONALFA INVESTMENTS SA	99.99	0.01	Unlisted	AIFM – no activity
9	A3 SNAGOV SRL*	99.99	0.24	Unlisted	Real estate
	Total		10.16		

* A3 Snagov SRL Subsidiary, set-up in June 2021, is held by EVERGENT Investments indirectly, through EVERLAND SA, holding 100% din of its shares.

Subsidiaries EVER AGRIBIO SA and VISIONALFA INVESTMENTS SA were set-up in September, namely August 2022, EVERGENT Investments holding 99.99% of their shares.



Statement of mutual holdings included in the consolidated area - 31.12.2023

Subsidiary name	Shareholders	% interest
Agrointens SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	*100*
Everland SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	*100*
Casa SA	EVERGENT Investments SA	99.77
	Other shareholders	0.23
	TOTAL	*100*
EVER IMO SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	*100*
Regal SA	EVERGENT Investments SA	93.89
	A.A.A.S. BUCUREȘTI	2.44
	Other shareholders	3.67
	TOTAL	*100*
Mecanica Ceahlău SA	EVERGENT Investments SA	73.30
	NEW CARPATHIAN FUND	20.21
	Other shareholders	6.49
	TOTAL	*100*
Ever Agribio SA	EVERGENT Investments SA	99.9997
	CASA SA	0.0003
	TOTAL	*100*
Visionalfa Investments SA	EVERGENT Investments SA	99.99
	Other shareholders	0.01
	TOTAL	*100*
A3 Snagov SRL	Everland SA	100%

1.2. Summary on subsidiaries (object of activity, main financial results)

The main activities of the Group are the financial investment activities carried out by the Company, as well as the activities carried out by the subsidiaries which mainly consist in the following activities:

- manufacture and sale of agricultural machines
- real-estate development
- lease and sub-lease of own or rented property
- cultivation of fruit-bearing shrubs (blueberries) and
- consultancy for business and management.

In the following we briefly present the main financial highlights for the Group companies.

1.2.1. Mecanica Ceahlău S.A.

The company's main object of activity is the manufacture of agricultural machines and equipment. Set-up in 1921 SC Mecanica Ceahlău SA Piatra –Neamt is today one of the most famous agricultural machinery manufacturing companies in Romania. The machines and equipment manufactured by „Mecanica Ceahlău" cover a wide range of agricultural activities.

At the same time, the company agricultural machinery and equipment (Steyr tractors, Project herbicide equipment, Stoll front loaders, etc.).

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 Evolution %
Total assets	62,466,480	68,821,682	74,953,166	109
Turnover	36,526,905	49,028,602	28,544,891	58
Profit (Loss)	1,720,446	1,856,098	(4,067,416)	n/a
ROE %	4.87	3.98	N/A	
ROA %	2.75	2.70	N/A	

In 2023, the company's activity was negatively influenced by the evolution of the agricultural sector that faced adverse weather conditions, such as draught and the import of low-price grain from the Ukraine.

1.2.2. EVER IMO S.A.

The company's main object of activity is at present real-estate development. The company was set-up in 1933.
Through EVER IMO we continue to develop the private equity portfolio, focusing real estate investments on a strategic land bank. The northern area of Bucharest has a rapid and extensive growth, both on the residential and office segments.

The company has developed residential complex Baba Novac Residence and is currently preparing the town-planning documents for a new residential project on the 16.000 square meters located on Intrarea Străulești no. 37.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 Evolution %
Total assets	75,503,343	78,672,490	73,100,184	93
Turnover	2,161,278	1,992,126	1,516,050	76
Profit (Loss)	(4,659,456)	3,717,308	(4,673,941)	N/A
ROE %	N/A	N/A	N/A	
ROA %	N/A	N/A	N/A	

The company shall re-enter an income increase cycle as projects in various stages of town-planning approval shall be started on land already held.

1.2.3. Regal S.A.

Regal S.A. was set-up in 1990, its main object of activity being at present the lease of own real-estate property.

On the reporting date, the company holds 3 commercial areas and its administrative headquarters. The company continues to sell commercial areas, in accordance with the strategy approved by the shareholders.

The company was delisted starting on 18.05.2022 based on FSA resolution no. 584 on 16.05.2022.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 Evolution %
Total assets	10,702,459	8,924,544	9,339,109	105
Turnover	299,718	316,700	339,913	107
Profit (loss)	415,740	(28,932)	226,070	N/A
ROE %	7.1	N/A	3.12	
ROA %	3.88	N/A	2.42	

Income on the rental of areas obtained in the reporting period correspond corresponds to the low number of commercial areas that the company manages.

1.2.4. Casa S.A.

Setup in 1999, the company's main object of activity is the rental and sub-rental of own or leased real estate properties.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution %
Total assets	22,738,528	24,523,039	38,192,287	156
Turnover	2,064,743	2,382,898	2,767,992	116
Profit (loss)	1,023,334	87,742	(2,853,057)	N/A
ROE %	1.87	1.44	N/A	
ROA %	4.5	0.36	N/A	

CASA purchased real-estate in Bacău, no. 94C Pictor Aman Street where it carries out its activity, renegotiated rental fees raising them in agreement with the company's activity program.

Rental income from premises generated in 2023 increased compared to previous years. The loss recorded in 2023 resulted mainly from the revaluation of investment property held by the company.

1.2.5. Agrointens S.A.

Setup in 2014, the company's main object of activity consists in the cultivation of fruit-bearing shrubs, strawberries, nut trees and other fruit-bearing trees.
The project has the purpose of setting up and developing farms for blueberry production. At present, the farms in Viştea and Mandra – Braşov county, Popeşti and Rătești –Argeş county are in various development stages. At the end of the reporting period, the planted area was of 105 ha.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution %
Total assets	37,779,163	48,138,592	51,128,423	106
Turnover	8,078,047	11,252,760	6,141,515	55
Profit (loss)	(1,881,934)	(1,047,466)	(9,371,721)	N/A
ROE %	N/A	N/A	N/A	
ROA %	N/A	N/A	N/A	

The loss was due to extremely adverse weather conditions during the 2023 season.

1.2.6. EVERLAND S.A.

The company was set-up in 2014, with the purpose of capitalizing on investment opportunities in real-estate field. The company holds assets located in the central area of Iaşi municipality, with significant real-estate development potential on all segments: residential, office and commercial.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution%
Total assets	49,770,950	52,901,642	57,198,057	108
Turnover	50,421	50,013	40,753	81
Profit (Loss)	1,602,167	2,624,785	3,437,582	131
ROE %	3.91	6.07	7.80	
ROA %	3.22	4.96	6.01	

The profit registered in 2023 resulted from the reassessment of real-estate property held by the company.

The company holds 100% of A3 SNAGOV SRL shares, company set-up in 2021 operating in the field of real-estate development (promotion).

1.2.7. EVER AGRIBIO SA

The company was setup in September 2022, and is to carry out activities in the agricultural and renewable energy fields on the 50 ha land it holds in Săuceşti commune, Bacau County.
The company is preparing the documentation for accessing non-reimbursable funds for the establishment of a blueberry plantation and logistics space.

Main financial results (IFRS restatement):

Lei	2022	2023	2023/2022 evolution %
Total assets	3,848,314	3,171,877	82
Turnover	-	-	N/A
Profit (Loss)	(223,091)	(834,760)	N/A
ROE %	N/A	N/A	
ROA %	N/A	N/A	

1.2.8. A3 SNAGOV SRL

The company was setup in 2021, based on Companies' Law no. 31/1990, with the purpose of capitalizing investment opportunities in the real-estate field, all its shares being held by EVERLAND SA.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution%
Total assets	6,298,324	6,305,129	7,387,829	117
Turnover	-	-	-	N/A
Profit (Loss)	(425)	(20,023)	929,621	N/A
ROE %	N/A	N/A	15.35	
ROA %	N/A	N/A	12.58	

1.2.9. VISIONALFA INVESTMENTS SA

The company was set-up in August 2022, but has not yet started its actual activity since the project considered did not materialize.

1.3. Influences resulted from consolidation operations

The tables below present the comparative statements of assets, liabilities and equity and comprehensive income, based on the figures in the separate and consolidated financial statements prepared in accordance with the provisions of Norm 39/2015 for the approval of accounting regulations compliant with the Individual Financial Reporting Standards ("IFRS"), applicable to entities authorized, regulated and supervised by FSA in the sector of financial instruments and investments.

1.3.1. Comparative statements of assets on 31st December 2023

Balance position	Company	Group	Differences
Cash and current accounts	1,024,388	5,632,750	4,608,362
Bank deposits with initial maturity within 3 months	299,408,624	304,399,579	4,990,955
Bank deposits with initial maturity higher than 3 months	10,724,880	13,513,579	2,788,699
Financial assets at fair value through profit or loss	347,807,747	298,338,840	(49,468,907)
Financial assets measured at fair value through other comprehensive income	2,240,394,284	2,036,197,327	(204,196,957)
Investments accounted for using the equity method	-	57,673,327	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	3,884,483	-
Bonds at depreciated cost	17,555,243	35,692	(17,519,551)
Other financial assets at depreciated cost	6,418,790	13,809,792	7,391,002
Inventory	-	48,606,721	48,606,721
Other assets	515,601	1,645,933	1,130,332
Non-current assets held for sale	212,738	4,957,804	4,745,066

Balance position	Company	Group	Differences
Investment property	4,109,000	152,216,264	148,107,264
Property, plant and equipment	10,435,507	70,355,482	59,919,975
Right-of-use assets	3,320,774	11,754,681	8,433,907
Goodwill	-	4,339,505	4,339,505
Intangible assets	402,983	1,009,148	606,165
Total assets	2,946,215,042	3,028,370,907	82,155,865

1.3.2. *Comparative statements of liabilities and equity on 31st December 2023*

Balance position	Company	Group	Differences
Loans	63,674,421	87,551,586	23,877,165
Lease liabilities	3,303,893	10,713,608	7,409,715
Dividends payable	49,950,267	49,998,003	47,736
Current profit tax liabilities	7,410,272	7,899,122	488,850
Financial liabilities at depreciated cost	1,267,195	11,974,027	10,706,832
Other liabilities	6,144,422	8,834,287	2,689,865
Provisions for risks and charges	1,632,553	4,238,609	2,606,056
Liabilities related to deferred profit tax	149,977,380	159,336,579	9,359,199
Total liabilities	283,360,403	340,545,821	57,185,418
Share capital	499,988,637	499,988,637	-
Retained earnings	1,153,588,929	1,172,329,499	18,740,570
Reserves from the revaluation of property, plant and equipment	11,305,777	21,072,031	9,766,254
Reserves from the revaluation of FVTOCI assets	1,035,679,283	1,016,061,804	(19,617,479)
Treasury shares	(66,642,400)	(66,642,400)	-
Equity-based payments to employees	24,881,378	24,881,378	-
Other equity elements	4,053,035	4,053,035	-
Total equity attributable to the company's shareholders	2,662,854,639	2,671,743,984	8,889,345
Non-controlling interests	-	16,081,102	16,081,102
Total equity	2,662,854,639	2,687,825,086	24,970,447
Total liabilities and equity	2,946,215,042	3,028,370,907	82,155,865

1.3.3. *Comparative analysis of the statement of comprehensive income on 31st December 2023*

Statement of comprehensive income	Company	Group	Differences
Income and gain/(loss)			
Gross dividend revenue	143,419,181	143,451,798	32,617
Interest income	9,909,187	9,114,506	(794,681)
Other operating revenue	1,163,202	38,524,286	37,361,084
Net gain/(net loss) on financial assets at fair value through profit or loss	39,332,779	43,701,375	4,368,596
Net gain on the sale of non-financial assets	5,490	139,168	133,678
Net gain/ (net loss) on the revaluation of real-estate property	37,290	2,063,182	2,025,892
Net loss on intangible assets held for sale	-	(32,863)	(32,863)
Expenses			
(Loss)/Loss reversal on financial assets impairment	100,129	(1,586,845)	(1,686,974)
(Loss)/Loss reversal on non-financial assets impairment	-	356,483	356,483
(Set-up)/Reserval of provisions for risks and charges	-	(395,720)	(395,720)

Statement of comprehensive income	Company	Group	Differences
Expenses with wages, remunerations and other similar expenses	(37,100,983)	(57,660,666)	(20,559,683)
Other operating expenses	(13,553,289)	(43,726,130)	(30,172,841)
Operating profit	143,312,986	133,948,574	(9,364,412)
Financing expenses	(4,084,887)	(5,855,114)	(1,770,227)
Share of the profit /(loss) of associates	-	2,302,239	2,302,239
Profit before tax	139,228,099	130,395,699	(8,832,400)
Profit tax	(14,494,674)	(16,219,088)	(1,724,414)
Net profit	124,733,425	114,176,611	(10,556,814)
Other elements of comprehensive income			
Increase/ (decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	1,530,984	3,549,175	2,018,191
Net gain/(net loss) on the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	414,997,141	435,670,706	20,673,565
Other elements of comprehensive income – not reclassified in profit or loss	416,528,125	439,219,881	22,691,756
Net gain on the revaluation of FVTOCI bonds	(185,969)	(185,969)	-
Other elements of comprehensive income – elements that will be reclassified in profit or loss	(185,969)	(185,969)	-
Other elements of comprehensive income - Total	416,342,156	439,033,912	22,691,756
Total related comprehensive income	541,075,581	553,210,523	12,134,942

Following the application of IFRS 9 „Financial Instruments" provisions, gain or loss from the sale of equity instruments (shares), depending on their classification, were reflected in profit or loss, in case of financial assets measured at fair value through profit or loss (FVTPL), or directly in Retained earnings in case of financial assets measured at fair value through other comprehensive elements (FVTOCI). Liability instruments (e.g. bonds, fund units) were reflected in profit or loss.

Consequently, managements considers the Group's performance indicator to be net profit, including along with the net profit the net gain on the sale of FVTOCI financial assets.

(Lei)	Company	Group	Difference
Net profit /(net loss)	124,733,425	114,176,611	(10,556,814)
Gain related to the transfer of FVTOCI* financial assets, net of tax, recycled in retained earnings	79,023,327	79,895,988	872,661
Net result	203,756,752	194,072,599	(9,684,153)

* *is a reclassification from other elements of comprehensive income to retained earnings*

1.3.4. Criteria for the recognition, measurement and evaluation of financial assets on 31st December 2023 and 31st December 2022

IFRS 9 "Financial Instruments" foresees an approach regarding the classification and evaluation of financial assets, approach that reflects the business model in which financial assets are managed and cash-flow characteristics.

Depending on these criteria, financial assets are classified as: FVTPL financial assets, FVTOCI financial assets and financial assets measured at amortized cost.

1.4. Development of EVERGENT Investments Group

1.4.1. The Group's objectives and strategies for 2024

The key elements of EVERGENT Investments' investment strategy and policies are based on a resource assignment that insures the sustainable development of EVERGENT Investments' activity and satisfaction of shareholders' interests, both on the short and on the long term.

The solid and sustained investment policy is based on the long-term increase of assets under management, a basic element for the consolidation of investors' trust. In essence, the investments of EVERGENT Investments are in shares of companies listed on BSE, on the two main pillars: financial-banking and energy-industrial, as well as in the development of private equity projects in real-estate and agribusiness.

Predictable dividend policy and buy-back programs to the benefit of EVERGENT Investments' shareholders

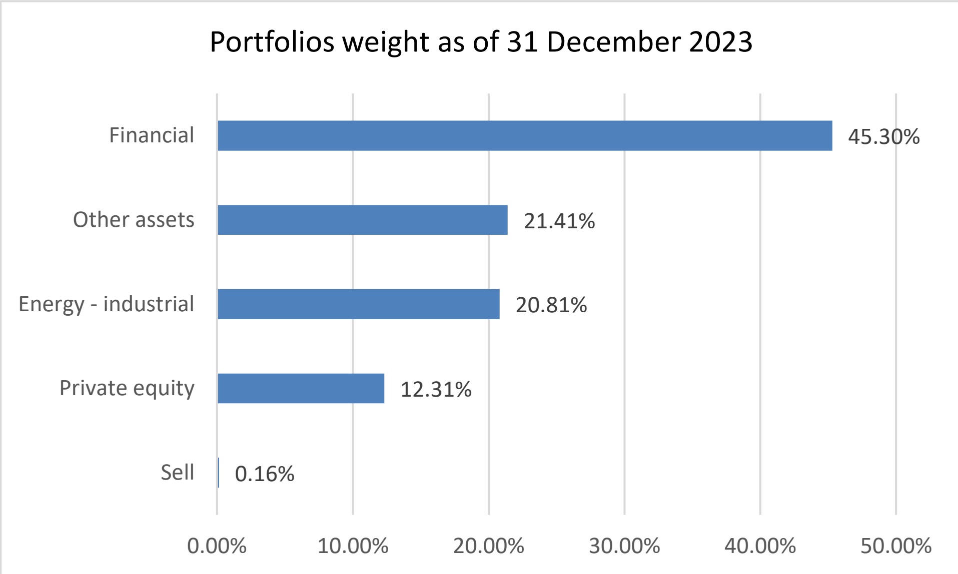
In the context of the sharp volatility of capital markets, the Board of Directors aims to find a balance between the need to provide resources for the support of investment programs to be developed, short-term expectations of shareholders, namely the distribution of dividends and long-term expectations of shareholders, namely NAV increase and indirectly, increase of EVER share price.

The Company has a predictable dividend policy and annually runs buy-back programs to ensure the liquidity of EVER shares and bring benefits to shareholders through the possibility to share their holdings for a price as close to the assets value as possible. Along with the dividends, these represent a mix that we calibrate each year both in the interest of shareholders who want to mark profit, and in the interest of those who stay with the company on the long run, and benefit from an increased assets value over time. The policy mix that includes the distribution of dividends with the possibility to subscribe to public offerings (POs), offers a higher yield than in case of classic dividend distribution, remunerating invested capital at a level higher than monetary investments.

Capital operations through the running of a new buy-back program for the purpose of lowering the share capital and engaging the interest of management and employees, in order to increase the efficiency of the management act and in agreement with legal AIFM/AIF policies on remuneration.

Maintaining the strategies defined for the assets portfolios:
- *Increase* for PRIVATE-EQUITY PORTFOLIO (PPE) - "private equity" type-approach within existent majority holdings (real-estate, agriculture, other sectors).
- *Performance increase for* the FINANCIAL BANKING PORTFOLIO (PFB) and ENERGY – INDUSTRIAL PORTFOLIO (PEI) – listed portfolios that provide liquidity to EVERGENT Investments' assets, being the main generators of revenue and sources for new investments.
- *Restructure* for SELL portfolio – sale of the historic shares portfolio

Portfolio weight in total assets value on 31.12.2023:



1.4.2. PRIVATE EQUITY Portfolio also includes the companies in EVERGENT Investments Group

On 31st December 2023, the assets of the 8 subsidiaries of EVERGENT Investments Group registered a value of 221.95 million lei, representing 9.39% of total assets of EVERGENT Investments Group.

In accordance with its *Investments Strategy and Policy*, EVERGENT Investments has a strategy of mixed allocation of resources to the capital market, in parallel with the implementation of private equity projects that will ensure an additional return on the long term.
Private equity investments target an approach focused on the real-estate and agribusiness sectors that are identified as having average to long-term increase potential. Additional opportunist investments are made in other particular interest areas.
Indirect investments in the real-estate sector, through a company controlled by EVERGENT Investments, are focusing on all branches – residential, office, commercial, etc. – either through the residential development of key properties from EVERGENT Investments' portfolio, or through new projects.

Rules applied in accordance with AIFM legislation

- ✓ Private equity-type investments through which control is obtained on unlisted companies is in the line with the multiannual investment strategies and legal risk and prudential limits of EVERGENT Investments, without representing the main investment activity.
- ✓ EVERGENT Investments is a shareholder with a holding of over 90% in all unlisted companies. In the selection and monitoring of unlisted share investments, EVERGENT INVESTMENTS applies a high level of diligence; its staff holds the adequate professional skills and abilities for the activities that are specific in the investment fields: financial analysis, legal, commercial and technical analysis, negotiation, conclusion of agreements and contracts.
- ✓ Assets are assessed in compliance with the evaluation policies and procedures, their value being reported on a monthly basis

The "private equity" type approach involves and active involvement in entrepreneurial projects, which leads to an increase of managed assets profitability and offers the possibility to compensate the risks of possible involutions of EVERGENT Investments' ownership interest in listed companies.
Some of the investments presented in the paragraphs below are in the growth/development stage while others are in the maturity stage of the business life cycle

1.4.2.1. AGROINTENS SA –Blueberry Farm Project "Extension of BLUEBERRY FARM" (*www.agrointens.ro*)

Agrointens SA is a company whose activity consists in the exploitation and capitalization of blueberry farms.

Description: The objective of the project is the setup and development of blueberry farms. At present the farms in Vistea- Braşov county, Mandra – Braşov County and Popesti and Răteşti– Arges county are in different development stages. At the end of the reporting period, the total planted area was 105 ha.

EVERGENT Investments' investment: 10.1 million euro.

Corporate events:

- ✓ OGMS on 05.04.2023 approved:
  1. 2022 financial statements along with the report of the independent financial auditor, the discharge of management and the performance indicators.

- ✓ EGMS on 06.04.2023 approved:
  1. the increase of share capital with the amount of 1,750,000 lei (the equivalent of 350,000 euro at an exchange rate of 5 lei/euro) to finance the "Extension of Blueberry Farm" investment, in accordance with the financial forecasts approved in EGMS/22.12.2022.

- ✓ EGMS on 21.04.2023 approved:
  1. revocation of Resolution no. 3 related to items 7 and 8 of EGMS Convening Notice/05(06).04.2023 regarding the collateral for the credit facility, based on the credit offer document revised by the bank on the collateral segment.
  2. approval of the collateral for the credit facility approved by EGMS on 06.04.2023 that ordered "the approval of the contracting of a loan-type credit facility, in the amount of 1,500,000 de lei", according to the justification materials presented in the EGMS.

- ✓ OGMS on 17.07.2023 approved:
  1. Election of the Board of Directors until 31.10.2023

✓ EGMS on 18.07.2023 approved:

1. The financial forecasts updated in July 2023 and revision of the indexes corresponding to "Extension of Blueberry farm Investment", including the modification of IRR value from 15.7% to 14.3% in accordance with the technical benchmarks in the justification materials for the items on EGMS agenda.
2. Increase of the share capital of AGROINTENS SA with a maximum amount of 2,000,000 lei (equivalent to 400,000 euro at a rate of 5 lei/euro) for the financing of investment "Expansion of Blueberry farm investment", achievable in stages and subject to the following principles:
   a. Cash contribution through the exclusive contribution of majority shareholder EVERGENT Investments SA of 1,000,000 lei, with subscription and pay-up term within maximum 3 work days from the date on which the EGMS resolution is adopted.
   b. Cash contribution through the contribution of shareholders, at the company's justified request, the subscription and pay-up stage is to take place by the 31st December 2023.
3. Increase of share capital with the amount of 1,000,000 lei, for the purpose of financing the first stage of operational and development stages of project "Extension of Blueberry Farm". The share capital is increased from 43,269,120 lei to 44,269,120 lei, through the issue of a number of 100,000 new shares at a nominal value of 10 lei/share, through the contribution of EVERGENT Investments SA shareholder.

✓ EGMS on 7.08.2023 approved:

1. the contracting from Banca Transilvania of a working capital loan through the Rural Invesst Program, of 1,300,000 lei, for an initial period of 36 months, for the company's current expenses, under the credit terms negotiated with the bank and in compliance with the conditions laid down in GEO No 24/2022 and the implementation procedure and state aid scheme associated with the programme, and the related collateral.
2. The contracting from Banca Transilvania of a non-recourse export factoring credit facility with a factoring facility value of EUR 170,000 and the related collateral.

✓ OGMS on 30.10.2023 approved:

1. Election of a new Administrative Board for a new 4-year term of office.

✓ EGMS on 28.11.2023 approved:

1. Takes note of the updated financial forecasts and the revision of the indicators for the project "development of blueberry farms".
2. the share capital increase with the amount of 2.5 million lei to ensure the financing of the company's activity.

✓ EGMS on 15.12.2023 approved

The income and expense budget for 2024.

1.4.2.2. EVERLAND SA – Iaşi Real Estate Project

Premises: The company was set-up for the purpose of capitalizing on investment opportunities in the agribusiness real-estate field for the purpose of generating value for shareholders. The company holds assets located in the central area of Iaşi municipality, with a significant real-estate development potential on all segments: residential, office and commercial:

✓ held land of about 2.55 ha;
✓ administrative building (GF+8) with a built area of 4,000 square meters.

Status:
- ✓ the zonal urban plan (PUZ) was approved on 28.02.2022;
- ✓ Maximum built area is 83,000 square meters, the project value being estimated to around 100 million euro;
- ✓ The Company holds 100% of the shares of A3 SNAGOV SRL, set-up in 2021, a company operating in the real-estate development (promotion) field.

Corporate events:
OGMS on 06.04.2023:
1. approval of the financial statement for financial year 2022 accompanied by the Report of the independent financial auditor and annual activity report of the sole manager.
2. approval for the loss registered in 2022 to be recovered from the profits of next years.
3. approval of the discharge of office of the sole manager for financial year 2022.
4. approval of the activity program and Income and Expense Budged for financial year 2023.
5. approval of the key performance indicators (KPI) for the managers of the company, achieved in 2022, proposals for 2023.

1.4.2.3. CASA SA

The company manages own real estate property and delivers real estate management services for real properties owned by EVERGENT Investments.

On 31st December 2023 the company's share portfolio comprises 42 companies, of which 14 functional and 28 in bankruptcy (coming from the portfolio assigned from the privatization process). The real-estate portfolio includes a number of 13 assets in cities from the Moldova area.

The company has concluded the following legal documents with EVERGENT Investments:
- ✓ contract for the monitoring of information and events regarding companies from EVERGENT Investments' portfolio;
- ✓ contract for the delivery of archive services;
- ✓ Rental agreements for spaces in Bacau and Iasi belonging to EVERGENT Investments SA;
- ✓ Contract for the delivery of real-property management services for properties belonging to EVERGENT Investments SA.

Corporate events:

20.02.2023 – EGMS approved:
Project "Purchase and refurbishment of Pictor Aman building", financial projections and investment structure, as well as the acquisition of floors 4-8).
Increase of CASA SA's share capital with the cash contribution of shareholder EVERGENT Investments SA, of 15.3 million lei, without share premium, to finance the investment related to the project by issuing 6,120,000 new shares with a nominal value of 2.5 lei/share.
Update and modification of the company's Articles of Incorporation in accordance with the new value of the share capital and holding of shares.

21.04.2023 – OGMS approved:
1. The financial statements for financial year ended on 31st December 2022 accompanied by the opinion of the financial auditor and the report on the activities of the Board of Directors for 2022.

2. The activity Programme and Income and Expenditure Budget for 2023.
3. The granting of the individual bonus for year 2022 for the management of the company and key performance indicators (KPI) for the management of the company in 2023.

29.09.2023 – OGMS approved:
Cancellation of the mandate of one of the managers, following his renouncement starting on 01.08.2023.
Election of a new member of the Board of Directors.

1.4.2.4. MECANICA CEAHLĂU SA
(www.mecanicaceahlau.ro)

The company manufactures agricultural equipment for working the land, and distributes:
(i) Steyr tractors,
(ii) Project herbicide equipment and
(iii) Stoll front loaders.

Corporate events:
20.04.2023 – OGMS approved the directors' report, financial statements for financial year 2022, the discharge of office for the managers, activity program, IEB and 2023 performance indicators.

30.05.2023 – OGMS approved the general remuneration limits for the managers and directors of the company, in accordance with art. 153 index 18 Law no. 31/1990 republished and updated;
Prescription of dividends for financial year 2019 set through OGMS on 22.04.2020, not collected by 13.07.2023 and their registration in the company's accounts, in accordance with applicable regulations.

30.05.2023 – EGMS approved the ratification of Board of Directors' resolution no. 1 on 13.04.2023, at the request of Banca Transilvania, to extend and increase the counter-collateral letter and contract a credit line representing 16.84% of the company's total fixed assets, minus corresponding receivables and collateral.
The purchase of a MIG/MAG welding robot system for a maximum amount of EUR 250,000 plus VAT.
The contracting of a financial loan/leasing for a maximum amount of EUR 200,000 for the financing of the robotic welding system and the granting of a mandate to the Managing Director to represent the company with full and unlimited powers in the relationship with the Bank and any other third institutions/persons involved, including before the Notary Public, being authorised to carry out any necessary formalities, to present, negotiate and sign any necessary documents, his signature being fully enforceable against the company.
Submission by the company of an application for funding under the PNRR programme for a photovoltaic system with a maximum capacity of 4.99 MWh.
Cumulative level of collateral with a total book value of 4,768,880 lei, representing a cumulative percentage of 21.78% of the company's total fixed assets, less receivables.

28.12.2023 – OGMS approved the main activity directions and IEB for year 2024.

1.4.2.5. REGAL SA

On the report date, the company owns 3 commercial spaces plus its headquarters. In 2023, EVERGENT Investments notified all interested parties about the sale of the share package representing 93.89% of Regal SA's share capital, closed-end company (unlisted) through a series of bidding rounds.

Corporate events:
11.04.2023 – OGMS approved the directors' report, financial statements for the financial year, dividend distribution for 2022 financial years, discharge of office for the managers, activity program, IEB and 2023 performance indicators.
17.07.2023 – EGMS approved the dissolution of the secondary office, the updating and amendment of the articles of association, the sale of company assets.

1.4.2.6. EVER IMO SA

The company holds for real-estate development two plots of land in the North area of Bucharest with a total area of 3.5 ha and a plot of land of 1.1 ha in the semi-central area.

Corporate events:
15.05.2023 – OGMS approved the directors' report, financial statements for 2022 financial year, discharge of office for the managers, activity program, IEB and 2023 performance indicators.

1.4.2.7. EVER Agribio SA

The company was set-up in 2022 to carry out activities in the field of agriculture and renewable energy, on the 50 ha land it holds in Săuceşti commune, Bacău County, and is to set-up a blueberry farm.

Corporate events:
10.04.2023 – OGMS approved the directors' report, financial statements for financial year 2022, discharge of office for the managers, activity program, IEB, 2023 performance indicators.
01.08.2023 – OGMS approved the revocation of a director, following his renouncement and the appointing of a new director.

1.4.2.8. VISIONALFA INVESTMENTS SA

Through EGMS on 25.07.2023, the company has declared its fiscal inactivity for a period of 3 years, starting from the date of the mention to the ORC.

1.4.2.9. A3 SNAGOV SRL

The company was set-up in Bacau in 2021 and is to capitalize on investments in the real-estate field.

Corporate events:
23.05.2023 – OGMS approved the balance sheet, profit and loss account for 2022.

1.4.3 Implementation of 2023 Investment Program

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

million lei	2023 Activity Program	Achieved on 31.12.2023	% achievment 31.12. 2023
Total investment program, of which assigned for the following portfolios:	305.2	197.24	64.6
• FINANCIAL-BANKING	0	0.06	
• ENERGY-INDUSTRIAL	260	174.27	
• PRIVATE – EQUITY	45.2	22.91	

1.5. Reports on the legal deeds concluded by EVERGENT Investments with subsidiaries (according to art. 108 Law no. 24/2017 on the issuers of financial instruments and market operations, republished):

Starting on 28.08.2020, through the amendment of Law no.24/2017, the reporting obligation for transactions with associates applies to transactions representing more than 5% of the issuer's net assets, while the previous threshold was 50,000 euro.

In 2023 financial year, there have been no transactions covered by the reporting requirements.

2. IFRS Result Analysis for EVERGENT Investments Group

2.1. Key Financial Indicators (comparative presentation)

2.1.1. Liquidity Indicators

The analysis of the liquidity indicators determines the ability of the company to honour, the payment obligations assumed on the basis of current assets at a certain point. The term liquidity indicates the ability of an asset to be converted into money with a minimal loss of value.

Current liquidity indicator measures the Company's ability to cover its short-term debts. Current liquidity indicator is calculated as a ratio between the Company's current assets and its short-term liabilities. The higher the value of the current liquidity indicator, the higher the ability of the Company to honour its short-term debts without resorting to long-term financing resources. Otherwise, when the value obtained is below one unit, the company will have to resort to external financing resources.

Irrespective of the activity sector the company operates in, the value that is considered optimal for the current liquidity indicators is of about 2. For an accurate interpretation of the level of current liquidity, it should be compared to the average level per branch, or that registered by competitors.

Quick liquidity indicator shows the company's ability to honour its short-term debts through the most liquid current assets of the company.

Indicator name	2021	2022	2023
Current liquidity indicator	10.84	7.01	9.00
Quick liquidity indicator	10.38	6.54	8.31

2.1.2. Activity Indicators

Activity indicators reveal the efficiency with which a company uses its assets.

Fixed assets turnover speed is calculated as a ratio between the revenue from current activity and fixed assets. The turnover speed of fixed-assets evaluates the efficiency of fixed-assets management through the analysis of the turnover obtained by a certain quantity of fixed-assets.

Total assets turnover speed is calculated as a ratio between turnover and total assets. The total assets turnover speed analysis the turnover obtained by a given total assets volume.

Indicator name	2021	2022	2023
Fixed-assets turnover speed	0.07	0.10	0.10
Total assets turnover speed	0.05	0.08	0.08

2.1.3. Profitability Indicators

Profitability indicators reflect the efficiency of activities carried out by a company, regarding its ability to generate profit from available resources.

Return on equity (ROE) is calculated as a ratio between profit before the payment of interest and profit tax expenses and equity.

The return on equity represents one of the most important indicators used in measuring the performance of a Company. The main objective of every business is to maximize the investments made by its shareholders. Therefore, a high ROE indicator value shows that the investment made by the shareholders has been turned into high profit by the company's management.

Return on assets (ROA) is calculated as a ratio between net profit and total assets of the company and measures the efficiency with which assets are used from the point of view of the profit.

Return on assets is, along with return on equity, one of the most important return indicators of a company.

Earnings per basic share is ascertained as a ratio between net profit or loss of a company during a financial year, and the number of ordinary shares present over that period.

Earnings per basic and *diluted share* represent, from financial point of view, an important indicator when the earnings of a company over a period of time are compared, or when the results obtained are compared to the earnings of other companies in the same sector of activity.

Earnings per basic and diluted share (including gain from the sale of FVTOCI financial assets).

The Group presents in its financial statements the earnings per basic and diluted shares (including net gain from the sale of FVTOCI assets), since along with the net profit, gain from the sale of FVTOCI financial assets is considered a component of the Group's performance indicator, the net result.

Indicator name	2021	2022	2023
ROE %	2.1	4.4	5.0
ROA %	2.0	4.2	3.8
Earning per basic share (lei/share) – profit per share	0.053	0.107	0.126
Earning per basic share (lei/share) – including net gain from the sale of FVTOCI assets	0.158	0.146	0.214
Dividend per share (lei/share) – distributed during the year, from the profit of the previous year	0.043	0.065	0.09

2.1.4. *Other indicators*

Indicator name	2021	2022	2023
Receivables recovery period	36.64	27.84	18.83
Debt repayment period	153.96	130.43	120.18
Indebtness degree (%)*	7.83	7.86	11.25
Return on capital employed (equity & borrowings) %	2.12	4.35	4.83

**reported to total liabilities*

3. Description of the main risks and uncertainties that EVERGENT Investments Faces

3.1. *Objectives and policies for risk management, including policies for their coverage*

The management of risks within the Group is carried out within a consistent methodological framework, representing an important part of the strategy regarding the maximization of the Group's return while maintaining an acceptable risk exposure and abiding by legal regulations. The risk management structure set by the management of the Group is an integral part of the Group's strategic objectives.

The investment activity exposes the Group to a series of risks associated to the financial instruments held and the financial markets it operates on. The main risks the Group is exposed to are:

- Market risk (interest rate risk, currency risk and price risk);
- Liquidity risk;
- Credit and counterparty risk;
- Issuer risk
- Operational risk
- Sustainability risk
- Other risks (regulatory risk, systemic risk, strategic risk, reputational risk, conflict of interest risk, risk associated to activities carried out by the Group's subsidiaries)
- Tax risk
- Economic environment risk

The general risk management policy aims to maximize the Group's profit reported to the level of risk it is exposed to and minimize potential adverse variations on the Group's financial performance. The Group has implemented policies and procedures for the management of assessment of risks it is exposed to. These policies and procedures are presented in the sections dedicated to each type of risk.

3.1.1. Market Risk

Market risk is defined as the risk to register a loss or not to obtain forecast profit, as a result of price fluctuations, interest rates and currency exchange rates. For the efficient management of market risk we use diligence procedures in investments and diligence in the monitoring of holdings in the portfolio, methods of technical and fundamental analysis, forecasts on the evolution of economic branches and financial markets, and specific procedures, such as, without being limited to:

- Constant monitoring of issuers on the market and risk/return characteristics of portfolio holdings
- Diversification of securities and activity sectors range
- Active management of the traded share portfolio through acquisitions and marking-to-markets
- Optimization of performance/market risk ratio
- Adequate evaluation of unlisted interest
- Monitoring of the macroeconomic, political and sectorial context and adapting market risk to this context
- Follow-up of the abidance of asset categories by legal limits
- Setting limits regarding market risk appetite and tolerance and following-up that these abide by the set risk profile.

Selection of investment opportunities is made through:

- Technical analysis;
- Fundamental analysis – ascertaining the issuer's ability to generate profit;
- Comparative analysis – ascertaining the relative value of an issuer in relation with the market or other similar companies;
- Statistical analysis – setting tendencies and correlations using price history and traded volumes.

The Group is exposed to the following market risk categories:

(i) Price risk
The Group is exposed to price risk as there is the possibility that the value of financial instruments fluctuate following the change of market prices.

(ii) Interest rate risk
The Group faces interest rate risk due to the exposure to negative fluctuations of the interest rate. The change of the interest rate on the market directly influences revenue and expenses of assets and liabilities bearing variable interest, as well as the market value of those bearing fixed interest.

The Group does not use derivatives to protect itself from interest rate fluctuations.

(iii) Currency risk
Currency risk is the risk of registering losses or failure to achieve estimated profit following negative exchange rate fluctuations. The Group is exposed to currency rate fluctuations but has no formalized policy to cover currency risk. Most financial assets and liabilities of the Group are expressed in national currency and therefore currency rate fluctuations do not significantly affect the Group's activity. The other currencies used for operations are EUR and USD.

Exposure to currency exchange rate fluctuations are mainly due to loans, deposits, shares and bonds in currency.

3.1.2. Liquidity risk

Liquidity risk represents the risk of registering a loss or failure to reach estimated profit, resulting from the impossibility to honour short-term payment obligations at any time, without excessive costs or losses that cannot be borne by the Group.

For an efficient management of liquidity risk, the Group uses specific procedures closely connected to the liquidity and investment policies, such as, without being limited to the following:

- Cash-flow monitoring, by setting expected liquidities entries and exists within certain time frames;
- Analysis of the ability of assets to be traded on the market and providing actual liquidities needed to cover the company's support obligations and investment objectives, through disinvestment;
- Monitoring significant liabilities and engagements that the Group has in relation to its support obligations;
- Assessment of expected cash-flows, inconsistencies between these and the ability to counterbalance them in crisis situations, according to crisis scenarios in various time frames;
- Prevention and management of crisis situations, by mainly purchasing high-liquidity degree securities, diversifying fixed revenue instruments, etc.;
- Adequate diligence in making money placements;
- Providing a liquidity reserve with the purpose of covering additional liquidity needs that may occur within a short period of time
- Setting the limits of liquidity risk appetite and tolerance, and making sure these abide by the set risk profile
- Monitoring amount owed from the cash loans contracted under the conditions imposed by the law and expenses with loan interest.

The Group's financial instruments may also include investments in shares that are not traded on an organized market and consequently may have low liquidity.

3.1.3. Credit and counterparty risk

The Group is exposed to credit and counterparty risk stemming from the possible failure of counterparty to meet payment obligations it has towards the Group. The Group is exposed to credit risk following investments made in bank deposits and bonds issued by municipalities or companies, current accounts, other receivables.

For the efficient management of credit and counterparty risk, the Group uses specific procedures, closely connected to its liquidity and investment policy, such as, without being limited to:

- Counterparty diversification
- Prudential selection of the banks where liquidities are placed as bank deposits and current accounts, based on adequate good standing criteria
- Monitoring of investments made by OPCVM/AIF in the portfolio
- Investment in corporate bonds not admitted to trading is made based on a due diligence in accordance with specific investment diligence procedures
- Setting the limits of credit and counterparty risk appetite and tolerance, and monitoring their abidance by the set risk profile.

3.1.4. Issuer risk

The Group is exposed to the current or future risk of value loss for a title in the portfolio, due either to the deterioration of its economic-financial status, or the business conditions (failure to function or lack of correlation of its internal activities according to its business plan), or to events, external trends or changes that could not have been known or prevented by the control system.

Concentration risk, associated to issuer risk represents the risk of bearing losses due to inadequate diversification (non-homogenous distribution) of exposures from capital title portfolio on terms, industrial sectors, geographic regions or issuers.
The management of issuer risk is made using specific procedures, such as, without being limited to:

- Insuring a high level of diligence in the selection and monitoring of issuers, through specific policies and procedures for portfolio management on issuer categories;
- Monitoring and regular revision of issuers with respect to their exposure level and defined risk profile;
- Adequate assessment of unlisted ownership interests;
- Active involvement in the management of the issuers in which the Group holds a majority position, promoting high corporate governance standards;
- Continuous training of the staff involved in portfolio management on activities that are specific for each portfolio;
- Setting limits for issuer risk appetite and tolerance and monitoring their abidance by the set risk profile.

3.1.5. Operational risk

Operational risk is defined as the risk of registering loss or failure to reach estimated profit due to some internal factors, such as improper running of some internal activities, the presence of improper staff or systems or due to external factors such as economic conditions, changes on the capital market, technological progress. Operational risk is inherent to all Group activities.

The policies defined for the management of operational risk have taken into consideration all event types that might generate significant risks and methods of their manifestation, in order to eliminate or lower financial or reputational losses.

The effective management of operational risk, an important Group-wide objective, is carried out by all company departments through the use of specific procedures established by the internal control system, such as, but not limited to:

- improvement and compliance with operational risk management policies and effective measures to deal with non-compliance by taking appropriate corrective action;
- continuously adapting the internal regulatory framework and internal process so as to ensure compliance with both FSA requirements and best practices in the field;
- setting procedures for all relevant operational processes within the company and the compliance of employees with work procedures;
- implementation of internal control tools and their improvement in day-to-day activities on the level of each department of the Group;
- improving the process of assessing internal and external factors that could adversely affect the company's performance, information flow and compliance objectives;
- development of theoretic and professional skills of human resources through training courses;
- development of effective communication to disseminate information to relevant staff and for all staff to fully understand and adhere to policies and procedures related to specific duties and responsibilities;
- regular internal/external audit of all activities carried out by the Group;
- ensuring occupational health and safety of human resources.

Subcategories of operational risk: information technology (IT) risk, professional liability risk, compliance risk, model risk, risk associated with outsourced activities, money laundering and terrorist financing risk

3.1.6. Sustainability risk

Sustainability risk means an event or an environmental, social or governance condition that, should it occur it would cause a significant negative effect, actual or potential, on the assets, profitability or balance, or on the reputation of the Group.
Sustainability risks are integrated in the classification and management of risk that the Group is exposed to during its business activities.
Sustainability risks may manifest as an own risk or may have an impact on and significantly contribute to other risk categories such as market risk, liquidity risk, credit and counterparty risk, issuer risk or operational risk.

For an efficient management of credit and counterparty risks, the Group uses specific procedures, closely connected with the Group's ESG policy and the policy regarding the integration of sustainability risks in the investment decision making process.

The prevention and lowering of sustainability risk is an important objective on the level of the entire Group that is implemented through:

- abidance by legal requirements applicable regarding ESG topics approach;
- development of an adequate understanding of ESG issued through continuous training and staff development programs on ESG topics;
- taking ESG factors into account in the internal organisation principles and the Group's policies and strategies;
- a structured process for the identification, monitoring and management of sustainability risks on the level of operational activities;
- setting of limits for sustainability risks, within the limits of the stated risk appetite;
- setting of remuneration systems that also take into account ESG risk management;
- inclusion in the conflict of interest risk management policy of conflicts that might occur following the integration of sustainability risk in the processes and system of the Group, as well as in internal controls;
- inclusion of principles regarding involvement on sustainability aspects in the involvement policies.

3.1.7. Other risks that the Group is exposed to

Regulatory risk - current and future risk of a negative effect on profit and capital, following the significant change of the regulatory framework applicable to the functioning of the Group. The impact may refer to: reduction of the attractiveness of a certain type of investments, sudden reduction of exposure of strategic issuers, significant increase of activity costs, etc.
Systemic risk – a risk is seen as systemic if it is a substantial treat to financial stability and has the potential to lead to serious negative consequences on markets and real economies. The Group may be exposed to systemic risk due to its interconnection with markets and investors. The Group's objective is to anticipate and protect itself from these possible negative effects through crisis simulations, continuity plans and the setting of exposure limits for relevant risks.
Strategic risk - current or future risk of negative impact on profits and capital caused by changes in the business environment or adverse business decisions, inadequate implementation of decisions or the lack of reaction to the changes in the business environment. The Group's objective is to provide a proper framework for the management of strategic risks, through the correlation of strategic objectives with means and methods used to reach these objectives, necessary resources, as well as quality of the decision-making process.
The management of the Group cannot predict all effects of the internal and international evolution that might have an impact on Romanian financial sector. In the first half of 2023, the Group adopted all measures necessary to carry out its activity under the current conditions of the financial market through the adequacy of its investment policy and constant monitoring of cash flows.

Reputational risk - current or future risk of negative impact on profits and capital caused by the unfavourable perception of the company's image of shareholders, investors or supervisory authority. The prevention and lowering of reputation risk is made through the following methods, not limited to them: adequate application of own ethics norms, confidentiality, as well as regulations in force concerning the prevention and fight against money laundering, preparation of an adequate form of presentation/communication of informative materials and materials for the promotion of the Group's activity, and setting work procedures and competences in case of an emergency situation.
Conflict of interest risk – risk of loss due to any situation in which the interests of the Group are

different from the personal interests of employees, directors and managers or their close relatives. The Group provides an efficient and unitary framework for conflict prevention and avoidance and adopts measures and rules to avoid conflict of interest.
Risk related to activities carried out by the Group's subsidiaries – current or future risk of negative effect on profits and capital or company reputation due to negative effects on the level of the companies within the Group. In order to manage this risk, companies within the Group include information on the relevant risks they are exposed to, their management method and possible prevention and lowering measures for these risks in their quarterly reports.

3.1.8. Tax risk

The tax system in Romania is subject to various interpretations and permanent changes that may be retroactive. In some cases, the tax authorities may take different positions from the Group's position and may calculate interest and tax penalties. Although the tax on a transaction may be minimal, the penalties may be high, depending on the interpretations of the tax authorities.

In addition, Romanian government has a number of subordinated agencies authorized to control both Romanian and foreign entities operating in Romania. These control are largely similar to those carried out in many other countries, but may also be extended to legal or regulatory areas the Romanian authorities may be interested in.

Tax returns may be subject to control and revision for a period of five years, generally after their submission. In accordance with legal regulations in force in Romania the controlled periods cannot be subject to additional verifications in the future.

The management of the Group considers that it has correctly calculated and registered its taxes, duties or other debts to the Romanian state. Nevertheless, there is still a risk that authorities may have a different position than that of the Group.

With regard to subsidiaries, tax inspections targeted specific areas.

3.1.9. Economic environment risk

The Group's management is committed to assess the nature of the changes that will take place in the economic environment in Romania and what their effect will be on the Group's financial situation and operating and cash results.

According to BNR Inflation report, November 2023, a large source of risk and uncertainty remains the multi-layered, but mainly economic, implications of the war in Ukraine and associated sanctions and the absorption of European funds, in particular those related to the Next Generation EU programme. These have recently been compounded by geopolitical tensions in the Middle East.

In terms of both economic activity and inflation developments, the overall situation remains one of fragility and uncertainty. At a time of multiple global crises, each with the potential to have far-reaching adverse consequences, and even more so when their effects overlap, the main sources of risk and uncertainty continue to come from geopolitical developments.
The Romanian real estate market will prove to be a dynamic environment, but with reserved forecasts and considerable uncertainties.

The Group's management cannot foresee all the effects of a crisis that would have an impact on the financial sector in Romania nor their potential impact on the financial statements, but considers that it has adopted the necessary measures for the Group's sustainability and development under current market conditions.

3.2. Exposure to market risk, credit risk, liquidity risk and cash flow risk.

3.2.1. Exposure to market risk

Exposure to price risk

The Group is exposed to the risk associated with the price variation of financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. On 31st December 2023, 88% of total shares with active market held by the Group (31st December 2022:87%) represented investments in companies that were included in the BET index of Bucharest Stock Exchange, index weighted with free float capitalization of the most liquid Romanian companies on the regulated market of Bucharest Stock Exchange.

A 10% positive change in the price of financial assets at fair value through profit or loss would lead to an increase in profit after tax of RON 25,060,463 (31st December 2022: RON 23,418,411), a 10% negative change would have an equal and opposite net impact.

A 10% positive change in the prices of financial assets measured at fair value through other comprehensive income would result in an increase in equity, net of income tax, of 176,182,395 lei (31st December 2022: 145,150,26 lei), a 10% negative change having an equal and opposite net impact.

The Group holds shares in companies that operate in various activity sectors, as follows:

	31st December 2023	%	31st December 2022	%
Financial, banking and insurance activities	1,336,062,169	65	998,680,935	59
Natural gas industry	63,650,948	3	248,648,907	15
Manufacture and maintenance of transport means	202,178,681	10	177,917,240	11
Oil industry	66,865,419	3	122,045,217	7
Real estate development (promotion)	340,363,310	17	56,512,758	4
Energy industry	7,680,000	0	37,945,196	2
Wholesale, retail, tourism and restaurants	4,950,984	0	19,173,213	1
Food industry	19,946,352	1	7,321,768	1
IT&C industry	7,930,382	1	6,118,695	0
Manufacture of machine, tools and equipment	5,184,452	0	4,790,940	0
Textile industry	-	0	3,166,185	0
Transport, storage, communication	1,101,390	0	1,996,157	0
Building materials industry	2,959,203	0	1,543,829	0
Other	1,281,535	0	1,357,424	0
TOTAL	2,060,154,825	100	1,687,218,464	100

As can be seen on the table above, on 31st December 2023 the Group mainly held shares in companies operating in the financial-banking and insurance field, with a weight of 59% of total portfolio (31st December 2022: 64%).

Exposure to interest rate risk

As on 31st December 2023 and 31st December 2022, the majority of the Group's assets and liabilities are non-interest bearing. As a result, the Group is not materially affected by interest rate risk. Surplus cash and cash equivalents are mainly invested in short-term bank deposits with an initial maturity of 1 to 12 months. In addition, the Group has insignificantly invested in corporate and municipal bonds with fixed or variable interest rates.

The Group does not use derivatives to hedge against interest rate fluctuations and interest rate risk is insignificant.

The following tables present the Group's exposure to interest rate risk.

În Lei	Net value on 31st December 2023	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current account	5,632,750	5,623,058	-	-	-	9,692
Bank deposits with initial maturity within 3 months	304,399,579	134,891,153	169,508,426	-	-	-
Bank deposits with initial maturity higher than 3 months	13,513,579	11,033,156	574,438	1,905,985	-	-
Financial assets at fair value through profit or loss	298,338,840	-	-	-	-	298,338,840
Financial assets measured at fair value through other comprehensive income	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483	-	-
Bonds at depreciated cost	35,692	3,371	-	8,820	23,501	-
Other financial assets at depreciated cost	13,809,792	-	-	-	-	13,809,792
Total financial assets	2,733,485,369	151,550,738	170,082,864	5,799,288	23,501	2,406,028,978
Liabilities						
Loans	87,551,586	81,127,061	6,300,000	124,525	-	-
Lease liabilities	10,713,608	154,733	312,729	1,424,842	8,821,304	-
Dividends payable	49,998,003	-	-	-	-	49,998,003
Financial liabilities at depreciated cost	11,974,027	-	-	-	-	11,974,027
Total financial liabilities	160,237,224	81,281,794	6,612,729	1,549,367	8,821,304	61,972,030

In Lei	Net value on 31st December 2022	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current account	7,838,826	7,825,212	-	-	-	13,614
Bank deposits with initial maturity within 3 months	120,630,869	113,108,136	7,522,733	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	3,088,189	537,898	2,515,199	-	-
Financial assets at fair value through profit or loss	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	-	-	24,127	3,957,920	-
Bonds at depreciated cost	47,661	3,594	-	8,820	35,247	-
Other financial assets at depreciated cost	19,884,188	-	-	-	-	19,884,188
Total financial assets	2,167,211,837	124,025,131	8,060,631	2,548,146	3,993,167	2,028,584,762
Liabilities						
Loans	11,818,565	11,397,488	-	421,077	-	-
Lease liabilities	9,109,377	119,643	233,983	993,545	7,762,206	-
Dividends payable	43,029,452	-	-	-	-	43,029,452
Financial liabilities at depreciated cost	11,363,910	-	-	-	-	11,363,910
Total financial liabilities	75,321,304	11,517,131	233,983	1,414,622	7,762,206	54,393,362

The impact on the Group's net profit of a +/- 100 bp change in the interest rate on floating rate assets and liabilities denominated in other currencies combined with a +/- 500 bp change in the interest rate on floating rate assets and liabilities denominated in lei is -/+ 1,532,023 lei (31st December 2022: -/+ 480,230 lei).

Exposure to currency risk

Assets denominated in lei and other currencies as at 31st December 2022 and 31st December 2021 are shown in the following tables.

In Lei	Net value on 31st December 2023	Lei	EUR	USD
Financial assets				
Cash and current account	5,632,750	5,580,247	44,891	7,612
Bank deposits with initial maturity within 3 months	304,399,579	303,909,431	490,148	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,513,579	-	-
Financial assets at fair value through profit or loss	298,338,840	297,264,619	1,074,221	-
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,036,197,327	-	-
Investments accounted for using the equity method	57,673,327	57,673,327	-	-
Bonds at fair value through other comprehensive income	3,884,483	-	3,884,483	-
Bonds at fair value through other comprehensive income	35,692	35,692	-	-
Other financial assets at depreciated cost	13,809,792	13,782,298	27,494	-
Total financial assets	2,733,485,369	2,727,956,520	5,521,237	7,612
Loans	87,551,586	23,752,640	63,798,946	-

In Lei	Net value on 31st December 2023	Lei	EUR	USD
Lease liabilities	10,713,608	2,527,221	8,186,387	-
Dividends payable	49,998,003	49,998,003	-	-
Financial liabilities at depreciated cost	11,974,027	5,326,292	6,647,735	-
Total financial liabilities	160,237,224	81,604,156	78,633,068	-

In Lei	Net value on 31st December 2022	Lei	EUR	USD
Financial assets				
Cash and current account	7,838,826	6,698,089	1,127,525	13,212
Bank deposits with initial maturity within 3 months	120,630,869	111,915,373	8,715,496	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,141,286	-	-
Financial assets at fair value through profit or loss	279,782,253	278,419,233	1,363,020	-
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-
Investments accounted for using the equity method	55,371,088	55,371,088	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at fair value through other comprehensive income	47,661	47,661	-	-
Other financial assets at depreciated cost	19,884,188	19,487,585	396,603	-
Total financial assets	2,167,211,837	2,151,613,934	15,584,691	13,212
Loans	11,818,565	11,397,488	421,077	-
Lease liabilities	9,109,377	919,489	8,189,888	-
Dividends payable	43,029,452	43,029,452	-	-
Financial liabilities at depreciated cost	11,363,910	3,542,686	7,821,224	-
Total financial liabilities	75,321,304	58,889,115	16,432,189	-

The net impact on the Group's profit of a +/- 15% change in the Leu/EUR exchange rate combined with a +/- 15% change in the Leu/USD exchange rate as at 31st December 2023, all other variables remaining constant, is -/+ RON 9,211,132 (31st December 2022: -/+ RON 105,120).

3.2.2. Exposure to credit risk

On 31st December 2023 and 31st December 2022, the Group did not generally hold collateral as security, nor other credit risk enhancements. As at 31st December 2023 and 31st December 2022 the Group had no outstanding financial assets, except for balances of trade receivables or from sundry debtors.

The Group's maximum exposure to credit risk amounts to 341,259,369 lei as at 31st December 2023 (31st December 2022: 158,507,133 lei), including current accounts and deposits with banks, bonds and other financial assets at amortised cost, and can be analysed as follows:

Exposures from deposits and current accounts

	Rating	31st December 2023	31st December 2022
Banca Transilvania	Moody's: Baa2 (2022: Fitch: BB+)	187,434,085	118,923,409
EximBank	Fitch: BBB- (assimilated to sovereign rating)	111,451,754	529
Banca Comercială Română	Fitch: BBB+	20,524,471	543,713
Garanti Bank	Fitch: BB-	2,053,432	4,651,888
Raiffeisen Bank	Moody's: Baa1	1,439,376	5,986,235
BRD - Groupe Societe Generale	Fitch: BBB+	673	2,829,657
CEC Bank	Fitch: BB	-	7,110
Other commercial banks	No rating	643,213	1,662,807
Total cash at banks		323,547,004	134,605,348

	Rating	31st December 2023	31st December 2022
Cash		16,506	17,744
Total cash and current accounts and bank deposits (gross values) of which:		323,563,510	134,623,092
Cash and current accounts		5,632,756	7,838,857
Bank deposits with initial maturity under 3 months		304,415,915	120,637,934
Bank deposits with initial maturity over 3 months		13,514,839	6,146,301
Expected credit loss, of which for:		(17,602)	(12,111)
Current accounts		(6)	(31)
Bank deposits with initial maturity under 3 months		(16,336)	(7,065)
Bank deposits with initial maturity over 3 months		(1,260)	(5,015)
TOTAL cash, current accounts and bank deposits		323,545,908	134,610,981

Exposures from bonds at depreciated cost

	Rating	31st December 2023	31st December 2022
Bacău municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	35,711	47,694
Total bonds at depreciated cost – gross value		35,711	47,694
Expected credit loss		(19)	(33)
Total bonds at amortized cost		35,692	47,661

Exposures from bonds at fair value through other comprehensive income

	Rating	31st December 2023	31st December 2022
Autonom Service bonds	Fitch: B+	3,884,483	3,982,047
Total		3,884,483	3,982,047

Financial assets at amortized cost

	31st December 2023	31st December 2022
Claim on AAAS	48,762,677	48,756,218
Trade receivables	9,522,175	12,644,936
Amount representing the guarantee for the tender offer of treasury shares	5,000,000	8,500,000
Dividends to collect	281,373	-
Advances to the Central Depository for the payment of dividends to shareholders	859,628	1,051,798
Advances to suppliers	104,961	788,684
Other financial assets at amortised cost	8,045,209	5,229,908
Less expected credit loss for other financial assets	*(58,766,231)*	*(57,087,356)*
Total	13,809,792	19,884,188

Other assets at amortised cost mainly include the Company's receivable from the Authority for the Administration of State Assets ("AAAS"), trade receivables, sundry debtors and advances to suppliers.

Adjustments for expected credit loss relate primarily to claims against AAAS from finally won litigation which they fully cover, and related to a part of trade receivables.

The amount representing the guarantee for the public tender offer of the Company's treasury shares was deposited with the intermediary in accordance with the provisions of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, art. 57, item 1, letter d).

3.2.3. *Liquidity risk*

The structure of the Group's assets and liabilities has been analysed based on the remaining period from the balance sheet date to the contractual maturity date for both the period ended 31 December 2023 and the financial year ended 31st December 2022, as follows:

31st December 2023	Book value	Undiscounted value	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets							
Cash and current accounts	5,632,750	5,632,750	5,632,750	-	-	-	-
Bank deposits with initial maturity within 3 months	304,399,579	306,482,595	135,204,548	171,278,047	-	-	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,606,106	11,070,000	580,599	1,955,507	-	-
Financial assets at fair value through profit or loss	298,338,840	298,338,840	-	-	-	-	298,338,840
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	4,033,205	-	-	4,033,205	-	-
Bonds at fair value through other comprehensive income	35,692	40,084	3,608	-	10,594	25,882	-
Other financial assets at depreciated cost	13,809,792	13,809,792	11,643,368	522,491	1,283,896	316,513	43,524
Total financial assets	2,733,485,369	2,735,814,026	163,554,274	172,381,137	7,283,202	342,395	2,392,253,018
Financial liabilities							
Loans	87,551,586	94,442,874	702,882	1,261,839	13,998,326	78,479,827	-
Lease liabilities	10,713,608	13,156,787	199,683	399,407	1,790,041	10,767,656	-
Dividends payable	49,998,003	49,998,003	49,998,003	-	-	-	-
Financial liabilities at depreciated cost	11,974,027	11,974,027	6,356,562	5,230,232	31,857	355,376	-
Total financial liabilities	160,237,224	169,571,691	57,257,130	6,891,478	15,820,224	89,602,859	-
Net financial assets	2,573,248,145	2,566,242,335	106,297,144	165,489,659	(8,537,022)	(89,260,464)	2,392,253,018

Evergent INVESTMENTS

31st December 2022	Book value	Undiscounted value	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets							
Cash and current accounts	7,838,826	7,838,826	7,838,826	-	-	-	-
Bank deposits with initial maturity within 3 months	120,630,869	120,957,880	113,882,393	7,075,487	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,245,807	3,106,234	540,543	2,599,030	-	-
Financial assets at fair value through profit or loss	279,782,253	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at fair value through other comprehensive income	47,661	58,493	3,947	-	11,560	42,986	-
Other financial assets at depreciated cost	19,884,188	19,884,188	18,180,879	1,225,462	232,321	199,219	46,307
Total financial assets	2,167,211,837	2,167,958,684	143,012,279	8,841,492	2,994,911	4,376,735	2,008,733,267
Financial liabilities							
Loans	11,818,565	14,316,954	291,861	570,387	4,503,234	8,951,472	-
Lease liabilities	9,109,377	10,808,580	142,230	280,954	1,172,775	9,212,621	-
Dividends payable	43,029,452	43,029,452	43,029,452	-	-	-	-
Financial liabilities at depreciated cost	11,363,910	11,363,910	3,285,434	7,197,391	567,535	313,550	-
Total financial liabilities	75,321,304	79,518,896	46,748,977	8,048,732	6,243,544	18,477,643	-
Net financial assets	2,091,890,533	2,088,439,788	96,263,302	792,760	(3,248,633)	(14,100,908)	2,008,733,267

3.2.4. *Exposure to cash-flow risk*

	31st December 2023	31st December 2022
Net cash from operating activities	238,214,358	36,402,627
Net cash used in operating activities	(23,697,069)	(13,119,340)
Net cash used in financing activities	(34,666,845)	(83,425,150)
Net increase / (decrease) in cash and cash equivalents	179,850,444	(60,141,863)
Cash and cash equivalents on 1st January	128,186,394	188,328,257
Cash and cash equivalents on 31st December	308,036,838	128,186,394

Cash and cash equivalents include the following elements:

	31st December 2023	31st December 2022
Cash on hand	16,506	17,744
Current bank accounts	5,616,250	7,821,161
Bank deposits with initial maturity within 3 months (principal)	302,404,082	120,347,489
Cash and cash equivalents	308,036,838	128,186,394

3.3. Main risks and uncertainties in 2024

Locally, the main elements that could support the increase in share prices of companies listed on the BVB in 2024 are the decrease in interest rates by the ECB and the NBR, starting in the second half of the year, dividend distributions with high yields by some companies, the transition of the Romanian capital market to the emerging category according to MSCI classifications and the increase in contributions to private pension funds, 2nd pillar.

Important events would be the inclusion of the BVB in the emerging markets by MSCI and the launch of the Central Counterparty. These could significantly increase liquidity, attractiveness and valuation of the local market. Inclusion of the BVB in the MSCI index will attract the attention of international investors to the Romanian capital market, providing a guarantee of its maturity and stability. At the same time, the launch of the Central Counterparty will offer new tools to investors, will improve the efficiency of transactions and will give the possibility to reduce risk through hedging, important aspects to attract more institutional investors and to increase confidence in the local market.

Contributions to mandatory private pensions increase from 3.75% to 4.75%, so pension funds will have more cash available for capital market investments. On the other hand, elections at home and abroad could generate volatility in the market. The 2024 election year will bring a low likelihood of deficit-correcting measures, and the government's financing needs will be significant, including due to some Eurobond maturities.
BVB is likely to be influenced by the evolution of global markets which will determine the financing costs for the State's debt, but also the attractiveness for investment in the Romanian capital market.

The resilience of the financial system continues to be tested by the uncertain macroeconomic and geopolitical context, driven by risks of higher than expected inflation or a more pronounced economic slowdown. Optimistic investor sentiment is already reflected in stock prices, and geopolitical risks are increasing due to the continuing war between Russia and Ukraine or the regional escalation of the Middle East conflict, with adverse implications for global commodity markets and supply chains, with international trade already fragmented following previous shocks. Fears about the scale, duration and impact of the Middle East conflict are also reflected in the oil market.
In a hypothetical scenario involving a regional expansion of the Middle East conflict, the World Bank estimates oil prices to rise to between $140 and $157 per barrel (compared to an average of $81 per

barrel for 2024 in the no-deal scenario). So far, the effects of the conflict on global commodity markets have been limited, with the most significant price increases in the European gas market (+32.2% from 7-31 October 2023) reflecting geopolitical risk premium rather than supply chain disruptions.

At its first monetary policy meeting of 2024, the Federal Reserve (Fed) kept its benchmark interest rate at 5.25% to 5.50% and signalled that the likelihood of initiating downward adjustment at its next meeting in March is low.

In 2024, an election year, the likelihood of the U.S. administration taking action to correct the budget deficit is low; on the contrary, it is likely to react promptly to any signs that the U.S. economy could fall into recession.

For the global economy, the IMF forecasts a growth rate of 2.9% for 2024. At the level of developed countries, the favourable evolution of the US economy stands out, with the IMF forecast revised upwards by 0.5% for 2024, in contrast to expectations for the euro area, for which the outlook has been revised downwards by 0.3% in 2024.

4. Important subsequent events

4.1. EVERGENT Investments SA

4.1.1. Completion of the Public Offering of shares issued by EVERGENT Investments, approved by FSA decision no. 1328/22.12.2023– current reports on 19.01.2023 and on 25.01.2023 supplied to the market by BT Capital Partners, as offer broker.

- ✓ Offer period: 08.01.2024 – 19.01.2024
- ✓ Allocation index set in the offer: 0.0409086221.
- ✓ Number and percentage of securities tendered in the offer: 244,447,246 shares, representing 25.42% of the share capital;
- ✓ Number of shares purchased in the offer: 10,000,000, representing 1.0398% of the share capital;
- ✓ Total value of shares purchased: 14,500,000 de lei.

4.1.2. Accessing credit facilities to capitalize on market opportunities
To this end, the revolving credit facility in the form of an overdraft facility of up to EUR 19,200,000 was extended for a period of 12 months and a new revolving credit facility in the form of an object credit ceiling of up to EUR 10 million was contracted for a period of 24 months, out of which 12 months are the drawdown period.

4.2. Mecanica Ceahlău SA – n/a.

4.3. Regal SA – n/a.

4.4. Agrointens SA – share capital increase of 7.650 million lei.

4.5. Everland SA – n/a.

4.6. EVER IMO SA – share capital increase with contribution in kind and in cash.

4.7. Casa SA - increase of share capital through in-kind contribution of 1.109 million lei; acquisition of a property from EVERGENT Investments worth 5.442 million lei; disposal of a property to EVERGENT Investments worth 7.572 million lei.

4.8. EVER Agribio SA – n/a.

4.9. Visionalfa Investments SA – n/a.

4.10. A3 Snagov – increase in share capital by 0.25 million lei.

5. Information on the acquisition of treasury shares by EVERGENT Investments Group

1. In accordance with the resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 2/28.04.2022, the public offering of treasury shares was run between 22.12.2022 – 06.01.2023, for a number of 19,625,000 shares, for a purchase price of 1.41 lei/share, in order to lower the share capital through share annulment.
The offering was a success in terms of investor interest, with an allocation ratio of 0.0908835825.

2. The Extraordinary General Meeting of Shareholders of EVERGENT Investments adopted resolution no. 2 on 27.04.2023, through which:
- approves Buy-back Programs no. 8 and 9 for treasury shares, abiding by the legal provisions applicable, and with the following main characteristics:
a) Purpose of the programs: The Company shall buy-back shares for the purpose of running "stock option plan"-type programs (Program 8), as well as to lower the share capital through share annulment (Program 9).
b) Number of shares that can be bought-back: (i) maximum 9,200,000 shares through market operations (0.956% of registered share capital) for distributions to employees, directors and managers of the Company within "stock option plan"-type programs (Program 8) and (ii) maximum 10,000,000 shares (1.039% of registered share capital) through public offering, for the purpose of lowering the share capital through share annulment (Program 9).
c) Minimum price per share: the minimum purchase price shall be the BVB market 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 registered in the Trade Registry.
f) Payment for the redeemed shares will be made from the distributable profit or from the available reserves of the company, as recorded in the last approved annual financial statements, with the exception of the legal reserves recorded in the 2022 financial statements, in accordance with the provisions of Article 103 index 1 of Companies Law no. 31/1990.
- it authorises the Board of Directors and its individual members to adopt the necessary resolutions in order to implement the resolution, including the completion of all steps and formalities for the implementation of the programmes and application of assignment criteria, the setting of beneficiaries and number of rights/options to purchase share, the period for the exercise of the rights, the preparation and publication of informative documents, as required by the law.

I. *The first stage of Buy-back program no. 8 (current report on 11.07.2023) – cumulated results of operations run:*

- ✓ Period: 17.05.2023 – 11.07.2023;
- ✓ Total number of bought-back shares: 1,000,000, representing 0.104% of share capital;
- ✓ average buy-back price: 1.2587 lei/share;
- ✓ Total value of bought-back shares: 1,258,686.64 lei
- ✓ Purpose: buy-back of treasury shares to abide by legal provisions stemming from "stock option plan"-type programs;
- ✓ Broker: BT Capital Partners.

II. *The second stage of Buy-back program no. 8 (current report on 13.10.2023) – cumulated results of operations run:*

- ✓ Period: 13.07.2023 – 12.10.2023;
- ✓ total number of bought-back shares: 3,500,000, representing 0.3639% of share capital;
- ✓ Average buy-back price: 1.1943 lei/share;
- ✓ Total value of bought-back shares: 4,179,938.88 lei
- ✓ Purpose: buy-back of treasury shares to abide by legal provisions stemming from "stock option plan"-type programs;
- ✓ Broker: BT Capital Partners.

III. *The third stage of Buy-back program no. 8 (current report on 28.11.2023) – cumulated results of operations run:*

- ✓ Period: 16.10.2023 – 28.11.2023;
- ✓ Total number of bought-back shares: 4,700,000, representing 0.4886% of share capital;
- ✓ Average buy-back price: 1.2198 lei/share;
- ✓ Total value of bought-back shares: 5,732,949.64 lei
- ✓ Purpose: buy-back of treasury shares to abide by legal provisions stemming from "stock option plan"-type programs
- ✓ Broker: BT Capital Partners.

IV. Start of the Public Offering for EVER shares – Buy-back program no. 9 (current report on 29.11.2023 and FSA resolution no. 1328/22.12.2023)

Through FSA resolution no. 1328/22.12.2023 the public offering for shares issued by EVERGENT Investments SA was decided, with the following main characteristics:

- ✓ Number of shares that are object of the offer: 10,000,000, representing 1.0398% of share capital;
- ✓ Purchase price: 1.45 lei per share;
- ✓ Period: 08.01.2024 – 19.01 2024;
- ✓ Offer Broker: BT Capital Partners;
- ✓ Subscription location: as per offering document presented on site www.evergent.ro.
- ✓ The purpose of the programme is the lowering of the share capital through the annulment of bought-back shares, in accordance with EGMS resolution no. 2 on 27.04.2023.

The operations are part of the EVERGENT Investments policy mix which includes redemption and dividend allocation programs that provide a higher return on invested capital than other types of investments.

6. Corporate Governance

6.1. Corporate Governance Code
(www.evergent.ro/despre noi/Codul de guvernanță corporativă)

EVERGENT Investments' Governance Code is aligned with the provisions of FSA Rule no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority (FSA Registry no. 2/2016), Corporate Governance Code of Bucharest Stock Exchange, OECD Corporate Governance principles, as well as the best practices in the field.

6.1.1. Structure and functioning method of management and administrative bodies

6.1.1.1. General Meeting of Shareholders – The General Meeting of Shareholders (AGA) is the supreme deliberating and decision body of EVERGENT Investments and functions in accordance with legal provisions in force and those of the Memorandum of Association. The ordinary and extraordinary general meetings of shareholders are convened by the Board of Directors in accordance with legal and statutory provisions. The proceedings of the meetings are written down by the elected GMS secretary. The general meeting of shareholders adopts resolutions based on drafts suggested by the Board of Directors and/or shareholders. GMS resolutions, signed by the session president are reported to FSA, BSE and made public through their submission and registration in the Trade Registry, publication in Romania's Official Journal part IV, display on the official website. GMS resolution are enforceable (to be applied immediately) from the time of their being adopted, unless there is another date mentioned when they are to become enforceable in their wording or legal provisions. *(Details are presented in Annex 1)*

6.1.1.2. Board of Directors - the Company is managed by a Board of Directors comprised of 5 members, natural persons, elected by the General Meeting for a 4 years' period, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA. The current members of the Board of Directors: Doros Liviu Claudiu – president, CEO; Iancu Catalin-Jianu-Dan – vice-president, deputy CEO; Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu – were approved by OGMS Resolution no. 2/28.01.2021, for the 5th April 2021 – 5th April 2025 mandate and authorized by FSA (Authorization no. 49/30.03.2021).
(Details on the organization and responsibilities of the Board of Directors are presented in Annex 1)

6.1.1.3. Audit committee- is a permanent committee, independent from EVERGENT Investments' management, subordinate to the Board of Directors. The Audit Committee assists the Board of Directors in fulfilling its responsibilities in the field of financial reporting, internal control, internal and external audit and risk management. The Audit Committee is comprised of 3 members, namely:
1. Octavian Claudiu Radu – president – non-executive and independent member;
2. Horia Ciorcilă – member – non-executive and independent director;
3. Costel Ceocea – member – non-executive director.
(Details on the organization and responsibilities of the Audit Committee are presented in Annex 1)

6.1.1.4. Appointing and Remuneration Committee - is a permanent committee, with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors. The Committee assists the Board of Directors in its fulfilment of responsibilities related to the appointing and remuneration of members for management functions, as well as their

remuneration. The Committee is comprised of 3 members, namely:
1. Costel Ceocea – President – non-executive director;
2. Octavian Claudiu Radu – member – non-executive and independent director;
3. Horia Ciorcilă – member - non-executive and independent director.
(Details on the organization and responsibilities of the Appointing and Remuneration Committee are presented in Annex 1)

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

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

6.1.1.6. Executive management of the Company is ensured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and Deputy CEO, who act as managers of the company as per Law 31/1990 regarding companies. The managers meet the legal requirements for their position; have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM. Executive managers of EVERGENT Investments: Doroș Liviu Claudiu – CEO Iancu Cătălin Jianu Dan – deputy CEO – FSA authorization no. 59/05.04.2021
(Details on the organization and responsibilities of Executive Management are presented in Annex 1)

6.1.1.7. Management Committee
The CEO and deputy CEO comprise the Management Committee and effectively run the activity of the company within the limits of their assigned competencies.
Each director of the company coordinates the daily activity of certain departments according to the organisational chart and adopt individual decisions on their specific activity areas, and together they adopt decisions within the Management Committee, complying with the legal requirements that directors insure the actual management of the company.
For this purpose, the Committee adopts decisions regarding:
- ✓ implementation of the investment strategy set by the Board of Directors;
- ✓ implementation of the resolutions of the Board of Directors that target assigned competencies;
- ✓ matters that fall within the competence of the Board of Directors and are to be submitted for its discussion and approval concerning delegated tasks;
- ✓ issues that, by their scope, can impact all lines of business (business, support, compliance);
- ✓ issues that, in order to adopt a decision, require full understanding and harmonization of business and compliance aspects.
- ✓ approval of procedures specific for the departments of the company.

The meetings of the Management Committee are also the internal framework for the directors to be fully and mutually informed on issued specific to coordinated areas.
(Details on the organization and responsibilities of the Management Committee are presented in Annex 1)

6.1.2. Protection of EVERGENT Investments' interests and assets through legal procedures

The mission of the Legal Department is to make sure that the rights and interests of the company are protected and reached in accordance with applicable laws and regulations. For this purpose, under the coordination of the Director who is responsible for leading all activities related to legal advice and representation, the department has been involved in pursuing litigation strategy, providing professional advice and legal representation before the courts and other private and public law institutions.

During the reporting period, the Company registered in its specific records a number of 273 litigations, of these 41 files being concluded, the legal assistance and representation activity focusing on litigations related to EVERGENT's patrimony and shareholders' interests. In order to recover debts (especially from AAAS, enforcement procedures are continued, the Department carrying out continuous documentation on judicial ways of recovering debts of more than 60,000,000 lei and a maturity of more than 10 years.

Legal advice is also a current activity of utmost importance and with a particular weight within the Legal Department, this activity being provided both for the company and for the companies in the Group, with the objective of achieving strategy and protecting legitimate interests in transactions and operations in which the Company is a party, in compliance with the legal provisions in force. *(Details on the Status of litigations on 31st December 2023 are presented in Annex 2).*

6.2. Main characteristics of the internal control and risk management systems of EVERGENT Investments Group

6.2.1. Risk Management - EVERGENT establishes and maintains a permanent and effective compliance verification function that is separate and independent from other functions and activities. Structurally and hierarchically the Risk management department is subordinate to the Board of Directors. The permanent risk management function is exercised independently from the hierarchic and functional point of view, form that of portfolio management and other functional departments through the adoption of all organisational measures to prevent conflicts of interest, expressly foreseen by the company's internal regulations. The permanent risk management function has the necessary authority and access to all relevant information necessary to fulfil attributions and responsibilities
Staff of the Risk Management Department:
1. Sonia Fechet- risk administrator, risk manager (FSA reg. no.: PFR132FARA/040050)
2. Elena Rebei – senior risk administrator (FSA Reg. no.: PFR132FARA/040049)
(Details on the organization, responsibilities of the Risk Management Department are presented in Annex 3)

6.2.2. Compliance

EVERGENT Investments establishes and maintains a permanent and effective compliance verification function that is independent. Structurally and hierarchically the Compliance Department reports to the Board of Directors. Each person employed in the Compliance Department is subject to F.S.A. authorization and is registered in the public register of F.S.A..
Staff of the Compliance Department:
1. Michaela Puscas – compliance officer, department manager (FSA Reg. no.: PFR131RCCO/04003);

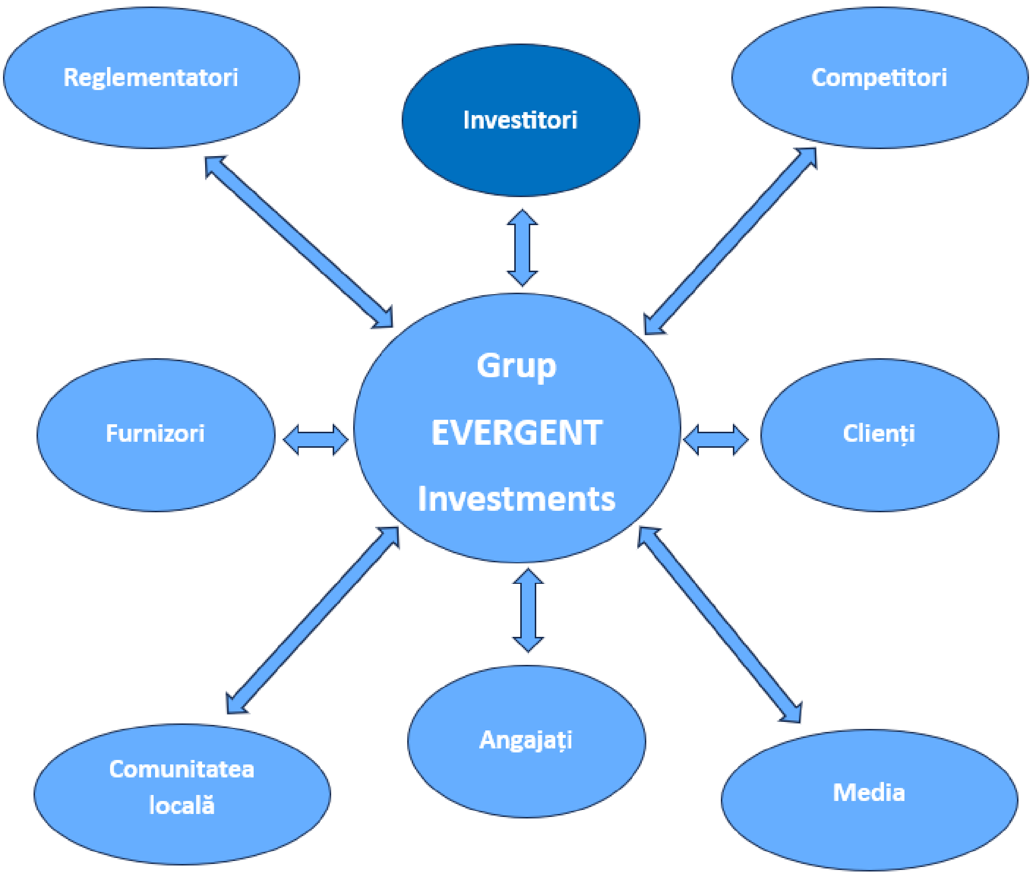
2. Gabriel Lupascu – compliance officer (FSA Reg. no.:PFR14RCCO/040020)
(Details on the organization and responsibilities of the Compliance department are presented in Annex 3)

6.2.3. Internal Audit - EVERGENT Investments sets and maintains the permanent internal audit function, independent from other functions and activities of EVERGENT Investments. The department is subordinate to the Board of Directors. For the purpose directing the activity, the internal Audit Department develops policies and procedures aligned to the requirements of the International Standards for the professional practice of internal audit
FSA notified internal auditors: Virginia Sofian, Gabriela Stelea, Rodica Grintescu
(Details on the organization and responsibilities of the Internal Audit Department are presented in Annex)

7. EVERGENT Investments Group's approach regarding environment, social and governance aspects– "ESG"

For EVERGENT Investments Group generating value means, in addition to financial performance and profitability for its shareholders, a positive impact on the environment and the community in which it operates.

The 2023 ESG Policy of EVERGENT Investments Group is presented on www.evergent.ro



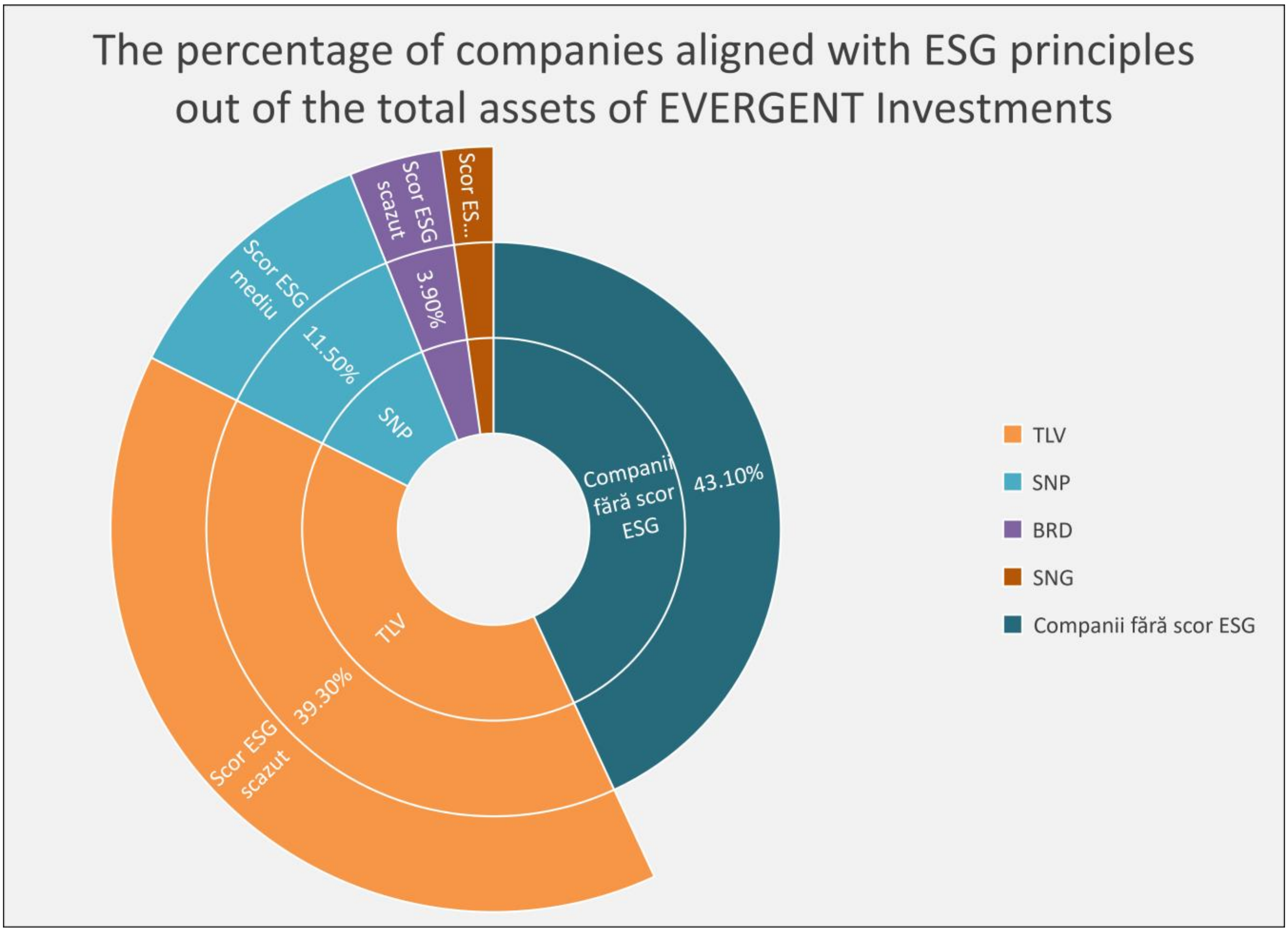
The Environmental Component – „Environmental"

EVERGENT Investments Group aims to lead by the power of example and use its investment experience in order to generate positive changes on the environment.

The global transition to zero emissions under the Paris Agreement requires the commitment and collaboration of all sectors. In scenarios analysed by the International Energy Agency, energy demand will grow by 2.1% per year until 2040, especially in developed countries. The share of zero-carbon energy is projected to increase from 36% today to 52% by 2040. Romania supports the European Union's environmental targets to achieve zero carbon emissions by 2050. The decarbonisation target to be achieved by 2030, the intermediate stage, has been accelerated from 40% to 55%. This ambitious target cannot be achieved without the use of all low-carbon energies, in particular nuclear and gas. Thus, Romania's target is to reduce CO2 emissions by 43.9% by 2030 compared to 2005 levels.

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

EVERGENT Investments listed equity portfolio structure according to ESG principles



On 31st December 2023, over 50% of the assets portfolio is held in issuers that integrate ESG factors in the activities carried out.

The main issuer is Banca Transilvania, which obtained a very good ESG Risk Rating (15.1) and is classified in the Low Risk category in terms of ESG initiatives and performance. The result ranks Banca Transilvania in the top 15% of the companies analysed by Sustainalytics globally.
The company also received Most GHG Mitigated in Central Europe recognition from the International Finance Corporation (IFC) for its contribution to reducing the impact of greenhouse gas emissions by providing green financing to companies in Romania.

In December 2023, Banca Transilvania received a ESG rating of 3.5, following the assessment of FTSE Russell. The ESG Index is the result of an assessment based on three pillars: environmental, social and governance. More than 300 indicators were used to analyse the bank's exposure and the way Banca Transilvania manages the ESG area.

Banca Transilvania sold bonds worth EUR 500 million in November 2023. It is the first bond issue with an ESG label, with a minimum 50% social component and a green component. The issue is listed on the Dublin Stock Exchange. The bonds are MREL, helping to ensure an optimal level of MREL-eligible funds, as distinct from customer deposits, which are guaranteed by the Bank Deposit Guarantee Fund, according to European standards.

This confirms the bank's results in areas such as: the governance of its product and service offering; the policy of excluding polluting sectors from fossil fuel lending; the responsible marketing policy and the initiatives implemented to develop human capital.

OMV Petrom will acquire from RNV Infrastructure a 50% stake in Electrocentrale Borzești, which owns renewable energy projects with a capacity of about 1 GW, of which 950 MW wind and 50 MW photovoltaic. The projects will be developed, built and operated in partnership with RNV Infrastructure. Furthermore, OMV Petrom will acquire in full Renovatio Asset Management, owner of the largest charging network for electric vehicles in Romania, with more than 400 charging points in Romania, with prospects to grow to about 650 by 2026. OMV Petrom together with Renovatio plan to invest around €1.3 billion by 2027, including bank financing, in renewables in Romania.

BRD approaches the future from three main perspectives: customer satisfaction and digitalisation, transition to sustainability and business line efficiency, through the HORIZONS 2025 action plan. This strategy translates into the execution of the Bank's vision to strengthen the long-term relationship with its individual and corporate customers by offering more personalisation and an omnichannel journey. Through Horizons 2025, BRD aims to strengthen its position on the Romanian market, to be a leader in the energy transition towards sustainability and to provide more support to the Romanian economy and society. From an ESG perspective, the bank aims to provide cumulative sustainable financing of more than €1 billion by 2025.

Private – equity Portfolio

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

The buildings 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).

Veranda Mall has completed a photovoltaic plant located on the building that will cover 20-30% of the electricity used for heating, cooling and lighting the mall. This is part of the strategy to develop clean energy sources and is an important action towards decarbonisation and combating climate change. Decreasing energy consumption and developing cleaner energy sources are key to achieving the company's climate targets and addressing its dependence on external sources and reducing its carbon footprint.

Social component – "Social"

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

The Group believes that a thorough involvement of employees leads to performance, and thus it supports diversity and equity initiatives and constantly promotes a culture of collaboration.

EVERGENT Group acknowledges the positive impact that it may have on the community it is part of, either through capital investments or sponsorships and at the same time it aims to create opportunities for communities with insufficient resources.

EVERGENT Investments Group's involvement in its communities is aimed at sustainable economic development. Creating new jobs and helping disadvantaged people to integrate into the community are sustainable mechanisms of intervention in society in the long term.

Corporate Governance Component – "Governance"

The implementation of corporate governance principles, as well as the development of responsible and transparent business practices, represent important milestones of the EVERGENT Investments Group's activity, while ensuring the prerequisites for achieving sustainable performance growth and for harmonizing the interests of all parties involved in the relationship with the EVERGENT Investments Group.

EVERGENT Investments Group is based on values such as responsibility, innovation, action diligence and the way its employees strive to exceed their limits to be better.

8. Prevention and fight against money laundering and the financing of terrorism on the level of EVERGENT Investments Group

The individuals appointed for ML/FT have fulfilled their responsibilities as set by FSA Regulation no. 13/2019 on the establishment of measures to prevent and combat money laundering and terrorist financing through the financial sectors supervised by the Financial Supervisory Authority.
The company identifies ML/FT risks it is subjected to both on the level of the entire activity and on Group level in accordance with applicable legal provisions.

EVERGENT Investments, as parent company, implements the means and instruments necessary for the purpose of abiding by ML/FT legislation on the level of Evergent Group, for which purpose, the following operations were carried out during the reporting period:

- ✓ taking the necessary steps to implement the revised policies and procedures in 2023, in line with current legislation, in all subsidiaries.
- ✓ continuation of the subsidiary monitoring stages, in order to adopt procedures depending on the specifics and size of the economic activity carried out, as well as the particularities of the business relations, clients, products and services, that can insure the assessment of the money laundering/financing of terrorism risks on Group level, abiding by legal provisions applicable.
- ✓ taking the necessary measures to appoint assigned individuals according to the law, for each subsidiary and for assigning them the corresponding responsibilities.
- ✓ insuring the conditions for the training and assessment of staff.

2023 Board of Directors' Activity Report related to the Consolidated Financial Statements has been approved in the BoD meeting on 25th March 2024.

Claudiu DOROȘ
CEO and President of the Board

Finance director
Mihaela MOLEAVIN

Compliance officer
Gabriel LUPAȘCU

Director
Georgiana DOLGOȘ

Annex 1

The Structure and Method of Operation for Administrative, Management and Supervisory Bodies and Committees – EVERGENT Investments SA

1.1. General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the supreme governing body of the Company and functions in accordance of the applicable law in force and Memorandum of Association. The ordinary and extraordinary general meetings are convened by the Board of Directors in compliance with the legal and statutory provisions. The session papers are recorded by the secretariat elected by the GMS; the minutes are drawn up in the special register.

The General Meeting of Shareholders adopts resolutions based on proposals made by the Board of Directors and/or shareholders. GMS resolutions, signed by the meeting president, are reported to FSA, BSE and made public through publication in a national newspaper, Official Journal, Part IV, posted on the official website and at the headquarters. GMS resolutions are enforceable (applied immediately) from the moment they are adopted, if their contents or legal provisions do not foresee another time for their becoming enforceable.

1.2. Board of Directors

The company is managed by a Board of Directors comprised of 5 members, individuals, elected by the general meeting for a period of 4 years, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA.

The directors and managers who make up the Management Committee shall conclude administration and/or management contracts with the company, drawn up in compliance with the applicable legal framework. The content of these contracts entered into with the company shall be disclosed and/or made public where required by the applicable regulations.

In its activity, the Board of Directors adopts resolutions. The resolutions of the Board of Directors are valid if more than half of its members were present, and resolutions are adopted with the majority of the present members. The president of the Board of Directors who is at the same time CEO of the company may not have decisive vote. Legally adopted resolutions are mandatory for directors and other managers, and enforceable once notified in writing or following general notification through the secretariat of the Board of Directors if there is no other deadline foreseen for them to come into force, subsequent to the time of notification.

The Board of Director may elect from among its members a president and a vice-president. The President of the Board of Directors may also be the CEO of the company and the vice-president may also be the deputy-CEO. The President chairs the meetings. In case the president is not present, sessions are chaired by the vice-president.

The president of the Board of Directors has the following basic responsibilities:

a) Coordinates the activity of the Board of Directors;
b) Convenes the Board of Directors;
c) Sets the agenda of the Board of Directors;
d) Watches over the adequate information of Board members concerning the items on the agenda;
e) Presides the sessions of the Board of Directors;
f) Ensures the Board of Directors' representation in relationship with Directors by signing Director and Management Agreements;
g) Follows-up the execution of Board of Directors' resolutions and reports to the Board on the status of their implementation quarterly;

h) Signs the protocol of the Board of Directors' meeting along with another manager; if he has chaired the meeting;
i) Conducts GMS works and submits the items on the agenda for GMS discussion and approval;
j) Watches over the good functioning of company bodies.

The President may also have other attributions set by the Board of Directors of the Company through resolutions or expressly foreseen by legal provisions.

The vice-president of the Board of Directors fulfills the President's obligations, in the latter's absence.

The vice-president may have other attributions as well, set by the Company's Board of Directors through resolution or expressly foreseen by legal provisions.

The members of the Board of Directors may be represented at the Board's meetings only by other members. A present member may only represent an absent member.

The provisions of EVERGENT's Memorandum of Association regulate situations concerning:
a) The management of the Company in the transition period following the expiry of former managers' mandates and the validation date of new managers by the competent authority;
b) The procedure to complete the Board, in case of position vacancies;
c) The organization and conduction of Board of Directors' meetings.

The Board of Directors has the following basic competencies that cannot be delegated:
a) setting the Company's main activity and development goals;
b) setting the accounting policies and the financial supervisory system, as well as approving the financial planning;
c) appointing and dismissing managers and setting their rights and duties;
d) supervising the managers' activity;
e) preparing the annual report, organizing the general meeting of shareholders and implementing its resolutions;
f) submitting the request for opening the company insolvency procedure;
g) completely meeting all the duties set for the board of directors by the general meeting of shareholders;
h) setting up/cancelling local offices and other secondary offices, without legal personality or changing their office;
i) setting and approving the voting procedures for the general meeting of shareholders;
i^1) adopting adequate measures for the setting and application of corporate governance principles, regarding, without being limited to:
1. setting the relevant criteria for monitoring the performance of the executive/senior management and the company as a whole, and annually assessing the application of the criteria;
2. reviewing the adequacy, effectiveness and updating of the risk management system for the effective management of the assets held and the management of the related risks to which the company is exposed;
3. ensuring compliance with the requirements for outsourcing/delegation of operational activities or functions, both prior to and throughout the outsourcing/delegation process;
4. reviewing and setting remuneration policy so that it is in line with business strategy, long-term objectives and interests and includes measures to prevent conflicts of interest from arising;

5. ensuring the development and application of ethical and professional standards to ensure professional and responsible behaviour on company level, in order to prevent the emergence of conflicts of interest;
6. approving the company's risk policy and profile, risk appetite and risk tolerance limits, as well as procedures for identifying, assessing, monitoring, managing and reporting the significant risks to which the company is or may be exposed;
7. ensuring the development of business continuity and emergency plans and their biannual evaluation;
8. half-yearly assessment and reviewing of the effectiveness of the policy, measures and procedures in place for risk management and taking appropriate action to remedy possible deficiencies.

j) setting up other companies or legal entities, including the participation to the share capital of other companies, under the conditions foreseen by legal regulations;
k) pledging, renting, constituting tradable real guaranties and mortgaging the company's goods, under the following conditions:
   - sales and purchase agreements, exchange or setup of guarantee of assets in the issuer's fixed assets category whose individual or cumulated value exceeds over 20% of fixed assets value during a financial year, less receivables, are concluded by the Board of Directors or the directors of the company, only after the prior approval of the extraordinary general meeting of shareholders. Cumulative transactions in fixed assets area treated separately for each category: acquisitions, disposals, exchange or pledging.
   - Leases of tangible assets for a period over one year whose individual or cumulated value in relation to the same contractor or interested party, or parties acted in a concentrate method exceeds 20% of the total fixed assets, less receivables on the completion of the legal year, as well as associations over one year, exceeding the above-mentioned value are previously approved by the extraordinary general meeting of shareholders.
l) Approval of the exceeding of the limit set by Law no. 31/1990, with the approval of the competent authority and in accordance with regulations issued by it, to redeem treasury shares issued in accordance with art. 4 Law no. 133/1996, in possession of their initial owners. Redeemed shares may be used based on the resolution of the Board of Directors, with the approval of the competent authority, for the purpose of lowering the share capital or regulate the course of treasury shares on the capital market.

Other attributions of the Board of Directors:
(a) preparation of the general investment policy;
(b) integration of sustainability related risks within the following activities:
   - ✓ application of the general investment policy, as defined by the Fund Rules, in the Memorandum of Association and Issue Prospect;
   - ✓ approval of the investment strategy;
   - ✓ approval and regular reviewing the adequacy of internal procedures for making investment decisions for EVERGENT Investments to ensure that these decisions are consistent with approved investment strategies;
   - ✓ ensuring and periodically verifying that EVERGENT Investments' general investment policy, investment strategies and risk limits are properly and effectively applied and adhered to;
   - ✓ approval and regular reviewing of risk management policies and measures, processes and techniques for their application including the fund's risk limit system;

- ✓ setting and application of policies and procedures for the valuation of the Fund's assets in accordance with Article 19 of Directive 2011/61/UE;
- ✓ assurance that the Fund has a permanent and effective compliance verification function;
- ✓ setting and implementation of a remuneration policy, in accordance with the provisions of Annex II to Directive 2011/61/UE.

(c) contracting bank loans;
(d) conclusion of contracts with the depositary, auditor and entity keeping the shareholders' records;
(e) assignment of the company representation rights to other managers, setting the limitations of the mandate as well;
(f) approval of the company's internal regulations, internal regulation and procedures for compliance, internal audit, risk management, legal assistance for employees, directors and board of director members;
(g) negotiation of the collective employment contract;
(h) approval of the setup/dissolution of the Management Committee, with the resolution adoption quorum foreseen in the Memorandum of Association;
(i) approval of the company's organization, organizational chart, establishment plan and wage limits;
(j) appointing the individual(s) for the director replacement position;
(k) approval of the level of the benefit share plan of managers and directly, paid including through the assignment of shares or option to purchase company shares, abiding by statutory provisions;
(l) making sure that the company has an IT systems that allows the safekeeping of market price records for each asset in the portfolio, net asset value, unitary net asset value for the regulated reporting periods, record of the calculation method for all commissions and taxes due; and that the history of these operations are kept for at least 5 years;
(m) approval of the activity reports of the internal audit, compliance and risk management departments;
(n) approval of the investigations plan of the compliance department;
(o) The order of measures to remedy any case of law infringement, infringement of regulations in force applicable to capital market or internal procedures by EVERGENT Investments or any of its employees following the analysis of suggestions submitted in writing by the compliance officer;
(p) Notification of FSA and capital market institutions involved about the situations ascertained by the compliance officer regarding the infringement of legal regimen applicable to the capital market institutions and adopted measures;
(q) Approval of the multiannual and annual internal audit plan and necessary resources;
(r) Approval of internal audit reports and measure plans for the implementation of recommendations;
(s) Approval of the crisis simulation results;
(t) Approval of the quarterly risk reports of the risk management department;
(u) Approval of the abiding by the information in the *inside and confidential information* categories and of the measures taken to manage them;
(v) Approval of the assets evaluation methods in accordance with the International Assessment standards that include mainly:
    a. Market approach methods;
    b. Revenue approach methods;
    c. Cost approach methods.
(w) Approval and examination of any modification of the assets evaluation policies and procedures;

(x) approval of the general CSB/CFT strategy and overseeing its implementation, providing an adequate and effective governance framework for CSB/CFT, its responsibilities including at least the following:
- ✓ it oversees and monitors the adequacy and effectiveness of SB/FT risk management policies, internal rules, mechanisms and procedures in relation to SB/FT that the company is exposed to and if necessary, it orders measures to review them;
- ✓ it appoints the directly responsible leader of SB/FT and assesses his/her adequacy, inform him/her about the decisions that may affect the SB/FT risks that the Company is exposed to;
- ✓ it appoints the person who performs the duties of the SB/FT Compliance Officer;
- ✓ it approves the SB/FT Compliance Officer's progress report or, if appropriate, orders its review;
- ✓ it receives regular updates on the activities that expose the Company to increased SB/FT risk and is informed of the results of the activity-wide SB/FT risk assessment, having direct and permanent access to all data and information held at company level necessary to fulfil the obligations laid down in the applicable SB/FT legislation.

z) it approves the annual activity report of the Board for the proper management of international sanctions on the capital market

(y) Solving any other issues set by the General Meeting of Shareholders or by legal regulations and provisions.

The main objective of the Board of Directors, on the average and long term, defined and determined by the particularities of EVERGENT Investments and the macroeconomic context it operates in, is to ensure a balance between the continuation of the activity under optimum conditions and the satisfaction of shareholders' expectations.

The obligations and liabilities of directors are regulated by provisions regarding the mandate and the ones especially foreseen by Companies' Law no. 31/1990, Law no. 74/2015 on the managers of alternative funds managers, Law no. 297/2004 on capital market, Law no. 24/2017 on the issuers of financial instruments issuers and market operations, FSA regulations applicable and provisions of the Memorandum of Association.

The members of the Board of Directors hold the adequate knowledge, competence and experience to understand the activities of the Company, in particular the main risks associated to these activities as well as the assets in which EVERGENT Investments invests.

Consultative Committees of the Board of Directors

The Board of Directors may create consultative committees comprised of member of the board, tasked with the carrying out of investigations and preparation of recommendations for the Board in fields such as audit, remuneration of directors, managers and employees or appointing of candidates for various management positions, a.o. The Board of Directors sets the internal rules of the setup committees.

In the application of "EVERGENT Investments' Corporate Governance Code" principles, consultative committees are usually comprised of non-executive and independent members who watch over the specific activity of actual management and executive. A clear division of the supervisory and control responsibilities is ensured in relation to the attributions of executive management.

The activities of the committees are coordinated by a president, elected from among their members. The Board of Directors shall be immediately informed regarding the election of the President. The Board of Directors may set additional responsibilities for Committee Presidents, setting at the same time their proper remuneration.

The consultative committees of the Board of Directors should be comprised of at least 2 members, according to legal provisions and the Memorandum of Association.

EVERGENT Investments abides by legal requirements and BVB recommendations regarding:
- ✓ At least one member of each committee should be a non-executive, independent director;
- ✓ The Audit Committee and Remuneration Committee are comprised solely of non-executive directors;
- ✓ At least one member of the Audit Committee should have experience in the application of bookkeeping principles or financial audit;
- ✓ The *Appointing-Remuneration Committee* is comprised of non-executive members and most members should be independent – BVB recommendation for the Premium category;
- ✓ The *Audit Committee* should be comprised of at least three members and most members of the Audit Committee should be independent" – BVB recommendation for the Premium category;
- ✓ *the investment committee* should be comprised of at least three members and most members of the investment committee should be independent"- BVB recommendation for the Premium category;

Audit Committee

The Audit Committee is a permanent committee of the Board of Directors, independent from EVERGENT Investments' executive management. The Audit Committee assists the Board of Directors in the fulfillment of its obligations in the field of financial reporting, internal control, internal and external audit and risk management. The committee issues recommendations regarding various topics that are object of the decision-making process.

The members of the Audit Committee are set by the Board of Directors.
The Audit Committee is comprised of 3 members elected from among non-executive managers.
Most members of the Committee shall be independent non-executive managers (in the meaning of the provisions of Law no. 31/1990). The president of the Committee shall be an independent non-executive manager.

The Audit Committee should have the qualifications foreseen by the law in the field in which the Company operates. At least one member of the Audit Committee should have competence in the field of accounting and statutory audit, proven by qualification documents for those particular fields.

Attributions, responsibilities:
a) It informs the Board of Directors about the results of statutory audit and explains to what extent it contributed to the integrity of financial reporting and the role of the Audit Committee in this process;
b) It monitors the financial reporting process and submits recommendation or suggestions to insure its integrity;
c) It endorses the Accounting Policies Handbook of EVERGENT Investments;
d) It monitors the efficiency of the internal control systems and risk management system, and of the internal audit regarding EVERGENT Investments' financial reporting, without infringing on its independence;
e) It monitors the audit of the annual financial statements and consolidated annual financial statements, especially their preparation, taking into consideration the ascertainments and conclusions of the competent authority, in accordance with applicable regulations in force;

f) It analyses the audit report and/or opinion of the financial auditor concerning essential aspects resulting from financial audit, as well as the financial reporting process and recommends measures required;
g) It analyses the ascertainments and recommendations of the financial auditor regarding significant internal control deficiencies related to the financial reporting process;
h) It answers to the selection process for the financial auditor or audit company and makes recommendations to the Board of Directors regarding its selection, appointing and replacement, subjected to GMS approval, as well as the terms and conditions of its remuneration, in accordance with applicable regulations in force;
i) It assesses and monitors the independence of the financial auditor or audit company, and in particular the need of the delivery of service that are not audit, in accordance with applicable regulations in force;
j) It evaluates conflicts of interest related to the company's transactions, those of its subsidiaries with related parties;
k) Any transaction of the company with any of the companies it has close relations to, whose value is equal or higher than 5% of the company's net assets (in accordance with the latest financial report) is approved by the Board following the mandatory opinion of the Audit Committee;
l) It endorses the Internal Audit Charter and internal audit and internal control procedures;
m) It analyses and endorses the multiannual and annual internal audit plan, significant interim modifications and the resource need for these activities;
n) It analyses and endorses the annual investigations plan of the Compliance Department and its modifications;
o) It makes sure that the internal audit, internal control analysis and reports prepared are in accordance with the audit and control plans approved by the Board of Directors;
p) It monitors the application of legal standards and generally accepted internal audit standards. The Audit Committee receives and assesses the reports of the internal audit team, analyses and endorses the ascertainments and recommendations of internal audit and the measure plan for their implementation.
q) It receives the report of the compliance officer, analyses and endorses the ascertainments and recommendations suggested and the measure plan for their implementation;
r) It analyses and endorses the annual report concerning the internal audit activity;
s) It analyses and endorses the annual report for the compliance activity;
t) It analyses and endorses the annual report concerning the risk management activity;
u) It analyses and endorses the risk policy, risk procedures and risk management methods;
v) It analyses and endorses risk reports of the risk management department.

Appointing –Remuneration Committee

The Appointing-Remuneration committee is a permanent committee, with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors.

The Committee assists the Board of Directors in its fulfillment of responsibilities related to the appointing and remuneration of members for management functions, as well as their remuneration.

The Committee is comprised of at least 2 non-executive members, of which at least one is an independent member, meaning that it abides by the independence principle foreseen by art. *18 FSA Regulation no. 1/2019 on the evaluation and approval of members of the management structure and* *individual holding key positions in entities regulated by the Financial Supervision Authority.*

Attributions, responsibilities:

a) It prepares recommendations regarding the appointing policy applicable to managers and directors of the company to be presented for the approval of the Board of Directors.
b) It endorses, before the approval of the Board of Directors, and monitors the abidance by the remuneration policy for managers, directors and employees of the company, prepared and applied by the executive management of the Company. In case deficiencies are identifies in the drafting or application of remuneration policy, the members of the committee immediately inform executive management in writing about the situations ascertained and follow-up their correction, informing the members of the Board of Directors consequently. Executive management is bound to provide a reply in writing to the committee within 3 work days from the time the notification is received, and the committee will inform the Board of Directors. In case executive management refuses or unjustifiably delays the application of the modifications requested by the committee, the Board of Directors is bound to send FSA an ascertaining report regarding the irregularities identified in EVERGENT Investments SA.'s remuneration policy. The report is submitted within 10 work days from the date the Appointing-Remuneration Committee has submitted the written notification.
c) It may prepare recommendation regarding the remuneration policy on the level of EVERGENT Investments' group;
d) It submits the Board of Directors the annual report on remunerations and other benefits offered to directors and managers during the tax year;
e) it acknowledges the documentation provided to the financial auditor for the analysis of significant transactions reported in accordance with art. 108 Law no. 24/2017 on the issuers of financial instruments and market operations and following the audit report, it recommends measures to be taken, if necessary;
f) It prepares recommendation regarding the covering of vacant positions in the Board of Directors, abiding by GMS resolutions and applicable law;
g) It makes recommendation regarding the adoption of the Board of Directors'/ or executive management's decision for the appointing, discharge, or firing of department directors and staff with key and control positions, as well as for the setting of their remuneration level, rights and liabilities;
h) periodically evaluates the level of acquirement and application of specialized knowledge and makes recommendation regarding the continuous update process of the professional knowledge of managers and directors;
i) it makes recommendations for the improvement of knowledge regarding the company's activity for the purpose of applying best corporate governance practices;
j) it monitors the abidance by the transparency, information and reporting requirements and obligations, concerning information in this activity area.

Investment Committee

The Investment Committee is a permanent committee, with consultative function, independent from EVERGENT Investments SA's executive management, subordinate to the Board of Directors.
The Investment Committee assists and supports the Board of Directors in the fulfillment of its obligations in the field of drafting investment strategies and policies, abidance by the decisions concerning the application of investment policy, the analysis of the securities portfolio and management of related risks.
The committee is comprised of at least 2 non-executive members, of which at least one is an independent member, meaning that the independence principle foreseen by art. 18 FSA Regulation

no. *1/2019 on the evaluation and approval of the members of management structure and individuals holding key positions in entities regulated by the Financial Supervision Authority* is abided by.

Attributions, responsibilities:

a) it issues recommendations to the Board of Directors regarding investment strategy and policy;
b) It issues recommendations to the Board of Directors regarding the main activity and development directors of the Company;
c) It issues recommendations regarding the annual fundamental investment objectives within the annual activity programs;
d) It issues recommendations to the Board of Directors concerning new investment/disinvestment programs/projects that require the approval of the Board of Directors;
e) It issues recommendations to the Board of Directors regarding:
   • Maximization of securities portfolio performance;
   • Assignment of assets to increase performance, linked to the activity program approved by GMS, (AIFM) Investment Policy and Strategy and economic forecasts;
f) It analyses any investment proposal it is presented and suggests new investment opportunities and methods to improve the efficient assets management activity to the Board of Directors;
g) It analyses and issues recommendations regarding capital operations, capital increase/ decrease, as well as share redemption programs for the purpose of lowering the share capital and running Stock Optional Plan programs;
h) Investment proposals that shall be analyzed by the Investment Committee shall mainly be:
   - Investment in companies in which EVERGENT Investments holds control, in accordance with statutory provisions and BD resolutions:
     "art.7 line (18) letter j) decides the setup of other companies or legal entities, including the participation to the share capital of other companies, under the conditions foreseen by legal regulations"
   - Securities or shareholdings already included in the portfolio and not included in the annual activity report, of at least 20 mil. lei;
   - Investment in new projects, transactions with newly issued securities not included in the portfolio, development of new strategic lines.
i) It issues recommendation regarding the restructure strategy for the assets portfolio;
j) It issues recommendations regarding portfolio optimization strategies;
k) It makes investigations in its area of competence;
l) It analyses and endorses the method to integrate sustainability related risks in the investment decision-making process.

Secretariats of the Board of Directors, Management Committee and Consultative Committees – general rules

1. The Board of Directors, Management Committee and Consultative Committees of the Board of Directors carry out their activities in accordance with their own organisation and functioning regulation, approved by the Board of Directors.
2. Secretariats are not distinct organisational departments, they function within the governance structures.
3. The secretaries of the Board of Directors and Committees as well as their replacements are appointed through resolution of the Board of Directors, at the suggestion of the President CEO.
4. The secretariat has the following basic responsibilities:
   - technical organization of the meetings;
   - communication of opinions and/or decisions to departments;
   - drawing up meeting minutes, drafting reports for approval by the competent bodies, including monitoring the implementation of the decisions of the Board of Directors, with the support of

the departments concerned;
- physical and electronic archiving of meeting documents, archiving in physical form is provided at the headquarters.

Adviser to the Board of Directors

Individuals may be employed, through a decision of the Board of Directors as advisers for the Board OF Directors.

Main attributions:
1. he/she analyses and formulates comments and substantiated proposals on documents and notes drafted by the other structures on issues submitted to the attention or endorsement of the ASF and other competent authorities.
2. he/she identifies, following the analysis of the subjects submitted for the debate of management structures, aspects that are not properly regulated and prepares proposals to improve the regulatory framework;
3. analyses and submits observations and proposals on how the principles of corporate governance are observed by EVERGENT Investments and on the measures to be adopted for the application of the BVB recommendations of the Corporate Governance Code, including on the content of the Corporate Governance Rules of EVERGENT Investments;
4. makes proposals regarding the revision of internal regulations and optimization of the organization of activity of the Board of Directors / BD Secretariat, Consultative Committees of the Board of Directors/ secretariats of the consultative committees, including the organisation and functioning regulations of these structures;
5. follows-up, at the express request of management structures or its members, the way management decisions are implemented;,
6. may participate, following the appointing of the management structure or its members, to external work meetings, and prepares reports on them afterwards;
7. provides specialized assistance to non-executive members of the BD.

Delegation of power on the level of the Board of Directors

The Board of Directors approves the delegation of competence and sets the competence limits for the CEO, deputy-CEO and the Management Committee.

Operations made based on the competences assigned to managers are reported to the Board of Directors through written or verbal reports.

The Board of Directors has assigned to the CEO and deputy-CEO all attributions presented in the present regulations.

The Board of Directors approves the delegation of powers and/or the right of representation to other directors and sets the limits thereof. Transactions carried out on the basis of the powers delegated by the Board of Directors to other directors shall be the subject of reports to be presented at meetings of the Board of Directors.

1.3. Executive Management of EVERGENT Investments

The executive management of the Company is ensured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and

Deputy CEO, who act as managers of the company as per Law 31/1990 regarding companies. The managers meet the legal requirements for their position; have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM.

Executive management is appointed by the Board of Directors in accordance with statutory provisions, the identity of the individuals being immediately submitted to FSA.

Executive management:
- is authorized to coordinate the daily activity of the company, according to the activities coordinated by each director;
- is responsible for the application of general investment policy, abidance by internal regulations and work procedures;
- informs the Board of Directors regarding the activity carried out during its regular meetings.

In the field of risk management, executive management is responsible for:
(a) ensuring the implementation of the Risk Management Policy, procedures and methodologies for the identification, evaluation, monitoring, management and reporting of significant risks that the company is or could be exposed to, as approved by the Board of Directors;
(b) adopting measures, processes and techniques that are adequate and efficient for the monitoring and control of all relevant risks in accordance with the risk management policy;
(c) providing the resources necessary for the implementation of the risk management system;
(d) setting the competencies and responsibilities related to risk management on the level of each activity line;
(e) adequate and efficient application risk limits taken on, including in case of crisis situations, as well as their abidance by the risk profile approved by the Board of Directors;
(f) making sure the crisis simulations are carried out;
(g) setting and maintain an adequate system for risk exposure reporting;
(h) half-yearly evaluation of the plan to ensure activity continuity in cases of emergency in order to eliminate or minimalize risks;
(i) development of an integrated risk culture on the level of EVERGENT Investments, based on a full understanding of the risks that the company faces and the way these are managed, taking into consideration its risk tolerance/appetite.

In the field of compliance insurance, directors are responsible for:
(a) the approval of the compliance polity (may be an integrated document or a collection of distinct internal regulations);
(b) analysis, at least on an annual basis, of the compliance policy and the way it is implemented in EVERGENT Investments ;
(c) insurance of resources necessary for the compliance policy;
(d) ordering measures for compliance risk control.

CEO

The CEO enforces the resolutions of the Board of Directors, for which purpose it issues written resolutions and orders. His resolutions and orders are immediately enforceable and produce effects once notified to the individuals who are authorized to fulfill them.

The CEO has the following attributions:

(a) direct and actual management of the company's activity, in compliance with the general objectives set by GMS;
(b) implementation of the company's general investment policy;
(c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association or Board of Directors;
(d) patrimonial engagement of the company in its legal relationships with third parties, through own signature;
(e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors;
(f) approval of measures regarding the protection of the integrity of tangible and intangible assets in the company's patrimony;
(g) third parties trading and/or negotiation attributions regarding the goods or rights of the company within the limitations set by the law, the Memorandum of Association, GMS resolutions or resolutions of the Board of Directors;
(h) representation of the company in its relationship with third parties and in court;
(i) collaboration with the company's auditors, the depositary of the company and the entity holding the shareholders' records, as well as with other control or supervision bodies of the company;
(j) approval of the contents of the information reports for the market and the shareholders regarding any action or deed that is object of a legal reporting obligation;
(k) internal (functional) organization of the company, taking into consideration the legal provisions, company's Memorandum of Association, internal regulation, organizational chart and position status of the company, as well as the resolutions of the Board of Directors;
(l) employment, promotion and dismissal of company's employees with the exception of department managers and staff holding key positions that are appointed by the Board of Directors, as well as the application of disciplinary measures on employees, according to legal provisions and internal regulations;
(m) regular notification of employees as well as negotiations with them regarding the individual employment contracts and work conditions;
(n) remuneration of employees within the limits set in the individual employment contracts and/or by the Board of Directors;
(o) verification and control attributions of the way the employees of the company carry out their tasks or of other individuals with contracts entered with the company;
(p) notification of the Board of Directors regarding the activity carried out according to applicable law;
(q) other attributions set by the company's Board of Directors through resolution or expressly foreseen by legal provisions.

The CEO coordinates the entire activity of the company, according to the attributions of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, Legal Department, Corporate Governance and Relationship with Investors Department, IT Service, Assets Evaluation Service, Human Resources- Logistics Service, the activity regarding labor safety and health and the activity regarding fire prevention and extinction and physical safety.

The CEO is the directly responsible leader of CSB/FT, with specific responsibilities under applicable legal provisions, as set in the Management Contract.

The CEO directs and coordinates the Management Committee.
In case of absence, the attributions assigned by the Board of Directors will be the competence of the Deputy CEO and the actual management of the company will be insured by the deputy CEO

and one of the individuals appointed as replacement, FSA notified.

Deputy CEO

The deputy-CEO has the following attributions:
(a) implementation of the Board of Directors' resolutions;
(b) direct and actual management of the company's activity in compliance of the general objectives set by GMS;
(c) management of the company's patrimony within the limitations set by the law, Memorandum of Association, resolution of the general meetings of shareholders or Board of Directors;
(d) patrimonial engagement of the company in its legal relationship with third parties through his own signature in agreement with the provisions of internal regulations and within the set competence limitations;
(e) conclusion of contracts, with the exception of those that are the competence of the Board of Directors and/or CEO;
(f) approves the measures regarding the protection of the integrity of movable and immovable assets in the patrimony of the company;
(g) trading and/or negotiating attributions in the relationship with third parties regarding the goods or rights of the company within the limitations set by the law, the Memorandum of Association, GMS resolutions or resolutions of the Board of Directors;
(h) company's representation in its relationship with third parties and in court;
(i) collaboration with the company's auditors, the company's depositary and central depositary, as well as with the other control and supervision bodies of the company;
(j) approval of the content of market and shareholders informational reports regarding any action that is subjected to a reporting obligation ;
(k) internal (functional) organization of the company, taking into consideration the legal provisions, Memorandum of Association of the company, internal regulation, organizational chart as well as the resolutions of the Board of Directors;
(l) control and promotion of company employees according to legal and internal regulations;
(m) remuneration of employees within the limitations set by the individual employment contracts and/or the Board of Directors;
(n) verification and control attributions regarding the way the company's employees or other individuals in a contractual relationship with the company fulfill their tasks;
(o) notification of the Board of Directors of the company regarding the activity carried out, according to applicable law;
(p) other attributions set by the Board of Directors of the Company through resolutions or expressly foreseen by legal provisions.
The deputy-CEO coordinates the daily activity of the following departments: "ENERGY-INDUSTRIAL" Portfolio, "FINANCIAL-BANKING" Portfolio, "SELL" Portfolio, "PRIVATE – EQUITY" Portfolio, "Transactions" Department. The components of the financial instruments portfolios are set by BD resolution.

In case of absence, the attributions assigned by the Board of Directors shall be the competence of the CEO and the actual management of the company will be insured by the CEO or one of the individuals appointed as replacement and notified to FSA.

1.4. Management Committee

The Board of Directors assigns the management of the Company to the CEO and deputy-CEO who together form the Management Committee.
The CEO and deputy-CEO may also be directors of the Company.

The set-up and dissolution of the Management Committee is approved with the majority vote of present directors.

The CEO and deputy-CEO who comprise the Management Committee effectively conduct the business of the company within the delegated powers

Each director of the company coordinates the daily activity of certain departments, according to the organizational chart, and adopted individual decisions on specific activity areas, and together they adopt resolutions within the actual collective work body, the Management Committee, applying the legal requirement that directors insure the actual management of the company.
For this purpose, the Committee adopts resolutions regarding:
- ✓ the implementation of the investment strategy set by the Board of Directors;
- ✓ implementation of Board of Directors' resolutions targeting assigned competencies
- ✓ issues that fall under the competence area of the Board of Directors and that are to be presented for its debate and approval, concerning assigned attributions
- ✓ issues that through their nature might impact all activity lines (business, support, compliance)
- ✓ issues that require full understanding and harmonization of business and compliance aspects, in order to adopt a decision.

The meetings of the Management Committee represent at the same time the internal framework for the full and reciprocal information of directors on issues specific for the coordinated areas.

The competence limits of the Management Committee, CEO and deputy CEO are set taking into account the basic responsibilities of the Board of Directors that cannot be assigned (provisions of art. 7 line 19 letters. a-l of the Memorandum of Association).

Organization and conduct of the Management Committee's activity

Between the meetings of the Board of Directors, the Management Committee carries out its activity within the set competence limits.
The Management Committee presents in the meetings of the Board of Directors the decisions adopted and running operations.

The legally adopted decisions are binding for the directors and employees and enforceable from the time they are communicated in writing, if there is no other later deadline for their becoming enforceable mentioned in their content.

The decisions of the Management Committee are adopted with unanimity of its members' votesi.
If no decision can be adopted in the Management Committee due to the failure to meet vote conditions, the topic discussed shall be submitted for the analysis of the Board of Directors in order for a decision to be adopted.

The CEO directs and coordinates the Management Committee and in this quality he:
a) convenes the Management Committee whenever necessary to present issues that fall under its competence for debate and approval;

b) follows up the fulfillment of the Management Committee's resolutions and reports to the Board on a quarterly basis regarding the status of their implementation;
c) informs on adopted resolutions in each meeting of the Management Committee.

1.5. Executive Manager

The executive manager is an employee of the company and is subordinate to the Management Committee.

The functional relationships of the executive manager are:
1. subordination to the CEO, Management Committee, deputy-CEO;
2. collaboration with all company departments;
3. coordination of the departments under his authority according to the organisational chart.

The executive manager has the following main attributions:
1. Ensures the daily coordination of the departments and the necessary framework for carrying out the activities of the departments coordinated according to the Organisational Chart, by organising, planning and monitoring their activities in order to achieve specific objectives at a high level of performance;
2. Organises, guides, checks and supervises internal and inter-departmental activities, applying the necessary measures to ensure that internal processes are properly carried out in accordance with specific approved procedures, that legislation is complied with and that specific regulations are correctly understood and applied.;
3. Ensures the implementation of resolutions adopted by the Management Committee and CEO within the set deadline;
4. Makes proposals for improving the work of the departments he/she coordinates, with a view to optimising internal resources and streamlining operations carried out in accordance with the applicable internal procedures;
5. Facilitates and ensures collaboration with other departments and structures within the company, ensuring the transfer of information necessary for decision-making;
6. analyses and assigns for resolution documents received by the company, implements resolutions on documents assigned by the CEO and/or prepares resolutions on documents relating to the activity of the coordinated departments, assigns work and sets deadlines for solving;
7. Approves and/or endorses all documents drawn up in the framework of the coordinated activity, in accordance with the powers and within the limits approved by the CEO/BD;
8. Coordinates, carries out and/or effectively participates in the preparation of work assigned to company departments and/or inter-departmental work within the set deadlines and reports to the executive management on the progress of work carried out;
9. Coordinates, in terms of compliance with internal regulations, procedures and decision-making processes, the activities under the responsibility of the coordinated departments;
10. Reports to the Management Committee and CEO on the activity carried out, follows-up the implementation of BD resolutions and reports on a quarterly basis to the Management committee and Board of Directors on their implementation status, based on information provided by the managers or heads of the departments or projects, depending on the case, in accordance with internal procedures and management decisions.
11. Fulfils any work attributions assigned to him according to legal and internal regulations in force, the job description or those assigned to him/her by executive management.

Annex 2

Protecting the interests/assets of EVERGENT Investments through legal procedures

Legal assistance, advice and legal representation,

The mission of the Legal Department is to make sure that the **rights and interests of the company are protected and reached in accordance with applicable laws and regulations.** For this purpose, under the coordination of the Director who is responsible for leading all activities related to legal advice and representation, the department has been involved in pursuing litigation strategy, providing professional advice and legal representation before the courts and other private and public law institutions.

Legal representation

The main objective of the legal assistance and representation activity was the representation of company's interests before courts by filing all necessary defences within procedural deadlines.

During the reporting period, the Company registered in its specific records a number of **273 litigations**, of these **41 files being concluded.**

Synthetic litigations statement (details in Annex 2.1.)

1. Litigations in which EVERGENT Investments acts as **plaintiff**:
   - 225 cases of which: 203 cases are pending in various trial stages (of which 170 cases are against AAAS), and 22 cases are concluded.
   - the value of pending litigations: 70,227,426.64 lei (claims and insolvency)
2. Litigations in which EVERGENT Investments acts as **defendant**:
   - 48 cases of which: 29 cases are litigations pending in various trial stages, and 19 cases are concluded.
   - Litigations against EVER have as various claims as object (e.g. resolution to replace authentic document) non-quantifiable in money.

Legal advice

The Legal Department is responsible for offering legal advice and for protecting the interests of the Company. For this purpose, the **department is consulted and it provides consultancy in all fields of activity of the company and/or its subsidiaries within the Group in an important number of consultancy cases, highly complex from a legal point of view,** such as: investment projects, revisions of legislative proposals, transactions, corporate operations, contracts.

At the end of 2023 the legal advice activity covers a number of **51 consultancy files.**
The main documents and operations covered within the legal advice and activity endorsement granting refer to:

- ✓ Review and endorsement of documents related to EVERGENT Investments' General Meetings of Shareholders held during 2023;

- ✓ Legal advice and opinion on all mandates issued by the company at General Meetings of Shareholders held by EVERGENT Group subsidiaries;
- ✓ endorsement of documents for the Public Purchase Offers run by the Company in 2023;
- ✓ Participating in negotiation meetings, submitting comments, additions, providing legal advice and legal opinion in corporate transactions and/or transactions carried out by the company in 2023, with a focus on the private equity area.
- ✓ Among the projects in which the Legal Department has been involved we mention:
    - ➢ change of provider for storage and custody services. Thus, contracts were concluded with the new depositary - Banca Comercială Română SA (BCR SA), a credit institution approved by the Financial Supervisory Authority (ASF) as depositary (ASF Register - Section of Approved Depositories in Romania - Decision no. 27/04.05.2006).
    - ➢ the Company's contracting from Banca Comerciala Română a "revolving" type credit as overdraft, for a 12 months' period, with a maximum value of 19.200.000 euro and set-up of guarantees for this contract.
    - ➢ Development of the Group's ESG policy through which EVER aims to generate long-term value for the entire spectrum of the interested parties, both through the achievement of financial performance and shareholder return objectives, and through the positive impact on the environment and the community.
    - ➢ advice on the competitive tendering procedure for the sale of the majority of shares issued by REGAL SA Galați.
    - ➢ assistance and consultancy for the drafting of internal documents such as internal regulations, collective employment contract, procedures, etc.
- ✓ Observations and legislative proposals in various areas of interest for the company.

Annex 2.1.

STATEMENT OF LITIGATIONS 31.12.2023

Annex 1

Statement of pending litigations with object annulment of GMS resolutions for companies in Evergent Investments' Portfolio – quality: plaintiff

No.	Company	Object	Litigation status	Observations
1	Dyonisos Cotesti	Annulment of OGMS decision on 14.04.2022	Evergent's appeal	
2*	Dyonisos Cotesti	Annulment of OGMS decision on 02.06.2023	Merits	
3*	Rulmenti Barlad	Annulment of OGMS decision on 30.05.2023	Action dismissed	With appeal
4*	Brikston Construction	Annulment of OGMS decision on 12.05.2023	Appeal	
5*	Vastex SA – in bankruptcy	Annulment of OGMS decision on 29.05.2023	Action allowed	Vastex SA's appeal
		SOLVED LITIGATIONS		
1	Vastex SA – in bankruptcy	Annulment of EGMS decision on 14.04.2022	Action dismissed	
2	Rulmenti Barlad	Annulment of OGMS decision on 31.05.2022	Evergent's appeal dismissed	
3	Vastex SA - în Bankruptcy	Annulment of OGMS decision on 14.04.2022	Action dismissed	
4	Martens SA	Annulment of EGMS resolution on 28.04.2022	Action dismissed	
5	Martens SA	Annulment of BD resolution on 03.12.2021	Action dismissed	
6	Vastex SA – in bankruptcy	Annulment of EGMS resolution on 12.12.2022	Evergent's appeal dismissed	
7	Brikston Construction	Annulment of OGMS decision on 28.04.2022	Action dismissed	

Statement of pending litigations with object claims- Evergent Investments SA acting as plaintiff

No.	Company/natural individual respondent	Claims value in lei	Object	Observations
1	AIPC	3,479.45	enforcement	
2	AAAS	3,765.75	enforcement	
3	AAAS	3,817.58	enforcement	
4	A.A.A.S.	1,040.34	enforcement	
5	A.A.A.S.	5,790.02	enforcement	
6	A.A.A.S.	572,355.55	enforcement	
7	A.A.A.S.	7,281,457.98	enforcement	
8	A.A.A.S.	649,141.66	enforcement	

9	A.A.A.S.	1,556,338.07	enforcement
10	A.A.A.S.	193,989.15	enforcement
11	A.A.A.S.	454,371.95	enforcement
12	A.A.A.S.	1,338,494.26	enforcement
13	A.A.A.S.	1,369,220.26	enforcement
14	A.A.A.S.	1,416,542.50	enforcement
15	A.A.A.S.	1,600,412.04	enforcement
16	A.A.A.S.	545,128.79	enforcement
17	A.A.A.S.	13,978.84	enforcement
18	A.A.A.S.	29,858.47	enforcement
19	A.A.A.S.	6,126.20	enforcement
20	A.A.A.S.	141,712.76	enforcement
21	AAAS	275.88	enforcement
22	A.A.A.S.	1,784,704.61	enforcement
23	A.A.A.S.	1,875,749.20	enforcement
24	A.A.A.S.	1,169,768.24	enforcement
25	A.A.A.S.	1,488,975.30	enforcement
26	A.A.A.S.	1,455,363.70	enforcement
27	A.A.A.S.	16,878.26	enforcement
28	A.A.A.S.	1,716.10	enforcement
29	A.A.A.S.	49,037.93	enforcement
30	A.A.A.S.	2,390.06	enforcement
31	A.A.A.S.	34,678.23	enforcement
32	A.A.A.S.	2,138.94	enforcement
33	A.A.A.S.	38,560.30	enforcement
34	A.A.A.S.	2,228.53	enforcement
35	A.A.A.S.	28,754.21	enforcement
36	A.A.A.S.	3,060.53	enforcement
37	A.A.A.S.	45,528.24	enforcement
38	A.A.A.S.	34,781.34	enforcement
39	A.A.A.S.	2,307.09	enforcement
40	A.A.A.S.	14,171.81	enforcement
41	A.A.A.S.	2,273.67	enforcement
42	A.A.A.S.	2,437.04	enforcement
43	A.A.A.S.	2,596.66	enforcement
44	A.A.A.S.	21,201.69	enforcement
45	A.A.A.S.	26,203.93	enforcement
46	A.A.A.S.	2,502,031.47	enforcement
47	A.A.A.S.	1,810,944.22	enforcement
48	A.A.A.S.	1,738,592.80	enforcement
49	A.A.A.S.	2,522,514.86	enforcement
50	A.A.A.S.	1,370,335.00	enforcement
51	A.A.A.S.	1,060,504.31	enforcement
52	A.A.A.S.	2,276,032.16	enforcement
53	A.A.A.S.	296,474.57	enforcement
54	A.A.A.S.	2,896,842.39	enforcement

55	A.A.A.S.	1,790,573.11	enforcement
56	A.A.A.S.	125,677.45	enforcement
57	A.A.A.S.	1,871,909.72	enforcement
58	A.A.A.S.	3,370,978.56	enforcement
59	A.A.A.S.	10,546.63	enforcement
60	A.A.A.S.	462,506.29	enforcement
61	A.A.A.S.	2,014,036.50	enforcement
62	A.A.A.S.	1,993,866.68	enforcement
63	A.A.A.S.	2,111,890.61	enforcement
64	A.A.A.S.	3,188,636.51	enforcement
65	A.A.A.S.	190,943.94	enforcement
66	A.A.A.S.	581.74	enforcement
67	A.A.A.S.	439,712.67	enforcement
68	A.A.A.S.	3,006.84	enforcement
69	AAAS	1,478.36	enforcement
70	AAAS	2,258.14	enforcement
71	AAAS	3,235.37	enforcement
72	AAAS	2,508.58	enforcement
73	AAAS	3,183.39	enforcement
74	AAAS	4,100.80	enforcement
75	AAAS	4,558.43	enforcement
76	AAAS	4,876.07	enforcement
77	AAAS	4,203.40	enforcement
78	AAAS	3,206.06	enforcement
79	AAAS	4,251.10	enforcement
80	AAAS	3,542.57	enforcement
81	AAAS	4,836.68	enforcement
82	AAAS	2,837.49	enforcement
83	AAAS	4,351.54	enforcement
84	AAAS	4,326.77	enforcement
85	AAAS	4,301.25	enforcement
86	AAAS	4,318.94	enforcement
87	AAAS	4,325.80	enforcement
88	AAAS	4,326.64	enforcement
89	AAAS	1,666.39	enforcement
90	AAAS	2,823.14	enforcement
91	AAAS	1,857.76	enforcement
92	AAAS	3,838.86	enforcement
93	AAAS	3,719.45	enforcement
94	AAAS	3,766.46	enforcement
95	AAAS	3,767.00	enforcement
96	AAAS	3,752.03	enforcement
97	AAAS	3,705.67	enforcement
98	AAAS	3,786.44	enforcement
99	AAAS	2,483.51	enforcement
100	AAAS	1,863.09	enforcement

101	AAAS	3,748.78	enforcement	
102	AAAS	1,896.39	enforcement	
103	AAAS	3,012.23	enforcement	
104	DGFRP	2,660.18	enforcement	
105	AAAS	1,708.19	enforcement	
106	AAAS	1,962.64	enforcement	
107	AAAS	3,169.44	enforcement	
108	AAAS	1,278	enforcement	
109	AAAS	3,149.10	enforcement	
110	AAAS	1,983.74	enforcement	
111	AAAS	1,748.81	enforcement	
112	AAAS	3,146.18	enforcement	
113*	AAAS	1,864.74	enforcement	
114*	AAAS	1,649.92	enforcement	
115*	AAAS	2,943.74	enforcement	
116*	Cantoreanu Ioan Florin	10,228.85	enforcement	
117	Romanian State	Civil liability	claims	EVERGENT's appeal allowed. Partly allowed. with recourse
118	SNGN Romgaz	281,373	claims	Final since no appeal filed. Payment order.
119*	Cantoreanu Ioan Florin	7,481	claims	Action allowed. With appeal.
120*	Romanian State	Civil liability	claims	Litigations pending on the merits
121*	Accesorii Polka Dots SRL	29,513	claims	Litigations pending on the merits
	TOTAL:	**59,818,517.50**		

Statement of pending litigations where EVERGENT Investments acts as plaintiff – files related to claims

No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	intervention-usucapio	Action dismissed	Evergent and Inco's appeal
2	Vastex; Delkimvas	Garnishment challenge	Stay proceedings	
3	Vastex; Perpetuus Com	Garnishment challenge	Stay proceedings	
4	Vastex, Rovitec Cons	Garnishment challenge	Stay proceedings	
5	Vastex, Nechita Prestserv	Garnishment challenge	Stay proceedings	
6	Vastex, Lexfan Fitness	Garnishment challenge	Stay proceedings	
7	Vastex, Connected-Dval	Garnishment challenge	Stay proceedings	
8*	Fortus Iasi	bankruptcy/obligation to do	Litigation pending on the merits	

9*	AAAS	Approval of real estate enforcement	Evergent's recourse
10*	Conimpuls Bacau	Declaratory action	Litigation pending on the merits
11*	AAAS/Romanian State	complaint CF registration 159029/DE 244/2012	Litigation pending on the merits
12*	AAAS/Romanian State	complaint CF registration 159029/DE 187/2011	Litigation pending on the merits
13*	AAAS/Romanian State	complaint CF registration 159029/DE 528/2010	Litigation pending on the merits
14*	AAAS/Romanian State	complaint CF registration 159029/DE 46/2011	Litigation pending on the merits
15*	AAAS/Romanian State	complaint CF registration 159039/DE 244/2012	Litigation pending on the merits
16*	AAAS/Romanian State	complaint CF registration 159039/DE 187/2011	Litigation pending on the merits
17*	AAAS/Romanian State	complaint CF registration 159039/DE 528/2010	Litigation pending on the merits
18*	AAAS/Romanian State	complaint CF registration 159039/DE 46/2011	Litigation pending on the merits
19*	AAAS/Romanian State	complaint CF registration 158897/DE 244/2012	Litigation pending on the merits
20*	AAAS/Romanian State	complaint CF registration 158897/DE 187/2011	Litigation pending on the merits
21*	AAAS/Romanian State	complaint CF registration 158897/DE 528/2010	Litigation pending on the merits
22*	AAAS/Romanian State	complaint CF registration 158897/DE 46/2011	Litigation pending on the merits
23*	AAAS/Romanian State	complaint CF registration 131219/DE 244/2012	Litigation pending on the merits
24*	AAAS/Romanian State	complaint CF registration 131219/DE 187/2011	Litigation pending on the merits
25*	AAAS/Romanian State	complaint CF registration 131219/DE 528/2010	Litigation pending on the merits
26*	AAAS/Romanian State	complaint CF registration 131219/DE 46/2011	Litigation pending on the merits
27*	AAAS/Romanian State	complaint CF registration 158923/DE 244/2012	Litigation pending on the merits
28*	AAAS/Romanian State	complaint CF registration 158923/DE 187/2011	Litigation pending on the merits

29*	AAAS/Romanian State	complaint CF registration 158923/DE 528/2010	Litigation pending on the merits
30*	AAAS/Romanian State	complaint CF registration 158923/DE 46/2011	Litigation pending on the merits
31*	AAAS/Romanian State	complaint CF registration 158930/DE 244/2012	Litigation pending on the merits
32*	AAAS/Romanian State	complaint CF registration 158930/DE 187/2011	Litigation pending on the merits
33*	AAAS/Romanian State	complaint CF registration 158930/DE 528/2010	Litigation pending on the merits
34*	AAAS/Romanian State	complaint CF registration 158930/DE 46/2011	Litigation pending on the merits
35*	AAAS/Romanian State	Complaint CF registration 158944/DE 244/2012	Litigation pending on the merits
36*	AAAS/Romanian State	Complaint CF registration 158944/DE 187/2011	Litigation pending on the merits
37*	AAAS/Romanian State	Complaint CF registration 158944/DE 528/2010	Litigation pending on the merits
38*	AAAS/Romanian State	Complaint CF registration 158944/DE 46/2011	Litigation pending on the merits
39*	AAAS/Romanian State	Complaint CF registration 158946/DE 244/2012	Litigation pending on the merits
40*	AAAS/Romanian State	Complaint CF registration 158946/DE 187/2011	Litigation pending on the merits
41*	AAAS/Romanian State	Complaint CF registration 158946/DE 528/2010	Litigation pending on the merits
42*	AAAS/Romanian State	complaint CF registration 158946/DE 46/2011	Litigation pending on the merits
43*	AAAS/Romanian State	complaint CF registration 158890/DE 244/2012	Litigation pending on the merits
44*	AAAS/Romanian State	complaint CF registration 158890/DE 187/2011	Litigation pending on the merits
45*	AAAS/Romanian State	complaint CF registration 158890/DE 528/2010	Litigation pending on the merits
46*	AAAS/Romanian State	complaint CF registration 158890/DE 46/2011	Litigation pending on the merits
47*	AAAS/Romanian State	complaint CF registration 158889/DE 244/2012	Litigation pending on the merits

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48*	AAAS/Romanian State	complaint CF registration 158889/DE 187/2011	Litigation pending on the merits
49*	AAAS/Romanian State	complaint CF registration 158889/DE 528/2010	Litigation pending on the merits
50*	AAAS/Romanian State	complaint CF registration 158889/DE 46/2011	Litigation pending on the merits
51*	AAAS/Romanian State	complaint CF registration 158915/DE 244/2012	Litigation pending on the merits
52*	AAAS/Romanian State	complaint CF registration 158915/DE 187/2011	Litigation pending on the merits
53*	AAAS/Romanian State	complaint CF registration 158915/DE 528/2010	Litigation pending on the merits
54*	AAAS/Romanian State	complaint CF registration 158915/DE 46/2011	Litigation pending on the merits
55*	AAAS/Romanian State	complaint CF registration 159036/DE 244/2012	Litigation pending on the merits
56*	AAAS/Romanian State	complaint CF registration 159036/DE 187/2011	Litigation pending on the merits
57*	AAAS/Romanian State	complaint CF registration 159036/DE 528/2010	Litigation pending on the merits
58*	AAAS/Romanian State	complaint CF registration 159036/DE 46/2011	Litigation pending on the merits
59*	AAAS/Romanian State	complaint CF registration 158886/DE 244/2012	Litigation pending on the merits
60*	AAAS/Romanian State	complaint CF registration 158886/DE 187/2011	Litigation pending on the merits
61*	AAAS/Romanian State	complaint CF registration 158886/DE 528/2010	Litigation pending on the merits
62*	AAAS/Romanian State	complaint CF registration 158886/DE 46/2011	Litigation pending on the merits
63*	AAAS/Romanian State	complaint CF registration 131224	Litigation pending on the merits
64*	AAAS/Romanian State	complaint CF registration 159033	Litigation pending on the merits
65*	AAAS/Romanian State	complaint CF registration 156393	Litigation pending on the merits
66*	AAAS	Approval of real estate enforcement	Request dismissed as lacking interest. Evergent's appeal
SOLVED LITIGATIONS			
1	Vastex, Lotex General	Garnishment challenge	Orders the closing of the file.

2		Criminal complaint	Complaint dismissed	
3	Groza Daniel	Enforcement challenge	Challenge dismissed.	
4*	Romanian State	Displacement	Request dismissed	
5*	Romanian State	Suspension	Request dismissed	
6	Vastex, Castrum Corporation	Garnishment challenge	Dismissed as without object	
7	Vastex, Lacautonacris	Garnishment challenge	Dismissed as without object	
8	Vastex, Liceul Radu Miron	Garnishment challenge	Garnished third party's appeal allowed	
9	Vastex, Klique Graphics	Garnishment challenge	Dismissed as without object	
10	Vastex S.A.	0.00	claims shares value Law 151/2014.	Vastex's recourse dismissed
Statement of pending litigations with object insolvency (Evergent Investments SA acting as plaintiff -creditor)				
No.	**Company**	**Claim value in lei**	**Status**	**Observations**
1	BIR	344.12	Bankruptcy	Procedure continues
2	Network Press	3,799.87	Bankruptcy	Procedure continues
3	Pantex S.A. Brasov	10.3	Bankruptcy	Procedure continues
4	Horticola SA	1,466,168.33	Insolvency	Procedure continues
5	Celule Electrice Bailesti	9,921.72	Insolvency	Procedure continues
6	Genko Med Group	93,835.07	Bankruptcy	Procedure continues
7	Vastex Vaslui	8,834,829.73	Orders the filing of bankruptcy. With appeal	Procedure continues
8*	First Bank SA	Challenge of rectified preliminary table	Action dismissed	First Bank S.A.'s appeal
9*	Vastex SA	Activity report challenge	Action dismissed	With appeal
10*	Vastex SA	Appeal against filing for bankruptcy	Action dismissed	Vastex S.A.'s appeal
11*	First Bank SA	Challenge of additional chart	pending	
	TOTAL LEI:	**10,408,909.14**		
SOLVED LITIGATIONS				
1	Vastex Vaslui		Presidential order	Evergent's appeal allowed
2	Vastex Vaslui		Challenge of casual report	Challenge allowed

3	Vastex Vaslui		Challenge against the resolution of the Creditors' Meeting on 11.11.2022	Challenge allowed.
4	Vastex Vaslui		Challenge of creditor table	Dismisses the appeals of First Bank and Castrum.
5*	Castrum Corporation		Challenge of judicial administrator appointment	Action dismissed
Statement of pending litigations where Evergent Investments SA acts as respondent de parat				
No.	**Plaintiff**	**Claims value**	**Object**	**Observations**
1	Spatariuc Maria		Resolution to replace authentic document	Litigation pending on the merits
2	Spatariuc Dumitru s.a.		Resolution to replace authentic document	Litigation pending on the merits
3	Dionisie Mirela s.a.		Resolution to replace authentic document	Dionisie Mirela's appeal
4	Reuti Veronica		Document annulment	Litigation pending on the merits
5	Tibuleac Petrica Iulian		Resolution to replace authentic document	Litigation pending on the merits
6	Dron Cristina-Lotrisoara		Resolution to replace authentic document	Litigation pending on the merits
7	Cazacu Ioan		Resolution to replace authentic document	Split from file no. 9917/193/2021. Competence declined in favour of Botoşani Court
8	Placintaru Ion		Resolution to replace authentic document	Litigation pending on the merits
9*	Asavei Gheorghe		Obligation to do	Litigation pending on the merits
10*	Ever Imo/Octagon		Enforcement challenge	Litigation pending on the merits
11*	Nane Vasile		Resolution to replace authentic document	Litigation pending on the merits
SOLVED LITIGATIONS				
1	Andrei Lina		Resolution to replace authentic document	Appeal dismissed. AAAS' recourse .recourse ascertained as null
2*	Imobiliar Network		Providing of evidence	Request dismissed
LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)				

No.	Challenged amount in lei	Object	Status	Observations. Garnished third parties
1*		Challenge in annulment file 18677/299/ 2022	Extraordinary remedy	Treasury
2		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
3		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
4		Garnishment challenge	Challenge partly allowed. Evergent's appeal	TP. Regal Galati
5		Enforcement challenge	Challenge dismissed. With appeal	Treasury
6		Enforcement challenge	Challenge dismissed. with appeal.	Treasury
7*		Enforcement challenge	Litigation pending on the merits	Treasury
8*		Enforcement challenge	Challenge dismissed. With recourse.	Treasury
9*		Enforcement challenge	Litigation pending on the merits	Treasury
10*		Enforcement challenge	Litigation pending on the merits	Treasury
11*		Enforcement challenge	Litigation pending on the merits	Treasury
12*		Enforcement challenge	Challenge dismissed. with appeal.	Treasury
13*		Enforcement challenge	Challenge dismissed. with appeal.	Treasury
14		Garnishment challenge	AAAS' appeal allowed. Filing of chalenge in annulment EVERGENT	Treasury
15*		Challenge in annulment file no 17368/ 299/2022	Extraordinary means of attack	Treasury
16*		Enforcement challenge	Litigation pending on the merits	Treasury
17*		Challenge of real estate foreclosure	Litigation pending on the merits	
18*		Challenge of real estate foreclosure	Litigation pending on the merits	
SOLVED LITIGATIONS				
1		Enforcement challenge	Appeals dismissed	Treasury
2		Enforcement challenge	AAAS' appeal dismissed	Eximbank, Treasury S4 B

3	Garnishment challenge	AAAS' appeal dismissed	Treasury
4	Garnishment challenge	AAAS' appeal dismissed	Treasury
5	Garnishment challenge	AAAS' appeal dismissed	Treasury
6	Garnishment challenge	Challenge dismissed	Treasury
7	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
8	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
9	Garnishment challenge	AAAS' appeal dismissed	Treasury
10	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
11	Garnishment challenge	AAAS' appeal dismissed	Treasury
12	Garnishment challenge	AAAS' appeal dismissed	Treasury
13	Garnishment challenge	AAAS' appeal dismissed	Treasury
14	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
15*	Challenge in annulment file 17696/299/2022	Evergent's challenge in annulment dismissed	Treasury
16	Garnishment challenge	AAAS' appeal dismissed	Treasury
17	Enforcement challenge	AAAS' recourse allowed	
* - new litigation, started in 2023			

Annex 3

Main Characteristics of the Internal Control and Risk Management Systems of EVERGENT Investments' Group

1. Permanent Risk Management Function

EVERGENT Investments sets and maintains the permanent risk management function that is separate and independent from other functions and activities.

Structurally and hierarchically the Risk Management Department is subordinated to the Board of Directors.

The permanent risk management function is exercised independently, from an hierarchical and functional point of view, from that of portfolio management and other functional departments, by adopting organizational measures to prevent conflicts of interest, as expressly stipulated in the company's internal regulations.

The permanent risk management function has the authority necessary and access to all relevant information necessary to fulfil its obligations and responsibilities.

The personnel within the Risk Management department have the knowledge, skills and professional experience necessary to exercise the function, as well as a good reputation, honesty and integrity It also fulfils the eligibility conditions established by the FSA, being authorized and registered in the Public Register of the FSA.

In case that there are several persons authorized as risk managers, the detailed responsibilities of each person will be established. In the absence of one of the persons, the duties and responsibilities will be automatically taken over by another authorized person.

If the company no longer has a person authorized as a risk manager or in case of its temporary unavailability, one of the company's directors or another employee who has the appropriate knowledge and professional experience will temporarily perform this function until this position will be reoccupied. The manager in charge of coordinating and supervising the portfolio management function within EVERGENT Investments cannot temporarily take over the attributions of the risk management function. The person temporarily performing this function is notified to the FSA.

The main objective of the department is risk management and control, abidance by the high quality standards imposed by the principles of operational and investment risks management, drafting of attention raising mechanisms in case the alert limits regarding manifestation are reached, risk management through their identification, measurement and management by suggesting and monitoring immediate corrective measures.

The department drafts the Risk Management Policy of EVERGENT Investments, where the risk profile that the company finds acceptable is defined with reference to the relevant risks identified in the company's activity. In order to manage relevant identified risks, the Risk Management department develops work procedures and methodologies.

The department is specialized and has the following attributions and responsibilities:

a) drafting and implementation of efficient risk management policies, procedures and methodologies, as well as any modification of these.
b) identification, measurement, administration and permanent monitoring of all risks relevant to the investment policy of EVERGENT Investments and to which the company is or may be exposed.

c) identification of the risks of hiring EVERGENT Investments in the investment / divestment operations proposed by the departments with the function of portfolio management and proposing measures to prevent and reduce them, if necessary;
d) identification of the risks of engaging EVERGENT Investments in new activities and suggests new measures to prevent and lower them, if necessary;
e) substantiates and proposes risk limits, monitors their compliance and notifies the Board of Directors and the executive management in a timely manner of any existing or foreseeable exceeding of the established risk limits, to ensure that quick and appropriate measures can be taken;
f) provides assistance to the Board of Directors and the executive management regarding the identification of the risk profile of EVERGENT Investments;
g) assesses risk profile of the company according to the appetite and risk tolerance established by the Board of Directors and informs the Board of Directors and executive management in case it considers that the risk profile is not compliant with the risk limits approved or if there is a significant risk that the risk profile become inadequate for these limits;
h) ensure that the risk profile of EVERGENT Investments communicated to investors respects the risk limits established to cover at least market, issuer, liquidity, credit and counterparty, sustainability and operational risks;
i) calculates monthly the exposure by the gross method and by the commitment method and ensuring the classification of the assets categories of EVERGENT Investments within the legal and internal prudential limits in force, including the value of the assets in the relevant threshold and the compliance with the own funds and additional own funds requirements and the timely notification to the Board of Directors and the executive management. with any existing or foreseeable exceeding thereof, to ensure that prompt and appropriate action can be taken;
j) classification of EVERGENT Investments asset categories by risk classes, from the point of view of the degree of liquidity of the assets;
k) performing crisis simulations, once a year and ad-hoc, under the conditions provided in the risk procedures and ASF regulations in force;
l) assesses the way in which the structure of the variable remuneration affects the risk profile of the company;
m) monitoring the synthetic risk indicator of EVER share and previous performance scenarios;
n) report on the results of the annual internal self-assessment of operational risks, including IT operational risks and the internal control system;
o) prepares quarterly reports on the adequacy and efficiency of the risk management process;
p) prepares quarterly risk reports for the Board of Directors on managed risks;
q) reports to the Board of Directors and executive management on risks identified as potentially significant, in accordance with applied procedures;
r) analyses the operational risks related to the performance of activities, identified in the internal risk self-assessment process and proposes measures to reduce/maintain the identified risks under control.

The risk management process is carryout out through the following stages:
1. risk identification – risks are defined in the vision of the institution, the component elements are identified and risk-generating events are described.
2. risk evaluation and measurement – for each type of risk identified with the help of quantitative and qualitative methods, using databases and pre-set risk indicators.

3. risk monitoring – risk indicators are monitored as they evolve and they are classified within the set legal and internal limits.
4. risk management and control – measures are proposed to keep risks under control in case the limits are exceeded and reports are sent to the management structure.

The activities carried out include, without being limited to: monthly/quarterly/annual analyzes and whenever necessary regarding exposures to the relevant risks: market risk, issuer risk, credit and counterparty risk, liquidity risk, sustainability risk, operational risk, inclusion in the system of prudential limits of the assets/categories of assets in the portfolio (provided in the applicable legal regulations). Also, the compartment analyses the impact of the investments proposed by the compartments with the portfolio management function on the undertaken risk profile and on falling within prudential legal limits, by carrying out simulations and suggests, if necessary, measures to keep undertaken risk under control.

For its attributions, the Risk Management department makes regular reports to the Directors and the Board of Directors. Quarterly risk reports and half-yearly reports on the efficiency and effectiveness of the risk management system are subject to the approval of the Board of Directors, with prior approval by the Audit Committee. The reports on the individual contribution of the assets to each type of relevant risk, as well as those on the inclusion of the assets in the system of prudential limits, are sent for information to the departments/structures that perform the function of managing the portfolio.

2. Permanent function for compliance verification

EVERGENT Investments sets up and maintains a permanent and efficient function for compliance verification, which is independent.

Structurally and hierarchically the Compliance Department is subordinated to the Board of Directors. Each individual employed in the Compliance Department is subjected to FSA approval and is entered in the public FSA Register.
In case the company submits several individuals with compliance responsibilities for approval, the approval request is accompanied by the detailed responsibilities of each individual employed by the Compliance Department.
In case one of the individuals with internal control responsibilities is absent, his/her attributions and responsibilities will be automatically taken over by another authorized individual.
If for any reason EVERGENT Investments no longer has any person authorized in the position of compliance officer or in the event of temporary unavailability of such person(s), the duties shall be taken over by one of the members of the company's compliance department (if any), or by one of the company's directors or another employee who has the appropriate professional knowledge and experience. In the event that the department consists of a single member, and that member becomes unavailable, the person who temporarily takes over the duties of the unavailable person may do so for a maximum period of 3 months in a calendar year.

In order to allow the individual(s) appointed as compliance officer(s) to properly fulfil their responsibilities in a correct and independent manner EVERGENT Investments must make sure that the following requirements are met:

a) the person/persons has /have the authority, resources and experience necessary, as well access to all relevant information;
b) the individual(s) who carries/carry out the compliance verification function are not involved in the delivery or carrying out of the services he/she monitors;

c) the individual(s) bear(s) the responsibility of abiding by the responsibilities of the compliance function for any reporting regarding regulations in force, where it will be expressly specified if proper measures have been taken in order to remedy possible deficiencies;
d) on setting the remuneration of individuals, the following must be taken into consideration: the remuneration level must allow EVERGENT Investments to employ qualified and experienced staff; the individuals' objectivity must not be affected by the remuneration setting method; variable remuneration must be based on objectives that are specific for the position and must not be set exclusively based on performance criteria at AIFM level; remuneration is directly supervised by the Appointing-Remuneration Committee;
e) individuals are evaluated to make sure they fulfil and abide by the competence and professional experience requirements during the entire time they carry out their activity; integrity and good reputation and governance in compliance with applicable legal provisions.

Attributions and responsibilities:
a) it periodically monitors and evaluates the adequacy and efficiency of the measures, policies and procedures set in compliance with applicable regulations, as well as the actions carried out in order to remedy deficiencies regarding the company's meeting its obligations;
b) it regularly monitors and verifies the application of legal provisions applicable for EVERGENT Investments' activity, of internal regulations and procedures and acts according to its competencies in order to prevent and suggest measures to remedy any law infringement situations, or infringement of applicable regulations for the capital market, or internal regulations and procedures of EVERGENT Investments, by EVERGENT Investments or its employees; follows-up the implementation of suggestions and recommendations;
c) it offers advice and assistance for relevant individuals responsible for the carrying out of activities so that EVERGENT Investments abides by its obligations based on incidental capital market legislation;
d) it makes sure that the reports that EVERGENT Investments must send to FSA and capital market entities are sent within the deadline foreseen by regulations in force;
e) it analyses and approves the documents sent by EVERGENT Investments to the FSA in order to obtain the authorizations foreseen by FSA regulations;
f) it analyses and approves informative materials/advertising materials of EVERGENT Investments;
g) it analyses and endorses documents prepared by EVERGENT Investments in accordance with work procedures;
h) it endorses and develops new strategies, investment policies, relevant organisational changes as well as investments on new markets and in new products;
i) verifies the abidance by prudential regulations;
j) it provides the notifications of EVERGENT Investments and its employees regarding the legal regimen applicable to capital market, concerning approved norms and legislative projects that present interest for the company's activity, to make proposals/recommendations/ observations, if the case be;
k) it monitors the decisions of the Board of Directors and the Management Committee, verifying their compliance with legality and prudence at the time of their adoption/implementation; monitors the implementation of decisions and reports regularly on the status of their implementation;
l) it is responsible for the supervision of the solving and management of complaints regarding EVERGENT Investments' activity on the capital market, for the keeping of the unique complaints record and periodical reporting to FSA about the status of the registered complaints;
Through the decision of the CEO, a permanent committee is setup within the company to analyze all shareholders' complaints and suggest, depending on the case, measures to be adopted by the

management to remedy the situations identified; the communication of the answer to the applicant is made abiding by the legal deadline;

m) it creates a process for the identification, registration, monitoring, prevention and disclosing of conflict of interests; it manages the internal procedure regarding *Conflict of Interest;*

n) it manages the specific work procedure regarding the *Supervision of the application of international sanctions on capital market* – while applying express FSA regulations; the compliance officer may also be a member of the Board (through internal decision), in which capacity he/she also liaises with FSA.

Carrying out permanent and regular control:

1. *The drafting of the annual investigation program/plan, abiding by the following principles/criteria:*

a) it includes control objective as per applicable legal regulations and represents a part of the integrated control process within EVERGENT Investments (compliance, internal audit and risk management);

b) it is drafted based on the analysis of the risks that can be incurred in EVERGENT Investments' activities, given the "*Register of identified Operational Risks that might affect EVERGENT Investments' activity*" drawn up by the Risk Management Department;

c) the activities carried out for verifying the compliance of the company's activities with applicable legal regulations, policy and procedures of EVERGENT Investments, are periodical and permanent control activities;

d) the main component of the activity is the permanent control, pro-active in nature, carried out through the continuous supervision and monitoring of the activities that fall under internal control competence, in order to prevent the occurrence of legal and internal non-compliance.

2. *Carrying out investigations and submitting reports to the management structure:*

a) it presents a report regarding the results of the investigations included in the investigation plan to the Board of Directors of EVERGENT Investments, for discussion and approval; the report is firstly approved by the Audit Committee;

b) reports to the Board of Directors and directors, the cases when the legal regimen applicable to the capital market, internal regulations and work procedures have been infringed, for the urgent notification of FSA and communication of the measures adopted to remedy identified situations;

c) regularly drafts, at least once a year, reports to the executive management regarding compliance issues, in which mentions should be made whether the proper measures to remedy possible deficiencies have been taken;

d) annual report and investigations plan for the following year, approved by the Board of Directors are sent to FSA, if the law foresees so.

3. Permanent Internal Audit Function

EVERGENT Investments sets and maintains the permanent internal audit function that is separate and independent from other functions and activities of EVERGENT Investments.

The internal audit department is subordinated to the Board of Directors.
For the purpose of guiding the activity, the internal audit department develops policies and procedures that are aligned to the requirements of the International Standards for professional practice of internal audit.

Attributions and Responsibilities:

a) it helps the company, both as a whole and its structures, through the issue of opinions and recommendations;
b) it assists the company in risk management;
c) it contributes to the improvement of risk management, control and governance processes;
d) it evaluates the adequacy and efficiency of controls regarding governance, operations and systems of EVERGENT Investments;
e) it drafts and implements the policies and procedures to carry out internal audit activity, as well as any modification of these;
f) it carries out risk evaluations for the activities carried out by EVERGENT Investments, at least once a year;
g) it sets, implements and maintains an audit plan in order to examine and evaluate the proper nature and efficiency of internal control systems, mechanisms and procedures of EVERGENT Investments;
h) it submits the Audit Committee and Board of Directors the plan regarding audit activity and necessary resources, including significant modifications occurred;
i) it carries out the missions included in the annual plan;
j) it issues recommendation based on the result of the carried out activity;
k) at the request of the Audit Committee or directors, it carried out ad-hoc missions or missions of an exceptional nature (not included in the annual internal audit plan);
l) it verifies it recommendations have been respected;
m) it reports at the end of each mission regarding internal audit issues and the adequacy of the measures adopted to remedy possible deficiencies;
n) it records any relevant information that supports the conclusions and results of the engagement;
o) it coordinates the activity of financial auditor, in order to make sure that audit objectives are met and in order to minimize overlapping;
p) it periodically reports to the Audit Committee and the board of Directors on the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, based on the pre-set plan;
q) it verifies if the management has accepted a residual risk level that cannot be acceptable for EVERGENT Investments and notifies to the Board of Directors the cases when no decision has been made regarding residual risk, in order to solve them;
r) it carries out formalized counselling missions (included in the Internal Audit Plan), informal, exceptional or in cases of emergency, at the express request of the Board of Directors or Executive Management.

Internal Audit carries out assurance and counselling missions

Assurance missions offer an independent evaluation of the governance, risk management and control processes within EVERGENT Investments. The assurance missions are carried out by going through the following stages: planning the internal audit activity, preparation of the internal audit mission, on-the-spot intervention, internal audit report, follow-up of recommendations and quality analysis.

Activities carried out by Internal Audit target:

1. ***planning the internal audit activity****:* preparation, endorsement and approval of the multiannual internal audit plan and annual internal audit plan, in accordance with the requirements of International Standards for internal audit and national regulations.
2. ***preparing the internal audit mission****:*
   - ✓ notification of the leader of the activity that is to be audited that the internal audit mission is to start;
   - ✓ collection and processing of information regarding the audited structure, activity, program/project or operations, in order to facilitate the carrying out of procedure regarding risk analysis and verification;
   - ✓ identification and analysis of specific risks and internal control evaluation for the audited process/activity/structure, so that the audit effort be oriented towards the most risky areas;
   - ✓ drafting the audit mission program in order to insure the proper execution of the internal audit mission, to cover all objectives to be audited and their associated risks;
   - ✓ meeting with the representatives of the audited structure to present the members of the internal audit team, purpose of the mission, objectives set for the internal audit mission, as well as for setting a meetings calendar.
3. ***on-site intervention***:
   - ✓ collection of audit samples, for the purpose of the audit team's getting an opinion about the strong and weak points of the audited process/activity/organizational structure and supply audit samples based on which ascertainment, recommendations and general conclusions will be made;
   - ✓ identification and reporting irregularities identified.
4. ***drafting the internal audit report****:*
   - ✓ the drafting of the internal audit report project, submitting the internal audit report project to the audited structure for analysis and the issue of its standpoint regarding the auditors' conclusions and recommendations;
   - ✓ analysis of the observations made by the audited structure for the internal audit report project;
   - ✓ analysis, acceptance and approval of the internal audit report and the action plan to implement recommendations.
5. ***follow-up of recommendations****:* making sure that the recommendations made following the internal audit missions are properly implemented within the deadlines set and evaluation of consequences in case they are not applied.
6. ***analysis of internal audit quality:*** for the purpose of offering a reasonable insurance that internal audit abides by its Chart, that it functions efficiently and contributes to added value and improvement of the company's operations and of making sure that all objectives of the internal audit mission have been achieved, in quality conditions.

Counselling missions are consultative and connected activities that have the purpose of improving governance processes, risk management and control of EVERGENT Investments, without the internal auditors taking on the management's responsibility.

Counselling missions can be:

1) ***formal counselling missions*** – are usually included in the annual internal audit plan, and the terms and conditions are agreed with the applicant. Procedurally, these missions are usually performed as the assurance mission.

2) ***informal counselling missions*** – are activities or services, such as:
    - participation to interdepartmental working groups, committees or other bodies of this kind, with temporary activity, participation in projects (during the life cycle of the project) or in ad hoc meetings and working meetings;
    - providing facilitation and training services in the field of internal control and risk management;
    - the usual exchanges of specific information with other organizational structures within the company, group, industry, etc.
3) ***special counseling missions*** - are special services performed by the internal audit within large institutional projects (eg consulting for outsourcing operations or prior to restructuring the organization's processes, participation in teams of experts, set up for the conversion of operational systems, etc.).

In certain circumstances, based on the cost-benefit analysis, the internal audit may decide to perform mixed audit missions, which incorporate elements from both the assurance mission and the advisory mission, in a consolidated, unitary approach.
At the same time, internal audit may consider it as appropriate to perform missions in which the distinction between the "assurance" and "counselling" component is made.

Annex 4

EVERGENT INVESTMENTS SA

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

Prepared in accordance with Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority - Financial Instruments and Investments sector, approved by Financial Supervisory Authority's Rule no. 39/ 2015

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Deloitte.

Deloitte Audit S.R.L.
The Mark Tower,
82-98 Calea Griviței,
Sector 1, 010735
Bucharest, Romania

T: +40 21 222 16 61
F: +40 21 222 16 60
www.deloitte.ro

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
EVERGENT Investments S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of EVERGENT Investments S.A. and its subsidiaries ("the Group"), with registered office in Bacau, 94C Pictor Aman, Bacau county identified by unique tax registration code 2816642, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

2. The financial statements as at December 31, 2023 are identified as follows:

• Equity	RON 2,687,825,086
• Net profit for the financial year	RON 114,176,611

3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA - Financial Investments and Instruments Sector, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Valuation of equity investments We refer to note 20 to the consolidated financial statements, which presents the equity investments of the Group, representing shares and fund units held by the Group. As at December 31, 2023, these financial assets valued at fair value represent approximately 77% of the total assets of the Group. Equity investments presented to Level 3 of the fair value hierarchy represent RON 104 million and consist of participations held by the Group in unlisted Romanian companies and listed companies that do not have an active market. The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available prior to 31 December 2023, which involves significant judgments and a high degree of estimates. These reports were performed by independent valuers appointed by the Group management and by authorized in-house valuers of the Group. The management of the Group performed an analysis for the period following the date of the valuation of the participations until 31 December 2023 in order to identify significant changes in the fair values of equity investments as at 31 December 2023. This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the consolidated financial statements.	In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures. For the significant listed equity investments, we have assessed the Group's policies and analyses in respect of frequency of the transactions to identify investments that do not have an active market. For significant listed equity investments within level 1 of the fair value hierarchy, we have assessed the accuracy of the capital market closing price of the shares as of 31 December 2023 or from the last day of trading available at the end of the reporting period. For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the in-house valuers and the external valuers and their professional competence and independence from the Group. We have assessed the Group management's analyses for the period following the date of the valuation reports until December 31, 2023, in order to identify significant events, which may have a significant impact on the fair value of equity investments as at 31 December 2023. We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the consolidated financial statements as at December 31, 2023, by comparing year-on-year fair value variation for equity investments. We have also considered whether the consolidated financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Group and IFRS 13 *Fair Value Measurement* ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.

Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' Consolidated report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   Other reporting responsibilities with respect to other information – Administrators' consolidated report

   With respect to the Administrators' consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 29-30.

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On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

a) the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements;

b) the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no 39/2015 articles 29-30.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at December 31, 2023, we are required to report if we have identified a material misstatement of this Administrators' consolidated report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and FSA norm 39/2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

15. We were appointed by the General Meeting of Shareholders on 28 April 2022 to audit the financial statements of EVERGENT Investments Group for the financial year ended December 31, 2023. The uninterrupted total duration of our commitment is three years, covering the financial years ended December 31, 2021 until December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

16. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2019/815 applicable to the consolidated financial statements included in the annual financial report of EVERGENT Investments S.A. and its subsidiaries ("the Group") as presented in the digital files which contain the unique code ("LEI") 254900Y1O0025N04US14 ("**Digital Files**").

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

Management is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;

- the selection and application of appropriate iXBRL mark-ups;

- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with FSA norm no. 39/2015.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

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(II) Auditor's Responsibilities for Audit of the Digital Files

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Group's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Group to be submitted in accordance with FSA Norm no. 39/2015;
- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the consolidated financial statements for the year ended 31 December 2023 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Group for the year ended 31 December 2023 is set out in the "Report on the audit of the consolidated financial statements" section above.

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 3344

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Grivițţei, 9th Floor, District 1
Bucharest, Romania
March 25, 2024

In LEI	**Note**	**2023**	**2022**
Revenue and gains/(losses)			
Gross dividend income	*9*	143,451,798	116,092,853
Interest income	*10*	9,114,506	6,262,712
Other operating revenue	*11*	38,524,286	65,334,018
Net gain on financial assets at fair value through profit or loss	*13*	43,701,375	965,522
Net gain from disposal of non-financial assets	*12*	139,168	18,708
Net gain from the revaluation of investment property	*27*	2,063,182	11,356,717
Net loss from the revaluation of investment property		(32,863)	(14,256)
Expenses			
(Loss)/Loss reversal on financial assets		(1,586,845)	2,379,256
Loss reversal on non-financial assets impairment		356,483	3,137,296
(Set-up)/Reversal of provisions for risks and charges		(395,720)	52,750
Expenses with wages, remunerations and other similar expenses	*14*	(57,660,666)	(46,968,732)
Other operating expenses	*15*	(43,726,130)	(61,293,246)
Operating profit		**133,948,574**	**97,323,598**
Financing expenses	*16*	(5,855,114)	(913,791)
Share from the profit corresponding to associates		2,302,239	16,074,052
Profit before tax		**130,395,699**	**112,483,859**
Income tax	*17*	(16,219,088)	(10,222,009)
Net profit of the financial year		**114,176,611**	**102,261,850**
Other comprehensive income			
Increase from revaluation of property, plant and equipment, net of deferred tax		3,549,175	2,421,954
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	*20 d)*	435,670,706	(175,797,504)
Other comprehensive income – elements that will not be reclassified in profit or loss		**439,219,881**	**(173,375,550)**
(Net loss) from the revaluation of FVTOCI bonds	*20 d)*	(185,969)	(105,304)
Other comprehensive income – elements that will be reclassified in profit or loss		**(185,969)**	**(105,304)**

In LEI	Note	2023	2022
Other comprehensive income - Total		**439,033,912**	**(173,480,854)**
Total comprehensive income of the financial year		**553,210,523**	**(71,219,004)**
Basic and diluted earnings per share (net profit per share)		**0.1262**	**0.1074**
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)		**0.2136**	**0.1457**
Net profit attributable to the Company's shareholders		115,255,171	101,767,756
Net profit/(net loss) attributable to non-controlling interests	*37*	(1,078,560)	494,094
Total net profit		**114,176,611**	**102,261,850**
Total comprehensive income attributable to			
Company's shareholders		553,847,624	(72,123,697)
Non-controlling interests		(637,101)	904,693
Total comprehensive income		**553,210,523**	**(71,219,004)**

The consolidated financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroş	**Mihaela Moleavin**
Chairman, CEO	**Finance Director**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(All amounts are presented in Lei, unless otherwise stated)

In LEI	*Note*	31 December 2023	31 December 2022
Assets			
Cash and current accounts	*18*	5,632,750	7,838,826
Bank deposits with initial maturity within 3 months	*19 a)*	304,399,579	120,630,869
Bank deposits with initial maturity of more than 3 months	*19 b)*	13,513,579	6,141,286
Financial assets measured at fair value through profit or loss	*20 a)*	298,338,840	279,782,253
Financial assets measured at fair value through other comprehensive income	*20 b)*	2,036,197,327	1,673,533,619
Investments accounted for using equity method	*21*	57,673,327	55,371,088
Bonds at fair value through other comprehensive income	*22*	3,884,483	3,982,047
Bonds at amortized cost	*22*	35,692	47,661
Other financial assets at amortized cost	*23*	13,809,792	19,884,188
Inventories	*24*	48,606,721	28,734,899
Other assets	*25*	1,645,933	2,176,788
Non-current assets held for sale	*26*	4,957,804	3,540,657
Investment property	*27*	152,216,264	135,229,675
Plant, property and equipment	*28*	70,355,482	65,345,532
Right-of-use assets for qualifying assets in leases	*28*	11,754,681	9,276,583
Goodwill	*28*	4,339,505	4,339,505
Intangible assets	*28*	1,009,148	1,165,704
Total assets		**3,028,370,907**	**2,417,021,180**
Liabilities			
Borrowings	*29*	87,551,586	11,818,565
Lease liabilities	*30*	10,713,608	9,109,377
Dividends payable	*31*	49,998,003	43,029,452
Current tax liabilities		7,899,122	5,370,896
Financial liabilities at amortized cost	*32*	11,974,027	11,363,910
Other liabilities	*33*	8,834,287	7,910,679
Provisions for risks and expenses	*34*	4,238,609	3,842,888
Deferred tax liabilities	*35*	159,336,579	97,526,193
Total liabilities		**340,545,821**	**189,971,960**
Equity			
Share capital	*36 a)*	499,988,637	499,988,637
Retained earnings		1,172,329,499	1,044,899,843
Reserves from the revaluation of property, plant and equipment		21,072,031	18,419,631
Reserves from the revaluation of financial assets at fair value through other comprehensive income	*20 d)*	1,016,061,804	660,473,055
Treasury shares	*36 e)*	(66,642,400)	(38,991,230)
Equity-based payments to employees, directors and administrators	*36 f)*	24,881,378	20,765,780
Other items of equity	*36 g)*	4,053,035	4,775,301
Total equity attributable to shareholders		**2,671,743,984**	**2,210,331,017**
Non-controlling interests	*37*	16,081,102	16,718,203
Total equity		**2,687,825,086**	**2,227,049,220**
Total liabilities and equity		**3,028,370,907**	**2,417,021,180**

The consolidated financial statements were approved by the Board of Directors on 25 March 2024, and signed on its behalf by:

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(all amounts are presented in Lei, unless otherwise stated)

Evergent INVESTMENTS

In LEI	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 2022		**499,988,637**	**18,419,631**	**660,473,055**	**1,044,899,843**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,210,331,017**	**16,718,203**	**2,227,049,220**
Comprehensive income											
Profit of the financial year		-	-	-	115,255,171	-	-	-	115,255,171	(1,078,560)	114,176,611
Other comprehensive income											
Increase of reserve from the revaluation of tangible assets, net of deferred tax		-	3,549,175	-	-	-	-	-	3,549,175	-	3,549,175
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(896,775)	-	455,316	-	-	-	(441,459)	441,459	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	435,670,706	-	-	-	-	435,670,706	-	435,670,706
Revaluation at fair value of FVTOCI bonds		-	-	(185,969)	-	-	-	-	(185,969)	-	(185,969)
Total other comprehensive income		-	**2,652,400**	**435,484,737**	**455,316**	-	-	-	**438,592,453**	**441,459**	**439,033,912**
Total comprehensive income of the financial year		-	**2,652,400**	**435,484,737**	**115,710,487**	-	-	-	**553,847,624**	**(637,101)**	**553,210,523**
Net gain, transferred to retained earnings for the sale of FVTOCI equity instruments		-	-	**(79,895,988)**	**79,895,988**	-	-	-	-	-	-
Transactions with shareholders directly recognized in equity											
Dividends distributed to non-controlling interests		-	-	-	-	-	-	-	-	-	-
Share capital decrease	36 a)	-	-	-	-	-	-	-	-	-	-
Buy-back of own shares		-	-	-	-	(38,842,825)	-	(380,999)	(39,223,824)	-	(39,223,824)
Own shares granted to employees and directors	36 e)	-	-	-	-	11,191,655	(10,850,388)	(341,267)	-	-	-
Equity-based payments to employees, directors and administrators	36 f)	-	-	-	-	-	14,965,986	-	14,965,986	-	14,965,986
Dividends expired according to the law (Note 4n)		-	-	-	14,518,698	-	-	-	14,518,698	-	14,518,698
Shares in subsidiaries bought back from non-controlling interests		-	-	-	-	-	-	-	-	-	-
Dividends distributed from the profit of 2022 financial year		-	-	-	(82,695,517)	-	-	-	(82,695,517)	-	(82,695,517)
Total transactions with shareholders directly recognized in equity		-	-	-	**(68,176,819)**	**(27,651,170)**	**4,115,598**	**(722,266)**	**(92,434,657)**	-	**(92,434,657)**
Balance at 31 December 2023		**499,988,637**	**21,072,031**	**1,016,061,804**	**1,172,329,499**	**(66,642,400)**	**24,881,378**	**4,053,035**	**2,671,743,984**	**16,081,102**	**2,687,825,086**

The consolidated financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

The attached explanatory notes are integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(all amounts are presented in Lei, unless otherwise stated)

Evergent INVESTMENTS

In LEI

	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 2021		**510,105,062**	**16,699,675**	**872,688,152**	**987,726,077**	**(41,119,507)**	**16,252,012**	**3,685,004**	**2,366,036,475**	**16,022,210**	**2,382,058,685**
Comprehensive income											
Profit of the financial year		-	-	-	101,767,756	-	-	-	101,767,756	494,094	102,261,850
Other comprehensive income				-	-	-	-	-			
Increase of reserve from the revaluation of tangible assets, net of deferred tax		-	2,421,954	-	-	-	-	-	2,421,954	-	2,421,954
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(701,998)	-	291,399	-	-	-	(410,599)	410,599	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	(175,797,504)	-	-	-	-	(175,797,504)	-	(175,797,504)
Revaluation at fair value of FVTOCI bonds		-	-	(105,304)	-	-	-	-	(105,304)	-	(105,304)
Total other comprehensive income		**-**	**1,719,956**	**(175,902,808)**	**291,399**	**-**	**-**	**-**	**(173,891,453)**	**410,599**	**(173,480,854)**
Total comprehensive income of the financial year		**-**	**1,719,956**	**(175,902,808)**	**102,059,155**	**-**	**-**	**-**	**(72,123,697)**	**904,693**	**(71,219,004)**
Net gain, transferred to retained earnings for the sale of FVTOCI equity instruments		**-**	**-**	**(36,312,289)**	**36,312,289**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with shareholders directly recognized in equity											
Dividends distributed to non-controlling interests		-	-	-	-	-	-	-	-	(113,889)	(113,889)
Share capital decrease	36 a)	(10,116,425)	-	-	(26,389,968)	35,999,999	-	506,394	-	-	
Buy-back of own shares		-	-	-	-	(38,566,162)	-	(119,881)	(38,686,043)	-	(38,686,043)
Own shares granted to employees and directors	36 e)	-	-	-	-	4,694,440	(5,398,224)	703,784	-	-	-
Equity-based payments to employees, directors and administrators	36 f)	-	-	-	-	-	9,911,992	-	9,911,992	-	9,911,992
Dividends expired according to the law (Note 4n)		-	-	-	7,245,273	-	-	-	7,245,273	-	7,245,273
Shares in subsidiaries bought back from non-controlling interests		-	-	-	-	-	-	-	-	(94,811)	(94,811)
Dividends distributed from the profit of 2021 financial year		-	-	-	(62,052,983)	-	-	-	(62,052,983)	-	(62,052,983)
Total transactions with shareholders directly recognized in equity		**(10,116,425)**	**-**	**-**	**(81,197,678)**	**2,128,277**	**4,513,768**	**1,090,297**	**(83,581,761)**	**(208,700)**	**(83,790,461)**
Balance at 31 December 2022		**499,988,637**	**18,419,631**	**660,473,055**	**1,044,899,843**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,210,331,017**	**16,718,203**	**2,227,049,220**

The consolidated financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

The attached explanatory notes are integral part of the consolidated financial statements.

In LEI	*Note*	2023	2022
Operating activities			
Net profit for the financial year		**114,176,611**	**102,261,850**
Adjustments:			
Loss/(Loss reversal) from financial assets impairment		1,586,845	(2,379,256)
(Loss reversal) from non-financial assets impairment		(356,483)	(3,137,296)
(Net gain) from the revaluation of investment property	*27*	(2,063,182)	(11,356,717)
Net loss from the revaluation of non-current assets held for sale		32,863	14,256
Net gain from financial assets at fair value through profit or loss	*13*	(43,701,375)	(965,522)
Set-up/(Reversal) of provisions for risks and charges		395,720	(52,750)
Gross dividend income	*9*	(143,451,798)	(116,092,853)
Interest income	*10*	(9,114,506)	(6,262,712)
Financing expenses	*16*	5,855,114	913,791
Income tax	*17*	16,219,088	10,222,009
Other adjustments		22,971,948	(78,866)
Modifications of assets and liabilities corresponding to operating activities			
Payments for the acquisition of financial assets at fair value through profit or loss		(57,426)	(5,000,000)
Proceeds from sale of financial assets at fair value through profit or loss		25,202,214	52,121,165
Payments for the acquisition of financial assets at fair value through other comprehensive income		(174,266,369)	(197,955,590)
Proceeds from the sale of financial assets at fair value through other comprehensive income		323,214,657	91,144,661
Proceeds from bonds		11,760	16,711,760
Changes in deposits with initial maturity higher than 3 months		(6,732,571)	636,181
Changes in other assets		(14,287,714)	(9,823,157)
Changes in other liabilities		934,677	2,632,431
Proceeds from dividends		132,049,391	110,480,838
Proceeds from interest		6,757,307	6,039,624
Income tax paid		(17,162,413)	(3,671,220)
Net cash resulted from operating activities		**238,214,358**	**36,402,627**
Investment activities			
Payments for acquisition of property, plant and equipment		(7,948,711)	(11,200,687)
Payments for acquisition of intangible assets		(137,382)	(220,240)
Payments for acquisition of investment property		(17,091,386)	(5,251,439)
Proceeds from the sale tangible assets, property investment and assets held for sale		1,480,410	-
Dividends received from associates		-	3,553,026
Net cash used in investment activities		**(23,697,069)**	**(13,119,340)**

In LEI	***Note***	**2023**	**2022**
Financing activities			
Paid dividends		(61,212,383)	(46,381,109)
Payments for the buy-back of subsidiaries' shares from non-controlling interests		-	(94,811)
Proceeds from loans		120,571,739	6,907,080
Loan reimbursement		(46,527,244)	(3,395,541)
Payments of lease liability principal		(2,751,791)	(860,935)
Payments of loan interest		(5,259,277)	(702,170)
Payments of lease liability interest		(264,065)	(211,621)
Acquisition of treasury shares		(39,223,824)	(38,686,043)
Net cash used in financing activities		**(34,666,845)**	**(83,425,150)**
Increase/(Decrease) in cash and cash equivalents		**179,850,444**	**(60,141,863)**
Cash and cash equivalents at 1 January		128,186,394	188,328,257
Cash and cash equivalents at 31 December		**308,036,838**	**128,186,394**
Cash at hand		16,506	17,744
Current bank accounts		5,616,250	7,821,161
Bank deposits with maturity within 3 months		302,404,082	120,347,489
Cash and cash equivalents		**308,036,838**	**128,186,394**

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The consolidated financial statements were approved by the Board of Directors on 25 March 2024 and signed on its behalf by:

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

EVERGENT Investments SA ("**the Company**" or "**EVERGENT Investments**"), is set up as a Romanian private-law legal entity, organized as a joint-stock company, classified according to applicable regulations as AIS-type Alternative Investment Fund, alternative investment fund category intended for retail investors - AIFRI, with a diversified investment policy, closed, self-managed.

The Company is authorized by the Financial Supervision Authority (FSA) as alternative investment fund manager by Permit no. 20/23.01.2018 and as an Alternative Investment Fund intended for retail investors (AIFRI), by Permit no. 101/25.06.2021.

The duration of the Company is 100 years starting 23 August 2021 and may be extended by the shareholders prior to the expiry thereof, by decision of the Extraordinary General Meeting of Shareholders.

The headquarters of the Company is located in Street Pictor Aman, no. 94C, Bacau municipality, Bacau county, Romania.

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

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

The Company is self-managed under a one-tier system.

The shares issued by Evergent Investments SA are listed at the Bucharest Stock Exchange, the primary market, Premium category, with indicative EVER, since 29 March 2021 (the Company's share were previously traded using indicative SIF2, as per the BSE Decision of 01.11.2011).

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

As of 22 May 2023, the assets deposit and custody services are provided by Banca Comercială Română SA, as per FSA License no. 74 of 18 May 2023. Previously, such services were provided by BRD – Société Générale SA.

The Company's consolidated financial statements for the financial year ended 31 December 2023 include the Company and its subsidiaries (hereinafter referred to as the „**Group**"), as well as the Group's interests in its associates.

The Group's basic activities include the financial investment activity carried out by the Company, as well as activities carried out by its subsidiaries, consisting mainly in the manufacture and sale of machines and equipment, lease and sub-lease of own or leased property, real-estate development, cultivation of fruit-bearing plants, strawberries, nut-trees and other fruit-bearing trees and business and management consultancy activities.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared by the Group in accordance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities regulated and supervised by FSA in the financial instruments and investments sector, approved by Rule 39/2015.

According to Rule 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted in accordance with the procedure stipulated by Regulation (CE) no. 1606/2002 of the European Parliament and Council of 19 July 2002 regarding the application of international accounting standards, with subsequent amendments and additions.

The consolidated financial statements at 31 December 2023 and 31 December 2022 are available on the Company's website, www.evergent.ro.

The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with the applicable statutory accounting regulations, namely Order no. 1802 of 29 December 2014 for the approval of accounting regulations regarding separate and consolidated financial statements ("RAS"). For the preparation of the Group's consolidated financial statements, the financial information was restated, where applicable, in order to reflect the differences between RAS and the International Financial Reporting Standards adopted by the European Union ("IFRS").

The most important changes to the financial statements prepared in accordance with RAS in order to be aligned with the IFRS requirements adopted by the European Union are:

- registration adjustments of fair value of investment property through profit or loss, in accordance with IAS 40 "Investment Property" (in accordance with RAS, the result from the revaluation of investment property is registered in revaluation reserve);
- adjustments for the recognition of deferred income tax receivables and liabilities, in accordance with IAS 12 "Income Tax" (in accordance with RAS, deferred tax is not recognized);
- reversal of adjustments related to hyperinflationary economies, and
- requirements for presentation in accordance with IFRS, that are different in some cases from RAS requirements.

2. BASIS OF PREPARATION (continued)

(b) Disclosure of financial statements

The consolidated financial statements have been prepared in accordance with the requirement of IAS 1 "Presentation of Financial Statements". The Group has adopted a presentation based on liquidity for its statement of financial position and a presentation of income and expenses depending on their nature for the statement of comprehensive income, considering that these presentation methods offer more relevant information for the user than if were presented based on other methods permitted by IAS 1.

The consolidated financial statements were prepared based on the going concern assumption, which assumes that the Group will continue its activity in the predictable future. The management of the Group considers that the Group will normally continue its activity in the future, and consequently, the consolidated financial statements were prepared on this basis (see explanatory notes 2 (f) "Impact of the Russian-Ukrainian military conflict and other global trends on the financial position and performance of the Group).

(c) Functional and presentation currency

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

(d) Basis of Measurement

The consolidated financial statements have been prepared based on the fair value convention for financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.

Other financial assets and liabilities are presented at amortized cost, and non-financial assets and liabilities are presented at historical cost, fair value or revaluated amount.

(e) Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires the use of management estimates, judgments and assumptions that affect the ascertainment and application of the Company's accounting policies and the value reported in the financial statements of assets, liabilities, income and expenses. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

2. BASIS OF PREPARATION (continued)

(e) Use of Estimates and Judgments (continued)

The preparation of financial statements in accordance with IFRS requires the use of management estimates, judgments and assumptions that affect the ascertainment and application of the Company's accounting policies and the value reported in the financial statements of assets, liabilities, income and expenses. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods if the revision affects both current period and following periods book value.

The information and judgments concerning the determination and application of accounting policies and the laying down of accounting estimates with the highest degree of uncertainty regarding the estimates, which have a significant impact on the amounts recognized in these annual financial statements, are the following:

- Determining the fair value of financial instruments (see explanatory notes 20 (c) and 4 (d) (vi))

- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 20 (c) and 34)

- Classification of financial instruments (see explanatory notes 4 (d) i) and 8)

- Adjustments for the expected credit losses of assets measured at amortized cost (see explanatory note 4 (d) (vii))

- Analysis of criteria in IFRS 10 Consolidated Financial Statements, regarding investment entities

Following the analysis of the criteria that must be met for a company to be classified as an investment entity, it was concluded that EVERGENT Investments is not an investment entity since it holds in its portfolio interests for an indefinite period of time, for which there are no disinvestment strategies and in whose operations it is actively involved, with the possibility to provide funding or carry out other operations incompatible with investment entities.

2. BASIS OF PREPARATION (continued)

(f) Information on material accounting policies

The Company also adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

(g) Impact of the Russian-Ukrainian military conflict and other global trends on the financial position and performance of the Company

In the context of the continuation of the Russian-Ukrainian military conflict and the outbreak of other military conflicts, with all their consequences, in 2023 the Bucharest Stock Exchange recorded high volatility and relatively low liquidity, but the upward trend continued.

Inflationary pressures are still high. The National Bank of Romania maintained the monetary policy interest rate at 7% per year, the last increase being operated at the beginning of January 2023, and the European Central Bank continued to increase the reference interest rate (on September 14, 2023 it announced the tenth consecutive increase), which reached a new all-time high.

Domestically, additional risks come from macroeconomic imbalances which continued to rise, the delay in reforms and the absorption of European funds, especially through the National Recovery and Resilience Plan (PNRR) and the risk of default on loans contracted by the non-governmental sector.

The prolongation of the war in Ukraine and the outbreak of other military conflicts and the estimates regarding the medium-term evolution of inflation continued to generate uncertainties and risks regarding the prospects of the economic activity, with potential impact on the evolution of financial instrument quotations, including on the Bucharest Stock Exchange, where a high volatility is expected in the future, at least in the short term, on a 3–6-month horizon.

2. BASIS OF PREPARATION (continued)

(g) Impact of the Russian-Ukrainian military conflict and other global trends on the financial position and performance of the Company (continued)

Under these circumstances, the Company's management considers that the profitability of EVERGENT Investments may be affected, but on the short and medium term, and does not estimate difficulties in honouring the Company's commitments, and going concern is not affected.

The management closely monitors the evolution of this conflict and other events and trends at the global level and their impact and the measures taken at international level on the economic environment at national level, the market where the Company's assets are exposed.

(h) Miscellaneous – format as per the recommendations of the European Securities Market Authority ("ESMA")

Due to the technical characteristics of the software used to disclose the consolidated financial statements in European single electronic format ("ESEF"), the tables included in the notes to the consolidated financial statements are not displayed in ESEF format as tables, but as lines. The line disclosure is logical and easy to understand

3. BASES OF CONSOLIDATION

(a) Business combinations

Business combinations are accounted for using the acquisition method at the date control is acquired, unless it is a combination involving entities or businesses under joint control or the acquired entity is a subsidiary of an investment entity.

Each identifiable asset and assumed liability is valued at its fair value as of the acquisition date. Non-controlling interests in an acquired entity, which are current equity interests and through which their holders are entitled to a proportionate share of the entity's net assets, in the event of its liquidation, are valued either at fair value or at the share -proportional part of the current equity instruments from the recognized values of the net identifiable assets of the acquired entity. All other components of non-controlling interests must be valued at fair value as of the acquisition date.

Goodwill is determined at the value by which the sum of the transferred consideration, the value of any non-controlling interests held in the acquired entity and the fair value as of the acquisition date of the previously held equity interest (if applicable), exceeds the net values as of the acquisition date of the assets acquired and identifiable liabilities assumed.

The consideration transferred in a business combination is valued at fair value, being calculated as the sum of the fair values as of the date of acquisition of the assets transferred by the buyer, of the debts borne by the buyer towards the former owners of the acquired entity and of the equity shares issued by the buyer, but deducting the costs of acquisition, brokerage, advisory, legal, accounting, evaluation and other professional or consulting fees, general administrative costs, which are recognized in the profit and loss account.

If the buyer has obtained a gain from a bargain acquisition, this gain is recognized in profit or loss after management has reassessed whether all acquired assets have been identified and all liabilities and contingent liabilities have been accepted and their value assumed.

(b) Subsidiaries

Subsidiaries are entities under the Group's control. Control exists when the Group is exposed or has the right to variable earnings from its involvement in the entities and has the ability to affect these earnings through its authority over the investee. When the control is evaluated, the potential or convertible voting rights which can be exercises at the evaluation moment should be considered.

The subsidiaries' financial statements are included in the consolidated financial statements from the moment when the control begins to be exercised and until the moment when the control ceases. The accounting policies of the subsidiaries have been modified in order to be aligned with the polices of the Group.

3. BASES OF CONSOLIDATION

(b) Subsidiaries (continued)

The list of consolidated subsidiaries at 31 December 2023 and 31 December 2022 is the following:

Subsidiary	Field of activity	31 December 2023	31 December 2022
Casa SA	Rental of space	99.77%	99.60%
Mecanica Ceahlău SA	Manufacturing of agricultural machinery	73.30%	73.30%
Regal SA	Rental of own real-estate property	93.89%	93.02%
EVER IMO SA	Real-estate development	99.99%	99.99%
A3 Snagov SRL*	Real-estate development	99.99%	99.99%
EVERLAND SA	Purchase and sale of real-estate property	99.99%	99.99%
Agrointens SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99.99%	99.99%
EVER AGRIBIO SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99,99%	99.99%
VISIONALFA Investments SA	Fund management activities	99,99%	99.99%

Subsidiary A3 Snagov SRL, established in June 2021, is indirectly owned by the Company, through EVERLAND SA, which owns 100% of its equity.
On 25 July 2023, the EGMS of subsidiary VISIONALFA Investments SA approved the temporary suspension of the company's activity and declared its fiscal inactivity, for a period of 3 years.

(c) Investments in associates

Related parties (associates) are those companies where the Group can exercise significant influence but not control over financial and operational policies.

The consolidated financial statements include the Group's share of the associates' results based on the equity method, from the date where the Group started to exercise significant influence until the date when this influence ceases.

The Group's ownership in associated entities at 31 December 2023 and 31 December 2022 is represented by the 50% ownership in Străuleşti Lac Alfa SA. Further to the analysis, the Group concluded that it does not hold either control, or joint control in Străuleşti Lac Alfa SA.

Investments in associates are booked according to the equity method and are initially recognized at cost. The Group's investment includes, if applicable, the goodwill identified at purchase less accumulated impairment losses. The consolidated financial statements include the Group's share of the revenue and expenses and changes in the associates' capital,

3. BASES OF CONSOLIDATION (continued)

(c) Investments in associates (continued)

following the adjustments for the alignment of accounting policies with those of the Group, from the date where significant influence starts until this significant influence ceases. When the Groups' share of the loss is higher than its interest in the entity accounted for through the equity method, the book value of this interest (including any long-term investments) is reduced to zero and the recognition of future loss is interrupted.

(d) Transactions eliminated from consolidation

Intra-group settlements and transactions, as well as any unrealized profit resulted from the intra-group transactions are completely eliminated from the consolidated financial statements. Unrealized profit resulted from transactions with associates are eliminated within the limit of the Group's interest percentage.

The distributions received from the associate reduce the value of the investment.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies have been consistently applied on all periods presented in the consolidated financial statements of the Group.

The comparatives in certain notes to the financial statements (i.e Notes: 11. Other operating expenses and 13. Profit tax) were reclassified/updated for consistency with the information presented in the current year.

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements (see Note 2 (f) for further information.

4. MATERIAL ACCOUNTING POLICIES (continued)

(a) Foreign Currency Transactions

Operations expressed in foreign currency are registered in lei at the official exchange rate on the transaction date. Monetary assets and liabilities registered in a foreign currency at the date of preparation of the financial statements are translated into the functional currency at the closing rate of the date in question.

Exchange rate differences arising on the settlement of monetary items or conversion of monetary elements at rates different from those at which they were translated on initial recognition (during the period), or in the previous annual financial statements are recognized as profit or loss in the period in which they arise.

The exchange rates of the main foreign currency in accordance with NBR report were:

Currency	31 December 2023	31 December 2022	Variation
Euro (EUR)	1: 4.9746 Lei	1: 4.9474 Lei	+0.55%
American dollar (USD)	1: 4.4958 Lei	1: 4.6346 Lei	-2.99%

(b) Accounting for Hyperinflation Effect

In accordance with IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current measurement unit on the date when they are prepared (non-monetary elements are restated using a general price index on the purchase or contribution date). In accordance with IAS 29, an economy is considered to be hyperinflationary when, among other factors, the cumulated inflation rate over a three years' period exceeds 100%.

In Romania's case (economy whose functional currency has been adopted by the Group), the provisions of IAS 29 have been adopted for the preparing of separate financial statements up to 31 December 2003. Starting 1 January 2004 its economy ceased to be hyperinflationary.

Thus, values expressed in the current measurement unit at 31 December 2003 are stated as base for the book values reported in the separate financial statements and do not represent measured values, replacement cost, or any other measure of the present value of assets or prices at which the transactions would be made at this moment.

4. MATERIAL ACCOUNTING POLICIES (continued)

(c) Statement of Cash Flows

On preparing the cash flow statement, the Group considers as cash and cash equivalents the following elements: cash at hand, current bank accounts, bank deposits with an initial maturity under or equal to 3 months (less, if the case be, restricted deposits and current accounts) less attached interest and adjustments for the corresponding expected credit loss.

Given its main field of activity, the Group considers that the entire activity of investments in financial instruments (both the management of FVTPL classified financial assets and FVTOCI assets) is part of its operational activity.

(d) Financial Assets and Liabilities

(i) Classification of Financial Assets

IFRS 9 provides a new approach regarding the classification and evaluation of financial assets that reflects the business model within which financial assets and cash flow characteristics are managed.

The **business models** used by the Group to manage its financial assets are:

- To collect contractual cash flows:

Financial assets held within this business model are managed to obtain cash flows through the collection of contract payments over the life of the instrument. This means that the Group manages the assets held in its portfolio to collect those contractual cash flows (instead of managing the general return of the portfolio through holding or selling assets).

Assets classified in this business model are not necessarily held to maturity, "rare frequency" sales are also possible, when the credit risk of those particular instruments increases. An increase of the sale frequency over a certain period of time is not necessarily contrary to this type of business if the Group can explain the reasons that led to these sales and can prove that the sales do not reflect a modification of the current business model.

- To collect contractual cash-flows and to sell:

Financial assets that are held within this business model are managed both for the collection of contractual cash flows and for the sale of financial assets.

- Other business models:

Other business models include the maximization of cash flows through sale, trading, management of assets based on fair value, financial instruments purchased for sale or trade purposes that are measured at fair value through profit or loss.

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

The management of this portfolio is made based on the market value evolution of those assets and includes frequent purchases and sales for the purpose of profit maximization.

Analysis of Cash Flow Characteristics (SPPI Test)

The SPPI test represents the analysis of the contract terms of financial assets for the purpose of identifying if the cash flows represent solely payments of principal and interest corresponding to the principal.

IFRS 9 includes three categories for the classification of financial assets: measured at amortized cost, measured at fair value through comprehensive income and measured at fair value through profit or loss.

- ***Financial assets measured at amortized cost***

Following initial recognition, a financial asset is classified as being measured at amortized cost only if two of the following conditions are met simultaneously:
- the asset is held in a business model whose objective is to keep financial assets to collect contractual cash flows;
- the contractual terms of the financial asset generate, on certain dates, cash flows representing exclusive payments of principal and interest.

- ***Financial assets measured at fair value through other comprehensive income („FVTOCI")***

Following initial recognition, a financial asset is classified as measured at fair value through other comprehensive income, only if two conditions are met simultaneously:
- the asset is held within a business model whose objective is to keep the financial assets to collect contractual cash flows and to sell them;
- the contractual terms of the financial asset generate, on certain dates, certain cash flows represented exclusive payments of principal and interest.

Moreover, on the initial recognition of an investment in equity instruments that is not held for trading, the Group may irrevocable chose to present later modification of fair value in other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

The Group has used its irrevocable option to designate these equity instruments at fair value through other comprehensive income as these financial assets are held both for the collection of dividends and for gains from sale, not for trading.

Gains or losses corresponding to an equity instrument measured at fair value through other comprehensive income are recognized in other comprehensive income, except for dividend revenue.

- ***Financial assets measured at fair value through profit or loss ("FVTPL"):***

All financial assets that are not classified as measured at amortized cost or fair value through other comprehensive income, as described above, are measured at fair value through profit or loss.

Moreover, on initial recognition, the Group may irrevocably designate that a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value through other comprehensive income, is measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting inconsistency that would occur if another method would be used.

Financial assets that do not meet the criteria regarding the collection of cash flows (SPPI test) must be measured at fair value through profit or loss.

Following the adoption of IFRS 9, financial assets such as equity instruments that the Group did not opt to classify as financial assets measured at fair value through other comprehensive income, and which were not held for trading, have been classified at fair value through profit or loss.

Assets held for trading are measured at fair value through profit or loss. An asset is held for trading if it cumulatively meets the following requirements:

- it is held for sale and repurchase in the near future;

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and liabilities (continued)

(i) Classification of Financial Assets (continued)

- on initial recognition, it is part of an identified financial instruments portfolio, that are managed together, and for which there is proof of a recent pattern of following short-term profit; or
- it is a derivative (with the exception of a derivative that is a financial guarantee contract or designated and efficient hedging instrument).

- The Group does not hold financial assets held for trading at 31 December 2023 or 31 December 2022.

- In case of financial assets at fair value through profit or loss, fair value modifications are registered in the statement of comprehensive income, in profit or loss.

(ii)Classification of Financial Liabilities

Financial liabilities, including loans, are classified following initial recognition at amortized cost, except for financial liabilities measured through profit or loss (financial liabilities held for trading purposes that are designated on initial recognition or later at fair value through profit or loss, according to IFRS9 specific provisions, including financial liabilities corresponding to derivatives). Incorporated derivatives are separated from the host contract in case of financial liabilities.

The Group does not hold financial liabilities carried at fair value through profit or loss at 31 December 2023 or 31 December 2022.

(iii) Initial Recognition

Assets and liabilities are recognized at the date when Group becomes a party of the contractual provisions (transaction date). Financial assets and liabilities are measured at fair value at the time of their initial recognition, plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(iv) Off-setting of financial assets and liabilities

Financial assets and financial liabilities are set off, and the net result presented in the statement of financial position when there is a legal set off right and if is intended to be settled on a net basis, or if the Group intends to realize its asset and settle the debt simultaneously.

Income and expenses are presented on a net basis only when allowed by accounting standards, or for the profit and loss resulted from a group of similar transactions, such as those from the Group's trading activity.

(v) Measurement at amortized cost

The amortized cost of a financial asset or liability represents the value to which the financial asset or liability is measured after initial recognition, less principal payments, plus or minus the accumulated amortization up to that moment using the effective interest method for every difference between the initial value and the value at maturity, except for the case of financial assets, write-downs corresponding to expected credit losses.

(vi) Measurement at fair value

Fair value is the price that would be received following the sale of an asset or the price that would be paid to transfer a liability through an orderly transaction between market participants on the evaluation date (e.g. an exit price).

The determination of the fair value of financial assets and liabilities is based on the quotations of an active market. A financial instrument has an active market if quoted prices are rapidly and regularly available, and these prices reflect the market transactions regularly made under objective market conditions.

Fair value measurement for instruments traded on an active market is made by multiplying the number of shares held by the closing price on the last trading day of the given reporting period.

In case a financial asset is listed on several active markets, the Group uses either the principal market for the asset, or, in the absence of a principal market, the most advantageous market, taking into consideration all barriers/costs associated to the access to each market.

For all other financial instruments, fair value is determined using evaluation techniques. Evaluation techniques include techniques based on the net present value, discounted cash flow method, comparison with similar instruments for which there is an observable market price and other measurement methods.

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

- ***(vii) Identification and measurement of expected credit losses***

- *Financial assets measured at amortized cost*

The Group recognises expected credit losses for financial assets at amortized cost measured according to the provisions of IFRS 9.
For this purpose, these instruments are classified as stage 1, stage 2 or stage 3 depending on absolute or relative credit risk, by reference to the moment of their initial recognition. Thus:

Stage 1: includes (i) newly recognized exposures, other than purchased or originated credit-impaired (POCI); (ii) exposures for which credit risk has not significantly deteriorated since initial recognition (iii) exposures with low credit risk (low credit risk exemption).

Stage 2: includes exposures that, although performing, have registered a significant deterioration of credit risk since initial recognition.

Stage 3: includes impaired credit exposures.

Expected credit loss represents the difference between all contractual hedged cash flows that are owed to the Group and all cash flows that the Group expects to receive, updated to the initial effective interest rate.

For stage 1 exposures, expected credit loss is equal to expected loss calculated on a timescale of up to one year. For stage 2 or 3 exposures, expected credit loss is equal to expected loss calculated on a timescale corresponding to the entire exposure duration.

The Group evaluates if the credit risk for a financial instrument has significantly increased from its initial recognition based on the information available, without unjustified cost or effort, that are indicators of significant credit risk increase since initial recognition, such as the significant deterioration of the financial results or the credit rating of the issuer of the financial instrument or more than 30-day delays in principal or interest payment for that financial instrument.

The Group uses the simplified approach applicable to trade receivables, contract assets and leasing contract receivables recorded under Other financial assets at amortised cost, as they do not have a significant financing component. On this approach, the Company measures for these receivables the loss allowance at an amount equal to lifetime expected credit loss (i.e. eliminates the need to calculate expected losses of credit risk for Stage 1 at an amount equal to 12-month expected credit losses and the need to evaluate the occurrence of a significant credit risk increase).

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

- ***(vii) Identification and measurement of expected credit losses (continued)***

The Group has defined as credit-impaired exposures, the receivables that meet one or both criteria below:

- exposures for which the Group evaluates that it is unlikely that the debtor pay its obligations, irrespective of the value of exposures and number of days for which exposure is delayed (due to significant financial difficulties of the client or if client is expected to enter bankruptcy),

- overdue amounts, with significant delays, over 365 days.

The Group recognizes in profit or loss the value of expected credit loss modification on the entire life span of the financial assets as loss or reversal of expected credit losses.

Losses or reversals of expected credit losses are calculated as the difference between the book value of a financial asset and present value of future cash-flows using the actual interest rate of the financial asset at the initial time.

(viii) Derecognition

The Group derecognizes a financial asset when the contractual rights to receive cash flows from that asset expire, or when the Group has transferred the contractual rights to receive contractual cash flows for that particular asset in a transaction that significantly transfers all risks and rewards of ownership of such financial asset.

Any interest in the transferred financial assets retained by the Group or created for the Group is recognized separately as an asset or liability.

The Group derecognizes a financial liability when contractual obligations have ended, or when contractual obligations are cancelled or expired.

If an entity transfers a financial asset through a transfer that meets the requirements for derecognition and retains its right to administrate the financial asset in return for a fee, then it must recognize either an asset in administration, or a liability in administration for that contract.

When derecognizing a financial asset in full (with the exception of capital instruments measured at fair value through other comprehensive income), the difference between:

- its book value;

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(viii) Derecognition (continued)

- the sum of (i) the value of the amount received (including any newly obtained asset minus any new liability) and (ii) any accumulated gain or loss that was recognized in other comprehensive income.

should be recognized in profit or loss.

In case of debt instruments, when the financial asset at fair value through other comprehensive income is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from revaluation reserve to profit or loss as a reclassification adjustment (recycled in profit or loss).

In case of equity instruments at fair value through other comprehensive income, accumulated gain or loss previously recognized in other comprehensive income is not reclassified from revaluation reserve to profit or loss (not recycled in profit or loss), but is reclassified to retained earnings.

(e) Inventory

Inventory represents assets held for sale in the normal course of business, assets in production that will be sold during normal course of business, or assets representing raw materials, materials and other supplies that will be used in production or for service delivery.

Measurement

Inventory is measured at the lowest value between cost and net realizable value. Inventory cost includes all costs related to purchase and processing, as well as other costs necessary to bring the inventory to their current form and location. Net realizable value is the estimated sale price that could be obtained in the normal course of business less any estimated costs for the financing of the goods and estimated cost to sale. The cost of inventory that is not normally fungible and goods destined for distinct orders is ascertained through the specific identification of individual costs. For fungible inventory, cost is determined using the „first in, first out” method (FIFO).

4. MATERIAL ACCOUNTING POLICIES (continued)

(f) Investment Property

Investment property are real estate properties (lands, buildings, part of buildings) held by the Group for rental purposes or to increase value or both, and not to be used for the production or supply of goods and services or administrative purposes or sold during normal course of business.

Recognition

An investment property is recognized as asset if:

- it is likely that future economic benefits associated to the asset, will flow to the Group;
- the cost of the asset can be measured reliably.

An investment property is initially measured at cost, including transaction costs. The cost of an investment property includes all costs related to its acquisition price plus any directly attributable expenses (for example legal fees, property transfer fees and other trading costs).

Subsequent Measurement

The Group records investment property at fair value. Changes in fair value are recognized in profit or loss.

Fair Value Measurement

On 31 December 2023 and 31 December 2022, the Group's investment property was evaluated by independent assessors certified by the National Authority of Authorized Valuers of Romania ("ANEVAR"). The valuers have used mainly the market approach, using the market comparison and income approach, using the direct capitalization method, abiding by the valuation principles and techniques included in ANEVAR Standards for Asset Valuation.

Gains or losses resulted from changes in fair value are recognized in profit or loss in the period when the measurement refers to.

Transfers

Transfers to or from investment properties are made only when there is a changes in use of that particular asset.

For the transfer of an investment property valuated at fair value to property, plant and equipment, the implicit cost of the asset for the purpose of its later accounting will be its fair value on the date of its use modification.

4. MATERIAL ACCOUNTING POLICIES (continued)

(f) Investment Property (continued)

If a real estate property used by the Group becomes an investment property that will be accounted at fair value, the Group applies IAS 16 until the date of modification of the utilisation. The Group treats any difference from the date of modification in the book value of a real estate property, in accordance with IAS 16 and its fair value as a revaluation, in accordance with IAS 16 (in the valuation reserve in equity).

Derecognition

The book value of an investment property is derecognized on disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected of its disposal.

The gains or losses resulting from the disposal of an investment property are recognized in profit or loss when it is scrapped or sold.

(g) Non-current assets held for sale

The Group classifies a non-current asset as held for sale if its book value will be recovered mainly through a sale transaction and not through its continuous use.

In this case, the asset must be available for immediate sale, in the current condition, being the object of usual terms in case of sale of such assets, and the sale should have a high probability.

In order for the probability of sales to be high, management staff from an adequate level should be engaged to apply a sale plan for the asset and an active program to find a buyer and complete the plan.

The Group measures a non-current asset classified as held for sale at the lowest value between the book value and fair value minus sale generated costs.

(h) Tangible and Intangible Assets

Property, plant and equipment

Recognition and Measurement

Tangible assets are initially measured at cost by the Group. The cost of a property, plant and equipment is comprised of the purchase price, including non-recoverable taxes, after the deduction of any price discounts of commercial nature to which any cost that can be directly attributed to bringing the asset to the location and condition necessary for it to be used for the intended purpose is added, for example: expenses with employees that directly result from the construction or purchase of the asset, costs for the development of the location, initial delivery and handling costs, costs for installation and assembly, fees for the professionals involved.

4. MATERIAL ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

Property, plant and equipment are classified by the Group in the following classes of assets of the same nature and with similar use:

- freehold land;
- buildings;
- land cultivated with productive plants;
- equipment, technical installations and machines;
- transportation vehicles;
- blueberry farms (bearer plants);
- other tangible assets;
- right-of-use assets.

Subsequent measurement

Lands and buildings are presented at revaluated amount, which represents the fair value on the revaluation date. The determination of fair values and revaluation is performed at the end of each reporting period.

All the other classes of assets in this category are accounted for at cost less accumulated depreciation and impairment adjustments (if the case).

Lands cultivated with productive plants are lands on which blueberry shrubs are planted, including land improvement.

In the case of revalued property, plant and equipment (lands and buildings), if the book value of an asset is increased further to revaluation, the increase will be recognized in other comprehensive income, as revaluation reserve. In case the book value is lowered, this lowering will be recognized in profit or loss, exception when it is recognized in other comprehensive income to the extent that the revaluation reserve has creditor balance for the analyzed asset.

Expenses for the maintenance and repairs of tangible assets are registered by the Group in the statement of consolidated comprehensive income (in profit or loss) when they occur, and significant improvements to tangible assets, which meet the definition of property, plant and equipment are capitalized.

Depreciation

Depreciation is calculated using the straight-line method throughout the estimated useful life of assets, as follows:

• Buildings	40 years
• Equipment, installations and machines	2-12 years

4. MATERIAL ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

• Vehicles	4-8 years
• Furniture and other tangible assets	4-12 years
• Blueberry farms	25 years
• Right-of-use assets in lease contracts	Duration of lease contract

- Freehold land and land cultivated with productive plants are not subject to depreciation.

Intangible assets

Goodwill is determined at the amount by which the sum of the transferred value, the value of any non-controlling interests held in the acquired entity and the fair value from the date of acquisition of the equity investment previously held (if any) exceeds the net values at the acquisition date of the acquired assets and identifiable liabilities assumed.

If the net values at the acquisition date of the acquired assets and identifiable liabilities exceed the amount between the transfer value, the value of any non-controlling interests held in the acquired entity and the fair value at the acquisition date of the previously held equity (if applicable), the excess is immediately recognized in profit or loss, as a bargain purchase gain.

When the value transferred by the Group includes a contingent consideration arrangement, the contingent value is measured at fair value at the acquisition date and included as part of the value transferred in a business combination.

Goodwill is not amortized, but is tested at least annually for impairment.

The other intangible assets that meet the recognition criteria as per IFRS are registered at cost less accumulated depreciation. The amortisation of intangible assets is recorded in profit or loss, on a straight-line basis for a maximum estimated period of 3 years, with the exception of trademarks, for which the maximum depreciation period is 10 years.

The depreciation methods, estimated useful lives as well as residual values are revised by the management of the Group for each reporting period.

Sale/scrapping of tangible and intangible assets

Property, plant and equipment that are sold or scrapped are written-off together with their corresponding accumulated depreciation. Any profit or loss resulted from such an operation is included in profit or loss in the current period.

The revaluation reserve for revalued property, plant and equipment (freehold land and buildings) included in equity is transferred directly to retained earnings when the asset is disposed of or scrapped.

4. MATERIAL ACCOUNTING POLICIES (continued)

(i) Impairment of Assets, other than Financial Assets

The book value of the Group's assets that are not financial in nature, other than assets such as deferred taxes and inventories, are revised at every reporting date to identify the existence of impairment indicators. If such indication exists, the recoverable value of those assets will be estimated.

Goodwill is tested for impairment at least annually.

An impairment loss is recognized when the book value of the cash generating asset or unit exceeds the recoverable value of the cash generating asset or unit. A cash-generating unit is the smallest identifiable group that generates cash inflows and that has the ability to generate cash independent from other assets or other asset groups.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment losses are recognized in the consolidated comprehensive income, in profit or loss.

The recoverable value of a cash-generating asset or unit is the maximum between the value in use and its fair value, less sale costs for that asset or unit. In order to ascertain the value in use, future cash flows are revised using a discount rate before taxation that reflects current market conditions and risks specific for that particular asset. Impairment losses recognized in the previous periods are measured on each reporting date in order to determine if they diminished or no longer exist. Impairment loss is reversed if a change has occurred in the estimates used to determine the recoverable value. Impairment loss is reversed only in case the book value of the asset does not exceed the book value that would be calculated net of amortization and impairment if the impairment loss had not been recognized.

(j) Share Capital

Ordinary shares are recognized in share capital.

4. MATERIAL ACCOUNTING POLICIES (continued)

(k) Own shares

The Group recognizes own shares (buy-back of own shares) on the transaction date as a decrease of equity. Treasury shares are recorded at acquisition value, and brokerage fees and other costs directly connected to the acquisition are recorded directly in equity, in a distinct account, in Other items of equity. For details on the scope of buy-back programs, please see Note 36(e)

Cancellation of own shares is made in accordance with the approval of shareholders, after meeting all legal requirements. On cancellation, the balance of own shares is offset with share capital and retained earnings.

The cancellation of own shares may generate gains or losses depending on the acquisition value of own shares reported with their nominal amount. Net gain or loss from the cancellation of own shares are directly recognized in equity, in a distinct account.

(l) Non-controlling interest

Non-controlling interest represents that part of profit or loss or net assets that is not directly or indirectly held by the Group, and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separate from the capital of the parent company's shareholders.

Changes in subsidiary holdings that do not result in the loss of control are accounted as transactions between shareholders in their shareholder capacity.

(m) Distributable dividends

Dividends are treated as a profit distribution in the period when they were declared and approved by the General Meeting of Shareholders.

The dividends declared before the reporting date are registered as liabilities on the reporting date.

(n) Dividends prescribed

The rights to request dividends not collected by the shareholders within 3 years from the declaration date, are time-barred according to the law.

On the time-bar date, the Group registers their value in equity, in a separate retained earnings account.

4. MATERIAL ACCOUNTING POLICIES (continued)

(o) Provisions for risks and charges

Provisions are recognized in the statement of financial position when a legal or implicit obligation arises for the Group connected to a past event and it is probable that in the future it will be necessary to use economic resources to settle this obligation, and a reasonable estimation of the value of the liability can be made. In order to determine the provision, future cash flows are updated using an discounting rate before taxation that reflects the current market conditions and specific risks of that individual liability.

(p) Income from contracts with customers

The Group recognizes income from contracts with customers when (or as) it fulfills a performance obligation by transferring a good or delivering a promised service (that is an asset) to a customer. An asset is transferred when (or as) the customer obtains control over that asset.

For each identified performance obligation, the Group ascertains at the start of the contract if the performance obligation will be fulfilled in time or at a point in time. If the Group does not fulfill a performance obligation in time, the performance obligation is fulfilled at a point in time.

The Group has analyzed the main types of income applying the five-step method of IFRS 15:

Step 1: Identification of the contracts with customers;

Step 2: Identification of obligations resulting from these contracts;

Step 3: Determining the transaction price;

Step 4: Allocating the transaction price to each performance obligation;

Step 5: Recognition of revenue when or as each performance obligation is met

4. MATERIAL ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

The table below presents information about the nature and timeline of the performance obligation, including significant payment deadlines for the main categories of income from contracts with customers:

Product/ Service type	Nature and timeline of the performance obligation, including significant payment terms	Accounting policies for income recognition
Agricultural machines and equipment (manufactured or distributed)	The customer obtains control over the product (after payment of advance) at the date of product acceptance (that is the date when the customer acquires the capacity to use the products and obtain all benefits therefrom). The Group recognizes a receivable, since this is the time when the right to consideration becomes unconditional. In general, the direct customer (or distributor) pays an advance of 10-15%, the rest of the payment being in instalments (over a period of less than 1 year). Payment terms are in general 90-180 days from the invoice issue date. The performance obligation is fulfilled at a point in time. Trade discounts offered to customers are based on their reaching certain annual sale values. Returns are usually not accepted, except for exceptional cases and usually returns involve the changing of the product purchased by the customer with another.	Income is recognized at the date of delivery to the customer (or acceptance of the product by the customer by signing a custody report (in the product remains with the Group). Income includes the amount invoiced for the sale of the products, without VAT), from which trade discounts offered to customers are deducted. The Group applies the practical expedient of IFRS 15 paragraph 63 based on which it does not adjust transaction price with a financial component. As a practical solution, the Group collects short-term advances from customers, or for recognized income, it does not adjust the amounts collected or income for the effects of a significant financing component, because on the start of the contract it estimates that the time between the transfer of the goods and the collection will be less than one year. Trade discounts offered to clients (including expenses with their corresponding provisions) are deducted from the product sale income.
Real-estate developments (apartments, including parking spaces)	The customer obtains control over the apartment/parking space on the date the sale and purchase contract in authentic form and reception protocol is signed (date when the final invoice is issued), following full payment of the asset. Before this, the customer pays an advance, usually 5%, based on the sale undertaking, signed in authentic form. Performance obligation is fulfilled at a point in time.	Income is recognized on the date the sale and purchase contract in authentic form and reception protocol are signed (date of final invoice), following the full payment of the asset value. The commissions of the agency for the sale of the apartments are deducted from the income from the sale.

4. MATERIAL ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

Product/ Service type	Nature and timeline of the performance obligation, including significant payment terms	Accounting policies for income recognition
Agricultural products (blueberries)	Customers obtain control over the products on the date the products are received and accepted by signing the reception note. Invoicing is made after the reception note is signed by the client or when the products are shipped (in case of exports). Invoices are paid within 7 to 30 days (for internal sales) and 30 days (for sales abroad) from their receipt date by the customer. Performance obligation is fulfilled at a point in time.	Income is recognized on the date the products are received and accepted by the customer by signing the receipt note for domestic sales and on the date of delivery of the products for foreign sales. Trade discounts offered to clients are deducted from the income from the sale of products.
Income from the delivery of services	Services delivered by the Group are generally related to the products supplied (for example repair services for agricultural machinery following the expiry of the guarantee period). Invoices for services are issued on the date of completion of the services supplied (the period of delivery of the services is short, maximum 20 days). Invoices are generally paid within maximum 30 days from their receipt by the customer. Performance obligation is fulfilled on time (in a short period of time).	Income is recognized in the period when the service is delivered.

(q) Interest income and interest expenses

Interest income and expenses (representing borrowing costs) are recognized in the statement of comprehensive income (in profit or loss) through the effective interest method. Effective interest rate represents the date that accurately updates cash payments and collections in the future for the expected useful life of the financial asset or liability to the gross book value of the financial asset or amortised cost of the liability.

(r) Dividend income

Dividend income is recognized in profit or loss on the date the right to receive such income is set.

The Group registers dividend income at gross value that includes dividend tax, which is recognized as current income tax expense. The actual calculation is made according to the tax provisions in force on the calculation date.

The Group, as lessor, must qualify each of its lease contracts either as operating lease or finance lease. A lease is classified as operating lease if it does not transfer substantially all risks and rewards of ownership on an underlying asset.

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Benefits of Managers, Directors and Employees

Short-term benefits

Short-term benefits of managers, directors and employees mainly include the remunerations/wages and bonuses, but also participation in the cash benefits plan (see "*Equity-based and cash payments to employees, directors and administrators*" below. The short-term benefits are recognized as expense when the services are delivered. A liability is recognized for the amounts expected to be paid as cash bonuses on the short-term or schemes for the employees' profit sharing (in cash or in shares) as the Group has, on the reporting date, a legal or implicit obligation to pay these amounts as a result of past services delivered by the managers, directors and employees, and if that obligation can be reliably estimated.

The fixed (remunerations) and variable (bonuses and participation in the benefits plan) component of the remuneration of the directors and managers of the Company are established by the provisions of Article 7 para. (11) of the Articles of Incorporation and of the Remuneration Policy of the Company's directors, approved by the Ordinary General Meeting of Shareholders, being provided in the administration and management contracts.

The fixed component (salaries) and the variable component (bonuses and participation in the benefit plan) of the remuneration of the Company's employees are established by the individual employment contracts and the collective labor contract.

Defined contribution plans

The Group makes payments on behalf of its own managers, directors and employees to the Romanian pension system, health insurance and unemployment fund, during the normal course of business.

All managers, directors and employees of the Group are members, and at the same time have the legal obligation to contribute (through social contributions) to the pension scheme of the Romanian state (a defined contribution plan of the state). All corresponding contributions are recognized in profit or loss in the period when they are made. The Group has no other additional obligations.

The Group is not engaged in any independent pension scheme and, consequently, it has no such obligations. The Group is not engaged in any other post-retirement benefits system. The Group is not bound to pay subsequent services to its former or current managers, directors and employees.

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Benefits of Managers, Directors and Employees (continued)

Equity-based payments to employees, directors and administrators

The managers and directors participate in the benefits plan (part of the variable component of the remuneration), paid including as shares or options to purchase Company's shares, at a rate of 5% of the net profit obtained and of the net gain from transactions reflected in the Company's retained earnings, before the setup of the benefit participation plan.

The actual level of the participation to the benefit plan is set by the Board of Directors, following the approval of the annual financial statements in the General Meeting of Shareholders, based on the result of the assessment of the achievement of the following performance objectives:

- achieving a positive net result, an indicator composed of the net profit realized and the net gain from transactions reflected in retained earnings;
- the result of the annual assessment of the adequacy of the management structure, according to the criteria and procedure established by FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority, namely "appropriate".

The fund for the profit-sharing of employees is maximum 5% of the net profit achieved and the net gain from transactions reflected in retained earnings, before the setup of the profit-sharing fund, paid including through the distribution of shares or options to purchase Company shares, with the approval of the Board of Directors, provided that the annual financial statements are approved by the General Meeting of Shareholders. The total value of individual remunerations for employees is between 0-9 gross wages.

When the employees are appointed and the individual levels are set in the benefits plan the following are taken into account:

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Benefits of Managers, Directors and Employees (continued)

Equity-based payments to employees, directors and administrators (continued)

- the achievement by the Company of a positive net result (indicator composed of the net profit realized and the net gain from transactions reflected in the carried forward result);
- the results of the annual evaluation of the professional performance criteria applicable to the employees, according to the internal regulations and the specific internal procedure;
- the benefit plan is granted only to employees who actually worked in the Company in the year for which the benefit plan is granted, proportionally to the period worked during that year;
- employees whose employment contracts have been terminated for reasons attributable to them and employees who have directly or indirectly caused losses to the Company (materials, image) will not participate in the benefit plan.

The benefits plan may be granted annually, in cash and/or shares. The structure of this variable remuneration offered to the managers, directors and employees of the Company (Beneficiaries) is: at least 51% in Company shares, through the running of a Stock Option Plan (SOP) type program, the source being shares redeemed by the Company, and maximum 49% in cash. Beneficiaries may choose that the percentage of variable remuneration offered in shares be up to 100%.

Regarding the cash benefits sharing plan, the payments are made in the year following the year when services were rendered, further to the approval of the Board of Directors, after the Company's annual financial statements are approved in the General Meeting of Shareholders.

Regarding participation in the benefits plan with shares by the Company, Beneficiaries may exercise their right/option only 12 months after the signing by each beneficiary of their agreements with EVERGENT Investments, but no more than 15 months as of such date. The signing of the beneficiaries' agreement with the Company, which takes place following the Board of Directors' approval of the SOP plan (after the Company's annual financial statements are approved in the General Meeting of Shareholders), agreement that also sets the number of shares offered to each Beneficiary).

Therefore, the actual granting of benefits under the plan in the form of shares takes place more than 12 months after the end of the year when the services were rendered.

For the participation of managers, directors and employees to the benefits plan, the Company recognizes an expense in the period when the services were delivered (the period to which the benefits plan refers), in correspondence with a liability, for that portion offered in cash, and in correspondence with an increase of equity (benefits offered to employees as equity instruments) for the portion offered as shares through SOP.

4. MATERIAL ACCOUNTING POLICIES (continued)

(t) Income tax

The income tax corresponding to the financial year includes current income tax and deferred tax. Current income tax includes tax on dividend income recognized at gross value.

Income tax is recognized in the statement of comprehensive income, or in other comprehensive income if the tax corresponds to other comprehensive income.

Current income tax represents tax to be paid for the tax profit obtained in the current period (including gain from the sale of FVTOCI financial assets, directly recognized in retained earnings), determined based on the percentages applied on the reporting date and all adjustments corresponding to previous periods.

For the period ended 31 December 2023, the income tax rate was 16% (31 December 2022: 16%).

The tax rate corresponding to dividend income was 8% or 0% (2022: 5% or 0%). Dividend tax exemption is applied in case the Group's holding percentage was higher than 10% of the share capital of the company distributing the dividends, for an uninterrupted period of at least one year before distribution.

Deferred tax is determined for temporary differences that occur between the tax base for asset and liability tax calculation and their book value, used for reporting in the consolidated financial statements.

Deferred tax is not recognized for the following temporary differences: initial recognition of goodwill, initial recognition of assets and liabilities from transactions that are not business combinations and that do not affect the accounting profit or the tax profit and differences coming from subsidiary investments, provided they are not reversed in the near future.

- Deferred tax is calculated based on tax percentages that are expected to the applied to the time differences on their reversal, based on the law applicable on the reporting date. Receivables and liabilities from deferred tax are settled only if there is a legal right to offset the current receivables and liabilities with tax and if they correspond to the tax collected by the same tax authority for the same entity subject to taxation or for different tax authorities, but which want to settle current receivables and liabilities with tax using a net base or the assets and liabilities will be realised simultaneously.

4. MATERIAL ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

The deferred tax asset is recognized only to the extent that it is likely that future profits will be achieved to be used to cover the tax loss. The receivable is revised at the end of each financial year and it is lowered to the extent that it is improbable for the corresponding tax benefit to be achieved.

Additional taxes that occur in dividend distribution (if the case) are recognized on the same date as the dividend payment obligation.

(u) Contingent assets and liabilities

Contingent liabilities and assets are potential obligations or assets arising from previous events and whose existence will be confirmed or not by the occurrence of one or more uncertain future events, which are not fully controlled by the Group. The assessment of contingent liabilities and assets inherently involves the use of judgments and estimates regarding the outcome of future events.

Contingent liabilities are not recognized in the financial statements. They are presented in the notes, except in cases where the likelihood of an outflow of economic benefits is low. Contingent assets are not recognized in the financial statements, but are presented when an inflow of benefits is likely.

(v) Earnings per share

The Group presents the basic and diluted earnings per share for ordinary shares. Earnings per share are calculated through the dividing the profit or loss attributable to the Company's ordinary shareholders to the average weighted number of ordinary shares in the reporting period.

Diluted earnings per share are calculated through the adjustment of profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)

The Group presents in its financial statements, along the Basic and diluted earnings per share, an alternative method of measuring performance (not provided under IFRS). The basic and diluted earnings per share including not only the net profit for the period, but also gains from the sale of FVTOCI financial assets (presented in the Consolidated Statement of changes in equity in the line Net gains, transferred to retained earnings, related to sale of FVTOCI), since along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Group's performance and represents a potential source for dividend distribution to the shareholders, but is not however reflected in the statement of comprehensive income for the period.

4. MATERIAL ACCOUNTING POLICIES (continued)

(v) Earnings per share (continued)

Reconciliation

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In LEI	**31 December 2023**	**31 December 2022**
Net profit attributable to Company's shareholders	115,255,171	101,767,756
Gains carried to retained earnings attributable to shareholders (from sale of financial assets at fair value through other comprehensive income)	79,895,988	36,312,289
Net result (including the gains from the sale of FVTOCI assets)	**195,151,159**	**138,080,045**
Average weighted number of outstanding ordinary shares	*913,537,589*	*947,657,151*
Basic earnings per share (including the gains from the sale of FVTOCI assets)	**0.2136**	**0.1457**

Dividends are treated as an allocation of the net result in the period in which they were declared and approved by the General Meeting of Shareholders. The net result available for allocation is the net result of the year registered in the separate financial statements prepared in accordance with IFRS.

(w) Leases where the Group is a lessee

Initial recognition and measurement

On the commencement date of a contract, the Group evaluates if that contract is, or includes a lease contract. A contract is or contains a lease contract if that contract offers the right to control the use of an identified asset for a certain period of time, in exchange for a price.

At the commencement date, the Group, as lessee, recognizes a right-of-use asset and a lease liability.

4. MATERIAL ACCOUNTING POLICIES (continued)

(w) Leases where the Group is a lessee (continued)

Determining the duration of the lease

The Group determines the duration of the lease as the irrevocable period of a lease, together with:

- the periods covered by an option to extend the lease if the Company has reasonable assurance that it will exercise that option; and
- the periods covered by an option to terminate the lease if the Company has reasonable assurance that it will not exercise that option.

In assessing the extent to which it has reasonable assurance that it will exercise an option to extend a lease or that it will not exercise an option to terminate a lease, the Group shall consider its intentions and all relevant factors and circumstances that is an economic incentive for the Group to exercise the option to extend the lease or not to exercise the option to terminate the lease. The main relevant factors analyzed are: contractual terms and conditions for optional periods compared to market rates, significant modernization of the lease asset, costs related to the termination of the lease

Initial measurement of the right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost.

The cost includes the initial amount of the lease liability (as described in the paragraph below), any lease payments made on or before the commencement date of the contract, less any incentives received and any initial direct costs incurred by the lessee (if the case).

Initial measurement of the lease liability

At the commencement date, the Group measures the lease liability at discounted value of the lease payments that are not paid on that date. The lease payments are discounted using the implicit interest rate in the lease if such rate can be readily determined. If such rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group's incremental borrowing rate is the interest rate that the Group should pay to borrow for a similar period, with a similar guarantee, the funds necessary to obtain an asset with a value similar to that of the right-to-use asset, in a similar economic environment.

4. MATERIAL ACCOUNTING POLICIES (continued)

(w) Leases where the Group is Lessee (continued)

Subsequent measurement of the right-to-use asset

After the commencement date, the Group measures the right-of-use asset applying the cost model, which means that it measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment.

Subsequent measurement of the lease liability

After the commencement date, the Group measures the lease liability by increasing the book value to reflect the interest related to the lease liability and reducing the book value to reflect the lease payments made, reflecting, if the case be, any changes in the lease.

The interest on the lease liability for each period during the entire contract period must be the value that produces a constant interest rate for the balance of the lease liability.

After the commencement date, the interest related to the lease liability is reflected in profit or loss.

Recognition exemption

The Group, as lessee, choses to apply the exemption allowed by IFRS 16:

- short-term leases; and
- leases whose underlying assets are of low value.

Consequently, in case of short-term leases, and in case of contracts with low value underlying asset, the Group recognizes the lease payments associated to such leases as an expense, on a straight-line basis over the entire duration of the lease.

4. MATERIAL ACCOUNTING POLICIES (continued)

(x) Segment Reporting

A segment is a distinctive component of the Group involved in operating activities that generate income and expenses (including income and expenses generated by the interaction with other members of the Group) whose operational results are periodically revised by the person with decision-making responsibilities within the entity regarding the resources that are assigned to the segment, evaluating its performance, for which financial information is available.
The basic criteria based on which the Group determines its operating segments in compliance with IFRS 8 "Operating segments" are:

- the reported revenue of the operating segment, including sales to external clients and sales or transfers between segments represents 10% or more of combined, internal and external revenue of all operating segments;
- the absolute value of the profit or loss of the reported operating segment is 10% or more of the highest value, in absolute value, between (i) the reported combined profit for all operating sectors that have not reported a loss, and (ii) the combined loss reported from all operating sectors that have reported a loss;
- the assets of the operating segment represent 10% or more of the combined assets of all operating segments;
- should management consider that an operating sector identified as reportable during the immediately previous period maintains its importance, the information for this segment will be reported separately in the current period, irrespective of whether it still meets the reporting criteria or not.

The Group carries out its activity in mainly the following fields: financial investment services, manufacture and sale of agricultural machinery and equipment, real estate development, cultivation of fruit-bearing trees (blueberries), rental and sale of own real estate property, cultivation of fruit-bearing plants (blueberries), business and management consultancy. Segment reporting is presented depending on the activities of the Group and the parent company. Transactions between operating segments are made at arm's length.

Segment assets and liabilities include both the elements directly attributable to the segments, and elements that may be assigned on a reasonable basis.
The Group is comprised of the following operating segments:

- financial investment services
- manufacture and sale of agricultural machinery
- real estate development (apartments, including parking spaces)
- cultivation of fruit-bearing trees (blueberries)
- Other: the Group includes in this category services and products offered by the companies within the Group in the following fields: rental and sale of own real estate property, and business and management consultancy. Although the Group monitors the performances of its subsidiaries on individual level, certain operating segments whose elements represent a lower percentage of the Group's total operations have been classified in the "Other" category for the purpose of
- presenting the segment reporting note.

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Break-down of income, expenses and result

31 December 2023 *In LEI*	**Group**	**Financial investment services**	**Manufacture of agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
Income						
Gross dividend income	143,451,798	143,419,181	-	-	-	32,617
Interest income	9,114,506	8,376,187	175,580	185,708	83,406	293,625
Other operating revenue	38,524,286	602,911	28,641,279	897,542	6,227,091	2,155,463
Net gain from financial assets at fair value through profit or loss	43,701,375	43,657,556	7,217	-	-	36,602
Net gain /(Net loss) from disposal of non-financial assets	139,168	5,490	176,022	(17,669)	(601,268)	576,593
Net gain/ (Net loss) from the revaluation of investment property	2,063,182	37,290	(452,142)	(214,105)	-	2,692,139
Net gain from the revaluation of assets held for sale	(32,863)	-	-	-	-	(32,863)
Expenses						
(Losses)/loss reversal from impairment of financial assets	(1,586,845)	83,453	305,444	(113,478)	(1,861,901)	(363)
Loss reversal from impairment of non-financial assets	356,483	-	268,840	87,228	-	415
(Setup)/Reversal of provisions for risks and charges	(395,720)	-	19,182	(235,914)	-	(178,988)
Expenses with wages, remunerations and other similar expenses	(57,660,666)	(37,100,983)	(8,535,974)	(1,523,437)	(8,249,529)	(2,250,743)
Other operating expenses	(43,726,130)	(12,050,076)	(24,071,768)	(1,788,351)	(4,092,429)	(1,723,506)
Operating profit /loss	**133,948,574**	**147,031,009**	**(3,466,320)**	**(2,722,476)**	**(8,494,630)**	**1,600,991**
Financing costs	(5,855,114)	(4,026,758)	(246,945)	(121,729)	(1,457,887)	(1,795)
Share in the loss related to associates	2,302,239	2,302,239	-	-	-	-
Profit / Loss before tax	**130,395,699**	**145,306,490**	**(3,713,265)**	**(2,844,205)**	**(9,952,517)**	**1,599,196**
Income tax expenses	(16,219,088)	(14,494,674)	(215,104)	(259,956)	-	(1,249,354)
Net profit /(loss) of the financial year	**114,176,611**	**130,811,816**	**(3,928,369)**	**(3,104,161)**	**(9,952,517)**	**349,842**

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Break-down of income, expenses and result (continued)

31 December 2022 *In LEI*	**Group**	**Financial investment services**	**Manufacture of agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
Income						
Gross dividend income	116,092,853	115,706,234	-	-	-	386,619
Interest income	6,262,712	5,554,713	269,813	235,418	15,927	186,841
Other operating revenue	65,334,018	1,241,734	49,078,812	1,496,330	11,507,005	2,010,137
Net gain/(net loss) from financial assets at fair value through profit or loss	965,522	2,158,320	8,807	(1,225,539)	-	23,934
Net gain/(net loss) from disposal of non-financial assets	18,708	-	18,727	-	(5,801)	5,782
Net gain/ (Net loss) from the revaluation of investment property	11,356,717	798,078	440,429	6,585,683	-	3,532,527
Net loss from the revaluation of assets held for sale	(14,256)	-	(21,488)	-	-	7,232
Expenses						
(Losses)/loss reversal from impairment of financial assets	2,379,256	2,311,649	(191,341)	237,873	(16)	21,091
(Losses)/Loss reversal from impairment of non-financial assets	3,137,296	671	291,425	2,845,613	-	(413)
(Setup)/Reversal of provisions for risks and charges	52,750	117,190	20,560	(85,000)	-	-
Expenses with wages, remunerations and other similar expenses	(46,968,732)	(28,773,429)	(7,969,292)	(1,660,823)	(6,531,690)	(2,033,498)
Other operating expenses	(61,293,246)	(10,374,145)	(39,714,625)	(4,737,677)	(5,337,985)	(1,128,814)
Operating profit /(loss)	**97,323,598**	**88,741,015**	**2,231,827**	**3,691,878**	**(352,560)**	**3,011,438**
Financing costs	(913,791)	(31,640)	(58,537)	(134,153)	(687,678)	(1,783)
Share in the loss related to associates	16,074,052	16,074,052	-	-	-	-
Profit / Loss before tax	**112,483,859**	**104,783,427**	**2,173,290**	**3,557,725**	**(1,040,238)**	**3,009,655**
Income tax expenses	(10,222,009)	(8,863,072)	(195,684)	(345,712)	-	(817,541)
Net profit /loss of the financial year	**102,261,850**	**95,920,355**	**1,977,606**	**3,212,013**	**(1,040,238)**	**2,192,114**

The accounting policies regarding segment reporting are the Group's policies described under explanatory note 4.

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Segment Reporting (continued)

Break-down of assets and liabilities

31 December 2023	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	5,632,750	1,024,388	115,919	984,854	303,021	3,204,568
Bank deposits with initial maturity within 3 months	304,399,579	299,408,624	1,515,679	560,188	2,604,371	310,717
Bank deposits with initial maturity higher than 3 months	13,513,579	10,724,880	-	52,827	-	2,735,872
Financial assets at fair value through profit or loss	298,338,840	297,274,985	282,658	-	-	781,197
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,027,808,026	-	-	-	8,389,301
Investments accounted for using the equity method	57,673,327	57,673,327	-	-	-	-
Bonds at fair value through other comprehensive income	3,884,483	3,884,483	-	-	-	-
Bonds at amortized cost	35,692	35,692	-	-	-	-
Other financial assets at amortized cost	13,809,792	6,284,559	4,221,742	391,938	49,961	2,861,592
Inventory	48,606,721	112,236	46,357,720	-	2,136,138	627
Other assets	1,645,933	389,573	177,376	356,801	570,328	151,855
Non-current assets held for sale	4,957,804	212,738	-	-	-	4,745,066
Investment property	152,216,264	4,109,000	595,604	72,422,860	-	75,088,800
Property, plant and equipment	70,355,482	10,435,507	19,038,380	423,196	40,253,836	204,563
Right-of-use assets for qualifying assets in leases	11,754,681	1,188,594	1,946,624	5,070,484	3,493,017	55,962
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,009,148	402,983	110,538	432	492,456	2,739
Total assets	**3,028,370,907**	**2,720,969,595**	**74,362,240**	**80,263,580**	**54,242,633**	**98,532,859**
Liabilities						
Loans	87,551,586	63,674,421	8,106,408	-	15,770,757	-
Lease liabilities	10,713,608	1,117,464	1,918,879	5,183,158	2,437,496	56,611
Dividends payable	49,998,003	49,950,267	-	-	-	47,736
Liabilities regarding current income tax	7,899,122	7,410,272	-	-	-	488,850
Financial liabilities at amortized cost	11,974,027	1,126,930	9,296,186	326,934	576,136	647,841
Other liabilities	8,834,287	6,141,829	1,102,660	361,606	194,538	1,033,654
Provisions for risks and charges	4,238,609	1,632,553	41,153	2,385,914	-	178,989
Liabilities regarding deferred income tax	159,336,579	149,977,380	2,282,121	2,870,839	33,345	4,172,894
Total liabilities	**340,545,821**	**281,031,116**	**22,747,407**	**11,128,451**	**19,012,272**	**6,626,575**

4. MATERIAL ACCOUNTING POLICIES (continued)

(x) Segment reporting (continued)

Break-down of Assets and Liabilities (continued)

31 December 2022	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	7,838,826	788,781	5,421,333	468,341	578,041	582,330
Bank deposits with initial maturity within 3 months	120,630,869	104,971,764	-	5,738,084	6,332,909	3,588,112
Bank deposits with initial maturity higher than 3 months	6,141,286	-	5,105,187	-	-	1,036,099
Financial assets at fair value through profit or loss	279,782,253	278,762,217	275,441	-	-	744,595
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,667,551,362	-	-	-	5,982,257
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-
Bonds at fair value through other comprehensive income	3,982,047	3,982,047	-	-	-	-
Bonds at amortized cost	47,661	47,661	-	-	-	-
Other financial assets at amortized cost	19,884,188	9,758,388	8,976,565	471,169	525,256	152,810
Inventory	28,734,899	112,200	26,665,751	484,126	1,470,938	1,884
Other assets	2,176,788	374,744	154,736	496,574	1,009,318	141,416
Non-current assets held for sale	3,540,657	-	362,419	-	-	3,178,238
Investment property	135,229,675	4,284,448	898,905	71,077,620	-	58,968,702
Property, plant and equipment	65,345,532	9,282,127	18,556,350	491,733	34,876,565	2,138,757
Right-of-use assets for qualifying assets in leases	9,276,583	1,071,147	1,637,959	5,708,710	783,615	75,152
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,165,704	412,375	103,032	1,341	645,878	3,078
Total assets	**2,417,021,180**	**2,136,770,349**	**68,157,678**	**84,937,698**	**50,562,025**	**76,593,430**
Liabilities						
Loans	11,818,565	-	421,077	-	11,397,488	-
Lease liabilities	9,109,377	1,035,643	1,585,877	5,746,535	666,393	74,929
Dividends payable	43,029,452	42,633,808	285,409	-	-	110,235
Liabilities regarding current income tax	5,370,896	5,370,896	-	-	-	-
Financial liabilities at amortized cost	11,363,910	1,395,595	8,004,600	811,455	751,118	401,142
Other liabilities	7,910,679	4,155,000	2,469,615	524,331	268,551	493,182
Provisions for risks and charges	3,842,888	1,632,553	60,335	2,150,000	-	-
Liabilities regarding deferred income tax	97,526,193	89,669,402	1,837,449	2,610,884	-	3,408,458
Total liabilities	**189,971,960**	**145,892,897**	**14,664,362**	**11,843,205**	**13,083,550**	**4,487,946**

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) New IFRS accounting standards and amendments to existing standards, which are into force in the current year

The amendments to the existing standards issued by the International Accounting Standard Board ("IASB") and adopted by the European Union ("EU") presented in the table below are in force for the current reporting period, and are mandatorily effective for reporting period that begins on or after 1 January 2023.

Their adoption, where they were applicable to the Company, has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title
IFRS 17 Insurance Contracts	New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules*

(z) Standards and amendments to existing standards issued by the IASB and adopted by the EU, but not yet effective

At the date of authorisation of these financial statements, the amendments to the existing standards issued by the IASB and adopted by the EU presented in the table below were not in force, therefore the Company has not applied them.

Standard	Title	Effective date
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024

The Company considers that the adoption of these new amendments to the existing standards, where they are applicable to the Company, will not have a significant impact on its financial statements in the upcoming periods.

(aa) Standards and interpretations issued by the IASB, but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at the date of authorisation of these financial statements:

4. MATERIAL ACCOUNTING POLICIES (continued)

(z) Standards and amendments to existing standards issued by the IASB and adopted by the EU, but not yet effective (continued)

Standard	Title	EU adoption status
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2024)	Not yet adopted by EU
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Company estimates that the adoption of these new standards and amendments to the existing standards, if applicable to the Company, will not have a significant impact on its financial statements in the future periods.

5. MANAGEMENT OF SIGNIFICANT RISKS

Risk management is carried out in a consistent methodological environment, which represents an important component of the strategy for yield maximization while maintaining an acceptable level of risk exposure and abiding by legal provisions. The formalization of risk management policies and procedures decided by the management of the Group is an integral part of the Group's strategic objectives.

Investments expose the Group to a variety of risks associated to the financial instruments held and the financial markets on which it operates. The main risks that the Group is exposed to are:

- market risk (interest rate risk, currency risk and price risk);
- credit risk;
- liquidity risk;
- taxation risk (non-financial risk);
- operational risk (non-financial risk)

The general risk management strategy aims to maximize the Group's profit reported to the risk level that it is exposed to and minimize potential adverse variations on the Group's financial performance. The Group has implemented procedures and policies for the management and measurement of the risks it is exposed to. These policies and procedures are presented under the sections dedicated to each individual risk group.

5.1. Market Risk

Market risk is defined as the risk of recording a loss or the failure to achieve the expected profit, as a result of fluctuation of prices, fluctuation of interest rates and currency exchange rates. In order to manage market risk efficiently, procedures for investment diligence and diligence in monitoring the portfolio holdings, technical and fundamental analysis methods are used, as well as forecasts regarding the evolution of economic branches and financial markets, as well as specific procedures such as:

- permanent monitoring of market issuers and risk / return characteristics of portfolio holdings
- diversification of the range of financial instruments and business sectors
- active management of the stock portfolio
- optimizing the performance / market risk ratio
- adequate assessment of unlisted holdings

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

- monitoring the macroeconomic, political and sectoral context and adapting market risk management to this context
- following the classification of the asset categories in the portfolio within the legal limits
- setting limits on appetite and tolerance to market risk and monitoring compliance with the established risk profile.

The selection of investment opportunities is made through:

- technical analysis;
- fundamental analysis – ascertaining the issuer's ability to generate profit;
- comparative analysis – determining the relative value of an issuer in relation with the market or other similar companies;
- statistical analysis – determining tendencies and correlations using price and traded volume history.

The Group is exposed to the following market risk categories:

(i) Price Risk

The Group is exposed to the risk related to price variation of financial assets measured at fair value through profit or loss, and financial assets measured at fair value through comprehensive income. At 31 December 2023, 88% of all shares with active market held by the Group (31 December 2022: 87%) represented investment in companies that were included in the BET index of the Bucharest Stock Exchange, index weighted with free-float capitalization of the most liquid Romanian companies on the regulated market of the Bucharest Stock Exchange.

A 10% positive variation of the price of financial assets at fair value through profit or loss would lead to an increase of post-tax profit of 25,060,463 lei (31 December 2022: 23,418,411 lei), a negative variation of 10% having an equal contrary net impact.

A 10% positive variation of the price of financial assets measured at fair value through other comprehensive income would lead to an increase of equity, net of income tax of 176,182,395 lei (31 December 2022: 145,150,267 lei), a negative variation of 10% having an equal contrary net impact.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

(i) Price Risk (continued)

The Group holds shares in companies operating in various fields of activity, such as:

In LEI	31 December 2023	%	31 December 2022	%
Financial, bank and insurance	1,336,062,169	65%	998,680,935	59%
Oil industry	340,363,310	17%	122,045,217	7%
Manufacture and maintenance of transportation vehicles	202,178,681	10%	177,917,240	11%
Real-estate development (promotion)	66,865,419	3%	56,512,758	3%
Natural gas industry	63,650,948	3%	248,648,907	15%
Wholesale, retail, tourism and restaurants	19,946,352	1%	19,173,213	1%
Food industry	7,930,382	0%	7,321,768	0%
Power industry	7,680,000	0%	37,945,196	2%
IT industry	5,184,452	0%	6,118,695	0%
Manufacturing of machinery, equipment and tools	4,950,984	0%	4,790,940	0%
Textile industry	2,959,203		3,166,185	0%
Other	1,281,527	0%	1,357,424	0%
Construction materials	1,101,390	0%	1,543,829	0%
Transport, storage, communication	-		1,996,157	0%
TOTAL	**2,060,154,817**		**1,687,218,464**	

As shown in the above table, at 31 December 2023, the Group mainly held shares in companies operating in the financial-banking and insurance field, which account for 65% of the Group's share portfolio (31 December 2022: 59%). The Group's exposure regarding the holding of Banca Transilvania shares is 56% of the Group's share portfolio at 31 December 2023 (31 December 2022: 51%).

Fund units held by the Group are exposed to price risk as they have investments with different degrees of risk (bank deposits, bonds, other fixed-income instruments, shares and other financial instruments).

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5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk. The changes in the interest rate on the market directly influences the revenues and expenses corresponding to financial assets and liabilities bearing variable interest, as well as the fair value of fixed interest-bearing assets.

At 31 December 2023 and 31 December 2022, most of the Group's assets and liabilities do not bear interest. Therefore, the Group is not significantly influenced by the risk of interest rate fluctuations. Cash surplus or other cash equivalents availabilities are mainly invested in short-term bank deposits with maturity of 1- 12 months. Moreover, the Group has non-significantly invested in corporate and municipal bonds with fixed or variable interest.

The Group does not use derivatives to protect itself from interest rate fluctuations.

The following tables present the Group's exposure to interest rate risk, at book value, broken down depending on the latest date of interest change and contractual maturity at 31 December 2023 and 31 December 2022.

-

In LEI	Net value at 31 December 2023	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No interest rate risk
31 December 2023						
Financial assets						
Cash and current accounts	5,632,750	5,623,058	-	-	-	9,692
Bank deposits with initial maturity within 3 months	304,399,579	134,891,153	169,508,426	-	-	-
Bank deposits with initial maturity of more than 3 months	13,513,579	11,033,156	574,438	1,905,985	-	-
Financial assets at fair value through profit or loss	298,338,840	-	-	-	-	298,338,840
Bonds at fair value through other comprehensive income	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483	-	-
Bonds at amortized cost	35,692	3,371	-	8,820	23,501	-
Other financial assets at amortized cost	13,809,792	-	-	-	-	13,809,792
Total financial assets	**2,733,485,369**	**151,550,738**	**170,082,864**	**5,799,288**	**23,501**	**2,406,028,978**
Financial liabilities						
Borrowings	87,551,586	81,127,061	6,300,000	124,525	-	-
Lease liabilities	10,713,608	154,733	312,729	1,424,842	8,821,304	-
Dividends payable	49,998,003	-	-	-	-	49,998,003
Financial liabilities at amortized cost	11,974,027	-	-	-	-	11,974,027
Total financial liabilities	**160,237,224**	**81,281,794**	**6,612,729**	**1,549,367**	**8,821,304**	**61,972,030**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk (continued)

In LEI	Net value at 31 December 2022	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No interest rate risk
31 December 2022						
Financial assets						
Cash and current accounts	7,838,826	7,825,212	-	-	-	13,614
Bank deposits with initial maturity within 3 months	120,630,869	113,108,136	7,522,733	-	-	-
Bank deposits with initial maturity of more than 3 months	6,141,286	3,088,189	537,898	2,515,199	-	-
Financial assets at fair value through profit or loss	279,782,253	-	-	-	-	279,782,253
Bonds at fair value through other comprehensive income	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	-	-	24,127	3,957,920	-
Bonds at amortized cost	47,661	3,594	-	8,820	35,247	-
Other financial assets at amortized cost	19,884,188	-	-	-	-	19,884,188
Total financial assets	**2,167,211,837**	**124,025,131**	**8,060,631**	**2,548,146**	**3,993,167**	**2,028,584,762**
Financial liabilities						
Borrowings	11,818,565	11,397,488	-	421,077	-	-
Lease liabilities	9,109,377	119,643	233,983	993,545	7,762,206	-
Dividends payable	43,029,452	-	-	-	-	43,029,452
Financial liabilities at amortized cost	11,363,910	-	-	-	-	11,363,910
Total financial liabilities	**75,321,304**	**11,517,131**	**233,983**	**1,414,622**	**7,762,206**	**54,393,362**

The impact on the Group's net profit of a +/- 100 bp modification of the interest rate for assets and liabilities bearing variable interest and expressed in other currencies, corroborated with a modification of +/- 500 bp of the interest rate corresponding to assets and liabilities bearing variable interest, expressed in lei is -/+ 1,532,023 lei (31 December 2021:-/+ 480,230 lei).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk

The currency risk is the risk of recording losses or of not obtaining the estimated profit following the adverse fluctuations of the exchange rate.

Most of the Group's financial assets and financial liabilities are expressed in national currency and therefore exchange rate fluctuations do not significantly affect the Group's activity and results. Exposure to changes in the exchange rate is due to current accounts and bank deposits, corporate bonds, shares, leases and loans in foreign currency.

Assets expressed in lei and in other currencies at 31 December 2023 and 31 December 2022 are presented in the tables below:

In LEI	**Net value at 31 December 2023**	**Lei**	**EUR**	**USD**
Financial assets				
Cash and current accounts	5,632,750	5,580,247	44,891	7,612
Bank deposits with initial maturity within 3 months	304,399,579	303,909,431	490,148	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,513,579	-	-
Financial assets at fair value through profit or loss	298,338,840	297,264,619	1,074,221	-
Financial assets at fair value through comprehensive income	2,036,197,327	2,036,197,327	-	-
Investments accounted for using the equity method	57,673,327	57,673,327	-	-
Bonds at fair value through other comprehensive income	3,884,483	-	3,884,483	-
Bonds at amortized cost	35,692	35,692	-	-
Other financial assets at amortized cost	13,809,792	13,782,298	27,494	-
Total financial assets	**2,733,485,369**	**2,727,956,520**	**5,521,237**	**7,612**
Financial liabilities				
Loans	87,551,586	23,752,640	63,798,946	-
Lease liabilities	10,713,608	2,527,221	8,186,387	-
Dividends payable	49,998,003	49,998,003	-	-
Financial liabilities at amortized cost	11,974027	5,326,292	6,647,735	-
Total financial liabilities	**160,237,224**	**81,604,156**	**78,633,068**	**-**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk (continued)

In LEI	**Net value at 31 December 2022**	**Lei**	**EUR**	**USD**
31 December 2022				
Cash and current accounts	7,838,826	6,698,089	1,127,525	13,212
Bank deposits with initial maturity within 3 months	120,630,869	111,915,373	8,715,496	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,141,286	-	-
Financial assets at fair value through profit or loss	279,782,253	278,419,233	1,363,020	-
Financial assets at fair value through comprehensive income	1,673,533,619	1,673,533,619	-	-
Investments accounted for using the equity method	55,371,088	55,371,088	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at amortized cost	47,661	47,661	-	-
Other financial assets at amortized cost	19,884,188	19,487,585	396,603	-
Total financial assets	**2,167,211,837**	**2,151,613,933**	**15,584,691**	**13,212**
Financial liabilities				
Loans	11,818,565	11,397,488	421,077	-
Lease liabilities	9,109,377	919,489	8,189,888	-
Dividends payable	43,029,452	43,029,452	-	-
Financial liabilities at amortized cost	11,363,910	3,542,686	7,821,224	-
Total financial liabilities	**75,321,304**	**58,889,115**	**16,432,189**	**-**

The net impact on the Group's profit of a ± 15% modification of the RON/EUR exchange rate, corroborated with a modification of ± 15 of RON/USD exchange rate, at 31 December 2023, all other variables remaining the same is -/+ 9,211,132 lei (31 December 2022: -/+ 105,120 lei).

5.2 Credit Risk

The Group is exposed to credit risk related to financial instruments arising from the possible failure of a third party to pay its obligations towards the Group. The Group is exposed to credit risk following the investments made in bank deposits and bonds issued by municipalities or companies, current accounts and other receivables.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

At 31 December 2023 and 31 December 2022 the Group did not hold any collateral as insurance or other credit risk improvement. At 31 December 2023 and 31 December 2022 the Group did not register overdue financial assets, with the exception of outstanding trade receivables or amounts from sundry debtors.

The Group's maximum credit exposure is 158,507,133 lei at 31 December 2022 (31 December 2021: 226,389,846 lei), including current accounts and bank deposits, bonds and other financial assets at amortised cost, and can be analyzed as follows:

Exposures from current accounts and bank deposits

In LEI	**Rating**	**31 December 2023**	**31 December 2022**
Banca Transilvania	Moody's: Baa2 (2022: Fitch BB+)	187,434,085	118,923,409
EximBank	Fitch: BBB- (assimilated to sovereign rating)	111,451,754	529
Banca Comercială Română	Fitch: BBB+	20,524,471	543,713
Garanti Bank	Fitch: BB-	2,053,432	4,651,888
Raiffeisen Bank	Moody's: Baa1	1,439,376	5,986,235
BRD - Group Société Générale	Fitch: BBB+	673	2,829,657
CEC Bank	Fitch: BB	-	7,110
Other commercial banks	No rating	643,213	1,662,807
Total availabilities with banks		**323,547,004**	**134,605,348**
Cash		16,506	17,744
Total cash, bank accounts and deposits - gross amounts, of which:		**323,563,510**	**134,623,092**
Cash and current accounts		*5,632,756*	*7,838,857*
Bank deposits with initial maturity within 3 months		*304,415,915*	*120,637,934*
Bank deposits with initial maturity of more than 3 months		*13,514,839*	*6,146,301*
Expected credit losses, out of which for:		**(17,602)**	**(12,111)**
Current accounts		*(6)*	*(31)*
Bank deposits with initial maturity within 3 months		*(16,336)*	*(7,065)*
Bank deposits with initial maturity higher than 3 months		*(1,260)*	*(5,015)*
Total cash, bank account and deposits		**323,545,908**	**134,610,981**

The annual average interest rate for 2023, for bank deposits was 6.03% (2022: 6.74%).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Exposures from bonds at amortized cost

In LEI	**Rating**	**31 December 2023**	**31 December 2022**
Bacau municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	35,711	47,694
Total bonds at amortised cost – gross value		**35,711**	**47,694**
Expected credit losses		*(19)*	*(33)*
Total bonds at amortised cost		**35,692**	**47,661**

Bacau municipal bonds are denominated in lei, have a final maturity on 31 October 2026 and a variable interest rate (coupon), which is the average of 6 months ROBID and 6 months ROBOR reference rates, plus a 0.85% margin per year.

Exposures from bonds at fair value through other comprehensive income

In LEI	**31 December 2023**	**31 December 2022**
Autonom Service bonds	3,884,483	3,982,047
Total	**3,884,483**	**3,982,047**

Autonom Service bonds are denominated in EUR, their maturity is on 12 November 2024 and have a fixed interest rate (coupon) of 4.45% per year.

Autonom Service Company has a B+ credit rating issued by Fitch.

Financial assets at amortized cost

In LEI	**31 December 2023**	**31 December 2022**
AAAS receivable	48,762,677	48,756,218
Traded receivables	9,522,175	12,644,936
Amount representing guarantee for the public offering for the buy-back of own shares	5,000,000	8,500,000
Dividends receivable	281,373	-
Advances from the Central Depositary for payment of dividends to shareholders	859,628	1,051,798
Advances granted to suppliers	104,961	788,684
Other financial assets at amortized cost	8,045,209	5,229,908
Adjustments for expected credit loss	*(58,766,231)*	*(57,087,356)*
Total other assets at amortized cost	**13,809,792**	**19,884,188**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Other assets at amortized cost mainly include the Company's claim against the Authority for State Assets Management ("AAAS"), trade receivables, sundry debtors, claims for transactions not settled yet and supplier advances.

Adjustments for expected credit loss correspond mainly to receivable from the AAAS, from litigations won definitively, which are covered in full, and a portion of trade receivables.

The amount representing the guarantee for the public offering for the buy-back of the Company's own shares was established at the intermediary as per the provisions of FSA Regulation no. 5/2018 on issuers of financial instruments and market operations, art. 57 pct. 1, letter d).

5.3 Liquidity Risk

Liquidity risk represents the risk of recording a loss or of not obtaining the estimated profits, resulting from the impossibility at any time to fulfill short-term payment obligations, without this payment involving excessive costs or losses that cannot be borne by the Group.

The Group's financial instruments may include investments in shares not traded on an organized market that might consequently have low liquidity.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

The structure of the Group's assets and liabilities has been analyzed based on the remaining period of time from the balance date until the contract maturity date, both at 31 December 2023 and at 31 December 2022, as follows:

In LEI	Book value	Value not updated	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No pre-set maturity
31 December 2023							
Financial assets							
Cash and current accounts	5,632,750	5,632,750	5,632,750	-	-	-	-
Bank deposits with initial maturity within 3 months	304,399,579	306,482,595	135,204,548	171,278,047	-	-	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,606,106	11,070,000	580,599	1,955,507	-	-
Financial assets at fair value through profit or loss	298,338,840	298,338,840	-	-	-	-	298,338,840
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	4,033,205	-	-	4,033,205	-	-
Bonds at amortized cost	35,692	40,084	3,608	-	10,594	25,882	-
Other financial assets at amortized cost	13,809,792	13,809,792	11,643,368	522,491	1,283,896	316,513	43,524
Total financial assets	**2,733,485,369**	**2,735,814,026**	**163,554,274**	**172,381,137**	**7,283,202**	**342,395**	**2,392,253,018**
Financial liabilities							
Loans	87,551,586	94,442,874	702,882	1,261,839	13,998,326	78,479,827	-
Lease liabilities	10,713,608	13,156,787	199,683	399,407	1,790,041	10,767,656	-
Dividends payable	49,998,003	49,998,003	49,998,003	-	-	-	-
Financial liabilities at amortized cost	11,974,027	11,974,027	6,356,562	5,230,232	31,857	355,376	-
Total financial liabilities	**160,237,224**	**169,571,691**	**57,257,130**	**6,891,478**	**15,820,224**	**89,602,859**	**-**
Net financial assets	**2,573,248,145**	**2,566,242,335**	**106,297,144**	**165,489,659**	**(8,537,022)**	**(89,260,464)**	**2,392.253,018**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk (continued)

In LEI	Book value	Value not updated	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No pre-set maturity
31 December 2022							
Financial assets							
Cash and current accounts	7,838,826	7,838,826	7,838,826	-	-	-	-
Bank deposits with initial maturity within 3 months	120,630,869	120,957,880	113,882,393	7,075,487	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,245,807	3,106,234	540,543	2,599,030	-	-
Financial assets at fair value through profit or loss	279,782,253	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at amortized cost	47,661	58,493	3,947	-	11,560	42,986	-
Other financial assets at amortized cost	19,884,188	19,884,188	18,180,879	1,225,462	232,321	199,219	46,307
Total financial assets	**2,167,211,837**	**2,167,958,684**	**143,012,279**	**8,841,492**	**2,994,911**	**4,376,735**	**2,008,733,267**
Financial liabilities							
Loans	11,818,565	14,316,954	291,861	570,387	4,503,234	8,951,472	-
Lease liabilities	9,109,377	10,808,580	142,230	280,954	1,172,775	9,212,621	-
Dividends payable	43,029,452	43,029,452	43,029,452	-	-	-	-
Financial liabilities at amortized cost	11,363,910	11,363,910	3,285,434	7,197,391	567,535	313,550	-
Total financial liabilities	**75,321,304**	**79,518,896**	**46,748,977**	**8,048,732**	**6,243,544**	**18,477,643**	**-**
Net financial assets	**2,091,890,533**	**2,088,439,788**	**96,263,302**	**792,760**	**(3,248,633)**	**(14,100,908)**	**2,008,733,267**

For all non-financial assets, except other assets, the expected recovery period is longer than 12 months from the reporting date. For all non-financial liabilities, except current tax and other liabilities, the expected settlement period is longer than 12 months from the reporting date.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.4 Taxation Risk

The taxation system in Romania is subject to various interpretations and permanent changes that can be retroactive. In certain circumstances, tax authorities might adopt different positions than those of the Group and might calculate tax interest and penalties. Although the tax corresponding to a transaction may be minimal, the penalties may be considerable, depending on the interpretation of the tax authorities.

Moreover, Romania's Government has under its supervision a series of agencies that are authorized to control both the Romanian and foreign entities carrying out activities in Romania. These verifications are largely similar to those carried out in many countries but might also extend over some legal or regulating areas in which the Romanian authorities might be interested.

The tax returns might be subject to control and revisions over a period of five years and in general after the date of their submission. According to the legal provisions applicable in Romania, the already checked periods can be subject to other additional verifications in the future.

The management of the Group considers it has correctly calculated and registered taxes and other liabilities towards the state. Nevertheless, there is a risk that authorities might have a different position than that of the Group.

The latest control of the National Agency of Fiscal Administration at the Company covered the period up to January 1, 2010. Therefore, the Company's tax liabilities after this date may be the subject of subsequent verifications, provided that they are not already time-barred.

Regarding the subsidiaries, the tax inspections focused in general on specific areas, in particular VAT refunds or fiscal result.

5.5 Operational Risk

Operational risk represents the risk of loss caused either by the use of processes, systems and human resources that are inadequate or have not fulfilled their function properly, or by external events and actions.

The management of operational risk is ensured by the Group through the implementation of and compliance with operational risk standards and procedures and a rigorous internal control system.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.6 Capital Adequacy

The management's policy regarding capital adequacy is focused on maintaining a solid capital base, for the purpose of supporting the continuous development of the Group and reaching its investment objectives.

The Group's equity includes the share capital, different types of reserves and retained earnings. Equity was 2,687,825,086 lei at 31 December 2023 (31 December 2022: 2,227,049,220 lei).

As AIFM, the Company applies the legal requirements provided by Law no. 74/2015 regarding the minimum level of initial capital and those provided by Law no. 74/2015 and UE Regulation no. 2019/2033, on the minimum level of own funds.

According to the applicable regulations, the level of the Company's initial capital is at least the equivalent of 300,000 euro, calculated at the exchange rate communicated by the NBR, and the minimum level of own funds is at least one quarter of the general overheads from previous year.

6. CHANGES IN GROUP STRUCTURE

In August and September 2022, the subsidiaries VISIONALFA Investments SA and EVER AGRIBIO SA were set up, with EVERGENT Investments holding 99.99% of ownership in each of the companies.

There has been no sale of ownership in subsidiaries in 2023 and 2022.

The Group is considering continuing the restructuring process for the purpose of increasing the efficiency of its activity, which would lead to the improvement of the financial performance of managed portfolio projects.

7. OWNERSHIP IN SUBSIDIARIES

In 2023, the Company took part in the increase of the share capital of subsidiary Casa SA, by cash contribution in amount of 15,300,000 lei, and of subsidiary Agrointens SA, by cash contribution in amount of 6,250,000 lei, which were fully paid in at 31 December 2023, and paid in 1,365,000 lei of the share capital increase of subsidiary EVER AGRIBIO SA of December 2022.

7. OWNERSHIP IN SUBSIDIARIES (continued)

In 2022, the Company took part in capital increases of its subsidiaries:

- VISIONALFA Investments SA: newly-established company in 2022: by cash contribution, fully paid in, in amount of 249,975 lei,
- EVER AGRIBIO SA: newly-established company in 2022: by in-kind contribution – land worth 1,709,300 and by cash contribution in amount of 2,074,990 lei (of which 709,990 lei paid in at 31 December 2022),
- Agrointens SA: share capital increase: by cash contribution, fully paid in, in amount of 7,140,000 lei.

Evergent INVESTMENTS

8. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below summarizes the book values and fair values of financial assets and liabilities of the Group at 31 December 2023:

In LEI	**Financial assets at fair value through profit or loss, on initial recognition**	**Financial assets at fair value through other comprehensive income**	**Amortized cost**	**Total book value**	**Fair value**
Cash and current accounts	-	-	5,632,750	5,632,750	5,632,750
Bank deposits with initial maturity within 3 months	-	-	304,399,579	304,399,579	304,399,579
Bank deposits with initial maturity higher than 3 months	-	-	13,513,579	13,513,579	13,513,579
Financial assets at fair value through profit or loss	298,338,840	-	-	298,338,840	298,338,840
Financial assets at fair value through other comprehensive income	-	2,036,197,327	-	2,036,197,327	2,036,197,327
Bonds at fair value through other comprehensive income	-	3,884,483	-	3,884,483	3,884,483
Bonds at amortized cost	-	-	35,692	35,692	35,692
Other financial assets at amortized cost	-	-	13,809,792	13,809,792	13,809,792
Total financial assets	**298,338,840**	**2,040,081,810**	**337,391,392**	**2,675,812,042**	**2,675,812,042**
Loans	-	-	87,551,586	87,551,586	87,551,586
Lease liabilities	-	-	10,713,608	10,713,608	10,713,608
Dividends payable	-	-	49,998,003	49,998,003	49,998,003
Financial liabilities at amortized cost	-	-	11,974,027	11,974,027	11,974,027
Total financial liabilities	**-**	**-**	**160,237,224**	**160,237,224**	**160,237,224**

For financial assets and liabilities at amortized cost, the Group has analyzed the fair value of bonds at 31 December 2023 and concluded there are no significant differences between fair value and amortized cost.

8. FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value classification (continued)

The table below summarizes all book values and fair values of financial assets and liabilities of the Group at 31 December 2022:

In LEI	Financial assets at fair value through profit or loss, on initial recognition	Financial assets at fair value through other comprehensive income	Amortized cost	Total book value	Fair value
Cash and current accounts	-	-	7,838,826	7,838,826	7,838,826
Bank deposits with initial maturity within 3 months	-	-	120,630,869	120,630,869	120,630,869
Bank deposits with initial maturity higher than 3 months	-	-	6,141,286	6,141,286	6,141,286
Financial assets at fair value through profit or loss	279,782,253	-	-	279,782,253	279,782,253
Financial assets at fair value through other comprehensive income	-	1,673,533,619	-	1,673,533,619	1,673,533,619
Bonds at fair value through other comprehensive income	-	3,982,047	-	3,982,047	3,982,047
Bonds at amortized cost	-	-	47,661	47,661	47,661
Other financial assets at amortized cost	-	-	19,884,188	19,884,188	19,884,188
Total financial assets	**279,782,253**	**1,677,515,666**	**154,542,830**	**2,111,840,749**	**2,111,840,749**
Loans	-	-	11,818,565	11,818,565	11,818,565
Lease liabilities	-	-	9,109,377	9,109,377	9,109,377
Dividends payable	-	-	43,029,452	43,029,452	43,029,452
Financial liabilities at amortized cost	-	-	11,363,910	11,363,910	11,363,910
Total financial liabilities	**-**	**-**	**75,321,304**	**75,321,304**	**75,321,304**

9. GROSS DIVIDEND INCOME

In LEI	2023	2022
Banca Transilvania	54,765,272	48,355,982
OMV Petrom	51,652,238	10,927,544
SNGN Romgaz SA	16,385,524	28,762,103
Fondul Proprietatea	10,572,057	922,695
Aerostar	4,159,104	3,465,920
SN Nuclearelectrica SA	3,771,535	1,751,501
Transilvania Investments Alliance	1,468,285	-
Bursa de Valori Bucuresti	449,877	334,047
Other	227,906	448,812
BRD – Groupe Société Générale	-	21,124,249
Total	**143,451,798**	**116,092,853**

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 31 December 2023 were 8% or 0% (2022: 5% or 0%). Dividend tax exemption applies if the Group's holding percentage was higher than 10% of the share capital of the company that distributed the dividends, for an uninterrupted period of at least one year before distribution.

In 2023, the value of gross dividends distributed by the companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 142,863,483 lei (2022: 115,756,091 lei).

10. INTEREST INCOME

In LEI	2023	2022
Income related to interest and current bank accounts	8,935,064	4,779,468
Interest income related to bonds at amortized cost	1,158	1,304,987
Interest income related to bonds at fair value through other comprehensive income	178,284	178,257
Total	**9,114,506**	**6,262,712**

11. OTHER OPERATING INCOME

In LEI	**2023**	**2022**
Income from sales of production	16,477,736	29,041,503
Income from merchandize sold	17,676,241	31,122,668
Income from sales of parking lots	610,689	890,182
Income from service	189,279	146,675
Total income from contracts with customers	**34,953,945**	**61,201,028**
Rental income	2,747,129	2,395,121
Income from recovered receivables	297,962	135,774
Other operating income	525,250	1,602,095
Total other categories of operating income	**3,570,341**	**4,132,990**
Total	**38,524,286**	**65,334,018**

Income from contracts with customers
In the category of income from sales of production, the highest share in 2023 is held by Mecanica Ceahlău with an amount of 10,554,108 lei, i.e. 64% (2022: 18,199,230 lei, i.e. 63%), representing income from the sale of the agricultural machinery and equipment manufactured by this subsidiary, followed by Agrointens with the amount of 5,923,628 lei, i.e. 36% (2022: 10,842,273 lei, i.e. 37%), representing income from the sale of agricultural products (blueberries).

In 2023, the highest share in the category of income from the sale of merchandize is held by Mecanica Ceahlău with an amount of 17,445,834 lei, i.e. 98% (2022: 30,403,425 lei, i.e. 98%), representing sale of distributed products (trucks, herbicide equipment, front loaders, etc.) followed by Agrointens with an amount of 217,887 lei, i.e. 1% (2022: 410.487 lei, i.e. 1%), representing income from the sale of blueberries purchased from other local growers.

In 2023 and 2022, income from sales of parking lots was obtained by subsidiary EVER IMO SA following the sale of parking lots in Baba Novac Residence, developed by this subsidiary.

The services delivered by the Group are generally related to the products supplied (for example, repairs of agricultural machinery following the expiry of the guarantee period).

In 2023, the Group obtained income from contracts with customers from sales in Romania, except for the external sales of subsidiary Agrointens (sale of blueberries) mainly in the UK, Belgium, The Netherlands, the Republic of Moldova in amount of 3,825,651 lei from the sale of output and 166,488 lei from the sale of merchandise (2022: 7,960,901 lei from sale of production and 366,265 lei from sale of goods) and foreign sales of cars and agricultural equipment of subsidiary Mecanica Ceahlau in Hungary, Poland, Austria and the Republic of Moldova in amount of 485,641 lei from sale of goods and 35,611 lei from the sale of merchandise (2022: 58,356 lei from the sale of output and 426,463 lei from the sale of merchandise).

11. OTHER OPERATING INCOME (continued)

The Group concluded only contracts with an estimated duration of less than one year and uses the simplified approach of not presenting partly unsettled obligations.

The Group obtained income from contracts with customers from direct sales, except for income from sales through distributors of subsidiary Mecanica Ceahlau (sale of agricultural machinery and equipment): 459,017 lei (2021: 1,432,027 lei) from the sale of production and 2,841,622 lei (2022: 8,946,031 lei) from the sale of goods.

For further details on income from contracts with customers (e.g. type of contract, timing of the transfer of goods and services), see note 4 (p).
The receivable balance in contracts with customers is included in explanatory note 23.

Other categories of operating income

In 2023, rent income was obtained by: Casa SA of 1,631,850 lei (2022: 1,329,227 lei), followed by SIF Moldova with an amount of 377,942 lei (2022: 427,907 lei), and Regal SA of 339,913 lei (2022: 316,700 lei) and Mecanica Ceahlău, in amount of 391,062 lei.

12. NET GAINS FROM DISPOSAL OF NON-FINANCIAL ASSETS

In LEI	**2023**	**2022**
Net gain from the sale of investment property and intangible assets held for sale	576,799	-
Net gain /(net loss) from the disposal of intangible assets	(437,631)	18,708
Total	**139,168**	**18,708**

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

In LEI	**2023**	**2022**
Net gain from revaluation of financial assets at fair value through profit or loss	43,121,404	3,270,671
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	579,971	(2,305,149)
Total	**43,701,375**	**965,522**

The unrealised net gains registered in 2023, in amount of 43,121,404 lei (2022: 3,270,671 lei) represents the difference from the fair value revaluation of shares and unit funds held at fair value through profit or loss.

In 2023, the unrealized net gain, was generated mainly by the increase of fair value of fund units, while in 2022 was mainly generated by the increase of fair value of shares classified in such category.

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

The realized net gain in 2023 and the net loss realised in 2022 come from the sale of large holdings of fund units.

14. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with wages, remunerations and other benefits, as well as the corresponding contributions of employees, members of the Management Committee (referring both to the Management Committee of the Company and the Steering Committees/CEOs of subsidiaries and the Board of Directors (referring both to the Company's Board of Directors and the Board of Directors of the subsidiaries).

In LEI	**2023**	**2022**
Fixed remunerations		
Management Committee	7,969,467	7,250,446
Board of Directors	5,727,779	5,261,731
Employees	25,307,676	19,763,854
Total fixed remuneration	***39,004,922***	***32,276,031***
Variable remunerations		
Board of Directors, Management Committee		
Bonuses for the current year	194,581	795,207
Profit sharing in stocks	10,907,474	6,379,200
Total	***11,102,055***	***7,174,407***
Employees		
Profit sharing in cash for the current year	2,102,204	1,533,984
Bonuses for the current year	491,817	1,640,527
Profit sharing in stocks	4,058,512	3,532,792
Total	***6,652,533***	***6,707,303***
Total variable remunerations	***17,754,588***	***13,881,710***
Expenses with social contributions and similar expenses	***805,679***	***701,817***
Estimated expenses with untaken leaves	***95,477***	***109,174***
Total wages, remunerations, contributions and similar expenses	**57,660,666**	**46,968,732**

14. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES (continued)

The directors' allowances are approved by the General Meeting of Shareholders through the Articles of Incorporation, the management contracts and, in the case of EVERGENT Investments, also through the Policy of Remuneration of the Company's management and the officers' allowances are approved by the General Meeting of Shareholders and Board of Directors through management contracts and the Policy of Remuneration of the Company's management.

The Group's average number of employees in 2023 was 192 (2022: 175). The number of employees hired by the Group in 2023 was 50 (2022: 54).

15. OTHER OPERATING EXPENSES

In LEI	**2023**	**2022**
Expenses with outsourced services	7,429,376	6,801,169
Expenses with commissions and fees	4,901,322	4,269,387
Expenses for protocol and advertising	1,183,199	838,657
Expenses with the amortization of tangible and intangible assets	4,559,589	3,851,604
Expenses for the amortization of assets related to right-of-use assets from leasing contract	1,805,018	1,415,342
Audit services and other related services rendered by statutory auditor	1,049,391	1,071,700
Expenses for sponsorship and patronage	458,737	349,963
Expenses for merchandize	15,282,366	27,798,194
Changes in stocks of finished goods and work in progress	(9,625,750)	(1,839,409)
Other operating expenses	16,682,882	16,736,639
Total	**43,726,130**	**61,293,246**

Expenses with outsourced services mainly include expenses for valuation services, professional trainings, maintenance, rent, maintenance and repairs and insurance.

Expenses with commissions and fees include mainly the commission related to the net asset owed to FSA, commissions for equity transactions on the regulated market, commissions owed to the depositary bank, for register services of the Central Depositary, as well as legal assistance fee and other fees for consultancy services of the Group.

Other operating expenses include expenses for travel, post and telecommunication, utilities, fuel, inventory materials and items, sponsorship, other taxes and other expenses.

In 2023, the fees for the statutory financial statements audit (for the Company and its affiliates) included in the category of statutory audit and audit-related services were 863,285 Lei excluding VAT and in 2022 879,605 Lei including VAT. Such fees relate to the audit of separate and consolidated financial statements, the reporting audit in the ESEF electronic format (European Single Electronic Format) and review of the remuneration reports.

In 2023, changes in stocks of finished goods and work in progress mainly arise from the increase in the value of stocks of Mecanica Ceahlau of finished goods and work in progress (agricultural equipment), partly compensated by the sale of parking spaces in Baba Novac Residence by EVER Imo.

In 2023, expenses related to short-term leases and/or for which the underlying asset is of low value, were 288,191 lei (2022: 328,387 lei).

16. FINANCING EXPENSES

In LEI	**2023**	**2022**
Interest expenses from borrowings	5,591,049	702,170
Interest expenses from leases	264,065	211,621
Total	**5,855,114**	**913,791**

17. INCOME TAX

In LEI	**2023**	**2022**
Current income tax		
Current income tax (16%)	4,637,319	4,046,835
Dividend tax (2023: 8%; 2022: 5%)	11,121,034	5,612,015
	15,758,353	**9,658,850**
Deferred income tax		
Financial assets	644,016	101,612
Investment property and tangible assets	301,584	1,830,035
Inventory	49,857	(171,544)
Liabilities related to the benefit plan in cash and other benefits	(682,491)	(804,403)
Provisions for risks and charges	16,269	6,594
Other items (including impact of tax loss)	131,500	(399,135)
	460,735	**563,159**
Profit tax (part recorded through profit or loss)	**16,219,088**	**10,222,009**

17. INCOME TAX (continued)

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

In LEI	2023	2022
Profit before tax	**130,395,699**	**112,483,859**
Tax in compliance with statutory taxation rates of 16% (2021: 16%)	**20,863,312**	**17,997,417**
Effect on income tax of:		
non-deductible expenses	8,923,724	11,606,975
non-taxable income	(23,929,684)	(21,497,077)
other elements	13,832,060	2,611,825
registration and reversal of temporary differences	460,735	563,159
Dividend tax (2023: 8%; 2022: 5%)	11,121,034	5,612,015
Income tax, of which:	**31,271,181**	**16,894,314**
• *Profit tax expense (through profit or loss)*	*16,219,088*	*10,222,009*
• *Profit tax through retained earnings, on sell of FVTOCI financial assets*	*15,052,093*	*6,672,305*

The effective income tax rate in 2023 is 12% (2022: 9%).

The main non-taxable income from the standpoint of profit tax calculation is represented by dividend income (withholding tax) and income from differences following the measurement of financial assets at fair value through profit or loss (holdings over 10%), and non-deductible expenses include expenses from the revaluation of financial assets at fair value through profit or loss (holdings over 10%), as well as expenses proportionally assigned to non-taxable income.
When determining the fiscal result, management and administration expenses, as well as other common expenses, are taken into account as non-deductible expenses, pro rata with the share of non-taxable income in the total income recorded by the Company.
The main components of *Other income* are the items similar to income which include, mainly, the realized net gain, reflected in retained earnings, related to the sales of equity instruments classified at fair value through other comprehensive income (FVTOCI) in case of ownerships below 10%, and items similar to expenses which include mainly benefits granted to directors, officers and employees of the Company in equity instruments sold in shares, at the time of their actual award.

18. CASH AND CURRENT ACCOUNTS

In LEI	31 December 2023	31 December 2022
Cash	16,506	17,744
Current accounts	5,616,250	7,821,113
Cash and current accounts – gross value	**5,632,756**	**7,838,857**
Expected credit loss for current accounts	(6)	(31)
Total cash and current accounts	**5,632,750**	**7,838,826**

Current bank accounts are constantly at the Group's disposal. As regards the accounts opened with Banca Comercială Română, the Company entered into a movable mortgage agreement to guarantee the loan facility contracted at such bank (see note 20 Borrowings

All current accounts of the Group are classified as Stage 1.

19 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

In LEI	31 December 2023	31 December 2022
Term deposits with initial maturity within 3 months	302,404,082	120,347,489
Attached receivables on interest	2,011,833	290,445
Total bank deposits – gross value	**304,415,915**	**120,637,934**
Expected credit loss	(16,336)	(7,065)
Total bank deposits	**304,399,579**	**120,630,869**

19 b) BANK DEPOSITS WITH INITIAL MATURITY HIGHER THAN 3 MONTHS

In LEI	31 December 2023	31 December 2022
Term deposits with initial maturity higher than 3 months	2,756,584	6,024,013
Collateral	10,000,000	-
Attached receivables on interest	758,255	122,288
Total term deposits – gross value	**13,514,839**	**6,146,301**
Expected credit loss	(1,260)	(5,015)
Total bank deposits	**13,513,579**	**6,141,286**

19 b) BANK DEPOSITS WITH INITIAL MATURITY HIGHER THAN 3 MONTHS (continued)

The bank deposits are constantly at the Group's disposal and are not restricted.

At 31 December 2023, such category includes the collateral held at Banca Comercială Română, established as guarantee for the loan facility contracted at such bank.

All Group's bank deposits are classified as Stage 1.

20. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

In LEI	**31 December 2023**	**31 December 2022**
Fund units	274,381,350	266,097,408
Shares	23,957,490	13,684,845
Total	**298,338,840**	**279,782,253**

In LEI	**31 December 2023**	**31 December 2022**
1 January	**279,782,253**	**325,937,896**
Purchases	57,426	5,000,000
Sales	(25,202,214)	(52,121,165)
Changes in fair value	43,121,404	3,270,671
Gain from FVTPL sale	579,971	(2,305,149)
31 December	**298,338,840**	**279,782,253**

20. FINANCIAL ASSETS (continued)

b) Financial assets at fair value through other comprehensive income

In LEI	31 December 2023	31 December 2022
Shares measured at fair value through other comprehensive income	2,036,197,327	1,673,533,619
Total	**2,036,197,327**	**1,673,533,619**

At 31 December 2023 and 31 December 2022 the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, OMV Petrom, SNGN Romgaz, Aerostar, BRD – Groupe Société Générale and Professional Imo Partners.

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

The movement of financial assets in the period ended 31 December 2023 and 31 December 2022 is presented in the table below:

In LEI	31 December 2023	31 December 2022
1 January	**1,673,533,619**	**1,770,881,534**
Purchases	174,266,369	197,955,590
Sales	(323,214,657)	(91,144,661)
Changes in fair value	511,611,996	(204,158,844)
31 December	**2,036,197,327**	**1,673,533,619**

In 2023, shares measured at fair value through other comprehensive income increased due to the appreciation of stock quotations during the year.

20. FINANCIAL ASSETS (continued)

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

In 2022, they decreased because of the unfavorable effect of the Russian-Ukrainian military conflict on financial markets (including the Bucharest Stock Exchange), but also due to the increase of interest rates determined by the increase of the monetary policy interest rate by the National Bank of Romania against the background of increased inflationary pressure.

The sales of shares classified at fair value through other comprehensive income were decided following the fundamental analysis developed by the specialized departments, in the context of the Company's medium and long-term objectives or for capitalizing on some opportunities (e.g. public purchase offers carried out by certain issuers). The sales were not made shortly after acquisition and the transactions with such shares were not aimed at obtaining short-term profits.

For information regarding the net gains from the sale of shares carried at fair value through other comprehensive income, see Note 20 d).

At 31 December 2023, 8,044,831 shares at Banca Transilvania held by the Company are mortgaged in favour of BCR, as collateral for the loan facility contracted at such bank (see Note 20 Borrowings).

20. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy

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

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

31 December 2023

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	297,264,619	-	1,074,221	298,338,840
Financial assets measured at fair value through other comprehensive income	1,932,882,437	-	103,314,890	2,036,197,327
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483
Total	**2,234,031,539**		**104,389,111**	**2,338,420,650**

31 December 2022

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	278,419,232	-	1,363,021	279,782,253
Financial assets measured at fair value through other comprehensive income	1,578,423,907	-	95,109,712	1,673,533,619
Bonds at fair value through other comprehensive income	3,982,047	-	-	3,982,047
Total	**1,860,825,186**		**96,472,733**	**1,957,297,919**

20. FINANCIAL ASSETS (continued)

Financial Assets	Fair value at 31 December 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	3,020,587	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.8 Invested capital/EBITDA multiple: 6.8 Discount for lack of marketability: 16.5%	The lower the EV/Turnover multiple, the lower the fair value The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted majority interest	5,027,718	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.4 Equity value/book value multiple: 1 Discount for lack of marketability: 13.6%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	3,193,718	Income approach – discounted cash-flow method	Weighted average cost of capital: 14.6% Constant long-term income growth rate: 3.3% Discount for lack of control: 15.5% Discount for lack of marketability: 15.8%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	6,870,329	Income approach – discounted cash-flow method	Weighted average cost of capital: 15.8% Constant long-term income growth rate: 3.0% Discount for lack of control: 14.7% Discount for lack of marketability: 17.9%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value at 31 December 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	84,156,319	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.5% Discount for lack of control: 11.5% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	2,120,440	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.7% Discount for lack of control: 19.6% Discount for lack of marketability: 8.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	**104,389,111**			

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial Assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5,349,377	Market approach, comparable companies method	Invested capital/revenues multiple: 0.66 Invested capital/ turnover multiple: 1.2 Invested capital/EBITDA multiple: 9.7 Discount for lack of marketability: 16.1%	The lower the EV/Revenues multiple, the lower the fair value The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted majority interest	4,778,247	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,5 Equity value/book value multiple: 1 Discount for lack of marketability: 13.7%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	2,821,701	Income approach – discounted cash-flow method	Weighted average cost of capital: 12.8% Constant long-term income growth rate: 2,8% Discount for lack of control: 22.3% Discount for lack of marketability: 16.1%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	8,423,429	Income approach – discounted cash-flow method	Weighted average cost of capital: 13.6% Constant long-term income growth rate: 3.0% Discount for lack of control: 19.5% Discount for lack of marketability: 16%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	72,035,757	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.3% Discount for lack of control: 13.2% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	3,064,222	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.5% Discount for lack of control: 18.0% Discount for lack of marketability: 9.5%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	**96,472,733**			

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Sensitivity analysis

Although the Group considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the change of one or more assumptions would influence the Group's profit or loss and other comprehensive income at 31 December 2021 as follows:

Modified assumption *(Lei)*	**Impact on profit or loss (before tax)**	**Impact on other comprehensive income (before tax)**
WACC increase by 50 bps	-	(158,263)
WACC decrease by 50 bps	-	244,808
Increase of the perpetuity growth rate by 25 bps	-	106,400
Decrease of the perpetuity growth rate by 25 bps	-	(35,304)
Increase of (EBITDA, Turnover, P/E) multiple by 10%	107,422	558,420
Decrease of (EBITDA, Turnover, P/E) multiples by 10%	(107,422)	(558,420)
Increase of DLOM by 10%	-	(1,270,880)
Decrease of DLOM by 10%	-	1,270,880

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

The turnover multiple: is an instruments used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

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

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Price/book value: often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share.

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

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

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

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

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

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used. This method was used to determine directly the value of the equity of holding-type majority shareholders.

Level 3 fair value modification

In LEI	2023	2022
At 1 January	**96,472,733**	**105,151,282**
Total loss recognized in profit or loss	(346,225)	(792,603)
Total gain/(loss) recognized in other comprehensive income	9,488,479	(6,858,971)
Purchases	57,426	4,950,000
Sales	(1,283,302)	(5,976,975)
At 31 December	**104,389,111**	**96,472,733**

At 31 December 2023 and 31 December 2022, the Group classified as level 1 securities measured on the basis of the BSE closing prices, on the last day of trading. Fund units evaluated based on the unit value of their net asset certified by the fund depositary are included in this level.

The investments classified in Level 3, representing 5% of the Group's share portfolio at 31 December 2023 (31 December 2022: 6%), have been measured by independent external or internal valuers, based on the financial information provided by the monitoring departments, using measurement techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, with the management's supervision and review, which makes sure that all inputs underlying the valuation reports are accurate and adequate.

The evaluation date for Level 3 investments was 30 September 2023 or 30 June 2023, and a further analysis was conducted at the reporting date, 31 December 2023.

20. FINANCIAL ASSETS (continued)

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

In LEI	2023	2022
At 1 January	**660,473,055**	**872,688,152**
Gross (loss)/gain from the revaluation of financial assets measured at fair value through other comprehensive income	511,366,460	(204,256,014)
Deferred tax corresponding to the gain/loss from the revaluation of financial assets measured at fair value through other comprehensive income	(75,881,723)	28,353,206
Net gain/(Net loss) from revaluation of financial assets measured at fair value through other comprehensive income	**435,484,737**	**(175,902,808)**
Net gain transferred to retained earnings following the sale of financial assets carried at fair value through other comprehensive income	(79,895,988)	(36,312,289)
At 31 December	**1,016,061,804**	**660,473,055**

In 2023, the net gain obtained 79,895,988 lei (gross gain 94,948,081 Lei, related tax 15,052,093 lei) was mainly achieved from the sale of shares in SNGN Romgaz, SN Nuclearelectrica, Banca Transilvania, OMV Petrom and Șantierul Naval Constanța.

In 2022, the net gain in amount of 36,312,289 lei (gross gain 42,984,594 lei, related tax 6,672,305 lei) was mainly achieved from the sale of shares held in Banca Transilvania SNTGN Transgaz, Eximbank and Aerostar

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In LEI	31 December 2023	31 December 2022
Shares	57,673,327	55,371,088
Total	**57,673,327**	**55,371,088**

Investments accounted for using the equity method are represented by the holding of shares in Straulești Lac Alfa, securities purchased in 2018.

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The financial information for Străulesti Lac Alfa is summarized in the table below:

In LEI	31 December 2023	31 December 2022
Current assets	183,251,982	121,736,199
Non-current assets	9,422,331	10,179,723
Total assets	**192,674,313**	**131,915,922**
Current liabilities	26,524,305	7,876,097
Non-current liabilities	50,803,354	13,297,649
Total liabilities	**77,327,659**	**21,173,746**
Equity	**115,346,654**	**110,742,176**
Total liabilities and equity	**192,674,313**	**131,915,922**

In LEI	2023	2022
Turnover	17,746,532	109,850,167
Net profit/(loss)	**4,604,478**	**32,148,107**

In 2022, EVERGENT Investments received from Străulești Lac Alfa dividends in amount of 3,553,026 lei.

The reconciliation of the financial information for Straulesti Lac Alfa with the value of securities accounted for using the equity method is presented in the table below:

In LEI	31 December 2023	31 December 2022
Associated entity's net asset at 1 January	**110,742,176**	**85,700,120**
Net profit for the financial year	4,604,478	32,148,107
Dividends paid during the financial year	-	(7,106,051)
The associated entity's net asset at 31 December	**115,346,654**	**110,742,176**
Ownership in associated entity	*50%*	*50%*
Securities accounted for using the equity method	**57,673,327**	**55,371,088**

22. BONDS

In LEI	31 December 2023	31 December 2022
Corporate bonds	-	-
Municipal bonds	35,711	47,694
Total bonds at amortised cost – gross value	**35,711**	**47,694**
Expected credit loss	(19)	(33)
Total bonds at amortised cost	**35,692**	**47,661**
Corporate bonds	3,884,483	3,982,047
Total bonds at fair value through other comprehensive income	**3,884,483**	**3,982,047**

At 31 December 2023, the category of bonds at amortised cost include the bonds issued by the Bacău City Hall and Străulești Lac Alfa (31 December 2022: Bacău Town Hall).

At December 31, 2023 and December 31, 2022, the category of bonds at fair value through other comprehensive income include bonds issued by Autonom Service SA, which are held by the Group in a business model whose objective is to keep assets both to collect contractual cash flows and to sell. Autonom Service bonds are listed on the Bucharest Stock Exchange.

All bonds of the Group are classified as Level 1.

23. OTHER FINANCIAL ASSETS AT AMORTISED COST

In LEI	31 December 2023	31 December 2022
Sundry debtors	57,667,514	55,037,924
Trade receivables	9,522,175	12,644,936
Amounts representing the guarantee for the public offering for the buy-back of treasury shares	5,000,000	8,500,000
Dividends receivable	281,373	-
Advances to suppliers	104,961	788,684
Total other financial assets – gross value	**72,576,023**	**76,971,544**
Less expected credit loss for other financial assets	(58,766,231)	(57,087,356)
Total other financial assets	**13,809,792**	**19,884,188**

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

The amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter d).

At 31 December 2023, customer contracts, included in the table above in the "Trade receivables" line are in amount of 4,373,925 lei (31 December 2022: 9,267,718 lei).

In LEI	31 December 2023	31 December 2022
Other performing financial assets	16,337,931	20,574,248
Other impaired financial assets	56,238,092	56,397,296
Total other financial assets – gross value	**72,576,023**	**76,971,544**
Adjustments for expected credit loss for other performing financial assets	(2,528,139)	(690,060)
Adjustments for expected credit loss for other impaired financial assets	(56,238,092)	(56,397,296)
Total other financial assets	**13,809,792**	**19,884,188**

23. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

In LEI	31 December 2023		31 December 2022	
	Expected credit loss	**Gross value**	**Expected credit loss**	**Gross value**
Overdue for more than 365 days	(56,210,867)	56,210,867	(56,397,296)	56,397,296

In LEI	31 December 2023		31 December 2022	
	Expected credit loss	**Gross value**	**Expected credit loss**	**Gross value**
Not overdue	(117,556)	11,229,743	(266,712)	18,272,039
Overdue between 0 and 30 days	(66,284)	1,024,855	(10,915)	1,114,511
Overdue between 31 and 60 days	(31,019)	238,893	(20,017)	181,718
Overdue between 61 and 90 days	(53,981)	336,154	(142,060)	737,083
Overdue between 91 and 180 days	(2,063,306)	3,312,293	(26,594)	45,135
Overdue between 181 and 365 days	(223,218)	223,218	(223,762)	223,762
Total	**(2,555,364)**	**16,365,156**	**(690,060)**	**20,574,248**

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

In LEI	2023	2022
At 1 January	**(57,087,356)**	**(61,075,985)**
Setup	(2,411,419)	(544,551)
Reversal	732,544	4,533,180
At 31 December	**(58,766,231)**	**(57,087,356)**

24. INVENTORY

In LEI	31 December 2023	31 December 2022
Raw materials and consumables	2,847,410	3,726,953
Work in progress	3,610,458	2,504,639
Semi-finished products	162,423	91,575
Finished products	22,296,136	13,368,481

24. INVENTORY(continued)

Merchandize	19,690,294	9,043,251
Total	**48,606,721**	**28,734,899**

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 46,357,720 lei (31 December 2022: 26,665,751 lei) and Agrointens SA with 2,136,138 (31 December 2022: 1,470,938 lei).

At 31 December 2023 the value of pledged inventories of the Group was 12,186,765 Lei (31 December 2022: 0 Lei).

25. OTHER ASSETS

In LEI	**31 December 2023**	**31 December 2022**
Taxes	764,885	1,156,051
Income tax	169,865	168,940
Other assets (including prepaid expenses)	711,183	851,797
Total	**1,645,933**	**2,176,788**

At 31 December 2023, in the Taxes category, VAT recoverable for subsidiary Agrointens in amount of 355,916 lei (31 December 2022: 831,7635 lei) accounted for the highest amount.

26. NON-CURRENT ASSETS HELD FOR SALE

In LEI	**31 December 2022**	**31 December 2021**
Freehold land and buildings	4,957,804	3,540,657
Total	**4,957,804**	**3,540,657**

At 31 December 2023, assets held for sale included freehold land and buildings belonging to the Company and subsidiaries CASA and Regal SA (31 December 2022: EVER IMO SA, Mecanica Ceahlău SA and Regal SA), whose sale was approved, the sale process being started by actively searching buyers.

27. INVESTMENT PROPERTY

In LEI	**2023**	**2022**
Balance at 1 January	**135,229,675**	**99,831,062**
Changes in fair value	2,063,182	11,356,717
Purchases	17,091,386	5,218,873
Transfers from property plant and equipment	431,060	-
Transfers to property plant and equipment	-	(1,709,300)
Transfers to assets held for sale	(3,276,018)	(3,110,760)
Transfers from assets held for sale	148,841	23,643,083
Other transfers	528,138	-
Balance at 31 December	**152,216,264**	**135,229,675**

In 2023, most of the purchases of investment property consist of buildings purchased through subsidiary CASA.

In 2022, the Group purchased land in amount of 5,218,873 lei, though the Company's subsidiaries.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of investment property was classified as level 3 in the fair value hierarchy.

Valuation technique

The following table presents the valuation technique used to determine the fair value of investment property classified as level 3 of fair value hierarchy.

Valuation technique	**Input**	**Connection between input and fair value measurement**
The valuation method applied in the income approach for the evaluation of the entire real estate property (location-building) is direct capitalization. The method consists in the division of stabilized annual income by a corresponding capitalization rate, using the net operating income in conjunction with the net capitalization rate. In order to estimate the net operating income, from the gross income corresponding to properties located in segmented markets of primary cities, with central locations we deducted the non-recoverable operating expenses for the property. The contribution of the land resulted from the assigning process through deduction from the construction value of the entire property.	Market rent obtainable by an operator of a reasonable efficiency or average-competence management acting in an efficient manner. The percentage of non-recoverable expenses (of the landlord) applied to the effective gross income. Average vacancy rate, given the location, area, technical qualities of the building (finishing, equipment), balance between request and demand and specific market offer (15.6%). Average net capitalization rate applied to net operating income (9.3%).	Estimated value increases (decreases) in case: the market rate is higher (lower). the non-recoverable expenses ratio is lower (higher). the vacancy rate is lower (higher). the capitalization rate is lower (higher).

27. INVESTMENT PROPERTY (continued)

These valuations are periodically revised by the management of the Group. The valuation frequency is dictated by the dynamics of the market the investment property held by the Group belongs to, so that the fair value of investment property reflects the market conditions on the date of the consolidated financial statements.

The valuation model in the market comparison method, the sales comparison method is based on the economic principle of substitution. The method was mainly used to valuate freehold land or land considered freehold for valuation purposes, namely in case of value assignment by components – to determine the value of the land – as a subsequent method after the value of the entire property was determined.

The value derived from the market information on trading prices of similar assets, namely the value was determined following the analysis of the market prices of comparable assets, from the same market area, that were traded on a date close to the evaluation. The analysis of the prices the sale transactions or offers were made was followed by corrections made within the admissible limit to insure result credibility, quantifying the differences between the prices paid or asked per area unit, caused by the different specific characteristics of properties and transactions (called comparison elements).

Evergent INVESTMENTS

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Gross book value	1 January 2023	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2023
Intangible assets								
Goodwill	4,339,505	-	-	(9,688)	-	-	-	4,339,505
Intangible assets	5,305,392	137,385	-		-	-	-	5,433,089
Total	**9,644,897**	**137,385**	**-**	**(9,688)**	**-**	**-**	**-**	**9,772,594**
Tangible assets								
Land cultivated with productive plants	12,191,863	139,410	-	-	-	-	-	12,331,273
Freehold land	10,978,484	-	(440,198)	-	(2,232)	350,524	-	10,886,578
Buildings	17,420,008	270,028	1,908,316	-	(1,657,630)	3,791,291	(126,964)	21,605,049
Equipment	20,033,595	576,491	259,322	(159,121)	-	-	-	20,710,287
Transportation vehicles	3,878,693	-	269,971	(168,568)	-	-	-	3,980,096
Blueberry plantations	14,308,384	3,393	667,718	(777,545)	-	-	-	14,201,950
Other fixed assets	1,303,410	144,345	(99,063)	(27,510)	-	-	-	1,321,182
Tangible assets in progress	7,135,694	6,815,043	(4,381,341)	(62,698)	-	-	-	9,506,698
Total	**87,250,131**	**7,948,710**	**(1,815,275)**	**(1,195,442)**	**(1,659,862)**	**4,141,815**	**(126,964)**	**94,543,113**
Right-of-use assets from leases								
Right-of-use – transportation vehicles	2,277,804	938,706	(269,971)	(384,111)	-	-	-	2,562,428
Right-of-use- office area	8,394,702	704,069	-	(375,115)	-	-	-	8,723,656
Right-of-use – concession	375,722	-	-	(177,400)	-	-	-	198,322
Right-of-use – equipment	441,109	3,029,544	-	-	-	-	-	3,470,653
Total	**11,489,337**	**4,672,319**	**(269,971)**	**(936,626)**	**-**	**-**	**-**	**14,955,059**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation/amortization and impairment	**1 January 2023**	**Depreciation/ amortization in the current period**	**Depreciation on transfer**	**Cumulated depreciation of disposals**	**Annulment of accumulated depreciation/amortization (no revaluation date)**	**Setup of impairment allowances**	**Reversal of impairment allowances**	**31 December 2023**
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	4,139,688	293,941	-	(9,688)	-	-	-	4,423,941
Total	**4,139,688**	**293,941**	**-**	**(9,688)**	**-**	**-**	**-**	**4,423,941**
Tangible assets								
Freehold land	1,261,614	204,608	-	-	(2,232)	-	-	1,463,990
Buildings	236,057	1,874,302	-	-	(1,657,630)	7,850	-	460,579
Equipment	13,761,266	779,525	-	(115,208)	-	-	(19,727)	14,405,856
Blueberry farms	2,151,717	621,852	-	(202,523)	-	-	-	2,571,046
Transportation vehicles	3,963,592	665,494	197,065	(168,568)	-	-	-	4,657,583
Other fixed assets	530,353	120,398	-	(27,303)	-	23,211	(18,082)	628,577
Total	**21,904,599**	**4,266,179**	**197,065**	**(513,602)**	**(1,659,862)**	**31,061**	**(37,809)**	**24,187,631**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,609,490	488,327	(197,065)	(385,903)	-	-	-	1,514,849
Rights-of-use – office space	577,622	1,073,156	-	(234,428)	-	-	-	1,416,350
Rights-of-use lease assets-concession	25,642	7,244	-	-	-	-	-	32,886
Rights-of-use lease assets-equipment	-	236,293	-	-	-	-	-	236,293
Total	**2,212,754**	**1,805,020**	**(197,065)**	**(620,331)**	**-**	**-**	**-**	**3,200,378**
Net book value	***80,127,324***							***87,458,816***
Goodwill	*4,339,505*							*4,339,505*
Intangible assets	*1,165,704*							*1,009,148*
Tangible assets	*65,345,532*							*70,355,482*
Right-of-use assets from leases	*9,276,583*							*11,754,681*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Gross book value	1 January 2022	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2022
Intangible assets								
Goodwill	4,339,505	-	-	-	-	-	-	4,339,505
Intangible assets	4,902,367	220,240	215,855	(33,070)	-	-	-	5,305,392
Total	**9,241,872**	**220,240**	**215,855**	**(33,070)**	**-**	**-**	**-**	**9,644,897**
Tangible assets								
Land cultivated with productive plants	10,999,509	1,203,215	-	(10,861)	-	-	-	12,191,863
Freehold land	8,589,623	-	1,709,300	-	(4,464)	713,874	(29,849)	10,978,484
Buildings	14,018,257	939,683	1,400,553	(11,896)	(1,086,161)	2,207,668	(48,096)	17,420,008
Equipment	19,767,915	450,870	28,228	(213,418)	-	-	-	20,033,595
Transportation vehicles	3,977,912	179,359	67,332	(345,910)	-	-	-	3,878,693
Blueberry plantations	14,308,384	-	-	-	-	-	-	14,308,384
Other fixed assets	627,739	273,445	459,964	(57,738)	-	-	-	1,303,410
Tangible assets in progress	1,758,155	7,942,972	(2,565,433)	-	-	-	-	7,135,694
Total	**74,047,494**	**10,989,544**	**1,099,944**	**(639,823)**	**(1,090,625)**	**2,921,542**	**(77,945)**	**87,250,131**
Right-of-use assets from leases								
Right-of-use – transportation vehicles	2,041,365	1,026,105	(67,332)	(722,334)	-	-	-	2,277,804
Right-of-use- office area	8,282,826	756,035	-	(644,159)	-	-	-	8,394,702
Right-of-use – concession	338,203	37,519	-	-	-	-	-	375,722
Right-of-use – equipment	-	441,109	-	-	-	-	-	441,109
Total	**10,662,394**	**2,260,768**	**(67,332)**	**(1,366,493)**	**-**	**-**	**-**	**11,489,337**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation/amortization and impairment	**1 January 2022**	**Depreciation/amortization in the current period**	**Depreciation on transfer**	**Cumulated depreciation of disposals**	**Annulment of accumulated depreciation/amortization (no revaluation date)**	**Setup of impairment allowances**	**Reversal of impairment allowances**	**31 December 2022**
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	3,941,783	230,975	-	(33,070)	-	-	-	4,139,688
Total	**3,941,783**	**230,975**		**(33,070)**	**-**	**-**	**-**	**4,139,688**
Tangible assets								
Freehold land	1,061,470	204,608	-	-	(4,464)	-	-	1,261,614
Buildings	168,084	1,166,030	-	(11,896)	(1,086,161)	-	-	236,057
Equipment	13,150,030	830,468	-	(175,982)	-	-	(43,250)	13,761,266
Blueberry farms	1,500,934	650,783	-	-	-	-	-	2,151,717
Transportation vehicles	3,663,804	656,691	-	(356,903)	-	-	-	3,963,592
Other fixed assets	432,803	155,219	-	(52,616)	-	414	(5,467)	530,353
Total	**19,977,125**	**3,663,799**	**-**	**(597,397)**	**(1,090,625)**	**414**	**(48,717)**	**21,904,599**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,192,394	1,156,745	(44,887)	(694,762)	-	-	-	1,609,490
Rights-of-use – office space	812,178	250,385	-	(484,941)	-	-	-	577,622
Rights-of-use lease assets-concession	15,562	10,080	-	-	-	-	-	25,642
Total	**2,020,134**	**1,417,210**	**(44,887)**	**(1,179,703)**	**-**	**-**	**-**	**2,212,754**
Net book value	***68,012,719***							***80,127,324***
Goodwill	*4,339,505*							*4,339,505*
Intangible assets	*960,584*							*1,165,704*
Tangible assets	*54,070,369*							*65,345,532*
Right-of-use assets from leases	*8,642,260*							*9,276,583*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

The net book value of tangible assets mortgaged/pledged in loan contracts or letters of bank guarantee entered into by the Group's subsidiaries at 31 December 2023 was 52,420,020 lei (31 December 2022: 44,423,768 lei).

In 2023, the value of property, plant and equipment transferred to the investment property category was 431,060 Lei and that transferred to the category of non-current assets held for sale was 1,654,187 lei).

Fair value measurement

At 31 December 2023 and 31 December 2022, the Group's land and buildings were assessed by independent valuers, authorized by the National Agency of Authorized Valuers of Romania ("ANEVAR"). The revaluation of lands and buildings at 31 December 2022 was made based on the following specific approaches and methods, in compliance with the valuation principles and techniques included in the ANEVAR Goods Valuation Standards:

- market comparison method and sales comparison approach for lands;
- income method, income capitalization method, with an average capitalization rate of 9% and an average vacancy rate of 12.5%, corroborated for assignment, if applicable, with the cost method for buildings.

Where applicable, the net replacement cost method applicable for certain properties built was also used, for goods for which there is not sufficient market information.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of buildings was classified as Level 3 in the fair value hierarchy.

Valuation techniques

Sales or offers of properties similar to those subject to valuation were collected, analyzed, compared and adjusted in direct comparisons in order to identify the similarities and differences between these properties, and the prices of comparable property were adjusted to justify the differences between the characteristics of the valued properties. The comparison elements used include ownership rights, financing and sale conditions, expenses incurred right after purchase, market conditions, location, physical characteristics, best use and town planning regulations in force.

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

- The valuation models applied in case of revenue approach for the valuation of full properties (lands and buildings) is the direct capitalization and the cash flow method. The most used method, the capitalization method, consists in dividing the annual income stabilized by a corresponding capitalization rate, using the net operating income, in conjunction with the net capitalization rate.

In the cost-based approach we have used the net replacement cost method given the specialized nature of some buildings. Therefore, the net replacement cost has been determined based on the price in specialized catalogues, updated with discounted indexes or based on working minutes. The degree of wear and tear has been determined taking into consideration the improvements made for finishes and installations, capital repairs and development stages of the building.

Property, plant and equipment, like investment property, have been measured taking into consideration the best use for these assets. Following the analysis of information regarding the location and characteristics of properties identified in the market analysis, it was determined that in general the best use is the one existing at the valuation date.

The other property, plant and equipment categories are presented at cost, less accumulated depreciation and value impairment, where necessary.

The goodwill registered by the Group comes from the acquisition of the Viștea blueberry plant by subsidiary Agrointens in 2015, and was allocated to cash-generating unit Viștea (the cash-generating units for subsidiary Agrointens are the blueberries plants).

The cash-generating units (blueberries plants) were tested for impairment at 31 December 2023 and 31 December 2022, according to the accounting policy described in Note 4 (i).

The recoverable amount of the cash-generating units (blueberries plants, including the Viștea plant) was determined based on the approved financial projections, prepared for a period of 20 years, and the cash flows are discounted using the weighted average cost of the subsidiary's capital.

The impairment test revealed that the recoverable amount of each of the cash-generating units, including the Viștea plant, is higher than their carrying amount (obtained by adding up the carrying amount of all assets allocated to such cash-generating units, including goodwill, in case of the Viștea farm). Therefore, there is not a need to register an impairment loss for goodwill.

29. LOANS

	31 December 2023	31 December 2022
Long-term liabilities	**76,333,024**	**7,331,000**
Long-term bank loans	**76,333,024**	**7,331,000**
Short-term liabilities	**11,218,562**	**4,487,565**
Short-term bank loans	**11,218,562**	**4,487,565**
Total loans	**87,551,586**	**11,818,565**

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

In LEI

	2023	2022
At 1 January	**11,818,565**	**8,307,026**
Proceeds from loans	120,571,739	6,907,080
Reimbursement of loans	(46,527,244)	(3,395,541)
Related interest	331,773	-
Foreign exchange differences	1,356,753	-
At 31 December	**87,551,586**	**11,818,565**

29. LOANS (continued)

The tables below present detailed information regarding the loans contracted by the Group at 31 December 2023 and 31 December 2022:

31 December 2023

In LEI			Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity of the loan
Subsidiary	**Bank**	**Credit type**				
EVERGENT Investments	Banca Comercială Română	Revolving loan as overdraft	63,674,421	Euro	Negotiated floating interest rate	17 January 2025
Agrointens	Banca Transilvania	Credit line for working capital	3,499,600	Lei	ROBOR 1M+ 2.5%	27 April 2024
Agrointens	Banca Transilvania	Financing of Mândra farm project	637,000	Lei	ROBOR 1M + 2.75%	8 August 2024
Agrointens	Banca Transilvania	Financing of Popești farm project	1,975,412	Lei	ROBOR 1M + 2.9%	2 June 2026
Agrointens	Banca Transilvania	Financing of refrigerating warehouse	858,745	Lei	ROBOR 1M + 2.9%	14 July 2026
Agrointens	Banca Transilvania	Financing of Rătești farm project	6,000,000	Lei	ROBOR 1M + 2.9%	19 October 2029
Agrointens	Banca Transilvania	Financing of Popești project for flowerpot planting	1,500,000	Lei	ROBOR 1M + 2.9%	8 May 2030
Agrointens	Banca Transilvania	Credit Rural Invest	1,300,000	Lei	ROBOR 3M+ 1.9%	8 May 2030
Mecanica Ceahlău	Banca Transilvania	Investment loan	124,525	Euro	EURIBOR 6M +2.5%	4 September 2026
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	2,981,883	Lei	ROBOR 3M+ 1.5%	13 May 2025
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	5,000,000	Lei	ROBOR 3M+ 2.5%	19 December 2024
Total			**87,551,586**			

29. LOANS (continued)

31 December 2022

In LEI

Subsidiary	Bank	Credit type	Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity of the loan
Agrointens	Banca Transilvania	Partial financing of Mandra project	1,592,500	Lei	ROBOR 1M+ 2.75%	8 August 2024
Agrointens	Banca Transilvania	Working capital	2,112,250	Lei	ROBOR 1M+ 2.5%	27 April 2023
Agrointens	Banca Transilvania	Financing of Popesti project	2,765,577	Lei	ROBOR 1M+ 2.9%	2 June 2026
Agrointens	Banca Transilvania	Cold room	1,191,163	Lei	ROBOR 1M + 2.9%	14 July 2026
Agrointens	Banca Transilvania	Ratesti farm	3,735,998	Lei	ROBOR 1M + 2.9%	19 October 2029
Mecanica Ceahlău	Banca Transilvania	Investments	421,077	Euro	EURIBOR 6 month +2,5%	20 May 2024
Total			**11,818,565**			

As per the loan contract concluded by Mecanica Ceahlău with Banca Transilvania, the company must cash at least 50% through the lending bank, a condition which the company has fulfilled.

30. LEASE LIABILITIES

In LEI	31 December 2023	31 December 2022
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	3,244,730	3,951,888
Lease liabilities (between 1 and 5 years)	7,522,926	5,260,733
Lease liabilities (up to 1 year)	2,389,131	1,595,959
Total	**13,156,787**	**10,808,580**
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	2,221,775	3,093,886
Lease liabilities (between 1 and 5 years)	6,594,866	4,667,243
Lease liabilities (up to 1 year)	1,896,967	1,348,248
Total	**10,713,608**	**9,109,377**

The Group has leases mainly for transportation vehicles, equipment, office areas and lands, presented in note 28.

Expenses related to short-term leases or for which the qualifying asset is of low value are presented in note 15 Other operating expenses.

31. DIVIDENDS PAYABLE

In LEI	31 December 2023	31 December 2022
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162,380	162,380
Dividends payable for 2015	167,010	167,010
Dividends payable for 2016	162,414	162,414
Dividends payable for 2017	195,956	196,240
Dividends payable for 2018	117,588	117,720
Dividends payable for 2019	247,947	14,789,165
Dividends payable for 2020	10,448,442	10,673,557
Dividends payable for 2021	16,071,325	16,759,340
Dividends payable for 2022	22,423,315	-
Total dividends payable	**49,998,003**	**43,029,452**

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law and registered to equity, with the exception of amounts garnished according to the law (e.g, if the amounts owed to shareholders as dividends are subject to enforcement procedures).

32. FINANCIAL LIABILITIES AT AMORTIZED COST

In LEI	31 December 2023	31 December 2022
Suppliers and accrued expenses	11,368,526	10,183,731
Advances from customers	91,556	146,360
Other financial liabilities	513,945	1,033,819
Total	**11,974,027**	**11,363,910**

33. OTHER LIABILITIES

In LEI	31 December 2023	31 December 2022
Taxes and levies	4,235,484	3,289,995
Liabilities related to employees' cash benefits plan and other rights	3,141,015	3,446,568
Other liabilities	1,457,788	1,174,116
Total	**8,834,287**	**7,910,679**

Liabilities regarding the cash benefits plan represent the amounts that are to be offered to employees as profit-sharing in cash, in accordance with the Collective Employment Contract and to directors, according to the management contracts.

Other liabilities regarding salaries mainly include amounts that are to be paid representing allowances for vacations not taken.
Current liabilities, including current income tax liabilities, were paid by the Group on time.

34. PROVISIONS FOR RISKS AND CHARGES

In LEI	31 December 2023	31 December 2022
Litigation provisions	3,629,887	3,382,553
Other provisions	608,722	460,335
Total	**4,238,609**	**3,842,888**

In general, for the amounts established by enforceable titles and enforced by the bailiffs, lawsuits were initiated by the Authority for the Administrations of State Assets (AAAS).

Litigation provisions represent mainly the amounts collected by EVERGENT Investments in the period 2011 - 2016 and later challenged by AAAS, which the Group estimates that they are likely to be returned by the Company in amount of 1,632,553 lei (31 December 2022: 1,632,553 lei), and litigation provisions related to EVER IMO in amount of 1,997,334 lei (31 December 2022: 1,750,000 lei), for which the Group estimates un unfavourable outcome for the subsidiary.

34. PROVISIONS FOR RISKS AND CHARGES (continued)

The provisions can be analyzed as follows:

In LEI	31 December 2023	31 December 2022
At 1 January	**3,842,888**	**4,253,881**
Setup	426,323	209,754
Reversal	(30,602)	(262,504)
Transfer to other liabilities	-	(358,243)
At 31 December	**4,238,609**	**3,842,888**

Provision reversal in 2023 and 2022 was due to the favourable settlement of some legal disputes or the increase of the likelihood for some lawsuits to be favorably settled during the year in question.

35. DEFERRED INCOME TAX LIABILITIES

Liabilities related to deferred income tax at 31 December 2023 are generated by the elements in the following table:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	957,340,697	-	957,340,697
Tangible assets and investment property	87,273,372	-	87,273,372
Other assets	(4,573,721)	-	(4,573,721)
Liabilities related to profit sharing and other benefits	-	(1,632,553)	(1,632,553)
Provisions and other liabilities	-	(30,462,794)	(30,462,794)
Tax loss	-	(12,091,383)	(12,091,383)
Total	**1,040,040,348**	**(44,186,730)**	**995,853,618**
Net temporary differences - 16% rate			995,853,618
Deferred income tax liabilities			**159,336,579**

35. DEFERRED INCOME TAX LIABILITIES (continued)

Liabilities related to deferred income tax at 31 December 2022 are generated by the elements presented in the table below:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	577,028,760	-	577,028,760
Tangible assets and investment property	81,938,706	-	81,938,706
Other assets	(5,165,168)	-	(5,165,168)
Liabilities related to profit sharing and other benefits	-	(23,100,768)	(23,100,768)
Provisions and other liabilities	-	(8,249,558)	(8,249,558)
Tax loss	-	(12,913,263)	(12,913,263)
Total	**653,802,298**	**(44,263,589)**	**609,538,709**
Net temporary differences - 16% rate			609,538,709
Deferred income tax liabilities			**97,526,193**

Deferred income tax directly recognized through the decrease of equity is 158,670,398 lei at 31 December 2023 (31 December 2022: 96,167,538 lei), generated by financial assets measured at fair value through other comprehensive income for which the Group's interest is under 10%, for a period of time of less than one year and by property, plant and equipment.

36. CAPITAL AND RESERVES

(a) Share capital

The structure of the Group's shareholding structure at 31 December 2023 and 31 December 2022 is the following:

31 December 2023	**No. of shareholders**	**No. of shares**	**Amount (Lei)**	**(%)**
Individuals	5,740,158	363,730,993	36,373,099	38%
Companies	145	598,022,599	59,802,260	62%
Total	**5,740,303**	**961,753,592**	**96,175,359**	**100%**

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

All shares are ordinary and have been subscribed and paid in full at 31 December 2023 and 31 December 2022.

36. CAPITAL AND RESERVES (continued)

(a) Share capital (continued)

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

Thus, the share capital at 31 December 2023 had a nominal value of 96,175,359 lei (31 December 2022: 96,175,359 lei).

At 31 December 2023, the difference of 403,813,278 lei between the book value of share capital of 499,988,637 lei and its nominal value is the inflation difference generated by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" up to 1 January 2004.

In 2023, there are no changes in the Company's share capital.

In July 2022, the Company's share capital was decreased from 98,121,305.10 lei to 96,175,359.2 lei, divided in 961,753,592 shares with a nominal value of 0.10 lei, following the annulment of a number of 19,459,459 own shares purchased by the Company, in accordance with Resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments of 20.01.2022.

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

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

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in note 35.

(c) Legal Reserves

According to legal requirements, the Group sets up legal reserves of 5% of the net profit up to 20% of its share capital. The value of the legal reserve is included in retained earnings. Legal reserves cannot be distributed to shareholders.

36. CAPITAL AND RESERVES (continued)

(d) Dividends

In the General Meeting of Shareholders on 27 April 2023, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share (total 82,695,517 lei), corresponding to the statutory profit of the 2022 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

9 June 2023 was approved as registration date (former date 8 June 2023), and 28 June 2023 as date of payment of the dividend.

In the General Meeting of Shareholders on 29 April 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share (total 62,052,983 lei), corresponding to the statutory profit of 2021 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

(e) Own shares

The total number of own shares held by the Company at 31 December 2023 is 51,742,535 representing 5.38% of the share capital (31.12.2022: 31,847,896 shares, representing 3.31% of the share capital) in total 66,642,400 lei (31.12.2022: worth 38,991,230 lei).

The evolution of the number of shares (and their value) in 2023, namely 2022 is the following:

Own shares	Balance at 1 January 2023	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2023
Buy-back program approved by EGMS on 27 April 2023	-	9,200,000	-	(182,465)	9,017,535
Buy-back program approved by EGMS on 28 April 2022	8,400,000	19,625,000	-	(8,400,000)	19,625,000
Buy-back program approved by EGMS on 20 January 2022	23,100,000	-	-	-	23,100,000
Buy-back program approved by EGMS on 27 April 2020	347,896	-	-	(347,896)	-
Total no. of shares	**31,847,896**	**28,825,000**	-	**(8,930,361)**	**51,742,535**
Total share value (Lei)	**38,991,230**	**38,842,825**	-	**(11,191,655)**	**66,642,400**

36. CAPITAL AND RESERVES (continued)

(e) Own shares (continued)

Own shares	Balance at 1 January 2022	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2022
Buy-back program approved by EGMS on 28 April 2022	-	8,400,000	-	-	8,400,000
Buy-back program approved by EGMS on 20 January 2022	-	23,100,000	-	-	23,100,000
Buy-back program approved by EGMS on 29 April 2021	19,459,459	-	(19,459,459)	-	-
Buy-back program approved by EGMS on 27 April 2020	4,190,048			(3,842,152)	347,896
Total no. of shares	**23,649,507**	**31,500,000**	**(19,459,459)**	**(3,842,152)**	**31,847,896**
Total share value (Lei)	**41,119,507**	**38,566,162**	**(35,999,999)**	**(4,694,440)**	**38,991,230**

Within the buyback program approved by the EGMS on April 28, 2022, the Company initiated in December 2022 and completed in January 2023 the public tender to buy own shares with the following main characteristics:

- number of treasury shares bought back in the offer: 19,625,000, representing 2.0405% of the share capital
- purchase price: 1.41 lei per share
- offer period: 22 December 2022 – 6 January 2023
- intermediary of the offer: BT Capital Partners SA.

The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 28 April 2022.

To implement buy-back program no. 8 approved by the EGMS of 27 April 2023, the Company made buy-backs of 9,200,000 own shares during 17.05 - 28.11.2023 (representing 0.956% of the share capital), in order to carry out stock option plans.

In 2023, a number of 8,930,361 shares (2022: 3,842,152 shares) were allocated to directors, officers and employees under the stock option plan (SOP) related to 2021 (2022: SOP 2020), in observance of the provisions of ESMA Guidelines no. 232/2013 on sound remuneration policies under the AIFM, the AIFM Remuneration policy of directors, officers and employees of the Company – Chapter 7 and the provisions of article 14 of the Company's Articles of Association.

36. CAPITAL AND RESERVES (continued)

(f) Equity-based payments to employees, directors and administrators

Equity-based payments to employees, directors and administrators represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding at 31 December 2023 and 31 December 2022:

In LEI	**31 December 2023**	**31 December 2022**
SOP 2021	-	10,850,388
SOP 2022	9,905,947	9,915,392
SOP 2023	14,975,431	-
Total	**24,881,378**	**20,765,780**

Options that may be exercised at the beginning of the reporting period, which were fully exercised in 2023 relate to SOP 2021 shares, in amount of 10,850,388 lei (8,930,361 shares) allocated in Q2 of 2023 for 1.2150 lei/share (closing price on 27 April 2022).

Options granted in 2023 and may be exercised at the end of the reporting period, relate to SOP 2022 shares, in amount of 9,905,947 lei (7,708,908 shares) and will be allocated in Q2 of 2024 for 1.2850 lei/share (closing price on 26 April 2023.
There were no options that expired or were lost in 2023 and 2022.
Shares corresponding to SOP 2023 are the equivalent of 14,975,431 lei and will be allocated in 2025 for a market price provided in SOP 2023, which will be submitted for approval to the Board of Administration, after the financial statements are approved. The number of shares based on the closing price of 31 December 2023 (1.27 lei/share) is estimated at 11,791,678.

(g) Other items of equity

Other items of equity include acquisition costs for treasury shares (commissions and fees and other costs related their acquisition) and the gain/loss on allocation of treasury shares to administrators, officers and employees, as share-based benefits (the difference between value at granting price and the value at acquisition price of treasury shares).

37. NON-CONTROLLING INTERESTS

Non-controlling interests represent the part of the profit or loss and of net assets not held, neither directly or indirectly by the Group and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the capital of the parent company's shareholders.
The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

In LEI	**2023**	**2022**
At 1 January	**16,718,203**	**16,022,210**
Profit attributable to non-controlling interests	(1,078,560)	494,094
Reserves from the revaluation of tangible assets attributable to non-controlling interests	441,459	410,599
Dividends distributed to non-controlling interests	-	(113,889)
Shares in subsidiaries bought-back from non-controlling interests	-	(94,811)
At 31 December	**16,081,102**	**16,718,203**

38. EARNINGS PER SHARE

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

In LEI		**31 December 2023**	**31 December 2022**
Net profit attributable to the Company's shareholders		115,255,171	101,767,756
Weighted average number of outstanding ordinary shares		*913,537,589*	*947,657,151*
Basic earnings per share (net profit per share)		**0.1262**	**0.1074**
Net profit attributed to the Company's shareholders		115,255,171	101,767,756
Gain registered in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)		79,895,988	36,312,289
Weighted average number of outstanding ordinary shares corresponding to the reporting period		*913,537,589*	*947,657,151*
Basic earnings per share (including earning from the sale of FVTOCI financial assets)	*4 (v)*	**0.2136**	**0.1457**

38. EARNINGS PER SHARE

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

Basic and diluted earnings per share are calculated based on net income, which includes, in addition to net profit attributable to the Company's shareholders, the gain on the sale of FVTOCI financial assets.

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

39. COMMITMENTS AND CONTINGENT LIABILITIES

(a)Lawsuits

At 31 December 2023, the Group was involved in lawsuits both as plaintiff or defendant.

Litigation provisions are registered for the proceedings where the Group is plaintiff or defendant whose object influences the Group's patrimony (see explanatory note no. 34).

Most lawsuits where SIF Moldova is plaintiff are related to lawsuits against the Authority for State Assets Management ("AAAS"). For the amounts claimed by the Company and won through final and irrevocable civil decisions, receivables from AAAS were registered in the accounting records, for most of which the enforcement procedure started. Impairment allowances were registered for such receivables (see explanatory note 23).

The contingent liabilities where the Company acts as defendant are presented below:

In LEI	**2023**	**2022**
1 January	**-**	**233,607**
Setup during the period	-	26,705
Lawsuits settled during the period	-	(260,312)
31 December	**-**	**-**

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(a)Lawsuits (continued)

Subsidiary EVER IMO SA is involved in some lawsuits with its former general contractor, at present bankrupt, a file where the company has registered all receivables as recoverable and recovered some of the amounts. The company is still seeking to enforce the guarantee and recover the remaining debt.

The former contractor filed proceedings challenging the notice to terminate the contract of services.

At the end of 2022, the court of law ruled in favor of EVER IMO. The decision was appealed by the general contractor in January 2023, and the company filed a writ of submission and filed an incidental appeal. The court dismissed the appeal filed by Octagon, which filed a second appeal agains such sentence, dismissed by the court in November 2023.

The company set up a litigation provision in amount of 1,997,334 lei (31 December 2022: 1,750,000 lei) (see note 34).

Besides the lawsuits with the former general contractor, subsidiary EVER IMO SA is also involved in lawsuits arising in the normal course of business, mainly as plaintiff or creditor.

Subsidiaries Mecanica Ceahlău and CASA are involved in a number of lawsuits resulted in the normal course of business, in which they act mainly as plaintiff for the recovery of certain claims. The Group registered adjustments for expected credit loss in this regard.

Subsidiary Regal is involved in a number of lawsuits, as creditor for the recovery of amounts not collected from customers.

The Group estimates that the result of these lawsuits will not have a significant impact on its financial position.

Of total contingent assets registered at 31 December 2023 of 8,834,840 lei (31 December 2022: 9,207,386 lei), the amount of 5,111,090 lei (31 December 2022: 5,111,090 lei) represents the value of shares held by the Company in Vastex SA, as per Law 151/2014, and the court order, following the Company's withdrawal from the shareholding of Vastex SA.

(b) Contingencies related to the environment

The Group has not registered any types of obligations at 31 December 2023 and 31 December 2022 for any kind of anticipated costs, including legal and consultancy fees, location surveys , design and implementation of remedy plans concerning the environment.

Management does not consider the expenses related to possible environmental issues to be significant.

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(c) Transfer Pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the principle of "market value" for transactions between affiliates as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Group cannot measure the result of such verifications.

The Group does not have significant transaction with related parties.

40. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Subsidiaries

Balances and transactions between Group members have been eliminated in the consolidation process and are not presented in this explanatory note.

Associates of the Group

The Group has an investment in an associate at 31 December 2023 and 31 December 2022, Străuleşti Lac Alfa S.A., with an ownership of 50%.

Key management personnel

At 31 December 2023 and 31 December 2022 the members of the Board of Directors were Mr. Liviu Claudiu Doroş (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceocea (Non-Executive Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

The key management staff includes the members of the Board of Directors of the Company and its subsidiaries, members of the Management Committee of the Company and the management committees/CEOs of its subsidiaries.

The salaries, remunerations and other benefits offered to key management staff are presented in the table below:

	2023	**2022**
Board of Directors	14,942,704	11,536,282
Officers	9,856,597	8,150,302
Total, of which:	**24,799,301**	**19,686,584**
Benefits granted as shares	10,907,474	6,379,200

Detailed information regarding the remunerations and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 14.

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

41. SUBSEQUENT EVENTS

The public offering for the buying of own shares (program no. 9 for the buy-back of own shares)

During 8 – 19 January 2024, the Company carried out the public offering for the purchase of treasury shares with the following characteristics:

- number of treasury shares bought back in the offer: 10,000,000, representing 1.0398% of the share capital
- purchase price: 1.45 lei per share
- intermediary of the offer: BT Capital Partners SA
- The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 27 April 2023.

Loan facilities

In January 2024, EVERGENT Investments concluded an addendum whereby it extended by 12 months the revolving loan facility in the form of overdraft, which it contracted from Banca Comercială Română in January 2023, with a maximum value of 19,200,000 euro, with an initial due date of 12 months, with the aim of capitalising on market opportunities.

Also in January 2023, EVERGENT Investments contracted a multi-product revolving credit facility from Banca Comercială Română, in the form of object loan, for a period of 24 months of which a 12-month withdrawal period, with a maximum value of 10,000,000 euro, with the aim of purchasing listed shares.

The consolidated financial statements were approved by the Board of Directors on 25 March 2024 and were signed on its behalf by:

Claudiu Doroş	**Mihaela Moleavin**
Chairman, CEO	**Finance Director**

Annex 5

STATEMENT

According to the provisions of Article 63 paragraph (1) letter c) of Law 24/2017, we, the undersigned Claudiu DOROŞ as President and CEO and Mihaela MOLEAVIN as Finance Director - responsible for preparing the consolidated financial statements of EVERGENT Investments SA Group (the Group) as at 31 December 2023, declare the following:

a) The consolidated financial statements were prepared in accordance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, approved by Financial Supervisory Authority Norm no. 39/2015;

b) The accounting policies used in preparing the annual financial statements are in accordance with applicable accounting regulations;

c) EVERGENT Investments Group carries out its activity on a going concern basis;

d) We are not aware, at the date of this statement, of any other information, events, circumstances that would significantly alter the above statements.

We confirm that the consolidated financial statements, which are compliant with the aforementioned regulations, present a true and fair view of the financial position and performance (including the assets, liabilities, profit and loss account of the Group) and that the Board of Directors' Report includes a fair analysis of the Group's development, financial position, and performance, as well as a description of the main risks and uncertainties specific to the activities carried out.

Claudiu Doroş President & CEO	Mihaela Moleavin Finance Director

Annex 9

STATEMENT

According to the provisions of Article 63 paragraph (1) letter c) of Law 24/2017, we, the undersigned Claudiu DOROŞ as President & CEO and Mihaela MOLEAVIN as Finance Director - responsible for preparing the separate financial statements of EVERGENT Investments SA (the Company) as at 31 December 2023, declare the following:

a) The separate financial statements were prepared in accordance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, approved by Financial Supervisory Authority Norm no. 39/2015;

b) The accounting policies used in preparing the annual financial statements are in accordance with applicable accounting regulations;

c) EVERGENT Investments Group carries out its activity on a going concern basis;

d) We are not aware, at the date of this statement, of any other information, events, circumstances that would significantly alter the above statements.

We confirm that the separate financial statements, which are compliant with the aforementioned regulations, present a true and fair view of the financial position and performance (including the assets, liabilities, profit and loss account of the Company) and that the Board of Directors' Report includes a fair analysis of the Company's development, financial position, and performance, as well as a description of the main risks and uncertainties specific to the activities carried out.

Claudiu Doroş President & CEO	Mihaela Moleavin Finance Director