



Evergent
INVESTMENTS S.A.

Board of Directors' Report H1 2021



URS is a member of Registrar of Standards (Holdings) Ltd.

Dear shareholders,



“The global macro-financial environment and fluctuations of international quotations of raw materials and materials over the last year have tested our business model, strategy, adaptability and management. The 1st half of 2021 is very important in the history of our company, both in terms of good financial results, and in terms of setting new foundations to ensure the upward trend of the company. The net result, almost 60% higher than the target, demonstrates the strength of our business model, the performance of our management and entire team.

We are following the strategy of generating alpha for our shareholders through long-term investments. Making sure that risks are well understood and well compensated, we boldly invest in private equity projects and continue the active management of listed portfolio. Consequently, the total value of assets increased by 22% in comparison to H1 2020, reaching 2.408 million lei. We continue to identify new investment opportunities, acquire stakes in companies and identify the optimum exit moment, for our shareholders to obtain significant returns.”

We hereby present you the results registered by EVERGENT Investments in H1 2021 and objectives of the following period, in agreement with “2021 Activity Program” and EVERGENT Investments’ Investment Strategy and Policy” approved by the General Meeting of Shareholders.

Financial performance

- ◆ **2.408 million lei** – assets under management (AUM), **up 22%** compared to H1 2020
- ◆ **2.230 million lei** – net asset value, **up 20%** compared to H1 2020
- ◆ **2,28 lei** – net asset value per share, **up 21%** compared to H1 2020
- ◆ **1,35 lei** – price of EVER share on 30.06.2021, **up 3%** compared to H1 2020

In the first half of 2021, financial position and performance have registered a significant increase amid the continuation of the upward trend of financial market quotations started at the end of 2020, following their decrease at the start of COVID 19 pandemic generated crisis.

◆ **116,5 million lei – net result**

The net result registered on 30th June 2021 is comprised of 48,9 million lei net profit and 67,6 million lei net gain from asset sale, reflected in retained earnings. We are thus registering a **58% exceeding of the target approved by shareholders on the Budget for the entire 2021.**

◆ **59 million lei – value of securities investments**

Securities investments in H1 2021 represent 42% of the budget approved for 2021.

Portfolio Structure

Reported to the total value of managed assets, the listed shares portfolio holds the main weight, of 66,8%, unlisted shares represent 8,6%. The financial sector 45,1% and energy sector 11,4% of total assets value remain the main sectors in the portfolio structure.

Investment Strategy

Our investment philosophy translates into constantly building, to capitalize on ideas and opportunities. EVERGENT Investments' current strategy has the objective of generating long-term performance through investment policies customized for each of the managed.

Thus, we aim to:

- ◆ Increase the investments in PRIVATE EQUITY portfolio – especially in agribusiness and real-estate.
- ◆ Performance increase for FINANCIAL-BANKING and ENERGY-INDUSTRIAL portfolios, through their management, these being the main generators of income and sources for new investments.
- ◆ Capitalization of SELL portfolio– through the sale of non-performing companies, inherited from the portfolio, so that the number of interest decreased by 11 in comparison to H1 2020, achieving revenues totaling 3,634,112 lei.

Private equity type investments contribute to the increase of managed assets profitability and ensure the compensation of the risk generated by the high volatility of listed title prices in the portfolio.

Our resources and attention are assigned to a concentrated private-equity portfolio. We have a fundamental analysis process that identifies resilient business models with long-term profit. Consequently, we are implementing a customized strategy to each individual project.

- ✓ **"Blueberry Farm"** Project - where we have 100% holding through Agpointens SA – we are one of the main players in the production of blueberries, with a planted area of 86 ha.



- ✓ **"Veranda Mall"** Project – where we have 37% indirect holding through Professional Imo Partners SA and Nord SA – we have completed the extension stage by 6.300 square meters, with an area dedicated to the commercial galleries and a multiplex Cinema equipped with 12 cinema halls, the rentable area reaching around 34.000 square meters.



“Atria Urban Resort” Real Estate Project- where we have 50% holding through Straulesti Lac Alfa SA – targets the 4-stage building of a residential complex that includes 1.381 apartments, located in the NV area of Bucharest Municipality, near Colosseum Retail Park with easy access to the northern area of the capital city. On the reporting date, the 1st stage of construction, 160 apartments is completed and 97% of apartments sold. Stage 2 started in December 2019 and preliminary contracts have been concluded for around 55% of the apartments. At present, we are running the planning phase for the 3rd Stage, 338 apartments.
Project
Stage 1 (completed)



Stage 2 (running)

Stage 2 (running)



✓ **Iasi Real Estate Project** – where we have 100% holding through Agroland Capital SA. The company owns a land of around 2,55 ha and an administrative building GF+8 with a built area of

4.600 square meters, located in the central area of Iași municipality. Our detailed analysis and projections targeted both the quality and location of the purchased assets as well as the significant real estate development potential of Iași Municipality. We are currently running the process of drafting the town planning documentation.



Reunite SA – was successfully completed, with an exit value of 35 million euro.



Sincerely,

Claudiu Doros
President and CEO

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Half-yearly report, in accordance with: Law no. 24/2017 on issuers of financial instruments and market operations; FSA Rule no. 5/2018 on issuers of financial instruments and market operations, FSA Rule no. 39/2015 on the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA.

Report date: 13th August 2021

Issuer's name: EVERGENT Investments SA

Headquarters: 94 C Pictor Aman St, Bacau

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

Tax identification code: 2816642

Trade Registry no.: JO4/2400/92

EUID: ROONRC. J/04/2400/1992

LEI: 254900Y1O0025N04US14

Subscribed and paid-up capital: 98.947.918 lei

No. of issued shares: 989.479.176

Nominal value: 0,1 lei/share

Shareholding structure: 100% private

Free float: 100%

FSA Registry no.: PJR09FIAIR/040003

Regulated market on which issued equities are traded: Bucharest Stock Exchange, Premium category

International identifiers: Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNORo; Bloomberg FIGI: BBG000BMN556; Reuters RIC: ROEVER.BX

Field of Activity.

INVESTMENT COMPANY TYPE

EVERGENT Investments is an investment fund positioned on the Romanian market, with investments mainly in shares, with a medium degree of risk and temporary liquidity investments in fixed income instruments.

Legal framework - EVERGENT Investments SA is established as a Romanian legal entity under private law, organized as a joint stock company, classified according to the applicable regulations as a Retail Investors Alternative Investment Fund (R.I.A.I.F.), with a diversified investment policy, closed, self-managed (FSA Authorization no. 101 / 26.06.2021) and as an Alternative Investment Fund Manager - AIFM (FSA Authorization no. 20 / 23.01.2018).

The company operates in compliance with the provisions of Law no. 24/2017 regarding the issuers of financial instruments and market operations, Law no. 74/2015 regarding the Alternative Investment Fund Managers, Law no. 243/2019 (AIF) and Law no. 31/1990 on companies.

Purpose – increase of managed assets value.

The Company's **main field of activity** is financial investments.

Its Activity Object consists in:

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

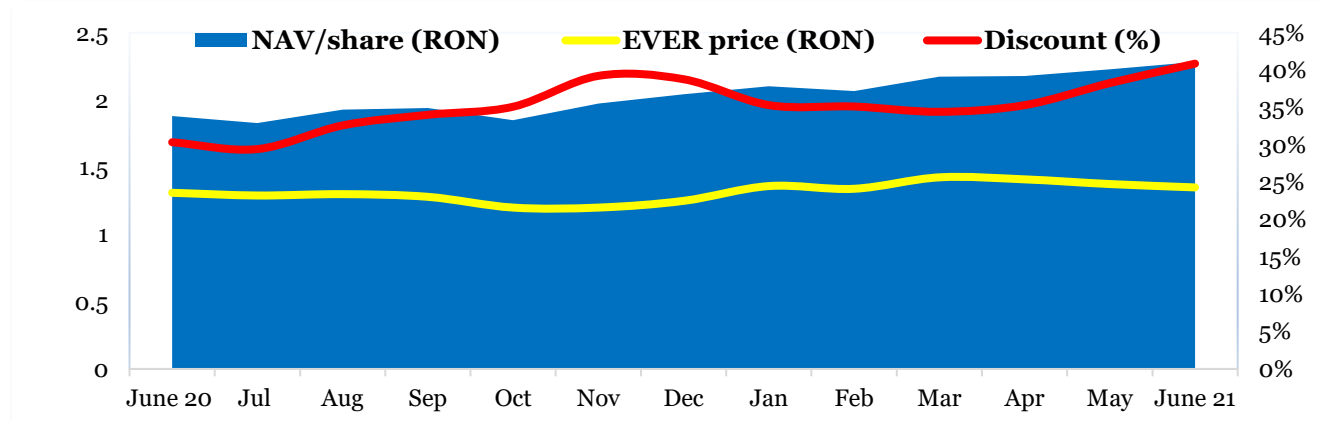
1. Activity Analysis.

1.1. Evolutions. Objectives. Performances.

Assets under management

Indicator	2019	H1 2020	2020	H1 2021	H1 2021 /H1 2020 %
Total assets (mil lei)	2.361	1.981	2.137	2.408	+22
Net asset (mil lei)	2.195	1.851	2.003	2.230	+20
NAV per share (lei)	2,23	1,88	2,04	2,28	+21
Market price (lei)	1,61	1,31	1,25	1,35	+3
Market price / NAV per share discount (%)	28	30	39	41	+11pp

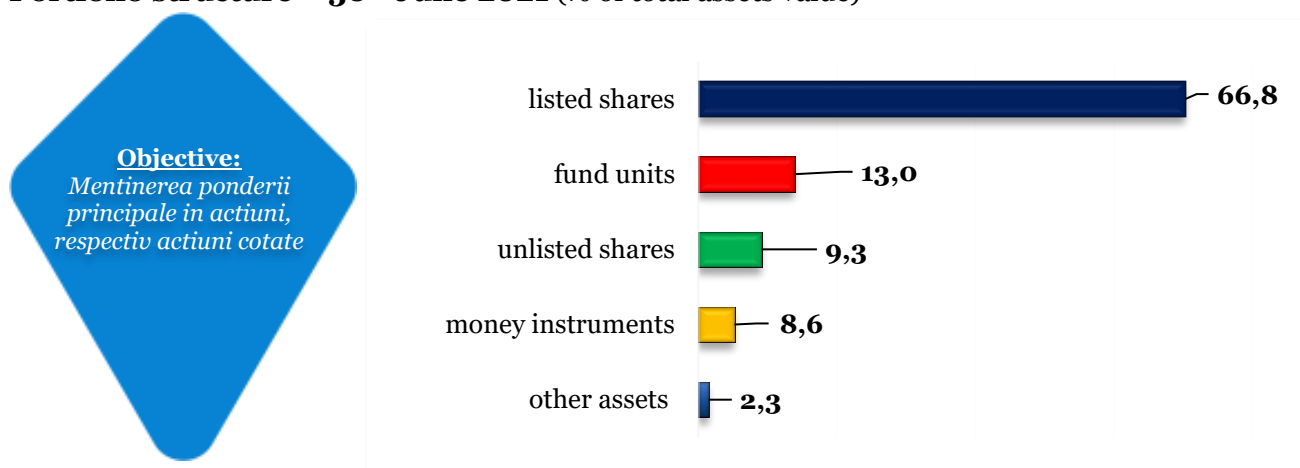
NAV per share / EVER price/ Discount (YoY)



Portfolio structure evolution

Assets structure (% of total assets value)	2019	H1 2020	2020	H1 2021	H1 2021/H1 2020 pp
Shares, of which:	81,4	82,1	80,0	75,4	- 6,7
✓ listed	72,2	71,9	70,1	66,8	-5,1
✓ unlisted	9,2	10,2	9,9	8,6	-1,6
Non UCITS+UCITS (fund units)	12,5	13,9	14,0	13,0	-0,9
Monetary instruments (deposits, availabilities)	4,3	1,9	4,3	9,3	+7,4
Other assets	1,8	2,1	1,7	2,3	+0,2

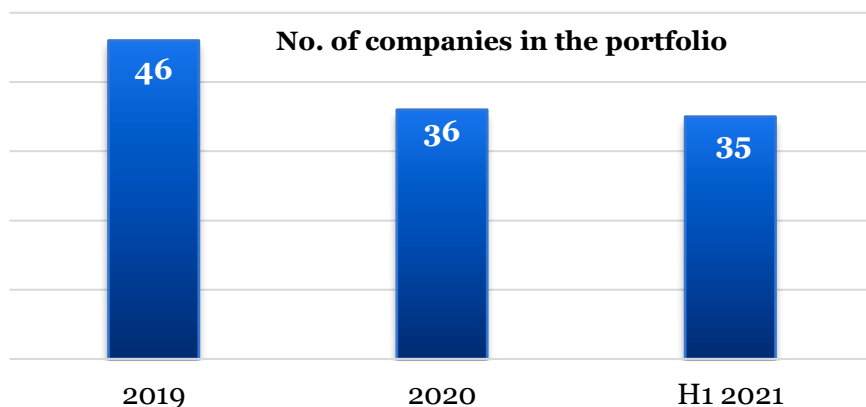
Portfolio structure – 30th June 2021 (% of total assets value)



Evolution of the number of holdings.

Objective:

Decrease in the number of holdings and increase of exposure/issuer, so that we can directly positively influence the portfolio



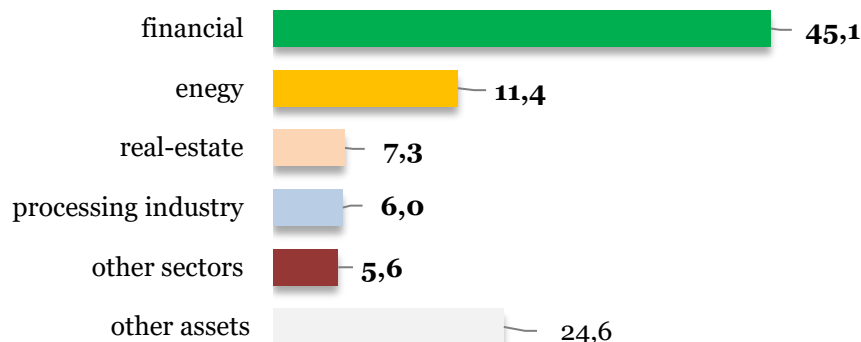
Evolution of sectorial exposure.

Sectorial exposure (% of total assets value)	2019	H1 2020	2020	H1 2021	H1 2021/H1 2020 pp
Financial	45,4	45,0	44,4	45,1	+0,1
Energy	16,0	16,7	16,0	11,4	-5,3
Processing industry	8,0	7,2	7,0	7,3	+0,1
Real-estate	6,4	6,8	6,9	6,0	+0,8
Other sectors	5,6	6,4	5,7	5,6	-0,8

Sectorial exposure – 30th June 2021 (% of total assets value).

Objective:

Maintaining the financial and energy sector with important weight in the portfolio



Top companies/holdings in the portfolio – 30th June 2021

TOP COMPANIES IN THE PORTFOLIO	> 1% of total assets value	% holding in the issuer's share capital
BANCA TRANSILVANIA	39,0	6,00
ROMGAZ	9,9	1,96
AEROSTAR	5,6	15,13
BRD	3,8	0,76
PROFESSIONAL IMO PARTNERS	2,7	31,42
AGROINTENS	1,9	100
TESATORIILE REUNITE	1,8	100
STRAULESTI LAC ALFA	1,8	50,00
SIF TRANSILVANIA	1,6	4,98
AGROLAND CAPITAL	1,5	100
NUCLEARELECTRICA	1,1	0,31
TOTAL	70,7	

Comparative evolution – within the sector H1 2021 / H1 2020.

In the sector it operates in, EVERGENT Investments registered on 30.06.2021 the second lowest NAV/price discount, namely around 41%. At the same time, it ranks second for market capitalization, with 1,33 billion lei, an increase of around 2% in comparison to 30.06.2020, despite the fact that the number of shares decreased since the similar period of 2020.

mil lei	SIF1	EVERGENT Investments	SIF3	SIF4	SIF5
Net asset 30.06.2021	3,308.21	2,230.49	1,319.36	1,839.09	2,099.07
Net asset 30.06.2020	3,522.45	1,851.46	1,024.79	1,459.37	1,873.61
NAV evolution 21/20%	-6.08	20.47	28.74	26.02	12.03
Liquidities 30.06.2021*	287.95	224.76	74.07	90.12	40.26
Liquidities 30.06.2020*	160.86	38.03	35.88	32.80	60.15
Liquidities evolution 21/20%	79.01	491.05	106.44	174.76	-33.07
Net profit / (loss) 30.06.2021	200.31	48.88	58.27	163.67	27.49
Net profit / (loss) 30.06.2020	-46.09	-19.55	-40.60	-16.65	27.09
Profit evolution 21/20%	-534.61	-350.03	-243.52	-1083.00	1.48
Capitalization 30.06.2021	1,412.26	1,335.80	793.62	1,082.81	978.00
Capitalization 30.06.2020	1,174.64	1,312.85	780.64	573.00	1,233.19
Capitalization evolution 21/20%	20.23	1.75	1.66	88.97	-20.69
NAV 30.06.2021	6.4184	2.2829	0.6101	2.3438	4.1981
Price 30.06.2021	2.740	1.350	0.367	1.380	1.956
Price / NAV per share discount 30.06.2021	-57.3	-40.9	-39.8	-41.1	-53.4
Price / NAV per share discount 30.06.2020	-66.8	-30.3	-23.8	-61.8	-31.9
DIVIDEND 2020	0	0.043	0	0	0.05
DY%	0.00	3.19	0.00	0.00	2.56
No. of shares 30.06.2021	515,422,363	989,479,176	2,162,443,797	784,645,201	500,000,000
No. of shares 30.06.2020	517,460,724	1,002,179,176	2,162,443,797	807,036,515	560,543,129

*cash, deposits, government securities

1.2. Portfolios. Strategies. Results.

EVERGENT Investments has four portfolios defined: FINANCIAL - BANKING, ENERGY - INDUSTRIAL, SELL and PRIVATE EQUITY. The management of portfolio interest was made along the lines of the multiannual strategies coordinates and 2010 Activity Program, namely:

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

EVERGENT Investments is a long-term investor, and therefore generating performance in investments is an essential objective of our activity. Being authorized as an alternative investment fund opens up a new chapter in the company’s existence and allows us to accelerate our strategic direction to investment in private equity- type projects. Our investment philosophy focuses on increase, and we now have wider opportunities, being able to invest in real-estate portfolios, corporate bonds not admitted to trading, shares of limited liabilities companies whose annual financial statements are audited according to the law, and other instruments.

We are confident that a sustained, active management of EVERGENT Investments’ portfolio shall significantly increase the capital of our shareholders. Our listed portfolio is built through a dynamic assignment, different from the structure of BVB indexes, and therefore we are able to generate alpha and obtain two-figures returns of our assets, for our shareholders.

Private equity projects differentiate us from the other market players and offer an exceptional return/risk ratio, with significant long-term profit for our shareholders. We support the company we invest in to reach their maximum potential. Therefore, the new AIF framework allows us to assign up to 40% of assets to this type of projects.

As investment perspective for the following years, we will continue to be exposed to agribusiness and real estate, but we can also develop our activity in fields that are related to the two largest topics of interest: technological evolution and environment transformation, For example, we are turning our attention towards finding and developing companies with clean resource technology (water, soil, air) and green energy (photovoltaic).

Context

In Q2 2021, the BET-BK index continued its Q1 2021 performance with an increase of 9,56%. Taking the BET-BK index into account, Romanian market is among the first five in Europe in the first 6 months of the year. The BET-BK index registers a good performance in comparison with the main international indices. In comparison to the previous periods, it can be observed that index volatility measured through the standard deviation has increased considerably, BET-BK being at 14,5% in the last 12 months, in comparison to 8,62% in 2020.

Index	Evolution Q2 2021 %	Evolution 12 mths %	Standard deviation %
BET-BK	9.56	44.76	14.53
NASDAQ COMPOSITE	9.49	44.19	12.29
BUX	11.47	41.59	16.45
CAC 40 INDEX	8.72	39.92	13.84
PX	9.94	39.88	15.35
S&P 500	8.17	38.62	10.91
DAX	4.89	33.88	10.58
NASDAQ ITALY	3.49	32.22	12.12
WIG 20	19.36	32.00	11.24
SOFIX	12.54	30.58	10.97
SAX	1.77	14.76	5.52

1.2.1. FINANCIAL-BANKING Portfolio

The financial-banking sector remains the main investment pillar of EVERGENT Investments, representing 45,1% of total assets on 30.06.2021.

This year, as countries in the euro area faces new waves of the pandemic, numerous emergency measures were extended and additional measures for recovery were instituted.

Massive support programs launched by governments and central banks have protected the companies from being impacted thus far, and many expect that the final impact of defaults be lower than initially anticipated.

All top European banks reported results that exceeded analysts' forecasts for the first semester, the figures being based on more positive premises concerning the pandemic and a strong advance of trading income. The solid results registered, prompted some of the banks to revise their estimates regarding trading income over the entire year, although they foresee a slowing down at a certain point.

Banks all over the world have made provisions of billion dollars in the last year to cushion losses caused by what should have been waves of default, but the wave did not come, being prevented by the unprecedented support of tax payers and central banks that kept economies on a floating level. While banks and regulation authorities still warn that risks will increase once governments withdraw their support, the majority signals that the economic advance is expected to rapidly accelerate.

The Romanian bank system entered this crisis with capital reserves and solid liquidity reserves, as well as a strong operating capacity and banks proved to be resilient to the pandemic. According to BNR statistics, the bank sector's total assets increased by 2,7% / quarter and 10,9% per year to 574,9 billion RON (116,7 billion EUR) in the 1st quarter of 2021. Aggregate net result on the banking sector increased by 16,1% year/year to 1,91 billion RON in Q1: equity yield return and assets return to 12,15%, namely 1,33%, as presented in the first chart, on the right side. Solvency indicator was at a high level in Q1 (24,62%) (much higher than the minimum recommended level, but lower than 25.14% in Q4 2020).

Data published by BNR indicate the increase of non-governmental credit for the 12th consecutive month in May, with a monthly dynamics of 0,9% at 296,3 billion RON (record level). Credit granted to population increased by 3,5% ytd at 155,1 milliard RON in May. The advance of home credit by 4,4% ytd to 93,1 milliard RON, record level can be observed. The balance of consumer credit went up by 1,8% ytd at 59,9 milliard RON in May, due mainly to the increase of company credits by 6,5% ytd to 141,2 milliard RON, an evolution supported by real economy entering a new cycle and by the low level of real financing costs.

Liquidity excess on the money market remains large. Thus banks have placed on 21th July 8,1 milliard lei in one week deposits at central bank (BNR). The daily average level of amounts placed in BNR deposits in July will exceed that in June. From the start of July, up to the present day, BNR has organized weekly operations to attract deposits remunerated at the money policy interest rate level of 1,25%. Through these operations BNR aims to strengthen its control over liquidities on the money market, but this has not yet generated increase of short-term interest rate (maturity up to one month) on the money market.

BNR, in its money policy meeting on 7th July has maintained the monetary policy interest rate unchanged (at 1,25%) and other alternative monetary policy instruments, that should support the increase of credit mass. Estimates of analysts are that the first increase of monetary policy interest rate shall be in 2022.

BANCA TRANSILVANIA (TLV) – remains the main stability and increase pillar of EVERGENT's portfolio. The bank is included in FTSE Global Equities Index Series (2020).

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

In the context of reaching price maximums, which determined that the exposure on the issuer BANCA TRANSILVANIA to approach the allowed limit of 40% in total assets, based on the internal exposure management mechanism, sales to the market were made in the first half of 2021 with significant gains from transactions.

Banca Transilvania continues its organic increase through the purchase of Idea Bank. Following this acquisition it could reach around 19% of local market, that is around one fifth of the Romanian bank system, standing out in comparison to other banks. The transaction was approved in June and until the receipt of NBR and Competition Council's approval, IDEA entities will carry out their activities independently. The value of the transaction is 213 million lei (43 million euro). Romanian companies that are under IDEA brand represent 2,85 billion lei total assets, over 60.000 clients, 530 employees and 46 units, at the end of last year. Although Idea Bank is a small bank, Banca Transilvania, through this purchase consolidates its market share for credits and deposits base, as well as its number of clients.

The results registered in the first trimester of 2021 support Banca Transilvania's role as main pillar of economy re-launch in 2021. Non-performing exposure rate, in accordance with EBA index is 3,73% on 31st March 2021. The total provisions coverage of non-performing exposures, in accordance to EBA standards is 131%. The Bank's solvability is 23,82% and includes the profit of the ended quarter. Fitch Ratings maintained the rating of Banca Transilvania for long-term financing (IDR) at „BB+”, with negative perspective, as well as viability rating (VR) “bb+” rating.

The Bank adapted very well to the new market conditions created by the pandemic and aims to increase IT investments in 2021 to digitalize and improve bank processes. It is estimated that in 2021, the bank's profitability will be influenced by the stability of economic environment, the evolution of the economic crisis, the evolution of monetary policy interest with influence on ROBOR, as well as the probability of registering a credit risk lower than that registered at the end of 2020.

BRD-SOCIETE GENERALE (BRD) – the bank has successfully adapted to the new context created by the sanitary crisis, and managed to obtain a solid financial performance at the end of 2020 and in the first quarter of 2021. BRD is the third largest Romanian bank, with a solid business model, focused on the retail segment and a market share of 11% of assets.

BRD managed to get through the crisis well, without jeopardizing its balance. The bank aims to increase its business in a healthy and constant manner supporting the passing of Romanian market towards sustainability. The business model has a moderate risk, focused mainly on internal markets and diversified loans.

At the beginning of this year, Fitch Ratings confirmed the issuer's implicit long-term rating (IDR) of BRD-Groupe Societe Generale S.A. (BRD) at „BBB +” with negative perspectives. NPL of 3,3% reflects the solid quality of assets, but it is expected that problematic loans increase in 2021, when state support measures expire and returns remain under pressure. The bank remains well capitalized, (CET1 report of 31,6% at the end of Q1 2021) and has solid liquidity. BRD is self-financed with client deposits, the loan/deposit ratio being 58% in Q1 2021.

FINANCIAL INVESTMENT COMPANIES (SIF) – SIFs holdings (namely SIF3) represented 1,64% of total assets on 30.06.2021.

1.2.2. ENERGY - INDUSTRIAL Portfolio

The weight of the energy sector is 11,46% of total assets on 30.06.2021 in comparison to 16,65% on 30.06.2020.

EVERGENT Investments analyzes the possibility of allocating capital to projects in economic sectors that support the transition to a sustainable economy, with low carbon emissions. For this purpose, we will try to identify business segments that produce or supply goods, products and services that offer environment solutions. We think that this area includes agriculture, renewable energy manufacturing industries (water) or low carbon emissions industries (nuclear energy or energy produced by modern turbines with combined gas cycles, that produce less than half the carbon dioxide (CO₂) volume of coal plants of similar sizes. During the nuclear fuel cycle, nuclear plants have very low greenhouse gas emissions in comparison to other energy production sources. In line with Romania's energy strategy, we think that gas and nuclear fuel are transition fuels vital for European economy, in order to reach neutrality targets by 2050.

OPEC anticipated that world petrol demand will increase, so it will reach the level before the Covid-19 pandemic in 2022, given the incase in the US, China and Indica.

Gas and nuclear energy are the cards Romania should play in the transition to a carbon emission free economy. In Romania, one of the least efficient states when it comes to energy, with a strong dependence on coal, that represent 16% of the local energy mix, the transition to a carbon free economy will be extremely hard if gas will not be used as intermediary fuel. Nuclear energy investments have the major advantage that they do not generate emission and could contribute to reaching targets. The messages of European officials support investments in the field of gas and nuclear energy, despite the inertia that affects projects in both sectors.

NUCLEARELECTRICA (SNN) – the profound paradigm shifts in the energy industry, namely the transition from fossil fuels to electricity consumption, ideally positions the company for value growth. Due to the massive investment plans in increasing the production capacity of reactors 3 and 4, SNN will consolidate its business model with a net profit margin of over 25% and dividend yields over 6% in the medium term.

For the estimation of future dividends, a payout of 68% is considered in the period 2021 - 2023, equal to that of 2020. Units 1 and 2 are the first in the world in terms of the combined factor of production capacity utilization since commissioning. The strategy for the development of the 3rd and 4th reactors consists in the completion and commissioning of 2 CANDU 6 type units at CNE Cernavodă, with an installed capacity of 2 x 724 MWe. This strategy comprises 3 stages that are expected to last between 9 and 10.5 years.

The signing of an agreement between SNN and Romanian state regarding the contribution of each party within the projects is programmed to take place in the first stage, within 2 years from the strategic approval. Unit 3 is to be commissioned in 2030 and unit 4 in 2031. The main influence element on the revenue from exploitation of SNN is the market price of electrical energy that is rising on centralized markets.

ROMGAZ (SNG) is very well placed to benefit from the current clean energy context, on gas, driven by the liberalization of the energy market on 01.01.2021. The important investment program of ROMGAZ investments focused on the construction of gas turbines electric plants and the development of offshore production, included in Romania's electric strategy will develop the business model on the average run, while keeping a net profit above 25% and a dividend yield over 5%.

On 17.06.2021, Romgaz S.A. and ExxonMobil signed an Exclusive Agreement through which Exxon grants Romgaz an exclusive right for a period of 4 months (until 15th October 2021) regarding the negotiation of the acquisition of all ExxonMobil shares, which holds 50% of the acquired rights and the

obligations assumed by the Concession Agreement for oil exploration, development and exploitation in the Neptun Deep perimeter.

AEROSTAR (ARS) is a leader in Romania for the manufacture of aviation products, a recognized supplier in the supply chain of several global programs. The finished products on which the parts, subsets and equipment manufactured by Aerostar are used are Airbus, Boeing, Bombardier, Dassault or Gulfstream planes. AEROSTAR is the main independent supplier of maintenance services in Romania and the region for Airbus 320 și Boeing 737. At the same time, it is a first-rank supplier for the Ministry of National Defense in the field of air, land and naval defense systems. The solidity of the business model represents a guarantee that the challenges the aeronautic and air transport fields are currently facing shall be overcome.

The long-term growth potential of the A&D industry remains strong. The return of the industry shall be in 2021 following the difficult 2020. Commercial passenger traffic started to slowly come through. In 2021 defense budgets will remain stable since defense programs are gaining more importance given the current geopolitical context.

1.2.3. PRIVATE EQUITY Portfolio. EVERGENT Investments Group.

On 30th June 2021, the assets of the 6 subsidiaries of EVERGENT Investments Group registered a value of 180 mil lei, representing 7,50% of EVERGENT Investments' total assets.

The members of EVERGENT Investments' Group:

No	Subsidiary name	EVERGENT Investments' direct holding – mother company %	Weight of total assets % 31.06.2021	Company type (closed/ listed)	Activity
1	AGROLAND CAPITAL SA Bacau	99,99	1,56	Unlisted	Real estate - private equity portfolio
2	TESATORIILE REUNITE SA Bucuresti	99,99	1,81	Unlisted	
3	REGAL SA Galati	93,02	0,38	BVB-ATS (REGL)	
4	MECANICA CEHLAU SA Piatra Neamt	73,30	0,99	BVB-REGS (MECF)	Agriculture - private equity portfolio
5	AGROINTENS SA Bucuresti	99,99	1,86	Unlisted	
6	CASA SA Bacau	99,60	0,83	Unlisted	Garnishment and support for EVERGENT Investments
Total			7,50*		

The weight of total assets of 7,50% includes virtual Agroitens SA shares of 1.750.000 lei (subscribed and not assigned up to 30.06.2021, but assigned in July 2021).

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

- Implementation of project in different sectors of activity and business development on companies in EVERGENT Investments' historic portfolio.
- Investments in this portfolio represents a „private equity” type approach that involves **the development of existent majority holdings (real-estate, agricultural machines, agribusiness)** and offer average or long-term increase opportunities.

Rules applicable in accordance with AIFM legislation

- ✓ A private equity type investment 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 being the main investment policy.
- ✓ 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 holding the proper competencies and vocational skills for the investment field specific activities: financial, legal, commercial and technical activities, negotiation, conclusion of agreements and contracts.
- ✓ These assets are measured in accordance with valuation policies and procedures, their value being reported on a monthly basis

The “private equity“ type approach implies an active involvement in entrepreneurial projects, which leads to an increase of managed assets return and offers the possibility to compensate the risks of possible involutions of EVERGENT Investments' ownership interest in listed companies.

Part of the investments presented in the paragraphs below are in the growth/development state, and other are going through the maturity stage of the business life cycle.

1.2.3.1. AGROINTENS SA – "Extension of BLUEBERRY FARM" Project (www.agrointens.ro)

Agrointens SA is a company whose activity consists in the exploitation and capitalization of blueberry farms.

Project description: The object of the project is the setup and development of blueberry farms. At present farms Vistea – Brasov county, Mandra – Brasov county and Popesti – Arges county are in different development stages. At the end of the reporting period, the planted area was 86 ha.

EVERGENT Investments' investment: 7,6 mil euro.

Current status: Seasonal activities were carried out.

Financial Results H1 2021

Indicators – AGROINTENS (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	12.049	2.176	18
Total expenses	(12.490)	(3.523)	28
Net profit/(loss)	(441)	(1.347)	na

Registered loss is due to the seasonal nature of the activity.

1.2.3.2. AGROLAND CAPITAL SA – Iasi Real Estate Project

Premises: The company was setup for the purpose of capitalizing on investment opportunities from the agri-business – real estate field for the purpose of generating value for the shareholders. We have purchased assets belonging to Iasitex SA Company, located in the central area of Iasi municipality, with significant real estate development potential, on all segments: residential, office and commercial:

- ✓ Held land of around 2,55 ha;
- ✓ Administrative building (GF+8) with a built area of 4.600 square meters.

Status:

- ✓ Pending, the documentation to obtain the zonal urban plan for the multifunctional center (homes, offices, services), with the architecture company.
- ✓ In June 2021, the Company setup an investment vehicle with 100% holding for the purpose of developing later real-estate projects.

Financial Results H1 2021

Indicators – AGROLAND CAPITAL SA (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	39	55	140
Total expenses	(2.422)	(395)	16
Net profit/(loss)	(2.383)	(340)	na

The loss was generated by operating expenses.

1.2.3.3. CASA SA

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

Financial Results H1 2021

Indicators – CASA SA (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	3.958	1.312	33
Total expenses	(3.713)	(1.098)	29
Net profit/(loss)	245	214	87

Revenue obtained in the reporting period was affected by Covid 19 pandemic.

1.2.3.4. MECANICA CEAHLAU SA

The company manufactures agricultural equipment for land process and distributes (i) Steyer and Hart tractors, (ii) Project herbicide equipment and (iii) Stoll front loaders.

Financial Results H1 2021

Indicators – MECANICA CEAHLAU SA (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	31.064	15.793	51
Total expenses (less income tax)	(29.734)	(14.666)	49
Net profit/(loss)	980	687	70

1.2.3.5. REGAL SA

On the reporting date, the Company has 5 commercial areas plus administrative headquarters with a built area of 2.200 square meters. The Company will continue to sell commercial spaces in accordance with the approved strategy.

Financial Results H1 2021

Indicators – REGAL (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	1.881	264	14
Total expenses (less income tax)	(1.783)	(368)	20
Net profit/ (loss)	82	(104)	na

Income obtained in the reporting period was affected by Covid-19 pandemic without jeopardizing activity continuity, but with effects on the company's profitability.

1.2.3.6. TESATORIILE REUNITE SA

Real estate projects in the Bucharest Northern area

In the northern area of Bucharest, the company holds 1,9 ha of land on which it will develop a real-estate project.

Subsequent event: In July 2021, the company completed the acquisition of 1,6 ha land in the North of Bucharest for the purpose of later real-estate development.

Financial Results H1 2021

Indicators – TESATORIILE REUNITE SA (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	2.190	1.775	81
Total expense (less income tax)	(9.194)	(3.366)	37
Net profit/(loss)	(7.004)	(1.591)	23

Mention: Private Equity portfolio is also monitoring the following companies:

- ✓ **NORD SA** - 18,19% holding of share capital and **Professional Imo Partners SA** - 31,42% holding of share capital, that directly/indirectly participates to the implementation of "**Veranda Mall**" Bucharest project

- ✓ STRAULESTI LAC ALFA SA - 50% holding of share capital, implementing "**Atria Urban Resort**" Bucharest project.
- ✓ AGROSERV MARIUTA SA –5,11% holding of share capital.

1.2.3.7. "VERANDA MALL" trade center real estate project

(www.verandamall.ro)

Description: The investment project consisted in the construction of "VERANDA MALL" trade center from Bucharest and its operation through company Veranda Obor SA. The trade center is a proximity mall, located in a heavily populated area with commercial traffic, Obor-Colentina. "VERANDA MALL" opened on 27.10.2016.

Project characteristics: GLE (built area) around 67.000 square meters; GLA (rentable area) around 34.000 square meters following extension; no. of renting stores: 100; occupation degree: 97%

Investment: the value of EVERGENT Investments amounts to 14,3 mil euro. EVERGENT Investments indirectly holds in Veranda Obor SA an interest of around 37% through Professional Imo Partners SA (PPLI) and Nord SA (NORD), BVB listed companies – ATS segment.

Current status – malls have reduced their activity due to the Covid-19 pandemic, each legislative modification/order for Covid-19 was reflected in mall traffic, the most affected areas being entertainment (cinemas, playgrounds for children) and restaurants registered income decrease, later reflected in the decrease of the trade center's turnover.

1.2.3.8. STRAULESTI LAC ALFA SA

"ATRIA URBAN RESORT" Residential real-estate project

(www.atriaresort.ro)

EVERGENT Investments invests in "ATRIA URBAN RESORT" real-estate project, developed through STRAULESTI LAC ALFA SA. The project targets the building of 1.381 apartments, in 4 stages, on a land of around 9 ha, located in the NW area of Bucharest municipality, near Colosseum Retail Park with easy access to the North area of the capital.

Investment: EVERGENT Investments is shareholder of STRAULESTI LAC ALFA SA, along with CityRing Property SRL and Mr. Liviu Lepadatu who ensure the management of the real estate project development. EVERGENT Investments' total investment is 8,3 mil euro. Project financing is ensured both with own capital and bank loan, binding loan, and the estimated realization value of the project is over 100 mil. euro.

Current status:

- ✓ Stage 1:
 - Includes a number of 160 apartments (studios, two and three rooms), completed at the end of 2019;
 - Sale status – 97% of the sales/purchase/preliminary contracts for the apartments;
- ✓ Stage 2 (398 apartments):
 - Works started in December 2019;
 - Execution completion date: August 2021;
 - Preliminary contracts have been concluded for around 55% apartments.
- ✓ Stage 3 (338 apartments) – planning pending.

Financial results H1 2021

Indicators – STRAULESTI LAC ALFA SA (K lei)	Budget 2021	Achieved H1 2021	Achieved H1 2021 / Budget 2021 (%)
Total income	80.337	34.856	43
Total expenses	(64.965)	(35.350)	55
Net profit	15.372	(514)	na

1.2.4. "SELL" Portfolio

In order to reach investment objectives foreseen by EVERGENT Investments Investment Strategy and Policy and 2021 Activity Program, the company continued to reduce the weight of SELL Portfolio, portfolio selected based on low liquidity criteria, low performance and growth potential.

Thus, on 30th June 2021, the weight of SELL Portfolio was 0,65% of total assets value, in comparison to 1,57% on 30th June 2020, the main strategy applied being restructure through sale. To the extent that the positions in this portfolio are sold, liquidities fuel the investment needs of EVERGENT Investments.

EVERGENT Investments sold its holding in Compa SA Sibiu by 30th June 2021. Subsequent to the reporting period, EVERGENT Investments has sold its Agricola International SA holding in full.

We have actively participated to the General Meeting of Shareholders of companies in the portfolio, questions were sent to the Board of Directors of the companies in the portfolio, and we have challenged resolutions of the general meetings of shareholders that affected the interests of minority shareholders, submitted convening requests / requests to amend the agenda of the general meetings of shareholders.

1.2.5. Implementation of 2021 Investment Program

EVERGENT Investments has analyzed and implemented investments compliant with *the main directions and principles presented in 2021 Activity Program*, approved by the shareholders in the Ordinary General Meeting of Shareholders on 29th April 2021.

mil. lei	2021 Activity program	Achieved H1 2021	% achievement H1 2021
Total investment program , of which assigned for portfolios:	140	59	42
• FINANCIAL - BANKING	55,8	22,7	40
• ENERGY - INDUSTRIAL	20	12,4	62
• PRIVATE EQUITY	29.2	18,55	64
• Other investments	35	5,3	15

1.2.6. Main Risks and Uncertainties in H2 2021

The level of systemic risks related to the financial stability of Romania remains high, same as on the international market, since perspectives related to future economic activity continue to be marked by uncertainty, fueled mainly by the multiple effects associated to COVID-19 pandemic, as stated in the BNR report on financial stability in June.

On the level of financial economy, we expect an increase of nominal financing costs and gradual increase of EUR/RON rate on average term.

The main factors connected to the short-term internal economy evolution consist in: dynamics of the pandemic, world and European macro-financial climate and world geo-political climate.

Central banks have extremely expansionist policies. In the US inflation is of 5,4% and interest 0%, which means real interest is negative. There is a risk of the economy overheating that can be seen in the high increase of prices for goods and assets in general. And this has the ability to create speculative bubbles.

Among the challenges of the short and average-term challenges of the bank sector we mention: the perspective of credit portfolios deteriorating (in the context of adjustments on micro and mezzoeconomic level); functioning in a period dominated by the low level of interest rates; consolidation; implementation of EGS framework and Digital Revolution both in the banking sector and on the level of the entire economy, with an impact on financing and development of economy. We expect that the rate of non-performing credits increase in the coming period.

Among the risk factors of the internal banking sector, in the following quarters, we mention: normalization of economic policies in the post-pandemic period; global and European macro-financial climate; dynamics of the sanitary crisis, internal mix of economic policies; cybernetic risks.

The annual consumer price rate accelerated from 3,75% in May to 3,94% in June, the highest since the end of 2019.

The deficit of foreign trade in goods and services and the current account deficit registered very high levels in May, after deteriorating substantially in February-April. The widening of external imbalances in recent months has been supported by rapid growth in imports of goods and services and modest import performance. Estimates place the current account deficit at 6.5% of GDP in 2021, but the deficit is likely to be higher.

The reduction of the budget deficit and the high current account deficit depend on the evolution of euro-leu exchange rate, inflation, the level of financing costs and, in the end, economic growth.

We think that uncertainty related to the evolution of COVID-19 pandemic in Europe and Romania in the following period remains high. The evolution of the COVID-19 pandemic remains an important risk factor for the economic growth forecast this year (7,5%) and in 2022 (4,7%), but not for the forecast of other macroeconomic indicators.

The deficit in foreign trade of goods and services and the deficit of current account registered very high levels in May, after substantially dropping in February-April. The widening of external imbalances over the last months was supported by the rapid increase of imports of goods and services and modest performance of exports.

In the next period it is possible that we witness tenses times on internal financial markets given the growing pressure on public deficit caused by the budgetary effort needed to sustain the economy, as well as investors' fears about the ability to manage public debt and recover after the end of the medical crisis.

2. Financial Position and Performance

The condensed interim individual financial statements for the six months' period ended on 30th June 2021 were prepared in accordance with IAS 34 "Interim Financial Reporting" and with the application of the provisions of Norm 39/2015 for the approval of Accounting regulations compliant with the Internal Financial Reporting Standards ("IFRS"), applicable to entities regulated and supervised by FSA. In the understanding of Norm 39/2015, IFRS represent the standards adopted in accordance with the procedure foreseen by (EC) Regulation no.1606/2002 of the European Parliament and Council on 19th July 2002 in the application of international accounting standards, with its later amendments and additions.

In the first half of 2021, the financial performance and position registered a significant increase, based on the continuation of the rising trend of financial market quotes started in the last part of 2020, following their decrease at the start of the crisis generated by COVID 19 epidemic.

2.1. Comprehensive income. Management expenses. Financial position.

➤ Individual statement of comprehensive income:

(lei)	2019 (audited)	H1 2020 (unaudited)	2020 (audited)	H1 2021 (unaudited)
Income				
Dividend income	97.667.837	26.655.914	89.107.709	25.483.793
Interest income	4.221.743	1.594.873	2.913.568	1.620.802
Other operating income	2.237.211	629.976	1.082.041	492.199
Net gain/ (net loss) from the sale of FVTPL assets	79.182.413	(39.366.264)	(50.074.477)	38.702.482
Net gain from the sale of non-financial assets	-	-	191.429	-
Net gain/ (net loss) from the revaluation of property investment	632.131	-	(33.547)	-
Expenses				
Expenses from assets impairment	(249.579)	(26.694)	(274.502)	(68.016)
(Setup)/reversal of provisions for risks and expenses	2.196.967	(17.000)	239.144	(3.600)
Expenses with wages, indemnities and other similar expenses	(29.935.965)	(8.261.196)	(23.607.641)	(9.191.688)
Other operating expenses	(9.915.247)	(3.983.431)	(9.067.642)	(4.567.498)
Operating profit / (loss)	146.037.511	(22.773.822)	10.476.082	52.468.474
Expenses with leasing contract interest	(35.336)	(13.537)	(39.736)	(18.204)
Profit /(loss) before tax	146.002.175	(22.787.359)	10.436.346	52.450.270
Income tax	(18.632.548)	3.234.669	(4.609.320)	(3.568.132)
Net profit / (loss)	127.369.627	(19.552.690)	5.827.026	48.882.138
Other comprehensive income elements				
Other gain from the derecognition of financial assets at fair value through other comprehensive income elements	423.500	-	-	-
Increase/ (decrease) of reserve from the revaluation of property, plant and equipment net of deferred tax	(140.859)	13.190	(170.598)	12.333
Net gain/ (Net loss) from the revaluation of FVOCI financial assets	341.465.711	(253.033.892)	(153.598.721)	240.855.270
Other comprehensive income elements – elements that will not be reclassified in profit or loss	341.748.352	(253.020.702)	(153.769.319)	240.867.603
Net gain/(net loss) from the revaluation of FVTOCI bonds	130.959	(54.958)	29.587	49.758
Other comprehensive income elements – elements that will be reclassified in profit or loss	130.959	(54.958)	29.587	49.758
Other comprehensive income elements - Total	341.879.311	(253.075.660)	(153.739.732)	240.917.361
Total comprehensive income of the financial year / period	469.248.938	(272.628.350)	(147.912.706)	289.799.499
Basic and diluted earnings per share (net profit/ (net loss) per share	0,1290	(0,0199)	0,0059	0,0501
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)	0,2008	(0,0175)	0,0571	0,1194

Net profit registered in the first half of 2021, of 48,9 mil. lei, was mainly caused by the net gain from financial assets at fair value through profit or loss (FVTPL), of 38,7 mil. lei (the largest part being

unattained gain from the revaluation of fund units in the portfolio), and dividend income.

Comprehensive income was also significantly influenced by net gain from the revaluation of financial assets valued at fair value through other comprehensive income (FVTOCI) registered in the first 6 months of 2021, of 240,9 mil. lei, caused mainly by the increase of listed shares in the portfolio classified in this category (mainly Banca Transilvania, Aerostar and Romgaz).

Starting on January 1st, 2018 with the coming into force of IFRS 9 „Financial Instruments”, in case of shares, depending on their classification, the gain or loss from sale is reflected either in profit or loss (in case of FVTPL financial assets), or directly in Retained Earnings (in case of FVTOCI financial assets), while as in the previous period they were reflected in full in profit or loss, in accordance with IAS 39 „Financial Instrument: Recognition and Measurement”.

Consequently, the management considers the net result a performance indicators, including the gain from the sale of FVTOCI financial assets besides Net Profit/(Net loss).

(lei)	2019 (audited)	H1 2020 (unaudited)	2020 (audited)	H1 2021 (unaudited)
Net profit	127.369.627	(19.552.690)	5.827,026	48.882.138
Gain corresponding to the transfer of FVOCI* financial assets, net of tax, recycled in retained earnings	70.411.765	2.398.392	50.247.530	67.573.959
Net result (including Gain from the transfer of FVOCI financial assets)	197.781.392	(17.154.298)	56.074.556	116.456.097

* represents a reclassification from reserves from revaluation of FVTOCI financial assets to retained earnings

➤ Management Expenses

The monthly average percentage of management expenses represents 0,09% of total assets value.

The monthly average percentage of management expenses represents 0,09% of total assets value, at the low limit of average commissions paid to management companies by investment funds (0,10% - 0,40%).

Structure of management expenses

Management expenses (lei)	13.429.439
Expenses with wages, indemnities and assimilated, of which:	9.200.404
- wages and indemnities, less profit share of employees and managers	8.993.440
- social contributions	198.248
- expenses for professional training	8.716
Expenses for outsourced services and other operating expenses	3.957.167
Energy and water expenses	206.558
Expenses for fuel and materials	65.310

Management expenses include expenses directly connected to the carrying out of current activity. In management expenses, the main weight of 69%, is held by expenses with staff and assimilated (wages, indemnities, expenses for social insurance and professional training for staff and managers). For more statements regarding expenses with wages, indemnities and similar expenses, divided into fixed and variable expenses, see explanatory note 6 to the Individual Financial Statements on 30th June 2021.

Expenses regarding outsourced services and operational expenses represent 29% of total management expenses and mainly include services for the monitoring of companies in the portfolio, professional consultancy, area and archive management, insurance, post expenses and subscriptions, rents, royalties, concession taxes, protocol expenses, travels, expenses with maintenance and repairs, other operating expenses.

➤ **Individual Statement of Financial Position:**

(lei)	31 st December 2019 (audited)	H1 2020 (unaudited)	31 st December 2020 (audited)	H1 2021 (unaudited)
Assets				
Cash and current accounts	1.291.803	352.988	327.423	476.990
Bank deposits	97.115.086	37.626.648	85.057.575	208.841.355
Financial assets at fair value through profit or loss	389.164.163	349.151.128	364.462.371	376.422.596
Financial assets measured at fair value through other comprehensive income	1.830.970.481	1.565.023.635	1.643.409.645	1.746.663.053
Bonds at amortized cost	24.530.592	17.331.360	16.644.595	34.023.614
Bonds at fair value through other comprehensive income	3.942.270	3.944.373	3.802.401	4.052.361
Investment property	4.137.404	4.137.404	4.103.857	4.103.857
Intangible assets	58.092	46.634	368.884	385.246
Plant, property and equipment	7.907.094	7.861.822	7.503.594	7.344.526
Right-of-use assets	974.181	779.225	1.132.811	937.218
Other financial assets at amortized cost	3.861.629	6.812.517	8.104.606	20.193.152
Other assets	168.914	438.936	344.410	366.872
Total assets	2.364.121.709	1.993.506.670	2.135.262.172	2.403.810.840
Liabilities				
Lease liabilities	1.002.104	815.322	1.070.045	883.305
Dividends payable	31.036.100	48.558.378	35.818.292	47.813.513
Provisions for risks and expenses	368.488	385.488	129.344	132.944
Deferred tax liabilities	122.787.036	78.307.028	90.800.183	116.794.744
Current tax liabilities	7.912.060	-	4.171.854	10.064.487
Financial liabilities at amortized cost	1.016.121	521.287	944.439	627.324
Other liabilities	2.515.951	2.122.702	3.292.889	2.074.732
Total liabilities	166.637.860	130.710.205	136.227.046	178.391.049
Equity				
Share capital	521.004.761	521.004.761	514.402.388	514.402.388
Retained earnings	881.728.409	805.510.219	871.860.684	946.304.637
Reserves from the revaluation of property, plant and equipment	8.698.494	8.711.684	8.527.896	8.540.229
Reserves from the revaluation of financial assets at fair value through other comprehensive income	795.634.481	540.147.239	591.817.817	765.148.886
Treasury shares	(30.335.310)	(27.948.000)	(9.595.338)	(18.345.308)
Equity-based payments to employees, directors and administrators	20.142.446	13.077.647	18.457.300	5.398.224
Other equity elements	610.568	2.292.915	3.564.379	3.970.735
Total equity	2.197.483.849	1.862.796.465	1.999.035.126	2.225.419.791
Total liabilities and equity	2.364.121.709	1.993.506.670	2.135.262.172	2.403.810.840

In the first six months of 2021, EVERGENT Investments' total assets increased by about 13%, mainly because of the significant increase of the FVTOCI financial assets value, caused by the price increase of listed shares in the portfolio, classified in this category and FVTPL financial assets caused mainly by the fair value increase of fund units.

Total liabilities increase was mainly caused by the increase of deferred tax liability corresponding to the reserve from the revaluation of FVTOCI financial assets that increased in H1 2021. Deferred income tax was calculated and registered in accordance with IFRS provisions.

2.2. Performance indicators

	2019	H1 2020	2020	H1 2021
Current liquidity indicator	11,6	7,7	10,4	10
Rotation speed of debits-clients	12	33	23	39
Rotation speed of intangible assets	0,10	0,02	0,06	0,04
Net profit / (net loss) per share (lei/share)	0,1290	(0,0199)	0,0059	0,0501
Earnings per basic share (lei/share)	0,2008	(0,0175)	0,0571	0,1194

Specifications:

Current liquidity indicator = current assets/ current liabilities

Rotation speed of debits-clients = average balance of claims/ turnover x no. of days for the reporting period.

Rotation speed of non-current assets = revenue from current activity / non-current assets

Earnings per basic share (lei/share) = (net profit +gain from the transfer of FVTOCI assets) / share number

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 (e.g. excluding redeemed shares and including shares assigned to employees and administrators within the Stock Option Plan program).

2.3. 2021 IEB achievement degree

million lei	Budgeted 2021	Achieved H1 2021	Achievement degree %
Total income	63,6	66,3	104
Financial income	62,7	65,8	105
• Dividend income	31,4	25,5	81
• Income from bank interest and bonds	2,9	1,6	55
• Gain from FVTPL financial assets	28,4	38,6	136
• Other financial income	-	0,1	-
Other operating income	0,9	0,5	56
Total expenses	(45,8)	(13,8)	30
Financial expenses	(0,7)	(0,4)	57
• Expenses with transaction commissions	(0,7)	(0,4)	57
Current activity expenses	(45,1)	(13,4)	30
Gross profit	17,8	52,5	295
Income tax	(1,4)	(3,6)	257
Profit/ net (A)	16,4	48,9	298
Net gain from the sale of FVTOCI assets (B)	57,5	67,6	118
Net result (C)= (A)+(B)	73,9	116,5	158

The net result registered in the first 6 months of 2021 is 58% higher than the budgeted level for the entire 2021, following an achieved net profit about 3 times higher than budgeted, from net gain from FVTPL financial assets that have had a significant value in H1 2021, caused by the fair value increase of fund unit investments.

Dividend income registered in the first 6 months represented 80% over the budgeted level for the entire 2021.

At the same time, expenses for current activities registered (main expense category), representing 30% of the total budgeted for 2021, were under the 50% level corresponding to the first 6 months.

3. EVER Share Market

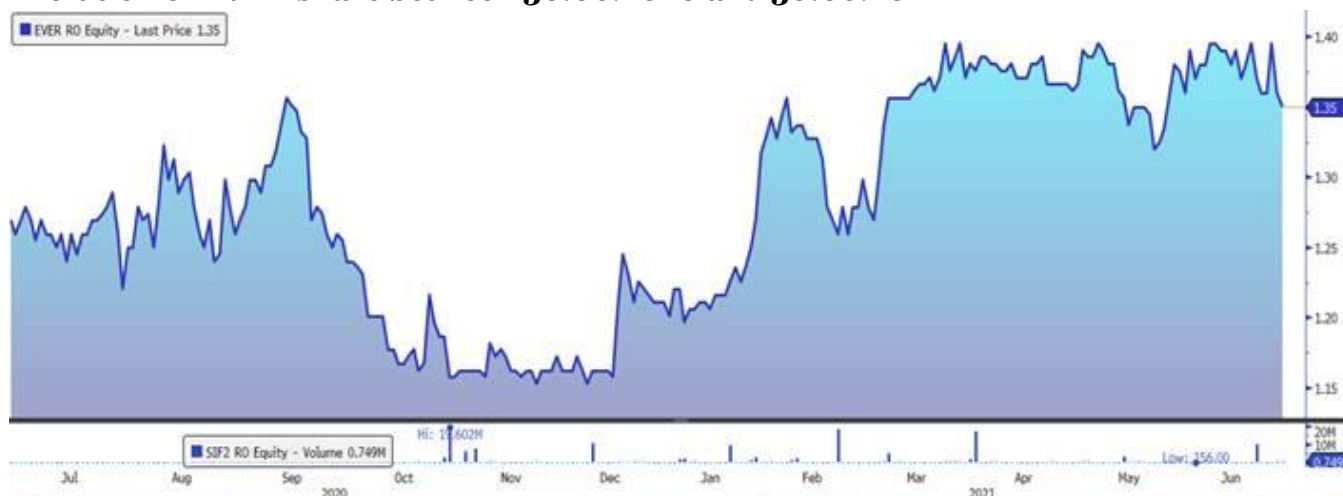
No. shares: 989.479.176
 Nominal value: 0,1 lei
 Share capital: 98.947.918 lei
 Capitalization: 1.335.796.888 lei
 30.06.2021 (271 mil euro)

Price: 1,35 lei, EPS: 0,12 lei, PER:11,2 ; DIVY: 3,18 %
 52 m: 1,19 lei; 52 M: 1,45 lei

Market on which EVER shares are traded: Bucharest Stock Exchange, Premium category, starting on 01.11.1999. Between November 1999 and March 2021 they were traded under the SIF2 symbol.

The record of shares and shareholders is kept according to the law by SC Depozitarul Central SA.

Evolution of EVER share between 30.06.2020 and 30.06.2021



(Sursa: Bloomberg Finance)

Yields: EVER share, VUAN EVER, BET-FI

Yields 30.06.2021 (%)	EVER share	BET-FI	VUAN EVER
1 month	-1,82	8,79	2,49
3 months	-5,26	8,43	5,06
6 months	8,00	22,37	11,81
12 months	3,05	23,06	21,38

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

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

Indicator	EVER share	BET-FI
Annualized volatility (%)*	19,40	11,39
Beta**	0,93	1,00

* Volatility (12M) = annualized volatility

** Beta = price sensitivity to market movements

Related information in
EVERGENT
Investments' Corporate
Governance Code
 Ch. 16. Evaluation of
 company performance and
 EVER share

Starting with July 26, 2021, EVERGENT Investments SA benefits from the Market Maker services of Raiffeisen Centrobank AG, in order to increase the liquidity of EVER shares and decrease their volatility on the market.

4. Risk Management

EVERGENT Investments sets and permanently maintains operational the risk management position, that is hierarchically and functionally independent from activities generated risk exposures and has access to all relevant information.

One of the main components of the risk management system is the permanent risk management function. This function holds a main role in defining the policy on risk management and supervision in the company, to be able to ensure the constant compliance of the risk level with the company's risk profile.

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

The risk management activity is carried out by the risk management department that is subordinate to the Board of Directors and from the administrative point of view to the President CEO. This place in the organizational chart allows direct access and report of the activity on the level of the Audit Committee and Board of Directors, as well as the independence necessary to carry out risk management activities.

4.1. Risk Management Activity

EVERGENT Investments sets, implements and maintains a proper and standardized risk management policy that:

- ✓ identifies all relevant risks it is or could be exposed to;
- ✓ includes the necessary procedures to allow the company to evaluate its exposure to relevant risks it is or could be exposed to.

The objectives of the risk management policy are the prudent management of risks so as to prevent the negative impact that internal and external factors may have on the company's activity, leading to the failure to reach targets, the occurrence of unplanned or uncontrolled losses, or the occurrence of negative effects.

The efficiency of the risk management system is evaluated 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 amended by FSA Reg. no.9/13.08.2019.

Following the examination of the characteristics and performances of the risk management system, the Board of Directors concluded that, in the 1st half of 2021 it is proportional and adequate for the size, nature and complexity of current activity, ensuring the coherence of controls with risks generated by processes and efficient use of company assets.

Staff of the Risk Management Department:

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

Main activities carried out between 01.01.2021 and 30.06.2021:

- ✓ Annual revision of the Risk Management Policy, Profile and Procedures
- ✓ Evaluation of the company's risk profile;
- ✓ Calculation of risk indicators set in accordance with the risk management procedure and analysis of their abundance by the approved tolerance limits;
- ✓ Risk analysis regarding investments suggested by the departments with the portfolio risk management function;
- ✓ Analysis of the impact of 2021 Activity Program on assets structure, prudential limits system and

- company's risk profile;
- ✓ Evaluation of the way in which variable remuneration structure affects the company's risk profile;
- ✓ Daily monitoring of the abidance of assets in the portfolio by prudential limits;
- ✓ Follow-up of the fulfillment of measures set through the annual risk response plan through report sheets of operational risk events;
- ✓ Analysis of the abidance of assets categories on risk classes, depending on liquidity degree;
- ✓ Analysis and calculation of institutional reporting risk measures (Annex IV EU Regulation 231/2013);
- ✓ Monitoring of the synthetic risk indicator (ISR) of EVERGENT Investments share;
- ✓ Drafting the policy regarding the integration of sustainability risks in the investment decision-making process, for compliance with the provisions of (EU) regulation no. 2088/2019 on information regarding sustainability in the financial investments sector;
- ✓ Carrying out annual crisis simulations;
- ✓ Calculation of own funds and the need of own funds;
- ✓ Reports to FSA on the risk management activity, annual self-evaluation of IT operational risks, results of annual crisis simulations, implementation stage of recommendations made by the risk manager, own funds and own funds requirements.

4.2. Risk profile.

Risk profile represents all EVERGENT Investments' exposure to real and potential risks. EVERGENT Investments' risk profile on 30.06.2021 is the following:

The global risk profile taken on by EVERGENT Investments is average, corresponding to and average risk appetite.

Risk type	Level of risk taken on	Risk level on 30.06.2021
Market risk	Average	Average
Issuer risk	Average	Low
Liquidity risk	Low	Low
Credit and counterparty risk	Average	Low
Operational risk	Average	Average

On 30th June 2021, risk indicators calculated for the relevant risks that EVERGENT Investments is or could be exposed to **abide by** the tolerance limits, risk appetite and profile approved by the Board of Directors.

Between 01.01.2021 and 30.06.2021 no risk limits taken on through the risk profile were exceeded.

4.3. The main risks that the Fund is exposed to.

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

The main risks that EVERGENT Investments' is exposed to are:

1. Market Risk

Most EVERGENT Investments' assets are subjected to market risk defined as the potential modification of their market value. We distinguish three very different types of market risks:

- a) **Price risk** derives from market movements, assets exposed to it being financial assets such as shares and holding titles in open or closed investment funds. Since assets exposed to price risk hold a weight of around 88% of assets under management on 30th June 2021, price risk represents a relevant risk for EVERGENT Investments.
- b) **Currency risk** describes the risk that the value of investments in other currency than RON modify due to currency exchange rate modifications. Given the low weight of assets in other currency in total assets of EVERGENT Investments (0,42%), currency risk impact is insignificant
- c) **Interest rate risk** refers to the possibility that investment in bonds – known as fixed income titles – suffer following unexpected modifications of the interest rate. Given the low weight of bonds in

total assets of EVERGENT Investments (1,59%), the impact of interest rate risk is insignificant. The main objective 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 its 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 dampen 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 fulfill all payment obligations when these become due, or to fulfill them without excessive costs.

Since all managed assets are exposed to liquidity risk, this risk is relevant for EVERGENT Investments, although the closed-end nature of the Fund involves relatively low prudential requirements for liquidity (shareholders do not have the right to request share redemption from the Fund). The management of the liquidity risk profile in the first half of 2021 has been an important factor in maintaining adequate liquidity.

The liquidity risk management framework is created 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 available cash and cash equivalents, as well as highly liquid securities. Liquidities volume reserve 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. Since assets exposed to issuer risk hold a weight of around 75% of total managed assets on 30th June 2021, this is a relevant risk for EVERGENT Investments.

The issuer risk management framework is created to identify, measure and manage 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 fulfill their contract obligations. Counterparty risk represents the risk that a counterparty in a transaction infringes on its contract obligation before the final settlement of the cash flows corresponding to the transactions. Since assets exposed to credit and counterparty risks hold a weight of around 10% of total managed assets on 30th June 2021, this is a relevant risk for EVERGENT Investments.

The management framework for the credit and counterparty risk is created 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 inadequate or faulty internal processes, individuals or systems or external events. Since operational risks stem from all operations run on the level of the company, they 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 this risk.

In order to abide by the requirements of FSA Norm no. 4/2018, risk related to information technology (IT) is treated separately in the self-evaluation process of operational risks. At the same time, money laundering and terrorism finance risk (SB/FT) is evaluated in a distinct process.

Other subcategories of operational risk include legal risk, professional responsibility risk, compliance risk, model risk, risk related to outsourced activities.

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

On 30th June 2021, assets in EVERGENT Investments' Portfolio **abide by** the legal prudential limits. Between 01.01.2021 and 30.06.2021 no legal prudential limits were exceeded.

6.1 The limits of exposure level on assets categories reported to total assets, in accordance with Net monthly asset report on 30.06.2021 – 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 under no circumstance exceed 80% of total assets value.

We mention that there is only one issuer in this category:

Issuer name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total assets EVERGENT Investments (%)
Banca Transilvania	938.535.916	38,96
Total	938.535.916	38,96

Exposure on **TLV (38,96%) abides by** the 40% maximum holding limit and is carefully monitored by daily holding monitoring mechanisms.

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

Group name	Market value of asset category (FSA Regulation 7/2020) (lei)	Weigh of total EVERGENT Investments' assets (%)
Group Tesatoriile Reunite, of which:	60.382.306	2,51
• Tesatoriile Reunite shares	43.548.706	1,81
• Tesatoriile Reunite bonds	16.833.600	0,70
Group Straulesti Lac Alfa, of which:	60.188.075	2,50
• Straulesti Lac Alfa shares	42.771.831	1,78
• Straulesti lac Alfa bonds	17.416.244	0,72
Group BVB, of which:	9.706.999	0,40
• Bursa de Valori Bucuresti shares	8.810.077	0,37
• Depozitarul Central shares	896.123	0,04
	7.913.954	0,33

b) 2. Securities and money market instruments issued by entities belonging to the Group de 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 EVERGENT Investments' assets (%)
AGROINTENS shares	44.884.773	1,86
TESATORIILE REUNITE shares	43.548.706	1,81

AGROLAND CAPITAL shares	37.586.273	1,56
MECANICA CEHLAU shares	23.916.641	0,99
CASA shares	19.969.293	0,83
REGAL shares	9.103.084	0,38
TESATORIILE REUNITE bonds	16.833.600	0,70
TOTAL EVERGENT Investments Group	195.842.370	8,13*

*with AGROINTENS SA virtual shares of 1.750.000,00 lei (subscribed and not assigned by 30.06.2021) the limit on EVERGENT Investments Group becomes 8,20%.

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

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

e) Value of current accounts and cash - allowed limit: 20% of assets. *The limit may be exceeded up to maximum 50% provided that the amounts come from the issue of equity securities, from investments that reached maturity, or from the sale of financial instruments in the portfolio, and that exceeding is not over 90 days.* In net assets on 30.06.2021, the value of current accounts and cash is 476.923 lei, representing 0,02% of assets value.

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

Bank name	Deposit value (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Eximbank	177.144.117	7,35
BRD-GSG	28.471.240	1,18
Banca Transilvania	3.232.073	0,13

g) UCITS not allowed for trading within a trading place or on a third state stock exchange, issued by a single A.I.F. destined for retail investors– **allowed limit: 20% of assets**

FIAIR name	Market value of asset category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Fondul Privat Comercial	79.386.581	3,30
FII DCP Investitii	35.743.254	1,48
FII Multicapital Invest	21.945.740	0,91
FIA Hermes	11.774.535	0,49

h) UCITS not allowed for trading within a trading place or on a third state stock exchange, issued by a single A.I.F. 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	63.363.701	2,63
BT Invest 1	29.727.391	1,23
Closed-end investment fund Optim Invest	28.173.503	1,17
FIA Certinvest shares	9.548.141	0,40

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

Opel-end AIF name	Market value of assets category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
Fondul Privat Comercial	79.386.581	3,30
FIA Alchemist	63.363.701	2,63
FIA DCP Investitii	35.743.254	1,48
BT Invest 1	29.727.391	1,23
Fond Inchis de investitii Optim Invest	28.173.503	1,17
FII Multicapital Invest	21.945.740	0,91
FIA Hermes	11.774.535	0,49
FIA Certinvest shares	9.548.141	0,40
TOTAL closed-end type AIF	279.662.844	11,61

i) 2. UCITS not allowed for trading in a trading venue, or on a third country stock exchange, issued by other open-type AIFs – case of the Group EVERGENT Investment 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 Piscator Equity Plus	13.879.806	0,58
FDI Transilvania	6.460.753	0,27
FDI Napoca	5.236.913	0,22
FDI Star Next	2.873.284	0,12
FDI Tehnoglobinvest	1.475.127	0,06
FDI Certinvest BET Index	1.224.084	0,05
FDI Certinvest BET FI Index	1.099.198	0,05
FDI Star Focus	1.097.410	0,05

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

UCITS name	Market value of assets category (FSA Reg. no.7/2020) (lei)	Weight of total EVERGENT Investments' assets (%)
SIF Transilvania	39.522.554	1,64

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 favor 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)	206.553.485	8,57
Closed bonds	34.249.844	1,42
TOTAL	240.803.329	10,00*

*with virtual AGROINTENS SA shares of 1.750.000,00 lei (subscribed and not assigned on 30.06.2021) pe EVERGENT Investments Group limit becomes 10,07%.

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 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, with its later amendments and additions – **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.

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

a) Memorandum of Association of the Central Depository, Title III, Chapter I, art. 10 (1)

Company shareholders may not hold more than **5% of vote rights**, with the exception of market operator, that may hold up to 75% of vote rights with FSA approval.

Issuer name	No. of shares held	Total no. 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 no. of issuers' shares	Holding percentage in the issuers' share capital (%)
Bucharest Stock Exchange	348.256	8.049.246	4,33

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

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

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

Issuer name	No. of shares held	Total no. of issuer's shares	Holding percentage of issuer's share capital (%)
Banca Transilvania	344.416.850	5.737.699.649	6,00

6.3. Abidance by Law no. 74/2015, art. 2 line (2) - On 30th June 2021, the value of assets managed by EVERGENT Investments and reported in compliance with “EVERGENT Investments' statement of assets and liabilities”, was 2.408.850.246 lei. Their value in euro is 488.937.879, EVERGENT Investments being classified in the category of AIFM managing assets of max. 500.000.000 euro, without the use of the leverage effect.

The leverage effect means any method through which the company increases the exposure of the portfolio it manages, either through cash loan or securities, or through derivatives position or any other means.

EVERGENT Investments' policy on the use of leverage (according to the Prospectus and FSA Authorization Rules): „The maximum leverage effect EVERGENT Investments may employ is twice the total assets value (Total Assets)”.

Leverage indicator on 30.06.2021, calculated for institutional reporting purpose (foreseen in Annex IV EU Regulation no.. 231/2013 and art. 38, line (4) Law no. 243/2019), is:

- ✓ 0,9781 (or 97,81%), according to gross method approach
- ✓ 1,00 (or 100,00%), according to engagement method.

On 30th June 2021, **EVERGENT Investments does not have assets acquired through the use of leverage.**

Between 01.01.2021 and 30.06.2021 there have been no securities financing transactions (SFT) and

no *total return swap* transactions (TRS), as defined by (EU) Regulation no. 2365/2015.

7. Other risks: regulation risk, systemic risk, strategic risk, reputational risk, conflict of interest risk, risk related to activities carried out by company subsidiaries, sustainability risks.

4.4. Crisis simulations

Stress testing and scenario analysis play an important role in risk management. EVERGENT Investments has carried out the annual crisis simulation for reference date 31st March 2021, in accordance with art. 15 line (3) letter (b) Directive 2011/61/UE and art. 16, line (1), second paragraph of Directive 2011/61/EU corroborated with art. 2 FSA Norm no. 39/2020.

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

The simulation of concomitant application of external shocks on various categories of securities in the portfolio on 31.03.2021 indicate that these may lead to a decrease by:

- ✓ 22,09% of total assets and 23,69% of net asset value (in the historic scenario)
- ✓ 48,99% of total assets and 52,54% of net asset value (in hypothetical scenario)

The results of the crisis simulation under normal and exceptional conditions, in accordance with article 16 line (!) of the second paragraph of Directive 2011/61/UE and art. 2 FSA Norm no. 39/2020:

- ✓ Scenarios were run applying extreme shocks on the assets, and separately on the liabilities of the Funds, as well as combined scenarios for the application of extreme shocks on both liabilities and assets. In all analyzed scenarios, the Fund has sufficient high-quality assets, whose valuation under normal or exceptional market conditions, will allow it to successfully meet its payment obligation on the short-term, in both normal and exceptional situations.
- ✓ Crisis simulations will contribute to the decision-making process on the adequate management level, including strategic business decisions.

5. Internal Audit

The internal audit position 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 financial auditors: Virginia Sofian, Gabriela Stelea

Internal audit is an independent activity of objective assurance and counseling, with the purpose of adding value and improving the company's operations. It helps the company in fulfill 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 General Manager. 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 and operations and submission of recommendations for their improvement.

Internal audit is exercised as follows:

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

Internal auditors report to directors, Audit committee and the Board of Directors regarding the purpose, authority and responsibility of the internal audit activity, with respect to its plan or its compliance with the Ethics Code and standards. Reporting includes significant aspects regarding risks and control, aspects connected to governance and other aspects that require the attention of executive management and/or Board of Directors.

Internal 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 SA;
- ✓ issues recommendations based on the results of the activities carried out
- ✓ verifies the abidance by issued recommendations
- ✓ reports aspects connected to internal audit.

Internal audit activity is carried out in compliance with the International Standards for Internal Audit Practice (IAI), its compliance being supported by the results of quality insurance and improvement program, internal and external evaluations.

Once every 5 years, the internal audit activity is assessed by a qualified independent auditor. The latest external assessment was at the end of 2019 and the opinion of the 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 the approved Charter of the Internal Auditor, policies, procedures, laws and regulations applicable.

The internal audit activity maintains a multiannual plan that includes, on a time horizon of 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 the risks associated with the auditable activities, for the purpose of prioritizing the internal audit missions on the forecast

horizon. The internal audit plan is annually assessed and is consistent with the companies' objectives.

The internal audit plan and necessary resources are endorsed by the Audit Committee and approved by the Board of Directors. At the same time, the significant modifications that have subsequently occurred are presented for endorsement and approval. The plan is revised and adapted, if necessary as an answer to changes in business, risks, operations, programs company's systems and controls.

For each assurance mission a plan is prepared and documented, that takes the following into consideration:

- ✓ the objectives of the activity that is revised and means through which the activity is controlled;
- ✓ significant risks related to the activity and means through which the potential risk impact is kept at an acceptable level;
- ✓ the adequacy and efficiency of the risk management and control activities, regarding the control framework;
- ✓ the opportunities for the significant improvement of the risk management and control activity.

The plan of the mission includes the mission objectives, coverage area, calendar and resource assignment. The mission objectives reflect the result of the evaluation of risks related to the revised activities. At the same time, when preparing the objectives of the mission the probability of errors, irregularities, inconsistencies and other significant exposures are taken into consideration.

Activities run by internal audit in H1 2021, based on the internal audit plan, targeted:

- ✓ activity audit for Agpointens SA subsidiary;
- ✓ activity audit of Tesatoriile Reunite SA – partial run;
- ✓ audit of the financial-accounting activity;
- ✓ follow-up of the progress registered in the implementation of internal audit recommendations, under monitoring on 31.12.2020 and 30.06.2021;
- ✓ verification of certain compliance aspects, at the request of the Board of Directors or directors;
- ✓ participation to work commissions/groups appointed by the Board of Directors or directors, to implement certain projects/ carry out certain activities.

Besides the activities presented, other **non-audit activities** were carried out, these included:

- ✓ strategic and annual planning of the internal audit activity;
- ✓ reporting on the internal audit activity;
- ✓ reporting to FSA on the implementation stage of recommendations made by the internal auditor, auditor of the IT system and Audit Committee;

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

Internal auditors directly report to the Audit Committee and the Board of Directors its conclusions and suggestions regarding the significant improvement of internal controls.

Following the insurance missions run in the reporting period, internal audit has submitted recommendations for process improvement. Based on the conclusions and recommendations submitted by internal audit, executive management ordered proper measures for the management of the identified risks.

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

At the same time, internal auditors report to directors, Audit Committee and Board of Directors regarding the purpose, authority, responsibility and performance of the internal audit activity in relation with the plan or regarding its compliance with the Ethics Code and standards. Reporting

includes significant aspects regarding risks and control, aspects connected to governance and other aspects that require the attention of executive management and/or Board of Directors.

Internal auditors follow the progresses registered in the implementation of recommendations and report to the management regarding the abidance by the terms set for implementation. At the same time, internal auditors monitor the setting of measures by the audited structures to finish recommendation implementation.

No situations were identified where the management decided not to take any measure to reduce the risks considered unacceptable for the company.

5. Compliance

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' activity, internal regulations and procedures and acts according to its competencies in order to prevent and propose measures for the remedy of any infringement of the law, applicable regulation for the capital market or internal EVERGENT Investments' regulations and procedures by its staff, follows-up the implementation of its suggestions and recommendations;
- c) counsels and assists relevant individuals responsible for the carrying out of the activity in order for EVERGENT Investments to abide by its obligations it has based on incidental capital market legislation.

The internal control activity has been mainly run through **permanent control** with a **pro-active nature**, exercised through the constant supervision and monitoring of the 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 H1 2021 are specific for EVERGENT Investments' activity as AIFM (authorization no. 20/23.01.2018), defined by art. 51 Law 74/2015 and are approved by the Board of Directors in the 2021 Annual investigations plan.

With the mention that all objectives set in the investigations plan were fulfilled, the activity of the compliance officers consisted mainly in the running of the

following **control activities** regarding the abidance by regulations applicable to EVERGENT Investments' activities:

1. Compliance with new legal norms applicable to EVERGENT Investments' activity:
 - ✓ Alternative investment funds- **authorization of EVERGENT Investments as alternative investment fund destined for retail investors (FLAIR)**, with depositary BRD Groupe Societe Generale SA – Authorization no. 101/25.06.2021.
 - ✓ Information regarding sustainability in the field of financial services ((UE) Regulation 2019/2088): within the legal deadline, 10th March the documents foreseen by the law were prepared and sent to FSA, namely published on the company's own website.
2. Conditions that laid at the base of **authorization/approval and functioning conditions foreseen under articles 2, 4 and 6-10 Law 74/2015** (EVERGENT Investments' authorization as AIFM – FSA authorization no.20/23.01.2018) **and subsequent modifications** – we have continued the process of revising the internal procedural framework, FSA was notified about the revision of the Remuneration policy and Organizational Structure Procedure.
3. **Prudential rules** foreseen by art. 12 Law 74/2015 – *no non-compliances identified.*
4. **Remuneration policy** foreseen by art. 13 Law 74/2015 - *s the abidance by the remuneration policy was verified on group level, including during 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 under art. 30-37 EU Reg. no. 231/2013 generating **conflicts of interest** - potential conflicts of interest situations corresponding to the type of conflicts of interest identified in EVERGENT Investments'/ EVERGENT Investments Group's activity were managed in accordance with the set regulations. *Conclusion: no conflict registered.*
6. Provisions of art. 18 Law no. 74/2015, line (1), (3)-(9), (11), (12) on the **evaluation of AIF assets**
 - ✓ Net monthly asset endorsed, that includes the verification of held assets evaluation method.
 - ✓ As an effect of AIF authorization, the implementation of new report methods, report/publication procedure and drafting of the first NAV, UNAV statement, corresponding to June, in accordance with FSA Regulation no. 7/2020 on the authorization and functioning of alternative investment funds.

Conclusion: no infringement of legal provisions 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 the depository and AIFM** – starting on the date as AIFM authorization, namely on 25.06.2021 the new “*Depository and Custody Contract*” has come into force. *Conclusion: compliance.*

9. **Transparency and reporting** obligations foreseen by art. 21 and 23, namely transparency obligations foreseen under art. 22 Law 74/2015.

All mandatory reports and public releases, according to the best practices in the own Corporate Governance Code were endorsed by the Compliance Department from the point of view of the abidance by the legal framework and report content; the web page is constantly updated in the Romanian and English language, once information is made public.

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

10. Obligations pertaining to AIFM following the obtaining of **control over certain unlisted companies and issuers** foreseen by art. 25-29 Law 74/2015.

a) Notifications were sent to FSA regarding the holding thresholds;

b) Information on the activity of subsidiaries was included in H1 report of EVERGENT Investments.

Conclusion: Full prior verification – no non-compliances noted.

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

a) all individuals with access to privileged information were informed about the closed periods regarding SIF2 trading and the status was verified during these periods, according to internal procedures. *Conclusion: no non-compliances identified.*

b) BD was submitted the Reports on the abidance of EVERGENT Investment of legal and internal regulations regarding the preparation of: EGMS and OGMS 28/29.01.2021 and 29/30th April 2021”, in the context of COVID pandemic. *privileged information connected to the convening of GMS was properly managed.*

12. Management of **complaints** regarding the activity of EVERGENT Investments on capital market – *reports were made in accordance with FSA Reg. no. 9/2015; no complaint was registered in the reporting period*

13. Abidance by legal and internal provisions for the organization and carrying out the **General Meeting of Shareholders on 28/29.01.2021 and 29/30.04.2021**, with the certification of the abidance by these obligations.

a) Specific measures were adopted regarding the preparation of GMS in the context of the COVID-19 pandemic

b) BD was submitted and approved the reports on “Abidance by EVERGENT Investments of legal and internal regulations regarding the preparation of EGMS and OGM on 28/29.01.2021 and 29/30th April 2021”. *Conclusion: no non-compliances identified.*

14. Verification of the abidance by Norm no. 33/2017 on the **organization of the archive activity** for entities authorized/approved, regulated and supervised by FSA -Usually, in the endorsement process for certain internal documents/operations the existence and keeping of document records in paper and electronic format are verified: *Conclusion: no non-compliances identified.*

15. **Obtaining FSA authorizations/decisions during the reporting period:**

a) Authorization of the modifications of the Memorandum of Association concerning the change of the Company’s name from “Societatea de Investitii Financiare Moldova” SA to “EVERGENT Investments” SA, approved by EGMS resolution no. 2 on 30th October 2020 – Authorization no.21/01.03.2021.

b) Approval of the public offering for acquisition of shares issued by EVERGENT Investments, for the purpose of lowering the share capital through the annulment of redeemed shares, in accordance with EGMS no. 4 on 27th April 2020 – FSA Resolution no. 303 on 3rd March 2021.

c) Authorization as members of the Board of Directors of EVERGENT Investments SA, in compliance with resolution no. 2 of the Ordinary General Meeting of Shareholders on 28th January 2021 of the following individuals: Ceocea Costel; Ciorcila Horia; Doros Liviu-Claudiu; Iancu Catalin-Jianu-Dan; Radu Octavian Claudiu, for a 4 years’ mandate starting on

5th April 2021. FSA authorization no. 49/30.03.2021

- d) Authorization of EVERGENT Investments SA's directors, in accordance with the resolution of the Board of Directors on 5th April 2021 for a 4 years' mandate, namely Mr. Doros Liviu-Claudiu; Mr. Iancu Catalin-Jianu-Dan – FSA Authorization no. 59/05.04.2021.
 - e) Authorization of EVERGENT Investments SA as Alternative investment fund manager for retail investors (F.I.A.I.R.), with depositary BRD Groupe Societe Generale SA – Authorization no. 101/25.06.2021.
 - f) Authorization of the modification of the Memorandum of Association in accordance with EGMS resolution no. 3 on 30th October 2020, as presented in the Annex to Authorization no. 101/25.06.2021.
 - g) Authorization of the simplified prospectus of EVERGENT Investments – authorization no. 101/25.06.2021.
16. **Method of abiding by internal procedures-** Verification of the abidance by internal procedures regarded mainly:
- a) Internal compliance endorsement for all investment notes, work procedures, from the point of view of the abidance/reflectance of legal provisions and internal regulations;
 - b) Compliance endorsement for the running of the 2nd and 3rd stage of the treasury shares redemption program in compliance with EGMS no. 4/27.04.2020 (running period: stage II: 09.12.2020 – 03.03.2021, RC 08.12.2020 and 26.01.2021; 3rd stage- 29.03-07.05.2021; RC 26.03.2021)
 - c) Compliance endorsement for the running of the Public Purchase of treasury shares between 09th March – 22nd March 2021 with the purpose of reducing the share capital through the annulment of redeemed shares, in accordance with EGMS Resolution no. 4 on 27th April 2020. The offer was approved by FSA resolution no. 303 on 3rd March 2021
 - d) Reports submitted to BD regarding the implementation stage of BD and MC on 31.03.2021 and 30.06.2021 ;

Conclusion : no non-compliances 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 Associations -** Internal compliance endorsements were issued for investment notes. *Conclusion: no infringement of legal provisions or internal regulations ascertained.*
- 18. Abidance by the internal procedures regarding ***“The supervision of the application of international sanctions on the capital market”*** – *monitoring of asfromania.ro website and sending notifications to the management structure, employees, if the case be*
- 19. The **briefing** of EVERGENT Investments, the management structure and employees regarding the legal regimen applicable to the capital market, including norms under public consultation, suggestions are sent to FSA, if necessary, following their integration on company level and prior approval of the management.

Staff of the Compliance department:

- 1. Michaela Puscas – compliance officer, manager (FSA Reg. no.: PFR13¹RCCO/04003)
- 2. Catalin Nicolaescu – compliance officer (FSA Reg. no. :PFR13¹RCCO/04004)

The detailed responsibilities of each individual employed in the department are set. In case one of the individuals is not present, his/her attributions and responsibilities are immediately taken over by the other.

7. Legal assistance, consultancy and representation.

Aligned to the objectives and strategy of the Company, the Legal Department plays an important role in achieving the rights and fulfilling the obligations of the company under legality. The department is subordinate to the President CEO and coordinated by a Director who ensures the organization, guidance and supervision of internal and inter-department activities, applying the measures necessary for the proper running of internal processes, abidance by the law and accurate understanding and application of specific regulations.

The main activities with impact on the company's activity where the Legal Department has paid an active role, carried out in the first half of 2021 are:

- ✓ Coordination of company efforts, regarding the notifications for the implementation of the name change to EVERGENT Investments S.A., by submitting the necessary document to public authorities and institutions, companies in the portfolio, contract partners, courts, a.s.o.
- ✓ Participation to the organization of the General Meetings, drafting of procedures, preparation of materials and documents on the agenda; ensuring the mentions necessary in the Trade Registry regarding resolutions adopted by the General Meeting and connected documents.
- ✓ Participation to the drafting and revision of documents for EVERGENT Investments SA's authorization as FIAIR – Alternative Investment fund destined for retail investors.
- ✓ Issue of specialized opinions and making sure the legitimacy endorsement is received for various projects and investments the company was interested in, work procedure, staff decisions, negotiation and inclusion of the suggestions of the company in various contracts, in agreement with its legitimate interests.
- ✓ Studies to improve legal provisions and suggestions to modify certain law and regulation drafts submitted for public debate, that the company is interested in.

7.1. Legal Representation

There is a total number of 218 files on the docket of the Legal Department, of which 34 were solved with final decisions. The Department **has made sure that in all litigations on the dockets of courts, in various trial stages, the necessary defenses were prepared and submitted on time**, and where solutions were not in favor of EVERGENT it resorted to specific remedies.

The statement of litigation in short, is as follows (details in annex 3):

Litigations where EVERGENT Investments is plaintiff:

- ✓ 164 files of which: 142 files in litigations pending in various trial stages (of which 106 are against AAAS) and 22 files are completed.
- ✓ The value of litigations on the dockets of courts: 65.171.486,05 lei (claims and insolvency).

Litigations where EVERGENT Investments is respondent:

- ✓ 54 files of which: 42 files in litigations pending on the docket in various trial stages, and 12 files are completed.
- ✓ The value of litigations on the docket of courts: 94.155,85 lei, namely 148.720,95 USD in files with object various claims.

Special attention is paid to files against AAAS Bucharest, given the total value of the claim to be recovered from this institution. Endeavors were intensified to recover debts for garnishment validation in relation with various garnished third parties, some of the decisions being in favor of EVER, that are to be valued in the coming period.

The involvement in the process of monitoring the legitimacy of resolutions adopted by the General Meetings of various companies in the portfolio also increased, a number of 11 shares with object annulment of GMS resolution being started, in those cases where illegitimacy reasons were identified

and EVER interests were affected. Under these circumstances it was necessary to start legal action with the purpose of reestablishing legitimacy and take certain documents out of civil circuit as null.

In litigations where our company acts as respondent, we have obtained some favorable solutions both in files with different objects and enforcement challenges against AAAS. In all cases where the solution is in favor of EVERGENT Investments S.A., expenses incurred by the company for the defense are validated by the court, the respondents being bound to pay to the extent set by the court.

7.2. Legal Consultancy

Legal consultancy is a current activity of the outmost importance and with special weight in the Legal Department, this activity being provided for both the company and the Group.

At the end of H1 2021 there is a number of 76 legal consultancy files. Consultancy targets the company's entire area of activity, files being prepared in fields such as: investment programs, revision of legislative suggestions, transactions, corporate operations, contracts, general meeting of shareholders.

7.3. Legitimacy endorsement

Legitimacy endorsement is granted by the Coordinating Director of the Department, for all legal documents the company is part of, or is directly interested in, making sure that those documents abide by the legal and prudential limits applicable.

At the end of H1 2021 there is a number of 249 legitimacy notices granted on various legal documents, such as contracts, addenda, decisions, mandates, agreements, in all activity areas within the Company.

We should also mention the endorsement of a number of 630 orders to make/cease payments regarding the payment of dividends to shareholders and approval of the corresponding answers.

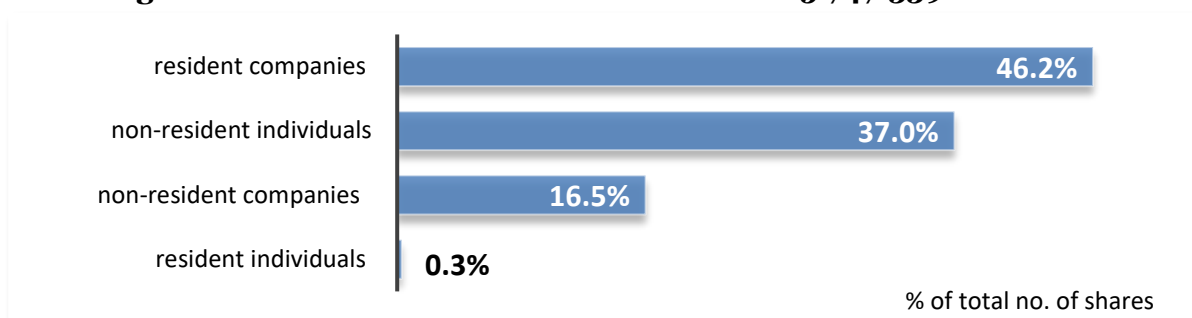
8. Corporate Governance

8.1. Relationship with investors. Dividend Policy.

In the first half of 2021, we have abided by and ensured **all transparency, information and reporting requirements¹ and obligations**, by publication of regular reports² and mandatory notifications through press releases and ample correspondence with the shareholders. Shareholders were provided additional information, some of them regular in nature (monthly newsletter), conceived in such a way as to ensure daily information on the company's activity.

According to the provisions of the "Corporate Governance Code", the regular and relevant information have been disseminated simultaneously, both in the Romanian and English language. An important component of the relationship with the shareholders is the direct communication activity: written correspondence (letters, e-mails); phone conversations.

Shareholding structure - H1 2021 – No. of shareholders: 5.747.339



Dividend Payment:

Dividend payment 30.06.2021	2017 Dividend	2018 Dividend	2019 Dividend	2020 Dividend
	0.05 lei/share	0.0304 lei/share	0.06 lei/share	0.043 lei/share
Total dividend payable (lei)	49,555,697	30,234,239	59,063,889	42,012,147.91
Total paid (lei)	37,481,667	22,827,789	43,895,217	29,341,299
% payment	75.64%	75.50%	74.32%	69.84%

According to the resolutions of EVERGENT Investments' Ordinary General Meeting of Shareholders on 29.04.2021:

- ✓ Dividends for 2020, of **0,043 lei/shares**, were made available on **11.06.2021** (*payment date*), for shareholders registered in the shareholders' register on **19.05.2021**, *registration date*, along with dividends for 2017, 2018 and 2019;

Dividends corresponding to 2017, set through the resolution of the Ordinary General Meeting of Shareholders no. 4 on 27.04.2018, not collected by 02.10.2021, become outdated.

Dividend payment is made abiding by the provisions of Law no. 24/2017, art. 86 and FSA Regulation no. 5/2018, art. 177, and is made through the Central Depository, the participants and assigned payment agent, Banca Transilvania, for the shareholders that are entered in the shareholders' register of EVERGENT Investments on record date 19.05.2021, as follows:

1. In case a shareholder has an equity account opened at a broker, participant to the compensation – settlement system and register of the Central Depository, dividends are paid through bank transfer, to the participant's account, on payment date 11.06.2021.
2. In case a shareholder does not have an equity account opened at a participant, dividends are paid by the Central Depository in cash, through Banca Transilvania, or bank transfer, by request. For shareholders companies, payments are made by request, through bank transfer.

¹ Related information in **EVERGENT Investments' Corporate Governance Code: Ch.1.1.1. General Meeting of Shareholders and Chapter 8. Shareholders' Rights**

² Note – details on each report category in the reporting period are presented in Annex 4.

Processing of personal data - EVERGENT Investments processes the personal data to which it has access in accordance with European Regulation no. 679/2016 (“Regulation”) on the protection of individuals with regard to the processing of personal data and on their free movement based on the legal obligations and legitimate interests of the Company and its shareholders. The company ensures compliance with all the principles provided by the Regulation on the processing of personal data to which it has access. The processing of personal data is carried out by automated and manual means, in compliance with legal requirements and under conditions that ensure security, confidentiality and respect for the rights of data subjects.

Corporate events:

✓ **Authorization of EVERGENT Investments’s management** (*Current report of 06.04.2021*)

Financial Supervision Authority (authorization no. 59/05.04.2021) authorized the following individuals as directors of EVERGENT Investments SA, in compliance with the Resolution of the Board of Directors on 5th April 2021:

1. Doros Liviu-Claudiu
2. Iancu Catalin-Jianu-Dan

The Board of Directors approved the appointing of the following individuals as members of the management structure:

1. Doros Liviu-Claudiu holds the office of President – CEO.
2. Iancu Catalin-Jianu-Dan holds the office of vice-president- deputy CEO

The directors’ mandate is 4 years, starting on 5th April 2021 until 5th April 2025.

✓ **Conducting of the extraordinary and ordinary general meetings of shareholders on 29th April 2021.** (*Current report on 29.04.2021*)

The extraordinary and ordinary general meetings of shareholders of EVERGENT Investments S.A. were held on first summon, on 29th April 2021 at the headquarters of the company in Pictor Aman St., no. 94C. All items on the agenda were discussed and approved. The main resolutions adopted were:

- Approval of the reduction of share capital of EVERGENT Investments SA from 98.947.917,60 lei to 98.121.305,10 lei, in accordance with and motivated by EGMS resolution no. 4 on 27.04.2020.
- Approval of a redemption program for treasury shares (“Program 5”) in order to lower the share capital through share annulment. The number of shares that can be redeemed is maximum 19.625.000 shares, and the maximum price per share is 2 lei.
- Approval of consolidated and individual financial statements for 2020.
- Approval of the assignment of a gross dividend per share of 0,043 lei/share, for shareholders registered on 19th May 2021 (ex-date 18th May 2021). Payment date is 11th June 2021.
- Approval of the activity program and 2021 income and expense budget.

	IEB 2021 mil lei
Total income	63,6
Total expenses	(45,8)
Net profit	16,4
Net gain from the sale of FVTOCI assets	57,5
Net result	73,9
Investment program	140

✓ **Authorization of EVERGENT Investments SA as AIFM.** (*Current report on 29.06.2021*)

Financial supervision authority has issued Authorization no. 101/25.06.2021 authorizing EVERGENT Investments as alternative investment fund manager destined for retail investors (FLAIR), with BRD Groupe Societe Generale SA as depository.

8.2. Human Resource Management.

On the level of the executive, special attention is paid to human resources for the purpose of ensuring the continuity of professional training programs in order to maintain the expertise acquired over several years of specialization. The staff working in the following fields was included in the continuous training programs: investment analysis, asset evaluation, accounting, compliance, audit, risk management, legal, corporate governance. The amount assigned in the reporting period for professional training and participation to conferences and seminars was 29,8 thousand lei.

At the end of H1 2021 the company has 37 employees.

Ensuring the continuity of the activity is done by **elaborating and implementing the Succession Plan - 2020 edition, with a time horizon in 2025**. The process of selecting and recruiting employees for key positions is underway, in accordance with the particularities of EVERGENT Investments.

8.3. IT Security

During the reporting period, the main objective of the IT activity was to **ensure the security and integrity of the data stored on the company's servers** and to reduce the risks generated by the cyber security incidents, by:

1. monitoring internet and mail traffic and early detection of cyber attacks;
2. warning the employees about these attacks and offering measures to counteract them;
3. adapting security policies in the context of remote activity, as a consequence of the COVID-19 pandemic;
4. elaboration of instructions, guides for using remote applications and testing them before use;
5. identification of additional risks and management methods if staff are allowed to use personal work devices (computer, laptop, phone);
6. optimizing the process of identifying and reporting cyber security incidents.

The Continuity Plan was elaborated and implemented, performing the half-yearly evaluation and its periodic testing, according to the requirements of FSA Regulation no. 2/2016 and FSA Norm no. 4/2018.

8.4. Social Responsibility.

EVERGENT Investments constantly carries out social responsibility activities in compliance with its own Corporate Governance Code, supporting either directly, or through specialized foundations/associations, fields such as: medical, educational, cultural, scientific, sporting, social, as well as various events of local or national interest. The Company uses the tax facilities connected to sponsorship activities.

Annexes:

1. Annex 1 Net asset statement 30.06.2021
 - Annex 1.1. Statement of Assets and Liabilities of EVERGENT Investments (FSA Reg. no. 7/2020 – Annex 10)
 - Annex 1.2. Detailed statement of EVERGENT Investments' investments (FSA Reg. no. 7/2020- Annex 11)
3. Annex 2 Condensed interim individual financial statements as of June 30, 2021 prepared in accordance with IAS 34 Interim Financial Reporting and applying FSA Norm no. 39/2015 on the approval of accounting regulations compliant with IFRS
3. Annex 3 Statement of litigations 30.06.2021

4. Annex 4 BSE, FSA Reports – H1 2021

Activity Report H1 2021 of the Board of Directors related to the Condensed interim individual financial statements as of June 30, 2021, was approved in BD meeting on 13.08.2021.

President CEO
Claudiu DOROS

Finance Director
Mihaela MOLEAVIN

Compliance manager
Michaela PUSCAS