

EVERGENT INVESTMENTS SA

**CONDENSED INTERIM INDIVIDUAL FINANCIAL
STATEMENTS FOR THE SIX MONTHS' PERIOD ENDED
ON
30th JUNE 2021**

Prepared in accordance with IAS 34 Interim Financial Reporting and with the application of Financial Supervision Authority's („FSA”) Norm 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 in the field of Financial Instruments and Investments

UNAUDITED

Page no.

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CONDENSED INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2021
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	<i>Note</i>	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
Revenue			
Gross dividend revenue		25.483.793	26.655.914
Interest revenue		1.620.802	1.594.873
Other operating revenue		492.199	629.976
Net gain/(net loss) from financial assets at fair value through profit or loss	5	38.702.482	(39.366.264)
Expenses			
Loss from financial assets impairment		(68.016)	(26.694)
Set-up of provisions for risks and expenses		(3.600)	(17.000)
Expenses with wages, remunerations and other similar expenses	6	(9.191.688)	(8.261.196)
Other operating expenses	7	(4.567.498)	(3.983.431)
Operating Profit / (Loss)		52.468.474	(22.773.822)
Interest expense from lease contract liability		(18.204)	(13.537)
Profit / (Loss) before tax		52.450.270	(22.787.359)
Income tax	8	(3.568.132)	3.234.669
Profit / (Loss) of the period		48.882.138	(19.552.690)
Other comprehensive income elements			
Reserve increase from revaluation of property, plant and equipment, net of deferred tax		12.333	13.190
Net gain/(loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	10 e)	240.855.270	(253.033.892)
Other elements of comprehensive income – elements that will not be reclassified in profit or (loss)		240.867.603	(253.020.702)
Net gain/ net (loss) from the revaluation of FVTOCI bonds	10 e)	49.758	(54.958)
Other elements of comprehensive income- elements that will be reclassified in profit or (loss)		49.758	(54.958)
Other comprehensive income elements - Total		240.917.361	(253.075.660)
Total comprehensive income of the period		289.799.499	(272.628.350)
Basic and diluted earnings per share (net profit/ net (loss) per share)	16	0,0501	(0,0199)
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)		0,1194	(0,0175)

The individual financial statements have been approved by the Board of Directors on 13th August 2021 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION
ON 30th JUNE 2021
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	<i>Note</i>	30th June 2021	31st December 2020
Assets			
Cash and current accounts		476.990	327.423
Bank deposits with initial maturity within 3 months	9	208.841.355	85.057.575
Financial assets measured at fair value through profit or loss	10 a)	376.422.596	364.462.371
Financial assets measured at fair value through other comprehensive income	10 b)	1.746.663.053	1.643.409.645
Bonds at amortized cost	10 c)	34.023.614	16.644.595
Bonds at fair value through other comprehensive income	10 c)	4.052.361	3.802.401
Investment property		4.103.857	4.103.857
Intangible assets		385.246	368.884
Plant, property and equipment		7.344.526	7.503.594
Right-of-use assets		937.218	1.132.811
Other financial assets at amortized cost	11	20.193.152	8.104.606
Other assets		366.872	344.410
Total assets		2.403.810.840	2.135.262.172
Liabilities			
Lease liabilities		883.305	1.070.045
Dividends payable	12	47.813.513	35.818.292
Provisions for risks and expenses		132.944	129.344
Deferred tax liabilities	13	116.794.744	90.800.183
Current tax liabilities	14	10.064.487	4.171.854
Financial liabilities at amortized cost		627.324	944.439
Other liabilities	14	2.074.732	3.292.889
Total liabilities		178.391.049	136.227.046
Equity			
Share capital	15	514.402.388	514.402.388
Retained earnings		946.304.637	871.860.684
Reserves from the revaluation of property, plant and equipment		8.540.229	8.527.896
Reserves from the revaluation of financial assets at fair value through other comprehensive income	10 e)	765.148.886	591.817.817
Treasury shares	15 d)	(18.345.308)	(9.595.338)
Equity-based payments to employees, directors and administrators	15 e)	5.398.224	18.457.300
Other equity elements		3.970.735	3.564.379
Total equity		2.225.419.791	1.999.035.126
Total liabilities and equity		2.403.810.840	2.135.262.172

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Mihaela Moleavin
Finance Director

CONDENSED INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2021
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total
Balance on 31st December 2020	514.402.388	8.527.896	591.817.817	871.860.684	(9.595.338)	18.457.300	3.564.379	1.999.035.126
Comprehensive income								
Profit of the period ended on 30th June 2021	-	-	-	48.882.138	-	-	-	48.882.138
Other comprehensive income elements	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment, net of deferred tax	-	12.333	-	-	-	-	-	12.333
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax	-	-	240.855.270	-	-	-	-	240.855.270
Revaluation at fair value of FVTOCI bonds	-	-	49.758	-	-	-	-	49.758
Net gain, transferred to retained earnings, for the sale of FVTOCI equity instruments	-	-	(67.573.959)	67.573.959	-	-	-	-
Total comprehensive income of the financial year	-	12.333	173.331.069	116.456.097	-	-	-	289.799.499
Transactions with shareholders directly recognized in equity								
Acquisition of treasury shares	-	-	-	-	(21.184.680)	-	(236.581)	(21.421.261)
Assigned treasury shares	-	-	-	-	12.434.710	(13.077.647)	642.937	-
Dividends payable for 2020	-	-	-	(42.012.144)	-	-	-	(42.012.144)
Other elements	-	-	-	-	-	18.571	-	18.571
Total transactions with shareholders directly recognized in equity	-	-	-	(42.012.144)	(8.749.970)	(13.059.076)	406.356	(63.414.834)
Balance on 30th June 2021	514.402.388	8.540.229	765.148.886	946.304.637	(18.345.308)	5.398.224	3.970.735	2.225.419.791

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CEO

Mihaela Moleavin
Finance Director

CONDENSED INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS' PERIOD CONCLUDED ON 30th JUNE 2021
(All amounts are presented in Lei, unless otherwise stated)



<i>In Lei</i>	Share capital	Reserves from the revaluation of property, plant and equipment	Reserve from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity instruments	Total
Balance on 31st December 2019	521.004.761	8.698.494	795.634.481	881.728.409	(30.335.310)	20.142.446	610.568	2.197.483.849
Comprehensive income								
<i>Loss of the period ended on 30st June 2020</i>	-	-	-	(19.552.690)	-	-	-	(19.552.690)
Other comprehensive income elements								
Revaluation of property, plant and equipment net of deferred tax	-	13.190	-	-	-	-	-	13.190
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax	-	-	(253.033.892)	-	-	-	-	(253.033.892)
Revaluation at fair value of FVTOCI bonds	-	-	(54.958)	-	-	-	-	(54.958)
Net gain transferred to retained earnings, for the sale of FVTOCI equity instruments	-	-	(2.398.392)	2.398.392	-	-	-	-
Total comprehensive income of the financial year	-	13.190	(255.487.242)	(17.154.298)	-	-	-	(272.628.350)
Transactions with shareholders directly recognized in equity								
Acquisition of treasury shares	-	-	-	-	(2.742.258)	-	(6.855)	(2.749.113)
Treasury shares assigned to directors and employees	-	-	-	-	5.129.568	(6.818.771)	1.689.204	-
Dividends distributed from the profit of 2019 financial year	-	-	-	(59.063.889)	-	-	-	(59.063.889)
Other elements	-	-	-	-	-	(246.029)	-	(246.029)
Total transactions with shareholders, directly recognized in equity	-	-	-	(59.063.892)	2.387.310	(7.064.800)	1.682.348	(62.059.035)
Balance on 30th June 2020	521.004.761	8.711.684	540.147.239	805.510.219	(27.948.000)	13.077.647	2.292.915	1.862.796.465

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Claudiu Doros
CEO

Mihaela Moleavin
Financial Director

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

CONDENSED INDIVIDUAL STATEMENT OF CASH FLOW
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2021
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	Note	6 months' period ended on 30 th June 2021	6 months' period ended on 30 th June 2020
Operating activities			
Profit before tax		52.450.270	(22.787.359)
Adjustments:			
Loss from assets impairment		68.016	26.694
(Gain) / Loss of financial assets at fair value through profit or loss	5	(38.702.482)	39.366.264
Dividend income		(25.483.793)	(26.655.914)
Interest income		(1.620.802)	(1.594.873)
Interest expenses from lease liabilities contract		18.204	13.537
Set-up of provisions for risks and expenses		3.600	17.000
Other adjustments		(348.442)	59.069
Modifications of assets and liabilities corresponding to operating activities			
Payments for acquisition of financial assets at fair value through profit or loss		(10.014.667)	(22.028.854)
Proceeds from sales of financial assets at fair value through profit or loss		36.756.924	-
Payments for acquisition of financial assets at fair value through other comprehensive income		(30.342.134)	(31.989.397)
Proceeds from sales of financial assets at fair value through other comprehensive income		206.685.913	3.951.428
Proceeds from capital returns (company in the portfolio)			22.675.625
Payments for the acquisition of bonds		(16.800.000)	-
Proceeds from bonds		5.880	7.808.718
Changes in other assets		(12.114.020)	877.590
Changes in other liabilities		(697.692)	(888.083)
Proceeds from dividends		24.441.752	22.174.991
Proceeds from interest		808.985	1.223.051
Paid profit tax		(9.377.959)	(7.912.060)
Net cash resulted from operating activities		175.737.553	(15.662.573)
Investment activities			
Payments for acquisition of intangible assets, property, plant and equipment		(158.082)	(201.020)
Net cash used in investment activities		(158.082)	(201.020)
Financing activities			
Paid dividends		(30.016.923)	(41.541.611)
Acquisition of treasury shares		(21.421.261)	(2.749.114)
Payments of lease liability principal		(206.100)	(188.714)
Payments of lease liability interest		(18.204)	(13.537)
Net cash used in financing activities		(51.662.488)	(44.492.976)
Net increase /(decrease) of cash and cash equivalents		123.916.983	(60.356.569)
Cash and cash equivalents on January 1st		85.331.836	98.250.928
Cash and cash equivalents on 30th June		209.248.819	37.894.359

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

CONDENSED INDIVIDUAL STATEMENT OF CASH FLOW
FOR THE 6 MONTHS' PERIOD ENDED ON 30th JUNE 2021
(All amounts are presented in Lei, unless otherwise stated)



In LEI

	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
Cash in the cash register	4.398	4.118
Current bank accounts	472.594	348.871
Bank deposits with initial maturity under 3 months	208.771.827	37.541.370
Cash and cash equivalents	209.248.819	37.894.359

The individual financial statements were approved by the Board of Directors on 13th August 2021 and signed on its behalf by:

Claudiu Doros
CEO

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

EVERGENT Investments SA („the Company”), is setup as a Romanian, private-law legal entity, organized as public limited company, classified according to applicable regulations as Alternative Investment Fund such as investment companies – F.I.A.S., category: Alternative Investment Fund for Retail Investors– F.I.A.I.R., with a diversified investment policy, closed-end, self-managed.

The Company is certified by the Financial Supervision Authority (FSA) as Alternative Investment Fund manager with *Certificate no. 20/23.01.2018.* and as Alternative Investment Fund for Retail Investors (F.I.A.I.R.), with *Certificate no. 101/25.06.2021.*

The Company's headquarters is located in Pictor Aman St. no. 94C, Bacau municipality, Bacau district, Romania.

According to its Memorandum of Association, the Company's main business activity consists in:

- Portfolio management;
- Risk management;
- al other auxiliary activities related to collective administration activities, allowed by the legislation in force.

The Company self-manages in unitary system.

Shares issued by EVERGENT Investments SA are registered with BVB, main market, Premium category, symbol: „EVER” since de 29th March 2021 (before this date the shares of the company were traded under stock exchange symbol “SIF2”)

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

The assets deposit services are provided by BRD – Société Générale S.A. – a company authorized by the National Committee for Securities, whose attributions and prerogatives have been taken over by FSA.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The condensed interim individual financial statements for the six months' period ended on 30th June 2021, have been prepared in accordance with IAS 34 "Interim Financial Reporting", applying the provisions of Norm 39/2015 for the approval of Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA in the field of Financial Instruments and Investments (Norm 39/2015).

These condensed interim individual financial statements should be read along with the annual financial statements for the financial year ended on 31st December 2020, available on the Company's internet page: www.evergent.ro. These interim financial statements will also be available on this page, starting on 13th August 2021.

These interim financial statements do not include all the information required for a complete financial statement set, but the selected explanatory notes are included to explain the events and transactions that are significant to understand the modifications of the Company's financial position and performance in comparison to the latest published annual financial statements.

The consolidated financial statements of EVERGENT Investments Group on 30th June 2021 shall be prepared, approved and made public up to the 15th September 2021. They will be available on the Company's internet page: www.evergent.ro.

The Company's accounting records are held in lei (symbol of national currency: „RON”).

(b) Functioning and Presentation Currency

The management of the Company thinks that the functional currency, as defined by IAS 21 „The Effects of Changes in Foreign Exchange Rates”, is the Romanian leu („RON”). The individual financial statements are presented in RON, rounded to the closest RON, a currency that the Company has selected as presentation currency.

(c) Basis of Evaluation

The condensed interim individual financial statements have been prepared based on the fair value convention for financial assets and liabilities at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.

Other financial assets and liabilities, as well as non-financial assets and liabilities have been presented at amortized cost, revaluated value or historical cost.

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgments

The preparation of the condensed interim individual financial statements involves the management's use of certain predictions, judgments and hypothesis that affect the application of accounting policies, as well as the reported value of assets, liabilities, revenue and expenses. The estimates and associated assumption are based on historical experience and various other factors that are believed to be to be relevant in the context of these estimates. The results of these estimates form the basis for the judgments regarding the carrying value of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from those of the estimates.

The judgments and assumptions that lay at their base are periodically reviewed by the Company. The revisions of accounting estimates are recognized in the period when the estimate is reviewed, if the revision only affects that period, or in the period when the estimate is reviewed and the following period, if the revision affects both the current and future periods.

The information and reasoning concerning the application of accounting policies with the highest degree of uncertainty regarding the estimates, that have a significant impact on the amounts recognized in these condensed interim financial statements, are the following:

- ascertaining the fair value of financial instruments (see explanatory note 10 (d))
- Fair value hierarchy and unobservable inputs used in the evaluation (Leven 3) (see explanatory note 10 (d))
- Classification of financial instruments (see explanatory note 4)

(e) The impact of COVID 19 epidemic on the financial position and performance of the Company

The coronavirus epidemic („COVID-19”), declared a pandemic by the World Health organization on the 11th March 2020 has significantly affected world economy, including financial markets who registered significant decrease, reflected in the evolution of the most important stock indexes.

In the first quarter of 2021, the Company's financial position and performance recorded a significant increase (see explanatory notes 5 and 10 a) and b)), in the context of the upward trend of quotations on financial markets (Bucharest Stock Exchange included) started at the end of 2020, following their decrease generated by the COVID 19 epidemic.

Until 30th June 2021, international financial markets, as well as Bucharest Stock Exchange, reflected a relatively high volatility, but continued to recover following the significant decrease in the first part of 2020.

2. BASIS OF PREPARATION (continued)

(e) Impact of COVID 19 epidemic on the financial position and performance of the Company (continued)

In the context of COVID 19 epidemic, there could be a high volatility of market quotations on Bucharest Stock Exchange, market on which most of the Company's portfolio is exposed, in 2021. For 2021 uncertainties and risks resulted from the evolution of the pandemic and related restrictive measures – given the extension of the third pandemic wave, including on internal level, as well as the vaccination dynamics on world level, and especially on the level of EU.

Following the significant decrease of quotations in 2020 after the start of COVID-19 pandemic, with impact on the Company's assets value, markets have fully reabsorbed the effects of this crisis in 2021, recording important increases. Measures taken in states all over the world, and in Romania as well, both as a response to the epidemic itself and the economic measures have reestablished the trust in the economic and social environment, in particular in financial and commodities markets. It is expected that world economy, including economies of European Union countries record an important increase, with a Romanian GDP increase above the European average.

The management of the Company does not estimate difficulties in honoring its engagements towards shareholders and third parties, liquidities available, both present and future, being in line with the limits imposed by regulations and sufficient to cover current payments and dividend distribution.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied for these condensed interim financial statements are consistent with those in the Company's annual financial statements for the financial year ended on 31st December 2020 and they have been applied consistently for all periods presented in these condensed interim financial statements.

To ensure the consistency with the information in the current period, the Company has reclassified in the condensed individual statement of comprehensive income, the condensed individual statement of cash-flows, and the condensed individual statement of equity modifications and in the corresponding explanatory notes, certain elements for the comparative period (period ended on 30th June 2020).

4. FINANCIAL ASSETS AND LIABILITIES

The table below summarizes the carrying value and fair value of the Company's financial assets and liabilities on 30th June 2021:

<i>In LEI</i>	Financial assets at fair value through profit or loss, on initial recognition	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying value	Fair value
Cash and current accounts	-	-	476.990	476.990	476.990
Bank deposits with initial maturity within 3 months	-	-	208.841.355	208.841.355	208.841.355
Financial assets at fair value through profit or loss	376.422.596	-	-	376.422.596	376.422.596
Financial assets at fair value through other comprehensive income	-	1.746.663.053	-	1.746.663.053	1.746.663.053
Bonds at amortized cost	-	-	34.023.614	34.023.614	34.023.614
Bonds at fair value through other comprehensive income	-	4.052.361	-	4.052.361	4.052.361
Other financial assets at amortized cost	-	-	20.193.152	20.193.152	20.193.152
Total financial assets	376.422.596	1.750.715.414	263.535.111	2.390.673.121	2.390.673.121
Dividends payable	-	-	47.813.513	47.813.513	47.813.513
Financial liabilities at amortized cost	-	-	627.324	627.324	627.324
Lease liabilities	-	-	883.305	883.305	883.305
Total financial liabilities	-	-	49.324.142	49.324.142	49.324.142

For financial assets and financial liabilities at amortized cost, there are no differences between fair value and carrying value, since these are current assets/liabilities. For bonds at amortized cost, the Company has analyzed the fair value of bonds on 30th June 2021 and concluded there are no significant differences between fair value and amortized cost.

4. FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the carrying values and fair values of the Company's financial assets and liabilities on 31st December 2020:

<i>In LEI</i>	Financial assets at fair value through profit or loss, on initial recognition	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying value	Fair value
Cash and current accounts	-	-	327.423	327.423	327.423
Bank deposits with initial maturity within 3 months	-	-	85.057.575	85.057.575	85.057.575
Financial assets at fair value through profit or loss	364.462.371	-	-	364.462.371	364.462.371
Financial assets at fair value through other comprehensive income	-	1.643.409.645	-	1.643.409.645	1.643.409.645
Bonds at amortized cost	-	-	16.644.595	16.644.595	16.644.595
Bonds at fair value through other comprehensive income	-	3.802.401	-	3.802.401	3.802.401
Other financial assets at amortized cost	-	-	8.104.606	8.104.606	8.104.606
Total financial assets	364.462.371	1.647.212.046	110.134.199	2.121.808.616	2.121.808.616
Dividends payable	-	-	35.818.292	35.818.292	35.818.292
Financial liabilities at amortized cost	-	-	944.439	944.439	944.439
Lease liabilities	-	-	1.070.045	1.070.045	1.070.045
Total financial liabilities	-	-	37.832.776	37.832.776	37.832.776

5. GROSS DIVIDEND INCOME

<i>In LEI</i>	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
SNGN Romgaz	13.547.185	-
OMV Petrom	3.644.628	544.628
SN Nuclearelectrica	2.775.228	-
Aerostar	2.751.286	2.979.585
Străulești Lac Alfa	998.275	-
Bursa de Valori Bucuresti	371.659	286.345
SNTGN Transgaz	164.029	4.384.043
Tesatoriile Reunite	-	8.071.966
Mecanica Ceahlau	-	8.063.073
Regal	-	1.951.520
Other	1.231.503	374.754
Total	25.483.793	26.655.914

Dividend income is recorded at gross value. The taxation rates for dividends corresponding to the period ended on 30th June 2021 were 5% and 0% (30th June 2020: 5% and 0%). Dividend tax exemption is applied in case the Company's holding percentage was over 10% of the dividend distributing company's share capital, for an uninterrupted period of at least on year before distribution.

In the first half of 2021, the value of gross dividends distributed by companies for which holdings were classified as financial assets at fair value through other comprehensive income was 24.222.440 lei (6 months' period ended on 30th June 2020: 16.122.715 lei).

6. NET GAIN / (NET LOSS) ON ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>In LEI</i>	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
Net gain / (Net loss) from the revaluation of financial assets measured at fair value through profit or loss	36.282.313	(39.366.264)
Net gain from the sale of financial assets at fair value through profit or loss	2.420.169	-
Total	38.702.482	(39.366.264)

The unrealized net profit registered in the first half of 2021, of 36.282.313 lei (6 months' period ended on 30th June 2020: unrealized net loss of 39.366.264 lei) represents the difference between the revaluation at fair value of shares and fund units held at fair value through profit or loss.

In the current period, unrealized net profit was generated mainly by the fair value increase of fund units. The increase was caused by the continuation of the upwards trend of quoted market prices (including on Bucharest Stock Exchange) started in the last part of 2020, following their decrease in the first half.

In the previous period, unrealized net loss was mainly generated by the modification of fair value of fund units, following the adverse effect that the start of the COVID 19 epidemic generated crisis has had on the pricing of financial instruments on Bucharest Stock Exchange.

6. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with wages, allowances and other benefits, as well as corresponding contributions of employees, members of the Management Committee and Board of Directors.

<i>In LEI</i>	6 months' period ended on 30 th June 2021		6 months' period ended on 30 th June 2020	
	No. of beneficiaries	Value	No. of beneficiaries	Value
Fixed remunerations				
Board of Directors	5	3.598.039	5	4.148.424
Management Committee	2	2.167.145	2	1.612.116
Employees	37	3.095.752	34	2.323.906
Total fixed remunerations		8.860.936		8.084.446
Variable remunerations				
Employees				
Bonuses for the running year	37	132.504		-
Total		132.504		-
Social contributions and similar		198.248		176.750
Total wages, allowances, contributions and similar expenses		9.191.688		8.261.196

Remunerations due to directors are approved by the Board of Directors, through the Management Agreements.

The average no. of employees for the half year ended on 30th June 2021 was 37 (30th June 2020: 33).

7. OTHER OPERATING EXPENSES

<i>In LEI</i>	6 months' period ended on 30 th June 2021	6 months' period ended on 30 th June 2020
Commission expenses	1.916.312	1.370.665
Expenses with outsourced services	1.109.384	1.097.822
Expenses with promotion and protocol	399.686	81.098
Expenses with the amortization of tangible and intangible assets	300.788	257.750
Expenses with the depreciation of rights-of-use assets from leasing contracts	217.191	196.888
Expenses with sponsorships and patronage	86.000	447.958
Other operating expenses	538.137	531.250
Total	4.567.498	3.983.431

7. OTHER OPERATING EXPENSES (continued)

Expenses with commissions and fees mainly include commissions related to net asset owed to FSA, commissions for equity transactions on the regulated market, commissions owed to the depository bank and fees for legal assistance, as well as commissions for register services owed to the Central Depository and other fees for consultancy.

Expenses with outsourced services are represented mainly by the cost of portfolio management services, services for the management of property owned by the Company and the cost of insurance, maintenance and repairs.

Other operating expenses include expenses with travel, post and telecommunication, expenses with maintenance and repairs, utilities, fuel, materials and inventory objects, other taxes and other expenses.

8. INCOME TAX

<i>In LEI</i>	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
Current income tax		
Current income tax (16%)	2.399.361	-
Dividend tax (5%)	<u>1.042.041</u>	<u>270.757</u>
Deferred income tax		
Investment property and property, plant and equipment	(9.939)	(9.818)
Liabilities related to profit share and other benefits	137.245	140.717
Provisions for risks and expenses	(576)	(2.720)
Other liabilities	-	90.718
Other elements (tax loss)	<u>126.730</u>	<u>(3.724.322)</u>
Total	<u>3.568.132</u>	<u>(3.234.669)</u>

8. INCOME TAX (continued)

The reconciliation of profit before tax with income tax expenses in the profit or loss account:

<i>In LEI</i>	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
Profit before tax	52.450.270	(22.787.359)
Tax in accordance with the statutory taxation rate of 16% (2020: 16%)	8.392.043	(3.645.977)
Effect on income tax of:		
Non-deductible expenses	1.088.298	6.347.877
Non-taxable income	(4.115.084)	(5.175.777)
Other elements	(2.965.896)	129.808
Effect of tax loss impact on the current period	-	(1.380.253)
Registration/ (reversal) of time differences	126.730	218.896
Dividend tax (5%)	1.042.041	270.757
Income tax	3.568.132	(3.234.669)

The effective income tax rate on 30th June 2021 is 7% (30th June 2020: 14%).

On ascertaining the tax result, expenses for management and administration, as well as other expenses are taken into account as non-deductible expenses, proportional to the weight of non-deductible revenue in total revenue registered by the Company.

The main non-taxable income is represented by dividend income and revenue from differences following the evaluation of financial assets at fair value through profit or loss (holdings over 10%, over a period longer than 1 year), and non-deductible expenses include expenses with the benefit plan, expenses from the revaluation of financial assets at fair value through profit or loss (holdings over 10% over a period longer than 1 year), as well as expenses proportionally assigned to non-taxable revenue.

9. BANK DEPOSITS WITH INITIAL MATURITY UNDER 3 MONTHS

<i>In LEI</i>	30th June 2021	31st December 2020
Term deposits with initial maturity within 3 months	208.771.827	85.004.412
Attached claims	75.603	56.262
Total bank deposits – gross value	208.847.430	85.060.674
Expected credit loss	(6.075)	(3.099)
Total bank deposits	208.841.355	85.057.575

The bank deposits are constantly at the Company's disposal and are not restricted.

All Company's bank deposits are classified as Stage 1.

10. FINANCIAL ASSETS

a) *Financial assets at fair value through profit or loss*

<i>In LEI</i>	30th June 2021	31st December 2020
Fund units	313.009.419	298.357.626
Shares	63.413.177	66.104.745
Total	<u>376.422.596</u>	<u>364.462.371</u>

<i>In LEI</i>	30th June 2021	30th June 2020
1st January	<u>364.462.371</u>	<u>389.164.163</u>
Purchases during the period	10.014.667	22.028.855
Sales during the period	(36.756.924)	-
Capital return (company in the portfolio)	-	(22.675.626)
Changes in fair value	36.273.691	(39.366.264)
Gain from FVTPL sale	2.428.791	-
30th June	<u>376.422.596</u>	<u>349.151.128</u>

b) *Financial assets assigned at fair value through other comprehensive income*

<i>In LEI</i>	30th June 2021	31st December 2020
Shares measured at fair value	1.746.663.053	1.643.409.645
Total	<u>1.746.663.053</u>	<u>1.643.409.645</u>

On 30th June 2021 and 31st December 2020 the category of shares measured at fair value through other comprehensive income included mainly shares held in Banca Transilvania, SNGN Romgaz, Aerostar and BRD – Groupe Societe Generale.

The company has used its irrevocable option to assign equity instruments at fair value through other comprehensive income, as these financial assets are held both for dividend collection and for gain from their sale and not for trading.

10. FINANCIAL ASSETS (*continued*)

The movement of financial assets measured at fair value through other comprehensive income in the period ended on 30th June 2021 and 30th June 2020 is presented in the table below:

<i>In LEI</i>	30th June 2021	30th June 2020
1st January	<u>1.643.409.645</u>	<u>1.830.970.481</u>
Sales during the period	(206.685.913)	(3.951.428)
Purchases during the period	30.342.134	31.989.397
Changes in fair value	279.597.187	(293.984.815)
30th June	<u>1.746.663.053</u>	<u>1.565.023.635</u>

In the first 6 months of 2021, shares valued at fair value through other comprehensive income registered a significant increase, following the return of financial markets (including Bucharest Stock Exchange) on an upward trend, after the significant decrease registered in 2020 (especially in the first part of the year), caused by the impact of the COVID 19 epidemic generated crisis.

10. FINANCIAL ASSETS (continued)

c) Bonds at amortized cost

<i>In LEI</i>	30th June 2021	31st December 2020
Corporate bonds	34.249.844	16.744.533
Municipal bonds	64.940	70.909
Total bonds at amortized cost – gross value	<u>34.314.784</u>	<u>16.815.442</u>
Expected credit loss	(291.170)	(170.847)
Total bonds at amortized cost	<u>34.023.614</u>	<u>16.644.595</u>
Corporate bonds	4.052.361	3.802.401
Total bonds at fair value through other comprehensive income	<u>4.052.361</u>	<u>3.802.401</u>

On 30th June 2021 the category of bonds at amortized cost included bonds issued by Bacău Town Hall, Străulești Lac Alfa and Tesătoriile Reunite (on 31st December 2020: bonds issued by Bacău town Hall and Străulești Lac Alfa).

On 30th June 2021 and 31st December 2020, the category of bonds at fair value through other comprehensive income included bonds issued by Autonom Service SA, that are held by the Company in a business model whose objective is to keep financial assets to collect contract cash flows and sell them. Autonom Service bonds are listed on Bucharest Stock Exchange.

All Company bonds are classified as Stage 1.

10. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy

The table below analyses the financial instruments designed at fair value depending on the valuation method. Fair value levels depending on the entry data in the valuation model have been defined as follows:

- Level 1: listed prices (not adjusted) on active markets for identical assets and liabilities;
- Level 2: entries other than the quoted prices included in Level 1 that are observable for assets or liabilities either directly (e.g. prices), or indirectly (e.g. price derivatives);
- Level 3: entries for assets or liabilities that are not based on observable inputs from market (unobservable inputs).

30th June 2021

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	321.820.296	-	54.602.300	376.422.596
Financial assets measured at fair value through other comprehensive income	1.514.436.074	-	232.226.979	1.746.663.053
Bonds at fair value through other comprehensive income	4.052.361	-		4.052.361
Total	<u>1.840.308.731</u>		<u>286.829.279</u>	<u>2.127.138.010</u>

31st December 2020

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	309.004.839	-	55.457.532	364.462.371
Financial assets measured at fair value through other comprehensive income	1.410.174.001	-	233.235.644	1.643.409.645
Bonds at fair value through other comprehensive income	3.802.401	-	-	3.802.401
Total	<u>1.722.981.241</u>		<u>288.693.176</u>	<u>2.011.674.418</u>

10. FINANCIAL ASSETS (continued)
d) Fair Value Hierarchy (continued)

Modification of Level 3 Fair Value

In LEI

	30th June 2021	30th June 2020
Balance on 1st January	<u>288.693.176</u>	<u>311.740.739</u>
Total gain/(loss) recognized in profit or loss	(869.898)	4.699.342
Total loss recognized in other comprehensive income	(1.008.665)	(972.252)
Purchases / participation to capital increase	14.666	2.818.245
Capital return (company in the portfolio)	-	(22.675.048)
Balance on 30th June	<u>286.829.279</u>	<u>295.611.027</u>

On 30th June 2021 and 31st December 2020 the Company classified as Level 1 titles measured based on BVB market close prices on the last trading date. This evaluation level includes fund units measured based on the unitary value of their net assets, certified by the depositaries of these funds.

Level 3 classified holdings were evaluated by independent assessors, certified by the National Association of Chartered Assessors of Romania (“ANEVAR”), based on the financial instruments supplied by the department with monitoring function, using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, under the supervision and revision of management, making sure that the data that the evaluation reports are based on is accurate and adequate.

10. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th June 2021	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest without active market	2.099.809	Market approach, comparable companies method	Invested capital/turnover multiple: 0.5 Invested capital/EBITDA multiple: 4.2 Lack of liquidity discount: 16.3%	The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA, the lower the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest	8.421.752	Market approach, comparable companies method	Invested capital/turnover multiple: 0.6 – 1.6 Invested capital/EBITDA multiple: 6.2 – 6.4 Equity value/ carrying value multiple: 0.9 Lack of liquidity discount: 9.6% – 16.3%	The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA multiple, the lower the fair value. In the balance, the carrying value is identified through equity. The lower the price/carrying value ratio, the lower the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest with control right	44.884.773	Income approach – discounted cash-flow method	Weighted average cost of capital: 9.9% Lack of liquidity discount: 18.9%.	The lower the weighted average cost of capital, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest	425.671	Income approach –discounted cash-flow method	Weighted average cost of capital: 13.9% Constant long-term revenue increase rate: 2.5% Lack of control discount: 16.1% Lack of liquidity discount: 16.3%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Listed interest with control rights, without active market	9.103.084	Assets approach-asset accumulation method or adjusted net asset method	Market value of equity reported to their carrying value: 1.2	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value.

10. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial assets	Fair value on 30 th June 2021	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted interest with control right	101.104.272	Assets approach-asset accumulation method or adjusted net asset method	Market value of equity, reported to their carrying value: 0,8÷0,9 Lack of liquidity discount: 9,6%	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of liquidity discount, the higher the fair value.
Listed minority interest, without active market	70.759.293	Assets approach - asset accumulation method or adjusted net asset method	Market value of equity, reported to their carrying value: 1,1÷2,0 Lack of control discount: 14,2%÷17,3% Lack of liquidity discount: 9,6%	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest	50.030.625	Assets approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their carrying value: 1,0÷1,2 Lack of control discount: 11,9%÷21,6% Lack of liquidity discount: 9,6%÷16,3%	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Total	286.829.279			

10. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial assets	Fair value on 31 st December 2020	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Minority interest without active market	2.099.809	Market approach, comparable companies' method	Invested capital value / turnover multiple: 0.5 Invested capital/EBITDA multiple: 4.2 Lack of liquidity discount: 16.3%	The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA multiple, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest	8.421.706	Market approach, comparable companies' method	Invested capital/turnover multiple: 0.6 – 1.6 Invested capital/EBITDA multiple: 6.2 – 6.4 Equity/carrying value multiple: 0.9 Lack of liquidity discount: 9.6% – 16.3%	The lower the EV/Sales multiple, the lower the fair value. The lower the EV/EBITDA multiple, the higher the fair value. In the balance, the carrying value is identified through equity. The lower the price/carrying value ratio, the lower the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted interest with control right	44.884.773	Revenue approach – discounted cash-flow method	Weighted average cost of capital: 9.9% Lack of liquidity discount: 18.9%.	The lower the weighted average cost of capital, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest	425.671	Revenue approach – discounted cash-flow method	Weighted average cost of capital: 13.9% Constant long-term revenue increase rate: 2.5% Lack of control discount: 16.1% Lack of liquidity discount: 16.3%	The lower the weighted average cost of capital, the higher the fair value. The higher the constant long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.

10. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial assets	Fair value on 31 st December 2020	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Unlisted interest with control right	102.112.983	Assets approach – asset accumulation method or Adjusted net asset method	Equity market value reported to their carrying value: 0.8 -0.9 Lack of liquidity discount: 9.6%	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of liquidity discount, the higher the fair value.
Listed interest with control right without active market	9.103.084	Assets approach – asset accumulation method or Adjusted net asset method	Equity market value reported to their carrying value: 1.2	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value.
Listed minority interest without active market	70.759.293	Assets approach – asset accumulation method or Adjusted net asset method	Equity market value reported to their carrying value: 1.1 -2 Lack of control discount: 14.2%÷17.3% Lack of liquidity discount: 9.6%	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Unlisted minority interest	50.885.857	Assets approach – asset accumulation method or Adjusted net asset method	Equity market value reported to their carrying value: 1.0÷1.2 Lack of control discount: 11.9%÷21.6% Lack of liquidity discount: 9.6%÷16.3%	In the balance, the carrying value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of liquidity discount, the higher the fair value.
Total	288.693.176			

10. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Sensitivity analysis

Although the Company considers that fair value estimates are adequate, the use of other methods and hypothesis could lead to different value of fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the modification of one or more hypotheses would influence the Company's profit or loss and other comprehensive income elements on 30th June 2021 as follows:

Modified hypothesis (Lei)	Impact on profit or loss (before tax)	Impact on other comprehensive income (before tax)
WACC increase by 50 bps	-	(2.028.429)
WACC decrease by 50 bps	-	2.153.433
Increase of the perpetuity increase rate by 25 bps	-	5.003
Decrease of the perpetuity increase rate by 25 bps	-	(4.788)
Increase of (EBITDA, CA, P/E) multiples by 10%	199.311	1.069.312
Decrease of (EBITDA, CA, P/E) multiples by 10%	(199.311)	(1.069.312)

The main unobservable inputs are:

Income multiple: this is an instrument used to evaluate companies based on the market comparison with similar, listed companies. The estimation of a company based on turnover is useful when the profit value is influenced by elements that are not connected to the normal course of business. The turnover is the profit and loss account indicator that is the hardest to be influenced by accounting policies, which recommends its being used as a multiple.

EBITDA Multiple is the most relevant multiple used in the evaluation of an ownership interest, and it is calculated using the information available for comparable listed companies (with the same geographic location, extent of industrial sector, target markets as well as other factors that the valutors consider relevant). Trading multiples for comparable companies are determined by dividing the company value to the corresponding EBITDA indicator and through the later application of discounts, from grounds such as lack of liquidity and other differences between the analyzed and evaluated company.

10. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Price/carrying value: this indicator evaluates the market price of a company in relation with its equity (net asset). This indicator reflects the ratio that investors are willing to pay for the net asset per share value. P/BV ratio significantly varies, depending on the field of activity. A company that requires more assets (for example a manufacture company with manufacture area and equipment) will need a significantly lower accounting Price /value of equity, than one whose revenue comes from service delivery (for example a consultancy company).

Weighted average cost of capital represents the company's capital cost in nominal terms (including inflation) based on the "Capital Asset Pricing Model". All capital sources – shares, bonds and other long-term liabilities are included in the calculation of the weighted average cost of capital.

Lack of control discount represents the discount applied to reflect the absence of control and it is used in the discounted cash flow method, in order to determine the value of the minority ownership interest in the capital of the valuated company.

Lack of liquidity discount represents the discount applied to comparable market multipliers, in order to reflect liquidity differences between the company in the portfolio subjected to valuation and the comparable companies considered. The assessors estimate the discount for lack of liquidity based on their professional judgment, taking into consideration the market conditions concerning liquidity and factors that are specific for the assessed company.

In case of ownership interests that are part of holding-type companies, we have used the adjusted net asset method, namely accounting net asset following subsequent valuations where the revenue method was applied.

10. FINANCIAL ASSETS (continued)

e) Reserve from the revaluation at fair value of financial assets, shares measured at fair value through other comprehensive income, net of deferred tax

	30 th June 2021	30 th June 2020
On 1st January	<u><u>591.817.817</u></u>	<u><u>795.634.481</u></u>
Gross (loss)/gain from the revaluation of financial assets measured at fair value through other comprehensive income	279.656.423	(294.050.242)
Deferred tax corresponding to the gain from revaluation of financial assets measured at fair value through other comprehensive income	<u>(38.751.395)</u>	<u>40.961.392</u>
Net gain from the revaluation of available financial assets measured at fair value through other comprehensive income	<u>240.905.028</u>	<u>(253.088.850)</u>
Net gain corresponding to the transfer to retained earnings following the sale of financial assets	<u>(67.573.959)</u>	<u>(2.398.392)</u>
On 30th June	<u><u>765.148.886</u></u>	<u><u>540.147.239</u></u>

The net gain obtained 67.573.959 lei, registered in the first half of 2021 was mainly achieved from the sale of Banca Transilvania, Transgaz, OMV Petrom and Nuclearelectrica shares.

11. OTHER FINANCIAL ASSETS AT AMORTIZED COST

<i>In LEI</i>	30 th June 2021	31 st December 2020
Sundry debtors	75.132.200	63.125.934
Trade receivables	49.250	51.294
Advances for suppliers	27.751	62.445
Collateral deposits (guarantees)	19.627	52.055
Dividends to collect	155.828	1.440
Total other financial assets –gross value	75.384.656	63.293.168
Minus expected credit loss corresponding to other financial assets	(55.191.504)	(55.188.562)
Total other financial assets	<u><u>20.193.152</u></u>	<u><u>8.104.606</u></u>

Claims from sundry debtors mainly include amounts corresponding to final sentences of 55.123.995 lei (31st December 2020: 55.120.982 lei) and claims from transactions pending settlement on 30th June 2021 of 15.465.977 lei (31st December 2020: 6.295.020 lei).

For those values whose collection is uncertain, the Company has calculated adjustments for the corresponding expected credit loss.

11. OTHER FINANCIAL ASSETS AT AMORTIZED COST (continued)

Sundry debtors are divided between performing claims (current claims) of 20.173.524 lei (31.12.2020: 8.104.606 lei) lei and impaired claims of 55.191.504 lei (31.12.2020: 55.188.562 lei).

The company uses the simplified approach applicable to trade receivables and leasing contracts receivables that do not have a significant financing component, and eliminates the need to calculate expected loss for credit risk for Stage 1 and the need to evaluate the occurrence of a significant credit risk increase.

Adjustment movements for expected credit loss for other assets at amortized cost can be analyzed as follows:

<i>In LEI</i>	30th June 2021	30th June 2020
On 1st January	<u>(55.188.562)</u>	<u>(55.752.204)</u>
Set-up	(3.012)	(10.377)
Reversal	70	1.076
On 30th June	<u><u>(55.191.504)</u></u>	<u><u>(55.736.630)</u></u>

12. DIVIDENDS PAYABLE

<i>In LEI</i>	30th June 2021	31st December 2020
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162.381	162.380
Dividends payable for 2015	167.010	167.010
Dividends payable for 2016	162.496	163.855
Dividends payable for 2017	12.074.030	12.140.534
Dividends payable for 2018	7.406.449	7.556.837
Dividends payable for 2019	15.168.672	15.626.050
Dividends payable for 2020	12.670.849	-
Total dividends payable	<u><u>47.813.513</u></u>	<u><u>35.818.292</u></u>

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law, with the exception of amounts garnished according to the law.

13. LIABILITIES RELATED TO DEFERRED INCOME TAX

Liabilities related to deferred income tax on 30th June 2021 are generated by the elements detailed in the following table:

<i>In LEI</i>	<u>Assets</u>	<u>liabilities</u>	<u>Net</u>
Financial assets measured at fair value through other comprehensive income	723.608.263	-	723.608.263
Tangible assets	3.761.340	-	3.761.340
Investment property	3.235.287	-	3.235.287
Provisions for litigations	-	(132.944)	(132.944)
Liabilities related to profit share in cash and untaken holidays	-	(504.794)	(504.794)
Total	<u>730.604.890</u>	<u>(637.738)</u>	<u>729.967.152</u>
Net temporary differences, 16% rate			729.967.152
Liabilities related to deferred profit tax			<u>116.794.744</u>

Liabilities related to deferred income tax on 31st December 2019 are generated by the elements presented in the table below:

<i>In LEI</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets measured at fair value through other comprehensive income	561.857.236	-	561.857.236
Tangible assets	3.838.421	-	3.838.421
Investment property	3.297.406	-	3.297.406
Provisions for litigations	-	(129.344)	(129.344)
Liabilities related to profit share in cash and untaken holidays	-	(1.362.573)	(1.362.573)
Total	<u>568.993.063</u>	<u>(1.491.917)</u>	<u>567.501.146</u>
Net temporary differences- 16% rate			567.501.146
Liabilities related to deferred income tax			<u>90.800.183</u>

Deferred income tax directly recorded through the lowering of equity is 116.549.584 lei on 30th June 2021 (31st December 2020: 90.681.752 lei), being generated by financial assets measured at fair value through other comprehensive income for which the Company's interest is under 10%, for a period of time under one year and property, plant and equipment.

14. OTHER LIABILITIES

<i>In LEI</i>	30th June 2021	31st December 2020
Taxes	1.393.340	1.787.089
Liabilities related to cash benefits	62.411	920.191
Liabilities related to wages and other wage rights	541.499	580.168
Other liabilities	77.482	5.441
Total	<u>2.074.732</u>	<u>3.292.889</u>

Liabilities related to cash benefits plan represent the amounts that are to be offered as profit-share and bonuses to employees, in accordance with the Collective Employment contract and to the directors according to the Management Contracts, payable in cash.

Current liabilities, including those with current income tax were paid by the Company on time.

15. CAPITAL AND RESERVES

(a) Share Capital

The structure of the Company's shareholding on 30th June 2021, namely 31st December 2020 is presented in the tables below.

30th June 2021	No. of shareholders	No. of shares	Nominal value (Lei)	(%)
Individuals	5.747.339	369.636.716	36.963.672	37%
Companies	170	619.842.460	61.984.246	63%
Total	<u>5.747.509</u>	<u>989.479.176</u>	<u>98.947.918</u>	<u>100%</u>
31st December 2020	No. shareholders	No. shares	Nominal value (Lei)	(%)
Individuals	5.748.590	365.813.829	36.581.383	37%
Companies	180	623.665.347	62.366.535	63%
Total	<u>5.748.770</u>	<u>989.479.176</u>	<u>98.947.918</u>	<u>100%</u>

All shares are ordinary and have been subscribed and paid in full on 30th June 2021 and 31st December 2020. All shares have the same vote right and a nominal value of 0.1 lei/share. The number of shares authorized for issue is equal to that of issued shares.

Thus, the share capital on 30th June 2021 and 31st December 2020 had a nominal value of 98.947.918 lei (31st December 2020: 98.947.918 lei).

15. CAPITAL AND RESERVES (continued)

(a) Share Capital (continued)

The 415.454.470 lei difference between the carrying value of the share capital of 514,402,388 lei and its nominal value is the inflation difference generated by the application of IAS 29 “Financial reporting in hyper-inflationist economies” up to 1st January 2004.

(b) Reserves from the revaluation of assets measured at fair value through other comprehensive income

This reserve includes the cumulated net fair value modifications of financial assets evaluated at fair value through other comprehensive income on the date of their classification in this category until the date these were derecognized.

Reserves from the revaluation of financial assets valued at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred tax recognized directly through the decrease of equity is presented in explanatory note 10 e).

(c) Legal Reserves

According to legal requirements, the Company sets up legal reserves of 5% of the registered profit in accordance with statutory accounting regulations applicable, up to 20% of the share capital. The value of legal reserve on 30th June 2021 is 20.763.584 lei (31st December 2020: 20.763.584 lei).

Legal reserves cannot be distributed to shareholders and are included in retained earnings.

(d) Treasury Shares

The total number of treasury shares held by the Company on 30th June 2021 is 12.456.173 shares representing 1,26% of the share capital (31st December 2020: 8.497.889 shares, representing 0,86% of share capital) in total 18.345.308 lei (31st December 2020: worth 9.595.338 lei).

15. CAPITAL AND RESERVES (continued)

(d) Treasury Shares (continued)

The evolution of the number of shares (and their value) in the first half of 2021, namely 2020 is the following:

Treasury shares	Balance on 1 st January 2021	Purchases during the period	Assignments during the period (directors and employees)	Balance on 30 th June 2021
Buy-back program approved by EGMS on 27.04.2020	3.416.855	14.135.441	(5.096.123)	12.456.173
Buy-back program approved by EGMS on 18.04.2019	4.000.000	-	(4.000.000)	-
Buy-back program approved by EGMS on 25.04.2016	1.081.034	-	(1.081.034)	-
Total no. of shares	8.497.889	14.135.441	(10.177.157)	12.456.173
Total share value (Lei)	9.595.338	21.184.680	(12.434.710)	18.345.308
Treasury shares	Balance on 1 st January 2020	Purchases during the period	Assignments during the period (directors and employees)	Balance on 30 th June 2020
Buy-back program approved by EGMS on 18.04.2019	15.087.556	1.612.444	(5.853.023)	10.846.977
Buy-back program approved by EGMS on 25.04.2016	6.934.057	-	-	6.934.057
Total number of shares	22.021.613	1.612.444	(5.853.023)	17.781.034
Total share value (Lei)	30.335.310	2.742.258	(5.129.568)	27.948.000

The Company has run in the first half of 2021 the public offering of treasury shares, with the following main characteristics:

- No. of treasury shares acquired through the offer: 8,266,125, representing 0.84% of share capital
- Purchase price: 1.6 lei per share
- Run period: 9 – 22nd March 2021
- Offer broker: BT Capital Partners SA

The purpose of the program is the reduction of the share capital through the annulment of treasury shares, in accordance with EGMS no. 4 on 27th April 2020

15. CAPITAL AND RESERVES (continued)

(e) Equity-based payments to employees

Equity-based payments to employees represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding on 30th June 2021, namely 31st December 2020:

<i>In LEI</i>	30th June 2021	31st December 2020
SOP 2019	-	13.077.647
SOP 2020	5.398.224	5.379.653
Total	5.398.224	18.457.300

Shares corresponding to SOP 2019 are 13,077,646 lei (a number of 10,177,157 shares) and will be assigned in 2021 for a price of 1.2850 lei/share (closing price on 24th April 2020).

Shares corresponding to SOP 2020 are 5.398.224 lei (a number of 3.842.152 shares) will be assigned in 2022 for a price of 1,4050 lei/share (closing price on 28th April 2021).

16. EARNINGS PER SHARE

The calculation of the earnings per basic share was calculated based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares in circulation (without treasury shares):

In LEI

	30th June 2021	30th June 2020
Net profit/(loss) assignable to the Company shareholders	48.882.138	(19.552.690)
<i>Average weighted number of ordinary shares in circulation</i>	<i>975.563.106</i>	<i>980.894.061</i>
	<hr/>	<hr/>
Earnings per basic share (net profit / (loss) per share)	0,0501	(0,0199)
Net profit / (loss) assignable to the Company's shareholders	48.882.138	(19.552.690)
Gain reflected in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)	67.573.959	2.398.392
<i>Average weighted number of ordinary shares in circulation</i>	<i>975.563.106</i>	<i>980.894.061</i>
	<hr/>	<hr/>
Earnings per basic share (including earnings from the sale of FVTOCI financial assets)	0,1194	(0,0175)

Diluted earnings per share are equal to the earning per basic share since the Company has not registered potential ordinary shares.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During its course of activity, the Company has identified the following parties in special relationships:

List of subsidiaries and interest percentage:

	30th June 2021	31st December 2020
Agrointens SA	99,99%	99,99%
Agroland Capital SA	99,99%	99,99%
A3 Snagov SRL*	99,99%	-
Casa SA	99,32%	99,32%
Mecanica Ceahlău SA	73,30%	73,30%
Regal SA	93,02%	93,02%
Țesătoriile Reunite SA	99,99%	99,99%

A3 Snagov SRL subsidiary, set-up in June 2021, is indirectly held by the Company through Agroland Capital SA, which holds 100% of its shares.

Filiala Asset Invest SA (held by the Company with 99.99%) was voluntary liquidated (and cancelled in December 2020) after its assets and activity were transferred to CASA SA subsidiary.

Associates of the Company

The Company holds an investment in an associate on 30th June 2021 and 31st December 2020, Străulești Lac Alfa SA, with the 50% interest.

At the end of the reporting period, the following balances correspond to transactions with associates:

<i>In LEI</i>	30th June 2021	31st December 2020
CASA SA		
Other financial assets at amortized cost		1.974
Financial liabilities	88.524	120.400
STRAULESTI LAC ALFA		
Corporate bonds at amortized cost	17.416.244	16.744.533
TESĂTORIILE REUNITE		
Corporate bonds at amortized cost	16.833.600	-
AGROINTENS		
Financial assets at amortized cost (advance corresponding to capital increase)	1.750.000	-

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

In the reporting period the following transactions were carried out with associates, representing mainly dividends, rents and delivery of management, archive and mandate services.

<i>In LEI</i>	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
AGROLAND SA		
Other operating revenue	794	781
ASSET INVEST SA		
Other operating revenue	-	15.472
Other operating expenses	-	288.833
CASA SA		
Other operating revenue	196.504	190.426
Other operating expenses	421.596	200.491
REGAL SA		
Gross dividend income	-	1.951.520
MECANICA CEAHLAU SA		
Gross dividend income	-	8.063.073
TESATORIILE REUNITE SA		
Gross dividend income	-	8.071.966
Interest income	33.600	
STRAULESTI LAC ALFA		
Interest income	671.711	675.422
Gross dividend income	998.275	-

Key Management Staff

On 30th June 2021, the members of Board of Directors were: Liviu Claudiu Doroş (President of the Board of Directors and CEO, Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and deputy CEO), Costel Ceocca (non-executive director), Horia Ciorcilă (non-executive director) and Octavian Claudiu Radu (non-executive director).

The key management staff includes the members of the Board of Directors, Management Committee and the coordinators of the departments of the Company and its subsidiaries.

The wages and compensations corresponding to the 6 months' period of 2021 and 2020 are presented in the table below:

	6 months' period ended on 30th June 2021	6 months' period ended on 30th June 2020
Board of Directors	3.598.039	4.148.424
Management Committee	2.167.145	1.612.116
Department coordinators	1.320.013	962.506
Total, of which:	<u>7.085.197</u>	<u>6.723.046</u>
<i>Share-based payment</i>	<u>-</u>	<u>-</u>

Detailed information regarding the compensation and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 6.

The Company does not offer key staff benefits following employment or benefits for the cease of the employment contract.

18. SUBSEQUENT EVENTS

Extension of the state of alert related to COVID 19 epidemic

Starting on 12th July 2021, Romania's Government approved the extension by 30 days of the state of alert on Romanian territory. Romania entered the state of alert on 15th May 2020, after two months of state of emergency decreed by Romania's president on 16th March 2020.

The individual financial statements were approved by the Board of Directors on 13th August 2021 and were signed on its behalf by:

Claudiu Doros
 CEO

Mihaela Moleavin
 Finance Director