

**EGMS**  
**April 28/29, 2022**  
**Item 2**

**AIFM authorised by**  
**FSA under no. 20 of**  
**January 23, 2018**

**RIAIF authorised by**  
**FSA under no. 101**  
**of June 25, 2021**

Approval of the running of a treasury shares buy-back program - "Program 7", abiding by applicable legal provisions and with the following main characteristics:

a) Program purpose: The company will buy-back shares for the purpose of reducing the share capital through share annulment, as well as for the purpose of running "stock option plan" type programs.

b) The maximum number of shares that can be bought-back: maximum 28.025.000 shares (2,856% of registered share capital), of which maximum 19.625.000 shares (2,000% of registered share capital) through public offering, for the purpose of reducing the share capital through share annulment and maximum 8.400.000 shares through market operations (0,856% of registered capital) for distribution to employees, executive managers and directors of the Company through "stock option plan" type programs.

c) Minimum price per share: the minimum purchase price shall be the BVB market price at the time the acquisition is made

d) Maximum price per share: 2,2 lei.

e) Program duration: maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV.

f) Payment of bought-back shares shall be made from the distributable profit or available reserves of the Company, registered on the latest approved annual financial statement, with the exception of legal reserves registered on 2021 financial statements, in accordance with the provisions of art. 103 index 1 Companies' Law no. 31/1990.

The authorization of the Board of Directors and individually of its members to adopt all resolutions necessary in order to implement the resolution, maintaining the authorization of the Board of Directors through EGMS resolution no. 3 on 18.04.2019, published in Romania's Official Journal Part IV, no. 2124/21.05.2019, regarding the implementation of all necessary measures to run and implement "stock option plan"-type programs.

### **A.1 Presentation of the impact of the buy-back program approved in EGMS of 29.04.2021**

The previously completed buy-back program, approved by the Extraordinary General Meeting of Shareholders on 29.04.2021, has been a **success given the interest manifested by investors**; the program was run through *public offering*, through which a number of 19.459.459 treasury shares were bought-back for a price of 1,85 lei/share.

The high interest of investors lead to the submission of 274.289.619 shares within the offer, representing 27,795% of share capital, so that the assigning index set within the *public offering* was 0,0709449343.

The success of the previous Buy-back program has led the Board of Directors to submit for the approval of the Extraordinary General Meeting of Shareholder a new Buy-back program through Public Offering, for the purpose of reducing the share capital.

### **The effects of the buy-back program approved in the EGMS of 29.04.2021:**

We consider that the benefit generated for EVERGENT Investments shareholders through gain from capitalization exceeds the costs related to the buy-back program. The treasury shares buy-back program has brought benefits both to shareholders who sold through the Public Offering (PO), and to those who decided to continue and remain shareholders, since the buy-back operation contributed to the support of EVER share liquidity, and the recognition of their assets on the market, through discount lowering.

#### **a) Buy-back of treasury shares through public offering for the purpose of reducing the share capital**

The running of the public offering of treasury shares was between 2th September – 11<sup>th</sup> October 2021, a number of 19.459.459 treasury shares being purchased within it. EVERGENT Investments registered treasury shares (buy-back of treasury shares) on the transaction date as a reduction of equity (in an equity account, namely account 1091 „Treasury shares held on the short-term”), in compliance with art. 75 FSA Rule no. 39/2015.

Therefore, accounting entries were the following:

- bought-back treasury shares are registered at acquisition price in account no. 1091 „Treasury shares held on the short-term”;
- trading costs and other costs related to the buy-back program are registered in account 1498 „Other losses related to equity instruments”, in accordance with article 75 line 2 FSA Rule no. 39/2015.

Total lowering of equity is **36.506.393** lei, of which:

(a) 35.999.999,15 lei – value of bought-back shares (at acquisition price);

(b) 506.393,85 lei – trading costs and other costs related to the buy-back program.

The value of the buy-back program, in total **36.506.393** lei, includes the following categories:

<b>Category</b>	<b>Value ( lei)</b>
1- Acquisition price	35.999.999,15
2- Trading, acquisitions costs for treasury shares	104.400,00
3- FSA tax Public Offering documentation (1% of offer value)	360.000,00
4- Other costs related to the treasury shares buy-back operation	41.993,85

Additional costs represented 1,39% of the acquisition offers. Acquired shares represented 1,98% of EVERGENT Investments’ share capital, at nominal value.

Between 21<sup>st</sup> September 2021 (before the approval of PO by FSA) – 13<sup>th</sup> October 2021 (following the closing of PO), EVER share price increased from 1,32 lei to 1,47 lei (11,4%).

**The analysis of indicator - the ratio between the *total acquisition price* of the buy-back program and *market capitalization of EVERGENT Investments*.**

(i) *market capitalization*: **Between 21<sup>st</sup> September– 13<sup>th</sup> October 2021 we ascertain the increase of the company’s market capitalization by 11,4%**. EVER closing price was 1,32 lei on 21<sup>st</sup> September– before the approval of PO by FSA and 1,47 lei on 13<sup>th</sup> October 2021, following the closing of PO;

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

P/CB at the start of the program= **2,82%** (36.506.393 lei/1.295.201.227,3 lei);

P/CB at the end of the program= **2,53%** (36.506.393 lei/ 1.442.383.184,9 lei).

**b) Buy-back of treasury shares**, through market operations to run “stock option plan” type programs

Buy-back for share distribution to directors, executive managers and employees of the company through “stock option plan” programs was carried out on stages: the first stage between 12.10.2020 – 04.12.2020, the second between 09.12.2020 – 03.03.2021, and the third between 29.03-07.05.2021.

**9.286.171** shares (0,9464% of share capital) were purchased within the approved program for an average purchase price of **1,303575** lei, total value of **12.105.220** lei.

The value of the buy-back program with the purpose of the approved “stock option plan”, of **12.129.430** lei, includes the following categories:

Categories	Value (lei)
1 – acquisition price	12.105.220
2 – commissions for trading, acquisition of treasury shares	24.210

Additional costs represented 0,2% of the buy-back program value. The nominal value of purchased shares represented 0,9385% of EVERGENT Investments’ share capital, valid until the completion of the 3<sup>rd</sup> stage.

**Between 12.10.2020 – 07.05.2021, the price of EVERGENT Investments’ shares increased by while 18,52%, NAVPS increased by 12.34%, so that the discount dropped from la 37% to 34%.**

EVERGENT Investments registered treasury shares (buy-back of own shares) on the trading date as a deduction of equity (into an equity account, namely account 1091 „Treasury shares held for the short-term”), in accordance with article 75 of FSA norm no. 39/2015.

Therefore, the accounting records were the following:

- Bought-back treasury shares are registered at acquisition price in account 1091 „Treasury shares held on the short-term”;
- Trading costs and other costs related to the buy-back program are registered in account 1498 „Other losses related to equity instruments”, in accordance with art. 75, line 2 din Norma ASF nr. 39/2015.

Total lowering of equity is 12.129.430 lei, of which:

(a) 12.105.220 lei – value of bought-back shares (at acquisition price);

(b) 24.210 lei – trading costs.

**The analysis of indicator** - ratio between the *total acquisition price* of the Buy-back program and *EVER market capitalization*.

- (a) *Market capitalization*: Between 12.10.2020 – 07.05.2021 there can be ascertained an increase of the company's market capitalization by 18,5%.
- (b) *Total acquisition price/ market capitalization ratio (P/MC)*: It is ascertained that since the first stage of the buy-back program, at the end of the third stage of the buy-back program, P/ MC ratio decreased.

P/ MC at the start of the program = 1,00% (12.129.430 lei/1.202.217.199 lei)

P/ MC at the end of the 3rd stage = 0,85 % (12.129.430 lei/1.424.850.013 lei)

**A.2 Presentation of the impact of the Buy-back program approved by EGMS resolution no. 4 on 20.01.2022 in order to reduce the share capital through share annulment**, according to which the Company will buy-back a maximum number of 23.100.000 shares (maximum 2,402% of share capital).

The running of the share buy-back program approved by EGMS on 20<sup>th</sup> January 2022, started on 26.01.2022.

By 18.03.2022 a number of 3.325.682 shares have been bought for a total value of 3.958.562 lei, which includes the following categories:

Category	Value (lei)
1- acquisition price	3.950.661
2- trading commissions for treasury shares acquisitions	7.901

Additional costs between 26.01.2022- 18.03.2022 represented 0,20% of purchased shares value. Bought shares represented 0,3389% of EVERGENT Investments' share capital, at nominal value. Indicator analysis – ratio between the total acquisition price of the buy-back program and market capitalization of EVERGENT Investments – is not relevant in the context of the extreme volatility created by the current geo-political context.

## **B. Presentation of a new Buy-back program presented for the approval of EGMS on 28/29.04.2022**

The success of the previous Buy-back program that generated a very high subscription, so that the distribution index with the Offer was 0,0709449343, convinced the Board of Directors to submit for the approval of the Extraordinary General Meeting a new shares buy-back program through Public Offering.

Through this new program, EVERGENT Investments can absorb a limited number of shares from the market and it is expected that the Program contribute in 2022 as well to the increase of EVER share demand, with positive effect on liquidation and the reduction of the discount with which shares are traded.

**The Board of Directors submit to EGMS approval a new Buy-back Program - ("Program 7") of treasury shares, with the following main characteristics:**

**a) Program purpose: The Company shall buy-back shares for the purpose of reducing the share capital through share annulment, and in order to run "stock option plan"-programs.**

**b) The maximum number of shares that can be bought-back: maximum 28.025.000 shares (2,856% of the registered share capital), of which maximum 19.625.000 shares (2,000% of the registered capital) through public offering, for the purpose of reducing the share capital through share annulment and maximum 8.400.000 shares through market operations (0,856% of registered capital) for the purpose of distribution to the employees, executive managers and directors of the Company, within “stock option plan” –type programs.**

**c) Minimum price per share: the minimum acquisition price will be the BVB market price at the time the purchase is made.**

**d) Maximum price per share: 2,2 lei.**

**e) Program duration: maximum 18 months from the date the resolution is published in Romania’s Official Journal, part IV.**

**f) The payment of bought-back shares shall be made from the distributable profit or Company’s available resources, registered on the latest approval annual financial statement, with the exception of legal reserves registered in 2021 financial statements, in accordance with the provisions of art. 103 index 1 Companies’ Law no. 31/1990.**

**Authorization of the Board of Directors, and individually of its members to adopt all necessary decisions in order to implement the resolution, keeping the authorization granted to the Board of Directors through EGMS resolution no. 3 on 18.04.2019, published in the Official Journal Par IV, no. 2124/21.05.2019, on the adoption of all necessary measures for the running and implementation of “stock option plan”-type programs.**

### **The objectives of the buy-back program for the purpose of reducing the share capital**

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

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

The buy-back operation with the reduction of share capital is a stage in the discount reduction process that aims to reach the discounts of European closed-end-funds that are similar from the organizational point of view to EVERGENT Investments.

### **Estimation of the total costs of the buy-back program and forecast impact on EVERGENT Investments’ equity**

#### **Buy-back for the purpose of reducing the share capital, through PO**

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

From an accounting perspective, EVERGENT Investments registers treasury shares (redemption of own shares) on the transaction date as a deduction from equity (into a reserve account from



equity), in accordance with article 75 FSA Rule no. 39/2015.

Bought-back treasury shares are registered at acquisition price, including brokerage commissions and other trading costs.

On the date the shares are annulled there is only a reassignment between equity funds, without an impact on the profit or loss account and without additionally reducing equity.

The negative difference resulted from the annulment of equity instruments shall be covered, according to legal provisions applicable foreseen by art. 75 line (8) FSA Rule no. 39/2015, from retained earnings (Accounting account 117) or other equity elements in accordance with the resolution of the General Meeting of Shareholders.

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

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

Factors that influence total costs	Hypothesis used to estimate possible cost range
<b>Share acquisition price</b>	Share acquisition price is between 29 – 43 mil.lei. The buy-back program shall be for a price that will not be lower than the BVB price or higher than 2,2 lei/share.
<b>Trading costs (e.g. brokerage commissions, regulatory commission) and other costs (e.g. distribution commissions)</b>	The costs estimated in the Public Offering, in all 5 simulated scenarios are similar to those corresponding to OP run in 2021.
<b>Number of shares that are to be bought-back</b>	Maximum no. of shares that are to be redeemed through PO within the program is 19.625.000 shares.

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

Price	1.195	1.195	1.195	1.195	1.195
Fist PO	0.305	0.405	0.605	0.705	1.005
First PO %	26%	34%	51%	59%	84%
Share nominal value	0.1	0.1	0.1	0.1	0.1
<b>PO price (price/share)</b>	<b>1.5</b>	<b>1.6</b>	<b>1.8</b>	<b>1.9</b>	<b>2.2</b>
Maximum number of bought-back shares	19,625,000	19,625,000	19,625,000	19,625,000	19,625,000
Maximum acquisition cost lei	29,437,500	31,400,000	35,325,000	37,287,500	43,175,000
Trading costs (lei), of which:	438,223	464,717	517,705	544,198	623,680
FSA tax for PO (lei)	294,375	314,000	353,250	372,875	431,750
Commission (lei)	103,031	109,900	123,638	130,506	151,113
Other expenses - lei	40,817	40,817	40,817	40,817	40,817
<b>Total impact on equity, of which:</b>	<b>29,875,723</b>	<b>31,864,717</b>	<b>35,842,705</b>	<b>37,831,698</b>	<b>43,798,680</b>
Impact on reserve (lowering) at the time the shares are annulled	27,913,223	29,902,217	33,880,205	35,869,198	41,836,180
Share capital decrease following the annulment of shares	1,962,500	1,962,500	1,962,500	1,962,500	1,962,500

The payment of redeemed shares shall be made from the distributable profit or Company's available resources, registered on the latest annual financial statement approved, with the exception of legal reserves registered on 2021 financial statements, in compliance with art. 103 index 1 Companies' Law no. 31/1990.

**c) Buy-back for the distribution to directors, executive managers and employees through "stock option plan" type programs, through market operations**

The buy-back program of treasury shares through market operations has the purpose the remuneration of executive managers, directors and employees of the company, in agreement with legal provisions on variable remuneration, to a minimum of 50% in shares, within "Stock Options Plan"-type programs.

*References:* art. 13 Law no. 74/2015 on the managers of alternative investment funds, ESMA Guide no. 232/2013 on solid remuneration policies, in accordance with DAFIA, EVERGENT Investment – Remuneration policies and practices for the staff categories whose professional activities have a significant impact on its risk profile, Memorandum of Association of EVERGENT Investments.

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

Bought-back treasury shares are registered at acquisition cost, including brokerage commissions and other trading costs.

The Company shall inform investors accordingly about the total costs of the buy-back program and the impact on equity following the running of the program.

The total cost of the buy-back program described above will depend on the three main factors presented in the table below together with the hypothesis used to estimate possible scenarios regarding the costs generated by the forecast buy-back program.

Factors that influence total costs	Hypothesis used to estimate the possible cost range
<b>Share acquisition price</b>	The share acquisition price is between 10 – 13,47 mil.lei. The buy-back program will be at a price that will not be under the BVB price or higher than 2,2 lei/share.
<b>Trading costs (e.g. brokerage commissions, regulatory commission) and other costs (e.g. distribution commissions)</b>	Costs estimated in the public offering, in all 5 simulated scenarios are maximal.
<b>Number of shares that are to be bought-back</b>	The maximum number of shares that are to be bought-back within the program is 8.400.000 shares

Given all of the above, for the purpose of estimating the number of bought-back shares and the impact on equity, we have simulated 5 scenarios based on an acquisition price between 1,2 lei-1,6 lei:

pret actual	1,195	1,195	1,195	1,195	1,195
valoare nominala actiune	0,1	0,1	0,1	0,1	0,1
<b>Pret rascumparare</b>	<b>1,2</b>	<b>1,25</b>	<b>1,3</b>	<b>1,5</b>	<b>1,6</b>
Nr.maxim de actiuni rascumparate	8.400.000	8.400.000	8.400.000	8.400.000	8.400.000
Cost achizitie lei	10.080.000	10.500.000	10.920.000	12.600.000	13.440.000
Costuri tranzactionare (lei)	25.200	26.250	27.300	31.500	33.600
<b>Impact total asupra cap proprii</b>	<b>10.105.200</b>	<b>10.526.250</b>	<b>10.947.300</b>	<b>12.631.500</b>	<b>13.473.600</b>

### C. Legislative provisions

According to the provisions of art. 103 index 1 of **Companies' Law no. 31/1990**, republished, with its later amendments and additions, the buy-back of shares may happen under the following conditions:

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

**The main characteristics of the Public Offering** for buy-back in the market with the purpose of reducing the share capital: According to article 58 Reg. 5/2018:

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

According to art. 104 line (1) letter a) Companies' Law no. 31/1990, the restrictions foreseen by art. 103 index 1 do not apply to shares acquired for the reduction of share capital.

In accordance with the provisions of art. 105 Law 31/1990 shares acquired by the company do not grant dividend right while held by the Company. According to the same article, the vote right conferred to shares acquired by the company shall be suspended for the period of time that they are held by the Company.

As **Alternative investment fund**, the provisions of **Law no.243/2019** on the regulation of alternative investment funds and amendment of certain normative acts are applicable to it.

#### ART. 30

*(1) In case of ICAIFs whose shares are admitted to trading on a trading venue or are traded on a stock exchange in a third country, in addition to the provisions of art. 29 paragraph (1), the EGMS shall be held in compliance with the domestic legislation applicable to securities issuers.*

*(2) CAIFs referred to in paragraph (1) can repurchase their own shares by decision of the AIFM managing ICAIF's assets or by self-managed ICAIF's EGMS decision, subject to the approval of*



*the FSA and in accordance with the applicable legal provisions*

*(3) The shares purchased under the conditions of paragraph (2) can be used, based on the decision of the AIFM or EGMS, as the case may be, in order to decrease the share capital, to stabilize the price of its own shares on the capital market or to remunerate the persons concerned defined in the FSA regulations implementing ESMA guidelines on sound remuneration policies under Directive no. 61/2011/EU (DAFIA).*

These norms are adequately transposed in **EVERGENT Investments’ Memorandum of Association, in the content of art. 5- Share buy-back**

*(1) The buy-back of issued shares may be done subject to the legal provisions, including those of the European Union law directly applicable and of the competent authority, through resolution of the General Meeting of Shareholders and with the approval of the Financial Supervisory Authority.*

*(2) bought-back shares may be used for the purpose of lowering the share capital, stabilizing the own share price on the capital market or to remunerate the directors, managers and employees of the Company, in agreement with legal regulations in force, remuneration policies and practices and the provisions of the Memorandum of Association. The payment of shares received during the buy-back of treasury shares programs for the purpose of reducing the share capital, is made exclusively from treasury sources.*

**Transactions made within the Buy-back program will be made abiding by legal provisions defined by:**

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

***Draft resolution:***

Approves the running of a treasury shares buy-back program - "Program 7", abiding by applicable legal provisions and with the following main characteristics:

a) Program purpose: The company will buy-back shares for the purpose of reducing the share capital through share annulment, as well as for the purpose of running "stock option plan" type programs.

b) The maximum number of shares that can be bought-back: maximum 28.025.000 shares (2,856% of registered share capital), of which maximum 19.625.000 shares (2,000% of registered share capital) through public offering, for the purpose of reducing the share capital through share annulment and maximum 8.400.000 shares through market operations (0,856% of registered capital) for distribution to employees, executive managers and directors of the Company through "stock option plan" type programs.

c) Minimum price per share: the minimum purchase price shall be the BVB market price at the time the acquisition is made

d) Maximum price per share: 2,2 lei.

e) Program duration: maximum 18 months from the date the resolution is published in Romania's Official Journal, Part IV.

f) Payment of bought-back shares shall be made from the distributable profit or available reserves of the Company, registered on the latest approved annual financial statement, with the exception of legal reserves registered on 2021 financial statements, in accordance with the provisions of art. 103 index 1 Companies' Law no. 31/1990.

The authorization of the Board of Directors and individually of its members to adopt all resolutions necessary in order to implement the resolution, maintaining the authorization of the Board of Directors through EGMS resolution no. 3 on 18.04.2019, published in Romania's Official Journal Part IV, no. 2124/21.05.2019, regarding the implementation of all necessary measures to run and implement "stock option plan" programs.

Claudiu DOROȘ  
President CEO

Michaela PUSCAS, Compliance Manager

Georgiana DOLGOȘ, Director