Evergent
INVESTMENTS

2023 Board of Directors' Report
relating to the Consolidated Financial Statements

ISO 9001

ISO 27001

Contents:

Yearly report in accordance with: *Law no. 24/2017, Title III - Issuers whose securities are admitted to trading on a regulated market; Chapter III – Regular Information; FSA Regulation no. 5/2018 on the issuers of financial markets and market operations; FSA Rule no. 39/2015 on the approval of accounting regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA.*
Report date: *25th March 2024*
Issuer name: *EVERGENT Investments SA*
Headquarters: *Pictor Aman Street no. 94 C, Bacău*
Phone/fax/e-mail: *0234576740 / 0234570062 / office@evergent.ro*
Sole registration no.: *2816642*
Trade Registry: *J04/2400/1992*
EUID: ROONRC. J/04/2400/1992
LEI: *254900Y1O0025N04US14*
Subscribed and paid-up capital: *96,175,359.2 lei*
Number of issued shares: *961,753,592*
Nominal value: *0.1 lei/share*
Shareholding structure: *100% private*
Free float: *100%*
FSA Registry no.: *PJR09FIAIR/040003*
Regulated market on which issued securities are traded: *Bucharest Stock Exchange, Premium category*
International identifiers: Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNOR0; Bloomberg FIGI: BBG000BMN556; Reuters RIC: ROEVER.BX

NOTE 1 - to allow for a comparison of information, EVERGENT Investments maintains the same structure of the consolidated yearly reports.
NOTE 2 – Figures in the report are presented in lei, unless another measurement unit is stated

1. Presentation of the development and performance of EVERGENT Investments Group's activities

EVERGENT Investments SA ("The Company" or "EVERGENT Investments") is classified, according to applicable regulations as Alternative Investments Fund of the Investment Companies Type – F.I.A.S., category: Alternative Investment Fund intended for Retail Investors (AIFRI), authorized by the Financial Supervisory Authority with Permit no. 101/25.06.2021 and functions abiding by the provisions of Law no. 74/2015 on the managers of alternative investment funds, Law no. 24/2017 on the issuers of financial instruments and market operations, Companies' Law no. 31/1990 and FSA regulations issued to apply primary law.

Its purpose is to increase the value of assets under management.
The Company's main business activity consists in financial investments.
Its object of activity consists in:

a) portfolio management;
b) risk management;
c) other auxiliary activities related to collective administration activities permitted by the legislation in force.

The Company is self-managed under a one-tier system.
The shares issued by EVERGENT Investments SA are listed on Bucharest Stock Exchange (BSE),

primary market, Premium category, symbol "EVER"
The shares and shareholders' record is kept according to the law by Depozitarul Central S.A.
The assets deposit services are provided by BCR – a company authorized by the Financial Supervisory Authority. Up until May 2023 the assets deposit services were provided by BRD-GSG. The change of depositary took place based on FSA authorization no. 74/18.05.2023 on depositary change approval.

1.1. Consolidation Area

The consolidated financial statements on 31st December 2023 cover the Company and its subsidiaries (hereinafter referred to as the "Group" as well as the Group's interests in its associates.

Subsidiaries are entities under the Group's control. Control represents the power to lead the financial and operational policies of an entity in order to obtain benefits from activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the time control begins to be exercised up to the time control ceases. The accounting policies of the Group's subsidiaries have been modified for the purpose of aligning them to those of the Group.

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

The consolidated financial statements include the Group's share in the results of the associates based on the equivalence method, from the date that the Group started to exercise significant influence until the date this influence ceases.
On 31st December 2023, EVERGENT Investments Group holds investments in one associate, Străuleşti Lac Alfa S.A., a holding of 50%.

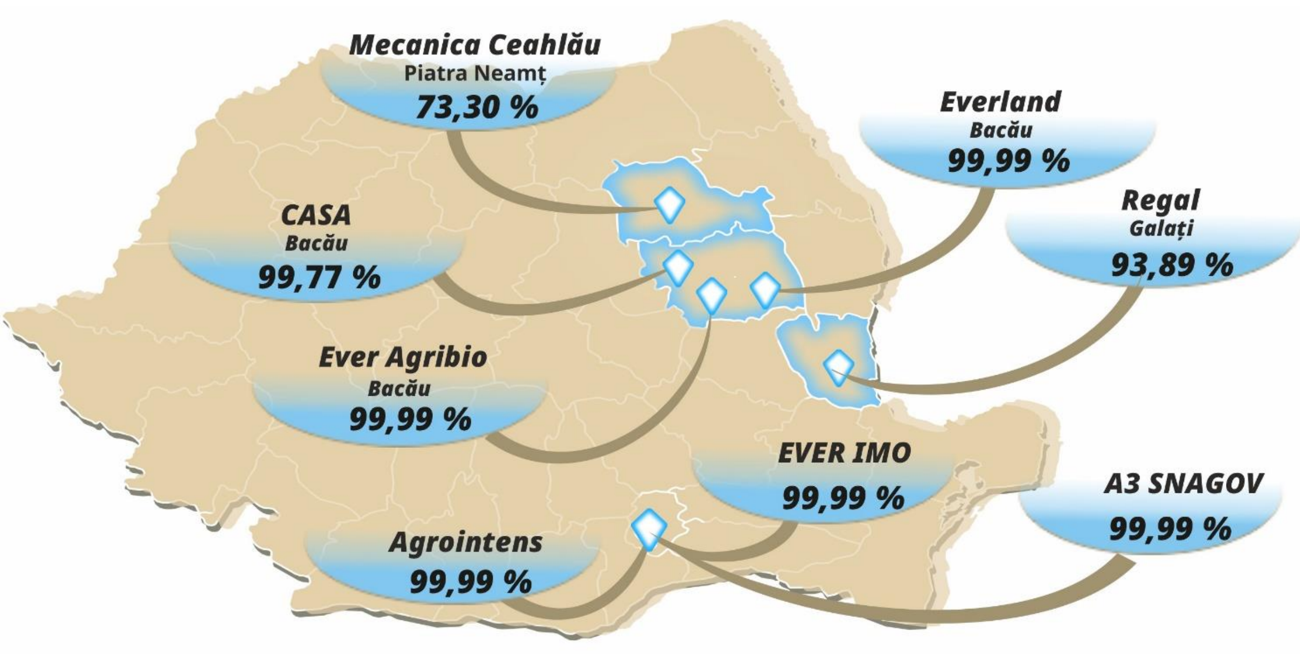
The policies of the Group regarding consolidation grounds can be found in the explanatory notes to the Group's *consolidated financial statements*.

Members of EVERGENT Investments Group:

No.	Subsidiary name	Direct holding of EVERGENT Investments – parent company%	Share of the Group's total assets % 31.12.2023	Company type (closed/listed)	Activity
1	EVERLAND SA	99.99	1.68	Unlisted	Real estate
2	EVER IMO SA	99.99	2.41	Unlisted	
3	REGAL SA	93.89	0.31	Unlisted	
4	MECANICA CEAHLĂU SA	73.30	2.46	BVB–REGS (MECF)	Agriculture and agricultural machines
5	AGROINTENS SA	99.99	1.69	Unlisted	
6	EVER AGRIBIO SA	99.99	0.10	Unlisted	
7	CASA SA	99.77	1.26	Unlisted	Rental/sub-rental of real property and support for EVERGENT Investments
8	VISIONALFA INVESTMENTS SA	99.99	0.01	Unlisted	AIFM – no activity
9	A3 SNAGOV SRL*	99.99	0.24	Unlisted	Real estate
	Total		10.16		

* A3 Snagov SRL Subsidiary, set-up in June 2021, is held by EVERGENT Investments indirectly, through EVERLAND SA, holding 100% din of its shares.

Subsidiaries EVER AGRIBIO SA and VISIONALFA INVESTMENTS SA were set-up in September, namely August 2022, EVERGENT Investments holding 99.99% of their shares.



Statement of mutual holdings included in the consolidated area - 31.12.2023

Subsidiary name	Shareholders	% interest
Agrointens SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	*100*
Everland SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	*100*
Casa SA	EVERGENT Investments SA	99.77
	Other shareholders	0.23
	TOTAL	*100*
EVER IMO SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	*100*
Regal SA	EVERGENT Investments SA	93.89
	A.A.A.S. BUCUREȘTI	2.44
	Other shareholders	3.67
	TOTAL	*100*
Mecanica Ceahlău SA	EVERGENT Investments SA	73.30
	NEW CARPATHIAN FUND	20.21
	Other shareholders	6.49
	TOTAL	*100*
Ever Agribio SA	EVERGENT Investments SA	99.9997
	CASA SA	0.0003
	TOTAL	*100*
Visionalfa Investments SA	EVERGENT Investments SA	99.99
	Other shareholders	0.01
	TOTAL	*100*
A3 Snagov SRL	Everland SA	100%

1.2. Summary on subsidiaries (object of activity, main financial results)

The main activities of the Group are the financial investment activities carried out by the Company, as well as the activities carried out by the subsidiaries which mainly consist in the following activities:

- manufacture and sale of agricultural machines
- real-estate development
- lease and sub-lease of own or rented property
- cultivation of fruit-bearing shrubs (blueberries) and
- consultancy for business and management.

In the following we briefly present the main financial highlights for the Group companies.

1.2.1. Mecanica Ceahlău S.A.

The company's main object of activity is the manufacture of agricultural machines and equipment. Set-up in 1921 SC Mecanica Ceahlău SA Piatra –Neamt is today one of the most famous agricultural machinery manufacturing companies in Romania. The machines and equipment manufactured by „Mecanica Ceahlău" cover a wide range of agricultural activities.

At the same time, the company agricultural machinery and equipment (Steyr tractors, Project herbicide equipment, Stoll front loaders, etc.).

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 Evolution %
Total assets	62,466,480	68,821,682	74,953,166	109
Turnover	36,526,905	49,028,602	28,544,891	58
Profit (Loss)	1,720,446	1,856,098	(4,067,416)	n/a
ROE %	4.87	3.98	N/A	
ROA %	2.75	2.70	N/A	

In 2023, the company's activity was negatively influenced by the evolution of the agricultural sector that faced adverse weather conditions, such as draught and the import of low-price grain from the Ukraine.

1.2.2. EVER IMO S.A.

The company's main object of activity is at present real-estate development. The company was set-up in 1933.
Through EVER IMO we continue to develop the private equity portfolio, focusing real estate investments on a strategic land bank. The northern area of Bucharest has a rapid and extensive growth, both on the residential and office segments.

The company has developed residential complex Baba Novac Residence and is currently preparing the town-planning documents for a new residential project on the 16.000 square meters located on Intrarea Străulești no. 37.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 Evolution %
Total assets	75,503,343	78,672,490	73,100,184	93
Turnover	2,161,278	1,992,126	1,516,050	76
Profit (Loss)	(4,659,456)	3,717,308	(4,673,941)	N/A
ROE %	N/A	N/A	N/A	
ROA %	N/A	N/A	N/A	

The company shall re-enter an income increase cycle as projects in various stages of town-planning approval shall be started on land already held.

1.2.3. Regal S.A.

Regal S.A. was set-up in 1990, its main object of activity being at present the lease of own real-estate property.

On the reporting date, the company holds 3 commercial areas and its administrative headquarters. The company continues to sell commercial areas, in accordance with the strategy approved by the shareholders.

The company was delisted starting on 18.05.2022 based on FSA resolution no. 584 on 16.05.2022.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 Evolution %
Total assets	10,702,459	8,924,544	9,339,109	105
Turnover	299,718	316,700	339,913	107
Profit (loss)	415,740	(28,932)	226,070	N/A
ROE %	7.1	N/A	3.12	
ROA %	3.88	N/A	2.42	

Income on the rental of areas obtained in the reporting period correspond corresponds to the low number of commercial areas that the company manages.

1.2.4. Casa S.A.

Setup in 1999, the company's main object of activity is the rental and sub-rental of own or leased real estate properties.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution %
Total assets	22,738,528	24,523,039	38,192,287	156
Turnover	2,064,743	2,382,898	2,767,992	116
Profit (loss)	1,023,334	87,742	(2,853,057)	N/A
ROE %	1.87	1.44	N/A	
ROA %	4.5	0.36	N/A	

CASA purchased real-estate in Bacău, no. 94C Pictor Aman Street where it carries out its activity, renegotiated rental fees raising them in agreement with the company's activity program.

Rental income from premises generated in 2023 increased compared to previous years. The loss recorded in 2023 resulted mainly from the revaluation of investment property held by the company.

1.2.5. Agrointens S.A.

Setup in 2014, the company's main object of activity consists in the cultivation of fruit-bearing shrubs, strawberries, nut trees and other fruit-bearing trees.
The project has the purpose of setting up and developing farms for blueberry production. At present, the farms in Viștea and Mandra – Braşov county, Popeşti and Rătești –Argeş county are in various development stages. At the end of the reporting period, the planted area was of 105 ha.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution %
Total assets	37,779,163	48,138,592	51,128,423	106
Turnover	8,078,047	11,252,760	6,141,515	55
Profit (loss)	(1,881,934)	(1,047,466)	(9,371,721)	N/A
ROE %	N/A	N/A	N/A	
ROA %	N/A	N/A	N/A	

The loss was due to extremely adverse weather conditions during the 2023 season.

1.2.6. EVERLAND S.A.

The company was set-up in 2014, with the purpose of capitalizing on investment opportunities in real-estate field. The company holds assets located in the central area of Iaşi municipality, with significant real-estate development potential on all segments: residential, office and commercial.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution%
Total assets	49,770,950	52,901,642	57,198,057	108
Turnover	50,421	50,013	40,753	81
Profit (Loss)	1,602,167	2,624,785	3,437,582	131
ROE %	3.91	6.07	7.80	
ROA %	3.22	4.96	6.01	

The profit registered in 2023 resulted from the reassessment of real-estate property held by the company.

The company holds 100% of A3 SNAGOV SRL shares, company set-up in 2021 operating in the field of real-estate development (promotion).

1.2.7. EVER AGRIBIO SA

The company was setup in September 2022, and is to carry out activities in the agricultural and renewable energy fields on the 50 ha land it holds in Săucești commune, Bacau County.
The company is preparing the documentation for accessing non-reimbursable funds for the establishment of a blueberry plantation and logistics space.

Main financial results (IFRS restatement):

Lei	2022	2023	2023/2022 evolution %
Total assets	3,848,314	3,171,877	82
Turnover	-	-	N/A
Profit (Loss)	(223,091)	(834,760)	N/A
ROE %	N/A	N/A	
ROA %	N/A	N/A	

1.2.8. A3 SNAGOV SRL

The company was setup in 2021, based on Companies' Law no. 31/1990, with the purpose of capitalizing investment opportunities in the real-estate field, all its shares being held by EVERLAND SA.

Main financial results (IFRS restatement):

Lei	2021	2022	2023	2023/2022 evolution%
Total assets	6,298,324	6,305,129	7,387,829	117
Turnover	-	-	-	N/A
Profit (Loss)	(425)	(20,023)	929,621	N/A
ROE %	N/A	N/A	15.35	
ROA %	N/A	N/A	12.58	

1.2.9. VISIONALFA INVESTMENTS SA

The company was set-up in August 2022, but has not yet started its actual activity since the project considered did not materialize.

1.3. Influences resulted from consolidation operations

The tables below present the comparative statements of assets, liabilities and equity and comprehensive income, based on the figures in the separate and consolidated financial statements prepared in accordance with the provisions of Norm 39/2015 for the approval of accounting regulations compliant with the Individual Financial Reporting Standards ("IFRS"), applicable to entities authorized, regulated and supervised by FSA in the sector of financial instruments and investments.

1.3.1. Comparative statements of assets on 31st December 2023

Balance position	Company	Group	Differences
Cash and current accounts	1,024,388	5,632,750	4,608,362
Bank deposits with initial maturity within 3 months	299,408,624	304,399,579	4,990,955
Bank deposits with initial maturity higher than 3 months	10,724,880	13,513,579	2,788,699
Financial assets at fair value through profit or loss	347,807,747	298,338,840	(49,468,907)
Financial assets measured at fair value through other comprehensive income	2,240,394,284	2,036,197,327	(204,196,957)
Investments accounted for using the equity method	-	57,673,327	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	3,884,483	-
Bonds at depreciated cost	17,555,243	35,692	(17,519,551)
Other financial assets at depreciated cost	6,418,790	13,809,792	7,391,002
Inventory	-	48,606,721	48,606,721
Other assets	515,601	1,645,933	1,130,332
Non-current assets held for sale	212,738	4,957,804	4,745,066

Balance position	Company	Group	Differences
Investment property	4,109,000	152,216,264	148,107,264
Property, plant and equipment	10,435,507	70,355,482	59,919,975
Right-of-use assets	3,320,774	11,754,681	8,433,907
Goodwill	-	4,339,505	4,339,505
Intangible assets	402,983	1,009,148	606,165
Total assets	2,946,215,042	3,028,370,907	82,155,865

1.3.2. *Comparative statements of liabilities and equity on 31st December 2023*

Balance position	Company	Group	Differences
Loans	63,674,421	87,551,586	23,877,165
Lease liabilities	3,303,893	10,713,608	7,409,715
Dividends payable	49,950,267	49,998,003	47,736
Current profit tax liabilities	7,410,272	7,899,122	488,850
Financial liabilities at depreciated cost	1,267,195	11,974,027	10,706,832
Other liabilities	6,144,422	8,834,287	2,689,865
Provisions for risks and charges	1,632,553	4,238,609	2,606,056
Liabilities related to deferred profit tax	149,977,380	159,336,579	9,359,199
Total liabilities	283,360,403	340,545,821	57,185,418
Share capital	499,988,637	499,988,637	-
Retained earnings	1,153,588,929	1,172,329,499	18,740,570
Reserves from the revaluation of property, plant and equipment	11,305,777	21,072,031	9,766,254
Reserves from the revaluation of FVTOCI assets	1,035,679,283	1,016,061,804	(19,617,479)
Treasury shares	(66,642,400)	(66,642,400)	-
Equity-based payments to employees	24,881,378	24,881,378	-
Other equity elements	4,053,035	4,053,035	-
Total equity attributable to the company's shareholders	2,662,854,639	2,671,743,984	8,889,345
Non-controlling interests	-	16,081,102	16,081,102
Total equity	2,662,854,639	2,687,825,086	24,970,447
Total liabilities and equity	2,946,215,042	3,028,370,907	82,155,865

1.3.3. *Comparative analysis of the statement of comprehensive income on 31st December 2023*

Statement of comprehensive income	Company	Group	Differences
Income and gain/(loss)			
Gross dividend revenue	143,419,181	143,451,798	32,617
Interest income	9,909,187	9,114,506	(794,681)
Other operating revenue	1,163,202	38,524,286	37,361,084
Net gain/(net loss) on financial assets at fair value through profit or loss	39,332,779	43,701,375	4,368,596
Net gain on the sale of non-financial assets	5,490	139,168	133,678
Net gain/ (net loss) on the revaluation of real-estate property	37,290	2,063,182	2,025,892
Net loss on intangible assets held for sale	-	(32,863)	(32,863)
Expenses			
(Loss)/Loss reversal on financial assets impairment	100,129	(1,586,845)	(1,686,974)
(Loss)/Loss reversal on non-financial assets impairment	-	356,483	356,483
(Set-up)/Reserval of provisions for risks and charges	-	(395,720)	(395,720)

Statement of comprehensive income	Company	Group	Differences
Expenses with wages, remunerations and other similar expenses	(37,100,983)	(57,660,666)	(20,559,683)
Other operating expenses	(13,553,289)	(43,726,130)	(30,172,841)
Operating profit	143,312,986	133,948,574	(9,364,412)
Financing expenses	(4,084,887)	(5,855,114)	(1,770,227)
Share of the profit /(loss) of associates	-	2,302,239	2,302,239
Profit before tax	139,228,099	130,395,699	(8,832,400)
Profit tax	(14,494,674)	(16,219,088)	(1,724,414)
Net profit	124,733,425	114,176,611	(10,556,814)
Other elements of comprehensive income			
Increase/ (decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	1,530,984	3,549,175	2,018,191
Net gain/(net loss) on the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	414,997,141	435,670,706	20,673,565
Other elements of comprehensive income – not reclassified in profit or loss	416,528,125	439,219,881	22,691,756
Net gain on the revaluation of FVTOCI bonds	(185,969)	(185,969)	-
Other elements of comprehensive income – elements that will be reclassified in profit or loss	(185,969)	(185,969)	-
Other elements of comprehensive income - Total	416,342,156	439,033,912	22,691,756
Total related comprehensive income	541,075,581	553,210,523	12,134,942

Following the application of IFRS 9 „Financial Instruments" provisions, gain or loss from the sale of equity instruments (shares), depending on their classification, were reflected in profit or loss, in case of financial assets measured at fair value through profit or loss (FVTPL), or directly in Retained earnings in case of financial assets measured at fair value through other comprehensive elements (FVTOCI). Liability instruments (e.g. bonds, fund units) were reflected in profit or loss.

Consequently, managements considers the Group's performance indicator to be net profit, including along with the net profit the net gain on the sale of FVTOCI financial assets.

(Lei)	Company	Group	Difference
Net profit /(net loss)	124,733,425	114,176,611	(10,556,814)
Gain related to the transfer of FVTOCI* financial assets, net of tax, recycled in retained earnings	79,023,327	79,895,988	872,661
Net result	203,756,752	194,072,599	(9,684,153)

* *is a reclassification from other elements of comprehensive income to retained earnings*

1.3.4. Criteria for the recognition, measurement and evaluation of financial assets on 31st December 2023 and 31st December 2022

IFRS 9 "Financial Instruments" foresees an approach regarding the classification and evaluation of financial assets, approach that reflects the business model in which financial assets are managed and cash-flow characteristics.

Depending on these criteria, financial assets are classified as: FVTPL financial assets, FVTOCI financial assets and financial assets measured at amortized cost.

1.4. Development of EVERGENT Investments Group

1.4.1. The Group's objectives and strategies for 2024

The key elements of EVERGENT Investments' investment strategy and policies are based on a resource assignment that insures the sustainable development of EVERGENT Investments' activity and satisfaction of shareholders' interests, both on the short and on the long term.

The solid and sustained investment policy is based on the long-term increase of assets under management, a basic element for the consolidation of investors' trust. In essence, the investments of EVERGENT Investments are in shares of companies listed on BSE, on the two main pillars: financial-banking and energy-industrial, as well as in the development of private equity projects in real-estate and agribusiness.

Predictable dividend policy and buy-back programs to the benefit of EVERGENT Investments' shareholders

In the context of the sharp volatility of capital markets, the Board of Directors aims to find a balance between the need to provide resources for the support of investment programs to be developed, short-term expectations of shareholders, namely the distribution of dividends and long-term expectations of shareholders, namely NAV increase and indirectly, increase of EVER share price.

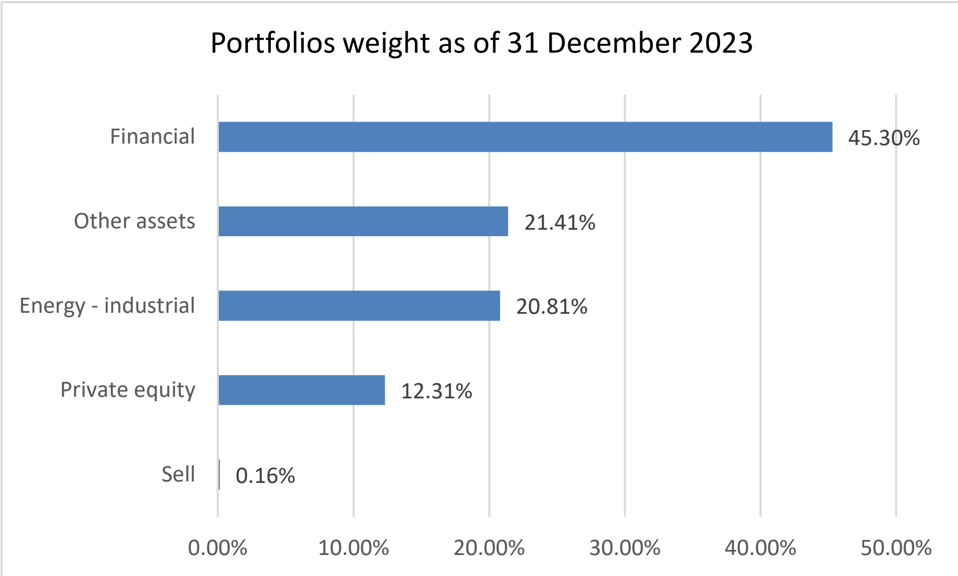
The Company has a predictable dividend policy and annually runs buy-back programs to ensure the liquidity of EVER shares and bring benefits to shareholders through the possibility to share their holdings for a price as close to the assets value as possible. Along with the dividends, these represent a mix that we calibrate each year both in the interest of shareholders who want to mark profit, and in the interest of those who stay with the company on the long run, and benefit from an increased assets value over time. The policy mix that includes the distribution of dividends with the possibility to subscribe to public offerings (POs), offers a higher yield than in case of classic dividend distribution, remunerating invested capital at a level higher than monetary investments.

Capital operations through the running of a new buy-back program for the purpose of lowering the share capital and engaging the interest of management and employees, in order to increase the efficiency of the management act and in agreement with legal AIFM/AIF policies on remuneration.

Maintaining the strategies defined for the assets portfolios:

- *Increase* for PRIVATE-EQUITY PORTFOLIO (PPE) - "private equity" type-approach within existent majority holdings (real-estate, agriculture, other sectors).
- *Performance increase for* the FINANCIAL BANKING PORTFOLIO (PFB) and ENERGY – INDUSTRIAL PORTFOLIO (PEI) – listed portfolios that provide liquidity to EVERGENT Investments' assets, being the main generators of revenue and sources for new investments.
- *Restructure* for SELL portfolio – sale of the historic shares portfolio

Portfolio weight in total assets value on 31.12.2023:



1.4.2. PRIVATE EQUITY Portfolio also includes the companies in EVERGENT Investments Group

On 31st December 2023, the assets of the 8 subsidiaries of EVERGENT Investments Group registered a value of 221.95 million lei, representing 9.39% of total assets of EVERGENT Investments Group.

In accordance with its *Investments Strategy and Policy*, EVERGENT Investments has a strategy of mixed allocation of resources to the capital market, in parallel with the implementation of private equity projects that will ensure an additional return on the long term.
Private equity investments target an approach focused on the real-estate and agribusiness sectors that are identified as having average to long-term increase potential. Additional opportunist investments are made in other particular interest areas.
Indirect investments in the real-estate sector, through a company controlled by EVERGENT Investments, are focusing on all branches – residential, office, commercial, etc. – either through the residential development of key properties from EVERGENT Investments' portfolio, or through new projects.

Rules applied in accordance with AIFM legislation

- ✓ Private equity-type investments through which control is obtained on unlisted companies is in the line with the multiannual investment strategies and legal risk and prudential limits of EVERGENT Investments, without representing the main investment activity.
- ✓ EVERGENT Investments is a shareholder with a holding of over 90% in all unlisted companies. In the selection and monitoring of unlisted share investments, EVERGENT INVESTMENTS applies a high level of diligence; its staff holds the adequate professional skills and abilities for the activities that are specific in the investment fields: financial analysis, legal, commercial and technical analysis, negotiation, conclusion of agreements and contracts.
- ✓ Assets are assessed in compliance with the evaluation policies and procedures, their value being reported on a monthly basis

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

Some of the investments presented in the paragraphs below are in the growth/development stage while others are in the maturity stage of the business life cycle

1.4.2.1. AGROINTENS SA –Blueberry Farm Project "Extension of BLUEBERRY FARM" (*www.agrointens.ro*)

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

Description: The objective of the project is the setup and development of blueberry farms. At present the farms in Vistea- Braşov county, Mandra – Braşov County and Popesti and Răteşti– Arges county are in different development stages. At the end of the reporting period, the total planted area was 105 ha.

EVERGENT Investments' investment: 10.1 million euro.

Corporate events:

- ✓ OGMS on 05.04.2023 approved:
  1. 2022 financial statements along with the report of the independent financial auditor, the discharge of management and the performance indicators.

- ✓ EGMS on 06.04.2023 approved:
  1. the increase of share capital with the amount of 1,750,000 lei (the equivalent of 350,000 euro at an exchange rate of 5 lei/euro) to finance the "Extension of Blueberry Farm" investment, in accordance with the financial forecasts approved in EGMS/22.12.2022.

- ✓ EGMS on 21.04.2023 approved:
  1. revocation of Resolution no. 3 related to items 7 and 8 of EGMS Convening Notice/05(06).04.2023 regarding the collateral for the credit facility, based on the credit offer document revised by the bank on the collateral segment.
  2. approval of the collateral for the credit facility approved by EGMS on 06.04.2023 that ordered "the approval of the contracting of a loan-type credit facility, in the amount of 1,500,000 de lei", according to the justification materials presented in the EGMS.

- ✓ OGMS on 17.07.2023 approved:
  1. Election of the Board of Directors until 31.10.2023

- ✓ EGMS on 18.07.2023 approved:

1. The financial forecasts updated in July 2023 and revision of the indexes corresponding to "Extension of Blueberry farm Investment", including the modification of IRR value from 15.7% to 14.3% in accordance with the technical benchmarks in the justification materials for the items on EGMS agenda.
2. Increase of the share capital of AGROINTENS SA with a maximum amount of 2,000,000 lei (equivalent to 400,000 euro at a rate of 5 lei/euro) for the financing of investment "Expansion of Blueberry farm investment", achievable in stages and subject to the following principles:
   a. Cash contribution through the exclusive contribution of majority shareholder EVERGENT Investments SA of 1,000,000 lei, with subscription and pay-up term within maximum 3 work days from the date on which the EGMS resolution is adopted.
   b. Cash contribution through the contribution of shareholders, at the company's justified request, the subscription and pay-up stage is to take place by the 31st December 2023.
3. Increase of share capital with the amount of 1,000,000 lei, for the purpose of financing the first stage of operational and development stages of project "Extension of Blueberry Farm". The share capital is increased from 43,269,120 lei to 44,269,120 lei, through the issue of a number of 100,000 new shares at a nominal value of 10 lei/share, through the contribution of EVERGENT Investments SA shareholder.

- ✓ EGMS on 7.08.2023 approved:

1. the contracting from Banca Transilvania of a working capital loan through the Rural Invesst Program, of 1,300,000 lei, for an initial period of 36 months, for the company's current expenses, under the credit terms negotiated with the bank and in compliance with the conditions laid down in GEO No 24/2022 and the implementation procedure and state aid scheme associated with the programme, and the related collateral.
2. The contracting from Banca Transilvania of a non-recourse export factoring credit facility with a factoring facility value of EUR 170,000 and the related collateral.

- ✓ OGMS on 30.10.2023 approved:

1. Election of a new Administrative Board for a new 4-year term of office.

- ✓ EGMS on 28.11.2023 approved:

1. Takes note of the updated financial forecasts and the revision of the indicators for the project "development of blueberry farms".
2. the share capital increase with the amount of 2.5 million lei to ensure the financing of the company's activity.

- ✓ EGMS on 15.12.2023 approved

The income and expense budget for 2024.

1.4.2.2. EVERLAND SA – Iaşi Real Estate Project

Premises: The company was set-up for the purpose of capitalizing on investment opportunities in the agribusiness real-estate field for the purpose of generating value for shareholders. The company holds assets located in the central area of Iaşi municipality, with a significant real-estate development potential on all segments: residential, office and commercial:

- ✓ held land of about 2.55 ha;
- ✓ administrative building (GF+8) with a built area of 4,000 square meters.

Status:
- ✓ the zonal urban plan (PUZ) was approved on 28.02.2022;
- ✓ Maximum built area is 83,000 square meters, the project value being estimated to around 100 million euro;
- ✓ The Company holds 100% of the shares of A3 SNAGOV SRL, set-up in 2021, a company operating in the real-estate development (promotion) field.

Corporate events:
OGMS on 06.04.2023:
1. approval of the financial statement for financial year 2022 accompanied by the Report of the independent financial auditor and annual activity report of the sole manager.
2. approval for the loss registered in 2022 to be recovered from the profits of next years.
3. approval of the discharge of office of the sole manager for financial year 2022.
4. approval of the activity program and Income and Expense Budged for financial year 2023.
5. approval of the key performance indicators (KPI) for the managers of the company, achieved in 2022, proposals for 2023.

1.4.2.3. CASA SA

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

On 31st December 2023 the company's share portfolio comprises 42 companies, of which 14 functional and 28 in bankruptcy (coming from the portfolio assigned from the privatization process). The real-estate portfolio includes a number of 13 assets in cities from the Moldova area.

The company has concluded the following legal documents with EVERGENT Investments:
- ✓ contract for the monitoring of information and events regarding companies from EVERGENT Investments' portfolio;
- ✓ contract for the delivery of archive services;
- ✓ Rental agreements for spaces in Bacau and Iasi belonging to EVERGENT Investments SA;
- ✓ Contract for the delivery of real-property management services for properties belonging to EVERGENT Investments SA.

Corporate events:

20.02.2023 – EGMS approved:
Project "Purchase and refurbishment of Pictor Aman building", financial projections and investment structure, as well as the acquisition of floors 4-8).
Increase of CASA SA's share capital with the cash contribution of shareholder EVERGENT Investments SA, of 15.3 million lei, without share premium, to finance the investment related to the project by issuing 6,120,000 new shares with a nominal value of 2.5 lei/share.
Update and modification of the company's Articles of Incorporation in accordance with the new value of the share capital and holding of shares.

21.04.2023 – OGMS approved:
1. The financial statements for financial year ended on 31st December 2022 accompanied by the opinion of the financial auditor and the report on the activities of the Board of Directors for 2022.

2. The activity Programme and Income and Expenditure Budget for 2023.
3. The granting of the individual bonus for year 2022 for the management of the company and key performance indicators (KPI) for the management of the company in 2023.

29.09.2023 – OGMS approved:
Cancellation of the mandate of one of the managers, following his renouncement starting on 01.08.2023.
Election of a new member of the Board of Directors.

1.4.2.4. MECANICA CEAHLĂU SA
(www.mecanicaceahlau.ro)

The company manufactures agricultural equipment for working the land, and distributes:
(i) Steyr tractors,
(ii) Project herbicide equipment and
(iii) Stoll front loaders.

Corporate events:
20.04.2023 – OGMS approved the directors' report, financial statements for financial year 2022, the discharge of office for the managers, activity program, IEB and 2023 performance indicators.

30.05.2023 – OGMS approved the general remuneration limits for the managers and directors of the company, in accordance with art. 153 index 18 Law no. 31/1990 republished and updated;
Prescription of dividends for financial year 2019 set through OGMS on 22.04.2020, not collected by 13.07.2023 and their registration in the company's accounts, in accordance with applicable regulations.

30.05.2023 – EGMS approved the ratification of Board of Directors' resolution no. 1 on 13.04.2023, at the request of Banca Transilvania, to extend and increase the counter-collateral letter and contract a credit line representing 16.84% of the company's total fixed assets, minus corresponding receivables and collateral.
The purchase of a MIG/MAG welding robot system for a maximum amount of EUR 250,000 plus VAT.
The contracting of a financial loan/leasing for a maximum amount of EUR 200,000 for the financing of the robotic welding system and the granting of a mandate to the Managing Director to represent the company with full and unlimited powers in the relationship with the Bank and any other third institutions/persons involved, including before the Notary Public, being authorised to carry out any necessary formalities, to present, negotiate and sign any necessary documents, his signature being fully enforceable against the company.
Submission by the company of an application for funding under the PNRR programme for a photovoltaic system with a maximum capacity of 4.99 MWh.
Cumulative level of collateral with a total book value of 4,768,880 lei, representing a cumulative percentage of 21.78% of the company's total fixed assets, less receivables.

28.12.2023 – OGMS approved the main activity directions and IEB for year 2024.

1.4.2.5. REGAL SA

On the report date, the company owns 3 commercial spaces plus its headquarters. In 2023, EVERGENT Investments notified all interested parties about the sale of the share package representing 93.89% of Regal SA's share capital, closed-end company (unlisted) through a series of bidding rounds.

Corporate events:
11.04.2023 – OGMS approved the directors' report, financial statements for the financial year, dividend distribution for 2022 financial years, discharge of office for the managers, activity program, IEB and 2023 performance indicators.
17.07.2023 – EGMS approved the dissolution of the secondary office, the updating and amendment of the articles of association, the sale of company assets.

1.4.2.6. EVER IMO SA

The company holds for real-estate development two plots of land in the North area of Bucharest with a total area of 3.5 ha and a plot of land of 1.1 ha in the semi-central area.

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

1.4.2.7. EVER Agribio SA

The company was set-up in 2022 to carry out activities in the field of agriculture and renewable energy, on the 50 ha land it holds in Săuceşti commune, Bacău County, and is to set-up a blueberry farm.

Corporate events:
10.04.2023 – OGMS approved the directors' report, financial statements for financial year 2022, discharge of office for the managers, activity program, IEB, 2023 performance indicators.
01.08.2023 – OGMS approved the revocation of a director, following his renouncement and the appointing of a new director.

1.4.2.8. VISIONALFA INVESTMENTS SA

Through EGMS on 25.07.2023, the company has declared its fiscal inactivity for a period of 3 years, starting from the date of the mention to the ORC.

1.4.2.9. A3 SNAGOV SRL

The company was set-up in Bacau in 2021 and is to capitalize on investments in the real-estate field.

Corporate events:
23.05.2023 – OGMS approved the balance sheet, profit and loss account for 2022.

1.4.3 Implementation of 2023 Investment Program

EVERGENT Investments has analysed and implemented investments *in agreement with the directions and principles presented in 2023 Activity Program* approved by shareholders in OGMS on 27th April 2023.

million lei	2023 Activity Program	Achieved on 31.12.2023	% achievment 31.12. 2023
Total investment program, of which assigned for the following portfolios:	305.2	197.24	64.6
• FINANCIAL-BANKING	0	0.06	
• ENERGY-INDUSTRIAL	260	174.27	
• PRIVATE – EQUITY	45.2	22.91	

1.5. Reports on the legal deeds concluded by EVERGENT Investments with subsidiaries (according to art. 108 Law no. 24/2017 on the issuers of financial instruments and market operations, republished):

Starting on 28.08.2020, through the amendment of Law no.24/2017, the reporting obligation for transactions with associates applies to transactions representing more than 5% of the issuer's net assets, while the previous threshold was 50,000 euro.

In 2023 financial year, there have been no transactions covered by the reporting requirements.

2. IFRS Result Analysis for EVERGENT Investments Group

2.1. Key Financial Indicators (comparative presentation)

2.1.1. Liquidity Indicators

The analysis of the liquidity indicators determines the ability of the company to honour, the payment obligations assumed on the basis of current assets at a certain point. The term liquidity indicates the ability of an asset to be converted into money with a minimal loss of value.

Current liquidity indicator measures the Company's ability to cover its short-term debts. Current liquidity indicator is calculated as a ratio between the Company's current assets and its short-term liabilities. The higher the value of the current liquidity indicator, the higher the ability of the Company to honour its short-term debts without resorting to long-term financing resources. Otherwise, when the value obtained is below one unit, the company will have to resort to external financing resources.

Irrespective of the activity sector the company operates in, the value that is considered optimal for the current liquidity indicators is of about 2. For an accurate interpretation of the level of current liquidity, it should be compared to the average level per branch, or that registered by competitors.

Quick liquidity indicator shows the company's ability to honour its short-term debts through the most liquid current assets of the company.

Indicator name	2021	2022	2023
Current liquidity indicator	10.84	7.01	9.00
Quick liquidity indicator	10.38	6.54	8.31

2.1.2. Activity Indicators

Activity indicators reveal the efficiency with which a company uses its assets.

Fixed assets turnover speed is calculated as a ratio between the revenue from current activity and fixed assets. The turnover speed of fixed-assets evaluates the efficiency of fixed-assets management through the analysis of the turnover obtained by a certain quantity of fixed-assets.

Total assets turnover speed is calculated as a ratio between turnover and total assets. The total assets turnover speed analysis the turnover obtained by a given total assets volume.

Indicator name	2021	2022	2023
Fixed-assets turnover speed	0.07	0.10	0.10
Total assets turnover speed	0.05	0.08	0.08

2.1.3. Profitability Indicators

Profitability indicators reflect the efficiency of activities carried out by a company, regarding its ability to generate profit from available resources.

Return on equity (ROE) is calculated as a ratio between profit before the payment of interest and profit tax expenses and equity.

The return on equity represents one of the most important indicators used in measuring the performance of a Company. The main objective of every business is to maximize the investments made by its shareholders. Therefore, a high ROE indicator value shows that the investment made by the shareholders has been turned into high profit by the company's management.

Return on assets (ROA) is calculated as a ratio between net profit and total assets of the company and measures the efficiency with which assets are used from the point of view of the profit.

Return on assets is, along with return on equity, one of the most important return indicators of a company.

Earnings per basic share is ascertained as a ratio between net profit or loss of a company during a financial year, and the number of ordinary shares present over that period.

Earnings per basic and *diluted share* represent, from financial point of view, an important indicator when the earnings of a company over a period of time are compared, or when the results obtained are compared to the earnings of other companies in the same sector of activity.

Earnings per basic and diluted share (including gain from the sale of FVTOCI financial assets).

The Group presents in its financial statements the earnings per basic and diluted shares (including net gain from the sale of FVTOCI assets), since along with the net profit, gain from the sale of FVTOCI financial assets is considered a component of the Group's performance indicator, the net result.

Indicator name	2021	2022	2023
ROE %	2.1	4.4	5.0
ROA %	2.0	4.2	3.8
Earning per basic share (lei/share) – profit per share	0.053	0.107	0.126
Earning per basic share (lei/share) – inclulding net gain from the sale of FVTOCI assets	0.158	0.146	0.214
Dividend per share (lei/share) – distributed during the year, from the profit of the previous year	0.043	0.065	0.09

2.1.4. Other indicators

Indicator name	2021	2022	2023
Receivables recovery period	36.64	27.84	18.83
Debt repayment period	153.96	130.43	120.18
Indebtness degree (%)*	7.83	7.86	11.25
Return on capital employed (equity & borrowings) %	2.12	4.35	4.83

**reported to total liabilities*

3. Description of the main risks and uncertainties that EVERGENT Investments Faces

3.1. Objectives and policies for risk management, including policies for their coverage

The management of risks within the Group is carried out within a consistent methodological framework, representing an important part of the strategy regarding the maximization of the Group's return while maintaining an acceptable risk exposure and abiding by legal regulations. The risk management structure set by the management of the Group is an integral part of the Group's strategic objectives.

The investment activity exposes the Group to a series of risks associated to the financial instruments held and the financial markets it operates on. The main risks the Group is exposed to are:

- Market risk (interest rate risk, currency risk and price risk);
- Liquidity risk;
- Credit and counterparty risk;
- Issuer risk
- Operational risk
- Sustainability risk
- Other risks (regulatory risk, systemic risk, strategic risk, reputational risk, conflict of interest risk, risk associated to activities carried out by the Group's subsidiaries)
- Tax risk
- Economic environment risk

The general risk management policy aims to maximize the Group's profit reported to the level of risk it is exposed to and minimize potential adverse variations on the Group's financial performance. The Group has implemented policies and procedures for the management of assessment of risks it is exposed to. These policies and procedures are presented in the sections dedicated to each type of risk.

3.1.1. Market Risk

Market risk is defined as the risk to register a loss or not to obtain forecast profit, as a result of price fluctuations, interest rates and currency exchange rates. For the efficient management of market risk we use diligence procedures in investments and diligence in the monitoring of holdings in the portfolio, methods of technical and fundamental analysis, forecasts on the evolution of economic branches and financial markets, and specific procedures, such as, without being limited to:

- Constant monitoring of issuers on the market and risk/return characteristics of portfolio holdings
- Diversification of securities and activity sectors range
- Active management of the traded share portfolio through acquisitions and marking-to-markets
- Optimization of performance/market risk ratio
- Adequate evaluation of unlisted interest
- Monitoring of the macroeconomic, political and sectorial context and adapting market risk to this context
- Follow-up of the abidance of asset categories by legal limits
- Setting limits regarding market risk appetite and tolerance and following-up that these abide by the set risk profile.

Selection of investment opportunities is made through:

- Technical analysis;
- Fundamental analysis – ascertaining the issuer's ability to generate profit;
- Comparative analysis – ascertaining the relative value of an issuer in relation with the market or other similar companies;
- Statistical analysis – setting tendencies and correlations using price history and traded volumes.

The Group is exposed to the following market risk categories:

(i) Price risk
The Group is exposed to price risk as there is the possibility that the value of financial instruments fluctuate following the change of market prices.

(ii) Interest rate risk
The Group faces interest rate risk due to the exposure to negative fluctuations of the interest rate. The change of the interest rate on the market directly influences revenue and expenses of assets and liabilities bearing variable interest, as well as the market value of those bearing fixed interest.

The Group does not use derivatives to protect itself from interest rate fluctuations.

(iii) Currency risk
Currency risk is the risk of registering losses or failure to achieve estimated profit following negative exchange rate fluctuations. The Group is exposed to currency rate fluctuations but has no formalized policy to cover currency risk. Most financial assets and liabilities of the Group are expressed in national currency and therefore currency rate fluctuations do not significantly affect the Group's activity. The other currencies used for operations are EUR and USD.

Exposure to currency exchange rate fluctuations are mainly due to loans, deposits, shares and bonds in currency.

3.1.2. Liquidity risk

Liquidity risk represents the risk of registering a loss or failure to reach estimated profit, resulting from the impossibility to honour short-term payment obligations at any time, without excessive costs or losses that cannot be borne by the Group.

For an efficient management of liquidity risk, the Group uses specific procedures closely connected to the liquidity and investment policies, such as, without being limited to the following:

- Cash-flow monitoring, by setting expected liquidities entries and exists within certain time frames;
- Analysis of the ability of assets to be traded on the market and providing actual liquidities needed to cover the company's support obligations and investment objectives, through disinvestment;
- Monitoring significant liabilities and engagements that the Group has in relation to its support obligations;
- Assessment of expected cash-flows, inconsistencies between these and the ability to counterbalance them in crisis situations, according to crisis scenarios in various time frames;
- Prevention and management of crisis situations, by mainly purchasing high-liquidity degree securities, diversifying fixed revenue instruments, etc.;
- Adequate diligence in making money placements;
- Providing a liquidity reserve with the purpose of covering additional liquidity needs that may occur within a short period of time
- Setting the limits of liquidity risk appetite and tolerance, and making sure these abide by the set risk profile
- Monitoring amount owed from the cash loans contracted under the conditions imposed by the law and expenses with loan interest.

The Group's financial instruments may also include investments in shares that are not traded on an organized market and consequently may have low liquidity.

3.1.3. Credit and counterparty risk

The Group is exposed to credit and counterparty risk stemming from the possible failure of counterparty to meet payment obligations it has towards the Group. The Group is exposed to credit risk following investments made in bank deposits and bonds issued by municipalities or companies, current accounts, other receivables.

For the efficient management of credit and counterparty risk, the Group uses specific procedures, closely connected to its liquidity and investment policy, such as, without being limited to:

- Counterparty diversification
- Prudential selection of the banks where liquidities are placed as bank deposits and current accounts, based on adequate good standing criteria
- Monitoring of investments made by OPCVM/AIF in the portfolio
- Investment in corporate bonds not admitted to trading is made based on a due diligence in accordance with specific investment diligence procedures
- Setting the limits of credit and counterparty risk appetite and tolerance, and monitoring their abidance by the set risk profile.

3.1.4. Issuer risk

The Group is exposed to the current or future risk of value loss for a title in the portfolio, due either to the deterioration of its economic-financial status, or the business conditions (failure to function or lack of correlation of its internal activities according to its business plan), or to events, external trends or changes that could not have been known or prevented by the control system.

Concentration risk, associated to issuer risk represents the risk of bearing losses due to inadequate diversification (non-homogenous distribution) of exposures from capital title portfolio on terms, industrial sectors, geographic regions or issuers.
The management of issuer risk is made using specific procedures, such as, without being limited to:

- Insuring a high level of diligence in the selection and monitoring of issuers, through specific policies and procedures for portfolio management on issuer categories;
- Monitoring and regular revision of issuers with respect to their exposure level and defined risk profile;
- Adequate assessment of unlisted ownership interests;
- Active involvement in the management of the issuers in which the Group holds a majority position, promoting high corporate governance standards;
- Continuous training of the staff involved in portfolio management on activities that are specific for each portfolio;
- Setting limits for issuer risk appetite and tolerance and monitoring their abidance by the set risk profile.

3.1.5. Operational risk

Operational risk is defined as the risk of registering loss or failure to reach estimated profit due to some internal factors, such as improper running of some internal activities, the presence of improper staff or systems or due to external factors such as economic conditions, changes on the capital market, technological progress. Operational risk is inherent to all Group activities.

The policies defined for the management of operational risk have taken into consideration all event types that might generate significant risks and methods of their manifestation, in order to eliminate or lower financial or reputational losses.

The effective management of operational risk, an important Group-wide objective, is carried out by all company departments through the use of specific procedures established by the internal control system, such as, but not limited to:

- improvement and compliance with operational risk management policies and effective measures to deal with non-compliance by taking appropriate corrective action;
- continuously adapting the internal regulatory framework and internal process so as to ensure compliance with both FSA requirements and best practices in the field;
- setting procedures for all relevant operational processes within the company and the compliance of employees with work procedures;
- implementation of internal control tools and their improvement in day-to-day activities on the level of each department of the Group;
- improving the process of assessing internal and external factors that could adversely affect the company's performance, information flow and compliance objectives;
- development of theoretic and professional skills of human resources through training courses;
- development of effective communication to disseminate information to relevant staff and for all staff to fully understand and adhere to policies and procedures related to specific duties and responsibilities;
- regular internal/external audit of all activities carried out by the Group;
- ensuring occupational health and safety of human resources.

Subcategories of operational risk: information technology (IT) risk, professional liability risk, compliance risk, model risk, risk associated with outsourced activities, money laundering and terrorist financing risk

3.1.6. Sustainability risk

Sustainability risk means an event or an environmental, social or governance condition that, should it occur it would cause a significant negative effect, actual or potential, on the assets, profitability or balance, or on the reputation of the Group.
Sustainability risks are integrated in the classification and management of risk that the Group is exposed to during its business activities.
Sustainability risks may manifest as an own risk or may have an impact on and significantly contribute to other risk categories such as market risk, liquidity risk, credit and counterparty risk, issuer risk or operational risk.

For an efficient management of credit and counterparty risks, the Group uses specific procedures, closely connected with the Group's ESG policy and the policy regarding the integration of sustainability risks in the investment decision making process.

The prevention and lowering of sustainability risk is an important objective on the level of the entire Group that is implemented through:

- abidance by legal requirements applicable regarding ESG topics approach;
- development of an adequate understanding of ESG issued through continuous training and staff development programs on ESG topics;
- taking ESG factors into account in the internal organisation principles and the Group's policies and strategies;
- a structured process for the identification, monitoring and management of sustainability risks on the level of operational activities;
- setting of limits for sustainability risks, within the limits of the stated risk appetite;
- setting of remuneration systems that also take into account ESG risk management;
- inclusion in the conflict of interest risk management policy of conflicts that might occur following the integration of sustainability risk in the processes and system of the Group, as well as in internal controls;
- inclusion of principles regarding involvement on sustainability aspects in the involvement policies.

3.1.7. Other risks that the Group is exposed to

Regulatory risk - current and future risk of a negative effect on profit and capital, following the significant change of the regulatory framework applicable to the functioning of the Group. The impact may refer to: reduction of the attractiveness of a certain type of investments, sudden reduction of exposure of strategic issuers, significant increase of activity costs, etc.
Systemic risk – a risk is seen as systemic if it is a substantial treat to financial stability and has the potential to lead to serious negative consequences on markets and real economies. The Group may be exposed to systemic risk due to its interconnection with markets and investors. The Group's objective is to anticipate and protect itself from these possible negative effects through crisis simulations, continuity plans and the setting of exposure limits for relevant risks.
Strategic risk - current or future risk of negative impact on profits and capital caused by changes in the business environment or adverse business decisions, inadequate implementation of decisions or the lack of reaction to the changes in the business environment. The Group's objective is to provide a proper framework for the management of strategic risks, through the correlation of strategic objectives with means and methods used to reach these objectives, necessary resources, as well as quality of the decision-making process.
The management of the Group cannot predict all effects of the internal and international evolution that might have an impact on Romanian financial sector. In the first half of 2023, the Group adopted all measures necessary to carry out its activity under the current conditions of the financial market through the adequacy of its investment policy and constant monitoring of cash flows.

Reputational risk - current or future risk of negative impact on profits and capital caused by the unfavourable perception of the company's image of shareholders, investors or supervisory authority. The prevention and lowering of reputation risk is made through the following methods, not limited to them: adequate application of own ethics norms, confidentiality, as well as regulations in force concerning the prevention and fight against money laundering, preparation of an adequate form of presentation/communication of informative materials and materials for the promotion of the Group's activity, and setting work procedures and competences in case of an emergency situation.
Conflict of interest risk – risk of loss due to any situation in which the interests of the Group are

different from the personal interests of employees, directors and managers or their close relatives. The Group provides an efficient and unitary framework for conflict prevention and avoidance and adopts measures and rules to avoid conflict of interest.
Risk related to activities carried out by the Group's subsidiaries – current or future risk of negative effect on profits and capital or company reputation due to negative effects on the level of the companies within the Group. In order to manage this risk, companies within the Group include information on the relevant risks they are exposed to, their management method and possible prevention and lowering measures for these risks in their quarterly reports.

3.1.8. Tax risk

The tax system in Romania is subject to various interpretations and permanent changes that may be retroactive. In some cases, the tax authorities may take different positions from the Group's position and may calculate interest and tax penalties. Although the tax on a transaction may be minimal, the penalties may be high, depending on the interpretations of the tax authorities.

In addition, Romanian government has a number of subordinated agencies authorized to control both Romanian and foreign entities operating in Romania. These control are largely similar to those carried out in many other countries, but may also be extended to legal or regulatory areas the Romanian authorities may be interested in.

Tax returns may be subject to control and revision for a period of five years, generally after their submission. In accordance with legal regulations in force in Romania the controlled periods cannot be subject to additional verifications in the future.

The management of the Group considers that it has correctly calculated and registered its taxes, duties or other debts to the Romanian state. Nevertheless, there is still a risk that authorities may have a different position than that of the Group.

With regard to subsidiaries, tax inspections targeted specific areas.

3.1.9. Economic environment risk

The Group's management is committed to assess the nature of the changes that will take place in the economic environment in Romania and what their effect will be on the Group's financial situation and operating and cash results.

According to BNR Inflation report, November 2023, a large source of risk and uncertainty remains the multi-layered, but mainly economic, implications of the war in Ukraine and associated sanctions and the absorption of European funds, in particular those related to the Next Generation EU programme. These have recently been compounded by geopolitical tensions in the Middle East.

In terms of both economic activity and inflation developments, the overall situation remains one of fragility and uncertainty. At a time of multiple global crises, each with the potential to have far-reaching adverse consequences, and even more so when their effects overlap, the main sources of risk and uncertainty continue to come from geopolitical developments.
The Romanian real estate market will prove to be a dynamic environment, but with reserved forecasts and considerable uncertainties.

The Group's management cannot foresee all the effects of a crisis that would have an impact on the financial sector in Romania nor their potential impact on the financial statements, but considers that it has adopted the necessary measures for the Group's sustainability and development under current market conditions.

3.2. Exposure to market risk, credit risk, liquidity risk and cash flow risk.

3.2.1. Exposure to market risk

Exposure to price risk

The Group is exposed to the risk associated with the price variation of financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. On 31st December 2023, 88% of total shares with active market held by the Group (31st December 2022:87%) represented investments in companies that were included in the BET index of Bucharest Stock Exchange, index weighted with free float capitalization of the most liquid Romanian companies on the regulated market of Bucharest Stock Exchange.

A 10% positive change in the price of financial assets at fair value through profit or loss would lead to an increase in profit after tax of RON 25,060,463 (31st December 2022: RON 23,418,411), a 10% negative change would have an equal and opposite net impact.

A 10% positive change in the prices of financial assets measured at fair value through other comprehensive income would result in an increase in equity, net of income tax, of 176,182,395 lei (31st December 2022: 145,150,26 lei), a 10% negative change having an equal and opposite net impact.

The Group holds shares in companies that operate in various activity sectors, as follows:

	31st December 2023	%	31st December 2022	%
Financial, banking and insurance activities	1,336,062,169	65	998,680,935	59
Natural gas industry	63,650,948	3	248,648,907	15
Manufacture and maintenance of transport means	202,178,681	10	177,917,240	11
Oil industry	66,865,419	3	122,045,217	7
Real estate development (promotion)	340,363,310	17	56,512,758	4
Energy industry	7,680,000	0	37,945,196	2
Wholesale, retail, tourism and restaurants	4,950,984	0	19,173,213	1
Food industry	19,946,352	1	7,321,768	1
IT&C industry	7,930,382	1	6,118,695	0
Manufacture of machine, tools and equipment	5,184,452	0	4,790,940	0
Textile industry	-	0	3,166,185	0
Transport, storage, communication	1,101,390	0	1,996,157	0
Building materials industry	2,959,203	0	1,543,829	0
Other	1,281,535	0	1,357,424	0
TOTAL	2,060,154,825	100	1,687,218,464	100

As can be seen on the table above, on 31st December 2023 the Group mainly held shares in companies operating in the financial-banking and insurance field, with a weight of 59% of total portfolio (31st December 2022: 64%).

Exposure to interest rate risk

As on 31st December 2023 and 31st December 2022, the majority of the Group's assets and liabilities are non-interest bearing. As a result, the Group is not materially affected by interest rate risk. Surplus cash and cash equivalents are mainly invested in short-term bank deposits with an initial maturity of 1 to 12 months. In addition, the Group has insignificantly invested in corporate and municipal bonds with fixed or variable interest rates.

The Group does not use derivatives to hedge against interest rate fluctuations and interest rate risk is insignificant.

The following tables present the Group's exposure to interest rate risk.

În Lei	Net value on 31st December 2023	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current account	5,632,750	5,623,058	-	-	-	9,692
Bank deposits with initial maturity within 3 months	304,399,579	134,891,153	169,508,426	-	-	-
Bank deposits with initial maturity higher than 3 months	13,513,579	11,033,156	574,438	1,905,985	-	-
Financial assets at fair value through profit or loss	298,338,840	-	-	-	-	298,338,840
Financial assets measured at fair value through other comprehensive income	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483	-	-
Bonds at depreciated cost	35,692	3,371	-	8,820	23,501	-
Other financial assets at depreciated cost	13,809,792	-	-	-	-	13,809,792
Total financial assets	2,733,485,369	151,550,738	170,082,864	5,799,288	23,501	2,406,028,978
Liabilities						
Loans	87,551,586	81,127,061	6,300,000	124,525	-	-
Lease liabilities	10,713,608	154,733	312,729	1,424,842	8,821,304	-
Dividends payable	49,998,003	-	-	-	-	49,998,003
Financial liabilities at depreciated cost	11,974,027	-	-	-	-	11,974,027
Total financial liabilities	160,237,224	81,281,794	6,612,729	1,549,367	8,821,304	61,972,030

In Lei	Net value on 31st December 2022	< 1 month	1-3 months	3-12 months	>1 year	No interest rate risk
Financial assets						
Cash and current account	7,838,826	7,825,212	-	-	-	13,614
Bank deposits with initial maturity within 3 months	120,630,869	113,108,136	7,522,733	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	3,088,189	537,898	2,515,199	-	-
Financial assets at fair value through profit or loss	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	-	-	24,127	3,957,920	-
Bonds at depreciated cost	47,661	3,594	-	8,820	35,247	-
Other financial assets at depreciated cost	19,884,188	-	-	-	-	19,884,188
Total financial assets	2,167,211,837	124,025,131	8,060,631	2,548,146	3,993,167	2,028,584,762
Liabilities						
Loans	11,818,565	11,397,488	-	421,077	-	-
Lease liabilities	9,109,377	119,643	233,983	993,545	7,762,206	-
Dividends payable	43,029,452	-	-	-	-	43,029,452
Financial liabilities at depreciated cost	11,363,910	-	-	-	-	11,363,910
Total financial liabilities	75,321,304	11,517,131	233,983	1,414,622	7,762,206	54,393,362

The impact on the Group's net profit of a +/- 100 bp change in the interest rate on floating rate assets and liabilities denominated in other currencies combined with a +/- 500 bp change in the interest rate on floating rate assets and liabilities denominated in lei is -/+ 1,532,023 lei (31st December 2022: -/+ 480,230 lei).

Exposure to currency risk

Assets denominated in lei and other currencies as at 31st December 2022 and 31st December 2021 are shown in the following tables.

In Lei	Net value on 31st December 2023	Lei	EUR	USD
Financial assets				
Cash and current account	5,632,750	5,580,247	44,891	7,612
Bank deposits with initial maturity within 3 months	304,399,579	303,909,431	490,148	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,513,579	-	-
Financial assets at fair value through profit or loss	298,338,840	297,264,619	1,074,221	-
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,036,197,327	-	-
Investments accounted for using the equity method	57,673,327	57,673,327	-	-
Bonds at fair value through other comprehensive income	3,884,483	-	3,884,483	-
Bonds at fair value through other comprehensive income	35,692	35,692	-	-
Other financial assets at depreciated cost	13,809,792	13,782,298	27,494	-
Total financial assets	2,733,485,369	2,727,956,520	5,521,237	7,612
Loans	87,551,586	23,752,640	63,798,946	-

In Lei	Net value on 31st December 2023	Lei	EUR	USD
Lease liabilities	10,713,608	2,527,221	8,186,387	-
Dividends payable	49,998,003	49,998,003	-	-
Financial liabilities at depreciated cost	11,974,027	5,326,292	6,647,735	-
Total financial liabilities	160,237,224	81,604,156	78,633,068	-

In Lei	Net value on 31st December 2022	Lei	EUR	USD
Financial assets				
Cash and current account	7,838,826	6,698,089	1,127,525	13,212
Bank deposits with initial maturity within 3 months	120,630,869	111,915,373	8,715,496	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,141,286	-	-
Financial assets at fair value through profit or loss	279,782,253	278,419,233	1,363,020	-
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-
Investments accounted for using the equity method	55,371,088	55,371,088	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at fair value through other comprehensive income	47,661	47,661	-	-
Other financial assets at depreciated cost	19,884,188	19,487,585	396,603	-
Total financial assets	2,167,211,837	2,151,613,934	15,584,691	13,212
Loans	11,818,565	11,397,488	421,077	-
Lease liabilities	9,109,377	919,489	8,189,888	-
Dividends payable	43,029,452	43,029,452	-	-
Financial liabilities at depreciated cost	11,363,910	3,542,686	7,821,224	-
Total financial liabilities	75,321,304	58,889,115	16,432,189	-

The net impact on the Group's profit of a +/- 15% change in the Leu/EUR exchange rate combined with a +/- 15% change in the Leu/USD exchange rate as at 31st December 2023, all other variables remaining constant, is -/+ RON 9,211,132 (31st December 2022: -/+ RON 105,120).

3.2.2. *Exposure to credit risk*

On 31st December 2023 and 31st December 2022, the Group did not generally hold collateral as security, nor other credit risk enhancements. As at 31st December 2023 and 31st December 2022 the Group had no outstanding financial assets, except for balances of trade receivables or from sundry debtors.

The Group's maximum exposure to credit risk amounts to 341,259,369 lei as at 31st December 2023 (31st December 2022: 158,507,133 lei), including current accounts and deposits with banks, bonds and other financial assets at amortised cost, and can be analysed as follows:

Exposures from deposits and current accounts

	Rating	31st December 2023	31st December 2022
Banca Transilvania	Moody's: Baa2 (2022: Fitch: BB+)	187,434,085	118,923,409
EximBank	Fitch: BBB- (assimilated to sovereign rating)	111,451,754	529
Banca Comercială Română	Fitch: BBB+	20,524,471	543,713
Garanti Bank	Fitch: BB-	2,053,432	4,651,888
Raiffeisen Bank	Moody's: Baa1	1,439,376	5,986,235
BRD - Groupe Societe Generale	Fitch: BBB+	673	2,829,657
CEC Bank	Fitch: BB	-	7,110
Other commercial banks	No rating	643,213	1,662,807
Total cash at banks		323,547,004	134,605,348

	Rating	31st December 2023	31st December 2022
Cash		16,506	17,744
Total cash and current accounts and bank deposits (gross values) of which:		323,563,510	134,623,092
Cash and current accounts		5,632,756	7,838,857
Bank deposits with initial maturity under 3 months		304,415,915	120,637,934
Bank deposits with initial maturity over 3 months		13,514,839	6,146,301
Expected credit loss, of which for:		(17,602)	(12,111)
Current accounts		(6)	(31)
Bank deposits with initial maturity under 3 months		(16,336)	(7,065)
Bank deposits with initial maturity over 3 months		(1,260)	(5,015)
TOTAL cash, current accounts and bank deposits		323,545,908	134,610,981

Exposures from bonds at depreciated cost

	Rating	31st December 2023	31st December 2022
Bacău municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	35,711	47,694
Total bonds at depreciated cost – gross value		35,711	47,694
Expected credit loss		(19)	(33)
Total bonds at amortized cost		35,692	47,661

Exposures from bonds at fair value through other comprehensive income

	Rating	31st December 2023	31st December 2022
Autonom Service bonds	Fitch: B+	3,884,483	3,982,047
Total		3,884,483	3,982,047

Financial assets at amortized cost

	31st December 2023	31st December 2022
Claim on AAAS	48,762,677	48,756,218
Trade receivables	9,522,175	12,644,936
Amount representing the guarantee for the tender offer of treasury shares	5,000,000	8,500,000
Dividends to collect	281,373	-
Advances to the Central Depository for the payment of dividends to shareholders	859,628	1,051,798
Advances to suppliers	104,961	788,684
Other financial assets at amortised cost	8,045,209	5,229,908
Less expected credit loss for other financial assets	*(58,766,231)*	*(57,087,356)*
Total	13,809,792	19,884,188

Other assets at amortised cost mainly include the Company's receivable from the Authority for the Administration of State Assets ("AAAS"), trade receivables, sundry debtors and advances to suppliers.

Adjustments for expected credit loss relate primarily to claims against AAAS from finally won litigation which they fully cover, and related to a part of trade receivables.

The amount representing the guarantee for the public tender offer of the Company's treasury shares was deposited with the intermediary in accordance with the provisions of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, art. 57, item 1, letter d).

3.2.3. *Liquidity risk*

The structure of the Group's assets and liabilities has been analysed based on the remaining period from the balance sheet date to the contractual maturity date for both the period ended 31 December 2023 and the financial year ended 31st December 2022, as follows:

31st December 2023	Book value	Undiscounted value	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets							
Cash and current accounts	5,632,750	5,632,750	5,632,750	-	-	-	-
Bank deposits with initial maturity within 3 months	304,399,579	306,482,595	135,204,548	171,278,047	-	-	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,606,106	11,070,000	580,599	1,955,507	-	-
Financial assets at fair value through profit or loss	298,338,840	298,338,840	-	-	-	-	298,338,840
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	4,033,205	-	-	4,033,205	-	-
Bonds at fair value through other comprehensive income	35,692	40,084	3,608	-	10,594	25,882	-
Other financial assets at depreciated cost	13,809,792	13,809,792	11,643,368	522,491	1,283,896	316,513	43,524
Total financial assets	2,733,485,369	2,735,814,026	163,554,274	172,381,137	7,283,202	342,395	2,392,253,018
Financial liabilities							
Loans	87,551,586	94,442,874	702,882	1,261,839	13,998,326	78,479,827	-
Lease liabilities	10,713,608	13,156,787	199,683	399,407	1,790,041	10,767,656	-
Dividends payable	49,998,003	49,998,003	49,998,003	-	-	-	-
Financial liabilities at depreciated cost	11,974,027	11,974,027	6,356,562	5,230,232	31,857	355,376	-
Total financial liabilities	160,237,224	169,571,691	57,257,130	6,891,478	15,820,224	89,602,859	-
Net financial assets	2,573,248,145	2,566,242,335	106,297,144	165,489,659	(8,537,022)	(89,260,464)	2,392,253,018

31st December 2022	Book value	Undiscounted value	< 1 month	1 - 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets							
Cash and current accounts	7,838,826	7,838,826	7,838,826	-	-	-	-
Bank deposits with initial maturity within 3 months	120,630,869	120,957,880	113,882,393	7,075,487	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,245,807	3,106,234	540,543	2,599,030	-	-
Financial assets at fair value through profit or loss	279,782,253	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at fair value through other comprehensive income	47,661	58,493	3,947	-	11,560	42,986	-
Other financial assets at depreciated cost	19,884,188	19,884,188	18,180,879	1,225,462	232,321	199,219	46,307
Total financial assets	2,167,211,837	2,167,958,684	143,012,279	8,841,492	2,994,911	4,376,735	2,008,733,267
Financial liabilities							
Loans	11,818,565	14,316,954	291,861	570,387	4,503,234	8,951,472	-
Lease liabilities	9,109,377	10,808,580	142,230	280,954	1,172,775	9,212,621	-
Dividends payable	43,029,452	43,029,452	43,029,452	-	-	-	-
Financial liabilities at depreciated cost	11,363,910	11,363,910	3,285,434	7,197,391	567,535	313,550	-
Total financial liabilities	75,321,304	79,518,896	46,748,977	8,048,732	6,243,544	18,477,643	-
Net financial assets	2,091,890,533	2,088,439,788	96,263,302	792,760	(3,248,633)	(14,100,908)	2,008,733,267

3.2.4. *Exposure to cash-flow risk*

	31st December 2023	31st December 2022
Net cash from operating activities	238,214,358	36,402,627
Net cash used in operating activities	(23,697,069)	(13,119,340)
Net cash used in financing activities	(34,666,845)	(83,425,150)
Net increase / (decrease) in cash and cash equivalents	179,850,444	(60,141,863)
Cash and cash equivalents on 1st January	128,186,394	188,328,257
Cash and cash equivalents on 31st December	308,036,838	128,186,394

Cash and cash equivalents include the following elements:

	31st December 2023	31st December 2022
Cash on hand	16,506	17,744
Current bank accounts	5,616,250	7,821,161
Bank deposits with initial maturity within 3 months (principal)	302,404,082	120,347,489
Cash and cash equivalents	308,036,838	128,186,394

3.3. Main risks and uncertainties in 2024

Locally, the main elements that could support the increase in share prices of companies listed on the BVB in 2024 are the decrease in interest rates by the ECB and the NBR, starting in the second half of the year, dividend distributions with high yields by some companies, the transition of the Romanian capital market to the emerging category according to MSCI classifications and the increase in contributions to private pension funds, 2nd pillar.

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

Contributions to mandatory private pensions increase from 3.75% to 4.75%, so pension funds will have more cash available for capital market investments. On the other hand, elections at home and abroad could generate volatility in the market. The 2024 election year will bring a low likelihood of deficit-correcting measures, and the government's financing needs will be significant, including due to some Eurobond maturities.
BVB is likely to be influenced by the evolution of global markets which will determine the financing costs for the State's debt, but also the attractiveness for investment in the Romanian capital market.

The resilience of the financial system continues to be tested by the uncertain macroeconomic and geopolitical context, driven by risks of higher than expected inflation or a more pronounced economic slowdown. Optimistic investor sentiment is already reflected in stock prices, and geopolitical risks are increasing due to the continuing war between Russia and Ukraine or the regional escalation of the Middle East conflict, with adverse implications for global commodity markets and supply chains, with international trade already fragmented following previous shocks. Fears about the scale, duration and impact of the Middle East conflict are also reflected in the oil market.
In a hypothetical scenario involving a regional expansion of the Middle East conflict, the World Bank estimates oil prices to rise to between $140 and $157 per barrel (compared to an average of $81 per

barrel for 2024 in the no-deal scenario). So far, the effects of the conflict on global commodity markets have been limited, with the most significant price increases in the European gas market (+32.2% from 7-31 October 2023) reflecting geopolitical risk premium rather than supply chain disruptions.

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

In 2024, an election year, the likelihood of the U.S. administration taking action to correct the budget deficit is low; on the contrary, it is likely to react promptly to any signs that the U.S. economy could fall into recession.

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

4. Important subsequent events

4.1. EVERGENT Investments SA

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

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

4.1.2. Accessing credit facilities to capitalize on market opportunities
To this end, the revolving credit facility in the form of an overdraft facility of up to EUR 19,200,000 was extended for a period of 12 months and a new revolving credit facility in the form of an object credit ceiling of up to EUR 10 million was contracted for a period of 24 months, out of which 12 months are the drawdown period.

4.2. Mecanica Ceahlău SA – n/a.

4.3. Regal SA – n/a.

4.4. Agrointens SA – share capital increase of 7.650 million lei.

4.5. Everland SA – n/a.

4.6. EVER IMO SA – share capital increase with contribution in kind and in cash.

4.7. Casa SA - increase of share capital through in-kind contribution of 1.109 million lei; acquisition of a property from EVERGENT Investments worth 5.442 million lei; disposal of a property to EVERGENT Investments worth 7.572 million lei.

4.8. EVER Agribio SA – n/a.

4.9. Visionalfa Investments SA – n/a.

4.10. A3 Snagov – increase in share capital by 0.25 million lei.

5. Information on the acquisition of treasury shares by EVERGENT Investments Group

1. In accordance with the resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 2/28.04.2022, the public offering of treasury shares was run between 22.12.2022 – 06.01.2023, for a number of 19,625,000 shares, for a purchase price of 1.41 lei/share, in order to lower the share capital through share annulment.
The offering was a success in terms of investor interest, with an allocation ratio of 0.0908835825.

2. The Extraordinary General Meeting of Shareholders of EVERGENT Investments adopted resolution no. 2 on 27.04.2023, through which:
- approves Buy-back Programs no. 8 and 9 for treasury shares, abiding by the legal provisions applicable, and with the following main characteristics:
a) Purpose of the programs: The Company shall buy-back shares for the purpose of running "stock option plan"-type programs (Program 8), as well as to lower the share capital through share annulment (Program 9).
b) Number of shares that can be bought-back: (i) maximum 9,200,000 shares through market operations (0.956% of registered share capital) for distributions to employees, directors and managers of the Company within "stock option plan"-type programs (Program 8) and (ii) maximum 10,000,000 shares (1.039% of registered share capital) through public offering, for the purpose of lowering the share capital through share annulment (Program 9).
c) Minimum price per share: the minimum purchase price shall be the BVB market price at the time the purchase is made.
d) Maximum price per share: 2 lei.
e) Duration of each program: maximum 18 months from the date the resolution is registered in the Trade Registry.
f) Payment for the redeemed shares will be made from the distributable profit or from the available reserves of the company, as recorded in the last approved annual financial statements, with the exception of the legal reserves recorded in the 2022 financial statements, in accordance with the provisions of Article 103 index 1 of Companies Law no. 31/1990.
- it authorises the Board of Directors and its individual members to adopt the necessary resolutions in order to implement the resolution, including the completion of all steps and formalities for the implementation of the programmes and application of assignment criteria, the setting of beneficiaries and number of rights/options to purchase share, the period for the exercise of the rights, the preparation and publication of informative documents, as required by the law.

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

- ✓ Period: 17.05.2023 – 11.07.2023;
- ✓ Total number of bought-back shares: 1,000,000, representing 0.104% of share capital;
- ✓ average buy-back price: 1.2587 lei/share;
- ✓ Total value of bought-back shares: 1,258,686.64 lei
- ✓ Purpose: buy-back of treasury shares to abide by legal provisions stemming from "stock option plan"-type programs;
- ✓ Broker: BT Capital Partners.

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

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

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

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

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

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

- ✓ Number of shares that are object of the offer: 10,000,000, representing 1.0398% of share capital;
- ✓ Purchase price: 1.45 lei per share;
- ✓ Period: 08.01.2024 – 19.01 2024;
- ✓ Offer Broker: BT Capital Partners;
- ✓ Subscription location: as per offering document presented on site www.evergent.ro.
- ✓ The purpose of the programme is the lowering of the share capital through the annulment of bought-back shares, in accordance with EGMS resolution no. 2 on 27.04.2023.

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

6. Corporate Governance

6.1. Corporate Governance Code

(www.evergent.ro/despre noi/Codul de guvernanță corporativă)

EVERGENT Investments' Governance Code is aligned with the provisions of FSA Rule no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority (FSA Registry no. 2/2016), Corporate Governance Code of Bucharest Stock Exchange, OECD Corporate Governance principles, as well as the best practices in the field.

6.1.1. Structure and functioning method of management and administrative bodies

6.1.1.1. General Meeting of Shareholders – The General Meeting of Shareholders (AGA) is the supreme deliberating and decision body of EVERGENT Investments and functions in accordance with legal provisions in force and those of the Memorandum of Association. The ordinary and extraordinary general meetings of shareholders are convened by the Board of Directors in accordance with legal and statutory provisions. The proceedings of the meetings are written down by the elected GMS secretary. The general meeting of shareholders adopts resolutions based on drafts suggested by the Board of Directors and/or shareholders. GMS resolutions, signed by the session president are reported to FSA, BSE and made public through their submission and registration in the Trade Registry, publication in Romania's Official Journal part IV, display on the official website. GMS resolution are enforceable (to be applied immediately) from the time of their being adopted, unless there is another date mentioned when they are to become enforceable in their wording or legal provisions. *(Details are presented in Annex 1)*

6.1.1.2. Board of Directors - the Company is managed by a Board of Directors comprised of 5 members, natural persons, elected by the General Meeting for a 4 years' period, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA. The current members of the Board of Directors: Doros Liviu Claudiu – president, CEO; Iancu Catalin-Jianu-Dan – vice-president, deputy CEO; Ceocea Costel, Ciorcila Horia, Radu Octavian-Claudiu – were approved by OGMS Resolution no. 2/28.01.2021, for the 5th April 2021 – 5th April 2025 mandate and authorized by FSA (Authorization no. 49/30.03.2021).
(Details on the organization and responsibilities of the Board of Directors are presented in Annex 1)

6.1.1.3. Audit committee- is a permanent committee, independent from EVERGENT Investments' management, subordinate to the Board of Directors. The Audit Committee assists the Board of Directors in fulfilling its responsibilities in the field of financial reporting, internal control, internal and external audit and risk management. The Audit Committee is comprised of 3 members, namely:
1. Octavian Claudiu Radu – president – non-executive and independent member;
2. Horia Ciorcilă – member – non-executive and independent director;
3. Costel Ceocea – member – non-executive director.

(Details on the organization and responsibilities of the Audit Committee are presented in Annex 1)

6.1.1.4. Appointing and Remuneration Committee - is a permanent committee, with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors. The Committee assists the Board of Directors in its fulfilment of responsibilities related to the appointing and remuneration of members for management functions, as well as their

remuneration. The Committee is comprised of 3 members, namely:
1. Costel Ceocea – President – non-executive director;
2. Octavian Claudiu Radu – member – non-executive and independent director;
3. Horia Ciorcilă – member - non-executive and independent director.
(Details on the organization and responsibilities of the Appointing and Remuneration Committee are presented in Annex 1)

6.1.1.5. Investment Committee - is a permanent committee, with consultative function, independent from EVERGENT Investments SA's executive management, subordinate to the Board of Directors. The Investment Committee assists and supports the Board of Directors in the fulfilment of its obligations in the field of drafting investment strategies and policies, abidance by the decisions concerning the application of investment policy, the analysis of the securities portfolio and management of related risks. The Committee is comprised of 3 members, namely:

1. Horia Ciorcilă – president – non-executive and independent director;
2. Octavian Claudiu Radu – member – non-executive and independent director;
3. Costel Ceocea – non-executive director.

6.1.1.6. Executive management of the Company is ensured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and Deputy CEO, who act as managers of the company as per Law 31/1990 regarding companies. The managers meet the legal requirements for their position; have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM. Executive managers of EVERGENT Investments: Doroș Liviu Claudiu – CEO Iancu Cătălin Jianu Dan – deputy CEO – FSA authorization no. 59/05.04.2021
(Details on the organization and responsibilities of Executive Management are presented in Annex 1)

6.1.1.7. Management Committee
The CEO and deputy CEO comprise the Management Committee and effectively run the activity of the company within the limits of their assigned competencies.
Each director of the company coordinates the daily activity of certain departments according to the organisational chart and adopt individual decisions on their specific activity areas, and together they adopt decisions within the Management Committee, complying with the legal requirements that directors insure the actual management of the company.
For this purpose, the Committee adopts decisions regarding:
- ✓ implementation of the investment strategy set by the Board of Directors;
- ✓ implementation of the resolutions of the Board of Directors that target assigned competencies;
- ✓ matters that fall within the competence of the Board of Directors and are to be submitted for its discussion and approval concerning delegated tasks;
- ✓ issues that, by their scope, can impact all lines of business (business, support, compliance);
- ✓ issues that, in order to adopt a decision, require full understanding and harmonization of business and compliance aspects.
- ✓ approval of procedures specific for the departments of the company.

The meetings of the Management Committee are also the internal framework for the directors to be fully and mutually informed on issued specific to coordinated areas.
(Details on the organization and responsibilities of the Management Committee are presented in Annex 1)

6.1.2. Protection of EVERGENT Investments' interests and assets through legal procedures

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

During the reporting period, the Company registered in its specific records a number of 273 litigations, of these 41 files being concluded, the legal assistance and representation activity focusing on litigations related to EVERGENT's patrimony and shareholders' interests. In order to recover debts (especially from AAAS, enforcement procedures are continued, the Department carrying out continuous documentation on judicial ways of recovering debts of more than 60,000,000 lei and a maturity of more than 10 years.

Legal advice is also a current activity of utmost importance and with a particular weight within the Legal Department, this activity being provided both for the company and for the companies in the Group, with the objective of achieving strategy and protecting legitimate interests in transactions and operations in which the Company is a party, in compliance with the legal provisions in force. *(Details on the Status of litigations on 31st December 2023 are presented in Annex 2).*

6.2. Main characteristics of the internal control and risk management systems of EVERGENT Investments Group

6.2.1. Risk Management - EVERGENT establishes and maintains a permanent and effective compliance verification function that is separate and independent from other functions and activities. Structurally and hierarchically the Risk management department is subordinate to the Board of Directors. The permanent risk management function is exercised independently from the hierarchic and functional point of view, form that of portfolio management and other functional departments through the adoption of all organisational measures to prevent conflicts of interest, expressly foreseen by the company's internal regulations. The permanent risk management function has the necessary authority and access to all relevant information necessary to fulfil attributions and responsibilities
Staff of the Risk Management Department:
1. Sonia Fechet- risk administrator, risk manager (FSA reg. no.: PFR132FARA/040050)
2. Elena Rebei – senior risk administrator (FSA Reg. no.: PFR132FARA/040049)
(Details on the organization, responsibilities of the Risk Management Department are presented in Annex 3)

6.2.2. Compliance

EVERGENT Investments establishes and maintains a permanent and effective compliance verification function that is independent. Structurally and hierarchically the Compliance Department reports to the Board of Directors. Each person employed in the Compliance Department is subject to F.S.A. authorization and is registered in the public register of F.S.A..
Staff of the Compliance Department:
1. Michaela Puscas – compliance officer, department manager (FSA Reg. no.: PFR131RCCO/04003);

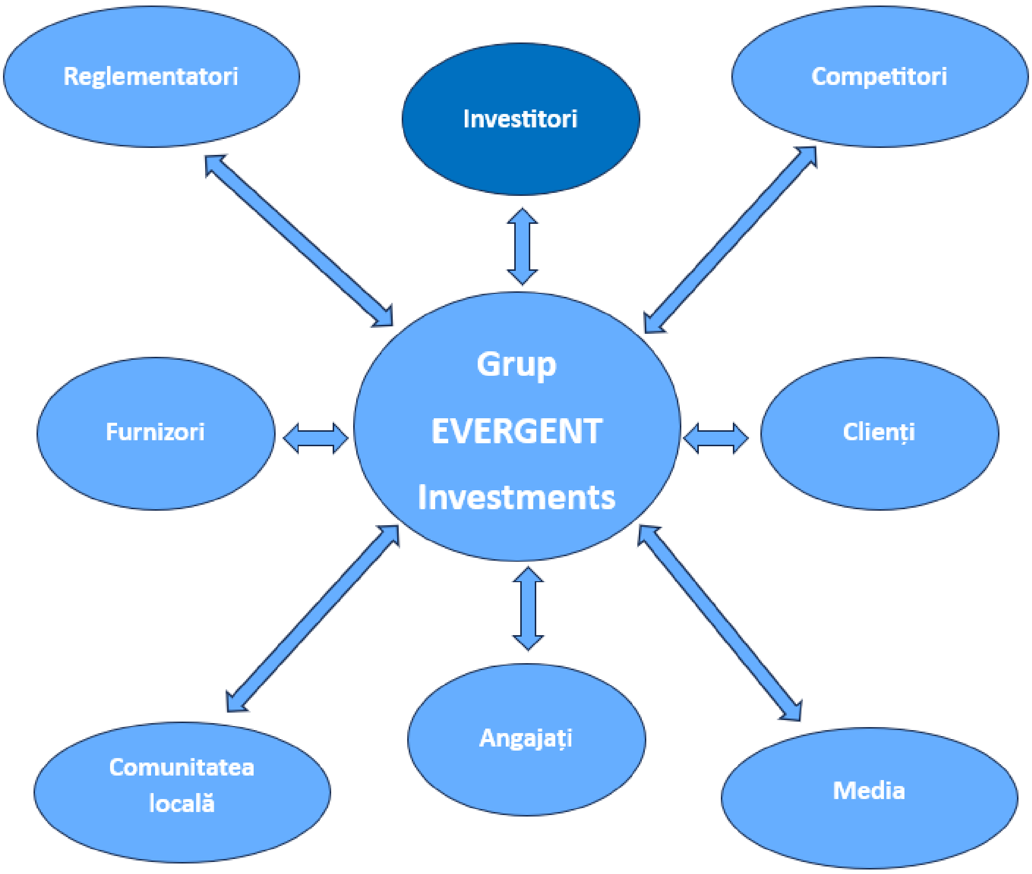
2. Gabriel Lupascu – compliance officer (FSA Reg. no.:PFR14RCCO/040020)
(Details on the organization and responsibilities of the Compliance department are presented in Annex 3)

6.2.3. Internal Audit - EVERGENT Investments sets and maintains the permanent internal audit function, independent from other functions and activities of EVERGENT Investments. The department is subordinate to the Board of Directors. For the purpose directing the activity, the internal Audit Department develops policies and procedures aligned to the requirements of the International Standards for the professional practice of internal audit
FSA notified internal auditors: Virginia Sofian, Gabriela Stelea, Rodica Grintescu
(Details on the organization and responsibilities of the Internal Audit Department are presented in Annex)

7. EVERGENT Investments Group's approach regarding environment, social and governance aspects– "ESG"

For EVERGENT Investments Group generating value means, in addition to financial performance and profitability for its shareholders, a positive impact on the environment and the community in which it operates.

The 2023 ESG Policy of EVERGENT Investments Group is presented on www.evergent.ro



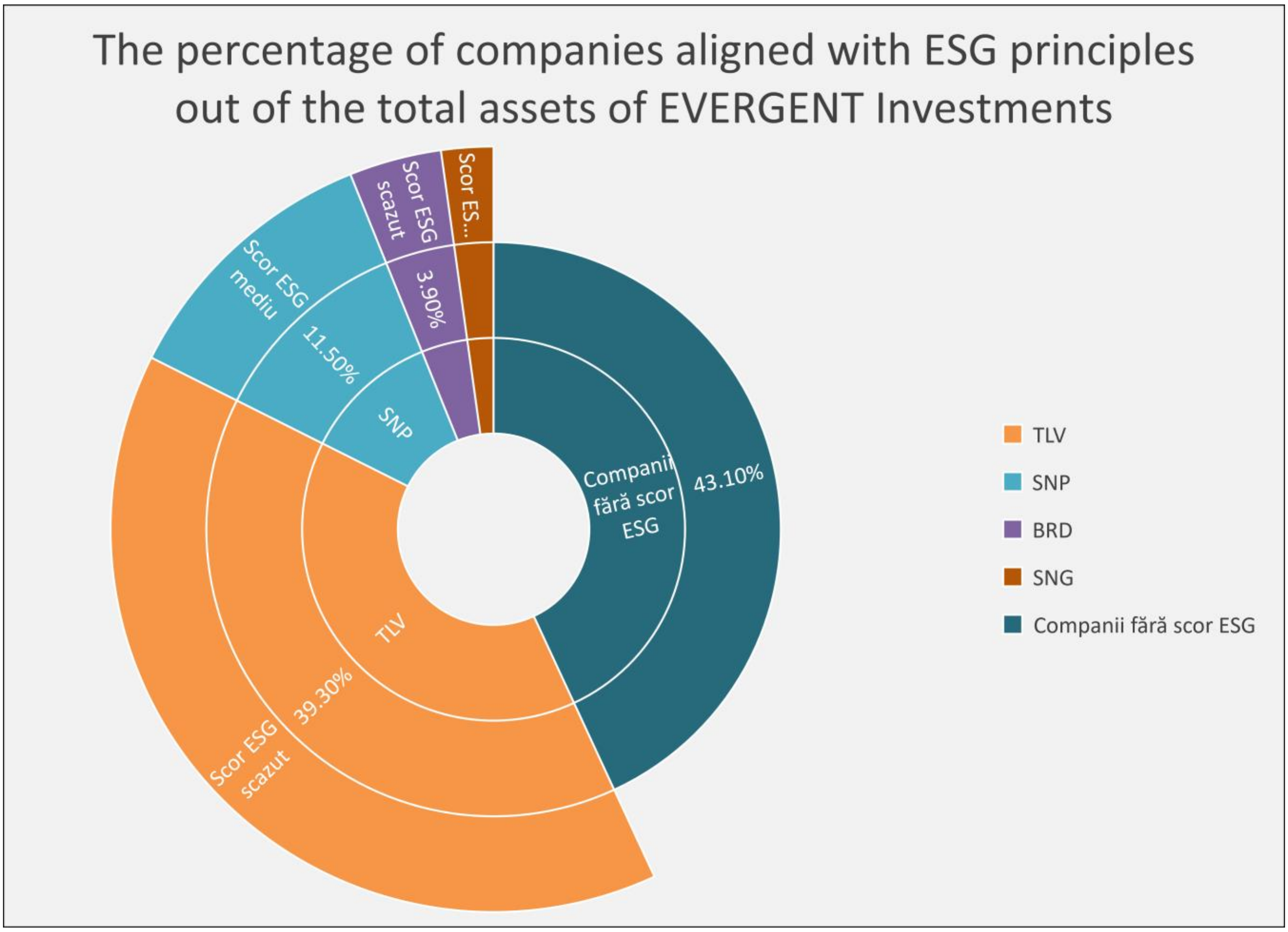
The Environmental Component – „Environmental"

EVERGENT Investments Group aims to lead by the power of example and use its investment experience in order to generate positive changes on the environment.

The global transition to zero emissions under the Paris Agreement requires the commitment and collaboration of all sectors. In scenarios analysed by the International Energy Agency, energy demand will grow by 2.1% per year until 2040, especially in developed countries. The share of zero-carbon energy is projected to increase from 36% today to 52% by 2040. Romania supports the European Union's environmental targets to achieve zero carbon emissions by 2050. The decarbonisation target to be achieved by 2030, the intermediate stage, has been accelerated from 40% to 55%. This ambitious target cannot be achieved without the use of all low-carbon energies, in particular nuclear and gas. Thus, Romania's target is to reduce CO2 emissions by 43.9% by 2030 compared to 2005 levels.

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

EVERGENT Investments listed equity portfolio structure according to ESG principles



On 31st December 2023, over 50% of the assets portfolio is held in issuers that integrate ESG factors in the activities carried out.

The main issuer is Banca Transilvania, which obtained a very good ESG Risk Rating (15.1) and is classified in the Low Risk category in terms of ESG initiatives and performance. The result ranks Banca Transilvania in the top 15% of the companies analysed by Sustainalytics globally.
The company also received Most GHG Mitigated in Central Europe recognition from the International Finance Corporation (IFC) for its contribution to reducing the impact of greenhouse gas emissions by providing green financing to companies in Romania.

In December 2023, Banca Transilvania received a ESG rating of 3.5, following the assessment of FTSE Russell. The ESG Index is the result of an assessment based on three pillars: environmental, social and governance. More than 300 indicators were used to analyse the bank's exposure and the way Banca Transilvania manages the ESG area.

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

This confirms the bank's results in areas such as: the governance of its product and service offering; the policy of excluding polluting sectors from fossil fuel lending; the responsible marketing policy and the initiatives implemented to develop human capital.

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

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

Private – equity Portfolio

"Atria Urban Resort" Project is building 350 apartments, according to Phase III, in accordance with the nZEB standard of energy efficiency (near-zero energy consumption), adhering to "eco-friendly" principles and reducing carbon footprint.

The buildings are equipped with 296 solar panels installed in Phase III and cover a total area of 730 square meters. They have a production capacity of 446,500 kWh/year and the energy produced will be used in the solar domestic hot water system. The panels are flat, with an absorbent surface made of selective aluminium fins, measuring 2.00m x 1.30m.

In addition to the proprietary solar panel system, each apartment is equipped with a central heating system and heat recovery ventilation equipment that further reduces additional energy consumption, as well as exterior wall insulation (15 cm for facades and 25 cm for terraces).

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

Social component – "Social"

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

The Group believes that a thorough involvement of employees leads to performance, and thus it supports diversity and equity initiatives and constantly promotes a culture of collaboration.

EVERGENT Group acknowledges the positive impact that it may have on the community it is part of, either through capital investments or sponsorships and at the same time it aims to create opportunities for communities with insufficient resources.

EVERGENT Investments Group's involvement in its communities is aimed at sustainable economic development. Creating new jobs and helping disadvantaged people to integrate into the community are sustainable mechanisms of intervention in society in the long term.

Corporate Governance Component – "Governance"

The implementation of corporate governance principles, as well as the development of responsible and transparent business practices, represent important milestones of the EVERGENT Investments Group's activity, while ensuring the prerequisites for achieving sustainable performance growth and for harmonizing the interests of all parties involved in the relationship with the EVERGENT Investments Group.

EVERGENT Investments Group is based on values such as responsibility, innovation, action diligence and the way its employees strive to exceed their limits to be better.

8. Prevention and fight against money laundering and the financing of terrorism on the level of EVERGENT Investments Group

The individuals appointed for ML/FT have fulfilled their responsibilities as set by FSA Regulation no. 13/2019 on the establishment of measures to prevent and combat money laundering and terrorist financing through the financial sectors supervised by the Financial Supervisory Authority.
The company identifies ML/FT risks it is subjected to both on the level of the entire activity and on Group level in accordance with applicable legal provisions.

EVERGENT Investments, as parent company, implements the means and instruments necessary for the purpose of abiding by ML/FT legislation on the level of Evergent Group, for which purpose, the following operations were carried out during the reporting period:

- ✓ taking the necessary steps to implement the revised policies and procedures in 2023, in line with current legislation, in all subsidiaries.
- ✓ continuation of the subsidiary monitoring stages, in order to adopt procedures depending on the specifics and size of the economic activity carried out, as well as the particularities of the business relations, clients, products and services, that can insure the assessment of the money laundering/financing of terrorism risks on Group level, abiding by legal provisions applicable.
- ✓ taking the necessary measures to appoint assigned individuals according to the law, for each subsidiary and for assigning them the corresponding responsibilities.
- ✓ insuring the conditions for the training and assessment of staff.

2023 Board of Directors' Activity Report related to the Consolidated Financial Statements has been approved in the BoD meeting on 25th March 2024.

Claudiu DOROȘ
CEO and President of the Board

Finance director
Mihaela MOLEAVIN

Compliance officer
Gabriel LUPAȘCU

Director
Georgiana DOLGOȘ

Annex 1

The Structure and Method of Operation for Administrative, Management and Supervisory Bodies and Committees – EVERGENT Investments SA

1.1. General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the supreme governing body of the Company and functions in accordance of the applicable law in force and Memorandum of Association. The ordinary and extraordinary general meetings are convened by the Board of Directors in compliance with the legal and statutory provisions. The session papers are recorded by the secretariat elected by the GMS; the minutes are drawn up in the special register.

The General Meeting of Shareholders adopts resolutions based on proposals made by the Board of Directors and/or shareholders. GMS resolutions, signed by the meeting president, are reported to FSA, BSE and made public through publication in a national newspaper, Official Journal, Part IV, posted on the official website and at the headquarters. GMS resolutions are enforceable (applied immediately) from the moment they are adopted, if their contents or legal provisions do not foresee another time for their becoming enforceable.

1.2. Board of Directors

The company is managed by a Board of Directors comprised of 5 members, individuals, elected by the general meeting for a period of 4 years, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA.

The directors and managers who make up the Management Committee shall conclude administration and/or management contracts with the company, drawn up in compliance with the applicable legal framework. The content of these contracts entered into with the company shall be disclosed and/or made public where required by the applicable regulations.

In its activity, the Board of Directors adopts resolutions. The resolutions of the Board of Directors are valid if more than half of its members were present, and resolutions are adopted with the majority of the present members. The president of the Board of Directors who is at the same time CEO of the company may not have decisive vote. Legally adopted resolutions are mandatory for directors and other managers, and enforceable once notified in writing or following general notification through the secretariat of the Board of Directors if there is no other deadline foreseen for them to come into force, subsequent to the time of notification.

The Board of Director may elect from among its members a president and a vice-president. The President of the Board of Directors may also be the CEO of the company and the vice-president may also be the deputy-CEO. The President chairs the meetings. In case the president is not present, sessions are chaired by the vice-president.

The president of the Board of Directors has the following basic responsibilities:
a) Coordinates the activity of the Board of Directors;
b) Convenes the Board of Directors;
c) Sets the agenda of the Board of Directors;
d) Watches over the adequate information of Board members concerning the items on the agenda;
e) Presides the sessions of the Board of Directors;
f) Ensures the Board of Directors' representation in relationship with Directors by signing Director and Management Agreements;
g) Follows-up the execution of Board of Directors' resolutions and reports to the Board on the status of their implementation quarterly;

h) Signs the protocol of the Board of Directors' meeting along with another manager; if he has chaired the meeting;
i) Conducts GMS works and submits the items on the agenda for GMS discussion and approval;
j) Watches over the good functioning of company bodies.

The President may also have other attributions set by the Board of Directors of the Company through resolutions or expressly foreseen by legal provisions.

The vice-president of the Board of Directors fulfills the President's obligations, in the latter's absence.

The vice-president may have other attributions as well, set by the Company's Board of Directors through resolution or expressly foreseen by legal provisions.

The members of the Board of Directors may be represented at the Board's meetings only by other members. A present member may only represent an absent member.

The provisions of EVERGENT's Memorandum of Association regulate situations concerning:
a) The management of the Company in the transition period following the expiry of former managers' mandates and the validation date of new managers by the competent authority;
b) The procedure to complete the Board, in case of position vacancies;
c) The organization and conduction of Board of Directors' meetings.

The Board of Directors has the following basic competencies that cannot be delegated:
a) setting the Company's main activity and development goals;
b) setting the accounting policies and the financial supervisory system, as well as approving the financial planning;
c) appointing and dismissing managers and setting their rights and duties;
d) supervising the managers' activity;
e) preparing the annual report, organizing the general meeting of shareholders and implementing its resolutions;
f) submitting the request for opening the company insolvency procedure;
g) completely meeting all the duties set for the board of directors by the general meeting of shareholders;
h) setting up/cancelling local offices and other secondary offices, without legal personality or changing their office;
i) setting and approving the voting procedures for the general meeting of shareholders;
i^1) adopting adequate measures for the setting and application of corporate governance principles, regarding, without being limited to:

1. setting the relevant criteria for monitoring the performance of the executive/senior management and the company as a whole, and annually assessing the application of the criteria;
2. reviewing the adequacy, effectiveness and updating of the risk management system for the effective management of the assets held and the management of the related risks to which the company is exposed;
3. ensuring compliance with the requirements for outsourcing/delegation of operational activities or functions, both prior to and throughout the outsourcing/delegation process;
4. reviewing and setting remuneration policy so that it is in line with business strategy, long-term objectives and interests and includes measures to prevent conflicts of interest from arising;

5. ensuring the development and application of ethical and professional standards to ensure professional and responsible behaviour on company level, in order to prevent the emergence of conflicts of interest;
6. approving the company's risk policy and profile, risk appetite and risk tolerance limits, as well as procedures for identifying, assessing, monitoring, managing and reporting the significant risks to which the company is or may be exposed;
7. ensuring the development of business continuity and emergency plans and their biannual evaluation;
8. half-yearly assessment and reviewing of the effectiveness of the policy, measures and procedures in place for risk management and taking appropriate action to remedy possible deficiencies.

j) setting up other companies or legal entities, including the participation to the share capital of other companies, under the conditions foreseen by legal regulations;
k) pledging, renting, constituting tradable real guaranties and mortgaging the company's goods, under the following conditions:
   - sales and purchase agreements, exchange or setup of guarantee of assets in the issuer's fixed assets category whose individual or cumulated value exceeds over 20% of fixed assets value during a financial year, less receivables, are concluded by the Board of Directors or the directors of the company, only after the prior approval of the extraordinary general meeting of shareholders. Cumulative transactions in fixed assets area treated separately for each category: acquisitions, disposals, exchange or pledging.
   - Leases of tangible assets for a period over one year whose individual or cumulated value in relation to the same contractor or interested party, or parties acted in a concentrate method exceeds 20% of the total fixed assets, less receivables on the completion of the legal year, as well as associations over one year, exceeding the above-mentioned value are previously approved by the extraordinary general meeting of shareholders.

l) Approval of the exceeding of the limit set by Law no. 31/1990, with the approval of the competent authority and in accordance with regulations issued by it, to redeem treasury shares issued in accordance with art. 4 Law no. 133/1996, in possession of their initial owners. Redeemed shares may be used based on the resolution of the Board of Directors, with the approval of the competent authority, for the purpose of lowering the share capital or regulate the course of treasury shares on the capital market.

Other attributions of the Board of Directors:
(a) preparation of the general investment policy;
(b) integration of sustainability related risks within the following activities:
   - ✓ application of the general investment policy, as defined by the Fund Rules, in the Memorandum of Association and Issue Prospect;
   - ✓ approval of the investment strategy;
   - ✓ approval and regular reviewing the adequacy of internal procedures for making investment decisions for EVERGENT Investments to ensure that these decisions are consistent with approved investment strategies;
   - ✓ ensuring and periodically verifying that EVERGENT Investments' general investment policy, investment strategies and risk limits are properly and effectively applied and adhered to;
   - ✓ approval and regular reviewing of risk management policies and measures, processes and techniques for their application including the fund's risk limit system;

- ✓ setting and application of policies and procedures for the valuation of the Fund's assets in accordance with Article 19 of Directive 2011/61/UE;
- ✓ assurance that the Fund has a permanent and effective compliance verification function;
- ✓ setting and implementation of a remuneration policy, in accordance with the provisions of Annex II to Directive 2011/61/UE.

(c) contracting bank loans;
(d) conclusion of contracts with the depositary, auditor and entity keeping the shareholders' records;
(e) assignment of the company representation rights to other managers, setting the limitations of the mandate as well;
(f) approval of the company's internal regulations, internal regulation and procedures for compliance, internal audit, risk management, legal assistance for employees, directors and board of director members;
(g) negotiation of the collective employment contract;
(h) approval of the setup/dissolution of the Management Committee, with the resolution adoption quorum foreseen in the Memorandum of Association;
(i) approval of the company's organization, organizational chart, establishment plan and wage limits;
(j) appointing the individual(s) for the director replacement position;
(k) approval of the level of the benefit share plan of managers and directly, paid including through the assignment of shares or option to purchase company shares, abiding by statutory provisions;
(l) making sure that the company has an IT systems that allows the safekeeping of market price records for each asset in the portfolio, net asset value, unitary net asset value for the regulated reporting periods, record of the calculation method for all commissions and taxes due; and that the history of these operations are kept for at least 5 years;
(m) approval of the activity reports of the internal audit, compliance and risk management departments;
(n) approval of the investigations plan of the compliance department;
(o) The order of measures to remedy any case of law infringement, infringement of regulations in force applicable to capital market or internal procedures by EVERGENT Investments or any of its employees following the analysis of suggestions submitted in writing by the compliance officer;
(p) Notification of FSA and capital market institutions involved about the situations ascertained by the compliance officer regarding the infringement of legal regimen applicable to the capital market institutions and adopted measures;
(q) Approval of the multiannual and annual internal audit plan and necessary resources;
(r) Approval of internal audit reports and measure plans for the implementation of recommendations;
(s) Approval of the crisis simulation results;
(t) Approval of the quarterly risk reports of the risk management department;
(u) Approval of the abiding by the information in the *inside and confidential information* categories and of the measures taken to manage them;
(v) Approval of the assets evaluation methods in accordance with the International Assessment standards that include mainly:
    a. Market approach methods;
    b. Revenue approach methods;
    c. Cost approach methods.
(w) Approval and examination of any modification of the assets evaluation policies and procedures;

(x) approval of the general CSB/CFT strategy and overseeing its implementation, providing an adequate and effective governance framework for CSB/CFT, its responsibilities including at least the following:
- ✓ it oversees and monitors the adequacy and effectiveness of SB/FT risk management policies, internal rules, mechanisms and procedures in relation to SB/FT that the company is exposed to and if necessary, it orders measures to review them;
- ✓ it appoints the directly responsible leader of SB/FT and assesses his/her adequacy, inform him/her about the decisions that may affect the SB/FT risks that the Company is exposed to;
- ✓ it appoints the person who performs the duties of the SB/FT Compliance Officer;
- ✓ it approves the SB/FT Compliance Officer's progress report or, if appropriate, orders its review;
- ✓ it receives regular updates on the activities that expose the Company to increased SB/FT risk and is informed of the results of the activity-wide SB/FT risk assessment, having direct and permanent access to all data and information held at company level necessary to fulfil the obligations laid down in the applicable SB/FT legislation.

z) it approves the annual activity report of the Board for the proper management of international sanctions on the capital market

(y) Solving any other issues set by the General Meeting of Shareholders or by legal regulations and provisions.

The main objective of the Board of Directors, on the average and long term, defined and determined by the particularities of EVERGENT Investments and the macroeconomic context it operates in, is to ensure a balance between the continuation of the activity under optimum conditions and the satisfaction of shareholders' expectations.

The obligations and liabilities of directors are regulated by provisions regarding the mandate and the ones especially foreseen by Companies' Law no. 31/1990, Law no. 74/2015 on the managers of alternative funds managers, Law no. 297/2004 on capital market, Law no. 24/2017 on the issuers of financial instruments issuers and market operations, FSA regulations applicable and provisions of the Memorandum of Association.

The members of the Board of Directors hold the adequate knowledge, competence and experience to understand the activities of the Company, in particular the main risks associated to these activities as well as the assets in which EVERGENT Investments invests.

Consultative Committees of the Board of Directors

The Board of Directors may create consultative committees comprised of member of the board, tasked with the carrying out of investigations and preparation of recommendations for the Board in fields such as audit, remuneration of directors, managers and employees or appointing of candidates for various management positions, a.o. The Board of Directors sets the internal rules of the setup committees.

In the application of "EVERGENT Investments' Corporate Governance Code" principles, consultative committees are usually comprised of non-executive and independent members who watch over the specific activity of actual management and executive. A clear division of the supervisory and control responsibilities is ensured in relation to the attributions of executive management.

The activities of the committees are coordinated by a president, elected from among their members. The Board of Directors shall be immediately informed regarding the election of the President. The Board of Directors may set additional responsibilities for Committee Presidents, setting at the same time their proper remuneration.

The consultative committees of the Board of Directors should be comprised of at least 2 members, according to legal provisions and the Memorandum of Association.

EVERGENT Investments abides by legal requirements and BVB recommendations regarding:
- ✓ At least one member of each committee should be a non-executive, independent director;
- ✓ The Audit Committee and Remuneration Committee are comprised solely of non-executive directors;
- ✓ At least one member of the Audit Committee should have experience in the application of bookkeeping principles or financial audit;
- ✓ The *Appointing-Remuneration Committee* is comprised of non-executive members and most members should be independent – BVB recommendation for the Premium category;
- ✓ The *Audit Committee* should be comprised of at least three members and most members of the Audit Committee should be independent" – BVB recommendation for the Premium category;
- ✓ *the investment committee* should be comprised of at least three members and most members of the investment committee should be independent"- BVB recommendation for the Premium category;

Audit Committee

The Audit Committee is a permanent committee of the Board of Directors, independent from EVERGENT Investments' executive management. The Audit Committee assists the Board of Directors in the fulfillment of its obligations in the field of financial reporting, internal control, internal and external audit and risk management. The committee issues recommendations regarding various topics that are object of the decision-making process.

The members of the Audit Committee are set by the Board of Directors.
The Audit Committee is comprised of 3 members elected from among non-executive managers.
Most members of the Committee shall be independent non-executive managers (in the meaning of the provisions of Law no. 31/1990). The president of the Committee shall be an independent non-executive manager.

The Audit Committee should have the qualifications foreseen by the law in the field in which the Company operates. At least one member of the Audit Committee should have competence in the field of accounting and statutory audit, proven by qualification documents for those particular fields.

Attributions, responsibilities:
a) It informs the Board of Directors about the results of statutory audit and explains to what extent it contributed to the integrity of financial reporting and the role of the Audit Committee in this process;
b) It monitors the financial reporting process and submits recommendation or suggestions to insure its integrity;
c) It endorses the Accounting Policies Handbook of EVERGENT Investments;
d) It monitors the efficiency of the internal control systems and risk management system, and of the internal audit regarding EVERGENT Investments' financial reporting, without infringing on its independence;
e) It monitors the audit of the annual financial statements and consolidated annual financial statements, especially their preparation, taking into consideration the ascertainments and conclusions of the competent authority, in accordance with applicable regulations in force;

f) It analyses the audit report and/or opinion of the financial auditor concerning essential aspects resulting from financial audit, as well as the financial reporting process and recommends measures required;
g) It analyses the ascertainments and recommendations of the financial auditor regarding significant internal control deficiencies related to the financial reporting process;
h) It answers to the selection process for the financial auditor or audit company and makes recommendations to the Board of Directors regarding its selection, appointing and replacement, subjected to GMS approval, as well as the terms and conditions of its remuneration, in accordance with applicable regulations in force;
i) It assesses and monitors the independence of the financial auditor or audit company, and in particular the need of the delivery of service that are not audit, in accordance with applicable regulations in force;
j) It evaluates conflicts of interest related to the company's transactions, those of its subsidiaries with related parties;
k) Any transaction of the company with any of the companies it has close relations to, whose value is equal or higher than 5% of the company's net assets (in accordance with the latest financial report) is approved by the Board following the mandatory opinion of the Audit Committee;
l) It endorses the Internal Audit Charter and internal audit and internal control procedures;
m) It analyses and endorses the multiannual and annual internal audit plan, significant interim modifications and the resource need for these activities;
n) It analyses and endorses the annual investigations plan of the Compliance Department and its modifications;
o) It makes sure that the internal audit, internal control analysis and reports prepared are in accordance with the audit and control plans approved by the Board of Directors;
p) It monitors the application of legal standards and generally accepted internal audit standards. The Audit Committee receives and assesses the reports of the internal audit team, analyses and endorses the ascertainments and recommendations of internal audit and the measure plan for their implementation.
q) It receives the report of the compliance officer, analyses and endorses the ascertainments and recommendations suggested and the measure plan for their implementation;
r) It analyses and endorses the annual report concerning the internal audit activity;
s) It analyses and endorses the annual report for the compliance activity;
t) It analyses and endorses the annual report concerning the risk management activity;
u) It analyses and endorses the risk policy, risk procedures and risk management methods;
v) It analyses and endorses risk reports of the risk management department.

Appointing –Remuneration Committee

The Appointing-Remuneration committee is a permanent committee, with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors.

The Committee assists the Board of Directors in its fulfillment of responsibilities related to the appointing and remuneration of members for management functions, as well as their remuneration.

The Committee is comprised of at least 2 non-executive members, of which at least one is an independent member, meaning that it abides by the independence principle foreseen by art. *18 FSA Regulation no. 1/2019 on the evaluation and approval of members of the management structure and* *individual holding key positions in entities regulated by the Financial Supervision Authority.*

Attributions, responsibilities:

a) It prepares recommendations regarding the appointing policy applicable to managers and directors of the company to be presented for the approval of the Board of Directors.
b) It endorses, before the approval of the Board of Directors, and monitors the abidance by the remuneration policy for managers, directors and employees of the company, prepared and applied by the executive management of the Company. In case deficiencies are identifies in the drafting or application of remuneration policy, the members of the committee immediately inform executive management in writing about the situations ascertained and follow-up their correction, informing the members of the Board of Directors consequently. Executive management is bound to provide a reply in writing to the committee within 3 work days from the time the notification is received, and the committee will inform the Board of Directors. In case executive management refuses or unjustifiably delays the application of the modifications requested by the committee, the Board of Directors is bound to send FSA an ascertaining report regarding the irregularities identified in EVERGENT Investments SA.'s remuneration policy. The report is submitted within 10 work days from the date the Appointing-Remuneration Committee has submitted the written notification.
c) It may prepare recommendation regarding the remuneration policy on the level of EVERGENT Investments' group;
d) It submits the Board of Directors the annual report on remunerations and other benefits offered to directors and managers during the tax year;
e) it acknowledges the documentation provided to the financial auditor for the analysis of significant transactions reported in accordance with art. 108 Law no. 24/2017 on the issuers of financial instruments and market operations and following the audit report, it recommends measures to be taken, if necessary;
f) It prepares recommendation regarding the covering of vacant positions in the Board of Directors, abiding by GMS resolutions and applicable law;
g) It makes recommendation regarding the adoption of the Board of Directors'/ or executive management's decision for the appointing, discharge, or firing of department directors and staff with key and control positions, as well as for the setting of their remuneration level, rights and liabilities;
h) periodically evaluates the level of acquirement and application of specialized knowledge and makes recommendation regarding the continuous update process of the professional knowledge of managers and directors;
i) it makes recommendations for the improvement of knowledge regarding the company's activity for the purpose of applying best corporate governance practices;
j) it monitors the abidance by the transparency, information and reporting requirements and obligations, concerning information in this activity area.

Investment Committee

The Investment Committee is a permanent committee, with consultative function, independent from EVERGENT Investments SA's executive management, subordinate to the Board of Directors.
The Investment Committee assists and supports the Board of Directors in the fulfillment of its obligations in the field of drafting investment strategies and policies, abidance by the decisions concerning the application of investment policy, the analysis of the securities portfolio and management of related risks.
The committee is comprised of at least 2 non-executive members, of which at least one is an independent member, meaning that the independence principle foreseen by art. 18 FSA Regulation

no. *1/2019 on the evaluation and approval of the members of management structure and individuals holding key positions in entities regulated by the Financial Supervision Authority* is abided by.

Attributions, responsibilities:

a) it issues recommendations to the Board of Directors regarding investment strategy and policy;
b) It issues recommendations to the Board of Directors regarding the main activity and development directors of the Company;
c) It issues recommendations regarding the annual fundamental investment objectives within the annual activity programs;
d) It issues recommendations to the Board of Directors concerning new investment/disinvestment programs/projects that require the approval of the Board of Directors;
e) It issues recommendations to the Board of Directors regarding:
   • Maximization of securities portfolio performance;
   • Assignment of assets to increase performance, linked to the activity program approved by GMS, (AIFM) Investment Policy and Strategy and economic forecasts;
f) It analyses any investment proposal it is presented and suggests new investment opportunities and methods to improve the efficient assets management activity to the Board of Directors;
g) It analyses and issues recommendations regarding capital operations, capital increase/ decrease, as well as share redemption programs for the purpose of lowering the share capital and running Stock Optional Plan programs;
h) Investment proposals that shall be analyzed by the Investment Committee shall mainly be:
   - Investment in companies in which EVERGENT Investments holds control, in accordance with statutory provisions and BD resolutions:
     "art.7 line (18) letter j) decides the setup of other companies or legal entities, including the participation to the share capital of other companies, under the conditions foreseen by legal regulations"
   - Securities or shareholdings already included in the portfolio and not included in the annual activity report, of at least 20 mil. lei;
   - Investment in new projects, transactions with newly issued securities not included in the portfolio, development of new strategic lines.
i) It issues recommendation regarding the restructure strategy for the assets portfolio;
j) It issues recommendations regarding portfolio optimization strategies;
k) It makes investigations in its area of competence;
l) It analyses and endorses the method to integrate sustainability related risks in the investment decision-making process.

Secretariats of the Board of Directors, Management Committee and Consultative Committees – general rules

1. The Board of Directors, Management Committee and Consultative Committees of the Board of Directors carry out their activities in accordance with their own organisation and functioning regulation, approved by the Board of Directors.
2. Secretariats are not distinct organisational departments, they function within the governance structures.
3. The secretaries of the Board of Directors and Committees as well as their replacements are appointed through resolution of the Board of Directors, at the suggestion of the President CEO.
4. The secretariat has the following basic responsibilities:
   - technical organization of the meetings;
   - communication of opinions and/or decisions to departments;
   - drawing up meeting minutes, drafting reports for approval by the competent bodies, including monitoring the implementation of the decisions of the Board of Directors, with the support of

the departments concerned;
- physical and electronic archiving of meeting documents, archiving in physical form is provided at the headquarters.

Adviser to the Board of Directors

Individuals may be employed, through a decision of the Board of Directors as advisers for the Board OF Directors.

Main attributions:
1. he/she analyses and formulates comments and substantiated proposals on documents and notes drafted by the other structures on issues submitted to the attention or endorsement of the ASF and other competent authorities.
2. he/she identifies, following the analysis of the subjects submitted for the debate of management structures, aspects that are not properly regulated and prepares proposals to improve the regulatory framework;
3. analyses and submits observations and proposals on how the principles of corporate governance are observed by EVERGENT Investments and on the measures to be adopted for the application of the BVB recommendations of the Corporate Governance Code, including on the content of the Corporate Governance Rules of EVERGENT Investments;
4. makes proposals regarding the revision of internal regulations and optimization of the organization of activity of the Board of Directors / BD Secretariat, Consultative Committees of the Board of Directors/ secretariats of the consultative committees, including the organisation and functioning regulations of these structures;
5. follows-up, at the express request of management structures or its members, the way management decisions are implemented;,
6. may participate, following the appointing of the management structure or its members, to external work meetings, and prepares reports on them afterwards;
7. provides specialized assistance to non-executive members of the BD.

Delegation of power on the level of the Board of Directors

The Board of Directors approves the delegation of competence and sets the competence limits for the CEO, deputy-CEO and the Management Committee.

Operations made based on the competences assigned to managers are reported to the Board of Directors through written or verbal reports.

The Board of Directors has assigned to the CEO and deputy-CEO all attributions presented in the present regulations.

The Board of Directors approves the delegation of powers and/or the right of representation to other directors and sets the limits thereof. Transactions carried out on the basis of the powers delegated by the Board of Directors to other directors shall be the subject of reports to be presented at meetings of the Board of Directors.

1.3. Executive Management of EVERGENT Investments

The executive management of the Company is ensured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and

Deputy CEO, who act as managers of the company as per Law 31/1990 regarding companies. The managers meet the legal requirements for their position; have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM.

Executive management is appointed by the Board of Directors in accordance with statutory provisions, the identity of the individuals being immediately submitted to FSA.

Executive management:
- is authorized to coordinate the daily activity of the company, according to the activities coordinated by each director;
- is responsible for the application of general investment policy, abidance by internal regulations and work procedures;
- informs the Board of Directors regarding the activity carried out during its regular meetings.

In the field of risk management, executive management is responsible for:
(a) ensuring the implementation of the Risk Management Policy, procedures and methodologies for the identification, evaluation, monitoring, management and reporting of significant risks that the company is or could be exposed to, as approved by the Board of Directors;
(b) adopting measures, processes and techniques that are adequate and efficient for the monitoring and control of all relevant risks in accordance with the risk management policy;
(c) providing the resources necessary for the implementation of the risk management system;
(d) setting the competencies and responsibilities related to risk management on the level of each activity line;
(e) adequate and efficient application risk limits taken on, including in case of crisis situations, as well as their abidance by the risk profile approved by the Board of Directors;
(f) making sure the crisis simulations are carried out;
(g) setting and maintain an adequate system for risk exposure reporting;
(h) half-yearly evaluation of the plan to ensure activity continuity in cases of emergency in order to eliminate or minimalize risks;
(i) development of an integrated risk culture on the level of EVERGENT Investments, based on a full understanding of the risks that the company faces and the way these are managed, taking into consideration its risk tolerance/appetite.

In the field of compliance insurance, directors are responsible for:
(a) the approval of the compliance polity (may be an integrated document or a collection of distinct internal regulations);
(b) analysis, at least on an annual basis, of the compliance policy and the way it is implemented in EVERGENT Investments ;
(c) insurance of resources necessary for the compliance policy;
(d) ordering measures for compliance risk control.

CEO

The CEO enforces the resolutions of the Board of Directors, for which purpose it issues written resolutions and orders. His resolutions and orders are immediately enforceable and produce effects once notified to the individuals who are authorized to fulfill them.

The CEO has the following attributions:

(a) direct and actual management of the company's activity, in compliance with the general objectives set by GMS;
(b) implementation of the company's general investment policy;
(c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association or Board of Directors;
(d) patrimonial engagement of the company in its legal relationships with third parties, through own signature;
(e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors;
(f) approval of measures regarding the protection of the integrity of tangible and intangible assets in the company's patrimony;
(g) third parties trading and/or negotiation attributions regarding the goods or rights of the company within the limitations set by the law, the Memorandum of Association, GMS resolutions or resolutions of the Board of Directors;
(h) representation of the company in its relationship with third parties and in court;
(i) collaboration with the company's auditors, the depositary of the company and the entity holding the shareholders' records, as well as with other control or supervision bodies of the company;
(j) approval of the contents of the information reports for the market and the shareholders regarding any action or deed that is object of a legal reporting obligation;
(k) internal (functional) organization of the company, taking into consideration the legal provisions, company's Memorandum of Association, internal regulation, organizational chart and position status of the company, as well as the resolutions of the Board of Directors;
(l) employment, promotion and dismissal of company's employees with the exception of department managers and staff holding key positions that are appointed by the Board of Directors, as well as the application of disciplinary measures on employees, according to legal provisions and internal regulations;
(m) regular notification of employees as well as negotiations with them regarding the individual employment contracts and work conditions;
(n) remuneration of employees within the limits set in the individual employment contracts and/or by the Board of Directors;
(o) verification and control attributions of the way the employees of the company carry out their tasks or of other individuals with contracts entered with the company;
(p) notification of the Board of Directors regarding the activity carried out according to applicable law;
(q) other attributions set by the company's Board of Directors through resolution or expressly foreseen by legal provisions.

The CEO coordinates the entire activity of the company, according to the attributions of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, Legal Department, Corporate Governance and Relationship with Investors Department, IT Service, Assets Evaluation Service, Human Resources- Logistics Service, the activity regarding labor safety and health and the activity regarding fire prevention and extinction and physical safety.

The CEO is the directly responsible leader of CSB/FT, with specific responsibilities under applicable legal provisions, as set in the Management Contract.

The CEO directs and coordinates the Management Committee.
In case of absence, the attributions assigned by the Board of Directors will be the competence of the Deputy CEO and the actual management of the company will be insured by the deputy CEO

and one of the individuals appointed as replacement, FSA notified.

Deputy CEO

The deputy-CEO has the following attributions:
(a) implementation of the Board of Directors' resolutions;
(b) direct and actual management of the company's activity in compliance of the general objectives set by GMS;
(c) management of the company's patrimony within the limitations set by the law, Memorandum of Association, resolution of the general meetings of shareholders or Board of Directors;
(d) patrimonial engagement of the company in its legal relationship with third parties through his own signature in agreement with the provisions of internal regulations and within the set competence limitations;
(e) conclusion of contracts, with the exception of those that are the competence of the Board of Directors and/or CEO;
(f) approves the measures regarding the protection of the integrity of movable and immovable assets in the patrimony of the company;
(g) trading and/or negotiating attributions in the relationship with third parties regarding the goods or rights of the company within the limitations set by the law, the Memorandum of Association, GMS resolutions or resolutions of the Board of Directors;
(h) company's representation in its relationship with third parties and in court;
(i) collaboration with the company's auditors, the company's depositary and central depositary, as well as with the other control and supervision bodies of the company;
(j) approval of the content of market and shareholders informational reports regarding any action that is subjected to a reporting obligation ;
(k) internal (functional) organization of the company, taking into consideration the legal provisions, Memorandum of Association of the company, internal regulation, organizational chart as well as the resolutions of the Board of Directors;
(l) control and promotion of company employees according to legal and internal regulations;
(m) remuneration of employees within the limitations set by the individual employment contracts and/or the Board of Directors;
(n) verification and control attributions regarding the way the company's employees or other individuals in a contractual relationship with the company fulfill their tasks;
(o) notification of the Board of Directors of the company regarding the activity carried out, according to applicable law;
(p) other attributions set by the Board of Directors of the Company through resolutions or expressly foreseen by legal provisions.
The deputy-CEO coordinates the daily activity of the following departments: "ENERGY-INDUSTRIAL" Portfolio, "FINANCIAL-BANKING" Portfolio, "SELL" Portfolio, "PRIVATE – EQUITY" Portfolio, "Transactions" Department. The components of the financial instruments portfolios are set by BD resolution.

In case of absence, the attributions assigned by the Board of Directors shall be the competence of the CEO and the actual management of the company will be insured by the CEO or one of the individuals appointed as replacement and notified to FSA.

1.4. Management Committee

The Board of Directors assigns the management of the Company to the CEO and deputy-CEO who together form the Management Committee.
The CEO and deputy-CEO may also be directors of the Company.

The set-up and dissolution of the Management Committee is approved with the majority vote of present directors.

The CEO and deputy-CEO who comprise the Management Committee effectively conduct the business of the company within the delegated powers

Each director of the company coordinates the daily activity of certain departments, according to the organizational chart, and adopted individual decisions on specific activity areas, and together they adopt resolutions within the actual collective work body, the Management Committee, applying the legal requirement that directors insure the actual management of the company.
For this purpose, the Committee adopts resolutions regarding:
- ✓ the implementation of the investment strategy set by the Board of Directors;
- ✓ implementation of Board of Directors' resolutions targeting assigned competencies
- ✓ issues that fall under the competence area of the Board of Directors and that are to be presented for its debate and approval, concerning assigned attributions
- ✓ issues that through their nature might impact all activity lines (business, support, compliance)
- ✓ issues that require full understanding and harmonization of business and compliance aspects, in order to adopt a decision.

The meetings of the Management Committee represent at the same time the internal framework for the full and reciprocal information of directors on issues specific for the coordinated areas.

The competence limits of the Management Committee, CEO and deputy CEO are set taking into account the basic responsibilities of the Board of Directors that cannot be assigned (provisions of art. 7 line 19 letters. a-l of the Memorandum of Association).

Organization and conduct of the Management Committee's activity

Between the meetings of the Board of Directors, the Management Committee carries out its activity within the set competence limits.
The Management Committee presents in the meetings of the Board of Directors the decisions adopted and running operations.

The legally adopted decisions are binding for the directors and employees and enforceable from the time they are communicated in writing, if there is no other later deadline for their becoming enforceable mentioned in their content.

The decisions of the Management Committee are adopted with unanimity of its members' votesi.
If no decision can be adopted in the Management Committee due to the failure to meet vote conditions, the topic discussed shall be submitted for the analysis of the Board of Directors in order for a decision to be adopted.

The CEO directs and coordinates the Management Committee and in this quality he:
a) convenes the Management Committee whenever necessary to present issues that fall under its competence for debate and approval;

b) follows up the fulfillment of the Management Committee's resolutions and reports to the Board on a quarterly basis regarding the status of their implementation;
c) informs on adopted resolutions in each meeting of the Management Committee.

1.5. Executive Manager

The executive manager is an employee of the company and is subordinate to the Management Committee.

The functional relationships of the executive manager are:

1. subordination to the CEO, Management Committee, deputy-CEO;
2. collaboration with all company departments;
3. coordination of the departments under his authority according to the organisational chart.

The executive manager has the following main attributions:

1. Ensures the daily coordination of the departments and the necessary framework for carrying out the activities of the departments coordinated according to the Organisational Chart, by organising, planning and monitoring their activities in order to achieve specific objectives at a high level of performance;
2. Organises, guides, checks and supervises internal and inter-departmental activities, applying the necessary measures to ensure that internal processes are properly carried out in accordance with specific approved procedures, that legislation is complied with and that specific regulations are correctly understood and applied.;
3. Ensures the implementation of resolutions adopted by the Management Committee and CEO within the set deadline;
4. Makes proposals for improving the work of the departments he/she coordinates, with a view to optimising internal resources and streamlining operations carried out in accordance with the applicable internal procedures;
5. Facilitates and ensures collaboration with other departments and structures within the company, ensuring the transfer of information necessary for decision-making;
6. analyses and assigns for resolution documents received by the company, implements resolutions on documents assigned by the CEO and/or prepares resolutions on documents relating to the activity of the coordinated departments, assigns work and sets deadlines for solving;
7. Approves and/or endorses all documents drawn up in the framework of the coordinated activity, in accordance with the powers and within the limits approved by the CEO/BD;
8. Coordinates, carries out and/or effectively participates in the preparation of work assigned to company departments and/or inter-departmental work within the set deadlines and reports to the executive management on the progress of work carried out;
9. Coordinates, in terms of compliance with internal regulations, procedures and decision-making processes, the activities under the responsibility of the coordinated departments;
10. Reports to the Management Committee and CEO on the activity carried out, follows-up the implementation of BD resolutions and reports on a quarterly basis to the Management committee and Board of Directors on their implementation status, based on information provided by the managers or heads of the departments or projects, depending on the case, in accordance with internal procedures and management decisions.
11. Fulfils any work attributions assigned to him according to legal and internal regulations in force, the job description or those assigned to him/her by executive management.

Annex 2

Protecting the interests/assets of EVERGENT Investments through legal procedures

Legal assistance, advice and legal representation,

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

Legal representation

The main objective of the legal assistance and representation activity was the representation of company's interests before courts by filing all necessary defences within procedural deadlines.

During the reporting period, the Company registered in its specific records a number of **273 litigations**, of these **41 files being concluded.**

Synthetic litigations statement (details in Annex 2.1.)

1. Litigations in which EVERGENT Investments acts as **plaintiff**:
    - 225 cases of which: 203 cases are pending in various trial stages (of which 170 cases are against AAAS), and 22 cases are concluded.
    - the value of pending litigations: 70,227,426.64 lei (claims and insolvency)
2. Litigations in which EVERGENT Investments acts as **defendant**:
    - 48 cases of which: 29 cases are litigations pending in various trial stages, and 19 cases are concluded.
    - Litigations against EVER have as various claims as object (e.g. resolution to replace authentic document) non-quantifiable in money.

Legal advice

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

At the end of 2023 the legal advice activity covers a number of **51 consultancy files.**
The main documents and operations covered within the legal advice and activity endorsement granting refer to:

- ✓ Review and endorsement of documents related to EVERGENT Investments' General Meetings of Shareholders held during 2023;

- ✓ Legal advice and opinion on all mandates issued by the company at General Meetings of Shareholders held by EVERGENT Group subsidiaries;
- ✓ endorsement of documents for the Public Purchase Offers run by the Company in 2023;
- ✓ Participating in negotiation meetings, submitting comments, additions, providing legal advice and legal opinion in corporate transactions and/or transactions carried out by the company in 2023, with a focus on the private equity area.
- ✓ Among the projects in which the Legal Department has been involved we mention:
  - ➢ change of provider for storage and custody services. Thus, contracts were concluded with the new depositary - Banca Comercială Română SA (BCR SA), a credit institution approved by the Financial Supervisory Authority (ASF) as depositary (ASF Register - Section of Approved Depositories in Romania - Decision no. 27/04.05.2006).
  - ➢ the Company's contracting from Banca Comerciala Română a "revolving" type credit as overdraft, for a 12 months' period, with a maximum value of 19.200.000 euro and set-up of guarantees for this contract.
  - ➢ Development of the Group's ESG policy through which EVER aims to generate long-term value for the entire spectrum of the interested parties, both through the achievement of financial performance and shareholder return objectives, and through the positive impact on the environment and the community.
  - ➢ advice on the competitive tendering procedure for the sale of the majority of shares issued by REGAL SA Galați.
  - ➢ assistance and consultancy for the drafting of internal documents such as internal regulations, collective employment contract, procedures, etc.
- ✓ Observations and legislative proposals in various areas of interest for the company.

Annex 2.1.

STATEMENT OF LITIGATIONS 31.12.2023

Annex 1

No.	Company	Object	Litigation status	Observations
Statement of pending litigations with object annulment of GMS resolutions for companies in Evergent Investments' Portfolio – quality: plaintiff				
1	Dyonisos Cotesti	Annulment of OGMS decision on 14.04.2022	Evergent's appeal	
2*	Dyonisos Cotesti	Annulment of OGMS decision on 02.06.2023	Merits	
3*	Rulmenti Barlad	Annulment of OGMS decision on 30.05.2023	Action dismissed	With appeal
4*	Brikston Construction	Annulment of OGMS decision on 12.05.2023	Appeal	
5*	Vastex SA – in bankruptcy	Annulment of OGMS decision on 29.05.2023	Action allowed	Vastex SA's appeal
SOLVED LITIGATIONS				
1	Vastex SA – in bankruptcy	Annulment of EGMS decision on 14.04.2022	Action dismissed	
2	Rulmenti Barlad	Annulment of OGMS decision on 31.05.2022	Evergent's appeal dismissed	
3	Vastex SA - în Bankruptcy	Annulment of OGMS decision on 14.04.2022	Action dismissed	
4	Martens SA	Annulment of EGMS resolution on 28.04.2022	Action dismissed	
5	Martens SA	Annulment of BD resolution on 03.12.2021	Action dismissed	
6	Vastex SA – in bankruptcy	Annulment of EGMS resolution on 12.12.2022	Evergent's appeal dismissed	
7	Brikston Construction	Annulment of OGMS decision on 28.04.2022	Action dismissed	

Statement of pending litigations with object claims- Evergent Investments SA acting as plaintiff

No.	Company/natural individual respondent	Claims value in lei	Object	Observations
1	AIPC	3,479.45	enforcement	
2	AAAS	3,765.75	enforcement	
3	AAAS	3,817.58	enforcement	
4	A.A.A.S.	1,040.34	enforcement	
5	A.A.A.S.	5,790.02	enforcement	
6	A.A.A.S.	572,355.55	enforcement	
7	A.A.A.S.	7,281,457.98	enforcement	
8	A.A.A.S.	649,141.66	enforcement	

9	A.A.A.S.	1,556,338.07	enforcement
10	A.A.A.S.	193,989.15	enforcement
11	A.A.A.S.	454,371.95	enforcement
12	A.A.A.S.	1,338,494.26	enforcement
13	A.A.A.S.	1,369,220.26	enforcement
14	A.A.A.S.	1,416,542.50	enforcement
15	A.A.A.S.	1,600,412.04	enforcement
16	A.A.A.S.	545,128.79	enforcement
17	A.A.A.S.	13,978.84	enforcement
18	A.A.A.S.	29,858.47	enforcement
19	A.A.A.S.	6,126.20	enforcement
20	A.A.A.S.	141,712.76	enforcement
21	AAAS	275.88	enforcement
22	A.A.A.S.	1,784,704.61	enforcement
23	A.A.A.S.	1,875,749.20	enforcement
24	A.A.A.S.	1,169,768.24	enforcement
25	A.A.A.S.	1,488,975.30	enforcement
26	A.A.A.S.	1,455,363.70	enforcement
27	A.A.A.S.	16,878.26	enforcement
28	A.A.A.S.	1,716.10	enforcement
29	A.A.A.S.	49,037.93	enforcement
30	A.A.A.S.	2,390.06	enforcement
31	A.A.A.S.	34,678.23	enforcement
32	A.A.A.S.	2,138.94	enforcement
33	A.A.A.S.	38,560.30	enforcement
34	A.A.A.S.	2,228.53	enforcement
35	A.A.A.S.	28,754.21	enforcement
36	A.A.A.S.	3,060.53	enforcement
37	A.A.A.S.	45,528.24	enforcement
38	A.A.A.S.	34,781.34	enforcement
39	A.A.A.S.	2,307.09	enforcement
40	A.A.A.S.	14,171.81	enforcement
41	A.A.A.S.	2,273.67	enforcement
42	A.A.A.S.	2,437.04	enforcement
43	A.A.A.S.	2,596.66	enforcement
44	A.A.A.S.	21,201.69	enforcement
45	A.A.A.S.	26,203.93	enforcement
46	A.A.A.S.	2,502,031.47	enforcement
47	A.A.A.S.	1,810,944.22	enforcement
48	A.A.A.S.	1,738,592.80	enforcement
49	A.A.A.S.	2,522,514.86	enforcement
50	A.A.A.S.	1,370,335.00	enforcement
51	A.A.A.S.	1,060,504.31	enforcement
52	A.A.A.S.	2,276,032.16	enforcement
53	A.A.A.S.	296,474.57	enforcement
54	A.A.A.S.	2,896,842.39	enforcement

55	A.A.A.S.	1,790,573.11	enforcement
56	A.A.A.S.	125,677.45	enforcement
57	A.A.A.S.	1,871,909.72	enforcement
58	A.A.A.S.	3,370,978.56	enforcement
59	A.A.A.S.	10,546.63	enforcement
60	A.A.A.S.	462,506.29	enforcement
61	A.A.A.S.	2,014,036.50	enforcement
62	A.A.A.S.	1,993,866.68	enforcement
63	A.A.A.S.	2,111,890.61	enforcement
64	A.A.A.S.	3,188,636.51	enforcement
65	A.A.A.S.	190,943.94	enforcement
66	A.A.A.S.	581.74	enforcement
67	A.A.A.S.	439,712.67	enforcement
68	A.A.A.S.	3,006.84	enforcement
69	AAAS	1,478.36	enforcement
70	AAAS	2,258.14	enforcement
71	AAAS	3,235.37	enforcement
72	AAAS	2,508.58	enforcement
73	AAAS	3,183.39	enforcement
74	AAAS	4,100.80	enforcement
75	AAAS	4,558.43	enforcement
76	AAAS	4,876.07	enforcement
77	AAAS	4,203.40	enforcement
78	AAAS	3,206.06	enforcement
79	AAAS	4,251.10	enforcement
80	AAAS	3,542.57	enforcement
81	AAAS	4,836.68	enforcement
82	AAAS	2,837.49	enforcement
83	AAAS	4,351.54	enforcement
84	AAAS	4,326.77	enforcement
85	AAAS	4,301.25	enforcement
86	AAAS	4,318.94	enforcement
87	AAAS	4,325.80	enforcement
88	AAAS	4,326.64	enforcement
89	AAAS	1,666.39	enforcement
90	AAAS	2,823.14	enforcement
91	AAAS	1,857.76	enforcement
92	AAAS	3,838.86	enforcement
93	AAAS	3,719.45	enforcement
94	AAAS	3,766.46	enforcement
95	AAAS	3,767.00	enforcement
96	AAAS	3,752.03	enforcement
97	AAAS	3,705.67	enforcement
98	AAAS	3,786.44	enforcement
99	AAAS	2,483.51	enforcement
100	AAAS	1,863.09	enforcement

101	AAAS	3,748.78	enforcement	
102	AAAS	1,896.39	enforcement	
103	AAAS	3,012.23	enforcement	
104	DGFRP	2,660.18	enforcement	
105	AAAS	1,708.19	enforcement	
106	AAAS	1,962.64	enforcement	
107	AAAS	3,169.44	enforcement	
108	AAAS	1,278	enforcement	
109	AAAS	3,149.10	enforcement	
110	AAAS	1,983.74	enforcement	
111	AAAS	1,748.81	enforcement	
112	AAAS	3,146.18	enforcement	
113*	AAAS	1,864.74	enforcement	
114*	AAAS	1,649.92	enforcement	
115*	AAAS	2,943.74	enforcement	
116*	Cantoreanu Ioan Florin	10,228.85	enforcement	
117	Romanian State	Civil liability	claims	EVERGENT's appeal allowed. Partly allowed. with recourse
118	SNGN Romgaz	281,373	claims	Final since no appeal filed. Payment order.
119*	Cantoreanu Ioan Florin	7,481	claims	Action allowed. With appeal.
120*	Romanian State	Civil liability	claims	Litigations pending on the merits
121*	Accesorii Polka Dots SRL	29,513	claims	Litigations pending on the merits
	TOTAL:	**59,818,517.50**		

Statement of pending litigations where EVERGENT Investments acts as plaintiff – files related to claims

No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	intervention-usucapio	Action dismissed	Evergent and Inco's appeal
2	Vastex; Delkimvas	Garnishment challenge	Stay proceedings	
3	Vastex; Perpetuus Com	Garnishment challenge	Stay proceedings	
4	Vastex, Rovitec Cons	Garnishment challenge	Stay proceedings	
5	Vastex, Nechita Prestserv	Garnishment challenge	Stay proceedings	
6	Vastex, Lexfan Fitness	Garnishment challenge	Stay proceedings	
7	Vastex, Connected-Dval	Garnishment challenge	Stay proceedings	
8*	Fortus Iasi	bankruptcy/obligation to do	Litigation pending on the merits	

9*	AAAS	Approval of real estate enforcement	Evergent's recourse
10*	Conimpuls Bacau	Declaratory action	Litigation pending on the merits
11*	AAAS/Romanian State	complaint CF registration 159029/DE 244/2012	Litigation pending on the merits
12*	AAAS/Romanian State	complaint CF registration 159029/DE 187/2011	Litigation pending on the merits
13*	AAAS/Romanian State	complaint CF registration 159029/DE 528/2010	Litigation pending on the merits
14*	AAAS/Romanian State	complaint CF registration 159029/DE 46/2011	Litigation pending on the merits
15*	AAAS/Romanian State	complaint CF registration 159039/DE 244/2012	Litigation pending on the merits
16*	AAAS/Romanian State	complaint CF registration 159039/DE 187/2011	Litigation pending on the merits
17*	AAAS/Romanian State	complaint CF registration 159039/DE 528/2010	Litigation pending on the merits
18*	AAAS/Romanian State	complaint CF registration 159039/DE 46/2011	Litigation pending on the merits
19*	AAAS/Romanian State	complaint CF registration 158897/DE 244/2012	Litigation pending on the merits
20*	AAAS/Romanian State	complaint CF registration 158897/DE 187/2011	Litigation pending on the merits
21*	AAAS/Romanian State	complaint CF registration 158897/DE 528/2010	Litigation pending on the merits
22*	AAAS/Romanian State	complaint CF registration 158897/DE 46/2011	Litigation pending on the merits
23*	AAAS/Romanian State	complaint CF registration 131219/DE 244/2012	Litigation pending on the merits
24*	AAAS/Romanian State	complaint CF registration 131219/DE 187/2011	Litigation pending on the merits
25*	AAAS/Romanian State	complaint CF registration 131219/DE 528/2010	Litigation pending on the merits
26*	AAAS/Romanian State	complaint CF registration 131219/DE 46/2011	Litigation pending on the merits
27*	AAAS/Romanian State	complaint CF registration 158923/DE 244/2012	Litigation pending on the merits
28*	AAAS/Romanian State	complaint CF registration 158923/DE 187/2011	Litigation pending on the merits

29*	AAAS/Romanian State	complaint CF registration 158923/DE 528/2010	Litigation pending on the merits
30*	AAAS/Romanian State	complaint CF registration 158923/DE 46/2011	Litigation pending on the merits
31*	AAAS/Romanian State	complaint CF registration 158930/DE 244/2012	Litigation pending on the merits
32*	AAAS/Romanian State	complaint CF registration 158930/DE 187/2011	Litigation pending on the merits
33*	AAAS/Romanian State	complaint CF registration 158930/DE 528/2010	Litigation pending on the merits
34*	AAAS/Romanian State	complaint CF registration 158930/DE 46/2011	Litigation pending on the merits
35*	AAAS/Romanian State	Complaint CF registration 158944/DE 244/2012	Litigation pending on the merits
36*	AAAS/Romanian State	Complaint CF registration 158944/DE 187/2011	Litigation pending on the merits
37*	AAAS/Romanian State	Complaint CF registration 158944/DE 528/2010	Litigation pending on the merits
38*	AAAS/Romanian State	Complaint CF registration 158944/DE 46/2011	Litigation pending on the merits
39*	AAAS/Romanian State	Complaint CF registration 158946/DE 244/2012	Litigation pending on the merits
40*	AAAS/Romanian State	Complaint CF registration 158946/DE 187/2011	Litigation pending on the merits
41*	AAAS/Romanian State	Complaint CF registration 158946/DE 528/2010	Litigation pending on the merits
42*	AAAS/Romanian State	complaint CF registration 158946/DE 46/2011	Litigation pending on the merits
43*	AAAS/Romanian State	complaint CF registration 158890/DE 244/2012	Litigation pending on the merits
44*	AAAS/Romanian State	complaint CF registration 158890/DE 187/2011	Litigation pending on the merits
45*	AAAS/Romanian State	complaint CF registration 158890/DE 528/2010	Litigation pending on the merits
46*	AAAS/Romanian State	complaint CF registration 158890/DE 46/2011	Litigation pending on the merits
47*	AAAS/Romanian State	complaint CF registration 158889/DE 244/2012	Litigation pending on the merits

48*	AAAS/Romanian State	complaint CF registration 158889/DE 187/2011	Litigation pending on the merits
49*	AAAS/Romanian State	complaint CF registration 158889/DE 528/2010	Litigation pending on the merits
50*	AAAS/Romanian State	complaint CF registration 158889/DE 46/2011	Litigation pending on the merits
51*	AAAS/Romanian State	complaint CF registration 158915/DE 244/2012	Litigation pending on the merits
52*	AAAS/Romanian State	complaint CF registration 158915/DE 187/2011	Litigation pending on the merits
53*	AAAS/Romanian State	complaint CF registration 158915/DE 528/2010	Litigation pending on the merits
54*	AAAS/Romanian State	complaint CF registration 158915/DE 46/2011	Litigation pending on the merits
55*	AAAS/Romanian State	complaint CF registration 159036/DE 244/2012	Litigation pending on the merits
56*	AAAS/Romanian State	complaint CF registration 159036/DE 187/2011	Litigation pending on the merits
57*	AAAS/Romanian State	complaint CF registration 159036/DE 528/2010	Litigation pending on the merits
58*	AAAS/Romanian State	complaint CF registration 159036/DE 46/2011	Litigation pending on the merits
59*	AAAS/Romanian State	complaint CF registration 158886/DE 244/2012	Litigation pending on the merits
60*	AAAS/Romanian State	complaint CF registration 158886/DE 187/2011	Litigation pending on the merits
61*	AAAS/Romanian State	complaint CF registration 158886/DE 528/2010	Litigation pending on the merits
62*	AAAS/Romanian State	complaint CF registration 158886/DE 46/2011	Litigation pending on the merits
63*	AAAS/Romanian State	complaint CF registration 131224	Litigation pending on the merits
64*	AAAS/Romanian State	complaint CF registration 159033	Litigation pending on the merits
65*	AAAS/Romanian State	complaint CF registration 156393	Litigation pending on the merits
66*	AAAS	Approval of real estate enforcement	Request dismissed as lacking interest. Evergent's appeal
SOLVED LITIGATIONS			
1	Vastex, Lotex General	Garnishment challenge	Orders the closing of the file.

2		Criminal complaint	Complaint dismissed	
3	Groza Daniel	Enforcement challenge	Challenge dismissed.	
4*	Romanian State	Displacement	Request dismissed	
5*	Romanian State	Suspension	Request dismissed	
6	Vastex, Castrum Corporation	Garnishment challenge	Dismissed as without object	
7	Vastex, Lacautonacris	Garnishment challenge	Dismissed as without object	
8	Vastex, Liceul Radu Miron	Garnishment challenge	Garnished third party's appeal allowed	
9	Vastex, Klique Graphics	Garnishment challenge	Dismissed as without object	
10	Vastex S.A.	0.00	claims shares value Law 151/2014.	Vastex's recourse dismissed

Statement of pending litigations with object insolvency (Evergent Investments SA acting as plaintiff -creditor)

No.	Company	Claim value in lei	Status	Observations
1	BIR	344.12	Bankruptcy	Procedure continues
2	Network Press	3,799.87	Bankruptcy	Procedure continues
3	Pantex S.A. Brasov	10.3	Bankruptcy	Procedure continues
4	Horticola SA	1,466,168.33	Insolvency	Procedure continues
5	Celule Electrice Bailesti	9,921.72	Insolvency	Procedure continues
6	Genko Med Group	93,835.07	Bankruptcy	Procedure continues
7	Vastex Vaslui	8,834,829.73	Orders the filing of bankruptcy. With appeal	Procedure continues
8*	First Bank SA	Challenge of rectified preliminary table	Action dismissed	First Bank S.A.'s appeal
9*	Vastex SA	Activity report challenge	Action dismissed	With appeal
10*	Vastex SA	Appeal against filing for bankruptcy	Action dismissed	Vastex S.A.'s appeal
11*	First Bank SA	Challenge of additional chart	pending	
	TOTAL LEI:	**10,408,909.14**		

SOLVED LITIGATIONS

1	Vastex Vaslui		Presidential order	Evergent's appeal allowed
2	Vastex Vaslui		Challenge of casual report	Challenge allowed

3	Vastex Vaslui		Challenge against the resolution of the Creditors' Meeting on 11.11.2022	Challenge allowed.
4	Vastex Vaslui		Challenge of creditor table	Dismisses the appeals of First Bank and Castrum.
5*	Castrum Corporation		Challenge of judicial administrator appointment	Action dismissed
Statement of pending litigations where Evergent Investments SA acts as respondent de parat				
No.	**Plaintiff**	**Claims value**	**Object**	**Observations**
1	Spatariuc Maria		Resolution to replace authentic document	Litigation pending on the merits
2	Spatariuc Dumitru s.a.		Resolution to replace authentic document	Litigation pending on the merits
3	Dionisie Mirela s.a.		Resolution to replace authentic document	Dionisie Mirela's appeal
4	Reuti Veronica		Document annulment	Litigation pending on the merits
5	Tibuleac Petrica Iulian		Resolution to replace authentic document	Litigation pending on the merits
6	Dron Cristina-Lotrisoara		Resolution to replace authentic document	Litigation pending on the merits
7	Cazacu Ioan		Resolution to replace authentic document	Split from file no. 9917/193/2021. Competence declined in favour of Botoşani Court
8	Placintaru Ion		Resolution to replace authentic document	Litigation pending on the merits
9*	Asavei Gheorghe		Obligation to do	Litigation pending on the merits
10*	Ever Imo/Octagon		Enforcement challenge	Litigation pending on the merits
11*	Nane Vasile		Resolution to replace authentic document	Litigation pending on the merits
SOLVED LITIGATIONS				
1	Andrei Lina		Resolution to replace authentic document	Appeal dismissed. AAAS' recourse .recourse ascertained as null
2*	Imobiliar Network		Providing of evidence	Request dismissed
LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)				

No.	Challenged amount in lei	Object	Status	Observations. Garnished third parties
1*		Challenge in annulment file 18677/299/ 2022	Extraordinary remedy	Treasury
2		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
3		Garnishment challenge	Challenge dismissed. AAAS' appeal	Treasury
4		Garnishment challenge	Challenge partly allowed. Evergent's appeal	TP. Regal Galati
5		Enforcement challenge	Challenge dismissed. With appeal	Treasury
6		Enforcement challenge	Challenge dismissed. with appeal.	Treasury
7*		Enforcement challenge	Litigation pending on the merits	Treasury
8*		Enforcement challenge	Challenge dismissed. With recourse.	Treasury
9*		Enforcement challenge	Litigation pending on the merits	Treasury
10*		Enforcement challenge	Litigation pending on the merits	Treasury
11*		Enforcement challenge	Litigation pending on the merits	Treasury
12*		Enforcement challenge	Challenge dismissed. with appeal.	Treasury
13*		Enforcement challenge	Challenge dismissed. with appeal.	Treasury
14		Garnishment challenge	AAAS' appeal allowed. Filing of chalenge in annulment EVERGENT	Treasury
15*		Challenge in annulment file no 17368/ 299/2022	Extraordinary means of attack	Treasury
16*		Enforcement challenge	Litigation pending on the merits	Treasury
17*		Challenge of real estate foreclosure	Litigation pending on the merits	
18*		Challenge of real estate foreclosure	Litigation pending on the merits	
SOLVED LITIGATIONS				
1		Enforcement challenge	Appeals dismissed	Treasury
2		Enforcement challenge	AAAS' appeal dismissed	Eximbank, Treasury S4 B

3	Garnishment challenge	AAAS' appeal dismissed	Treasury
4	Garnishment challenge	AAAS' appeal dismissed	Treasury
5	Garnishment challenge	AAAS' appeal dismissed	Treasury
6	Garnishment challenge	Challenge dismissed	Treasury
7	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
8	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
9	Garnishment challenge	AAAS' appeal dismissed	Treasury
10	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
11	Garnishment challenge	AAAS' appeal dismissed	Treasury
12	Garnishment challenge	AAAS' appeal dismissed	Treasury
13	Garnishment challenge	AAAS' appeal dismissed	Treasury
14	Garnishment challenge	Evergent's appeal dismissed	TP. Regal Galati
15*	Challenge in annulment file 17696/299/2022	Evergent's challenge in annulment dismissed	Treasury
16	Garnishment challenge	AAAS' appeal dismissed	Treasury
17	Enforcement challenge	AAAS' recourse allowed	
* - new litigation, started in 2023			

Annex 3

Main Characteristics of the Internal Control and Risk Management Systems of EVERGENT Investments' Group

1. Permanent Risk Management Function

EVERGENT Investments sets and maintains the permanent risk management function that is separate and independent from other functions and activities.

Structurally and hierarchically the Risk Management Department is subordinated to the Board of Directors.

The permanent risk management function is exercised independently, from an hierarchical and functional point of view, from that of portfolio management and other functional departments, by adopting organizational measures to prevent conflicts of interest, as expressly stipulated in the company's internal regulations.

The permanent risk management function has the authority necessary and access to all relevant information necessary to fulfil its obligations and responsibilities.

The personnel within the Risk Management department have the knowledge, skills and professional experience necessary to exercise the function, as well as a good reputation, honesty and integrity It also fulfils the eligibility conditions established by the FSA, being authorized and registered in the Public Register of the FSA.

In case that there are several persons authorized as risk managers, the detailed responsibilities of each person will be established. In the absence of one of the persons, the duties and responsibilities will be automatically taken over by another authorized person.

If the company no longer has a person authorized as a risk manager or in case of its temporary unavailability, one of the company's directors or another employee who has the appropriate knowledge and professional experience will temporarily perform this function until this position will be reoccupied. The manager in charge of coordinating and supervising the portfolio management function within EVERGENT Investments cannot temporarily take over the attributions of the risk management function. The person temporarily performing this function is notified to the FSA.

The main objective of the department is risk management and control, abidance by the high quality standards imposed by the principles of operational and investment risks management, drafting of attention raising mechanisms in case the alert limits regarding manifestation are reached, risk management through their identification, measurement and management by suggesting and monitoring immediate corrective measures.

The department drafts the Risk Management Policy of EVERGENT Investments, where the risk profile that the company finds acceptable is defined with reference to the relevant risks identified in the company's activity. In order to manage relevant identified risks, the Risk Management department develops work procedures and methodologies.

The department is specialized and has the following attributions and responsibilities:

a) drafting and implementation of efficient risk management policies, procedures and methodologies, as well as any modification of these.
b) identification, measurement, administration and permanent monitoring of all risks relevant to the investment policy of EVERGENT Investments and to which the company is or may be exposed.

c) identification of the risks of hiring EVERGENT Investments in the investment / divestment operations proposed by the departments with the function of portfolio management and proposing measures to prevent and reduce them, if necessary;
d) identification of the risks of engaging EVERGENT Investments in new activities and suggests new measures to prevent and lower them, if necessary;
e) substantiates and proposes risk limits, monitors their compliance and notifies the Board of Directors and the executive management in a timely manner of any existing or foreseeable exceeding of the established risk limits, to ensure that quick and appropriate measures can be taken;
f) provides assistance to the Board of Directors and the executive management regarding the identification of the risk profile of EVERGENT Investments;
g) assesses risk profile of the company according to the appetite and risk tolerance established by the Board of Directors and informs the Board of Directors and executive management in case it considers that the risk profile is not compliant with the risk limits approved or if there is a significant risk that the risk profile become inadequate for these limits;
h) ensure that the risk profile of EVERGENT Investments communicated to investors respects the risk limits established to cover at least market, issuer, liquidity, credit and counterparty, sustainability and operational risks;
i) calculates monthly the exposure by the gross method and by the commitment method and ensuring the classification of the assets categories of EVERGENT Investments within the legal and internal prudential limits in force, including the value of the assets in the relevant threshold and the compliance with the own funds and additional own funds requirements and the timely notification to the Board of Directors and the executive management. with any existing or foreseeable exceeding thereof, to ensure that prompt and appropriate action can be taken;
j) classification of EVERGENT Investments asset categories by risk classes, from the point of view of the degree of liquidity of the assets;
k) performing crisis simulations, once a year and ad-hoc, under the conditions provided in the risk procedures and ASF regulations in force;
l) assesses the way in which the structure of the variable remuneration affects the risk profile of the company;
m) monitoring the synthetic risk indicator of EVER share and previous performance scenarios;
n) report on the results of the annual internal self-assessment of operational risks, including IT operational risks and the internal control system;
o) prepares quarterly reports on the adequacy and efficiency of the risk management process;
p) prepares quarterly risk reports for the Board of Directors on managed risks;
q) reports to the Board of Directors and executive management on risks identified as potentially significant, in accordance with applied procedures;
r) analyses the operational risks related to the performance of activities, identified in the internal risk self-assessment process and proposes measures to reduce/maintain the identified risks under control.

The risk management process is carryout out through the following stages:
1. risk identification – risks are defined in the vision of the institution, the component elements are identified and risk-generating events are described.
2. risk evaluation and measurement – for each type of risk identified with the help of quantitative and qualitative methods, using databases and pre-set risk indicators.

3. risk monitoring – risk indicators are monitored as they evolve and they are classified within the set legal and internal limits.
4. risk management and control – measures are proposed to keep risks under control in case the limits are exceeded and reports are sent to the management structure.

The activities carried out include, without being limited to: monthly/quarterly/annual analyzes and whenever necessary regarding exposures to the relevant risks: market risk, issuer risk, credit and counterparty risk, liquidity risk, sustainability risk, operational risk, inclusion in the system of prudential limits of the assets/categories of assets in the portfolio (provided in the applicable legal regulations). Also, the compartment analyses the impact of the investments proposed by the compartments with the portfolio management function on the undertaken risk profile and on falling within prudential legal limits, by carrying out simulations and suggests, if necessary, measures to keep undertaken risk under control.

For its attributions, the Risk Management department makes regular reports to the Directors and the Board of Directors. Quarterly risk reports and half-yearly reports on the efficiency and effectiveness of the risk management system are subject to the approval of the Board of Directors, with prior approval by the Audit Committee. The reports on the individual contribution of the assets to each type of relevant risk, as well as those on the inclusion of the assets in the system of prudential limits, are sent for information to the departments/structures that perform the function of managing the portfolio.

2. Permanent function for compliance verification

EVERGENT Investments sets up and maintains a permanent and efficient function for compliance verification, which is independent.

Structurally and hierarchically the Compliance Department is subordinated to the Board of Directors. Each individual employed in the Compliance Department is subjected to FSA approval and is entered in the public FSA Register.
In case the company submits several individuals with compliance responsibilities for approval, the approval request is accompanied by the detailed responsibilities of each individual employed by the Compliance Department.
In case one of the individuals with internal control responsibilities is absent, his/her attributions and responsibilities will be automatically taken over by another authorized individual.
If for any reason EVERGENT Investments no longer has any person authorized in the position of compliance officer or in the event of temporary unavailability of such person(s), the duties shall be taken over by one of the members of the company's compliance department (if any), or by one of the company's directors or another employee who has the appropriate professional knowledge and experience. In the event that the department consists of a single member, and that member becomes unavailable, the person who temporarily takes over the duties of the unavailable person may do so for a maximum period of 3 months in a calendar year.

In order to allow the individual(s) appointed as compliance officer(s) to properly fulfil their responsibilities in a correct and independent manner EVERGENT Investments must make sure that the following requirements are met:

a) the person/persons has /have the authority, resources and experience necessary, as well access to all relevant information;
b) the individual(s) who carries/carry out the compliance verification function are not involved in the delivery or carrying out of the services he/she monitors;

c) the individual(s) bear(s) the responsibility of abiding by the responsibilities of the compliance function for any reporting regarding regulations in force, where it will be expressly specified if proper measures have been taken in order to remedy possible deficiencies;
d) on setting the remuneration of individuals, the following must be taken into consideration: the remuneration level must allow EVERGENT Investments to employ qualified and experienced staff; the individuals' objectivity must not be affected by the remuneration setting method; variable remuneration must be based on objectives that are specific for the position and must not be set exclusively based on performance criteria at AIFM level; remuneration is directly supervised by the Appointing-Remuneration Committee;
e) individuals are evaluated to make sure they fulfil and abide by the competence and professional experience requirements during the entire time they carry out their activity; integrity and good reputation and governance in compliance with applicable legal provisions.

Attributions and responsibilities:

a) it periodically monitors and evaluates the adequacy and efficiency of the measures, policies and procedures set in compliance with applicable regulations, as well as the actions carried out in order to remedy deficiencies regarding the company's meeting its obligations;
b) it regularly monitors and verifies the application of legal provisions applicable for EVERGENT Investments' activity, of internal regulations and procedures and acts according to its competencies in order to prevent and suggest measures to remedy any law infringement situations, or infringement of applicable regulations for the capital market, or internal regulations and procedures of EVERGENT Investments, by EVERGENT Investments or its employees; follows-up the implementation of suggestions and recommendations;
c) it offers advice and assistance for relevant individuals responsible for the carrying out of activities so that EVERGENT Investments abides by its obligations based on incidental capital market legislation;
d) it makes sure that the reports that EVERGENT Investments must send to FSA and capital market entities are sent within the deadline foreseen by regulations in force;
e) it analyses and approves the documents sent by EVERGENT Investments to the FSA in order to obtain the authorizations foreseen by FSA regulations;
f) it analyses and approves informative materials/advertising materials of EVERGENT Investments;
g) it analyses and endorses documents prepared by EVERGENT Investments in accordance with work procedures;
h) it endorses and develops new strategies, investment policies, relevant organisational changes as well as investments on new markets and in new products;
i) verifies the abidance by prudential regulations;
j) it provides the notifications of EVERGENT Investments and its employees regarding the legal regimen applicable to capital market, concerning approved norms and legislative projects that present interest for the company's activity, to make proposals/recommendations/ observations, if the case be;
k) it monitors the decisions of the Board of Directors and the Management Committee, verifying their compliance with legality and prudence at the time of their adoption/implementation; monitors the implementation of decisions and reports regularly on the status of their implementation;
l) it is responsible for the supervision of the solving and management of complaints regarding EVERGENT Investments' activity on the capital market, for the keeping of the unique complaints record and periodical reporting to FSA about the status of the registered complaints;
Through the decision of the CEO, a permanent committee is setup within the company to analyze all shareholders' complaints and suggest, depending on the case, measures to be adopted by the

management to remedy the situations identified; the communication of the answer to the applicant is made abiding by the legal deadline;

m) it creates a process for the identification, registration, monitoring, prevention and disclosing of conflict of interests; it manages the internal procedure regarding *Conflict of Interest;*

n) it manages the specific work procedure regarding the *Supervision of the application of international sanctions on capital market* – while applying express FSA regulations; the compliance officer may also be a member of the Board (through internal decision), in which capacity he/she also liaises with FSA.

Carrying out permanent and regular control:

1. *The drafting of the annual investigation program/plan, abiding by the following principles/criteria:*

a) it includes control objective as per applicable legal regulations and represents a part of the integrated control process within EVERGENT Investments (compliance, internal audit and risk management);

b) it is drafted based on the analysis of the risks that can be incurred in EVERGENT Investments' activities, given the "*Register of identified Operational Risks that might affect EVERGENT Investments' activity*" drawn up by the Risk Management Department;

c) the activities carried out for verifying the compliance of the company's activities with applicable legal regulations, policy and procedures of EVERGENT Investments, are periodical and permanent control activities;

d) the main component of the activity is the permanent control, pro-active in nature, carried out through the continuous supervision and monitoring of the activities that fall under internal control competence, in order to prevent the occurrence of legal and internal non-compliance.

2. *Carrying out investigations and submitting reports to the management structure:*

a) it presents a report regarding the results of the investigations included in the investigation plan to the Board of Directors of EVERGENT Investments, for discussion and approval; the report is firstly approved by the Audit Committee;

b) reports to the Board of Directors and directors, the cases when the legal regimen applicable to the capital market, internal regulations and work procedures have been infringed, for the urgent notification of FSA and communication of the measures adopted to remedy identified situations;

c) regularly drafts, at least once a year, reports to the executive management regarding compliance issues, in which mentions should be made whether the proper measures to remedy possible deficiencies have been taken;

d) annual report and investigations plan for the following year, approved by the Board of Directors are sent to FSA, if the law foresees so.

3. Permanent Internal Audit Function

EVERGENT Investments sets and maintains the permanent internal audit function that is separate and independent from other functions and activities of EVERGENT Investments.

The internal audit department is subordinated to the Board of Directors.
For the purpose of guiding the activity, the internal audit department develops policies and procedures that are aligned to the requirements of the International Standards for professional practice of internal audit.

Attributions and Responsibilities:

a) it helps the company, both as a whole and its structures, through the issue of opinions and recommendations;
b) it assists the company in risk management;
c) it contributes to the improvement of risk management, control and governance processes;
d) it evaluates the adequacy and efficiency of controls regarding governance, operations and systems of EVERGENT Investments;
e) it drafts and implements the policies and procedures to carry out internal audit activity, as well as any modification of these;
f) it carries out risk evaluations for the activities carried out by EVERGENT Investments, at least once a year;
g) it sets, implements and maintains an audit plan in order to examine and evaluate the proper nature and efficiency of internal control systems, mechanisms and procedures of EVERGENT Investments;
h) it submits the Audit Committee and Board of Directors the plan regarding audit activity and necessary resources, including significant modifications occurred;
i) it carries out the missions included in the annual plan;
j) it issues recommendation based on the result of the carried out activity;
k) at the request of the Audit Committee or directors, it carried out ad-hoc missions or missions of an exceptional nature (not included in the annual internal audit plan);
l) it verifies it recommendations have been respected;
m) it reports at the end of each mission regarding internal audit issues and the adequacy of the measures adopted to remedy possible deficiencies;
n) it records any relevant information that supports the conclusions and results of the engagement;
o) it coordinates the activity of financial auditor, in order to make sure that audit objectives are met and in order to minimize overlapping;
p) it periodically reports to the Audit Committee and the board of Directors on the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, based on the pre-set plan;
q) it verifies if the management has accepted a residual risk level that cannot be acceptable for EVERGENT Investments and notifies to the Board of Directors the cases when no decision has been made regarding residual risk, in order to solve them;
r) it carries out formalized counselling missions (included in the Internal Audit Plan), informal, exceptional or in cases of emergency, at the express request of the Board of Directors or Executive Management.

Internal Audit carries out assurance and counselling missions

Assurance missions offer an independent evaluation of the governance, risk management and control processes within EVERGENT Investments. The assurance missions are carried out by going through the following stages: planning the internal audit activity, preparation of the internal audit mission, on-the-spot intervention, internal audit report, follow-up of recommendations and quality analysis.

Activities carried out by Internal Audit target:

1. ***planning the internal audit activity**:* preparation, endorsement and approval of the multiannual internal audit plan and annual internal audit plan, in accordance with the requirements of International Standards for internal audit and national regulations.
2. ***preparing the internal audit mission**:*
   - ✓ notification of the leader of the activity that is to be audited that the internal audit mission is to start;
   - ✓ collection and processing of information regarding the audited structure, activity, program/project or operations, in order to facilitate the carrying out of procedure regarding risk analysis and verification;
   - ✓ identification and analysis of specific risks and internal control evaluation for the audited process/activity/structure, so that the audit effort be oriented towards the most risky areas;
   - ✓ drafting the audit mission program in order to insure the proper execution of the internal audit mission, to cover all objectives to be audited and their associated risks;
   - ✓ meeting with the representatives of the audited structure to present the members of the internal audit team, purpose of the mission, objectives set for the internal audit mission, as well as for setting a meetings calendar.
3. ***on-site intervention***:
   - ✓ collection of audit samples, for the purpose of the audit team's getting an opinion about the strong and weak points of the audited process/activity/organizational structure and supply audit samples based on which ascertainment, recommendations and general conclusions will be made;
   - ✓ identification and reporting irregularities identified.
4. ***drafting the internal audit report**:*
   - ✓ the drafting of the internal audit report project, submitting the internal audit report project to the audited structure for analysis and the issue of its standpoint regarding the auditors' conclusions and recommendations;
   - ✓ analysis of the observations made by the audited structure for the internal audit report project;
   - ✓ analysis, acceptance and approval of the internal audit report and the action plan to implement recommendations.
5. ***follow-up of recommendations**:* making sure that the recommendations made following the internal audit missions are properly implemented within the deadlines set and evaluation of consequences in case they are not applied.
6. ***analysis of internal audit quality:*** for the purpose of offering a reasonable insurance that internal audit abides by its Chart, that it functions efficiently and contributes to added value and improvement of the company's operations and of making sure that all objectives of the internal audit mission have been achieved, in quality conditions.

Counselling missions are consultative and connected activities that have the purpose of improving governance processes, risk management and control of EVERGENT Investments, without the internal auditors taking on the management's responsibility.

Counselling missions can be:

1) ***formal counselling missions*** – are usually included in the annual internal audit plan, and the terms and conditions are agreed with the applicant. Procedurally, these missions are usually performed as the assurance mission.

2) ***informal counselling missions*** – are activities or services, such as:
    - participation to interdepartmental working groups, committees or other bodies of this kind, with temporary activity, participation in projects (during the life cycle of the project) or in ad hoc meetings and working meetings;
    - providing facilitation and training services in the field of internal control and risk management;
    - the usual exchanges of specific information with other organizational structures within the company, group, industry, etc.

3) ***special counseling missions*** - are special services performed by the internal audit within large institutional projects (eg consulting for outsourcing operations or prior to restructuring the organization's processes, participation in teams of experts, set up for the conversion of operational systems, etc.).

In certain circumstances, based on the cost-benefit analysis, the internal audit may decide to perform mixed audit missions, which incorporate elements from both the assurance mission and the advisory mission, in a consolidated, unitary approach.
At the same time, internal audit may consider it as appropriate to perform missions in which the distinction between the "assurance" and "counselling" component is made.

Annex 4

EVERGENT INVESTMENTS SA

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

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

CONTENTS: **PAGE NO.:**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
EVERGENT Investments S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

• Equity	RON 2,687,825,086
• Net profit for the financial year	RON 114,176,611

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

Basis for Opinion

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

Key Audit Matters

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

Deloitte.

Key audit matter	How our audit addressed the matter
Valuation of equity investments We refer to note 20 to the consolidated financial statements, which presents the equity investments of the Group, representing shares and fund units held by the Group. As at December 31, 2023, these financial assets valued at fair value represent approximately 77% of the total assets of the Group. Equity investments presented to Level 3 of the fair value hierarchy represent RON 104 million and consist of participations held by the Group in unlisted Romanian companies and listed companies that do not have an active market. The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available prior to 31 December 2023, which involves significant judgments and a high degree of estimates. These reports were performed by independent valuers appointed by the Group management and by authorized in-house valuers of the Group. The management of the Group performed an analysis for the period following the date of the valuation of the participations until 31 December 2023 in order to identify significant changes in the fair values of equity investments as at 31 December 2023. This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the consolidated financial statements.	In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures. For the significant listed equity investments, we have assessed the Group's policies and analyses in respect of frequency of the transactions to identify investments that do not have an active market. For significant listed equity investments within level 1 of the fair value hierarchy, we have assessed the accuracy of the capital market closing price of the shares as of 31 December 2023 or from the last day of trading available at the end of the reporting period. For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the in-house valuers and the external valuers and their professional competence and independence from the Group. We have assessed the Group management's analyses for the period following the date of the valuation reports until December 31, 2023, in order to identify significant events, which may have a significant impact on the fair value of equity investments as at 31 December 2023. We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the consolidated financial statements as at December 31, 2023, by comparing year-on-year fair value variation for equity investments. We have also considered whether the consolidated financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Group and IFRS 13 *Fair Value Measurement* ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.

Other information

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

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

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

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

   With respect to the Administrators' consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 29-30.

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

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

b) the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no 39/2015 articles 29-30.

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

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

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and FSA norm 39/2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

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

We confirm that:

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

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

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

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

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

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

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

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

- the selection and application of appropriate iXBRL mark-ups;

- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with FSA norm no. 39/2015.

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

Deloitte.

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

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

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

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

- obtaining an understanding of the Group's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Group to be submitted in accordance with FSA Norm no. 39/2015;
- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

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

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

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

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

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

On behalf of:

DELOITTE AUDIT SRL

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

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

In LEI	Note	2023	2022
Revenue and gains/(losses)			
Gross dividend income	*9*	143,451,798	116,092,853
Interest income	*10*	9,114,506	6,262,712
Other operating revenue	*11*	38,524,286	65,334,018
Net gain on financial assets at fair value through profit or loss	*13*	43,701,375	965,522
Net gain from disposal of non-financial assets	*12*	139,168	18,708
Net gain from the revaluation of investment property	*27*	2,063,182	11,356,717
Net loss from the revaluation of investment property		(32,863)	(14,256)
Expenses			
(Loss)/Loss reversal on financial assets		(1,586,845)	2,379,256
Loss reversal on non-financial assets impairment		356,483	3,137,296
(Set-up)/Reversal of provisions for risks and charges		(395,720)	52,750
Expenses with wages, remunerations and other similar expenses	*14*	(57,660,666)	(46,968,732)
Other operating expenses	*15*	(43,726,130)	(61,293,246)
Operating profit		**133,948,574**	**97,323,598**
Financing expenses	*16*	(5,855,114)	(913,791)
Share from the profit corresponding to associates		2,302,239	16,074,052
Profit before tax		**130,395,699**	**112,483,859**
Income tax	*17*	(16,219,088)	(10,222,009)
Net profit of the financial year		**114,176,611**	**102,261,850**
Other comprehensive income			
Increase from revaluation of property, plant and equipment, net of deferred tax		3,549,175	2,421,954
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	*20 d)*	435,670,706	(175,797,504)
Other comprehensive income – elements that will not be reclassified in profit or loss		**439,219,881**	**(173,375,550)**
(Net loss) from the revaluation of FVTOCI bonds	*20 d)*	(185,969)	(105,304)
Other comprehensive income – elements that will be reclassified in profit or loss		**(185,969)**	**(105,304)**

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

In LEI	Note	2023	2022
Other comprehensive income - Total		**439,033,912**	**(173,480,854)**
Total comprehensive income of the financial year		**553,210,523**	**(71,219,004)**
Basic and diluted earnings per share (net profit per share)		**0.1262**	**0.1074**
Basic and diluted earnings per share (including gain from the sale of FVTOCI financial assets)		**0.2136**	**0.1457**
Net profit attributable to the Company's shareholders		115,255,171	101,767,756
Net profit/(net loss) attributable to non-controlling interests	*37*	(1,078,560)	494,094
Total net profit		**114,176,611**	**102,261,850**
Total comprehensive income attributable to			
Company's shareholders		553,847,624	(72,123,697)
Non-controlling interests		(637,101)	904,693
Total comprehensive income		**553,210,523**	**(71,219,004)**

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

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

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

In LEI	*Note*	31 December 2023	31 December 2022
Assets			
Cash and current accounts	*18*	5,632,750	7,838,826
Bank deposits with initial maturity within 3 months	*19 a)*	304,399,579	120,630,869
Bank deposits with initial maturity of more than 3 months	*19 b)*	13,513,579	6,141,286
Financial assets measured at fair value through profit or loss	*20 a)*	298,338,840	279,782,253
Financial assets measured at fair value through other comprehensive income	*20 b)*	2,036,197,327	1,673,533,619
Investments accounted for using equity method	*21*	57,673,327	55,371,088
Bonds at fair value through other comprehensive income	*22*	3,884,483	3,982,047
Bonds at amortized cost	*22*	35,692	47,661
Other financial assets at amortized cost	*23*	13,809,792	19,884,188
Inventories	*24*	48,606,721	28,734,899
Other assets	*25*	1,645,933	2,176,788
Non-current assets held for sale	*26*	4,957,804	3,540,657
Investment property	*27*	152,216,264	135,229,675
Plant, property and equipment	*28*	70,355,482	65,345,532
Right-of-use assets for qualifying assets in leases	*28*	11,754,681	9,276,583
Goodwill	*28*	4,339,505	4,339,505
Intangible assets	*28*	1,009,148	1,165,704
Total assets		**3,028,370,907**	**2,417,021,180**
Liabilities			
Borrowings	*29*	87,551,586	11,818,565
Lease liabilities	*30*	10,713,608	9,109,377
Dividends payable	*31*	49,998,003	43,029,452
Current tax liabilities		7,899,122	5,370,896
Financial liabilities at amortized cost	*32*	11,974,027	11,363,910
Other liabilities	*33*	8,834,287	7,910,679
Provisions for risks and expenses	*34*	4,238,609	3,842,888
Deferred tax liabilities	*35*	159,336,579	97,526,193
Total liabilities		**340,545,821**	**189,971,960**
Equity			
Share capital	*36 a)*	499,988,637	499,988,637
Retained earnings		1,172,329,499	1,044,899,843
Reserves from the revaluation of property, plant and equipment		21,072,031	18,419,631
Reserves from the revaluation of financial assets at fair value through other comprehensive income	*20 d)*	1,016,061,804	660,473,055
Treasury shares	*36 e)*	(66,642,400)	(38,991,230)
Equity-based payments to employees, directors and administrators	*36 f)*	24,881,378	20,765,780
Other items of equity	*36 g)*	4,053,035	4,775,301
Total equity attributable to shareholders		**2,671,743,984**	**2,210,331,017**
Non-controlling interests	*37*	16,081,102	16,718,203
Total equity		**2,687,825,086**	**2,227,049,220**
Total liabilities and equity		**3,028,370,907**	**2,417,021,180**

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

Claudiu Doroş
Chairman, CEO

Mihaela Moleavin
Finance Director

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

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

Evergent INVESTMENTS

In LEI

	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 2022		**499,988,637**	**18,419,631**	**660,473,055**	**1,044,899,843**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,210,331,017**	**16,718,203**	**2,227,049,220**
Comprehensive income											
Profit of the financial year		-	-	-	115,255,171	-	-	-	115,255,171	(1,078,560)	114,176,611
Other comprehensive income											
Increase of reserve from the revaluation of tangible assets, net of deferred tax		-	3,549,175	-	-	-	-	-	3,549,175	-	3,549,175
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(896,775)	-	455,316	-	-	-	(441,459)	441,459	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	435,670,706	-	-	-	-	435,670,706	-	435,670,706
Revaluation at fair value of FVTOCI bonds		-	-	(185,969)	-	-	-	-	(185,969)	-	(185,969)
Total other comprehensive income		**-**	**2,652,400**	**435,484,737**	**455,316**	**-**	**-**	**-**	**438,592,453**	**441,459**	**439,033,912**
Total comprehensive income of the financial year		**-**	**2,652,400**	**435,484,737**	**115,710,487**	**-**	**-**	**-**	**553,847,624**	**(637,101)**	**553,210,523**
Net gain, transferred to retained earnings for the sale of FVTOCI equity instruments		**-**	**-**	**(79,895,988)**	**79,895,988**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with shareholders directly recognized in equity											
Dividends distributed to non-controlling interests		-	-	-	-	-	-	-	-	-	-
Share capital decrease	36 a)		-	-	-	-	-	-	-	-	-
Buy-back of own shares		-	-	-	-	(38,842,825)	-	(380,999)	(39,223,824)	-	(39,223,824)
Own shares granted to employees and directors	36 e)	-	-	-	-	11,191,655	(10,850,388)	(341,267)	-	-	-
Equity-based payments to employees, directors and administrators	36 f)	-	-	-	-	-	14,965,986	-	14,965,986	-	14,965,986
Dividends expired according to the law (Note 4n)		-	-	-	14,518,698	-	-	-	14,518,698	-	14,518,698
Shares in subsidiaries bought back from non-controlling interests		-	-	-	-	-	-	-	-	-	-
Dividends distributed from the profit of 2022 financial year		-	-	-	(82,695,517)	-	-	-	(82,695,517)	-	(82,695,517)
Total transactions with shareholders directly recognized in equity		**-**	**-**	**-**	**(68,176,819)**	**(27,651,170)**	**4,115,598**	**(722,266)**	**(92,434,657)**	**-**	**(92,434,657)**
Balance at 31 December 2023		**499,988,637**	**21,072,031**	**1,016,061,804**	**1,172,329,499**	**(66,642,400)**	**24,881,378**	**4,053,035**	**2,671,743,984**	**16,081,102**	**2,687,825,086**

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

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

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

In LEI

	Note	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrators	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance at 31 December 2021		**510,105,062**	**16,699,675**	**872,688,152**	**987,726,077**	**(41,119,507)**	**16,252,012**	**3,685,004**	**2,366,036,475**	**16,022,210**	**2,382,058,685**
Comprehensive income											
Profit of the financial year		-	-	-	101,767,756	-	-	-	101,767,756	494,094	102,261,850
Other comprehensive income				-	-	-	-	-			
Increase of reserve from the revaluation of tangible assets, net of deferred tax		-	2,421,954	-	-	-	-	-	2,421,954	-	2,421,954
Transfer of revaluation reserve to retained earnings following the derecognition of property, plant and equipment		-	(701,998)	-	291,399	-	-	-	(410,599)	410,599	-
Revaluation at fair value of equity instruments at FVTOCI, net of deferred tax		-	-	(175,797,504)	-	-	-	-	(175,797,504)	-	(175,797,504)
Revaluation at fair value of FVTOCI bonds		-	-	(105,304)	-	-	-	-	(105,304)	-	(105,304)
Total other comprehensive income		**-**	**1,719,956**	**(175,902,808)**	**291,399**	**-**	**-**	**-**	**(173,891,453)**	**410,599**	**(173,480,854)**
Total comprehensive income of the financial year		**-**	**1,719,956**	**(175,902,808)**	**102,059,155**	**-**	**-**	**-**	**(72,123,697)**	**904,693**	**(71,219,004)**
Net gain, transferred to retained earnings for the sale of FVTOCI equity instruments		**-**	**-**	**(36,312,289)**	**36,312,289**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with shareholders directly recognized in equity											
Dividends distributed to non-controlling interests		-	-	-	-	-	-	-	-	(113,889)	(113,889)
Share capital decrease	36 a)	(10,116,425)	-	-	(26,389,968)	35,999,999	-	506,394	-	-	
Buy-back of own shares		-	-	-	-	(38,566,162)	-	(119,881)	(38,686,043)	-	(38,686,043)
Own shares granted to employees and directors	36 e)	-	-	-	-	4,694,440	(5,398,224)	703,784	-	-	-
Equity-based payments to employees, directors and administrators	36 f)	-	-	-	-	-	9,911,992	-	9,911,992	-	9,911,992
Dividends expired according to the law (Note 4n)		-	-	-	7,245,273	-	-	-	7,245,273	-	7,245,273
Shares in subsidiaries bought back from non-controlling interests		-	-	-	-	-	-	-	-	(94,811)	(94,811)
Dividends distributed from the profit of 2021 financial year		-	-	-	(62,052,983)	-	-	-	(62,052,983)	-	(62,052,983)
Total transactions with shareholders directly recognized in equity		**(10,116,425)**	**-**	**-**	**(81,197,678)**	**2,128,277**	**4,513,768**	**1,090,297**	**(83,581,761)**	**(208,700)**	**(83,790,461)**
Balance at 31 December 2022		**499,988,637**	**18,419,631**	**660,473,055**	**1,044,899,843**	**(38,991,230)**	**20,765,780**	**4,775,301**	**2,210,331,017**	**16,718,203**	**2,227,049,220**

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

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

In LEI	*Note*	2023	2022
Operating activities			
Net profit for the financial year		**114,176,611**	**102,261,850**
Adjustments:			
Loss/(Loss reversal) from financial assets impairment		1,586,845	(2,379,256)
(Loss reversal) from non-financial assets impairment		(356,483)	(3,137,296)
(Net gain) from the revaluation of investment property	*27*	(2,063,182)	(11,356,717)
Net loss from the revaluation of non-current assets held for sale		32,863	14,256
Net gain from financial assets at fair value through profit or loss	*13*	(43,701,375)	(965,522)
Set-up/(Reversal) of provisions for risks and charges		395,720	(52,750)
Gross dividend income	*9*	(143,451,798)	(116,092,853)
Interest income	*10*	(9,114,506)	(6,262,712)
Financing expenses	*16*	5,855,114	913,791
Income tax	*17*	16,219,088	10,222,009
Other adjustments		22,971,948	(78,866)
Modifications of assets and liabilities corresponding to operating activities			
Payments for the acquisition of financial assets at fair value through profit or loss		(57,426)	(5,000,000)
Proceeds from sale of financial assets at fair value through profit or loss		25,202,214	52,121,165
Payments for the acquisition of financial assets at fair value through other comprehensive income		(174,266,369)	(197,955,590)
Proceeds from the sale of financial assets at fair value through other comprehensive income		323,214,657	91,144,661
Proceeds from bonds		11,760	16,711,760
Changes in deposits with initial maturity higher than 3 months		(6,732,571)	636,181
Changes in other assets		(14,287,714)	(9,823,157)
Changes in other liabilities		934,677	2,632,431
Proceeds from dividends		132,049,391	110,480,838
Proceeds from interest		6,757,307	6,039,624
Income tax paid		(17,162,413)	(3,671,220)
Net cash resulted from operating activities		**238,214,358**	**36,402,627**
Investment activities			
Payments for acquisition of property, plant and equipment		(7,948,711)	(11,200,687)
Payments for acquisition of intangible assets		(137,382)	(220,240)
Payments for acquisition of investment property		(17,091,386)	(5,251,439)
Proceeds from the sale tangible assets, property investment and assets held for sale		1,480,410	-
Dividends received from associates		-	3,553,026
Net cash used in investment activities		**(23,697,069)**	**(13,119,340)**

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

In LEI	***Note***	**2023**	**2022**
Financing activities			
Paid dividends		(61,212,383)	(46,381,109)
Payments for the buy-back of subsidiaries' shares from non-controlling interests		-	(94,811)
Proceeds from loans		120,571,739	6,907,080
Loan reimbursement		(46,527,244)	(3,395,541)
Payments of lease liability principal		(2,751,791)	(860,935)
Payments of loan interest		(5,259,277)	(702,170)
Payments of lease liability interest		(264,065)	(211,621)
Acquisition of treasury shares		(39,223,824)	(38,686,043)
Net cash used in financing activities		**(34,666,845)**	**(83,425,150)**
Increase/(Decrease) in cash and cash equivalents		**179,850,444**	**(60,141,863)**
Cash and cash equivalents at 1 January		128,186,394	188,328,257
Cash and cash equivalents at 31 December		**308,036,838**	**128,186,394**
Cash at hand		16,506	17,744
Current bank accounts		5,616,250	7,821,161
Bank deposits with maturity within 3 months		302,404,082	120,347,489
Cash and cash equivalents		**308,036,838**	**128,186,394**

-

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

Claudiu Doroș
Chairman, CEO

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

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

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

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

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

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

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

The Company is self-managed under a one-tier system.

The shares issued by Evergent Investments SA are listed at the Bucharest Stock Exchange, the primary market, Premium category, with indicative EVER, since 29 March 2021 (the Company's share were previously traded using indicative SIF2, as per the BSE Decision of 01.11.2011).

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

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

The Company's consolidated financial statements for the financial year ended 31 December 2023 include the Company and its subsidiaries (hereinafter referred to as the „**Group**"), as well as the Group's interests in its associates.

The Group's basic activities include the financial investment activity carried out by the Company, as well as activities carried out by its subsidiaries, consisting mainly in the manufacture and sale of machines and equipment, lease and sub-lease of own or leased property, real-estate development, cultivation of fruit-bearing plants, strawberries, nut-trees and other fruit-bearing trees and business and management consultancy activities.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared by the Group in accordance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities regulated and supervised by FSA in the financial instruments and investments sector, approved by Rule 39/2015.

According to Rule 39/2015, the International Financial Reporting Standards, hereinafter referred to as IFRS, represent the standards adopted in accordance with the procedure stipulated by Regulation (CE) no. 1606/2002 of the European Parliament and Council of 19 July 2002 regarding the application of international accounting standards, with subsequent amendments and additions.

The consolidated financial statements at 31 December 2023 and 31 December 2022 are available on the Company's website, www.evergent.ro.

The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with the applicable statutory accounting regulations, namely Order no. 1802 of 29 December 2014 for the approval of accounting regulations regarding separate and consolidated financial statements ("RAS"). For the preparation of the Group's consolidated financial statements, the financial information was restated, where applicable, in order to reflect the differences between RAS and the International Financial Reporting Standards adopted by the European Union ("IFRS").

The most important changes to the financial statements prepared in accordance with RAS in order to be aligned with the IFRS requirements adopted by the European Union are:

- registration adjustments of fair value of investment property through profit or loss, in accordance with IAS 40 "Investment Property" (in accordance with RAS, the result from the revaluation of investment property is registered in revaluation reserve);
- adjustments for the recognition of deferred income tax receivables and liabilities, in accordance with IAS 12 "Income Tax" (in accordance with RAS, deferred tax is not recognized);
- reversal of adjustments related to hyperinflationary economies, and
- requirements for presentation in accordance with IFRS, that are different in some cases from RAS requirements.

2. BASIS OF PREPARATION (continued)

(b) Disclosure of financial statements

The consolidated financial statements have been prepared in accordance with the requirement of IAS 1 "Presentation of Financial Statements". The Group has adopted a presentation based on liquidity for its statement of financial position and a presentation of income and expenses depending on their nature for the statement of comprehensive income, considering that these presentation methods offer more relevant information for the user than if were presented based on other methods permitted by IAS 1.

The consolidated financial statements were prepared based on the going concern assumption, which assumes that the Group will continue its activity in the predictable future. The management of the Group considers that the Group will normally continue its activity in the future, and consequently, the consolidated financial statements were prepared on this basis (see explanatory notes 2 (f) "Impact of the Russian-Ukrainian military conflict and other global trends on the financial position and performance of the Group).

(c) Functional and presentation currency

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

(d) Basis of Measurement

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

Other financial assets and liabilities are presented at amortized cost, and non-financial assets and liabilities are presented at historical cost, fair value or revaluated amount.

(e) Use of Estimates and Judgments

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

2. BASIS OF PREPARATION (continued)

(e) Use of Estimates and Judgments (continued)

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

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

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

- Determining the fair value of financial instruments (see explanatory notes 20 (c) and 4 (d) (vi))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 20 (c) and 34)
- Classification of financial instruments (see explanatory notes 4 (d) i) and 8)
- Adjustments for the expected credit losses of assets measured at amortized cost (see explanatory note 4 (d) (vii))
- Analysis of criteria in IFRS 10 Consolidated Financial Statements, regarding investment entities

Following the analysis of the criteria that must be met for a company to be classified as an investment entity, it was concluded that EVERGENT Investments is not an investment entity since it holds in its portfolio interests for an indefinite period of time, for which there are no disinvestment strategies and in whose operations it is actively involved, with the possibility to provide funding or carry out other operations incompatible with investment entities.

2. BASIS OF PREPARATION (continued)

(f) Information on material accounting policies

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION (continued)

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

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

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

(h) Miscellaneous – format as per the recommendations of the European Securities Market Authority ("ESMA")

Due to the technical characteristics of the software used to disclose the consolidated financial statements in European single electronic format ("ESEF"), the tables included in the notes to the consolidated financial statements are not displayed in ESEF format as tables, but as lines. The line disclosure is logical and easy to understand

3. BASES OF CONSOLIDATION

(a) Business combinations

Business combinations are accounted for using the acquisition method at the date control is acquired, unless it is a combination involving entities or businesses under joint control or the acquired entity is a subsidiary of an investment entity.

Each identifiable asset and assumed liability is valued at its fair value as of the acquisition date. Non-controlling interests in an acquired entity, which are current equity interests and through which their holders are entitled to a proportionate share of the entity's net assets, in the event of its liquidation, are valued either at fair value or at the share -proportional part of the current equity instruments from the recognized values of the net identifiable assets of the acquired entity. All other components of non-controlling interests must be valued at fair value as of the acquisition date.

Goodwill is determined at the value by which the sum of the transferred consideration, the value of any non-controlling interests held in the acquired entity and the fair value as of the acquisition date of the previously held equity interest (if applicable), exceeds the net values as of the acquisition date of the assets acquired and identifiable liabilities assumed.

The consideration transferred in a business combination is valued at fair value, being calculated as the sum of the fair values as of the date of acquisition of the assets transferred by the buyer, of the debts borne by the buyer towards the former owners of the acquired entity and of the equity shares issued by the buyer, but deducting the costs of acquisition, brokerage, advisory, legal, accounting, evaluation and other professional or consulting fees, general administrative costs, which are recognized in the profit and loss account.

If the buyer has obtained a gain from a bargain acquisition, this gain is recognized in profit or loss after management has reassessed whether all acquired assets have been identified and all liabilities and contingent liabilities have been accepted and their value assumed.

(b) Subsidiaries

Subsidiaries are entities under the Group’s control. Control exists when the Group is exposed or has the right to variable earnings from its involvement in the entities and has the ability to affect these earnings through its authority over the investee. When the control is evaluated, the potential or convertible voting rights which can be exercises at the evaluation moment should be considered.

The subsidiaries’ financial statements are included in the consolidated financial statements from the moment when the control begins to be exercised and until the moment when the control ceases. The accounting policies of the subsidiaries have been modified in order to be aligned with the polices of the Group.

3. BASES OF CONSOLIDATION

(b) Subsidiaries (continued)

The list of consolidated subsidiaries at 31 December 2023 and 31 December 2022 is the following:

Subsidiary	Field of activity	31 December 2023	31 December 2022
Casa SA	Rental of space	99.77%	99.60%
Mecanica Ceahlău SA	Manufacturing of agricultural machinery	73.30%	73.30%
Regal SA	Rental of own real-estate property	93.89%	93.02%
EVER IMO SA	Real-estate development	99.99%	99.99%
A3 Snagov SRL*	Real-estate development	99.99%	99.99%
EVERLAND SA	Purchase and sale of real-estate property	99.99%	99.99%
Agrointens SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99.99%	99.99%
EVER AGRIBIO SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99,99%	99.99%
VISIONALFA Investments SA	Fund management activities	99,99%	99.99%

Subsidiary A3 Snagov SRL, established in June 2021, is indirectly owned by the Company, through EVERLAND SA, which owns 100% of its equity.
On 25 July 2023, the EGMS of subsidiary VISIONALFA Investments SA approved the temporary suspension of the company's activity and declared its fiscal inactivity, for a period of 3 years.

(c) Investments in associates

Related parties (associates) are those companies where the Group can exercise significant influence but not control over financial and operational policies.

The consolidated financial statements include the Group's share of the associates' results based on the equity method, from the date where the Group started to exercise significant influence until the date when this influence ceases.

The Group's ownership in associated entities at 31 December 2023 and 31 December 2022 is represented by the 50% ownership in Străuleşti Lac Alfa SA. Further to the analysis, the Group concluded that it does not hold either control, or joint control in Străuleşti Lac Alfa SA.

Investments in associates are booked according to the equity method and are initially recognized at cost. The Group's investment includes, if applicable, the goodwill identified at purchase less accumulated impairment losses. The consolidated financial statements include the Group's share of the revenue and expenses and changes in the associates' capital,

3. BASES OF CONSOLIDATION (continued)

(c) Investments in associates (continued)

following the adjustments for the alignment of accounting policies with those of the Group, from the date where significant influence starts until this significant influence ceases. When the Groups' share of the loss is higher than its interest in the entity accounted for through the equity method, the book value of this interest (including any long-term investments) is reduced to zero and the recognition of future loss is interrupted.

(d) Transactions eliminated from consolidation

Intra-group settlements and transactions, as well as any unrealized profit resulted from the intra-group transactions are completely eliminated from the consolidated financial statements. Unrealized profit resulted from transactions with associates are eliminated within the limit of the Group's interest percentage.

The distributions received from the associate reduce the value of the investment.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies have been consistently applied on all periods presented in the consolidated financial statements of the Group.

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(a) Foreign Currency Transactions

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

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

The exchange rates of the main foreign currency in accordance with NBR report were:

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

(b) Accounting for Hyperinflation Effect

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(c) Statement of Cash Flows

On preparing the cash flow statement, the Group considers as cash and cash equivalents the following elements: cash at hand, current bank accounts, bank deposits with an initial maturity under or equal to 3 months (less, if the case be, restricted deposits and current accounts) less attached interest and adjustments for the corresponding expected credit loss.

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

(d) Financial Assets and Liabilities

(i) Classification of Financial Assets

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

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

- To collect contractual cash flows:

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

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

- To collect contractual cash-flows and to sell:

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

- Other business models:

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

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

Analysis of Cash Flow Characteristics (SPPI Test)

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

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

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

Following initial recognition, a financial asset is classified as being measured at amortized cost only if two of the following conditions are met simultaneously:
- the asset is held in a business model whose objective is to keep financial assets to collect contractual cash flows;
- the contractual terms of the financial asset generate, on certain dates, cash flows representing exclusive payments of principal and interest.

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

Following initial recognition, a financial asset is classified as measured at fair value through other comprehensive income, only if two conditions are met simultaneously:
- the asset is held within a business model whose objective is to keep the financial assets to collect contractual cash flows and to sell them;
- the contractual terms of the financial asset generate, on certain dates, certain cash flows represented exclusive payments of principal and interest.

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(i) Classification of Financial Assets (continued)

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

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

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

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

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

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

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

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

- it is held for sale and repurchase in the near future;

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and liabilities (continued)

(i) Classification of Financial Assets (continued)

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

- The Group does not hold financial assets held for trading at 31 December 2023 or 31 December 2022.

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

(ii)Classification of Financial Liabilities

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

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

(iii) Initial Recognition

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(iv) Off-setting of financial assets and liabilities

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

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

(v) Measurement at amortized cost

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

(vi) Measurement at fair value

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

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

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

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

For all other financial instruments, fair value is determined using evaluation techniques. Evaluation techniques include techniques based on the net present value, discounted cash flow method, comparison with similar instruments for which there is an observable market price and other measurement methods.

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

- ***(vii) Identification and measurement of expected credit losses***

- *Financial assets measured at amortized cost*

The Group recognises expected credit losses for financial assets at amortized cost measured according to the provisions of IFRS 9.
For this purpose, these instruments are classified as stage 1, stage 2 or stage 3 depending on absolute or relative credit risk, by reference to the moment of their initial recognition. Thus:

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

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

Stage 3: includes impaired credit exposures.

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

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

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

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

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

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

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

(viii) Derecognition

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

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

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

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

When derecognizing a financial asset in full (with the exception of capital instruments measured at fair value through other comprehensive income), the difference between:

- its book value;

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial Assets and Liabilities (continued)

(viii) Derecognition (continued)

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

should be recognized in profit or loss.

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

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

(e) Inventory

Inventory represents assets held for sale in the normal course of business, assets in production that will be sold during normal course of business, or assets representing raw materials, materials and other supplies that will be used in production or for service delivery.

Measurement

Inventory is measured at the lowest value between cost and net realizable value. Inventory cost includes all costs related to purchase and processing, as well as other costs necessary to bring the inventory to their current form and location. Net realizable value is the estimated sale price that could be obtained in the normal course of business less any estimated costs for the financing of the goods and estimated cost to sale. The cost of inventory that is not normally fungible and goods destined for distinct orders is ascertained through the specific identification of individual costs. For fungible inventory, cost is determined using the „first in, first out” method (FIFO).

4. MATERIAL ACCOUNTING POLICIES (continued)

(f) Investment Property

Investment property are real estate properties (lands, buildings, part of buildings) held by the Group for rental purposes or to increase value or both, and not to be used for the production or supply of goods and services or administrative purposes or sold during normal course of business.

Recognition

An investment property is recognized as asset if:

- it is likely that future economic benefits associated to the asset, will flow to the Group;
- the cost of the asset can be measured reliably.

An investment property is initially measured at cost, including transaction costs. The cost of an investment property includes all costs related to its acquisition price plus any directly attributable expenses (for example legal fees, property transfer fees and other trading costs).

Subsequent Measurement

The Group records investment property at fair value. Changes in fair value are recognized in profit or loss.

Fair Value Measurement

On 31 December 2023 and 31 December 2022, the Group's investment property was evaluated by independent assessors certified by the National Authority of Authorized Valuers of Romania ("ANEVAR"). The valuers have used mainly the market approach, using the market comparison and income approach, using the direct capitalization method, abiding by the valuation principles and techniques included in ANEVAR Standards for Asset Valuation.

Gains or losses resulted from changes in fair value are recognized in profit or loss in the period when the measurement refers to.

Transfers

Transfers to or from investment properties are made only when there is a changes in use of that particular asset.

For the transfer of an investment property valuated at fair value to property, plant and equipment, the implicit cost of the asset for the purpose of its later accounting will be its fair value on the date of its use modification.

4. MATERIAL ACCOUNTING POLICIES (continued)

(f) Investment Property (continued)

If a real estate property used by the Group becomes an investment property that will be accounted at fair value, the Group applies IAS 16 until the date of modification of the utilisation. The Group treats any difference from the date of modification in the book value of a real estate property, in accordance with IAS 16 and its fair value as a revaluation, in accordance with IAS 16 (in the valuation reserve in equity).

Derecognition

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

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

(g) Non-current assets held for sale

The Group classifies a non-current asset as held for sale if its book value will be recovered mainly through a sale transaction and not through its continuous use.

In this case, the asset must be available for immediate sale, in the current condition, being the object of usual terms in case of sale of such assets, and the sale should have a high probability.

In order for the probability of sales to be high, management staff from an adequate level should be engaged to apply a sale plan for the asset and an active program to find a buyer and complete the plan.

The Group measures a non-current asset classified as held for sale at the lowest value between the book value and fair value minus sale generated costs.

(h) Tangible and Intangible Assets

Property, plant and equipment

Recognition and Measurement

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

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

- freehold land;
- buildings;
- land cultivated with productive plants;
- equipment, technical installations and machines;
- transportation vehicles;
- blueberry farms (bearer plants);
- other tangible assets;
- right-of-use assets.

Subsequent measurement

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

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

Lands cultivated with productive plants are lands on which blueberry shrubs are planted, including land improvement.

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

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

Depreciation

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

- Buildings 40 years
- Equipment, installations and machines 2-12 years

4. MATERIAL ACCOUNTING POLICIES (continued)

(h) Tangible and intangible assets (continued)

• Vehicles	4-8 years
• Furniture and other tangible assets	4-12 years
• Blueberry farms	25 years
• Right-of-use assets in lease contracts	Duration of lease contract

- Freehold land and land cultivated with productive plants are not subject to depreciation.

Intangible assets

Goodwill is determined at the amount by which the sum of the transferred value, the value of any non-controlling interests held in the acquired entity and the fair value from the date of acquisition of the equity investment previously held (if any) exceeds the net values at the acquisition date of the acquired assets and identifiable liabilities assumed.

If the net values at the acquisition date of the acquired assets and identifiable liabilities exceed the amount between the transfer value, the value of any non-controlling interests held in the acquired entity and the fair value at the acquisition date of the previously held equity (if applicable), the excess is immediately recognized in profit or loss, as a bargain purchase gain.

When the value transferred by the Group includes a contingent consideration arrangement, the contingent value is measured at fair value at the acquisition date and included as part of the value transferred in a business combination.

Goodwill is not amortized, but is tested at least annually for impairment.

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

The depreciation methods, estimated useful lives as well as residual values are revised by the management of the Group for each reporting period.

Sale/scrapping of tangible and intangible assets

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(i) Impairment of Assets, other than Financial Assets

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

Goodwill is tested for impairment at least annually.

An impairment loss is recognized when the book value of the cash generating asset or unit exceeds the recoverable value of the cash generating asset or unit. A cash-generating unit is the smallest identifiable group that generates cash inflows and that has the ability to generate cash independent from other assets or other asset groups.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

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

(j) Share Capital

Ordinary shares are recognized in share capital.

4. MATERIAL ACCOUNTING POLICIES (continued)

(k) Own shares

The Group recognizes own shares (buy-back of own shares) on the transaction date as a decrease of equity. Treasury shares are recorded at acquisition value, and brokerage fees and other costs directly connected to the acquisition are recorded directly in equity, in a distinct account, in Other items of equity. For details on the scope of buy-back programs, please see Note 36(e)

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

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

(l) Non-controlling interest

Non-controlling interest represents that part of profit or loss or net assets that is not directly or indirectly held by the Group, and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separate from the capital of the parent company's shareholders.

Changes in subsidiary holdings that do not result in the loss of control are accounted as transactions between shareholders in their shareholder capacity.

(m) Distributable dividends

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

The dividends declared before the reporting date are registered as liabilities on the reporting date.

(n) Dividends prescribed

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(o) Provisions for risks and charges

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

(p) Income from contracts with customers

The Group recognizes income from contracts with customers when (or as) it fulfills a performance obligation by transferring a good or delivering a promised service (that is an asset) to a customer. An asset is transferred when (or as) the customer obtains control over that asset.

For each identified performance obligation, the Group ascertains at the start of the contract if the performance obligation will be fulfilled in time or at a point in time. If the Group does not fulfill a performance obligation in time, the performance obligation is fulfilled at a point in time.

The Group has analyzed the main types of income applying the five-step method of IFRS 15:

Step 1: Identification of the contracts with customers;

Step 2: Identification of obligations resulting from these contracts;

Step 3: Determining the transaction price;

Step 4: Allocating the transaction price to each performance obligation;

Step 5: Recognition of revenue when or as each performance obligation is met

4. MATERIAL ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

The table below presents information about the nature and timeline of the performance obligation, including significant payment deadlines for the main categories of income from contracts with customers:

Product/ Service type	Nature and timeline of the performance obligation, including significant payment terms	Accounting policies for income recognition
Agricultural machines and equipment (manufactured or distributed)	The customer obtains control over the product (after payment of advance) at the date of product acceptance (that is the date when the customer acquires the capacity to use the products and obtain all benefits therefrom). The Group recognizes a receivable, since this is the time when the right to consideration becomes unconditional. In general, the direct customer (or distributor) pays an advance of 10-15%, the rest of the payment being in instalments (over a period of less than 1 year). Payment terms are in general 90-180 days from the invoice issue date. The performance obligation is fulfilled at a point in time. Trade discounts offered to customers are based on their reaching certain annual sale values. Returns are usually not accepted, except for exceptional cases and usually returns involve the changing of the product purchased by the customer with another.	Income is recognized at the date of delivery to the customer (or acceptance of the product by the customer by signing a custody report (in the product remains with the Group). Income includes the amount invoiced for the sale of the products, without VAT), from which trade discounts offered to customers are deducted. The Group applies the practical expedient of IFRS 15 paragraph 63 based on which it does not adjust transaction price with a financial component. As a practical solution, the Group collects short-term advances from customers, or for recognized income, it does not adjust the amounts collected or income for the effects of a significant financing component, because on the start of the contract it estimates that the time between the transfer of the goods and the collection will be less than one year. Trade discounts offered to clients (including expenses with their corresponding provisions) are deducted from the product sale income.
Real-estate developments (apartments, including parking spaces)	The customer obtains control over the apartment/parking space on the date the sale and purchase contract in authentic form and reception protocol is signed (date when the final invoice is issued), following full payment of the asset. Before this, the customer pays an advance, usually 5%, based on the sale undertaking, signed in authentic form. Performance obligation is fulfilled at a point in time.	Income is recognized on the date the sale and purchase contract in authentic form and reception protocol are signed (date of final invoice), following the full payment of the asset value. The commissions of the agency for the sale of the apartments are deducted from the income from the sale.

4. MATERIAL ACCOUNTING POLICIES (continued)

(p) Income from contracts with customers (continued)

Product/ Service type	Nature and timeline of the performance obligation, including significant payment terms	Accounting policies for income recognition
Agricultural products (blueberries)	Customers obtain control over the products on the date the products are received and accepted by signing the reception note. Invoicing is made after the reception note is signed by the client or when the products are shipped (in case of exports). Invoices are paid within 7 to 30 days (for internal sales) and 30 days (for sales abroad) from their receipt date by the customer. Performance obligation is fulfilled at a point in time.	Income is recognized on the date the products are received and accepted by the customer by signing the receipt note for domestic sales and on the date of delivery of the products for foreign sales. Trade discounts offered to clients are deducted from the income from the sale of products.
Income from the delivery of services	Services delivered by the Group are generally related to the products supplied (for example repair services for agricultural machinery following the expiry of the guarantee period). Invoices for services are issued on the date of completion of the services supplied (the period of delivery of the services is short, maximum 20 days). Invoices are generally paid within maximum 30 days from their receipt by the customer. Performance obligation is fulfilled on time (in a short period of time).	Income is recognized in the period when the service is delivered.

(q) Interest income and interest expenses

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

(r) Dividend income

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

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

The Group, as lessor, must qualify each of its lease contracts either as operating lease or finance lease. A lease is classified as operating lease if it does not transfer substantially all risks and rewards of ownership on an underlying asset.

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Benefits of Managers, Directors and Employees

Short-term benefits

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

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

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

Defined contribution plans

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Benefits of Managers, Directors and Employees (continued)

Equity-based payments to employees, directors and administrators

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Benefits of Managers, Directors and Employees (continued)

Equity-based payments to employees, directors and administrators (continued)

- the achievement by the Company of a positive net result (indicator composed of the net profit realized and the net gain from transactions reflected in the carried forward result);
- the results of the annual evaluation of the professional performance criteria applicable to the employees, according to the internal regulations and the specific internal procedure;
- the benefit plan is granted only to employees who actually worked in the Company in the year for which the benefit plan is granted, proportionally to the period worked during that year;
- employees whose employment contracts have been terminated for reasons attributable to them and employees who have directly or indirectly caused losses to the Company (materials, image) will not participate in the benefit plan.

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(t) Income tax

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

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

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

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

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

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

(u) Contingent assets and liabilities

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

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

(v) Earnings per share

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(v) Earnings per share (continued)

Reconciliation

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In LEI	**31 December 2023**	**31 December 2022**
Net profit attributable to Company's shareholders	115,255,171	101,767,756
Gains carried to retained earnings attributable to shareholders (from sale of financial assets at fair value through other comprehensive income)	79,895,988	36,312,289
Net result (including the gains from the sale of FVTOCI assets)	**195,151,159**	**138,080,045**
Average weighted number of outstanding ordinary shares	*913,537,589*	*947,657,151*
Basic earnings per share (including the gains from the sale of FVTOCI assets)	**0.2136**	**0.1457**

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

(w) Leases where the Group is a lessee

Initial recognition and measurement

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(w) Leases where the Group is a lessee (continued)

Determining the duration of the lease

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

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

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

Initial measurement of the right-of-use asset

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

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

Initial measurement of the lease liability

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(w) Leases where the Group is Lessee (continued)

Subsequent measurement of the right-to-use asset

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

Subsequent measurement of the lease liability

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

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

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

Recognition exemption

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

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

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

4. MATERIAL ACCOUNTING POLICIES (continued)

(x) Segment Reporting

A segment is a distinctive component of the Group involved in operating activities that generate income and expenses (including income and expenses generated by the interaction with other members of the Group) whose operational results are periodically revised by the person with decision-making responsibilities within the entity regarding the resources that are assigned to the segment, evaluating its performance, for which financial information is available.
The basic criteria based on which the Group determines its operating segments in compliance with IFRS 8 "Operating segments" are:

- the reported revenue of the operating segment, including sales to external clients and sales or transfers between segments represents 10% or more of combined, internal and external revenue of all operating segments;
- the absolute value of the profit or loss of the reported operating segment is 10% or more of the highest value, in absolute value, between (i) the reported combined profit for all operating sectors that have not reported a loss, and (ii) the combined loss reported from all operating sectors that have reported a loss;
- the assets of the operating segment represent 10% or more of the combined assets of all operating segments;
- should management consider that an operating sector identified as reportable during the immediately previous period maintains its importance, the information for this segment will be reported separately in the current period, irrespective of whether it still meets the reporting criteria or not.

The Group carries out its activity in mainly the following fields: financial investment services, manufacture and sale of agricultural machinery and equipment, real estate development, cultivation of fruit-bearing trees (blueberries), rental and sale of own real estate property, cultivation of fruit-bearing plants (blueberries), business and management consultancy. Segment reporting is presented depending on the activities of the Group and the parent company. Transactions between operating segments are made at arm's length.

Segment assets and liabilities include both the elements directly attributable to the segments, and elements that may be assigned on a reasonable basis.
The Group is comprised of the following operating segments:

- financial investment services
- manufacture and sale of agricultural machinery
- real estate development (apartments, including parking spaces)
- cultivation of fruit-bearing trees (blueberries)
- Other: the Group includes in this category services and products offered by the companies within the Group in the following fields: rental and sale of own real estate property, and business and management consultancy. Although the Group monitors the performances of its subsidiaries on individual level, certain operating segments whose elements represent a lower percentage of the Group's total operations have been classified in the "Other" category for the purpose of
- presenting the segment reporting note.

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Break-down of income, expenses and result

31 December 2023 *In LEI*	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
Income						
Gross dividend income	143,451,798	143,419,181	-	-	-	32,617
Interest income	9,114,506	8,376,187	175,580	185,708	83,406	293,625
Other operating revenue	38,524,286	602,911	28,641,279	897,542	6,227,091	2,155,463
Net gain from financial assets at fair value through profit or loss	43,701,375	43,657,556	7,217	-	-	36,602
Net gain /(Net loss) from disposal of non-financial assets	139,168	5,490	176,022	(17,669)	(601,268)	576,593
Net gain/ (Net loss) from the revaluation of investment property	2,063,182	37,290	(452,142)	(214,105)	-	2,692,139
Net gain from the revaluation of assets held for sale	(32,863)	-	-	-	-	(32,863)
Expenses						
(Losses)/loss reversal from impairment of financial assets	(1,586,845)	83,453	305,444	(113,478)	(1,861,901)	(363)
Loss reversal from impairment of non-financial assets	356,483	-	268,840	87,228	-	415
(Setup)/Reversal of provisions for risks and charges	(395,720)	-	19,182	(235,914)	-	(178,988)
Expenses with wages, remunerations and other similar expenses	(57,660,666)	(37,100,983)	(8,535,974)	(1,523,437)	(8,249,529)	(2,250,743)
Other operating expenses	(43,726,130)	(12,050,076)	(24,071,768)	(1,788,351)	(4,092,429)	(1,723,506)
Operating profit /loss	**133,948,574**	**147,031,009**	**(3,466,320)**	**(2,722,476)**	**(8,494,630)**	**1,600,991**
Financing costs	(5,855,114)	(4,026,758)	(246,945)	(121,729)	(1,457,887)	(1,795)
Share in the loss related to associates	2,302,239	2,302,239	-	-	-	-
Profit / Loss before tax	**130,395,699**	**145,306,490**	**(3,713,265)**	**(2,844,205)**	**(9,952,517)**	**1,599,196**
Income tax expenses	(16,219,088)	(14,494,674)	(215,104)	(259,956)	-	(1,249,354)
Net profit /(loss) of the financial year	**114,176,611**	**130,811,816**	**(3,928,369)**	**(3,104,161)**	**(9,952,517)**	**349,842**

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Break-down of income, expenses and result (continued)

31 December 2022 *In LEI*	**Group**	**Financial investment services**	**Manufacture of agricultural machinery and equipment**	**Real estate development (apartments)**	**Cultivation of fruit-bearing trees (blueberries)**	**Other**
Income						
Gross dividend income	116,092,853	115,706,234	-	-	-	386,619
Interest income	6,262,712	5,554,713	269,813	235,418	15,927	186,841
Other operating revenue	65,334,018	1,241,734	49,078,812	1,496,330	11,507,005	2,010,137
Net gain/(net loss) from financial assets at fair value through profit or loss	965,522	2,158,320	8,807	(1,225,539)	-	23,934
Net gain/(net loss) from disposal of non-financial assets	18,708	-	18,727	-	(5,801)	5,782
Net gain/ (Net loss) from the revaluation of investment property	11,356,717	798,078	440,429	6,585,683	-	3,532,527
Net loss from the revaluation of assets held for sale	(14,256)	-	(21,488)	-	-	7,232
Expenses						
(Losses)/loss reversal from impairment of financial assets	2,379,256	2,311,649	(191,341)	237,873	(16)	21,091
(Losses)/Loss reversal from impairment of non-financial assets	3,137,296	671	291,425	2,845,613	-	(413)
(Setup)/Reversal of provisions for risks and charges	52,750	117,190	20,560	(85,000)	-	-
Expenses with wages, remunerations and other similar expenses	(46,968,732)	(28,773,429)	(7,969,292)	(1,660,823)	(6,531,690)	(2,033,498)
Other operating expenses	(61,293,246)	(10,374,145)	(39,714,625)	(4,737,677)	(5,337,985)	(1,128,814)
Operating profit /(loss)	**97,323,598**	**88,741,015**	**2,231,827**	**3,691,878**	**(352,560)**	**3,011,438**
Financing costs	(913,791)	(31,640)	(58,537)	(134,153)	(687,678)	(1,783)
Share in the loss related to associates	16,074,052	16,074,052	-	-	-	-
Profit / Loss before tax	**112,483,859**	**104,783,427**	**2,173,290**	**3,557,725**	**(1,040,238)**	**3,009,655**
Income tax expenses	(10,222,009)	(8,863,072)	(195,684)	(345,712)	-	(817,541)
Net profit /loss of the financial year	**102,261,850**	**95,920,355**	**1,977,606**	**3,212,013**	**(1,040,238)**	**2,192,114**

The accounting policies regarding segment reporting are the Group's policies described under explanatory note 4.

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Segment Reporting (continued)

Break-down of assets and liabilities

31 December 2023	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	5,632,750	1,024,388	115,919	984,854	303,021	3,204,568
Bank deposits with initial maturity within 3 months	304,399,579	299,408,624	1,515,679	560,188	2,604,371	310,717
Bank deposits with initial maturity higher than 3 months	13,513,579	10,724,880	-	52,827	-	2,735,872
Financial assets at fair value through profit or loss	298,338,840	297,274,985	282,658	-	-	781,197
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,027,808,026	-	-	-	8,389,301
Investments accounted for using the equity method	57,673,327	57,673,327	-	-	-	-
Bonds at fair value through other comprehensive income	3,884,483	3,884,483	-	-	-	-
Bonds at amortized cost	35,692	35,692	-	-	-	-
Other financial assets at amortized cost	13,809,792	6,284,559	4,221,742	391,938	49,961	2,861,592
Inventory	48,606,721	112,236	46,357,720	-	2,136,138	627
Other assets	1,645,933	389,573	177,376	356,801	570,328	151,855
Non-current assets held for sale	4,957,804	212,738	-	-	-	4,745,066
Investment property	152,216,264	4,109,000	595,604	72,422,860	-	75,088,800
Property, plant and equipment	70,355,482	10,435,507	19,038,380	423,196	40,253,836	204,563
Right-of-use assets for qualifying assets in leases	11,754,681	1,188,594	1,946,624	5,070,484	3,493,017	55,962
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,009,148	402,983	110,538	432	492,456	2,739
Total assets	**3,028,370,907**	**2,720,969,595**	**74,362,240**	**80,263,580**	**54,242,633**	**98,532,859**
Liabilities						
Loans	87,551,586	63,674,421	8,106,408	-	15,770,757	-
Lease liabilities	10,713,608	1,117,464	1,918,879	5,183,158	2,437,496	56,611
Dividends payable	49,998,003	49,950,267	-	-	-	47,736
Liabilities regarding current income tax	7,899,122	7,410,272	-	-	-	488,850
Financial liabilities at amortized cost	11,974,027	1,126,930	9,296,186	326,934	576,136	647,841
Other liabilities	8,834,287	6,141,829	1,102,660	361,606	194,538	1,033,654
Provisions for risks and charges	4,238,609	1,632,553	41,153	2,385,914	-	178,989
Liabilities regarding deferred income tax	159,336,579	149,977,380	2,282,121	2,870,839	33,345	4,172,894
Total liabilities	**340,545,821**	**281,031,116**	**22,747,407**	**11,128,451**	**19,012,272**	**6,626,575**

4. MATERIAL ACCOUNTING POLICIES (continued)

(x) Segment reporting (continued)

Break-down of Assets and Liabilities (continued)

31 December 2022	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
In LEI						
Assets						
Cash and current accounts	7,838,826	788,781	5,421,333	468,341	578,041	582,330
Bank deposits with initial maturity within 3 months	120,630,869	104,971,764	-	5,738,084	6,332,909	3,588,112
Bank deposits with initial maturity higher than 3 months	6,141,286	-	5,105,187	-	-	1,036,099
Financial assets at fair value through profit or loss	279,782,253	278,762,217	275,441	-	-	744,595
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,667,551,362	-	-	-	5,982,257
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-
Bonds at fair value through other comprehensive income	3,982,047	3,982,047	-	-	-	-
Bonds at amortized cost	47,661	47,661	-	-	-	-
Other financial assets at amortized cost	19,884,188	9,758,388	8,976,565	471,169	525,256	152,810
Inventory	28,734,899	112,200	26,665,751	484,126	1,470,938	1,884
Other assets	2,176,788	374,744	154,736	496,574	1,009,318	141,416
Non-current assets held for sale	3,540,657	-	362,419	-	-	3,178,238
Investment property	135,229,675	4,284,448	898,905	71,077,620	-	58,968,702
Property, plant and equipment	65,345,532	9,282,127	18,556,350	491,733	34,876,565	2,138,757
Right-of-use assets for qualifying assets in leases	9,276,583	1,071,147	1,637,959	5,708,710	783,615	75,152
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,165,704	412,375	103,032	1,341	645,878	3,078
Total assets	**2,417,021,180**	**2,136,770,349**	**68,157,678**	**84,937,698**	**50,562,025**	**76,593,430**
Liabilities						
Loans	11,818,565	-	421,077	-	11,397,488	-
Lease liabilities	9,109,377	1,035,643	1,585,877	5,746,535	666,393	74,929
Dividends payable	43,029,452	42,633,808	285,409	-	-	110,235
Liabilities regarding current income tax	5,370,896	5,370,896	-	-	-	-
Financial liabilities at amortized cost	11,363,910	1,395,595	8,004,600	811,455	751,118	401,142
Other liabilities	7,910,679	4,155,000	2,469,615	524,331	268,551	493,182
Provisions for risks and charges	3,842,888	1,632,553	60,335	2,150,000	-	-
Liabilities regarding deferred income tax	97,526,193	89,669,402	1,837,449	2,610,884	-	3,408,458
Total liabilities	**189,971,960**	**145,892,897**	**14,664,362**	**11,843,205**	**13,083,550**	**4,487,946**

4. MATERIAL ACCOUNTING POLICIES (continued)

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

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

Their adoption, where they were applicable to the Company, has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title
IFRS 17 Insurance Contracts	New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules*

(z) Standards and amendments to existing standards issued by the IASB and adopted by the EU, but not yet effective

At the date of authorisation of these financial statements, the amendments to the existing standards issued by the IASB and adopted by the EU presented in the table below were not in force, therefore the Company has not applied them.

Standard	Title	Effective date
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024

The Company considers that the adoption of these new amendments to the existing standards, where they are applicable to the Company, will not have a significant impact on its financial statements in the upcoming periods.

(aa) Standards and interpretations issued by the IASB, but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at the date of authorisation of these financial statements:

4. MATERIAL ACCOUNTING POLICIES (continued)

(z) Standards and amendments to existing standards issued by the IASB and adopted by the EU, but not yet effective (continued)

Standard	Title	EU adoption status
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2024)	Not yet adopted by EU
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Company estimates that the adoption of these new standards and amendments to the existing standards, if applicable to the Company, will not have a significant impact on its financial statements in the future periods.

5. MANAGEMENT OF SIGNIFICANT RISKS

Risk management is carried out in a consistent methodological environment, which represents an important component of the strategy for yield maximization while maintaining an acceptable level of risk exposure and abiding by legal provisions. The formalization of risk management policies and procedures decided by the management of the Group is an integral part of the Group's strategic objectives.

Investments expose the Group to a variety of risks associated to the financial instruments held and the financial markets on which it operates. The main risks that the Group is exposed to are:

- market risk (interest rate risk, currency risk and price risk);
- credit risk;
- liquidity risk;
- taxation risk (non-financial risk);
- operational risk (non-financial risk)

The general risk management strategy aims to maximize the Group's profit reported to the risk level that it is exposed to and minimize potential adverse variations on the Group's financial performance. The Group has implemented procedures and policies for the management and measurement of the risks it is exposed to. These policies and procedures are presented under the sections dedicated to each individual risk group.

5.1. Market Risk

Market risk is defined as the risk of recording a loss or the failure to achieve the expected profit, as a result of fluctuation of prices, fluctuation of interest rates and currency exchange rates. In order to manage market risk efficiently, procedures for investment diligence and diligence in monitoring the portfolio holdings, technical and fundamental analysis methods are used, as well as forecasts regarding the evolution of economic branches and financial markets, as well as specific procedures such as:

- permanent monitoring of market issuers and risk / return characteristics of portfolio holdings
- diversification of the range of financial instruments and business sectors
- active management of the stock portfolio
- optimizing the performance / market risk ratio
- adequate assessment of unlisted holdings

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

- monitoring the macroeconomic, political and sectoral context and adapting market risk management to this context
- following the classification of the asset categories in the portfolio within the legal limits
- setting limits on appetite and tolerance to market risk and monitoring compliance with the established risk profile.

The selection of investment opportunities is made through:

- technical analysis;
- fundamental analysis – ascertaining the issuer's ability to generate profit;
- comparative analysis – determining the relative value of an issuer in relation with the market or other similar companies;
- statistical analysis – determining tendencies and correlations using price and traded volume history.

The Group is exposed to the following market risk categories:

(i) Price Risk

The Group is exposed to the risk related to price variation of financial assets measured at fair value through profit or loss, and financial assets measured at fair value through comprehensive income. At 31 December 2023, 88% of all shares with active market held by the Group (31 December 2022: 87%) represented investment in companies that were included in the BET index of the Bucharest Stock Exchange, index weighted with free-float capitalization of the most liquid Romanian companies on the regulated market of the Bucharest Stock Exchange.

A 10% positive variation of the price of financial assets at fair value through profit or loss would lead to an increase of post-tax profit of 25,060,463 lei (31 December 2022: 23,418,411 lei), a negative variation of 10% having an equal contrary net impact.

A 10% positive variation of the price of financial assets measured at fair value through other comprehensive income would lead to an increase of equity, net of income tax of 176,182,395 lei (31 December 2022: 145,150,267 lei), a negative variation of 10% having an equal contrary net impact.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1. Market Risk (continued)

(i) Price Risk (continued)

The Group holds shares in companies operating in various fields of activity, such as:

In LEI	31 December 2023	%	31 December 2022	%
Financial, bank and insurance	1,336,062,169	65%	998,680,935	59%
Oil industry	340,363,310	17%	122,045,217	7%
Manufacture and maintenance of transportation vehicles	202,178,681	10%	177,917,240	11%
Real-estate development (promotion)	66,865,419	3%	56,512,758	3%
Natural gas industry	63,650,948	3%	248,648,907	15%
Wholesale, retail, tourism and restaurants	19,946,352	1%	19,173,213	1%
Food industry	7,930,382	0%	7,321,768	0%
Power industry	7,680,000	0%	37,945,196	2%
IT industry	5,184,452	0%	6,118,695	0%
Manufacturing of machinery, equipment and tools	4,950,984	0%	4,790,940	0%
Textile industry	2,959,203		3,166,185	0%
Other	1,281,527	0%	1,357,424	0%
Construction materials	1,101,390	0%	1,543,829	0%
Transport, storage, communication	-		1,996,157	0%
TOTAL	**2,060,154,817**		**1,687,218,464**	

As shown in the above table, at 31 December 2023, the Group mainly held shares in companies operating in the financial-banking and insurance field, which account for 65% of the Group's share portfolio (31 December 2022: 59%). The Group's exposure regarding the holding of Banca Transilvania shares is 56% of the Group's share portfolio at 31 December 2023 (31 December 2022: 51%).

Fund units held by the Group are exposed to price risk as they have investments with different degrees of risk (bank deposits, bonds, other fixed-income instruments, shares and other financial instruments).

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5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk. The changes in the interest rate on the market directly influences the revenues and expenses corresponding to financial assets and liabilities bearing variable interest, as well as the fair value of fixed interest-bearing assets.

At 31 December 2023 and 31 December 2022, most of the Group's assets and liabilities do not bear interest. Therefore, the Group is not significantly influenced by the risk of interest rate fluctuations. Cash surplus or other cash equivalents availabilities are mainly invested in short-term bank deposits with maturity of 1- 12 months. Moreover, the Group has non-significantly invested in corporate and municipal bonds with fixed or variable interest.

The Group does not use derivatives to protect itself from interest rate fluctuations.

The following tables present the Group's exposure to interest rate risk, at book value, broken down depending on the latest date of interest change and contractual maturity at 31 December 2023 and 31 December 2022.

-

In LEI	Net value at 31 December 2023	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No interest rate risk
31 December 2023						
Financial assets						
Cash and current accounts	5,632,750	5,623,058	-	-	-	9,692
Bank deposits with initial maturity within 3 months	304,399,579	134,891,153	169,508,426	-	-	-
Bank deposits with initial maturity of more than 3 months	13,513,579	11,033,156	574,438	1,905,985	-	-
Financial assets at fair value through profit or loss	298,338,840	-	-	-	-	298,338,840
Bonds at fair value through other comprehensive income	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483	-	-
Bonds at amortized cost	35,692	3,371	-	8,820	23,501	-
Other financial assets at amortized cost	13,809,792	-	-	-	-	13,809,792
Total financial assets	**2,733,485,369**	**151,550,738**	**170,082,864**	**5,799,288**	**23,501**	**2,406,028,978**
Financial liabilities						
Borrowings	87,551,586	81,127,061	6,300,000	124,525	-	-
Lease liabilities	10,713,608	154,733	312,729	1,424,842	8,821,304	-
Dividends payable	49,998,003	-	-	-	-	49,998,003
Financial liabilities at amortized cost	11,974,027	-	-	-	-	11,974,027
Total financial liabilities	**160,237,224**	**81,281,794**	**6,612,729**	**1,549,367**	**8,821,304**	**61,972,030**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(ii) Interest rate risk (continued)

In LEI	Net value at 31 December 2022	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No interest rate risk
31 December 2022						
Financial assets						
Cash and current accounts	7,838,826	7,825,212	-	-	-	13,614
Bank deposits with initial maturity within 3 months	120,630,869	113,108,136	7,522,733	-	-	-
Bank deposits with initial maturity of more than 3 months	6,141,286	3,088,189	537,898	2,515,199	-	-
Financial assets at fair value through profit or loss	279,782,253	-	-	-	-	279,782,253
Bonds at fair value through other comprehensive income	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	-	-	24,127	3,957,920	-
Bonds at amortized cost	47,661	3,594	-	8,820	35,247	-
Other financial assets at amortized cost	19,884,188	-	-	-	-	19,884,188
Total financial assets	**2,167,211,837**	**124,025,131**	**8,060,631**	**2,548,146**	**3,993,167**	**2,028,584,762**
Financial liabilities						
Borrowings	11,818,565	11,397,488	-	421,077	-	-
Lease liabilities	9,109,377	119,643	233,983	993,545	7,762,206	-
Dividends payable	43,029,452	-	-	-	-	43,029,452
Financial liabilities at amortized cost	11,363,910	-	-	-	-	11,363,910
Total financial liabilities	**75,321,304**	**11,517,131**	**233,983**	**1,414,622**	**7,762,206**	**54,393,362**

The impact on the Group's net profit of a +/- 100 bp modification of the interest rate for assets and liabilities bearing variable interest and expressed in other currencies, corroborated with a modification of +/- 500 bp of the interest rate corresponding to assets and liabilities bearing variable interest, expressed in lei is -/+ 1,532,023 lei (31 December 2021:-/+ 480,230 lei).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk

The currency risk is the risk of recording losses or of not obtaining the estimated profit following the adverse fluctuations of the exchange rate.

Most of the Group's financial assets and financial liabilities are expressed in national currency and therefore exchange rate fluctuations do not significantly affect the Group's activity and results. Exposure to changes in the exchange rate is due to current accounts and bank deposits, corporate bonds, shares, leases and loans in foreign currency.

Assets expressed in lei and in other currencies at 31 December 2023 and 31 December 2022 are presented in the tables below:

In LEI	**Net value at 31 December 2023**	**Lei**	**EUR**	**USD**
Financial assets				
Cash and current accounts	5,632,750	5,580,247	44,891	7,612
Bank deposits with initial maturity within 3 months	304,399,579	303,909,431	490,148	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,513,579	-	-
Financial assets at fair value through profit or loss	298,338,840	297,264,619	1,074,221	-
Financial assets at fair value through comprehensive income	2,036,197,327	2,036,197,327	-	-
Investments accounted for using the equity method	57,673,327	57,673,327	-	-
Bonds at fair value through other comprehensive income	3,884,483	-	3,884,483	-
Bonds at amortized cost	35,692	35,692	-	-
Other financial assets at amortized cost	13,809,792	13,782,298	27,494	-
Total financial assets	**2,733,485,369**	**2,727,956,520**	**5,521,237**	**7,612**
Financial liabilities				
Loans	87,551,586	23,752,640	63,798,946	-
Lease liabilities	10,713,608	2,527,221	8,186,387	-
Dividends payable	49,998,003	49,998,003	-	-
Financial liabilities at amortized cost	11,974027	5,326,292	6,647,735	-
Total financial liabilities	**160,237,224**	**81,604,156**	**78,633,068**	**-**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.1 Market Risk (continued)

(iii) Currency Risk (continued)

In LEI	**Net value at 31 December 2022**	**Lei**	**EUR**	**USD**
31 December 2022				
Cash and current accounts	7,838,826	6,698,089	1,127,525	13,212
Bank deposits with initial maturity within 3 months	120,630,869	111,915,373	8,715,496	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,141,286	-	-
Financial assets at fair value through profit or loss	279,782,253	278,419,233	1,363,020	-
Financial assets at fair value through comprehensive income	1,673,533,619	1,673,533,619	-	-
Investments accounted for using the equity method	55,371,088	55,371,088	-	-
Bonds at fair value through other comprehensive income	3,982,047	-	3,982,047	-
Bonds at amortized cost	47,661	47,661	-	-
Other financial assets at amortized cost	19,884,188	19,487,585	396,603	-
Total financial assets	**2,167,211,837**	**2,151,613,933**	**15,584,691**	**13,212**
Financial liabilities				
Loans	11,818,565	11,397,488	421,077	-
Lease liabilities	9,109,377	919,489	8,189,888	-
Dividends payable	43,029,452	43,029,452	-	-
Financial liabilities at amortized cost	11,363,910	3,542,686	7,821,224	-
Total financial liabilities	**75,321,304**	**58,889,115**	**16,432,189**	**-**

The net impact on the Group's profit of a ± 15% modification of the RON/EUR exchange rate, corroborated with a modification of ± 15 of RON/USD exchange rate, at 31 December 2023, all other variables remaining the same is -/+ 9,211,132 lei (31 December 2022: -/+ 105,120 lei).

5.2 Credit Risk

The Group is exposed to credit risk related to financial instruments arising from the possible failure of a third party to pay its obligations towards the Group. The Group is exposed to credit risk following the investments made in bank deposits and bonds issued by municipalities or companies, current accounts and other receivables.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

At 31 December 2023 and 31 December 2022 the Group did not hold any collateral as insurance or other credit risk improvement. At 31 December 2023 and 31 December 2022 the Group did not register overdue financial assets, with the exception of outstanding trade receivables or amounts from sundry debtors.

The Group's maximum credit exposure is 158,507,133 lei at 31 December 2022 (31 December 2021: 226,389,846 lei), including current accounts and bank deposits, bonds and other financial assets at amortised cost, and can be analyzed as follows:

Exposures from current accounts and bank deposits

In LEI	**Rating**	**31 December 2023**	**31 December 2022**
Banca Transilvania	Moody's: Baa2 (2022: Fitch BB+)	187,434,085	118,923,409
EximBank	Fitch: BBB- (assimilated to sovereign rating)	111,451,754	529
Banca Comercială Română	Fitch: BBB+	20,524,471	543,713
Garanti Bank	Fitch: BB-	2,053,432	4,651,888
Raiffeisen Bank	Moody's: Baa1	1,439,376	5,986,235
BRD - Group Société Générale	Fitch: BBB+	673	2,829,657
CEC Bank	Fitch: BB	-	7,110
Other commercial banks	No rating	643,213	1,662,807
Total availabilities with banks		**323,547,004**	**134,605,348**
Cash		16,506	17,744
Total cash, bank accounts and deposits - gross amounts, of which:		**323,563,510**	**134,623,092**
Cash and current accounts		*5,632,756*	*7,838,857*
Bank deposits with initial maturity within 3 months		*304,415,915*	*120,637,934*
Bank deposits with initial maturity of more than 3 months		*13,514,839*	*6,146,301*
Expected credit losses, out of which for:		**(17,602)**	**(12,111)**
Current accounts		*(6)*	*(31)*
Bank deposits with initial maturity within 3 months		*(16,336)*	*(7,065)*
Bank deposits with initial maturity higher than 3 months		*(1,260)*	*(5,015)*
Total cash, bank account and deposits		**323,545,908**	**134,610,981**

The annual average interest rate for 2023, for bank deposits was 6.03% (2022: 6.74%).

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Exposures from bonds at amortized cost

In LEI	**Rating**	**31 December 2023**	**31 December 2022**
Bacau municipal bonds	Fitch: BBB- (assimilated to sovereign rating)	35,711	47,694
Total bonds at amortised cost – gross value		**35,711**	**47,694**
Expected credit losses		*(19)*	*(33)*
Total bonds at amortised cost		**35,692**	**47,661**

Bacau municipal bonds are denominated in lei, have a final maturity on 31 October 2026 and a variable interest rate (coupon), which is the average of 6 months ROBID and 6 months ROBOR reference rates, plus a 0.85% margin per year.

Exposures from bonds at fair value through other comprehensive income

In LEI	**31 December 2023**	**31 December 2022**
Autonom Service bonds	3,884,483	3,982,047
Total	**3,884,483**	**3,982,047**

Autonom Service bonds are denominated in EUR, their maturity is on 12 November 2024 and have a fixed interest rate (coupon) of 4.45% per year.

Autonom Service Company has a B+ credit rating issued by Fitch.

Financial assets at amortized cost

In LEI	**31 December 2023**	**31 December 2022**
AAAS receivable	48,762,677	48,756,218
Traded receivables	9,522,175	12,644,936
Amount representing guarantee for the public offering for the buy-back of own shares	5,000,000	8,500,000
Dividends receivable	281,373	-
Advances from the Central Depositary for payment of dividends to shareholders	859,628	1,051,798
Advances granted to suppliers	104,961	788,684
Other financial assets at amortized cost	8,045,209	5,229,908
Adjustments for expected credit loss	*(58,766,231)*	*(57,087,356)*
Total other assets at amortized cost	**13,809,792**	**19,884,188**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.2 Credit Risk (continued)

Other assets at amortized cost mainly include the Company's claim against the Authority for State Assets Management ("AAAS"), trade receivables, sundry debtors, claims for transactions not settled yet and supplier advances.

Adjustments for expected credit loss correspond mainly to receivable from the AAAS, from litigations won definitively, which are covered in full, and a portion of trade receivables.

The amount representing the guarantee for the public offering for the buy-back of the Company's own shares was established at the intermediary as per the provisions of FSA Regulation no. 5/2018 on issuers of financial instruments and market operations, art. 57 pct. 1, letter d).

5.3 Liquidity Risk

Liquidity risk represents the risk of recording a loss or of not obtaining the estimated profits, resulting from the impossibility at any time to fulfill short-term payment obligations, without this payment involving excessive costs or losses that cannot be borne by the Group.

The Group's financial instruments may include investments in shares not traded on an organized market that might consequently have low liquidity.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

The structure of the Group's assets and liabilities has been analyzed based on the remaining period of time from the balance date until the contract maturity date, both at 31 December 2023 and at 31 December 2022, as follows:

In LEI	Book value	Value not updated	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No pre-set maturity
31 December 2023							
Financial assets							
Cash and current accounts	5,632,750	5,632,750	5,632,750	-	-	-	-
Bank deposits with initial maturity within 3 months	304,399,579	306,482,595	135,204,548	171,278,047	-	-	-
Bank deposits with initial maturity higher than 3 months	13,513,579	13,606,106	11,070,000	580,599	1,955,507	-	-
Financial assets at fair value through profit or loss	298,338,840	298,338,840	-	-	-	-	298,338,840
Financial assets measured at fair value through other comprehensive income	2,036,197,327	2,036,197,327	-	-	-	-	2,036,197,327
Investments accounted for using the equity method	57,673,327	57,673,327	-	-	-	-	57,673,327
Bonds at fair value through other comprehensive income	3,884,483	4,033,205	-	-	4,033,205	-	-
Bonds at amortized cost	35,692	40,084	3,608	-	10,594	25,882	-
Other financial assets at amortized cost	13,809,792	13,809,792	11,643,368	522,491	1,283,896	316,513	43,524
Total financial assets	**2,733,485,369**	**2,735,814,026**	**163,554,274**	**172,381,137**	**7,283,202**	**342,395**	**2,392,253,018**
Financial liabilities							
Loans	87,551,586	94,442,874	702,882	1,261,839	13,998,326	78,479,827	-
Lease liabilities	10,713,608	13,156,787	199,683	399,407	1,790,041	10,767,656	-
Dividends payable	49,998,003	49,998,003	49,998,003	-	-	-	-
Financial liabilities at amortized cost	11,974,027	11,974,027	6,356,562	5,230,232	31,857	355,376	-
Total financial liabilities	**160,237,224**	**169,571,691**	**57,257,130**	**6,891,478**	**15,820,224**	**89,602,859**	**-**
Net financial assets	**2,573,248,145**	**2,566,242,335**	**106,297,144**	**165,489,659**	**(8,537,022)**	**(89,260,464)**	**2,392.253,018**

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.3 Liquidity Risk (continued)

In LEI	Book value	Value not updated	Under 1 month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	No pre-set maturity
31 December 2022							
Financial assets							
Cash and current accounts	7,838,826	7,838,826	7,838,826	-	-	-	-
Bank deposits with initial maturity within 3 months	120,630,869	120,957,880	113,882,393	7,075,487	-	-	-
Bank deposits with initial maturity higher than 3 months	6,141,286	6,245,807	3,106,234	540,543	2,599,030	-	-
Financial assets at fair value through profit or loss	279,782,253	279,782,253	-	-	-	-	279,782,253
Financial assets measured at fair value through other comprehensive income	1,673,533,619	1,673,533,619	-	-	-	-	1,673,533,619
Investments accounted for using the equity method	55,371,088	55,371,088	-	-	-	-	55,371,088
Bonds at fair value through other comprehensive income	3,982,047	4,286,530	-	-	152,000	4,134,530	-
Bonds at amortized cost	47,661	58,493	3,947	-	11,560	42,986	-
Other financial assets at amortized cost	19,884,188	19,884,188	18,180,879	1,225,462	232,321	199,219	46,307
Total financial assets	**2,167,211,837**	**2,167,958,684**	**143,012,279**	**8,841,492**	**2,994,911**	**4,376,735**	**2,008,733,267**
Financial liabilities							
Loans	11,818,565	14,316,954	291,861	570,387	4,503,234	8,951,472	-
Lease liabilities	9,109,377	10,808,580	142,230	280,954	1,172,775	9,212,621	-
Dividends payable	43,029,452	43,029,452	43,029,452	-	-	-	-
Financial liabilities at amortized cost	11,363,910	11,363,910	3,285,434	7,197,391	567,535	313,550	-
Total financial liabilities	**75,321,304**	**79,518,896**	**46,748,977**	**8,048,732**	**6,243,544**	**18,477,643**	**-**
Net financial assets	**2,091,890,533**	**2,088,439,788**	**96,263,302**	**792,760**	**(3,248,633)**	**(14,100,908)**	**2,008,733,267**

For all non-financial assets, except other assets, the expected recovery period is longer than 12 months from the reporting date. For all non-financial liabilities, except current tax and other liabilities, the expected settlement period is longer than 12 months from the reporting date.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.4 Taxation Risk

The taxation system in Romania is subject to various interpretations and permanent changes that can be retroactive. In certain circumstances, tax authorities might adopt different positions than those of the Group and might calculate tax interest and penalties. Although the tax corresponding to a transaction may be minimal, the penalties may be considerable, depending on the interpretation of the tax authorities.

Moreover, Romania's Government has under its supervision a series of agencies that are authorized to control both the Romanian and foreign entities carrying out activities in Romania. These verifications are largely similar to those carried out in many countries but might also extend over some legal or regulating areas in which the Romanian authorities might be interested.

The tax returns might be subject to control and revisions over a period of five years and in general after the date of their submission. According to the legal provisions applicable in Romania, the already checked periods can be subject to other additional verifications in the future.

The management of the Group considers it has correctly calculated and registered taxes and other liabilities towards the state. Nevertheless, there is a risk that authorities might have a different position than that of the Group.

The latest control of the National Agency of Fiscal Administration at the Company covered the period up to January 1, 2010. Therefore, the Company's tax liabilities after this date may be the subject of subsequent verifications, provided that they are not already time-barred.

Regarding the subsidiaries, the tax inspections focused in general on specific areas, in particular VAT refunds or fiscal result.

5.5 Operational Risk

Operational risk represents the risk of loss caused either by the use of processes, systems and human resources that are inadequate or have not fulfilled their function properly, or by external events and actions.

The management of operational risk is ensured by the Group through the implementation of and compliance with operational risk standards and procedures and a rigorous internal control system.

5. MANAGEMENT OF SIGNIFICANT RISKS (continued)

5.6 Capital Adequacy

The management's policy regarding capital adequacy is focused on maintaining a solid capital base, for the purpose of supporting the continuous development of the Group and reaching its investment objectives.

The Group's equity includes the share capital, different types of reserves and retained earnings. Equity was 2,687,825,086 lei at 31 December 2023 (31 December 2022: 2,227,049,220 lei).

As AIFM, the Company applies the legal requirements provided by Law no. 74/2015 regarding the minimum level of initial capital and those provided by Law no. 74/2015 and UE Regulation no. 2019/2033, on the minimum level of own funds.

According to the applicable regulations, the level of the Company's initial capital is at least the equivalent of 300,000 euro, calculated at the exchange rate communicated by the NBR, and the minimum level of own funds is at least one quarter of the general overheads from previous year.

6. CHANGES IN GROUP STRUCTURE

In August and September 2022, the subsidiaries VISIONALFA Investments SA and EVER AGRIBIO SA were set up, with EVERGENT Investments holding 99.99% of ownership in each of the companies.

There has been no sale of ownership in subsidiaries in 2023 and 2022.

The Group is considering continuing the restructuring process for the purpose of increasing the efficiency of its activity, which would lead to the improvement of the financial performance of managed portfolio projects.

7. OWNERSHIP IN SUBSIDIARIES

In 2023, the Company took part in the increase of the share capital of subsidiary Casa SA, by cash contribution in amount of 15,300,000 lei, and of subsidiary Agrointens SA, by cash contribution in amount of 6,250,000 lei, which were fully paid in at 31 December 2023, and paid in 1,365,000 lei of the share capital increase of subsidiary EVER AGRIBIO SA of December 2022.

7. OWNERSHIP IN SUBSIDIARIES (continued)

In 2022, the Company took part in capital increases of its subsidiaries:

- VISIONALFA Investments SA: newly-established company in 2022: by cash contribution, fully paid in, in amount of 249,975 lei,
- EVER AGRIBIO SA: newly-established company in 2022: by in-kind contribution – land worth 1,709,300 and by cash contribution in amount of 2,074,990 lei (of which 709,990 lei paid in at 31 December 2022),
- Agrointens SA: share capital increase: by cash contribution, fully paid in, in amount of 7,140,000 lei.

8. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below summarizes the book values and fair values of financial assets and liabilities of the Group at 31 December 2023:

In LEI	**Financial assets at fair value through profit or loss, on initial recognition**	**Financial assets at fair value through other comprehensive income**	**Amortized cost**	**Total book value**	**Fair value**
Cash and current accounts	-	-	5,632,750	5,632,750	5,632,750
Bank deposits with initial maturity within 3 months	-	-	304,399,579	304,399,579	304,399,579
Bank deposits with initial maturity higher than 3 months	-	-	13,513,579	13,513,579	13,513,579
Financial assets at fair value through profit or loss	298,338,840	-	-	298,338,840	298,338,840
Financial assets at fair value through other comprehensive income	-	2,036,197,327	-	2,036,197,327	2,036,197,327
Bonds at fair value through other comprehensive income	-	3,884,483	-	3,884,483	3,884,483
Bonds at amortized cost	-	-	35,692	35,692	35,692
Other financial assets at amortized cost	-	-	13,809,792	13,809,792	13,809,792
Total financial assets	**298,338,840**	**2,040,081,810**	**337,391,392**	**2,675,812,042**	**2,675,812,042**
Loans	-	-	87,551,586	87,551,586	87,551,586
Lease liabilities	-	-	10,713,608	10,713,608	10,713,608
Dividends payable	-	-	49,998,003	49,998,003	49,998,003
Financial liabilities at amortized cost	-	-	11,974,027	11,974,027	11,974,027
Total financial liabilities	**-**	**-**	**160,237,224**	**160,237,224**	**160,237,224**

For financial assets and liabilities at amortized cost, the Group has analyzed the fair value of bonds at 31 December 2023 and concluded there are no significant differences between fair value and amortized cost.

8. FINANCIAL ASSETS AND LIABILITIES (continued)

Fair value classification (continued)

The table below summarizes all book values and fair values of financial assets and liabilities of the Group at 31 December 2022:

In LEI	Financial assets at fair value through profit or loss, on initial recognition	Financial assets at fair value through other comprehensive income	Amortized cost	Total book value	Fair value
Cash and current accounts	-	-	7,838,826	7,838,826	7,838,826
Bank deposits with initial maturity within 3 months	-	-	120,630,869	120,630,869	120,630,869
Bank deposits with initial maturity higher than 3 months	-	-	6,141,286	6,141,286	6,141,286
Financial assets at fair value through profit or loss	279,782,253	-	-	279,782,253	279,782,253
Financial assets at fair value through other comprehensive income	-	1,673,533,619	-	1,673,533,619	1,673,533,619
Bonds at fair value through other comprehensive income	-	3,982,047	-	3,982,047	3,982,047
Bonds at amortized cost	-	-	47,661	47,661	47,661
Other financial assets at amortized cost	-	-	19,884,188	19,884,188	19,884,188
Total financial assets	**279,782,253**	**1,677,515,666**	**154,542,830**	**2,111,840,749**	**2,111,840,749**
Loans	-	-	11,818,565	11,818,565	11,818,565
Lease liabilities	-	-	9,109,377	9,109,377	9,109,377
Dividends payable	-	-	43,029,452	43,029,452	43,029,452
Financial liabilities at amortized cost	-	-	11,363,910	11,363,910	11,363,910
Total financial liabilities	**-**	**-**	**75,321,304**	**75,321,304**	**75,321,304**

9. GROSS DIVIDEND INCOME

In LEI	2023	2022
Banca Transilvania	54,765,272	48,355,982
OMV Petrom	51,652,238	10,927,544
SNGN Romgaz SA	16,385,524	28,762,103
Fondul Proprietatea	10,572,057	922,695
Aerostar	4,159,104	3,465,920
SN Nuclearelectrica SA	3,771,535	1,751,501
Transilvania Investments Alliance	1,468,285	-
Bursa de Valori Bucuresti	449,877	334,047
Other	227,906	448,812
BRD – Groupe Société Générale	-	21,124,249
Total	**143,451,798**	**116,092,853**

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 31 December 2023 were 8% or 0% (2022: 5% or 0%). Dividend tax exemption applies if the Group's holding percentage was higher than 10% of the share capital of the company that distributed the dividends, for an uninterrupted period of at least one year before distribution.

In 2023, the value of gross dividends distributed by the companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 142,863,483 lei (2022: 115,756,091 lei).

10. INTEREST INCOME

In LEI	2023	2022
Income related to interest and current bank accounts	8,935,064	4,779,468
Interest income related to bonds at amortized cost	1,158	1,304,987
Interest income related to bonds at fair value through other comprehensive income	178,284	178,257
Total	**9,114,506**	**6,262,712**

11. OTHER OPERATING INCOME

In LEI	**2023**	**2022**
Income from sales of production	16,477,736	29,041,503
Income from merchandize sold	17,676,241	31,122,668
Income from sales of parking lots	610,689	890,182
Income from service	189,279	146,675
Total income from contracts with customers	**34,953,945**	**61,201,028**
Rental income	2,747,129	2,395,121
Income from recovered receivables	297,962	135,774
Other operating income	525,250	1,602,095
Total other categories of operating income	**3,570,341**	**4,132,990**
Total	**38,524,286**	**65,334,018**

Income from contracts with customers

In the category of income from sales of production, the highest share in 2023 is held by Mecanica Ceahlău with an amount of 10,554,108 lei, i.e. 64% (2022: 18,199,230 lei, i.e. 63%), representing income from the sale of the agricultural machinery and equipment manufactured by this subsidiary, followed by Agrointens with the amount of 5,923,628 lei, i.e. 36% (2022: 10,842,273 lei, i.e. 37%), representing income from the sale of agricultural products (blueberries).

In 2023, the highest share in the category of income from the sale of merchandize is held by Mecanica Ceahlău with an amount of 17,445,834 lei, i.e. 98% (2022: 30,403,425 lei, i.e. 98%), representing sale of distributed products (trucks, herbicide equipment, front loaders, etc.) followed by Agrointens with an amount of 217,887 lei, i.e. 1% (2022: 410.487 lei, i.e. 1%), representing income from the sale of blueberries purchased from other local growers.

In 2023 and 2022, income from sales of parking lots was obtained by subsidiary EVER IMO SA following the sale of parking lots in Baba Novac Residence, developed by this subsidiary.

The services delivered by the Group are generally related to the products supplied (for example, repairs of agricultural machinery following the expiry of the guarantee period).

In 2023, the Group obtained income from contracts with customers from sales in Romania, except for the external sales of subsidiary Agrointens (sale of blueberries) mainly in the UK, Belgium, The Netherlands, the Republic of Moldova in amount of 3,825,651 lei from the sale of output and 166,488 lei from the sale of merchandise (2022: 7,960,901 lei from sale of production and 366,265 lei from sale of goods) and foreign sales of cars and agricultural equipment of subsidiary Mecanica Ceahlau in Hungary, Poland, Austria and the Republic of Moldova in amount of 485,641 lei from sale of goods and 35,611 lei from the sale of merchandise (2022: 58,356 lei from the sale of output and 426,463 lei from the sale of merchandise).

11. OTHER OPERATING INCOME (continued)

The Group concluded only contracts with an estimated duration of less than one year and uses the simplified approach of not presenting partly unsettled obligations.

The Group obtained income from contracts with customers from direct sales, except for income from sales through distributors of subsidiary Mecanica Ceahlau (sale of agricultural machinery and equipment): 459,017 lei (2021: 1,432,027 lei) from the sale of production and 2,841,622 lei (2022: 8,946,031 lei) from the sale of goods.

For further details on income from contracts with customers (e.g. type of contract, timing of the transfer of goods and services), see note 4 (p).
The receivable balance in contracts with customers is included in explanatory note 23.

Other categories of operating income

In 2023, rent income was obtained by: Casa SA of 1,631,850 lei (2022: 1,329,227 lei), followed by SIF Moldova with an amount of 377,942 lei (2022: 427,907 lei), and Regal SA of 339,913 lei (2022: 316,700 lei) and Mecanica Ceahlău, in amount of 391,062 lei.

12. NET GAINS FROM DISPOSAL OF NON-FINANCIAL ASSETS

In LEI	**2023**	**2022**
Net gain from the sale of investment property and intangible assets held for sale	576,799	-
Net gain /(net loss) from the disposal of intangible assets	(437,631)	18,708
Total	**139,168**	**18,708**

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

In LEI	**2023**	**2022**
Net gain from revaluation of financial assets at fair value through profit or loss	43,121,404	3,270,671
Net gain / (net loss) from the sale of financial assets at fair value through profit or loss	579,971	(2,305,149)
Total	**43,701,375**	**965,522**

The unrealised net gains registered in 2023, in amount of 43,121,404 lei (2022: 3,270,671 lei) represents the difference from the fair value revaluation of shares and unit funds held at fair value through profit or loss.

In 2023, the unrealized net gain, was generated mainly by the increase of fair value of fund units, while in 2022 was mainly generated by the increase of fair value of shares classified in such category.

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

The realized net gain in 2023 and the net loss realised in 2022 come from the sale of large holdings of fund units.

14. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with wages, remunerations and other benefits, as well as the corresponding contributions of employees, members of the Management Committee (referring both to the Management Committee of the Company and the Steering Committees/CEOs of subsidiaries and the Board of Directors (referring both to the Company's Board of Directors and the Board of Directors of the subsidiaries).

In LEI	**2023**	**2022**
Fixed remunerations		
Management Committee	7,969,467	7,250,446
Board of Directors	5,727,779	5,261,731
Employees	25,307,676	19,763,854
Total fixed remuneration	***39,004,922***	***32,276,031***
Variable remunerations		
Board of Directors, Management Committee		
Bonuses for the current year	194,581	795,207
Profit sharing in stocks	10,907,474	6,379,200
Total	***11,102,055***	***7,174,407***
Employees		
Profit sharing in cash for the current year	2,102,204	1,533,984
Bonuses for the current year	491,817	1,640,527
Profit sharing in stocks	4,058,512	3,532,792
Total	***6,652,533***	***6,707,303***
Total variable remunerations	***17,754,588***	***13,881,710***
Expenses with social contributions and similar expenses	***805,679***	***701,817***
Estimated expenses with untaken leaves	***95,477***	***109,174***
Total wages, remunerations, contributions and similar expenses	**57,660,666**	**46,968,732**

14. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES (continued)

The directors' allowances are approved by the General Meeting of Shareholders through the Articles of Incorporation, the management contracts and, in the case of EVERGENT Investments, also through the Policy of Remuneration of the Company's management and the officers' allowances are approved by the General Meeting of Shareholders and Board of Directors through management contracts and the Policy of Remuneration of the Company's management.

The Group's average number of employees in 2023 was 192 (2022: 175). The number of employees hired by the Group in 2023 was 50 (2022: 54).

15. OTHER OPERATING EXPENSES

In LEI	**2023**	**2022**
Expenses with outsourced services	7,429,376	6,801,169
Expenses with commissions and fees	4,901,322	4,269,387
Expenses for protocol and advertising	1,183,199	838,657
Expenses with the amortization of tangible and intangible assets	4,559,589	3,851,604
Expenses for the amortization of assets related to right-of-use assets from leasing contract	1,805,018	1,415,342
Audit services and other related services rendered by statutory auditor	1,049,391	1,071,700
Expenses for sponsorship and patronage	458,737	349,963
Expenses for merchandize	15,282,366	27,798,194
Changes in stocks of finished goods and work in progress	(9,625,750)	(1,839,409)
Other operating expenses	16,682,882	16,736,639
Total	**43,726,130**	**61,293,246**

Expenses with outsourced services mainly include expenses for valuation services, professional trainings, maintenance, rent, maintenance and repairs and insurance.

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

Other operating expenses include expenses for travel, post and telecommunication, utilities, fuel, inventory materials and items, sponsorship, other taxes and other expenses.

In 2023, the fees for the statutory financial statements audit (for the Company and its affiliates) included in the category of statutory audit and audit-related services were 863,285 Lei excluding VAT and in 2022 879,605 Lei including VAT. Such fees relate to the audit of separate and consolidated financial statements, the reporting audit in the ESEF electronic format (European Single Electronic Format) and review of the remuneration reports.

In 2023, changes in stocks of finished goods and work in progress mainly arise from the increase in the value of stocks of Mecanica Ceahlau of finished goods and work in progress (agricultural equipment), partly compensated by the sale of parking spaces in Baba Novac Residence by EVER Imo.

In 2023, expenses related to short-term leases and/or for which the underlying asset is of low value, were 288,191 lei (2022: 328,387 lei).

16. FINANCING EXPENSES

In LEI	**2023**	**2022**
Interest expenses from borrowings	5,591,049	702,170
Interest expenses from leases	264,065	211,621
Total	**5,855,114**	**913,791**

17. INCOME TAX

In LEI	**2023**	**2022**
Current income tax		
Current income tax (16%)	4,637,319	4,046,835
Dividend tax (2023: 8%; 2022: 5%)	11,121,034	5,612,015
	15,758,353	**9,658,850**
Deferred income tax		
Financial assets	644,016	101,612
Investment property and tangible assets	301,584	1,830,035
Inventory	49,857	(171,544)
Liabilities related to the benefit plan in cash and other benefits	(682,491)	(804,403)
Provisions for risks and charges	16,269	6,594
Other items (including impact of tax loss)	131,500	(399,135)
	460,735	**563,159**
Profit tax (part recorded through profit or loss)	**16,219,088**	**10,222,009**

17. INCOME TAX (continued)

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

In LEI	2023	2022
Profit before tax	**130,395,699**	**112,483,859**
Tax in compliance with statutory taxation rates of 16% (2021: 16%)	**20,863,312**	**17,997,417**
Effect on income tax of:		
non-deductible expenses	8,923,724	11,606,975
non-taxable income	(23,929,684)	(21,497,077)
other elements	13,832,060	2,611,825
registration and reversal of temporary differences	460,735	563,159
Dividend tax (2023: 8%; 2022: 5%)	11,121,034	5,612,015
Income tax, of which:	**31,271,181**	**16,894,314**
• *Profit tax expense (through profit or loss)*	*16,219,088*	*10,222,009*
• *Profit tax through retained earnings, on sell of FVTOCI financial assets*	*15,052,093*	*6,672,305*

The effective income tax rate in 2023 is 12% (2022: 9%).

The main non-taxable income from the standpoint of profit tax calculation is represented by dividend income (withholding tax) and income from differences following the measurement of financial assets at fair value through profit or loss (holdings over 10%), and non-deductible expenses include expenses from the revaluation of financial assets at fair value through profit or loss (holdings over 10%), as well as expenses proportionally assigned to non-taxable income.

When determining the fiscal result, management and administration expenses, as well as other common expenses, are taken into account as non-deductible expenses, pro rata with the share of non-taxable income in the total income recorded by the Company.

The main components of *Other income* are the items similar to income which include, mainly, the realized net gain, reflected in retained earnings, related to the sales of equity instruments classified at fair value through other comprehensive income (FVTOCI) in case of ownerships below 10%, and items similar to expenses which include mainly benefits granted to directors, officers and employees of the Company in equity instruments sold in shares, at the time of their actual award.

18. CASH AND CURRENT ACCOUNTS

In LEI	31 December 2023	31 December 2022
Cash	16,506	17,744
Current accounts	5,616,250	7,821,113
Cash and current accounts – gross value	**5,632,756**	**7,838,857**
Expected credit loss for current accounts	(6)	(31)
Total cash and current accounts	**5,632,750**	**7,838,826**

Current bank accounts are constantly at the Group's disposal. As regards the accounts opened with Banca Comercială Română, the Company entered into a movable mortgage agreement to guarantee the loan facility contracted at such bank (see note 20 Borrowings

All current accounts of the Group are classified as Stage 1.

19 a) BANK DEPOSITS WITH INITIAL MATURITY WITHIN 3 MONTHS

In LEI	31 December 2023	31 December 2022
Term deposits with initial maturity within 3 months	302,404,082	120,347,489
Attached receivables on interest	2,011,833	290,445
Total bank deposits – gross value	**304,415,915**	**120,637,934**
Expected credit loss	(16,336)	(7,065)
Total bank deposits	**304,399,579**	**120,630,869**

19 b) BANK DEPOSITS WITH INITIAL MATURITY HIGHER THAN 3 MONTHS

In LEI	31 December 2023	31 December 2022
Term deposits with initial maturity higher than 3 months	2,756,584	6,024,013
Collateral	10,000,000	-
Attached receivables on interest	758,255	122,288
Total term deposits – gross value	**13,514,839**	**6,146,301**
Expected credit loss	(1,260)	(5,015)
Total bank deposits	**13,513,579**	**6,141,286**

19 b) BANK DEPOSITS WITH INITIAL MATURITY HIGHER THAN 3 MONTHS (continued)

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

At 31 December 2023, such category includes the collateral held at Banca Comercială Română, established as guarantee for the loan facility contracted at such bank.

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

20. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

In LEI	**31 December 2023**	**31 December 2022**
Fund units	274,381,350	266,097,408
Shares	23,957,490	13,684,845
Total	**298,338,840**	**279,782,253**

In LEI	**31 December 2023**	**31 December 2022**
1 January	**279,782,253**	**325,937,896**
Purchases	57,426	5,000,000
Sales	(25,202,214)	(52,121,165)
Changes in fair value	43,121,404	3,270,671
Gain from FVTPL sale	579,971	(2,305,149)
31 December	**298,338,840**	**279,782,253**

20. FINANCIAL ASSETS (continued)

b) Financial assets at fair value through other comprehensive income

In LEI	31 December 2023	31 December 2022
Shares measured at fair value through other comprehensive income	2,036,197,327	1,673,533,619
Total	**2,036,197,327**	**1,673,533,619**

At 31 December 2023 and 31 December 2022 the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, OMV Petrom, SNGN Romgaz, Aerostar, BRD – Groupe Société Générale and Professional Imo Partners.

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

The movement of financial assets in the period ended 31 December 2023 and 31 December 2022 is presented in the table below:

In LEI	31 December 2023	31 December 2022
1 January	**1,673,533,619**	**1,770,881,534**
Purchases	174,266,369	197,955,590
Sales	(323,214,657)	(91,144,661)
Changes in fair value	511,611,996	(204,158,844)
31 December	**2,036,197,327**	**1,673,533,619**

In 2023, shares measured at fair value through other comprehensive income increased due to the appreciation of stock quotations during the year.

20. FINANCIAL ASSETS (continued)

b) Financial assets at fair value through other comprehensive income (continued)

In 2022, they decreased because of the unfavorable effect of the Russian-Ukrainian military conflict on financial markets (including the Bucharest Stock Exchange), but also due to the increase of interest rates determined by the increase of the monetary policy interest rate by the National Bank of Romania against the background of increased inflationary pressure.

The sales of shares classified at fair value through other comprehensive income were decided following the fundamental analysis developed by the specialized departments, in the context of the Company's medium and long-term objectives or for capitalizing on some opportunities (e.g. public purchase offers carried out by certain issuers). The sales were not made shortly after acquisition and the transactions with such shares were not aimed at obtaining short-term profits.

For information regarding the net gains from the sale of shares carried at fair value through other comprehensive income, see Note 20 d).

At 31 December 2023, 8,044,831 shares at Banca Transilvania held by the Company are mortgaged in favour of BCR, as collateral for the loan facility contracted at such bank (see Note 20 Borrowings).

20. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy

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

- Level 1: quoted prices (not adjusted) on active markets for shares and bonds and the (unadjusted) unit value of the net asset in case of fund units (that meet the definition of Level 1 inputs;
- Level 2: inputs other than the quoted prices included in level 1 that are observable for assets or liabilities either directly (e.g. prices) or indirectly (e.g. price derivatives);
- Level 3: inputs for assets or liabilities that are not based on observable inputs from the market (unobservable inputs).

31 December 2023

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	297,264,619	-	1,074,221	298,338,840
Financial assets measured at fair value through other comprehensive income	1,932,882,437	-	103,314,890	2,036,197,327
Bonds at fair value through other comprehensive income	3,884,483	-	-	3,884,483
Total	**2,234,031,539**		**104,389,111**	**2,338,420,650**

31 December 2022

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	278,419,232	-	1,363,021	279,782,253
Financial assets measured at fair value through other comprehensive income	1,578,423,907	-	95,109,712	1,673,533,619
Bonds at fair value through other comprehensive income	3,982,047	-	-	3,982,047
Total	**1,860,825,186**		**96,472,733**	**1,957,297,919**

20. FINANCIAL ASSETS (continued)

Financial Assets	Fair value at 31 December 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	3,020,587	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.8 Invested capital/EBITDA multiple: 6.8 Discount for lack of marketability: 16.5%	The lower the EV/Turnover multiple, the lower the fair value The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted majority interest	5,027,718	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.4 Equity value/book value multiple: 1 Discount for lack of marketability: 13.6%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	3,193,718	Income approach – discounted cash-flow method	Weighted average cost of capital: 14.6% Constant long-term income growth rate: 3.3% Discount for lack of control: 15.5% Discount for lack of marketability: 15.8%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	6,870,329	Income approach – discounted cash-flow method	Weighted average cost of capital: 15.8% Constant long-term income growth rate: 3.0% Discount for lack of control: 14.7% Discount for lack of marketability: 17.9%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value at 31 December 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	84,156,319	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.5% Discount for lack of control: 11.5% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	2,120,440	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.7% Discount for lack of control: 19.6% Discount for lack of marketability: 8.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	**104,389,111**			

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Financial Assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	5,349,377	Market approach, comparable companies method	Invested capital/revenues multiple: 0.66 Invested capital/ turnover multiple: 1.2 Invested capital/EBITDA multiple: 9.7 Discount for lack of marketability: 16.1%	The lower the EV/Revenues multiple, the lower the fair value The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted majority interest	4,778,247	Market approach, comparable companies method	Invested capital/ turnover multiple: 0,5 Equity value/book value multiple: 1 Discount for lack of marketability: 13.7%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	2,821,701	Income approach – discounted cash-flow method	Weighted average cost of capital: 12.8% Constant long-term income growth rate: 2,8% Discount for lack of control: 22.3% Discount for lack of marketability: 16.1%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	8,423,429	Income approach – discounted cash-flow method	Weighted average cost of capital: 13.6% Constant long-term income growth rate: 3.0% Discount for lack of control: 19.5% Discount for lack of marketability: 16%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Financial assets	Fair value at 31 December 2022	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	72,035,757	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.3% Discount for lack of control: 13.2% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	3,064,222	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.5% Discount for lack of control: 18.0% Discount for lack of marketability: 9.5%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	**96,472,733**			

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Sensitivity analysis

Although the Group considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the change of one or more assumptions would influence the Group's profit or loss and other comprehensive income at 31 December 2021 as follows:

Modified assumption *(Lei)*	**Impact on profit or loss (before tax)**	**Impact on other comprehensive income (before tax)**
WACC increase by 50 bps	-	(158,263)
WACC decrease by 50 bps	-	244,808
Increase of the perpetuity growth rate by 25 bps	-	106,400
Decrease of the perpetuity growth rate by 25 bps	-	(35,304)
Increase of (EBITDA, Turnover, P/E) multiple by 10%	107,422	558,420
Decrease of (EBITDA, Turnover, P/E) multiples by 10%	(107,422)	(558,420)
Increase of DLOM by 10%	-	(1,270,880)
Decrease of DLOM by 10%	-	1,270,880

The main unobservable inputs refer to the relevant multiples of the total invested capital and multiples of equity in ordinary shares:

The turnover multiple: is an instruments used to evaluate companies based on a market comparison with similar listed companies. Evaluating a company based on its turnover is particularly useful when the profit value is influenced by elements not related to the usual course of business. Turnover is the indicator from the income statement which is the hardest vulnerable to accounting policies, which recommends it as multiple.

EBITDA multiple: represents the most relevant multiple used when pricing the investments and it is calculated using information from comparable listed public companies (similar geographic location, industry size, target market and other factors that valuators consider as relevant). The trading multiples for the comparable companies are determined by dividing the enterprise value of the a company by its EBITDA and by further discounting, due to possible lack of marketability and other differences between the comparable peer group and specific company.

20. FINANCIAL ASSETS (continued)

d) Fair value hierarchy (continued)

Price/book value: often expressed simply as "price-to-book", this multiple measures a company's market price based on its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share.

A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

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

Discount for lack of control: represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the valued company.

20. FINANCIAL ASSETS (continued)

d) Fair Value Hierarchy (continued)

Discount for lack of marketability (DLOM): represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuators estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used. This method was used to determine directly the value of the equity of holding-type majority shareholders.

Level 3 fair value modification

In LEI	2023	2022
At 1 January	**96,472,733**	**105,151,282**
Total loss recognized in profit or loss	(346,225)	(792,603)
Total gain/(loss) recognized in other comprehensive income	9,488,479	(6,858,971)
Purchases	57,426	4,950,000
Sales	(1,283,302)	(5,976,975)
At 31 December	**104,389,111**	**96,472,733**

At 31 December 2023 and 31 December 2022, the Group classified as level 1 securities measured on the basis of the BSE closing prices, on the last day of trading. Fund units evaluated based on the unit value of their net asset certified by the fund depositary are included in this level.

The investments classified in Level 3, representing 5% of the Group's share portfolio at 31 December 2023 (31 December 2022: 6%), have been measured by independent external or internal valuers, based on the financial information provided by the monitoring departments, using measurement techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, with the management's supervision and review, which makes sure that all inputs underlying the valuation reports are accurate and adequate.

The evaluation date for Level 3 investments was 30 September 2023 or 30 June 2023, and a further analysis was conducted at the reporting date, 31 December 2023.

20. FINANCIAL ASSETS (continued)

d) Reserve from fair value revaluation of financial assets at fair value through other comprehensive income, net of deferred tax

In LEI	2023	2022
At 1 January	**660,473,055**	**872,688,152**
Gross (loss)/gain from the revaluation of financial assets measured at fair value through other comprehensive income	511,366,460	(204,256,014)
Deferred tax corresponding to the gain/loss from the revaluation of financial assets measured at fair value through other comprehensive income	(75,881,723)	28,353,206
Net gain/(Net loss) from revaluation of financial assets measured at fair value through other comprehensive income	**435,484,737**	**(175,902,808)**
Net gain transferred to retained earnings following the sale of financial assets carried at fair value through other comprehensive income	(79,895,988)	(36,312,289)
At 31 December	**1,016,061,804**	**660,473,055**

In 2023, the net gain obtained 79,895,988 lei (gross gain 94,948,081 Lei, related tax 15,052,093 lei) was mainly achieved from the sale of shares in SNGN Romgaz, SN Nuclearelectrica, Banca Transilvania, OMV Petrom and Șantierul Naval Constanța.

In 2022, the net gain in amount of 36,312,289 lei (gross gain 42,984,594 lei, related tax 6,672,305 lei) was mainly achieved from the sale of shares held in Banca Transilvania SNTGN Transgaz, Eximbank and Aerostar

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In LEI	31 December 2023	31 December 2022
Shares	57,673,327	55,371,088
Total	**57,673,327**	**55,371,088**

Investments accounted for using the equity method are represented by the holding of shares in Straulești Lac Alfa, securities purchased in 2018.

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The financial information for Străulesti Lac Alfa is summarized in the table below:

In LEI	31 December 2023	31 December 2022
Current assets	183,251,982	121,736,199
Non-current assets	9,422,331	10,179,723
Total assets	**192,674,313**	**131,915,922**
Current liabilities	26,524,305	7,876,097
Non-current liabilities	50,803,354	13,297,649
Total liabilities	**77,327,659**	**21,173,746**
Equity	**115,346,654**	**110,742,176**
Total liabilities and equity	**192,674,313**	**131,915,922**

In LEI	2023	2022
Turnover	17,746,532	109,850,167
Net profit/(loss)	**4,604,478**	**32,148,107**

In 2022, EVERGENT Investments received from Străulești Lac Alfa dividends in amount of 3,553,026 lei.

The reconciliation of the financial information for Straulesti Lac Alfa with the value of securities accounted for using the equity method is presented in the table below:

In LEI	31 December 2023	31 December 2022
Associated entity's net asset at 1 January	**110,742,176**	**85,700,120**
Net profit for the financial year	4,604,478	32,148,107
Dividends paid during the financial year	-	(7,106,051)
The associated entity's net asset at 31 December	**115,346,654**	**110,742,176**
Ownership in associated entity	*50%*	*50%*
Securities accounted for using the equity method	**57,673,327**	**55,371,088**

22. BONDS

In LEI	**31 December 2023**	**31 December 2022**
Corporate bonds	-	-
Municipal bonds	35,711	47,694
Total bonds at amortised cost – gross value	**35,711**	**47,694**
Expected credit loss	(19)	(33)
Total bonds at amortised cost	**35,692**	**47,661**
Corporate bonds	3,884,483	3,982,047
Total bonds at fair value through other comprehensive income	**3,884,483**	**3,982,047**

At 31 December 2023, the category of bonds at amortised cost include the bonds issued by the Bacău City Hall and Străulești Lac Alfa (31 December 2022: Bacău Town Hall).

At December 31, 2023 and December 31, 2022, the category of bonds at fair value through other comprehensive income include bonds issued by Autonom Service SA, which are held by the Group in a business model whose objective is to keep assets both to collect contractual cash flows and to sell. Autonom Service bonds are listed on the Bucharest Stock Exchange.

All bonds of the Group are classified as Level 1.

23. OTHER FINANCIAL ASSETS AT AMORTISED COST

In LEI	31 December 2023	31 December 2022
Sundry debtors	57,667,514	55,037,924
Trade receivables	9,522,175	12,644,936
Amounts representing the guarantee for the public offering for the buy-back of treasury shares	5,000,000	8,500,000
Dividends receivable	281,373	-
Advances to suppliers	104,961	788,684
Total other financial assets – gross value	**72,576,023**	**76,971,544**
Less expected credit loss for other financial assets	(58,766,231)	(57,087,356)
Total other financial assets	**13,809,792**	**19,884,188**

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,869,211 lei (31 December 2022: 48,862,753 lei).

The amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter d).

At 31 December 2023, customer contracts, included in the table above in the "Trade receivables" line are in amount of 4,373,925 lei (31 December 2022: 9,267,718 lei).

In LEI	31 December 2023	31 December 2022
Other performing financial assets	16,337,931	20,574,248
Other impaired financial assets	56,238,092	56,397,296
Total other financial assets – gross value	**72,576,023**	**76,971,544**
Adjustments for expected credit loss for other performing financial assets	(2,528,139)	(690,060)
Adjustments for expected credit loss for other impaired financial assets	(56,238,092)	(56,397,296)
Total other financial assets	**13,809,792**	**19,884,188**

23. OTHER FINANCIAL ASSETS AT AMORTISED COST (continued)

In LEI	31 December 2023		31 December 2022	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Overdue for more than 365 days	(56,210,867)	56,210,867	(56,397,296)	56,397,296

In LEI	31 December 2023		31 December 2022	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Not overdue	(117,556)	11,229,743	(266,712)	18,272,039
Overdue between 0 and 30 days	(66,284)	1,024,855	(10,915)	1,114,511
Overdue between 31 and 60 days	(31,019)	238,893	(20,017)	181,718
Overdue between 61 and 90 days	(53,981)	336,154	(142,060)	737,083
Overdue between 91 and 180 days	(2,063,306)	3,312,293	(26,594)	45,135
Overdue between 181 and 365 days	(223,218)	223,218	(223,762)	223,762
Total	**(2,555,364)**	**16,365,156**	**(690,060)**	**20,574,248**

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

In LEI	2023	2022
At 1 January	**(57,087,356)**	**(61,075,985)**
Setup	(2,411,419)	(544,551)
Reversal	732,544	4,533,180
At 31 December	**(58,766,231)**	**(57,087,356)**

24. INVENTORY

In LEI	31 December 2023	31 December 2022
	2,847,410	3,726,953
Raw materials and consumables		
Work in progress	3,610,458	2,504,639
Semi-finished products	162,423	91,575
Finished products	22,296,136	13,368,481

24. INVENTORY(continued)

Merchandize	19,690,294	9,043,251
Total	**48,606,721**	**28,734,899**

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 46,357,720 lei (31 December 2022: 26,665,751 lei) and Agrointens SA with 2,136,138 (31 December 2022: 1,470,938 lei).

At 31 December 2023 the value of pledged inventories of the Group was 12,186,765 Lei (31 December 2022: 0 Lei).

25. OTHER ASSETS

In LEI	**31 December 2023**	**31 December 2022**
Taxes	764,885	1,156,051
Income tax	169,865	168,940
Other assets (including prepaid expenses)	711,183	851,797
Total	**1,645,933**	**2,176,788**

At 31 December 2023, in the Taxes category, VAT recoverable for subsidiary Agrointens in amount of 355,916 lei (31 December 2022: 831,7635 lei) accounted for the highest amount.

26. NON-CURRENT ASSETS HELD FOR SALE

In LEI	**31 December 2022**	**31 December 2021**
Freehold land and buildings	4,957,804	3,540,657
Total	**4,957,804**	**3,540,657**

At 31 December 2023, assets held for sale included freehold land and buildings belonging to the Company and subsidiaries CASA and Regal SA (31 December 2022: EVER IMO SA, Mecanica Ceahlău SA and Regal SA), whose sale was approved, the sale process being started by actively searching buyers.

27. INVESTMENT PROPERTY

In LEI	**2023**	**2022**
Balance at 1 January	**135,229,675**	**99,831,062**
Changes in fair value	2,063,182	11,356,717
Purchases	17,091,386	5,218,873
Transfers from property plant and equipment	431,060	-
Transfers to property plant and equipment	-	(1,709,300)
Transfers to assets held for sale	(3,276,018)	(3,110,760)
Transfers from assets held for sale	148,841	23,643,083
Other transfers	528,138	-
Balance at 31 December	**152,216,264**	**135,229,675**

In 2023, most of the purchases of investment property consist of buildings purchased through subsidiary CASA.

In 2022, the Group purchased land in amount of 5,218,873 lei, though the Company's subsidiaries.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of investment property was classified as level 3 in the fair value hierarchy.

Valuation technique

The following table presents the valuation technique used to determine the fair value of investment property classified as level 3 of fair value hierarchy.

Valuation technique	**Input**	**Connection between input and fair value measurement**
The valuation method applied in the income approach for the evaluation of the entire real estate property (location-building) is direct capitalization. The method consists in the division of stabilized annual income by a corresponding capitalization rate, using the net operating income in conjunction with the net capitalization rate. In order to estimate the net operating income, from the gross income corresponding to properties located in segmented markets of primary cities, with central locations we deducted the non-recoverable operating expenses for the property. The contribution of the land resulted from the assigning process through deduction from the construction value of the entire property.	Market rent obtainable by an operator of a reasonable efficiency or average-competence management acting in an efficient manner. The percentage of non-recoverable expenses (of the landlord) applied to the effective gross income. Average vacancy rate, given the location, area, technical qualities of the building (finishing, equipment), balance between request and demand and specific market offer (15.6%). Average net capitalization rate applied to net operating income (9.3%).	Estimated value increases (decreases) in case: the market rate is higher (lower). the non-recoverable expenses ratio is lower (higher). the vacancy rate is lower (higher). the capitalization rate is lower (higher).

27. INVESTMENT PROPERTY (continued)

These valuations are periodically revised by the management of the Group. The valuation frequency is dictated by the dynamics of the market the investment property held by the Group belongs to, so that the fair value of investment property reflects the market conditions on the date of the consolidated financial statements.

The valuation model in the market comparison method, the sales comparison method is based on the economic principle of substitution. The method was mainly used to valuate freehold land or land considered freehold for valuation purposes, namely in case of value assignment by components – to determine the value of the land – as a subsequent method after the value of the entire property was determined.

The value derived from the market information on trading prices of similar assets, namely the value was determined following the analysis of the market prices of comparable assets, from the same market area, that were traded on a date close to the evaluation. The analysis of the prices the sale transactions or offers were made was followed by corrections made within the admissible limit to insure result credibility, quantifying the differences between the prices paid or asked per area unit, caused by the different specific characteristics of properties and transactions (called comparison elements).

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Gross book value	1 January 2023	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2023
Intangible assets								
Goodwill	4,339,505	-	-	(9,688)	-	-	-	4,339,505
Intangible assets	5,305,392	137,385	-		-	-	-	5,433,089
Total	**9,644,897**	**137,385**	**-**	**(9,688)**	**-**	**-**	**-**	**9,772,594**
Tangible assets								
Land cultivated with productive plants	12,191,863	139,410	-	-	-	-	-	12,331,273
Freehold land	10,978,484	-	(440,198)	-	(2,232)	350,524	-	10,886,578
Buildings	17,420,008	270,028	1,908,316	-	(1,657,630)	3,791,291	(126,964)	21,605,049
Equipment	20,033,595	576,491	259,322	(159,121)	-	-	-	20,710,287
Transportation vehicles	3,878,693	-	269,971	(168,568)	-	-	-	3,980,096
Blueberry plantations	14,308,384	3,393	667,718	(777,545)	-	-	-	14,201,950
Other fixed assets	1,303,410	144,345	(99,063)	(27,510)	-	-	-	1,321,182
Tangible assets in progress	7,135,694	6,815,043	(4,381,341)	(62,698)	-	-	-	9,506,698
Total	**87,250,131**	**7,948,710**	**(1,815,275)**	**(1,195,442)**	**(1,659,862)**	**4,141,815**	**(126,964)**	**94,543,113**
Right-of-use assets from leases								
Right-of–use – transportation vehicles	2,277,804	938,706	(269,971)	(384,111)	-	-	-	2,562,428
Right-of-use- office area	8,394,702	704,069	-	(375,115)	-	-	-	8,723,656
Right-of-use – concession	375,722	-	-	(177,400)	-	-	-	198,322
Right-of-use – equipment	441,109	3,029,544	-	-	-	-	-	3,470,653
Total	**11,489,337**	**4,672,319**	**(269,971)**	**(936,626)**	**-**	**-**	**-**	**14,955,059**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation/amortization and impairment	**1 January 2023**	**Depreciation/ amortization in the current period**	**Depreciation on transfer**	**Cumulated depreciation of disposals**	**Annulment of accumulated depreciation/amortization (no revaluation date)**	**Setup of impairment allowances**	**Reversal of impairment allowances**	**31 December 2023**
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	4,139,688	293,941	-	(9,688)	-	-	-	4,423,941
Total	**4,139,688**	**293,941**	**-**	**(9,688)**	**-**	**-**	**-**	**4,423,941**
Tangible assets								
Freehold land	1,261,614	204,608	-	-	(2,232)	-	-	1,463,990
Buildings	236,057	1,874,302	-	-	(1,657,630)	7,850	-	460,579
Equipment	13,761,266	779,525	-	(115,208)	-	-	(19,727)	14,405,856
Blueberry farms	2,151,717	621,852	-	(202,523)	-	-	-	2,571,046
Transportation vehicles	3,963,592	665,494	197,065	(168,568)	-	-	-	4,657,583
Other fixed assets	530,353	120,398	-	(27,303)	-	23,211	(18,082)	628,577
Total	**21,904,599**	**4,266,179**	**197,065**	**(513,602)**	**(1,659,862)**	**31,061**	**(37,809)**	**24,187,631**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,609,490	488,327	(197,065)	(385,903)	-	-	-	1,514,849
Rights-of-use – office space	577,622	1,073,156	-	(234,428)	-	-	-	1,416,350
Rights-of-use lease assets-concession	25,642	7,244	-	-	-	-	-	32,886
Rights-of-use lease assets-equipment	-	236,293	-	-	-	-	-	236,293
Total	**2,212,754**	**1,805,020**	**(197,065)**	**(620,331)**	**-**	**-**	**-**	**3,200,378**
Net book value	***80,127,324***							***87,458,816***
Goodwill	*4,339,505*							*4,339,505*
Intangible assets	*1,165,704*							*1,009,148*
Tangible assets	*65,345,532*							*70,355,482*
Right-of-use assets from leases	*9,276,583*							*11,754,681*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Gross book value	1 January 2022	Purchases	Transfer	Disposals	Annulment of accumulated depreciation and amortization (on revaluation date)	Value increase from revaluation	Value decrease from revaluation	31 December 2022
Intangible assets								
Goodwill	4,339,505	-	-	-	-	-	-	4,339,505
Intangible assets	4,902,367	220,240	215,855	(33,070)	-	-	-	5,305,392
Total	**9,241,872**	**220,240**	**215,855**	**(33,070)**	**-**	**-**	**-**	**9,644,897**
Tangible assets								
Land cultivated with productive plants	10,999,509	1,203,215	-	(10,861)	-	-	-	12,191,863
Freehold land	8,589,623	-	1,709,300	-	(4,464)	713,874	(29,849)	10,978,484
Buildings	14,018,257	939,683	1,400,553	(11,896)	(1,086,161)	2,207,668	(48,096)	17,420,008
Equipment	19,767,915	450,870	28,228	(213,418)	-	-	-	20,033,595
Transportation vehicles	3,977,912	179,359	67,332	(345,910)	-	-	-	3,878,693
Blueberry plantations	14,308,384	-	-	-	-	-	-	14,308,384
Other fixed assets	627,739	273,445	459,964	(57,738)	-	-	-	1,303,410
Tangible assets in progress	1,758,155	7,942,972	(2,565,433)	-	-	-	-	7,135,694
Total	**74,047,494**	**10,989,544**	**1,099,944**	**(639,823)**	**(1,090,625)**	**2,921,542**	**(77,945)**	**87,250,131**
Right-of-use assets from leases								
Right-of-use – transportation vehicles	2,041,365	1,026,105	(67,332)	(722,334)	-	-	-	2,277,804
Right-of-use- office area	8,282,826	756,035	-	(644,159)	-	-	-	8,394,702
Right-of-use – concession	338,203	37,519	-	-	-	-	-	375,722
Right-of-use – equipment	-	441,109	-	-	-	-	-	441,109
Total	**10,662,394**	**2,260,768**	**(67,332)**	**(1,366,493)**	**-**	**-**	**-**	**11,489,337**

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

Accumulated depreciation/amortization and impairment	1 January 2022	Depreciation/amortization in the current period	Depreciation on transfer	Cumulated depreciation of disposals	Annulment of accumulated depreciation/amortization (no revaluation date)	Setup of impairment allowances	Reversal of impairment allowances	31 December 2022
Intangible assets								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	3,941,783	230,975	-	(33,070)	-	-	-	4,139,688
Total	**3,941,783**	**230,975**		**(33,070)**	**-**	**-**	**-**	**4,139,688**
Tangible assets								
Freehold land	1,061,470	204,608	-	-	(4,464)	-	-	1,261,614
Buildings	168,084	1,166,030	-	(11,896)	(1,086,161)	-	-	236,057
Equipment	13,150,030	830,468	-	(175,982)	-	-	(43,250)	13,761,266
Blueberry farms	1,500,934	650,783	-	-	-	-	-	2,151,717
Transportation vehicles	3,663,804	656,691	-	(356,903)	-	-	-	3,963,592
Other fixed assets	432,803	155,219	-	(52,616)	-	414	(5,467)	530,353
Total	**19,977,125**	**3,663,799**	**-**	**(597,397)**	**(1,090,625)**	**414**	**(48,717)**	**21,904,599**
Depreciation of right-of-use assets from leases								
Rights-of-use – transportation vehicles	1,192,394	1,156,745	(44,887)	(694,762)	-	-	-	1,609,490
Rights-of-use – office space	812,178	250,385	-	(484,941)	-	-	-	577,622
Rights-of-use lease assets-concession	15,562	10,080	-	-	-	-	-	25,642
Total	**2,020,134**	**1,417,210**	**(44,887)**	**(1,179,703)**	**-**	**-**	**-**	**2,212,754**
Net book value	***68,012,719***							***80,127,324***
Goodwill	*4,339,505*							*4,339,505*
Intangible assets	*960,584*							*1,165,704*
Tangible assets	*54,070,369*							*65,345,532*
Right-of-use assets from leases	*8,642,260*							*9,276,583*

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

The net book value of tangible assets mortgaged/pledged in loan contracts or letters of bank guarantee entered into by the Group's subsidiaries at 31 December 2023 was 52,420,020 lei (31 December 2022: 44,423,768 lei).

In 2023, the value of property, plant and equipment transferred to the investment property category was 431,060 Lei and that transferred to the category of non-current assets held for sale was 1,654,187 lei).

Fair value measurement

At 31 December 2023 and 31 December 2022, the Group's land and buildings were assessed by independent valuers, authorized by the National Agency of Authorized Valuers of Romania ("ANEVAR"). The revaluation of lands and buildings at 31 December 2022 was made based on the following specific approaches and methods, in compliance with the valuation principles and techniques included in the ANEVAR Goods Valuation Standards:

- market comparison method and sales comparison approach for lands;
- income method, income capitalization method, with an average capitalization rate of 9% and an average vacancy rate of 12.5%, corroborated for assignment, if applicable, with the cost method for buildings.

Where applicable, the net replacement cost method applicable for certain properties built was also used, for goods for which there is not sufficient market information.

Fair value hierarchy

Based on the input used in the valuation technique, the fair value of buildings was classified as Level 3 in the fair value hierarchy.

Valuation techniques

Sales or offers of properties similar to those subject to valuation were collected, analyzed, compared and adjusted in direct comparisons in order to identify the similarities and differences between these properties, and the prices of comparable property were adjusted to justify the differences between the characteristics of the valued properties. The comparison elements used include ownership rights, financing and sale conditions, expenses incurred right after purchase, market conditions, location, physical characteristics, best use and town planning regulations in force.

28. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (continued)

- The valuation models applied in case of revenue approach for the valuation of full properties (lands and buildings) is the direct capitalization and the cash flow method. The most used method, the capitalization method, consists in dividing the annual income stabilized by a corresponding capitalization rate, using the net operating income, in conjunction with the net capitalization rate.

In the cost-based approach we have used the net replacement cost method given the specialized nature of some buildings. Therefore, the net replacement cost has been determined based on the price in specialized catalogues, updated with discounted indexes or based on working minutes. The degree of wear and tear has been determined taking into consideration the improvements made for finishes and installations, capital repairs and development stages of the building.

Property, plant and equipment, like investment property, have been measured taking into consideration the best use for these assets. Following the analysis of information regarding the location and characteristics of properties identified in the market analysis, it was determined that in general the best use is the one existing at the valuation date.

The other property, plant and equipment categories are presented at cost, less accumulated depreciation and value impairment, where necessary.

The goodwill registered by the Group comes from the acquisition of the Viștea blueberry plant by subsidiary Agrointens in 2015, and was allocated to cash-generating unit Viștea (the cash-generating units for subsidiary Agrointens are the blueberries plants).

The cash-generating units (blueberries plants) were tested for impairment at 31 December 2023 and 31 December 2022, according to the accounting policy described in Note 4 (i).

The recoverable amount of the cash-generating units (blueberries plants, including the Viștea plant) was determined based on the approved financial projections, prepared for a period of 20 years, and the cash flows are discounted using the weighted average cost of the subsidiary's capital.

The impairment test revealed that the recoverable amount of each of the cash-generating units, including the Viștea plant, is higher than their carrying amount (obtained by adding up the carrying amount of all assets allocated to such cash-generating units, including goodwill, in case of the Viștea farm). Therefore, there is not a need to register an impairment loss for goodwill.

29. LOANS

	31 December 2023	31 December 2022
Long-term liabilities	**76,333,024**	**7,331,000**
Long-term bank loans	**76,333,024**	**7,331,000**
Short-term liabilities	**11,218,562**	**4,487,565**
Short-term bank loans	**11,218,562**	**4,487,565**
Total loans	**87,551,586**	**11,818,565**

The reconciliation of opening and closing loan balances is shown in the table below:

In LEI

	2023	2022
At 1 January	**11,818,565**	**8,307,026**
Proceeds from loans	120,571,739	6,907,080
Reimbursement of loans	(46,527,244)	(3,395,541)
Related interest	331,773	-
Foreign exchange differences	1,356,753	-
At 31 December	**87,551,586**	**11,818,565**

29. LOANS (continued)

The tables below present detailed information regarding the loans contracted by the Group at 31 December 2023 and 31 December 2022:

31 December 2023

In LEI			Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity of the loan
Subsidiary	**Bank**	**Credit type**				
EVERGENT Investments	Banca Comercială Română	Revolving loan as overdraft	63,674,421	Euro	Negotiated floating interest rate	17 January 2025
Agrointens	Banca Transilvania	Credit line for working capital	3,499,600	Lei	ROBOR 1M+ 2.5%	27 April 2024
Agrointens	Banca Transilvania	Financing of Mândra farm project	637,000	Lei	ROBOR 1M + 2.75%	8 August 2024
Agrointens	Banca Transilvania	Financing of Popești farm project	1,975,412	Lei	ROBOR 1M + 2.9%	2 June 2026
Agrointens	Banca Transilvania	Financing of refrigerating warehouse	858,745	Lei	ROBOR 1M + 2.9%	14 July 2026
Agrointens	Banca Transilvania	Financing of Rătești farm project	6,000,000	Lei	ROBOR 1M + 2.9%	19 October 2029
Agrointens	Banca Transilvania	Financing of Popești project for flowerpot planting	1,500,000	Lei	ROBOR 1M + 2.9%	8 May 2030
Agrointens	Banca Transilvania	Credit Rural Invest	1,300,000	Lei	ROBOR 3M+ 1.9%	8 May 2030
Mecanica Ceahlău	Banca Transilvania	Investment loan	124,525	Euro	EURIBOR 6M +2.5%	4 September 2026
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	2,981,883	Lei	ROBOR 3M+ 1.5%	13 May 2025
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	5,000,000	Lei	ROBOR 3M+ 2.5%	19 December 2024
Total			**87,551,586**			

29. LOANS (continued)

31 December 2022

In LEI

Subsidiary	Bank	Credit type	Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity of the loan
Agrointens	Banca Transilvania	Partial financing of Mandra project	1,592,500	Lei	ROBOR 1M+ 2.75%	8 August 2024
Agrointens	Banca Transilvania	Working capital	2,112,250	Lei	ROBOR 1M+ 2.5%	27 April 2023
Agrointens	Banca Transilvania	Financing of Popesti project	2,765,577	Lei	ROBOR 1M+ 2.9%	2 June 2026
Agrointens	Banca Transilvania	Cold room	1,191,163	Lei	ROBOR 1M + 2.9%	14 July 2026
Agrointens	Banca Transilvania	Ratesti farm	3,735,998	Lei	ROBOR 1M + 2.9%	19 October 2029
Mecanica Ceahlău	Banca Transilvania	Investments	421,077	Euro	EURIBOR 6 month +2,5%	20 May 2024
Total			**11,818,565**			

As per the loan contract concluded by Mecanica Ceahlău with Banca Transilvania, the company must cash at least 50% through the lending bank, a condition which the company has fulfilled.

30. LEASE LIABILITIES

In LEI	31 December 2023	31 December 2022
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	3,244,730	3,951,888
Lease liabilities (between 1 and 5 years)	7,522,926	5,260,733
Lease liabilities (up to 1 year)	2,389,131	1,595,959
Total	**13,156,787**	**10,808,580**
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	2,221,775	3,093,886
Lease liabilities (between 1 and 5 years)	6,594,866	4,667,243
Lease liabilities (up to 1 year)	1,896,967	1,348,248
Total	**10,713,608**	**9,109,377**

The Group has leases mainly for transportation vehicles, equipment, office areas and lands, presented in note 28.

Expenses related to short-term leases or for which the qualifying asset is of low value are presented in note 15 Other operating expenses.

31. DIVIDENDS PAYABLE

In LEI	31 December 2023	31 December 2022
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162,380	162,380
Dividends payable for 2015	167,010	167,010
Dividends payable for 2016	162,414	162,414
Dividends payable for 2017	195,956	196,240
Dividends payable for 2018	117,588	117,720
Dividends payable for 2019	247,947	14,789,165
Dividends payable for 2020	10,448,442	10,673,557
Dividends payable for 2021	16,071,325	16,759,340
Dividends payable for 2022	22,423,315	-
Total dividends payable	**49,998,003**	**43,029,452**

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law and registered to equity, with the exception of amounts garnished according to the law (e.g, if the amounts owed to shareholders as dividends are subject to enforcement procedures).

32. FINANCIAL LIABILITIES AT AMORTIZED COST

In LEI	31 December 2023	31 December 2022
Suppliers and accrued expenses	11,368,526	10,183,731
Advances from customers	91,556	146,360
Other financial liabilities	513,945	1,033,819
Total	**11,974,027**	**11,363,910**

33. OTHER LIABILITIES

In LEI	31 December 2023	31 December 2022
Taxes and levies	4,235,484	3,289,995
Liabilities related to employees' cash benefits plan and other rights	3,141,015	3,446,568
Other liabilities	1,457,788	1,174,116
Total	**8,834,287**	**7,910,679**

Liabilities regarding the cash benefits plan represent the amounts that are to be offered to employees as profit-sharing in cash, in accordance with the Collective Employment Contract and to directors, according to the management contracts.

Other liabilities regarding salaries mainly include amounts that are to be paid representing allowances for vacations not taken.
Current liabilities, including current income tax liabilities, were paid by the Group on time.

34. PROVISIONS FOR RISKS AND CHARGES

In LEI	31 December 2023	31 December 2022
Litigation provisions	3,629,887	3,382,553
Other provisions	608,722	460,335
Total	**4,238,609**	**3,842,888**

In general, for the amounts established by enforceable titles and enforced by the bailiffs, lawsuits were initiated by the Authority for the Administrations of State Assets (AAAS).

Litigation provisions represent mainly the amounts collected by EVERGENT Investments in the period 2011 - 2016 and later challenged by AAAS, which the Group estimates that they are likely to be returned by the Company in amount of 1,632,553 lei (31 December 2022: 1,632,553 lei), and litigation provisions related to EVER IMO in amount of 1,997,334 lei (31 December 2022: 1,750,000 lei), for which the Group estimates un unfavourable outcome for the subsidiary.

34. PROVISIONS FOR RISKS AND CHARGES (continued)

The provisions can be analyzed as follows:

In LEI	**31 December 2023**	**31 December 2022**
At 1 January	**3,842,888**	**4,253,881**
Setup	426,323	209,754
Reversal	(30,602)	(262,504)
Transfer to other liabilities	-	(358,243)
At 31 December	**4,238,609**	**3,842,888**

Provision reversal in 2023 and 2022 was due to the favourable settlement of some legal disputes or the increase of the likelihood for some lawsuits to be favorably settled during the year in question.

35. DEFERRED INCOME TAX LIABILITIES

Liabilities related to deferred income tax at 31 December 2023 are generated by the elements in the following table:

In LEI	**Assets**	**Liabilities**	**Net**
Financial assets at fair value through other comprehensive income	957,340,697	-	957,340,697
Tangible assets and investment property	87,273,372	-	87,273,372
Other assets	(4,573,721)	-	(4,573,721)
Liabilities related to profit sharing and other benefits	-	(1,632,553)	(1,632,553)
Provisions and other liabilities	-	(30,462,794)	(30,462,794)
Tax loss	-	(12,091,383)	(12,091,383)
Total	**1,040,040,348**	**(44,186,730)**	**995,853,618**
Net temporary differences - 16% rate			995,853,618
Deferred income tax liabilities			**159,336,579**

35. DEFERRED INCOME TAX LIABILITIES (continued)

Liabilities related to deferred income tax at 31 December 2022 are generated by the elements presented in the table below:

In LEI	**Assets**	**Liabilities**	**Net**
Financial assets at fair value through other comprehensive income	577,028,760	-	577,028,760
Tangible assets and investment property	81,938,706	-	81,938,706
Other assets	(5,165,168)	-	(5,165,168)
Liabilities related to profit sharing and other benefits	-	(23,100,768)	(23,100,768)
Provisions and other liabilities	-	(8,249,558)	(8,249,558)
Tax loss	-	(12,913,263)	(12,913,263)
Total	**653,802,298**	**(44,263,589)**	**609,538,709**
Net temporary differences - 16% rate			609,538,709
Deferred income tax liabilities			**97,526,193**

Deferred income tax directly recognized through the decrease of equity is 158,670,398 lei at 31 December 2023 (31 December 2022: 96,167,538 lei), generated by financial assets measured at fair value through other comprehensive income for which the Group's interest is under 10%, for a period of time of less than one year and by property, plant and equipment.

36. CAPITAL AND RESERVES

(a) Share capital

The structure of the Group's shareholding structure at 31 December 2023 and 31 December 2022 is the following:

31 December 2023	**No. of shareholders**	**No. of shares**	**Amount (Lei)**	**(%)**
Individuals	5,740,158	363,730,993	36,373,099	38%
Companies	145	598,022,599	59,802,260	62%
Total	**5,740,303**	**961,753,592**	**96,175,359**	**100%**

31 December 2022	**No. of shareholders**	**No. of shares**	**Amount (Lei)**	**(%)**
Individuals	5,743,143	368,245,711	36,824,571	38%
Companies	155	593,507,881	59,350,788	62%
Total	**5,743,298**	**961,753,592**	**96,175,359**	**100%**

All shares are ordinary and have been subscribed and paid in full at 31 December 2023 and 31 December 2022.

36. CAPITAL AND RESERVES (continued)

(a) Share capital (continued)

All shares have the same voting right and nominal value of 0.1 lei/share. The number of shares authorized for issue is equal to that of issued shares.

Thus, the share capital at 31 December 2023 had a nominal value of 96,175,359 lei (31 December 2022: 96,175,359 lei).

At 31 December 2023, the difference of 403,813,278 lei between the book value of share capital of 499,988,637 lei and its nominal value is the inflation difference generated by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" up to 1 January 2004.

In 2023, there are no changes in the Company's share capital.

In July 2022, the Company's share capital was decreased from 98,121,305.10 lei to 96,175,359.2 lei, divided in 961,753,592 shares with a nominal value of 0.10 lei, following the annulment of a number of 19,459,459 own shares purchased by the Company, in accordance with Resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments of 20.01.2022.

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

This reserve includes the accumulated net fair value modifications of financial assets measured at fair value through other comprehensive income from the date of their classification in this category until the date of derecognition or impairment.

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in note 35.

(c) Legal Reserves

According to legal requirements, the Group sets up legal reserves of 5% of the net profit up to 20% of its share capital. The value of the legal reserve is included in retained earnings. Legal reserves cannot be distributed to shareholders.

36. CAPITAL AND RESERVES (continued)

(d) Dividends

In the General Meeting of Shareholders on 27 April 2023, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share (total 82,695,517 lei), corresponding to the statutory profit of the 2022 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

9 June 2023 was approved as registration date (former date 8 June 2023), and 28 June 2023 as date of payment of the dividend.

In the General Meeting of Shareholders on 29 April 2022, the Company's shareholders approved the distribution of a gross dividend of 0.065 lei/share (total 62,052,983 lei), corresponding to the statutory profit of 2021 financial year, consisting of the net profit and net gain reflected in retained earnings from the sale of FVTOCI equity instruments.

(e) Own shares

The total number of own shares held by the Company at 31 December 2023 is 51,742,535 representing 5.38% of the share capital (31.12.2022: 31,847,896 shares, representing 3.31% of the share capital) in total 66,642,400 lei (31.12.2022: worth 38,991,230 lei).

The evolution of the number of shares (and their value) in 2023, namely 2022 is the following:

Own shares	Balance at 1 January 2023	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2023
Buy-back program approved by EGMS on 27 April 2023	-	9,200,000	-	(182,465)	9,017,535
Buy-back program approved by EGMS on 28 April 2022	8,400,000	19,625,000	-	(8,400,000)	19,625,000
Buy-back program approved by EGMS on 20 January 2022	23,100,000	-	-	-	23,100,000
Buy-back program approved by EGMS on 27 April 2020	347,896	-	-	(347,896)	-
Total no. of shares	**31,847,896**	**28,825,000**	**-**	**(8,930,361)**	**51,742,535**
Total share value (Lei)	**38,991,230**	**38,842,825**	**-**	**(11,191,655)**	**66,642,400**

36. CAPITAL AND RESERVES (continued)

(e) Own shares (continued)

Own shares	Balance at 1 January 2022	Purchases during the period	Annulments during the period	Allocations during the periods (directors and employees)	Balance at 31 December 2022
Buy-back program approved by EGMS on 28 April 2022	-	8,400,000	-	-	8,400,000
Buy-back program approved by EGMS on 20 January 2022	-	23,100,000	-	-	23,100,000
Buy-back program approved by EGMS on 29 April 2021	19,459,459	-	(19,459,459)	-	-
Buy-back program approved by EGMS on 27 April 2020	4,190,048			(3,842,152)	347,896
Total no. of shares	**23,649,507**	**31,500,000**	**(19,459,459)**	**(3,842,152)**	**31,847,896**
Total share value (Lei)	**41,119,507**	**38,566,162**	**(35,999,999)**	**(4,694,440)**	**38,991,230**

Within the buyback program approved by the EGMS on April 28, 2022, the Company initiated in December 2022 and completed in January 2023 the public tender to buy own shares with the following main characteristics:

- number of treasury shares bought back in the offer: 19,625,000, representing 2.0405% of the share capital
- purchase price: 1.41 lei per share
- offer period: 22 December 2022 – 6 January 2023
- intermediary of the offer: BT Capital Partners SA.

The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 28 April 2022.

To implement buy-back program no. 8 approved by the EGMS of 27 April 2023, the Company made buy-backs of 9,200,000 own shares during 17.05 - 28.11.2023 (representing 0.956% of the share capital), in order to carry out stock option plans.

In 2023, a number of 8,930,361 shares (2022: 3,842,152 shares) were allocated to directors, officers and employees under the stock option plan (SOP) related to 2021 (2022: SOP 2020), in observance of the provisions of ESMA Guidelines no. 232/2013 on sound remuneration policies under the AIFM, the AIFM Remuneration policy of directors, officers and employees of the Company – Chapter 7 and the provisions of article 14 of the Company's Articles of Association.

36. CAPITAL AND RESERVES (continued)

(f) Equity-based payments to employees, directors and administrators

Equity-based payments to employees, directors and administrators represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding at 31 December 2023 and 31 December 2022:

In LEI	**31 December 2023**	**31 December 2022**
SOP 2021	-	10,850,388
SOP 2022	9,905,947	9,915,392
SOP 2023	14,975,431	-
Total	**24,881,378**	**20,765,780**

Options that may be exercised at the beginning of the reporting period, which were fully exercised in 2023 relate to SOP 2021 shares, in amount of 10,850,388 lei (8,930,361 shares) allocated in Q2 of 2023 for 1.2150 lei/share (closing price on 27 April 2022).

Options granted in 2023 and may be exercised at the end of the reporting period, relate to SOP 2022 shares, in amount of 9,905,947 lei (7,708,908 shares) and will be allocated in Q2 of 2024 for 1.2850 lei/share (closing price on 26 April 2023.
There were no options that expired or were lost in 2023 and 2022.
Shares corresponding to SOP 2023 are the equivalent of 14,975,431 lei and will be allocated in 2025 for a market price provided in SOP 2023, which will be submitted for approval to the Board of Administration, after the financial statements are approved. The number of shares based on the closing price of 31 December 2023 (1.27 lei/share) is estimated at 11,791,678.

(g) Other items of equity

Other items of equity include acquisition costs for treasury shares (commissions and fees and other costs related their acquisition) and the gain/loss on allocation of treasury shares to administrators, officers and employees, as share-based benefits (the difference between value at granting price and the value at acquisition price of treasury shares).

37. NON-CONTROLLING INTERESTS

Non-controlling interests represent the part of the profit or loss and of net assets not held, neither directly or indirectly by the Group and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the capital of the parent company's shareholders.
The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

In LEI	**2023**	**2022**
At 1 January	**16,718,203**	**16,022,210**
Profit attributable to non-controlling interests	(1,078,560)	494,094
Reserves from the revaluation of tangible assets attributable to non-controlling interests	441,459	410,599
Dividends distributed to non-controlling interests	-	(113,889)
Shares in subsidiaries bought-back from non-controlling interests	-	(94,811)
At 31 December	**16,081,102**	**16,718,203**

38. EARNINGS PER SHARE

The calculation of the basic earnings per share was made based on the profit attributable to the Company's shareholders and weighted average number of outstanding ordinary shares (without bought-back shares):

In LEI		**31 December 2023**	**31 December 2022**
Net profit attributable to the Company's shareholders		115,255,171	101,767,756
Weighted average number of outstanding ordinary shares		*913,537,589*	*947,657,151*
Basic earnings per share (net profit per share)		**0.1262**	**0.1074**
Net profit attributed to the Company's shareholders		115,255,171	101,767,756
Gain registered in retained earnings attributable to shareholders (from the sale of financial assets at fair value through other comprehensive income)		79,895,988	36,312,289
Weighted average number of outstanding ordinary shares corresponding to the reporting period		*913,537,589*	*947,657,151*
Basic earnings per share (including earning from the sale of FVTOCI financial assets)	*4 (v)*	**0.2136**	**0.1457**

38. EARNINGS PER SHARE

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

Basic and diluted earnings per share are calculated based on net income, which includes, in addition to net profit attributable to the Company's shareholders, the gain on the sale of FVTOCI financial assets.

The company also presents in the financial statements, together with the basic and diluted earnings per share, the basic and diluted result per share (including the gain from the sale of FVTOCI financial assets), because along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Group's performance and is a potential source for dividend distribution to the shareholders.

39. COMMITMENTS AND CONTINGENT LIABILITIES

(a)Lawsuits

At 31 December 2023, the Group was involved in lawsuits both as plaintiff or defendant.

Litigation provisions are registered for the proceedings where the Group is plaintiff or defendant whose object influences the Group's patrimony (see explanatory note no. 34).

Most lawsuits where SIF Moldova is plaintiff are related to lawsuits against the Authority for State Assets Management ("AAAS"). For the amounts claimed by the Company and won through final and irrevocable civil decisions, receivables from AAAS were registered in the accounting records, for most of which the enforcement procedure started. Impairment allowances were registered for such receivables (see explanatory note 23).

The contingent liabilities where the Company acts as defendant are presented below:

In LEI	**2023**	**2022**
1 January	**-**	**233,607**
Setup during the period	-	26,705
Lawsuits settled during the period	-	(260,312)
31 December	**-**	**-**

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(a)Lawsuits (continued)

Subsidiary EVER IMO SA is involved in some lawsuits with its former general contractor, at present bankrupt, a file where the company has registered all receivables as recoverable and recovered some of the amounts. The company is still seeking to enforce the guarantee and recover the remaining debt.

The former contractor filed proceedings challenging the notice to terminate the contract of services.

At the end of 2022, the court of law ruled in favor of EVER IMO. The decision was appealed by the general contractor in January 2023, and the company filed a writ of submission and filed an incidental appeal. The court dismissed the appeal filed by Octagon, which filed a second appeal agains such sentence, dismissed by the court in November 2023.

The company set up a litigation provision in amount of 1,997,334 lei (31 December 2022: 1,750,000 lei) (see note 34).

Besides the lawsuits with the former general contractor, subsidiary EVER IMO SA is also involved in lawsuits arising in the normal course of business, mainly as plaintiff or creditor.

Subsidiaries Mecanica Ceahlău and CASA are involved in a number of lawsuits resulted in the normal course of business, in which they act mainly as plaintiff for the recovery of certain claims. The Group registered adjustments for expected credit loss in this regard.

Subsidiary Regal is involved in a number of lawsuits, as creditor for the recovery of amounts not collected from customers.

The Group estimates that the result of these lawsuits will not have a significant impact on its financial position.

Of total contingent assets registered at 31 December 2023 of 8,834,840 lei (31 December 2022: 9,207,386 lei), the amount of 5,111,090 lei (31 December 2022: 5,111,090 lei) represents the value of shares held by the Company in Vastex SA, as per Law 151/2014, and the court order, following the Company's withdrawal from the shareholding of Vastex SA.

(b) Contingencies related to the environment

The Group has not registered any types of obligations at 31 December 2023 and 31 December 2022 for any kind of anticipated costs, including legal and consultancy fees, location surveys , design and implementation of remedy plans concerning the environment.

Management does not consider the expenses related to possible environmental issues to be significant.

39. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(c) Transfer Pricing

The Romanian tax legislation has been providing rules on transfer pricing between affiliates ever since 2000. The current legislative framework defines the principle of "market value" for transactions between affiliates as well as the methods of determining transfer prices. Thus, it is probable that the tax authorities should conduct verifications of the transfer pricing to verify that the tax result and/or customs value of imported goods is not distorted by the effect of the prices practiced in the relations with affiliates. The Group cannot measure the result of such verifications.

The Group does not have significant transaction with related parties.

40. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Subsidiaries

Balances and transactions between Group members have been eliminated in the consolidation process and are not presented in this explanatory note.

Associates of the Group

The Group has an investment in an associate at 31 December 2023 and 31 December 2022, Străuleşti Lac Alfa S.A., with an ownership of 50%.

Key management personnel

At 31 December 2023 and 31 December 2022 the members of the Board of Directors were Mr. Liviu Claudiu Doroş (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceocea (Non-Executive Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

The key management staff includes the members of the Board of Directors of the Company and its subsidiaries, members of the Management Committee of the Company and the management committees/CEOs of its subsidiaries.

The salaries, remunerations and other benefits offered to key management staff are presented in the table below:

	2023	**2022**
Board of Directors	14,942,704	11,536,282
Officers	9,856,597	8,150,302
Total, of which:	**24,799,301**	**19,686,584**
Benefits granted as shares	10,907,474	6,379,200

Detailed information regarding the remunerations and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 14.

The Group does not offer post-employment benefits or benefits for the termination of the employment contract to its key personnel.

41. SUBSEQUENT EVENTS

The public offering for the buying of own shares (program no. 9 for the buy-back of own shares)

During 8 – 19 January 2024, the Company carried out the public offering for the purchase of treasury shares with the following characteristics:

- number of treasury shares bought back in the offer: 10,000,000, representing 1.0398% of the share capital
- purchase price: 1.45 lei per share
- intermediary of the offer: BT Capital Partners SA
- The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of 27 April 2023.

Loan facilities

In January 2024, EVERGENT Investments concluded an addendum whereby it extended by 12 months the revolving loan facility in the form of overdraft, which it contracted from Banca Comercială Romană in January 2023, with a maximum value of 19,200,000 euro, with an initial due date of 12 months, with the aim of capitalising on market opportunities.

Also in January 2023, EVERGENT Investments contracted a multi-product revolving credit facility from Banca Comercială Romană, in the form of object loan, for a period of 24 months of which a 12-month withdrawal period, with a maximum value of 10,000,000 euro, with the aim of purchasing listed shares.

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

Claudiu Doroş	**Mihaela Moleavin**
Chairman, CEO	**Finance Director**

Annex 5

STATEMENT

According to the provisions of Article 63 paragraph (1) letter c) of Law 24/2017, we, the undersigned Claudiu DOROŞ as President and CEO and Mihaela MOLEAVIN as Finance Director - responsible for preparing the consolidated financial statements of EVERGENT Investments SA Group (the Group) as at 31 December 2023, declare the following:

a) The consolidated financial statements were prepared in accordance with the Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, approved by Financial Supervisory Authority Norm no. 39/2015;

b) The accounting policies used in preparing the annual financial statements are in accordance with applicable accounting regulations;

c) EVERGENT Investments Group carries out its activity on a going concern basis;

d) We are not aware, at the date of this statement, of any other information, events, circumstances that would significantly alter the above statements.

We confirm that the consolidated financial statements, which are compliant with the aforementioned regulations, present a true and fair view of the financial position and performance (including the assets, liabilities, profit and loss account of the Group) and that the Board of Directors' Report includes a fair analysis of the Group's development, financial position, and performance, as well as a description of the main risks and uncertainties specific to the activities carried out.

Claudiu Doroş President & CEO	Mihaela Moleavin Finance Director