



# Board of Directors' Report H1 2024





**Claudiu Doros**  
CEO and President of the Board

***Dear shareholders,***

In the first half of 2024, we achieved outstanding performance through the consistent application of EVERGENT Investments' long-term strategy. The net result, the company's performance indicator, was RON 250 million, 2.6 times higher than the budgeted level for the full year 2024.

We are on an upward trend and continue to strengthen the company's financial position despite some turbulence in the markets. Total assets under management reached a record value of RON 3.571 billion, with a significant increase of 42.2% compared to June 30, 2023, meaning that the 700 million threshold was crossed. Also, the unit value of net assets was RON 3.451, marking a considerable increase compared to June 30, 2023, of 41.3%.

We continued to develop the company to create value for our investors and our community in Romania. In the second quarter, we began dividend distributions totaling 81.7 million and started one of the share buyback programs approved by shareholders on April 29, 2024. During the half year, the level of investments exceeded RON 213 million, reflecting our ability to dynamically manage capital and return value to investors. We have a set of opportunities that we are exploring and analysing investment projects, taking into account the impact of potentially adverse factors such as: inflation, interest rates and the electoral context.

Looking to the future, we are paying attention to paradigm shifts influenced by structural forces such as digitalization, geopolitical shocks, decarbonization and demographic ageing. We consider active portfolio and risk management fundamental to successfully navigate these challenges.

**Company's Position**

- ◆ **3.571 billion de lei** - total assets under management, up 42.2% compared to June 30, 2023
- ◆ **3.127 billion de lei** – net asset value, up 39.4% compared to June 30, 2023
- ◆ **3.451 lei** – net asset value per share, an increase by 41.3% compared to June 30, 2023

## Company's performance

### ◆ **249.97 million lei** – net result

The net result recorded in the first semester of 2024 amounted to RON 249.97 million, composed of RON 122.52 million net profit and RON 127.45 million net gain on sale of financial assets reflected in the retained result, being 2.6 times higher than the budgeted level for the full year 2024.

### ◆ **213.34 million lei** - value of real-estate investments

Equity investments in H1 2024 were 213.34 million lei.

## Portfolio Management

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

In relation to the total value of assets under management, the portfolio of listed equities has the largest share of 70.3%, while unlisted equities account for 8.1%. The financial-banking sector remains the main sectors in the portfolio structure with 43.9% and the energy-industrial sector with 23.4% of the total value of assets.

## Investment Strategy

Our investment philosophy is to continuously build to capitalize on ideas and opportunities. EVERGENT Investments' strategy aims to generate long-term performance through investment policies calibrated to each managed portfolio.

Therefore, our main objectives are:

- ◆ Increase investments in the Private Equity portfolio – especially agribusiness and real estate.
- ◆ Increase the performance of Financial-Banking and Energy-Industrial portfolios through their active management, as they are the main generators of income and sources for investments.
- ◆ Capitalization on Sell portfolio – sale of inherited share portfolio.

Private equity investments, the company's differentiator, offer significant benefits through diversification, the potential for higher returns and access to unique investment opportunities not available in the public markets.

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

Running and/or completed projects:

- ✓ **Blueberry Farms" Project** is wholly owned through Agointens SA and EVER Agribio SA (founded in 2022) and focuses on high value-added intensive agriculture. We are leaders in

blueberry production, operating an area of 105 hectares. Blueberry production is a scalable business model and we are currently preparing a 50 hectare site for a new farm developed by EVER Agrificio. A grant of € 1.5 million has been approved by AFIR to set up the blueberry plantation on the new farm.

- ✓ **“Atria Urban Resort” real-estate project** - with 50% holding through Straulesti Lac Alfa SA, targets the construction in 4 stages of a residential complex that includes 1,378 apartments, located in the N.W. area of Bucharest Municipality, in the vicinity of Colosseum Retail Park with easy access to the northern part of the capital city. The building and sale of Phase 1, with 160 apartments is completed. Phase 2 includes 398 apartments, was completed in 2021 and 326 apartments were sold. Currently the building stage of Phase 3 for 350 apartments is running in accordance with nZeb energy efficiency standards. This phase will be completed in the third quarter of 2024.



Phase 2 - completed



- ✓ **Iasi Real-estate Project**- Located on a 25,500 m2 plot in Bd. Primăverii, nr. 2, the project is a multifunctional residential development with offices and commercial functions, with PUZ approved on February 28, 2022. The project, with a development value of over 100 million euro, is a major urban conversion project from a former unutilized industrial area into the newest central urban pole in Iasi. The start of construction has been postponed to allow for more careful planning and more effective management of geopolitical and macro-economic risks, thus ensuring the long-term stability and success of the project.

The urban planning indicators in the Zonal Urban Plan phase for the M1 zone are as follows: maximum land occupancy 45%, maximum floor area ratio 4 and maximum building height basement/semi-basement + ground floor + 20 floors and for the M2 zone are maximum land occupancy 45%, maximum floor area ratio 2.5 and maximum building height basement/semi-basement + ground floor + 16 floors, with a developed area of 83,800 sqm, of which 16,765 sqm offices, 62,870 sqm living area with 850 apartments, 4,191 sqm for complementary services, 6,000 sqm green spaces and parking spaces, mainly underground.

By the building permit stage, final heights and surfaces may be optimized for best use.



- ✓ In "**Veranda Mall**" project we have 37% indirect holding through Professional Imo Partners SA and Nord SA. The rentable area is around 34,000 sqm of commercial galleries. Veranda also has a multiplex cinema with 12 screening rooms. The company has fine-tuned a photovoltaic system on the building that will cover 20-30% of the electricity used to heat, cool and light the complex. This initiative is part of our strategy to develop clean energy sources and is an important step towards decarbonization and combating climate change. Reducing energy consumption and developing sustainable energy sources are key to achieving our climate goals, reducing our dependence on external resources and reducing our carbon footprint.

Veranda's activity continued to improve steadily, exceeding pre-pandemic levels.



- ✓ **A3 Snagov Real Estate Project**, full Everland holding- an integrated real-estate project to be developed on a 5 ha area.

- we have filed the documentation for the urban planning certificate, for the issue of the zonal urban plan.

- ✓ **Future real-estate projects to be developed in Bucharest** - 99.99% holding through EVER-IMO.

Through EVER IMO we continue to develop the private equity portfolio focusing our investments in real-estate in a strategic land bank. The North area of Bucharest has a quick and ample development both on the residential and on the office segment. EVER Imo aims to develop real-estate projects in this promising residential hub.

1. **Intrarea Străulești Project** – It is in the phase of preparing the urban planning documentation for a mixed-function residential real estate project on a 16,000 sqm site in the north of Bucharest, which will be a new premium residential and business area.
2. **Piscul Moșului Project** - It is another project in progress on a 19,000 sqm site, located in an area with potential for residential development in the north of the capital. Further work will continue once the status of the applicable ZUP is clarified.
3. **Spătarul Preda Project** will be developed on a 11,480 sqm plot of land in the semicentral area of Bucharest, with good prospects in the residential segment, after clarification of the urban planning documentation.

*On behalf of EVERGENT Investments' team, I hereby thank you for your trust!*

*Respectfully yours,*

Claudiu Dorog  
CEO and President of the Board

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

*Report date:* 14<sup>th</sup> August 2024

*Issuer name:* EVERGENT Investments SA

*Headquarters:* Pictor Aman Street no. 94C, Bacău

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

*Tax identification code:* 2816642

*Trade Registry:* JO4/2400/1992

*EUID:* ROONRC J/04/2400/1992

*LEI:* 254900Y100025N04US14

*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:* PJR09FLAIR/040003

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

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

## Field of Activity

### INVESTMENT COMPANY TYPE

*EVERGENT Investments is an AIFM and a closed - end fund intended for retail investors (AIFRI), primarily investing in equities, with a medium risk level and temporary liquidity placements in fixed income instruments.*

Legal framework - EVERGENT Investments SA is classified, according to applicable regulations as Alternative Investments Fund of the Investment Companies Type – F.I.A.S., category: Retail Investor Alternative Investment Fund (RIAIF), with a diversified investment policy, closed-end, self-managed, authorized by the Financial Supervisory Authority with Permit no. 101/25.06.2021 and functions abiding by the provisions of Law no. 74/2015 on the managers of alternative investment funds, Law no. 24/2017 on the issuers of financial instruments and market operations, Law no. 243/2019 on the regulation of alternative investment funds, Companies' Law no. 31/1990 and FSA regulations issued to apply primary law.

Purpose – increase of managed assets value.

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

Its activity object consists in:

- a) portfolio management;
- b) risk management;
- c) other auxiliary and related activities to collective management allowed by the law in force.



## 1. Activity Analysis

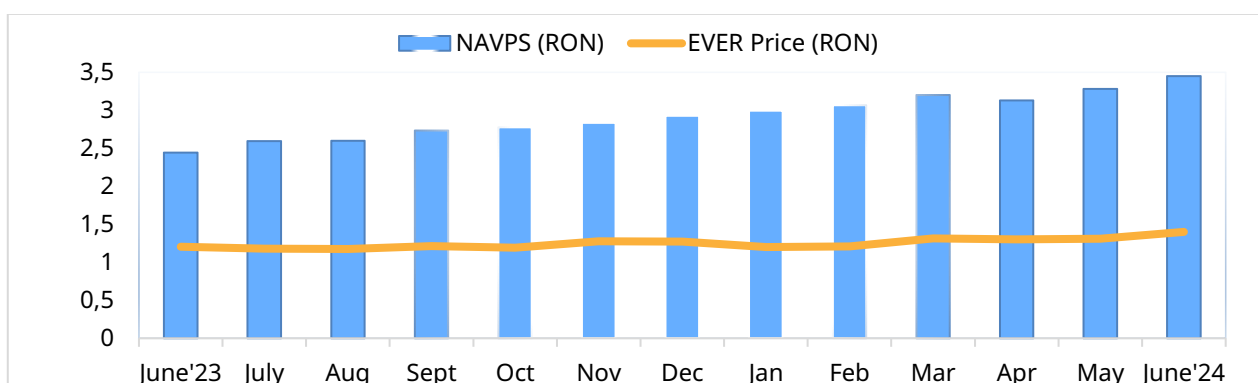
### 1.1. Performance

The value of assets under management at the end of the analysed period:

| Indicator              | H1 2023 | H1 2024 | H1 2024 / H1 2023 % |
|------------------------|---------|---------|---------------------|
| Total assets (mil lei) | 2.511   | 3.571   | +42.2               |
| Net asset (mil lei)    | 2.243   | 3.127   | +39.4               |
| NAVPS (lei)            | 2.4424  | 3.4510  | +41.3               |
| Market price (lei)     | 1.2050  | 1.4000  | +16.2               |

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

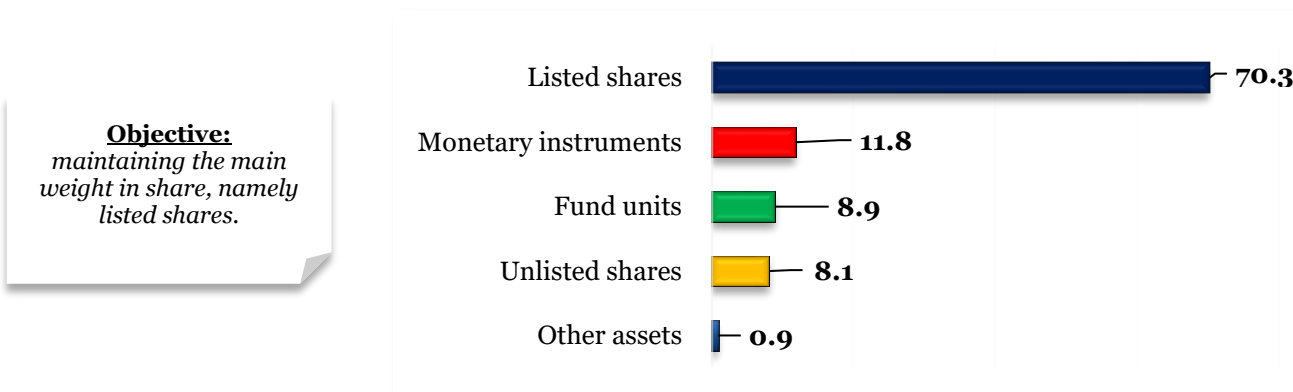
### NAVPS / EVER price



Portfolio structure at the end of the analysed period:

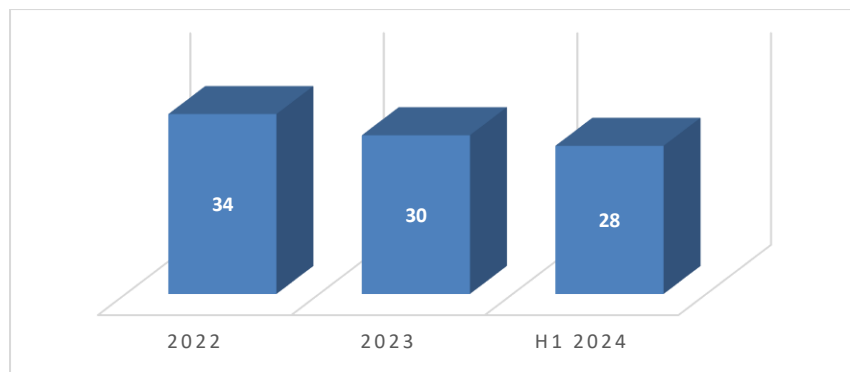
| Assets structure (% of total assets value)      | H1 2023 | H1 2024 |
|---|---------|---------|
| Shares, of which:                               | 85.8    | 78.4    |
| - listed  | 75.0    | 70.3    |
| - unlisted                                      | 10.8    | 8.1     |
| Non UCITS +UCITS (fund units)                   | 10.0    | 8.9     |
| Monetary instruments (deposits, availabilities) | 2.2     | 11.8    |
| Other assets                                    | 2.0     | 0.9     |

Portfolio Structure – June 30, 2024 (% of total assets value)



Number of companies in the portfolio:

**Objective:**  
maintaining the main weight in share, namely listed shares.

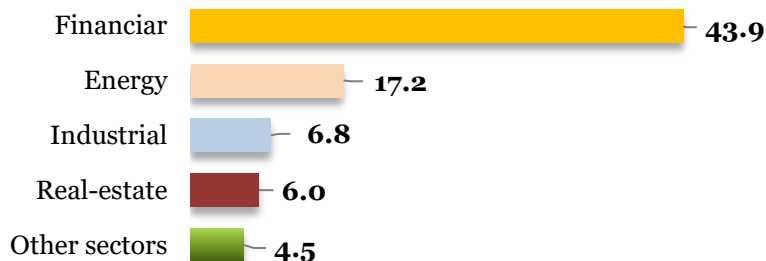


Sectorial exposure – Shares at the end of the analysed periods:

| Sectorial exposure (% of total assets value) | H1 2023 | H1 2024 |
|--|---------|---------|
| Financial                                    | 41.3    | 43.9    |
| Energy                                       | 22      | 17.2    |
| Industrial                                   | 8.8     | 6.8     |
| Real-estate                                  | 7.7     | 6.0     |
| Other sectors                                | 6.0     | 4.5     |

Sectorial exposure – June 30, 2024 (78,4% of total assets value)

**Objective:**  
Performance increase for the Financial-Banking and Energy – Industrial portfolios.



Top companies/ holdings in the portfolio – June 30, 2024

| TOP COMPANIES IN THE PORTFOLIO    | % holding of issuer's share capital | > 1% of total assets value |
|-----------------------------------|-------------------------------------|----------------------------|
| BANCA TRANSILVANIA                | 5.36                                | 38.4                       |
| OMV PETROM                        | 1.28                                | 17.2                       |
| AEROSTAR                          | 15.15                               | 6.3                        |
| BRD - GROUPE SOCIETE GENERALE     | 0.92                                | 3.8                        |
| STRĂULEȘTI LAC ALFA               | 50                                  | 1.9                        |
| PROFESSIONAL IMO PARTNERS         | 31.42                               | 1.8                        |
| EVER IMO                          | 99.99                               | 1.8                        |
| EVERLAND                          | 99.99                               | 1.4                        |
| AGROINTENS                        | 99.99                               | 1.2                        |
| TRANSILVANIA INVESTMENTS ALLIANCE | 4.78                                | 1,1                        |
| <b>TOTAL</b>                      |                                     | <b>74.9</b>                |

## Method for the calculation of net asset value for EVERGENT Investments SA

The assessment of EVERGENT Investments SA assets is made with the application of assessment methods that are specific for each assets category, in accordance with the provisions of *FSA Rule no. 9/2014* and *FSA Rule no. 10/2015 on the management of alternative investment funds*, with its later amendments and additions.

The Company annually revises its asset assessment policies and procedures and informs investors in accordance with legal provisions. Thus, through current report on 28<sup>th</sup> February 2024, the market was notified about the revision of asset assessment policies and procedures, and these are available on [www.evergent.ro](http://www.evergent.ro), namely:

1. "Assessment policies and procedures for assets and for calculating the net asset value per share".
2. "Assessment rules and procedures for EVERGENT Investments' assets".

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

The shares of the issuers, which are measured at fair value determined by valuation report, are presented in a separate category, "listed shares - no active market" in the "Statement of Assets and Liabilities EVERGENT Investments", Annex 10, prepared in accordance with ASF Regulation no. 7/2020, within the monthly reporting of net assets to the BVB. Annex 10 is also posted on its own website.

The justification for the decision to select the evaluation method is based on a regular and consistent analysis, carried out according to quantitative and qualitative criteria.

Given that fair value must be measured in relation to an active market, the internal analytical methodology for determining whether an issuer's shares belong to this category is carried out in accordance with the Accounting Policies Manual, in accordance with IFRS 13 "Fair Value Measurement".

## Comparative evolution within the sector H1 2024/H1 2023

EVERGENT Investments has the best dividend yield of 7.09% - within the sector it operated in – and ranks second in term of market capitalization with 1.35 billion lei, on June 30, 2024.

| Million lei               | LION        | EVER        | TRANSI        | SIF4        | INFINITY    |
|---------------------------|-------------|-------------|---------------|-------------|-------------|
| Total assets 30.06.2024   | 4,826.34    | 3,570.61    | 2,061.88      | 2,635.08    | 3,905.26    |
| Total assets 30.06.2023   | 3,615.55    | 2,511.21    | 1492.09       | 2,023.29    | 2,356.00    |
| 2024/2023 Evolution (%)   | 33.49       | 42.19       | 38.19         | 30.24       | 65.76       |
| Liquidities 30.06.2024*   | 701.44      | 430.43      | 82.09         | 191.25      | 169.78      |
| Capitalization 30.06.2024 | 1,421.03    | 1,346.46    | 804.43        | 1,192.66    | 985.00      |
| NAVPS 30.06.2024          | 8.9904      | 3.4510      | 0.8940        | 3.3149      | 7.6790      |
| Price 30.06.2024          | 2.800       | 1.400       | 0.372         | 1.520       | 1.970       |
| Dividend for 2023         | 0.000       | 0.090       | 0.015         | 0.000       | 0.000       |
| DY (%)                    | 0.00        | 7.09        | 4.03          | 0.00        | 0.00        |
| no. shares                | 507,510,056 | 961,753,592 | 2,162,443,797 | 784,645,201 | 500,000,000 |

\*cash, deposits, government securities

## 1.2. Portfolios. Strategies. Results

EVERGENT Investments has four defined portfolios: Financial-Banking, Energy- Industrial, Sell and Private equity. Portfolio holdings management was made based on the lines of multiannual coordinates and 2024 Activity Program, namely:

- ✓ Increase for Private-Equity Portfolio- “private equity” type-approach within existent major holdings (real-estate, agriculture, other sectors).
- ✓ Performance increase for Financial – Banking and Energy-Industrial Portfolio – listed portfolios that provide liquidity to EVERGENT Investments assets, representing the main income and sources generators for new investments.
- ✓ Restructure for Sell portfolio – sale of the share portfolio stemming from the privatization process.

EVERGENT Investments is a long-term investor; therefore investment performance is a key objective in our business. Our investment philosophy is focused on growth, in a wider universe of opportunities through the possibility of investing in real estate assets, in corporate bonds not admitted to trading, shares of limited liability companies whose annual financial statements are audited in accordance with the law and other instruments. As an investment perspective in the coming years, we will continue our exposure in agribusiness and real estate, but we can also develop our activity in areas that intersect with the two major themes of global and national interest: technological evolution and environmental protection.

### Context

The Bucharest Stock Exchange remained one of the world's best-performing stock markets in the 2<sup>nd</sup> quarter of 2024, setting new records in terms of the capitalization of listed companies and the level of the main BET index.

Over the last 12 months, BET performance has outperformed international indexes. In the second quarter of 2024, BET evolution was higher than S&P 500.

Thus, Q2 2024 brought an increase of 7.2% for BET index and an increase of 8,8% for BET-BK index.

The best stock market developments generally correlated with the financial results published for the first half of 2024.

| Index            | Q2 evolution 2024 % | 12 months evolution % |
|------------------|---------------------|-----------------------|
| BET              | 7.2                 | 45.2                  |
| BET-BK           | 8.8                 | 36.8                  |
| BUX              | 10.3                | 44.5                  |
| Nasdaq composite | 8.3                 | 28.6                  |
| DAX              | -1.4                | 12.9                  |
| CAC 40           | -8.9                | 1.1                   |
| SAX              | 1.2                 | -3.3                  |
| SOFIX            | 5.4                 | 26.0                  |
| S&P 500          | 3.9                 | 22.7                  |
| WIG 20           | 5.1                 | 24.3                  |

### 1.2.1. Financial-Banking Portfolio

The Financial –Banking sector is the main investment pillar of EVERGENT Investments, representing 43.9% of total assets on June 30, 2024, compared to 41.3% in the same period of the previous year.

The latest data and analysis point to significant growth of the economy in the second quarter and visibly stronger than previously anticipated, implying a notable increase in GDP compared to the same period last year.

The management of the NBR estimates that the economy will have higher quarterly growth rates in the first part of this year than previously forecast, implying however a significant slowdown in dynamics compared to the level reached at the end of 2023.

According to the assessments released by the NBR, the annual inflation rate will continue to decline in the next period on a significantly lower path than the one highlighted in the medium-term forecast of May 2024, mainly under the influence of base effects and legislative changes in the energy sector, as well as against the background of decelerating import price growth and a gradual downward adjustment of short-term inflation expectations.

The main interbank money market rates extended their straight-line trend in May and subsequently recorded small declines. Longer-term government bond yields experienced a moderate downward adjustment in the middle of the second quarter, but rose and then remained at the higher levels of April, also in the context of fluctuations in investors' expectations regarding the Fed's interest rate outlook and political developments in Europe, which may have led to changes in international financial market sentiment and risk perceptions associated with the region.

Since 2024, commercial banks in Romania have been paying the additional tax of 2% of turnover, payments are made quarterly, and the first payment was on April 25.

This new tax is in addition to the 16% corporate income tax. The additional turnover tax is applicable to all banks, regardless of their financial result (profit or loss).

After the shocks induced by the pandemic crisis and the worsening geopolitical situation in the region following the conflict in Ukraine, the banking sector has managed to maintain an adequate financial and prudential position without transmitting or amplifying risks to the real sector. In Romania, the banking system shows good capitalization and liquidity buffers. The Romanian banking system has better prudential indicators of solvency, profitability and balance sheet structure than the European average, which are placed in the best prudential intervals set by the European Banking Authority (EBA).

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

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

Banca Transilvania is the strongest Romanian brand, with an elite AAA+ rating according to Brand Finance's Romania 50 2023. With a brand value increasing by 25% in 2023 compared to the previous year, BT reached a value of 494 million euros, ranking 4th in the top of the most valuable Romanian brands. At the same time, for the second consecutive year, BT is in the top 10 strongest banking brands worldwide.

TLV shares have generated shareholder value year after year and are included in the FTSE Global Equities Index Series (2020), making it one of the most liquid issuers listed on the BVB. Banca

Transilvania maintained a very good ESG Risk Rating of Low Risk during 2023, following Sustainalytics analysis. BT's rating was 15.1 in 2023, compared to 17 in 2022, Low Risk in both years and ranks BT 106th (compared to 133rd in 2022) out of over 1,000 banks analysed globally.

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

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

The increase of the share price in the market triggered the activation of the internal mechanism in the first half of 2024, realizing market sales from the TLV share portfolio, as well as share purchases, thus taking advantage of the opportunities offered by the capital market.

High interest rates are still making their presence felt, but compared to the first quarter of 2023, there has been a significant increase in the loan portfolio to individuals.

The first quarter of 2024 was a dynamic quarter, with exceptional growth in operational activity, transactions and customer numbers.

Following a very good performance in the first quarter, the net interest margin increased to 3.5% and the annualized return on equity exceeded 30%, with a very good cost/income ratio reported in the first quarter of 45%.

Banca Transilvania reported a net profit of RON 913.2 million in the first quarter of 2024, up 35% compared to the profit in the same period of 2023.

The Bank distributed dividends out of the net profit for the year 2023 in the amount of RON 1,000,000. Also at the AGEA, the shareholders resolved to increase the share capital by issuing 118,221,613 shares to be distributed for the benefit of the shareholders.

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

The Board of Directors of Banca Transilvania S.A. approved on 8 February 2024 the completion of the transaction for the acquisition of 100% of the shares of OTP Bank Romania S.A., as well as other companies of the OTP Romania Group (including OTP Asset Management SAI S.A. and OTP Leasing Romania IFN S.A.). The total transaction price to be paid by Banca Transilvania S.A. is EUR 347.5 million. The transaction was authorized by the Competition Council.

### **BRD - SOCIETE GENERALE (BRD)**

BRD Group's net profit was RON 694 million in H1 2024, compared to RON 768 million in H1 2023 (-9.6% YoY). This evolution is mainly related to the evolution of the cost of risk reflecting the normalization trend and the new turnover tax, while commercial activity remained strong across all segments, supporting revenue generation in a less favourable interest rate environment.

ROE fell to 15.9% in H1 2024 from 20.1% in H1 2023. ROA decreased to 1.6% in H1 2024 (vs. 2.0% in H1 2023).

The Bank's performance followed a similar trajectory to that of the Group, with a net result of RON 675 million in H1 2024, compared to RON 752 million in H1 2023.

In the first half of the year, the BRD Group's revenues increased by +5.7% compared to the same period in 2023. This growth was mainly based on a +7.3% increase in net interest income, which benefited from dynamic lending activity across the board. However, this positive impact was tempered to some extent by the higher cost of funding.

### **Transilvania Investments Alliance (TRANSI)**

Holdings of TRANSI shares represented 1.08% of EVERGENT Investments' total assets as of 30.06.2024.

Transilvania Investments aims to maximize the potential offered by the main business lines: tourism, real estate, industry, active trading and venture capital/private equity.

### **Bucharest Stock Exchange (BVB)**

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

In the first half of 2024, the BVB records a net profit of RON 8.95 m, up 140% compared to the same period in 2023, mainly influenced by higher trading revenues on the back of higher trading volumes and an increase in the number of investors.

The total value of trading on the main market in the first half of 2024 reached RON 15.1 billion (up a strong 81% compared to the same period in 2023).

### **1.2.2. Energy - Industrial Portfolio**

The weight of Energy-Industrial portfolio was 23.4% in total assets on 30.06.2024, compared to 29.6% on 30.06.2023.

EVERGENT Investments focuses on the growth rates of company profits, but also on the sustainability of those profits.

**OMV PETROM (SNP)** – OMV Petrom's ordinary general meeting of shareholders approved a basic gross dividend of RON 0.0413/share for the 2023 financial year, which translates into a 10% annual increase, at the upper end of the 5-10% range stipulated in the dividend policy. The AGM of July 25, 2024 approved the distribution of a gross special dividend of RON 0.03/share.

The company expects to increase its net profit by 31% in 2024 compared to 2023, to 5.17 billion lei, on the back of rising revenues and the elimination of the solidarity contribution.

In the updated Strategy 2030, the company maintains its transformational commitment to a low-carbon future, while making some key adjustments: faster development of renewables, a more ambitious electro-mobility target, while progressing with the Neptun Deep offshore gas project, which is advancing according to plan, with a view to starting production in 2027.

The company reported that its current portfolio of solar and wind projects exceeds its initial proposed 2030 target of more than 1 GW, with OMV Petrom now targeting around 2.5 GW of renewable electricity capacity by 2030, including from partnerships. Also, after the acquisition of the Renovatio network, OMV Petrom has revised its target of electric car charging points to be reached by 2030 from 500 to 5,000, with the aim to reach 1,000 by the end of 2024.

With a rigorous capital discipline and solid financial performance, OMV Petrom aims to increase its dividend payouts, being highly competitive with similar companies in the sector.

OMV Petrom intends to distribute to shareholders total dividends (core and special) of around 50% of operating cash flows on average over the strategy cycle, up from the 40% indicated in December 2021. In addition, the company provides guidance for annual dividend allocations of 40-70% of cash flows from operating activities.

In H1 2024, sales revenues of RON 17,248 million decreased slightly by 3% compared to H1 2023, negatively impacted by lower prices and volumes of natural gas sales and lower electricity prices, partially offset by higher sales of petroleum products and higher volumes of electricity sold.

Refining and Marketing segment sales accounted for 77% of total consolidated sales, Gas and Power segment sales accounted for 22%, while Exploration and Production segment sales accounted for only 0.2% (Exploration and Production sales are mostly sales within the group, not sales to third parties).

The operating result amounting to RON 3,019 million in H1 2024 decreased compared to RON 3,176 million in H1 2023, mainly due to a lower contribution from the Gas and Power segment as a result of lower margins for natural gas and electricity and a high base effect due to the reversal of a provision in H1 2023. Another reason is the lower contribution from the Operations and Production segment, mainly due to lower sales volumes, partially offset by higher contribution from the Refining and Marketing segment as H1 2023 was impacted by the refinery turnaround.

Net profit in H1 2024 was RON 2,628 million (H1 2023: RON 944 million).

The outlook for the remainder of 2024 is positive, given high Brent prices and refining margins and the replacement of the solidarity contribution of RON 2.73 billion in 2023 with the 0.5% tax on revenues, which will be below RON 250 million in 2024.

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

**AEROSTAR (ARS)** - It is a leading Romanian manufacturer of aviation products, a recognized supplier in the supply chain of several global programs. The end products in which Aerostar manufactured parts, sub-assemblies and equipment are used are Airbus, Boeing, Bombardier, Dassault or Gulfstream aircraft. Aerostar is the leading independent maintenance service provider in Romania and the region for Airbus 320 and Boeing 737 aircraft. Aerostar is also a leading supplier to the Ministry of National Defence in the field of air, land and naval defence systems.

Recently, the defence industry has received particular attention at EU level, with substantial funding earmarked for the coming years, and in Romania, local companies have already announced projects to collaborate with US and German manufacturers.



Has a strategic partnership with Lockheed Martin regarding the F16 airplanes, and if the opportunity for the Romanian state to purchase the F35 airplanes materializes, this partnership will develop in the very long term.

As at 31.03.2024, Aerostar achieved a turnover of 155 million lei, up by 24.5% compared to the same period last year, and the operating profit increased by a/a.

Out of the 155 million lei turnover realized in Q1 2024, the company sold products and services worth 27.3 million lei on the domestic market and 128 million lei on the foreign market.

Approximately 83% of turnover represents export sales. Aerostar's customers are located in Europe, Asia, Africa, USA and Canada. Compared to the same period last year, the percentage of export sales is increasing in Europe, where it provides maintenance services for civil aviation, aviation products (landing gear systems, mechanical parts, assemblies and sub-assemblies), electronic equipment and ground equipment.

### 1.2.3. Private Equity Portfolio. EVERGENT Investments Group

As of June 30, 2024, the assets of the 8 subsidiaries directly owned by EVERGENT Investments recorded a value of RON 222 million, representing 6.23% of EVERGENT Investments' total assets.

Members of EVERGENT Investments Group:

| No           | Subsidiary name           | Direct holding of EVERGENT Investments-parent company % | Weight of total assets % 30.06.2024 | Company type    | Activity   |
|--------------|---------------------------|---|-------------------------------------|-----------------|--|
| 1            | EVERLAND SA *             | 99.99   | 1.43                                | Unlisted        | Real estate Private-equity Portfolio             |
| 2            | EVER-IMO SA               | 99.99   | 1.84                                | Unlisted        |  |
| 3            | REGAL SA                  | 93.89   | 0.20                                | Unlisted        |  |
| 4            | MECANICA CEAHLĂU SA       | 73.30   | 0.42                                | BVB-REGS (MECF) | Agriculture Private-equity Portfolio             |
| 5            | AGROINTENS SA             | 99.99   | 1.24                                | Unlisted        |  |
| 6            | EVER Agribio SA           | 99.99   | 0.18                                | Unlisted        | Garnishment and support for EVERGENT Investments |
| 7            | CASA SA                   | 99.78   | 0.92                                | Unlisted        |  |
| 8            | VISIONALFA Investments SA | 99.99   | 0.00                                | Unlisted        | Financial services (without activity)            |
| <b>Total</b> |                           |   | <b>6.23%</b>                        |                 |  |

\*Subsidiary A3 Snagov SRL, set-up in June 2021, is held by the Company indirectly, through Everland SA, that holds 100% of its shares.

In line with the *Investment Strategy and Policy*, EVERGENT Investments has a strategy of a mixed allocation of resources to the capital market, in parallel with the implementation of private equity projects to provide additional long-term returns.

The private equity investment approach focuses on the real estate and agribusiness sectors where opportunities are identified with medium and long-term growth potential. Complementary, opportunistic investments can be made in other areas of particular interest.

Indirect investments in the real estate sector, through a company controlled by EVERGENT Investments, cover all segments - residential, office, industrial, commercial, etc - either through residential development of key properties in 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 99% in all unlisted shares. In the selection of monitoring of investments in unlisted companies, EVERGENT INVESTMENTS applies a high level of diligence; its staff holds the adequate professional skills and abilities for the activities that are specific in the investment fields: financial analysis, legal, commercial and technical analysis, negotiation, conclusion of agreements and contracts.
- ✓ These assets are assessed in compliance with the evaluation policies and procedures, their value being reported on a monthly basis

The “private equity“ approach implies 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.

Private equity projects are in different development stages.

### 1.2.3.1. Everland SA – Iași Real Estate Project

Premises: The company was set up to capitalize on real estate investment opportunities in order to create value for shareholders. The company owns assets located in the central area of Iasi, with a significant potential for real estate development in all segments - residential, office and commercial:

- ✓ held land of 25,500 sqm;
- ✓ administrative building (GF+8) with a built area of 4,000 m<sup>2</sup>.

Stage:

- ✓ ZUP approved by Iasi Local Council on 28.02.2022
- ✓ The maximum built area is 83.000 m<sup>2</sup>, the project value being estimated to over 100 million euro.

#### Financial results H1 2024

| Indicators – EVERLAND SA (thousand lei) | Budget 2024 | Achieved H1 2024 | Achieved H1 2024 / Budget 2024 (%) |
|---|-------------|------------------|------------------------------------|
| Total income                            | 108         | 83               | 77                                 |
| Total expenses                          | (712)       | (265)            | 37                                 |
| Net profit /(loss)                      | (604)       | (182)            | n/a                                |

The loss was generated by current operational expenses.

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

### 1.2.3.2. EVER IMO SA

#### Future real-estate projects in Bucharest

The company owns in the northern area of Bucharest, for real estate developments, two plots of land in the area of 19.000 m<sup>2</sup> in Străulești and 16.000 m<sup>2</sup> in Piscul Moșului, as well as in the semi-central area a plot of land of 11.000 m<sup>2</sup>.

#### Financial results H1 2024

| Indicators – EVER IMO SA (thousand lei) | Budget 2024 | Achieved H1 2024 | Achieved H1 2024 / Budget 2024 (%) |
|---|-------------|------------------|------------------------------------|
| Total income                            | 3,906       | 1,456            | 37                                 |
| Total expenses                          | (6,818)     | (2,658)          | 39                                 |
| Net profit/(Loss)                       | (2,912)     | (1,202)          | n/a                                |

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

### 1.2.3.3. REGAL SA

On the report date, the company held 2 commercial areas and administrative headquarters. The company will be capitalized through dividends from the sale of assets.

#### Financial Results H1 2024

| Indicators – REGAL (thousand lei) | Budget 2024 | Achieved H1 2024 | Achieved H1 2024 / Budget 2024 (%) |
|-----------------------------------|-------------|------------------|------------------------------------|
| Total income                      | 2,843       | 1,253            | 44                                 |
| Total expenses (less income tax)  | (3,006)     | (1,076)          | 36                                 |
| Net profit/(Loss)                 | (495)       | 30               | n/a                                |

The income obtained in the reporting period corresponds to the low number of commercial premises that the company manages, without jeopardizing the continuation of the business, but with an impact on the company's profitability.

In the first half of 2024 2 assets were sold: Intim terrace and part of its headquarters in Galați.

### 1.2.3.4. MECANICA CEAHLĂU SA

The company manufactures agricultural equipment for soil tillage and distributes Steyr tractors, Project weeders and Stoll front loaders.

#### Financial Results H1 2024

| Indicators – MECANICA CEAHLAU (thousand lei) | Budget 2024 | Achieved H1 2024 | Achieved H1 2024 / Budget 2024 (%) |
|--|-------------|------------------|------------------------------------|
| Total income                                 | 46,746      | 14,829           | 32                                 |
| Total expenses (except income tax)           | (45,187)    | (18,725)         | 41                                 |
| Net profit (loss)                            | 1,087       | (3,703)          | n/a                                |

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

### 1.2.3.5. AGROINTENS SA – “Extension of BLUEBERRY FARM” Project ([www.agrointens.ro](http://www.agrointens.ro))

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

The project concerns the establishment and development of cranberry farms. Currently, the farms Viștea and Mândra - county Brașov, Popești and Rătești - county Argeș. At the end of the reporting period, the planted area was 105 ha.

EVERGENT Investments' investment: 11.6 million euro.

#### Financial Results H1 2024

| Indicators – AGROINTENS (thousand lei) | Budget 2024* | Achieved H1 2024 | Achieved H1 2024 / Budget 2024 (%) |
|--|--------------|------------------|------------------------------------|
| Total income                           | 11,768       | 5,306            | 45                                 |
| Total expenses                         | (21,629)     | (8,473)          | 39                                 |
| Net profit (loss)                      | (9,861)      | (3,167)          | n/a                                |

\*rectified Budget 2024

### 1.2.3.6. EVER Agribio SA

The company was established in September 2022 for the development of a blueberry plantation on 50 ha of land it owns in the commune of Săucești, county Bacău.

The company is included on the preliminary list for AFIR funding for the establishment of a blueberry plantation. The value of the project is 3.9 million euro, of which the grant amount is 1.5 million euro.

#### Financial Results H1 2024

| Indicators – EVER-AGRIBIO SA (thousand lei) | Budget 2024 | Achieved H1 2024 | Achieved H1 2024 / Budget 2024 (%) |
|---|-------------|------------------|------------------------------------|
| Total income                                | 11,835      | 34               | 0                                  |
| Total expenses                              | (13,000)    | (494)            | 4                                  |
| Net profit/(loss)                           | (1,165)     | (460)            | n/a                                |

### 1.2.3.7. CASA SA

The company is specialized in real-estate asset management.

#### Financial Results H1 2024

| Indicators – CASA SA (thousand lei) | Budget 2024 | Achieved H1 2024 | Achieved H1 2024 / IEB 2024 (%) |
|-------------------------------------|-------------|------------------|---------------------------------|
| Total income                        | 5,956       | 8,624            | 145                             |
| Total expenses                      | (5,746)     | (8,753)          | 152                             |
| Net profit /(loss)                  | 210         | (305)            | n/a                             |

### 1.2.3.8. VISIONALFA Investments SA

Through EGMS on 25.07.2023, the company declared its tax inactivity for a period of 3 years, starting on the date of the mention being registered in the Trade Registry Office. In fact, it was set-up for a project that never materialized and it never operated.

#### The Private equity portfolio also includes the following companies:

- ✓ Nord SA, , stock symbol NORD (holding 18.19% of the share capital) and Professional Imo Partners SA, stock symbol PPLI (holding 31.42% of the share capital) which participate directly/indirectly in the implementation of the "Veranda Mall" project in Bucharest;
- ✓ Străulești Lac Alfa SA, an unlisted company (holding 50% of the share capital) which is implementing the "Atria Urban Resort" project in Bucharest;
- ✓ Agroserv Măriuța SA, stock symbol MILK (holding 11.44% of the share capital);
- ✓ mWare Solutions SA, unlisted company (holding 10% of the share capital).

### 1.2.3.9. "VERANDA MALL" Trade Centre real-estate project ([www.verandamall.ro](http://www.verandamall.ro))

The investment project consisted in the construction of "VERANDA MALL" Trade Centre in Bucharest and its operation through Veranda Obor SA Company. The trade centre is a proximity mall located in a heavily populated area with commercial traffic, Obor-Colentina. "VERANDA MALL" opened on October 27, 2016.

Project characteristics: GLE (built area) around 67,000 sqm; GLA (rentable area) around 34,000 sqm following extension, no. of renting stores: around 100; occupation degree: 98%.

Investment: The value of EVERGENT Investments' investment amounts to 14.3 mil euro. EVERGENT Investments indirectly holds in Veranda Obor SA a holding around 37% through Professional Imo Partners SA (PPLI) and Nord SA (NORD), companied listed on BVB – ATS segment.

Current status – the positive evolution of the company is reflected both by its turnover and the constantly upward traffic registered by the trade centre.

**1.2.3.10. STRĂULEȘTI LAC ALFA SA****“ATRIA URBAN RESORT” Residential Real Estate project ([www.atriaresort.ro](http://www.atriaresort.ro))**

EVERGENT Investments invests in "Atria Urban Resort" real estate project, developed through Straulesti Lac Alfa SA. The project targets the building of 1,381 apartments, in 4 stages, on a land of about 9 ha, located in the NW area of Bucharest, in the vicinity of Colosseum Retail Park with quick access to the northern part of the capital city.

Investment: EVERGENT Investments is a shareholder of Straulesti Lac Alfa SA, along with CityRing Property SRL and Mr. Liviu Lepadatu who also manages the development of the real estate project. EVERGENT Investments' total investment is 8.3 mil euro. Project financing is ensured both with own capital and bank loan, binding loan and the estimated project value is over 120 de million euro.

Current status:

- ✓ Phase 1, that includes a number of 160 apartments, was completed and sold in full.
- ✓ Phase 2 (398 apartments):
  - around 92% of the total number of apartments was contracted and sold.
- ✓ Phase 3 (350 apartments) – constructed started in the 4<sup>th</sup> quarter of 2022
  - around 43% of the total number of apartments was contracted.

*Financial Results H1 2024*

| Indicators – Străulești Lac Alfa SA (thousand lei) | Budget 2024 | Achieved H1 2024 / Budget 2024 (%) |
|--|-------------|------------------------------------|
| Total income                                       | 93,398      | 33,989 36                          |
| Total expenses (less income tax)                   | (58,682)    | (34,590) 59                        |
| Net profit /(loss)                                 | 29,439      | (601) n/a                          |

**1.2.3.11. AGROSERV MĂRIUȚA SA ([www.laptariacucaimac.ro](http://www.laptariacucaimac.ro))**

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

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

For the current year, the company plans to optimize its product portfolio with a focus on the acidophilic product range, consolidate its already listed products, access new retail networks and carry out planned investments (biogas plant and glass packaging sanitization line), either by accessing grants or through strategic partnerships.

**1.2.3.12. mWare Solutions ([www.bigconnect.io](http://www.bigconnect.io))**

Compania mWare Solutions SA is a major local player in the deep-tech IT sector, providing integrated Big Data, artificial intelligence and digitization solutions for both the public and private sectors, mainly for data-intensive industries such as telecommunications, financial-banking, energy, agriculture or healthcare.

The company has developed a proprietary platform that introduces the capability to analyse unstructured data within organizations, using a semantic model of data understanding based on neural networks, with native deep-learning and machine learning capabilities, to uncover new insights in decision making, customer insights, new metrics and possibilities for AI-driven automation of organizational processes.

Mware Solutions has developed a complete digitization package that includes, in addition to the existing BigConnect products, an Enterprise edition database and a low-code framework for application development, which is now a complete and much more competitive alternative to the technology packages offered by other players in the market.

During the quarter, the company participated as a speaker at the international conference Outlook on Resilience - Artificial Intelligence, organized by the Euro-Atlantic Center for Resilience.

The IT sector is of major importance in the Romanian economy, with a share of over 7.5% in the Gross Domestic Product. This sector is expected to grow at double-digit rates in the coming years, supported by the emergence and implementation of new technologies (AI, Big Data, IoT) and the start of PNRR projects through component C7 - Digital Transformation with a budget allocation of EUR 1.88 billion.

#### 1.2.4. Sell Portfolio

SELL Portfolio was built based on low liquidity, performance and growth potential criteria of the holdings that make it up. In order to reach the investment objectives foreseen in „EVERGENT Investments' Investment Strategy and Policy”, in the first half of 2024 we have continued our endeavours to lower the weight of Sell portfolio in total assets of the Company.

Thus, as of June 30, 2024, the Sell portfolio's share was 0.14% of total assets, compared to 0.19% as of June 30, 2023. The number of issuers in the portfolio decreased to 6 companies.

Through activities specific to the Sell Portfolio, EVERGENT Investments was ensured active participation in General Meetings of Shareholders of the companies in this portfolio, questions were submitted to the Boards of Directors, the legality of decisions of shareholders' general meetings affecting the interests of minority shareholders was monitored and proposals to challenge were made, where appropriate.

#### 1.2.5. Implementation of 2024 Investment Program

EVERGENT Investments has analysed and implemented investments consistent with the directions and principles presented in 2024 Activity Program, approved by the shareholders in OGMS on April 29, 2024.

| million lei   | 2024 Activity Program | Achieved in June 30, 2024 |
|---|-----------------------|---------------------------|
| <b>Total investment program, of which, assigned for portfolios:</b> | 155.8                 | 213.34                    |
| • Financial-Banking   | 48.3                  | 21.05                     |
| • Energy - Industrial   | 50                    | 149.94                    |
| • Private - equity  | 57.5                  | 42.35                     |

#### 1.2.6. Main risks and uncertainties in H2 2024

According to the NBR's May 2024 Inflation Report, significant uncertainties and risks to the inflation outlook stem from the future conduct of fiscal and revenue policy, with the sources being the dynamics of public sector wages and the full impact of the new pension law, but also additional tax and budgetary measures that could be implemented in the perspective in order to consolidate the budget, including in the context of the excessive deficit procedure and the conditions attached to other agreements with the EC.

In addition, the war in Ukraine and the conflict in the Middle East, as well as economic developments in Europe, particularly in Germany, continue to generate significant uncertainties and risks to the outlook for economic activity and thus the medium-term path of inflation.

In addition, the absorption of EU funds, in particular those related to the Next Generation EU program, is conditional on the achievement of strict targets and benchmarks. However, this is essential to achieve the necessary structural reforms, including the energy transition, but also to counterbalance, at least partially, the contraction effects of geopolitical conflicts and the tightening of international economic and financial conditions.

The outlook for the conduct of monetary policies by the ECB and the Fed, as well as the attitude of central banks in the region, also remain relevant.

The pace of economic expansion is expected to remain relatively subdued by historical standards in the coming periods, amid the lingering effects of Russia's invasion of Ukraine, the emergence of new geopolitical flashpoints in the Middle East, and the growing trends of geo-economic fragmentation.

In the case of fuels, the Brent crude oil price experienced an almost uninterrupted ascent in H1 2024, from around USD 75/barrel at the beginning of the year, to almost USD 90/barrel in Q1 2024 and even above this level in April. Influences came mainly from the supply side amid escalating tensions in the Middle East and the extension of OPEC+ voluntary production cuts.

On the demand side, concerns about deteriorating global economic conditions in the short and medium term are also having an effect on oil demand in the short to medium term. On the supply side, determinants include, on the one hand, an expected more robust production from non-OPEC members and, on the other hand, adverse effects of the escalation of the Middle East conflict. The latter fuels concerns about possible oil supply disruptions in the region and the extension of OPEC's agreement to cut production. The projection of future oil price developments thus remains fraught with large uncertainties, in line with the highly volatile historical evolution of the variable.

The trajectory of the annual CPI inflation rate will also be affected by base effects associated with past price changes: positive influences in Q3 2024 and Q1 2025, and negative ones in Q4 2024, when the disinflationary process is quasi-stationary. Under these conditions, a value of 4.9% is forecast for the end of 2024 and 3.5% for the end of 2025.

During 2024, exports and imports are expected to recover and are projected to return to positive annual rates. However, the dynamics of these flows continue to be marked by the effects of global uncertainties, in particular those related to possible further fragmentation of trade relations between countries. They could also be affected by possible renewed bottlenecks in global supply chains as geopolitical tensions intensify, but in the baseline scenario the effects from this source are assessed to be relatively small at this stage.

From the point of view of real monetary conditions, the real effective exchange rate is expected to continue to impose some restrictive effects on the price competitiveness of Romanian products. After the contraction recorded in 2023, imports of goods and services are forecast to recover, reflecting the parallel rebound in the developments of the components of domestic demand and exports, respectively. The annual pace of imports is forecast to marginally outpace that of exports, which points to a resumption of the negative contribution to GDP growth of net exports starting this year.

## 2. Financial Position and Performance

The simplified interim condensed separate financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and applying the provisions of Rule 39/2015 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards ("IFRS"), applicable to entities authorized, regulated and supervised by the ASF. Within the meaning of Rule 39/2015, IFRS are the standards adopted in accordance with the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards, as amended and supplemented.

The condensed interim condensed separate financial statements for the six-month period ended June 30, 2024 have not been audited.

In the first half of 2024, the Company's financial position recorded a significant increase of 22% and a record total assets of RON 3.6 billion as of June 30, 2024, on the back of the appreciation of portfolio equities.

The net result achieved in this period, including net profit and net gain on the sale of financial assets classified at fair value through other comprehensive income (FVTOCI), was RON 249.97 million, 2.6 times higher than the budgeted level for the full year 2024.

### 2.1. Comprehensive income. Management Expenses. Financial position.

#### ➤ Individual statement of comprehensive income:

| (lei)  | 2022<br>(audited)    | H1 2023<br>(unaudited) | 2023<br>(audited)  | H1 2024<br>(unaudited) |
|--|----------------------|------------------------|--------------------|------------------------|
| <b>Income and gains/(losses)</b>   |                      |                        |                    |                        |
| Gross dividend income  | 120,777,371          | 32,948,168             | 143,419,181        | 102,933,713            |
| Interest revenue   | 7,087,713            | 3,681,078              | 9,909,187          | 11,536,768             |
| Other operating income   | 1,607,660            | 510,418                | 1,163,202          | 323,641                |
| Net gain/ (net loss) on financial assets at fair value through profit or loss (FVTPL)            | (474,436)            | 11,398,289             | 39,332,779         | 42,512,984             |
| Net gain on the sale of non-financial assets   | -                    | -                      | 5,490              | 85,973                 |
| Net gain on the revaluation of real-estate investments   | 798,078              | -                      | 37,290             | -                      |
| <b>Expenses</b>  |                      |                        |                    |                        |
| Loss reversal on financial assets impairment   | 2,332,072            | 19,645                 | 100,129            | 58,074                 |
| Loss reversal on non-financial assets impairment   | 671                  | -                      | -                  | -                      |
| Reversal of provisions for risks and charges   | 117,190              | -                      | -                  | -                      |
| Expenses with wages, remunerations and other similar expenses                                    | (28,773,429)         | (9,839,136)            | (37,100,983)       | (11,105,115)           |
| Other operating expenses   | (11,660,747)         | (6,499,583)            | (13,553,289)       | (6,169,996)            |
| Operating profit   | 91,812,143           | 32,218,879             | 143,312,986        | 140,176,042            |
| Financing expenses   | (95,436)             | (1,679,734)            | (4,084,887)        | (2,293,746)            |
| Profit before tax  | 91,716,707           | 30,539,145             | 139,228,099        | 137,882,296            |
| Income tax   | (8,863,072)          | (4,303,104)            | (14,494,674)       | (15,358,194)           |
| <b>Net profit</b>  | <b>82,853,635</b>    | <b>26,236,041</b>      | <b>124,733,425</b> | <b>122,524,102</b>     |
| <b>Other comprehensive income elements</b>   |                      |                        |                    |                        |
| Increase of reserve from the revaluation of property, plant and equipment, net of deferred tax   | 806,957              | 18,569                 | 1,530,984          | -                      |
| Net gain/(net loss) on the revaluation of FVTOCI assets  | (168,168,297)        | 99,950,154             | 414,997,141        | 432,391,643            |
| Other comprehensive income – elements that will not be reclassified in profit or loss            | (167,361,340)        | 99,968,723             | 416,528,125        | 432,391,643            |
| Net gain/ (net loss) on the revaluation of FVTOCI bonds  | (105,304)            | (146,945)              | (185,969)          | 58,962                 |
| Other elements of comprehensive income- elements that will be reclassified in profit or loss     | (105,304)            | (146,945)              | (185,969)          | 58,962                 |
| <b>Other elements of comprehensive income - Total</b>  | <b>(167,466,644)</b> | <b>99,821,778</b>      | <b>416,342,156</b> | <b>432,450,605</b>     |
| <b>Total comprehensive income</b>  | <b>(84,613,009)</b>  | <b>126,057,819</b>     | <b>541,075,581</b> | <b>554,974,707</b>     |
| Basic and diluted earnings per share (net profit / share)  | 0.0874               | 0.0287                 | 0.1365             | 0.1357                 |
| Basic and diluted earnings per share (including net gain on the sale of FVTOCI financial assets) | 0.1244               | 0.0523                 | 0.2230             | 0.2768                 |



In the first half of 2024, the Company registered a net profit of 122.52 million lei, significantly higher than in the same period of the previous year, which amounted to RON 26.24 million. The increase was due both to a significantly higher level of dividend income recorded in the first six months of 2024, mainly the dividend from Banca Transilvania and the special dividend from BRD - Groupe Société Générale, and to the increase in FVTPL's gain on financial assets due to the appreciation in the value of the fund units.

Comprehensive income was also significantly influenced by the net gain on revaluation of financial assets at fair value through other comprehensive income (FVTOCI), amounting to RON 432.39 million, generated by the increase in the prices of listed shares in the portfolio.

According to IFRS 9 "Financial Instruments", in case of shares in the portfolio, depending on their classification, gain or loss from sale are reflected either in profit or in loss (in case of FVTPL financial assets), or directly in retained earnings (in case of FVTOCI financial assets).

Consequently, EVERGENT Investments considers net result as an indicator of the Company's performance, including net profit and net gain from the sale of FVTOCI financial assets:

| (lei)   | 2022<br>(audited) | H1 2023<br>(unaudited) | 2023<br>(audited) | H1 2024<br>(audited) |
|---|-------------------|------------------------|-------------------|----------------------|
| Net profit  | 82,853,635        | 26,236,041             | 124,733,425       | 122,524,102          |
| <b>Gain related to the sale of FVTOCI* financial assets, net of tax, reflected in retained earnings</b> | 35,081,104        | 21,504,320             | 79,023,327        | 127,449,210          |
| Net result (including Gain on the sale of FVTOCI financial assets)                                      | 117,934,739       | 47,740,361             | 203,756,752       | 249,973,312          |

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

The gain on the sale of FVTOCI financial assets in the amount of 127.45 million lei, reflected in the retained earnings, was significantly higher than that recorded in the first half of the previous year, on the back of sales made in the context of rising stock prices.

#### ➤ Management Expenses

The monthly average percentage of management expenses represents 0.07%, of total assets.

The monthly average percentage of management expenses represents 0.07% of total assets value, being lower than the average commissions paid to fund managers in Romania (0.15% - 0.32%).

#### Structure of Management Expenses

|   |                   |
|---|-------------------|
| <b>Management Expenses (lei)</b>                              | <b>14,301,010</b> |
| Expenses with wages, indemnities and similar, of which:       | 11,181,815        |
| - wages and indemnities                                       | 10,870,455        |
| - expenses for social insurance and other social expenses     | 234,660           |
| - expenses for professional training                          | 76,700            |
| Expenses for outsourced services and other operating expenses | 2,825,313         |
| Expense for energy and water                                  | 221,492           |
| Expenses for fuel and materials                               | 72,390            |

Management expenses include expenses directly connected to the carrying out of the Company's current activity. In management expenses, the main weight, of 78%, is held by expenses with wages, indemnities and similar that includes wages, indemnities, expenses for social insurance and professional training, without the participation of directors, executive managers and employees to the benefits plan, if the case be. For more details on the expenses with wages, indemnities and other similar expenses, divided on fixed and variable expenses, see explanatory note 7 to the Condensed Separate Financial Statements on June 30, 2024.

Expenses for outsourced services and other operating expenses represent 20% of total management

expenses and mainly include services for the monitoring of companies in the portfolio, consultancy, management of spaces and archive, insurance, post expenses and subscriptions, rents, royalties, concession taxes, travel, expenses for maintenance and repairs, other operating expenses.

➤ Individual Statement of Financial Position:

| (lei)  | December 31,<br>2022 (audited) | June 30, 2023<br>(unaudited) | December 31,<br>2023 (audited) | June 30, 2024<br>(unaudited) |
|--|--------------------------------|------------------------------|--------------------------------|------------------------------|
| <b>Assets</b>  |                                |                              |                                |                              |
| Cash and current accounts  | 788,781                        | 1,301,763                    | 1,024,388                      | 1,657,538                    |
| Bank deposits with initial maturity within 3 months  | 104,971,764                    | 51,984,252                   | 299,408,624                    | 244,560,823                  |
| Bank deposits with initial maturity over 3 months  | -                              | 10,340,300                   | 10,724,880                     | 205,508,507                  |
| Financial assets at fair value through profit or loss  | 333,619,756                    | 324,310,369                  | 347,807,747                    | 414,195,732                  |
| Financial assets at fair value through other comprehensive income                                  | 1,875,688,529                  | 2,080,328,258                | 2,240,394,284                  | 2,704,130,842                |
| Bonds at fair value through other comprehensive income   | 3,982,047                      | 3,963,426                    | 3,884,483                      | 4,046,214                    |
| Bonds at amortized cost  | 17,550,535                     | 16,720,903                   | 17,555,243                     | 29,726                       |
| Other financial assets at amortized cost   | 9,869,910                      | 4,877,649                    | 6,418,790                      | 8,679,649                    |
| Other assets   | 497,055                        | 605,703                      | 515,601                        | 426,473                      |
| Fixed assets held for sale   | -                              | 212,738                      | 212,738                        | -                            |
| Investment property  | 4,284,448                      | 4,071,710                    | 4,109,000                      | -                            |
| Plant, property and equipment  | 9,282,127                      | 9,005,516                    | 10,435,507                     | 7,841,729                    |
| Right-of-use assets  | 3,474,536                      | 3,040,945                    | 3,320,774                      | 2,876,035                    |
| Intangible assets  | 412,375                        | 444,971                      | 402,983                        | 532,443                      |
| <b>Total assets</b>  | <b>2,364,421,863</b>           | <b>2,511,208,503</b>         | <b>2,946,215,042</b>           | <b>3,594,485,711</b>         |
| <b>Liabilities</b>   |                                |                              |                                |                              |
| Loans  | -                              | 95,627,836                   | 63,674,421                     | 145,748,192                  |
| Lease liabilities  | 3,456,939                      | 3,058,477                    | 3,303,893                      | 2,906,733                    |
| Dividends payable  | 42,633,808                     | 54,467,644                   | 49,950,267                     | 65,320,949                   |
| Current income tax liabilities   | 5,370,896                      | 3,334,643                    | 7,410,272                      | 16,342,675                   |
| Financial liabilities at amortised cost  | 2,871,103                      | 700,740                      | 1,267,195                      | 22,137,095                   |
| Other liabilities  | 4,154,999                      | 4,723,696                    | 6,144,422                      | 5,170,734                    |
| Provisions for risks and charges   | 1,632,553                      | 1,632,553                    | 1,632,553                      | 1,632,553                    |
| Deferred tax liabilities   | 89,669,402                     | 104,652,052                  | 149,977,380                    | 206,140,199                  |
| <b>Total liabilities</b>   | <b>149,789,700</b>             | <b>268,197,641</b>           | <b>283,360,403</b>             | <b>465,399,130</b>           |
| <b>Equity</b>  |                                |                              |                                |                              |
| Share capital  | 499,988,637                    | 499,988,637                  | 499,988,637                    | 499,988,637                  |
| Retained earnings  | 1,018,427,444                  | 997,572,538                  | 1,153,588,929                  | 1,343,181,032                |
| Reserves from the revaluation of property, plant and equipment                                     | 9,774,793                      | 9,793,362                    | 11,305,777                     | 92,781                       |
| Reserves from the revaluation of financial assets at fair value through other comprehensive income | 699,891,438                    | 778,190,327                  | 1,035,679,283                  | 1,340,680,678                |
| Treasury shares  | (38,991,230)                   | (56,514,937)                 | (66,642,400)                   | (74,217,111)                 |
| Equity-based payments to employees, directors and administrators                                   | 20,765,780                     | 9,905,947                    | 24,881,378                     | 14,975,431                   |
| Other equity elements  | 4,775,301                      | 4,074,988                    | 4,053,035                      | 4,385,133                    |
| <b>Total equity</b>  | <b>2,214,632,163</b>           | <b>2,243,010,862</b>         | <b>2,662,854,639</b>           | <b>3,129,086,581</b>         |
| <b>Total liabilities and equity</b>  | <b>2,364,421,863</b>           | <b>2,511,208,503</b>         | <b>2,946,215,042</b>           | <b>3,594,485,711</b>         |

As of June 30, 2024, the value of the Company's total assets reached a new all-time high of RON 3.6 billion, up 22% from the previous year-end level. This significant increase in assets is mainly reflected in the increase in the value of FVTOCI financial assets, driven by the favourable trend in the value of listed equities in the portfolio classified in this category.

The increase in total liabilities was mostly driven by the increase in bank borrowings through the use of the new multi-product credit facility contracted from BCR for the acquisition of listed shares, the increase in deferred tax liabilities related to the FVTOCI financial assets revaluation reserve, correlated with the increase in this reserve in 2024, and the increase in liabilities related to dividends payable.

At the Ordinary General Shareholders' Meeting on April 29, 2024, the Company's shareholders approved the distribution of a gross dividend of RON 1.09/share (total RON 81.69 million), corresponding to the statutory result for the financial year 2023, composed of the net profit and the net gain reflected in the retained result from the sale of FVTOCI equity instruments, the dividend payment date being June 12, 2024.

## 2.2. Performance indicators

|                                      | 2022   | H1 2023 | 2023   | H1 2024 |
|--------------------------------------|--------|---------|--------|---------|
| Current liquidity indicator          | 3.5    | 1.5     | 4.5    | 3.0     |
| Rotation speed of debits-clients     | 21     | 27      | 15     | 9       |
| Rotation speed of intangible assets  | 0.07   | 0.02    | 0,09   | 0,06    |
| Net profit per share (lei/share)     | 0.0874 | 0.0287  | 0.1365 | 0.1357  |
| Earnings per basic share (lei/share) | 0.1244 | 0.0523  | 0.2230 | 0.2768  |

### Specifications:

- ✓ Current liquidity indicator = current assets/ current liabilities
- ✓ Rotation speed of debits-clients = average balance of claims/turnover x number of days corresponding to the reporting period
- ✓ Rotation speed of non-current assets = revenue from current activity/non-current assets
- ✓ Earnings per basic share (lei/share) = (net profit/(net loss)+gain from the transfer of FVTOCI assets/ no. of shares

*Note: (1) Turnover includes revenue from dividends, interest, other operating revenue and net gain from financial assets at fair value through profit or loss*

*(2) Earning per share, namely net profit per share have been calculated using the average number of shares in circulation (e.g. less treasury shares bought-back by the Company).*

## 2.3. 2023 Budget Achievement Degree

| million lei   | Budgeted 2024 | Achieved H1 2024 | Achievement degree<br>H1 2024 (%) |
|---|---------------|------------------|-----------------------------------|
| Total income  | 119.70        | 157.54           | 132                               |
| Financial income  | 119.53        | 157.04           | 131                               |
| • dividend income                                       | 108.18        | 102.93           | 95                                |
| • income from bank deposits and bonds                   | 11.35         | 11.54            | 102                               |
| • gain on FVTPL financial assets                        | -             | 42.51            | n/a                               |
| • other financial income                                | -             | 0.06             | n/a                               |
| Other operating income                                  | 0.17          | 0.50             | 288                               |
| • income from rent and connected activities             | 0.17          | 0.33             | 190                               |
| • other income from current activity                    | -             | 0.17             | n/a                               |
| Total expenses  | (96.51)       | (19.66)          | 20                                |
| Financial expenses                                      | (44.18)       | (2.88)           | 7                                 |
| • loss on FVTPL assets                                  | (32.73)       | -                | -                                 |
| • expenses related to bank transactions and commissions | (0.75)        | (0.50)           | 67                                |
| • net expenses with currency rate differences           | (2.92)        | (0.09)           | 3                                 |
| • other financial expenses                              | (7.78)        | (2.29)           | 29                                |
| Current activities expenses                             | (52.33)       | (16.78)          | 32                                |
| Gross profit  | 23.19         | 137.88           | 595                               |
| Income tax  | (7.96)        | (15.36)          | 193                               |
| Net profit  | 15.23         | 122.52           | 805                               |
| Net gain on the sale of FVTOCI assets                   | 80.66         | 127.45           | 158                               |
| Net result  | 95.89         | 249.97           | 261                               |

The net result realized in the first half of 2024 amounted to 249.97 million lei, 2.6 times higher than the budgeted level for the full year 2024.

Realized net profit was well above the budgeted level for 2024, mainly due to the net gain on revaluation of fund units classified at fair value through profit or loss (FVTPL) recorded during the period, compared to a loss cautiously forecast for 2024, given the international geopolitical context and the possibility of a recession.

Current activity expenditure in the first semester is 32% of the budgeted level for the full year 2024.

Net gain on the sale of FVTOCI assets exceeded by 58% the budgeted level for 2024 due to the sales made given the rising stock prices in the first half of the current year.

### 3. Risk Management

EVERGENT Investments sets and permanently maintains operational the risk management position that is hierarchically and functionally independent from the activities generating risk exposure and has access all relevant information necessary to fulfil its attributions and responsibilities.

FSA authorized risk managers:  
 Sonia Fechet – FSA Reg. no. PFR13<sup>2</sup>FARA/040050  
 Elena Rebei – FSA Reg. no. PFR13<sup>2</sup>FARA/040049

One of the main components of the risk management system is the permanent risk management function. This function has a main role in defining the policy regarding risk management and monitoring in the company, in order to ensure the permanent compliance of the risk level with the company's risk profile.

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

#### 3.1. Risk Management Policy

EVERGENT Investments sets, implements and maintains an adequate and formalized risk management policy that:

- Identifies all relevant risks that it is or could be exposed to;
- Includes the necessary procedures to allow the company to assess the exposure to relevant risks that it is or could be exposed

The objectives of the risk management policy are the prudent management of risks in order to prevent the impact of internal and external factors on the activity of the company, preventing it from reaching its set goals, causing unplanned and uncontrolled damage, or causing other negative effects.

The efficiency of the risk management system is assessed on a quarterly basis by Executive Management, the Audit Committee and Board of Directors and is carried out in compliance with the provisions of art. 45 FSA Reg. no.2 /2016 on the application of corporate government principles by entities authorized, regulated and supervised by FSA modified and completed by FSA Reg. no. 9/13.08.2019.

Following the examination of the characteristics and performances of the risk management system, the Board of Directors concluded that, on June 30, 2024, it is proportional and adequate for the size, nature and complexity of current activity, insuring the coherence of controls with the risks generated by processes and efficient use of company assets.

The risk management activities during the reporting period were carried out in accordance with the Risk Management Activity Plan for the year 2024 approved by the Board of Directors.

#### 3.2. Risk Profile

The risk profile represents all exposures of EVERGENT Investments to real and potential risks. The risk profile of EVERGENT Investments on June 30, 2024 is the following:

The global risk profile undertaken by EVERGENT Investments is average, corresponding to an average risk appetite.

| Risk type                    | Undertaken risk level | Risk level on 30.06.2023 |
|------------------------------|-----------------------|--------------------------|
| Market risk                  | Average               | Average                  |
| Issuer risk                  | Average               | Average                  |
| Liquidity risk               | Low                   | Low                      |
| Credit and counterparty risk | Average               | Average                  |
| Operational risk             | Average               | Average                  |
| Sustainability risk          | Average               | average                  |

On June 30, 2024, the risk indicators calculated for the relevant risks that EVERGENT Investment is or could be exposed to **abide by** the tolerance limits, risk appetite and profile approved by the Board of Directors.

Between 01.01.2024-30.06.2024 there has been no exceeding of the risk limits undertaken through the risk profile.

### 3.3. The main risks that the company is exposed to

In its activity, the Company is exposed to various types of risks that are associated to its equities portfolio (shares, fund units, bonds) especially to the portfolio of financial instruments traded on the capital market, these being the most important types of risks that it faces.

The main risks that the Company is exposed to are the following:

#### 1. Market Risk

Most of the company's assets are subject to market risk, defined as a potential of their market value to change.

We distinguish between three types of very different market risks:

- Price risk derives from market movements, assets exposed to it being financial assets such as shares and holding titles in open or closed investment funds. Price risk is a relevant risk for EVERGENT Investments.
- Currency risk describes the risk that the value of financial and monetary instruments and debt instruments denominated in currencies other than the leu will change due to changes in exchange rates. Currency risk is a relevant risk for EVERGENT Investments.
- Interest rate risk refers to the possibility that financial or monetary instruments and bank loans with variable interest suffer following unexpected changes of interest rate. The interest rate risk is a relevant risk for EVERGENT Investments.

The main objective of market risk management, as part of the independent risk management function is to make sure that the business function optimizes the risk/reward relationship and does not expose EVERGENT Investments to unacceptable losses that do not correspond to the risk appetite.

To achieve this objective, market risk management defines and implements a framework that systematically identifies, assesses, monitors and reports market risk so that senior management can make timely and effective decisions on how to manage and mitigate it. The Risk Management department identifies market risks by actively analysing the portfolio, new investment proposals and loan proposals.

## 2. Liquidity Risk

Liquidity risk is the risk stemming from a potential incapacity to fulfil all payment obligations when these become due, or to fulfil them without excessive costs.

Liquidity risk is a relevant risk for the company, although the closed-ended structure of the Fund (which does not provide for continuous redemption obligations, as is the case for fund units) results in relatively low prudential requirements with respect to liquidity. Managing the liquidity risk profile during the reporting period was an important factor in maintaining adequate liquidity.

The liquidity risk management framework is designed to identify, measure and manage the liquidity risk position. Risk Management is responsible for the internal monitoring and reporting of liquidity risk indicators. The liquidity management function ensures active liquidity management, taking into account the investment policy, the liquidity risk profile and the company's underlying obligations.

Liquidity reserves comprise available cash and cash equivalents and highly liquid securities. The volume of liquidity reserves is continuously monitored and reported.

## 3. Issuer Risk

Issuer risk arises from exposures to equities held in portfolio entities and represents the current or future risk of loss of value of a portfolio security as a result of a deterioration in its financial condition, whether due to business conditions (failure or mismatch of its internal activities according to its business plan) or due to external events, trends and changes that could not be recognized and prevented by the control system. Issuer risk is a relevant risk for the company.

The issuer risk management framework is designed to identify, measure and manage the issuer risk position. Risk Management is responsible for the internal monitoring and reporting of issuer risk. The portfolio management function ensures an appropriate framework for managing and monitoring the issuers in the portfolio.

## 4. Credit and Counterparty Risk

Counterparty risk is a risk associated with credit risk. Credit risk is the risk of financial loss to the firm arising from the uncertainty of the ability, ability or willingness of counterparties to fulfil their contractual obligations. Counterparty risk is the risk that a counterparty in a transaction will breach its contractual obligations before final settlement of the cash flows related to the transaction. Credit and counterparty risk is a risk relevant to the company.

The credit and counterparty risk management framework is designed to identify, measure and manage the credit and counterparty risk position. Risk Management is responsible for internal monitoring and reporting of credit and counterparty risk. The portfolio management function and the liquidity management function ensure an adequate framework for managing and monitoring portfolio assets exposed to credit and counterparty risk.

## 5. Operational Risk

Operational risk is the risk of loss resulting from inadequate or faulty internal processes, people or systems or from external events. Given that operational risks arise from all operations carried out within the company, they are relevant risks for the company.

The day-to-day management of operational risk is the responsibility of all areas of the company. The risk management function manages a consistent application of the operational risk management framework throughout the company. Through our annual operational risk self-assessment model, we aim to maintain strict monitoring and high awareness of operational risks.

In order to comply with the requirements of ASF Rule 4/2018, information technology (IT) risk is treated separately in the operational risk self-assessment process. According to the self-assessment carried out on 31.12.2022, the level of residual operational risk generated by IT systems is maintained in the medium risk category, falling within the requirements of ASF Rule 4/2018. The result of the internal IT operational risk assessment is communicated annually to FSA.

At the same time, the money laundering and terrorist financing (ML/TF) risk is also assessed in a separate process (ML/TF) is assessed within a separate process.

Other subcategories of operational risks include legal risk, vocational liability risk, compliance risk, model risk, risk related to outsourced activities.

## 6. Sustainability Risk

The risk related to sustainability means an environment, social or governance event or condition that if manifested, could cause a significant negative, actual or potential effect on the assets, profitability or balance status or on the fund's reputation.

Sustainability risk may manifest itself as its own risk or it may have an impact on and contribute significantly to other categories of risks, such as market risk, liquidity risk, credit and counterparty risk, issuer risk or operational risk. Sustainability risk is a relevant risk for the company.

Sustainability risk management is performed by the department with risk management function according to the specific sustainability risk procedure, by setting appropriate limits and monitoring compliance with the assumed limits. The level of ESG risk at company level is medium, resulting from the annual internal self-assessment carried out as of June 30, 2024.

At the asset portfolio level, sustainability risks are managed and mitigated by the organizational structures with a portfolio management function, by integrating sustainability risks into the investment decision-making process, based on specific strategies.

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

The legal holding limits for the assets in the Fund's portfolio are defined in the applicable legislation, namely Law no.243/2019, Law no.24/2017 and Law no.126/2018.

As of June 30, 2024, the assets in the portfolio **abide by** the legal prudential limits. During the period 01.01.2024-30.06.2024, there were no exceeding of the legal prudential limits.

Exposures over 10% on instruments issued by the same issuer are recorded for Banca Transilvania SA and OMV Petrom, which are closely monitored through daily holdings monitoring mechanisms. These holdings together represent an exposure of 55.51% of total assets, without exceeding the maximum limit of 80% of total assets.

8. Other risks: regulatory risk, systemic risk, strategic risk, reputational risk, risk of a conflict of interest, risk associated with the activities of the Company's subsidiaries.

### 3.4. Value of assets under management and leverage

On June 30, 2024, net assets amount to RON 3,126,600,841. The company's policy allows the use of leverage up to twice the net asset value.

The portfolio includes assets acquired through the use of leverage, i.e. quoted shares that have been purchased with bank loans. The level of leverage determined by the two methods established by the regulations in force is shown in the following table.

| Method type       | Exposure value (lei) | Leverage            | Internal limit leverage value |
|-------------------|----------------------|---------------------|-------------------------------|
| Gross method      | 3,246,960,836        | 1.0385 (or 103.85%) | 2                             |
| Engagement method | 3,272,349,033        | 1.0466 (or 104.66%) |                               |

In the first half of 2024 there has been no exceeding of leverage, no *financing operations through financial instruments* (SFT) and no transactions of *total return swap* (TRS) type, as defined in (EU) Regulation no. 2365/2015.

### 3.5. Crisis Simulations

Stress testing and scenario analysis play an important role in the risk management framework.

According to the Risk Management Policy, stress tests are carried out at least once a year and on an ad hoc basis, taking into account the investment policy, risk profile and dividend policy. The reference date for conducting the annual stress tests is March 31 of each year. The Company has developed the annual stress test for the reference date March 31, 2024, in accordance with Art. 15(3)(b) of Directive 2011/61/EU and Art. 16(1), second subparagraph of Directive 2011/61/EU in conjunction with Art. 2 of ASF Rule No. 39/2020.

The simulation ran extreme shock scenarios on the assets and separately on the liabilities of the Fund, as well as combined scenarios on both assets and liabilities to determine the overall effect on the value of the assets and on the liquidity of the Fund.

The stress tests reconfirm that the Fund's key elements allow it to remain sufficiently liquid to meet its payment obligations under normal and stressed circumstances.



## 4. EVER Share

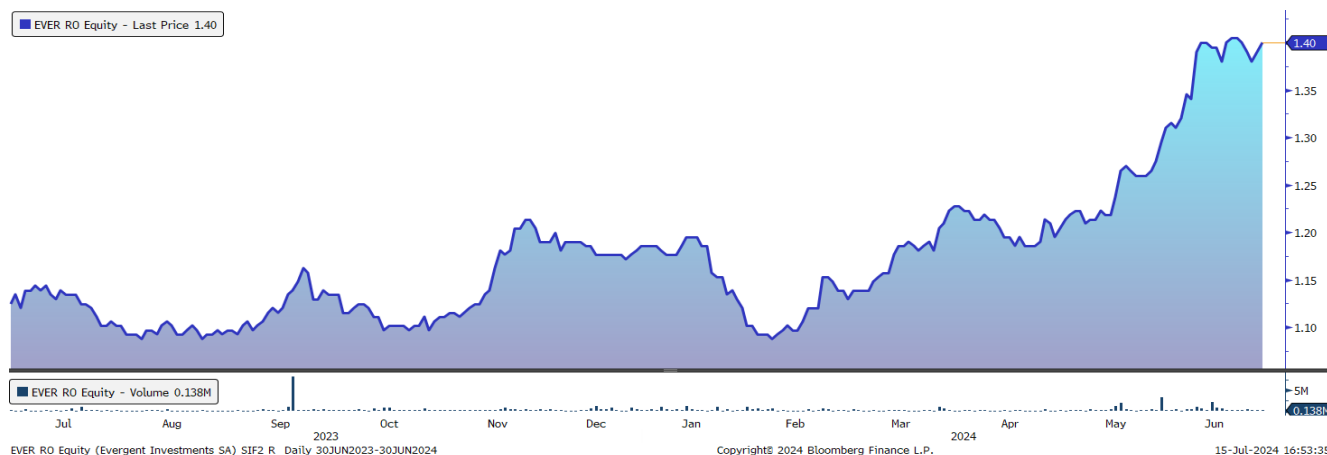
Number of shares: 961,753,592  
 Nominal value: 0.1 lei  
 Share capital: 96,175,359.2 lei  
 Capitalization (30.06.2024): 1,346,455,029 lei  
 (270 million euro)  
 Price: 1.4 lei, EPS\*: 0.2118 lei; PER\*:6.61; DY: 6.42%

\* Note: The EPS and PER indicators have been calculated taking into account the net result in the amount of RON 203.75 million, composed of RON 124.73 million net profit and RON 79.02 million net gain on sale of assets reflected in retained earnings - accounting treatment under IFRS 9.

The market on which EVER share is traded: Bucharest Stock Exchange, Premium category, since 01.11.1999. It is traded under the EVER, symbol since March 28, 2021.

The register of shares and shareholders is kept, in accordance with the law, by Depozitarul Central SA.

EVER share evolution between 30.06.2023 – 30.06.2024



Yields: EVER share, EVER NAVPS, BET-FI

| Yields, June 2024 (%) | EVER share | BET-FI | EVER NAVPS |
|-----------------------|------------|--------|------------|
| 1 month               | 6.87       | -0.28  | 5.11       |
| 3 months              | 6.46       | -3.30  | 7.85       |
| 6 months              | 10.24      | -0.91  | 17.8       |
| 12 months             | 16.18      | 20.15  | 41.30      |

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

| Indicator                  | EVER share | BET-FI |
|----------------------------|------------|--------|
| Annualized volatility (%)* | 13.81      | 10.65  |
| Beta**                     | 0.39       | 1.00   |

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

\* Volatility (12L) = annualized volatility

\*\* Beta = price sensitivity to market movements

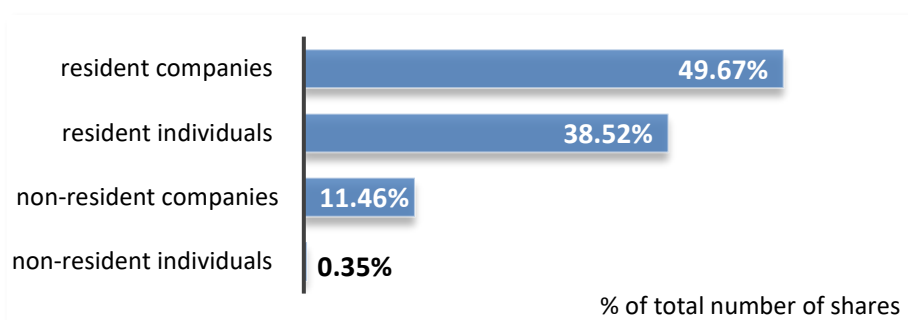
Starting July 26, 2021, EVERGENT Investments SA benefits from the Market Maker services of Raiffeisen Centrobank AG, in order to increase the liquidity of EVER shares.

#### 4.1. Dividend Policy

EVERGENT Investments aims to offer its shareholders a dividend yield competitive in the capital markets. Through the optimal mix of predictable dividend policy and buyback programs, the Company returns value to shareholders in both the long and short term.

The dividend payout ratios of recent years demonstrate both the predictability of paying dividends to shareholders on a consistent basis and the strength of the company's cash flows, both of which underline a strong financial position in the industry.

Shareholding structure – on June 30, 2024 – Number of shareholders: 5,739,100



#### Dividend payment

| Dividend payments on 30.06.2024 (lei/share) | 2021 dividend | 2022 dividend | 2023 dividend |
|---|---------------|---------------|---------------|
|   | 0.065         | 0.09          | 0.09          |
| Total to pay (lei)                          | 62,052,983    | 82,695,517    | 81,694,796    |
| Total paid (lei)                            | 46,187,338    | 60,730,519    | 55,539,820    |

The General Meeting of Shareholders on April 29, 2024 approved a gross dividend of RON 0.09/share for shareholders of record on May 22, 2024. The payment date was set for June 12, 2024.

Dividends for the year 2020, undivided until June 11, 2024, in the total amount of 10,100,591.58 lei, have been prescribed by law and according to resolution no. 7 of the EVERGENT Investments OGMS of April 29, 202.

#### 4.2. Share buyback

In accordance with the resolution of the extraordinary general meeting of EVERGENT Investments no. 2 on April 27, 2023, between 08.01.2024 – 19.01.2024 we ran the public offering of treasury shares for a number of 10,000,000 shares, for a purchase price of 1.45 lei/share, in order to lower the share capital through share annulment.

The offer was a success in terms of the interest shown by investors, with an allocation ratio of 0.0409086221. The number of securities tendered in the offer was 244,447,246 shares, representing 25.42% of the share capital. The number of shares purchased in the offer was 10,000,000, representing 1.0398% of the share capital. The total amount of shares purchased was 14,500,000 lei.

The extraordinary general meeting of shareholders of EVERGENT Investments adopted Resolution no. 3 on April 29, 2024, through which:

It approves the buyback programs for treasury shares – “Programs 10, 11 and 12” abiding by applicable legal provisions and with the following main characteristics:

- a) Program purpose: EVERGENT Investments shall buy-back shares in order to run “stock option plan” “type programs, and to lower the share capital through share annulment.
- b) The number of shares that may be repurchased and the percentage of the share capital as will result after the reduction of the share capital in accordance with item 2 on the agenda of EGMS:
  - (i) maxim 12,500,000 shares through market operations (1.3751% of share capital) to be distributed to employees, managers and directors of the Company through “stock option plan” type programs (Program 10);
  - (ii) maximum 18,200,000 shares (1.0010% of the share capital) through public offering, for the purpose of lowering the share capital through share annulment (Program 11);
  - (iii) maximum 9.100.000 shares (2.0021% of the share capital) through market operations, for the purpose of lowering the share capital through share annulment (Program 12).
- c) Minimum price per share: the minimum purchase price will be the BVB market price at the time of purchase.
- 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) The payment for the bought back shares will be made from the distributable profit or from the available reserves of the Company, recorded in the last approved annual financial statement, with the exception of the legal reserves recorded in the 2023 financial statements, in accordance with the provisions of Article 103, index 1 of Companies' Law no. 31/1990.

Authorizes the Board of Directors and, individually, its members to adopt all necessary decisions in order to carry out the resolution, including the completion of all steps and formalities for the implementation of the programs, the application of allocation criteria, the determination of beneficiaries and the number of rights/options to acquire shares, the period of exercise of rights, the preparation and publication of information documents in accordance with the law.

The share buy-back program no. 10, approved by the resolution of the Extraordinary General Meeting of EVERGENT Investments' shareholders no. 3 of April 29, 2024, was initiated according to the Decision of the Board of Directors dated June 7, 2024, the characteristics of the Program being as follows:

- Period: 10.06.2024 – 15.11.2024.
- number of shares: maximum 12,500,000 shares.
- Daily volume: maximum 25% of the average daily volume of shares traded on the BVB, calculated on the basis of the average daily volume recorded in May 2024, in accordance with Article 3 (3) (b) of Delegated Regulation EU 2016/1052.
- Price: the minimum purchase price shall be the BVB market price from the time the purchase is made, maximum price– 2 lei/share, in accordance with EGMS resolution no. 3 on April 29, 2024.
- Program purpose: the Company shall buy-back shares in order to distribute them to the employees, managers and directors of the Company through “stock option plan” type programs – Program no. 10.
- Broker: BT CAPITAL PARTNERS.

## 5. Internal Audit

The internal audit function is separate and independent from the other functions and activities of EVERGENT Investments. The Internal Audit Department is subordinate to the Board of Directors.

Internal Auditors notified to ASF: Virginia Sofian, Gabriela Stelea, Rodica Grințescu

Internal audit is an independent activity of objective assurance and counselling, with the purpose of adding value and improving the company's operations. It helps the company fulfil its objectives through a systematic and methodical approach that evaluates and improves the efficiency of the risk management, control and governance processes.

The internal audit activity is carried out by the Internal Audit department, which is subordinated to the Board of Directors and administratively to the CEO. Its position in the organizational chart ensures direct access and reporting to the Audit Committee and the Board of Directors, as well as the necessary independence to carry out internal audit activity in order to assess the objectives, the effectiveness of processes/operations and to make recommendations for their improvement.

Internal audit is exercised as follows:

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

The internal audit function:

- ✓ sets, implements and maintains an audit plan for the examination and evaluation of the adequacy and efficiency of internal control systems and mechanisms and procedures of EVERGENT Investments;
- ✓ issues recommendations based on the results of the activities carried out;
- ✓ verifies the abidance by issued recommendations;
- ✓ reports aspects connected to internal audit.

Internal audit activity is carried out in compliance with the International Standards for professional practice of internal audit (IAI), its compliance being supported by the results of the quality assurance and improvement program which includes internal and external assessments.

Once every 5 years the internal audit activity is evaluated by an independent qualified auditor. The last external evaluation was at the end of 2019, and the opinion of the financial auditor was that the internal audit function is in general compliant with IAI standards for the professional practice of internal audit, that is the highest rating offered by IAI and IAI Ethics Code, as well as the approved Charter of the Internal audit, applicable policies, procedures and regulations.

The internal audit activity maintains a multiannual plan that includes, on a time horizon of about 3 years, all activities and processes that can be audited in EVERGENT Investments SA. The internal audit missions included in the Multiannual Plan are defined and selected based on the analysis of risks associated to auditable activities, for the purpose of prioritizing the internal audit missions on the forecast horizon. The internal audit plan is assessed on an annual basis and is in agreement with the objectives of the company.

The internal audit plan and resources necessary are endorsed by the Audit Committee and approved

by the Board of Directors. At the same time, significant modifications occurred at a later time are submitted for endorsement and approval. The plan is revised and adapted, if necessary, as an answer to business changes, risks, operations, programs systems and controls of the Company as well as depending on priorities set by the Board of Directors or Management.

For each audit mission a plan is prepared and documented to take the following into consideration:

- objectives of the activity that is revised and means through which it is controlled;
- significant risks related to the activity and means through which the potential impact of the risk is maintained at an acceptable level;
- adequacy and efficiency of management and control systems for activity risks, with reference to the control framework;
- opportunities for the significant improvement of management and control systems of activity risks

The plan of the mission includes objectives of the mission, coverage area, calendar and resource assignment. The objectives of the mission reflect the result of the evaluation of the risk associated to the revised activity. At the same time, on drafting the objectives of the mission the possibility of errors, irregularities, non-compliances and other significant exposures are taken into consideration.

The overall internal audit objectives for the first semester of 2024 were focused on assessing the effectiveness of the risk management system and the system of controls implemented by processes and activities.

Thus, the internal control framework of EVERGENT Investments SA is structured on three levels:

- ✓ Functions that hold and manage risks (operational management) – 1<sup>st</sup> line. Operational management is responsible for maintaining efficient internal controls and for the execution of daily control procedures;
- ✓ Risk supervision function (risk management function and compliance function) – 2<sup>nd</sup> line. The risk management function ensures the management and control of risks identified through specific assessment processes and the compliance function ensures the management of compliance risks;
- ✓ the function that ensures an independent examination of the effectiveness of the risk management, control and governance system (internal audit function) – 3<sup>rd</sup> line. The internal audit function ensures the objective and independent assessment of the risk management system, internal control system and governance and execution processes in order to support the reaching of objectives and issues recommendations to improve the efficiency of these activities.

The activities run by internal audit in the first half of 2024, based on the internal audit plan targeted:

- ✓ audit of the legal activity;
- ✓ human resource audit;
- ✓ audit of regular and current reports;
- ✓ audit of the trading activity;
- ✓ audit of the activity of subsidiary Mecanica Ceahlău SA;
- ✓ audit of the financial –accounting activity – partial run;
- ✓ follow-up of progress registered in the implementation of internal audit recommendation, under monitoring;
- ✓ verification of compliance issues at the request of the Board of directors;
- ✓ participation in committees/working groups nominated by the Board of Directors or Directors for the implementation of projects/activities.

In addition to the activities presented, other non-audit activities were carried out, including:

- ✓ strategic and annual planning of internal audit activity;
- ✓ internal audit activity reporting;
- ✓ monitoring and reporting on the insurance and improvement program of the quality of internal audit activity;
- ✓ reporting on the implementation status of recommendations submitted by the internal auditor, IT system auditor and Audit Committee;
- ✓ administrative activities.

Adequate measures have been implemented to maintain risks at an acceptable level.

Internal auditors report directly to the Audit Committee and Board of Directors, their ascertainment and proposals regarding the significant improvement of internal controls.

As a result of the assurance engagements carried out during the reporting period, internal audit made recommendations for process improvements. Based on the findings and recommendations made by the internal audit, the executive management of EVERGENT Investments and the management of the subsidiaries have taken appropriate measures to manage the identified risks.

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

At the same time, internal auditors reported to directors, the Audit Committee and Board of Directors regarding the scope, authority, responsibility and performance of the internal audit activity with respect to its plan and its compliance with the Ethics Code and standards. Reports include significant aspects regarding risks and control, aspects connected to governance and other aspects that require the attention of executive management and/or Board of Directors.

Internal auditors followed the progresses registered by the implementation of recommendations and report to executive management regarding the abidance by the deadlines set for implementation. At the same time, internal auditors followed up the setting of measures by the audited structures for the implementation of recommendations.

There have been no situations when the management decided not to take any measures to reduce the risks considered as unacceptable for the Company.

## 6. Compliance Department

EVERGENT Investments sets up and maintains a permanent and efficient compliance verification function that is independent and has the following responsibilities.

periodically monitors and evaluates the adequacy and efficiency of measures, policies set according to applicable regulations and actions taken to remedy deficiencies regarding the company's abidance by its obligations.

regularly monitors and verifies the application of legal provisions applicable to EVERGENT Investments' activities, internal regulations and procedures and acts in accordance with its competencies to prevent and suggest measures to remedy any infringement of the laws, regulations in force applicable to the capital market or internal regulations and procedures of EVERGENT Investments by EVERGENT Investments or its staff; follows up the implementation of suggestions and recommendations;

counsels and assists relevant individual responsible for the carrying out of the activities in order for EVERGENT Investments to abide by its obligation based on incidental capital market legislation.

FSA authorized compliance officers:

Gabriel Lupașcu – FSA Reg. no. - PFR14RCCO/040020

The internal control activity has been carried out mainly through permanent control, with a pro-active nature, exercised through the constant supervision and monitoring of activities subjected to internal control in order to prevent the occurrence of legal or internal non-compliance, for an efficient increase of the internal control function. The main activities of the Compliance Department for semester 1 2024 are specific to EVERGENT Investments' activity as an AIFM, as defined by art. 51 of Law no. 74/2015 on Alternative Investment Fund Managers and are approved by the Board of Directors, within the Annual Investigation Plan 2024.

With the mention that all objectives set in the investigations plan have been reached, the activity of the compliance officers consisted mainly in the running of the following control actions regarding regulations related to EVERGENT Investments' activity, in the tripartite capacity of AIFM, AIF and issuer:

### 1. Status of compliance with legal norms on:

- ✓ *Alternative Investment Fund Managers*, through the „Verification of the abidance by the Assessment Policy and Procedure for individuals in the management structure and individuals covering key-positions in EVERGENT Investments SA”, including the annual verification of the adequacy of the above-mentioned personnel.
- ✓ *Financial instruments issuers*, through the verification of the convening notice, materials and information presented to shareholders in OGMS and EGMS on 29.04.2024.

### 2. Conditions underlying the authorization / approval and operating conditions set out in art.. 2, 4 and 6-10 Law no. 74/2015 (EVERGENT Investments' authorization as AIFM – FSA authorization no. 20/23.01.2018) and subsequent amendments – we continued the process of reviewing the internal procedural framework and FSA was notified regarding:

- Annual assessment of the adequacy of “Procedures and Policies for asset valuation and calculation of net asset unit value per share” and communication to investors through Current Report within the legal deadline (28.02.2023) and display on the website of the revised documents:
  - (i) *“Policies and procedures for the valuation of assets and calculation of net asset unit value per share”.*
  - (ii) *“Rules and procedures to evaluate the assets of EVERGENT Investments S.A.”.*

The release included the information that the methods for the ascertainment of assets value has not been modified.

Conclusion: *no non-compliances identified.*

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

### 4. Remuneration policies foreseen by art. 13 Law no. 74/2015

We verified the abidance:

- Remuneration policy of EVERGENT Investments, at the operation for EVER share offering, in accordance with “Share allocation plan for 2023;
- Remuneration policy on Group level within the balance GMS of subsidiaries.

Conclusion: *no non-compliances identified.*

5. Provisions of art. 14 Law no. 74/2015 on the identification, prevention, management and monitoring of situations mentioned under art. 30-37 of EU Reg. no. 231/2013 generating conflicts of interest – Potential conflict of interest situations corresponding to the type of conflicts of interest identified in the activity of EVERGENT Investments and EVERGENT Investments Group, were managed in accordance with the rules set.

They were declared and managed in accordance with regulated measures.

- Employees who are in the portfolio management departments, who substantiate the investment notes and who are directors of the company under review - non-involvement of the person with a conflict of interest in the analysis and substantiation of EVERGENT Investments investment proposals.

Conclusion: *no conflict was registered.*

6. The provisions of art. 18 Law no. 74/2015, line (1), (3)-(9), (11), (12) on the assessment of AIF assets – the net monthly asset was endorsed and the assessment method for held assets.

Conclusion: *no infringements of legal provisions were identified.*

7. The provisions of art. 19 Law no. 74/2015, regarding the delegation of collective portfolio management or risk management – *not the case.*

8. The provisions of art. 20 Law no. 74/2015, line (1)-(11) regarding the agreement between the depositary and AIFM – *not the case.*

9. The transparency and reporting obligations foreseen by art. 21 and 23 namely those regarding transparency foreseen under art. 22 Law no. 74/2015.

All mandatory reports and public releases, according to the good practices instituted through the own Corporate Governance Code, have been endorsed by the Compliance Department from the point of view of the abidance by the legal deadline and content of the report; the webpage is constantly updated in the Romanian and English language, once public information is released.

Conclusion: *Full prior verification- no non-compliances identified.*

10. Obligations pertaining to AIFM following the granting of control on unlisted companies and certain issuers foreseen by art. 25-29 Law no. 74/2015.

- a) Notifications were sent to FSA on the modification of holding thresholds – increase of the holding rate up to 10% for - mWare Solutions SA;

Conclusion: *Full prior verification – no non-compliances identified.*

11. Compliance with EU regulations (MAD, MAR) on market abuse (insider dealing, insider dealing, personal trading).

- a) The closed period prior to the announcement of the financial results was communicated to all persons with access to inside information regarding the prohibition to trade EVER shares, according to the published financial reporting calendar and the ex-post situation was verified, according to the internal procedure. Conclusion: *no non-compliances identified.*

- b) The restrictions on personal transactions with EVER shares for certain categories of persons were communicated, in accordance with the provisions of art. 55 paragraph (2) and art. 58 paragraph (6) of ASF Regulation no. 5/2018, in relation with the *public offer for purchase of EVER shares initiated by the issuer and carried out in the period from 08.01.-19.01.2024.*

Conclusions: *insider information related to the convening of the AGM and the presentation of the financial statements has been properly handled.*



12. Management of complaints regarding the activity of EVERGENT on the capital market:
  - reports were made in accordance with FSA Reg. no. 9/2015.
  - there have been no complaints registered in the first half of 2024.
13. Abidance by legal and internal provisions for the organization and carrying out of:
  - the extraordinary and ordinary general meetings of shareholders on 29.04.2024, with the certification of the abidance by these obligations. The Board of Directors approved the Report on the “*Abidance of EVERGENT Investments by the legal and internal regulations regarding GMS preparation.*”

Conclusion: *no non-compliances were identified.*
14. Verification of the abidance by Rule no. 33/2017 on the organization of the archiving activity of entities authorized / approved, regulated and supervised by FSA – currently the process of incidental and ad-hoc verification, the existence and preservation of records of documents in printed and electronic form are being verified.

Conclusion: *no non-compliances identified.*
15. Method of abiding by internal procedures – verification of the abidance by internal procedures regarded mainly:
  - a) internal compliance endorsements for investment notes, including regarding the operation for the extension of the revolving type facility, as overdraft, with a maximum value of EUR 19,200,000, for a period of 12 months cash loan, initially contracted in 2023;
  - b) work procedures , job descriptions from the point of view of the abidance by legal and internal regulations.

Conclusion: *following verifications carried out, no non-compliances were identified.*
16. Compliance of the investment of managed assets with capital market regulations, internal rules and procedures and Memorandum of Association – internal compliance visas were issued for investment notes.

Conclusion: *no infringement of legal provisions or internal regulations ascertained.*
17. Abidance by internal procedures regarding “*Supervision of the application of international sanctions on capital market*”
  - Monitoring and notification to FSA, if necessary, if the individuals targeted by the restrictive measures imposed on international level can be found in the shareholding structure of EVERGENT Investments SA or of they have any impact on the activity or on the investment strategy and policy of the Company. No such situation was identified.
  - monitoring of asfromania.ro site and issue of notifications towards the management structure and employees.
18. To inform EVERGENT Investments, the management structure and employees on the legal regime applicable to the capital market, including on the draft rules in public consultation: EU Regulation 2022/2554 on digitization (DORA), with application from 17 January 2025; GEO no. 71/2024 on amending and supplementing Law no. 24/2017; draft amendments to Law no. 24/2017 on issuers; ASF Regulation no. 1/2019; ASF Regulation no. 39/2015 for the approval of Accounting Regulations in compliance with International Financial Reporting Standards..

## 7. Legal assistance, consultancy and legal representation activity

In line with the strategic objectives and the policy adopted by the shareholders, the Legal Department coordinated by the Director has ensured that legal regulations are implemented and complied with, both by and towards the Company. We highlight a continuous concern for the defense of the Company's legitimate rights and interests in all three main segments of the Service's activity - legal assistance, legal advice and legal representation.

### 7.1. Legal Representation

The legal assistance and representation activity in the first semester of 2024 is summarized as follows (details in annex 3):

Total litigations: 271, of which pending 253 and 18 litigations finally settled.

Disputes in which EVERGENT Investments SA is claimant:

- ✓ 204 cases, of which: 193 cases are pending litigation at various stages of the procedure (of which 171 cases are in dispute with AAAS) and 11 cases are finalized.
- ✓ Amount of disputes pending before the courts: 74,813,618.14 lei (claims and insolvency proceedings).

Disputes in which EVERGENT Investments SA is respondent:

- ✓ 67 cases, of which: 60 cases are pending litigation at various stages of the procedure and 7 cases are finalized.
- ✓ Disputes concerning various claims not quantifiable in money (e.g.: judgment in lieu of authentic instrument).

The legal actions before the courts were concentrated in the sphere of civil, administrative, commercial, commercial, company and capital market law.

We highlight an important number of litigations against AAAS, a public institution which owes EVERGENT the amount of 64,363,192.2 lei as of 30.06.2024 and against which the Company has initiated several actions requesting payment of the claim and liability, both in its own name and jointly and severally with the Romanian State.

### 7.2. Legal Consultancy

The Legal Department is involved in all areas of the Company's activities and is consulted by both internal departments and Group subsidiaries. The advice mainly concerns: corporate operations, contracts, investment projects, legislative proposals, transactions.

At the end of the reporting period, the legal advice activity amounted to 36 advice files and a total of 292 legality opinions on various legal acts, such as contracts, additional acts, decisions, mandates, agreements. The service has thus achieved its objective of maintaining a high level of responses on legality opinions within the set deadlines.

We also underline the approval, at the level of the Director's activity, of 942 orders for the creation and/or termination of garnishments relating to the payment of dividends to shareholders and the corresponding reply addresses.

## 8. Corporate Governance

### 8.1. Relationship with investors

In the first six months of 2024, all transparency, information and reporting requirements and obligations have been complied with and ensured through the publication of current reports and mandatory notifications, press releases and extensive correspondence with shareholders. Additional information has been made available to shareholders, including periodic information (monthly newsletter), designed to ensure up-to-date information on the company's activity.

According to the provisions of "Corporate Governance Code", regular and continuous information was simultaneously released both in the Romanian and English language. An important component of the relationship with shareholders is the direct communication activity: written correspondence (letters, emails) and phone communication.

### 8.2. Human Resource Management

On the level of the executive special attention is paid to human resources to insure the continuity of professional training programs for the purpose of maintaining the expertise acquired over several years of specialization. Staff working in the following fields was included in the continuous training programs: investment analysis, assets assessment, accounting, audit, risk management, legal, corporate governance. The amount assigned in the reporting period for the professional training and participation to seminars and conferences in the field was 79,200 de lei.

At the end of June 2024, the company had 43 employees. In accordance with the Succession and Development Plan approved by the Board of Directors, the recruitment and selection process continues, with a time horizon of 2025-2026.

### 8.3. Involvement Policy

„Involvement policy and principles for exercising rights in portfolio companies EVERGENT Investments SA" is posted on [www.evergent.ro](http://www.evergent.ro), in accordance with the provisions of Article 101 paragraph (2) of Law no. 24/2017 on issuers of financial instruments and market operations.

EVERGENT Investments SA complies with the requirements referred to in Art. 101 of Law no. 24/2017 R on the policy of involvement in portfolio issuers, a policy subordinated to the objectives and principles established by the company's investment strategy and policy, by:

a) The Company's Corporate Governance Code, posted on the website [www.evergent.ro](http://www.evergent.ro), presents in an integrated and summarized manner, all relevant aspects related to the management and operation of the company, by assimilating the significant aspects of the company's authorization documents as AIFs and AIFMs.

The Code is aligned with relevant legal provisions and best practices in the field, with reference to principles and rules of national and international representative bodies, and is regularly reviewed.

b) A number of other documents of the Company, compliant with the AIFM and AIF legislation, contain descriptions of how EVERGENT Investments fulfills the provisions stipulated in para. (3) of Law no. 24/2017, namely in:

- 1 Procedures relating to the organizational structure and administrative, accounting, control and safeguard requirements in the field of electronic data processing and appropriate internal control mechanisms;
- 2 Investment strategy and policy; Statement on due diligence policies on consideration of the main adverse effects of investment decisions on sustainability factors;
- 3 Policy on preventing and managing conflicts of interest and self-dealing.

EVERGENT Investments has acted in the best interest of its investors and has pursued a strategy of active engagement with the companies in which it invests, with the aim of enhancing their potential to create value in the medium to long term and thus risk-adjusted performance for its investors.

EVERGENT Investments has diligently and constantly monitored the relevant aspects of the issuers in which it has invested, including strategy, performance, financial and non-financial risks, capital structure, social and environmental impact and corporate governance, in accordance with the legal provisions and those of the internal procedures in force.

In its capacity of Investment Company Alternative Investment Fund - FIAS, category Retail Alternative Investment Fund - FIAIR, with a diversified, closed-ended, self-managed investment policy, EVERGENT Investments has exercised the voting rights attached to the holdings in the managed companies in accordance with the investment objectives and investment strategy of each individual portfolio.

Internal analysis for vote justification is made based on Operational Procedure "*Exercise of EVERGENT Investments' shareholder attribution in companies in the portfolio*". The rules provide that analysts in the portfolio management department review materials and information made available to shareholders in order to identify the best proxy solution to protect the interests of EVERGENT Investments. Proposals are translated into proxies, special proxies or absentee ballots, which are submitted to the Deputy CEO, the CEO and/or the Management Committee for approval.

In exercising its voting policy, EVERGENT Investments acts honestly, fairly, professionally and independently in the best interests of the company and its investors.

Thus, in accordance with best practices and the provisions of the Corporate Governance Code, the company supports proposals of the directors of portfolio companies that relate to: change of name, change of registered office, listing on the stock exchange, setting the place and date for the annual general meeting, acceptance/approval of financial statements, approval of payment of dividends, authorization of transfer of reserves and allocation of income, amendments to authorized signatories, approval of changes in bookkeeping methods, acceptance of employment agreements, appointment of internal auditors.

On Board matters, the Company normally considers supporting management. However, consideration will be given to voting against management if corporate performance has been poor.

The company considers voting "for" in relation to: cumulative voting - for the protection of minority shareholders, share capital increase with contribution from reserves, share buyback programmes where all shareholders can participate on equal terms, share capital decrease following cancellation of bought back shares.

In the case of voting for the following categories, the Company carries out analyses on a case-by-case basis: capital operations for which there is a likelihood of affecting the interests of the company, taking out loans and pledging/mortgaging the company's assets, issuing corporate bonds, merger or division of the company, conversion of shares from one class into another, conversion of one class of bonds into another class or into shares, amendments to the articles of association, establishment or dissolution of secondary offices: branches, agencies, representative offices or other such units without legal personality, sale of assets, early dissolution of the company.

The company considers voting "against" for: share capital increase with contribution in kind, share capital increase without granting shareholders' pre-emptive rights.

If it is deemed, on the basis of professional judgement and taking into account the concrete situation concerning the company in question, that it is not necessary to involve the EVERGENT Investments shareholder at the General Meeting of Shareholders due to circumstantial circumstances or

EVERGENT's general policy interests in relation to companies classified in different categories, the proposal is not to involve the Company in the AGM, with information on the resolutions adopted and the conduct of the meeting to be obtained subsequently.

All these principles are translated, according to the above-mentioned legal and internal provisions, into the voting options submitted to the portfolio companies, following careful and responsible analysis of the respective company's management proposals

#### 8.4. IT Safety

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

1. monitoring the Internet and mail traffic and early identification of cyber-attacks;
2. warning employees about these attacks and offering measures to counter them;
3. adaptation of security policies given the context of remote work;
4. preparation of instructions, use guides for certain remote application and their testing before use;
5. identification of additional risks and management methods in case the staff is allowed to use personal work devices (computer, laptop, phone);
6. optimization of the process for the identification and reporting of cyber safety incidents.

Other activities:

1. obtaining ISO 27001:2013 recertification;
2. Conduct annual WSIS training of employees.

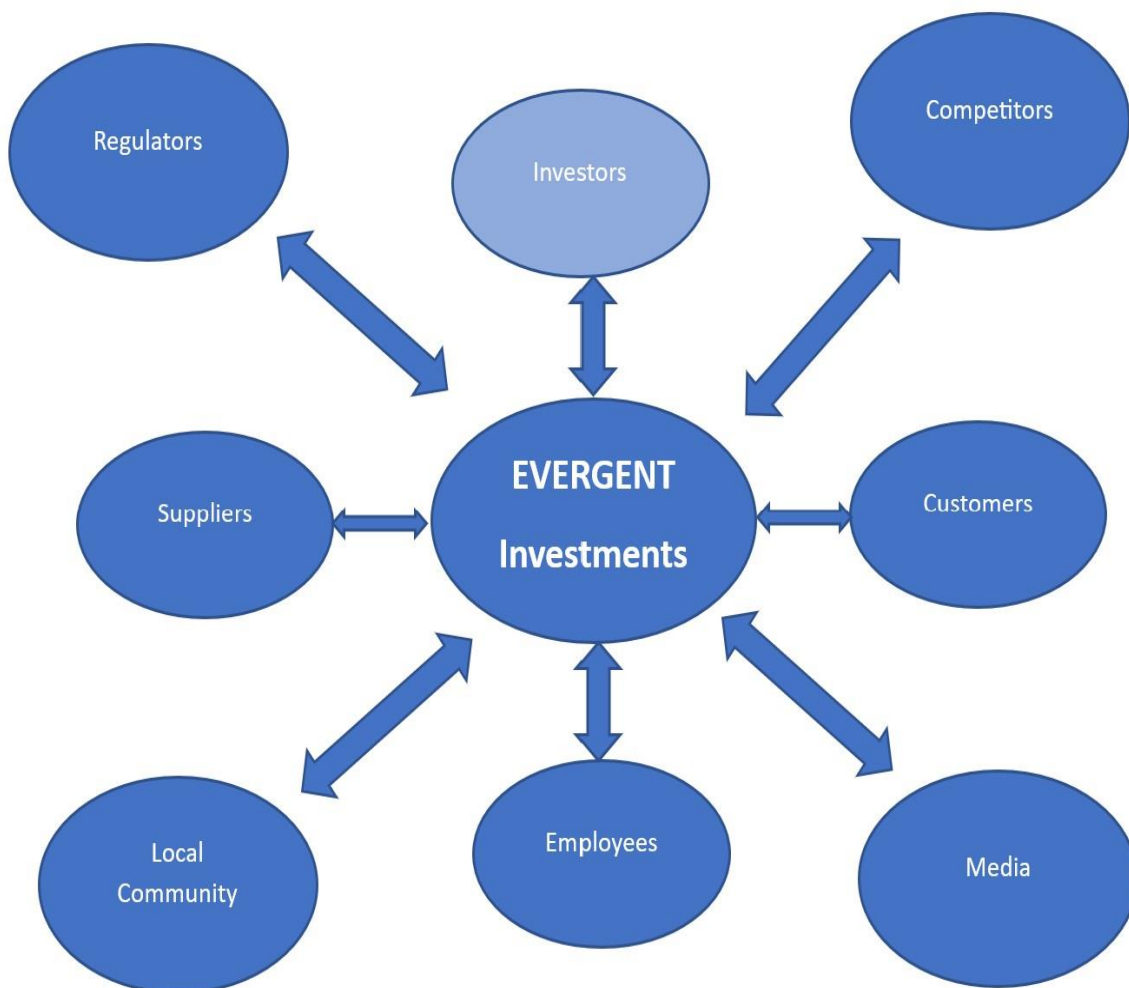


9. EVERGENT Investments' approach regarding environment, social and governance aspects – "ESG".

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

By applying its experience and expertise in the field of investments, the company positions itself to contribute to building a sustainable future.

As efforts to mainstream ESG in the investment sector evolve, EVERGENT Investments' approach will continue to develop. The company works closely with all stakeholders to provide transparency to the approach and to adapt it to their needs.



2023 ESG Policy of EVERGENT Investments Group is posted on [www.evergent.ro](http://www.evergent.ro)

#### Regulatory framework

EVERGENT Investments, as participant to the financial market falls under the transparency requirements foreseen by regulation (EU) no. 2019/2088 on information regarding sustainability in the financial services sector. EVERGENT has prepared a policy regarding the integration of sustainability risks in the decision-making process and aims to gradually integrate the sustainability decision in investment analysis.

In view of this objective, but also taking into account sustainability risks as relevant risks under the amendments made by Regulation (EU) No 1255/2021 amending Regulation (EU) No 231/2013 as regards sustainability risks and sustainability factors to be taken into account by alternative investment fund managers.

EVERGENT Investments aims to gradually integrate sustainability risks into investment decisions. Integrating ESG factors into a company's investment strategy and policy can reduce risk and increase returns.

#### Environment component – “Environmental”

The global transition to zero emissions under the Paris Agreement requires the commitment and collaboration of all sectors. In the scenarios analysed by the International Energy Agency, energy demand will grow by 2.1% per year up to 2040, especially in developed countries. The share of zero-carbon energy is expected to increase from 36% today to 52% by 2040. Romania supports the European Union's environmental objectives of achieving zero carbon emissions by 2050. The decarbonization 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. Romania's target is thus to reduce CO<sub>2</sub> emissions by 43.9% by 2030 compared to 2005 levels.”

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

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

#### Sectors that can be targeted by EVERGENT Investments

In doing so, EVERGENT Investments seeks to identify business segments that produce or provide goods, products and services that offer environmental solutions. The company believes that this area may include:

- agriculture;
- industries producing renewable (hydro, photovoltaic) or low-carbon energy (nuclear or modern combined-cycle gas turbine power plants, which produce less than half the amount of carbon dioxide (CO<sub>2</sub>) compared to coal-fired plants of equivalent size);
- nuclear power can have a reversible effect on global warming as energy demand is projected to increase. Over the nuclear fuel cycle, nuclear power plants have very low greenhouse gas emissions compared to other sources of energy generation.

*Due to the experience and diversity of its analyst team, EVERGENT Investments is able to have a broad market coverage by sector and type of activity to identify the investment opportunities it pursues, aligned to sustainability standards.*

The structure of the EVERGENT Investments listed shares portfolio according to ESG principles

As of June 30, 2024, over 55% of the asset portfolio is held in issuers that integrate ESG factors into their operations.



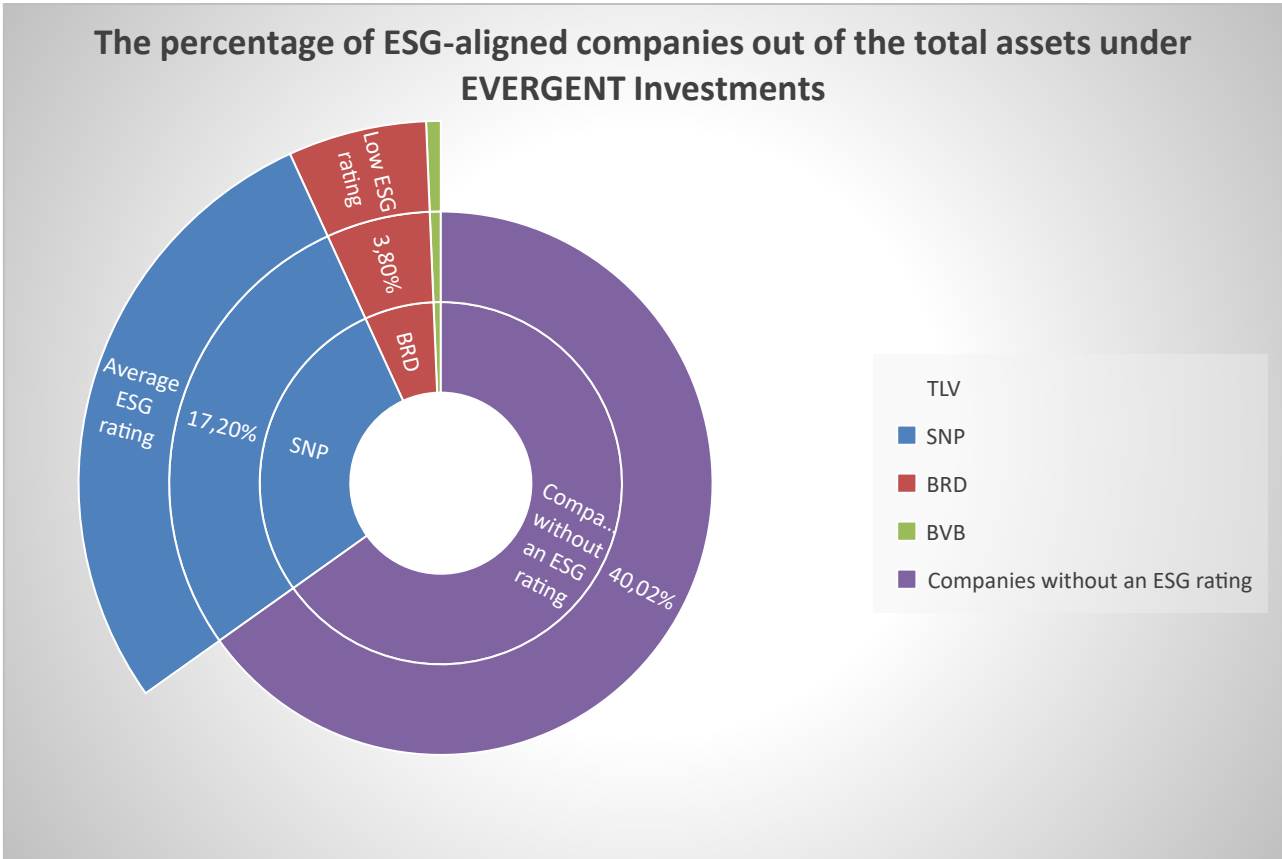
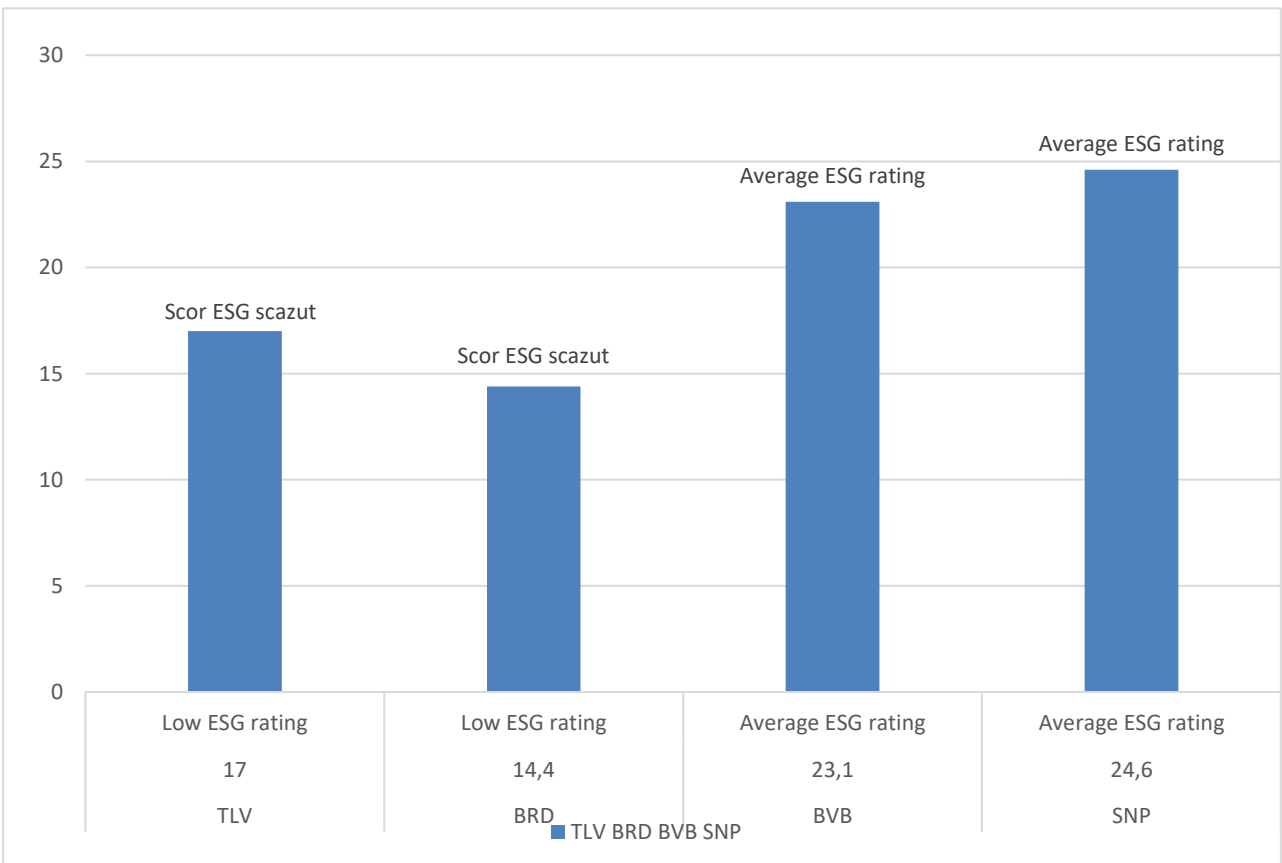


Chart of the ESG ratings\* obtained by the issuers from the listed portfolio of EVERGENT Investments



\* ESG rating according to Sustainalytics

The main issuer is Banca Transilvania, which obtained a very good ESG Risk Rating (14.7) and is classified in the Low Risk category in terms of ESG initiatives and performance. The result ranks Banca Transilvania in the top 11% of companies analysed by Sustainalytics globally.

The company was also recognized Most GHG Mitigated in Central Europe by the International Finance Corporation (IFC) for its contribution to reducing the impact of greenhouse gas emissions by providing green finance to Romanian companies.

In December 2023, Banca Transilvania was rated ESG 3.5 by FTSE Russell. The ESG index is the result of an assessment based on three pillars: environmental, social and governance. Over 300 indicators have been used to analyse the bank's exposure and how Banca Transilvania manages the ESG area.

Banca Transilvania sold €500 million worth of bonds 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, distinct from customer deposits, which are guaranteed by the Bank Deposit Guarantee Fund, in line with European standards.

Refinitiv, a London Stock Exchange Group company, has rated the Bank 81/100 on ESG performance. This indicates a high degree of transparency in the public reporting of sustainability material. This rating ranks Banca Transilvania 49th out of 1,124 banks rated by Refinitiv worldwide.

This confirms the bank's results in areas such as: the governance of the products and services on offer, the policy of excluding polluting sectors in terms of fossil fuel lending, the responsible marketing policy and the initiatives implemented for the development of human capital.

## OMV Petrom

By 2050, OMV Petrom's operations will be carbon neutral, contributing to Romania's decarbonization targets.

A greener and more diversified portfolio will be achieved by investing in renewable electricity generation, biofuels, alternative mobility and new technologies. All of this will help the company achieve Net Zero operations by 2050, supporting customers in the decarbonization process.

Low- and zero-carbon projects will account for around one third of the total €11 billion investment of €3.7 billion over the period 2022-2030 and one fifth of CCA EBIT excluding special items in 2030.

In less than 3 years since launching the strategy, the company has made significant progress:

- **Renewable electricity:** the current portfolio of solar and wind projects exceeds the initial proposed 2030 target of over 1 GW. The company is now targeting ~2.5 GW of renewable electricity capacity by 2030, including from partnerships. This translates into a net annual electricity generation of ~4.7 TWh, of which 2.4 TWh net for OMV Petrom to be achieved by 2030.
- **Sustainable Fuels:** The company recently announced the final investment decision for a new plant for the production of sustainable aviation fuels (SAF) and diesel from renewable sources (HVO) at the Petrobrazi refinery, together with two units for the production of green hydrogen, which will be used in the production of biofuels. Based on the SAF/HVO capacity of 250 thousand tons/year, OMV Petrom is expected to become the first major producer of sustainable fuels in the region by 2028.

Using non-reimbursable EU funds, OMV Petrom has accelerated its green hydrogen projects in Petrobrazi, aiming to reach a capacity of 100 MW by 2030. As for biofuels in general, they have

adjusted their pace from the initial plan to reach 600 thousand tons/year production by 2030, and now expect to produce 300 thousand tons/year, reflecting the maturity of the technology and market developments.

- **Electro-mobility:** After the acquisition of the Renovatio network, OMV Petrom is on track to reach its ambition of around 1,000 charging points by the end of the year, positioning itself as a very important player in electro-mobility. The company now aims to have more than 5,000 charging points by 2030 and thus become the largest electro-mobility service provider in Romania.

Recently, OMV Petrom became a shareholder of the EIT InnoEnergy fund, co-founded by the European Union. The operation was carried out through a 2023 private financing round of over €140 million. The EIT InnoEnergy Fund is recognized as a leading early-stage investor. It has so far invested €690 million in more than 180 companies that are estimated to generate revenues of €72.8 billion and save 1.1 gigatons of CO<sub>2</sub> emissions annually by 2030.

## BRD

BRD approaches the future from three main perspectives: customer satisfaction and digitization, the transition to sustainability and the efficiency of its business lines, 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 personalization 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 over EUR 1 billion by 2025.

BRD and IFC, a member of the World Bank Group, have entered into a landmark Synthetic Significant Risk Transfer (SRT) transaction, which will free up capital to help BRD accelerate the financing of sustainable impact projects in Romania. Under the transaction, IFC will provide a risk guarantee for a BRD portfolio of up to EUR 700 million comprising loans for Small and Medium Enterprises and financing for large corporates. The capital freed by the SRT transaction will enable the bank to provide up to €315 million in loans to finance climate-related initiatives and women-owned small businesses.

AEROSTAR S.A. has announced the completion of a three million euro investment, from its own sources, in securing energy through the implementation of a photovoltaic park in 2022. The company has achieved its goal of contributing to increased sustainability, reducing global warming effects and achieving climate neutrality.

## Private – equity Portfolio

EVERGENT Investments has the opportunity to generate a positive impact by being able to influence the behaviour of companies in the private equity portfolio.

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

The buildings are equipped with 296 solar panels installed in Phase III and cover a total area of 730 square meters. They have a production capacity of 446.500 kWh/year and the energy produced will be used in the solar domestic hot water system. The panels are flat, with an absorbent surface made of selective aluminium fins, measuring 2.00m x 1.30m.

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

The company has finalized the implementation of a photovoltaic system on the roof of the building, which will cover 20-30% of the electricity needs for heating, cooling and lighting of the shopping complex. This initiative is part of the strategy to develop clean energy sources and is an important step towards decarbonization and combating climate change. Reducing energy consumption and developing sustainable energy sources are key to achieving our climate goals, reducing our dependence on external resources and reducing our carbon footprint.

#### Social Component – “Social”

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

The Company believes that a thorough involvement of employees leads to performance and it supports diversity and equity initiatives, constantly promoting a culture of collaboration. EVERGENT Investments continues to improve the working conditions and career plans of the employees. Therefore, sums were allocated through the budget for continuous employee training programs on ESG issues.

EVERGENT Investments offers its employees opportunities to advance and evolve professionally, and in order to keep talented people within the company, it has implemented the "stock option plan" benefit system”.

The company acknowledges the positive impact it can have on the community of which it is a part, whether through capital investment or sponsorship. It aims to create opportunities for under-resourced communities. Accordingly, in the first half of 2024, it has allocated amounts for donations and sponsorships to support excellence and performance in education, to support children from disadvantaged backgrounds, cultural projects or sports competitions.

#### Education and Research

The company is a strong supporter of education and its excellence.

In order to support performance, access to education or excellence in education, EVERGENT Investments has supported the organization of national Olympiads, contributed to the participation of students at international stages, MBA scholarships, national chess competitions, supported the realization of high school, university and academic projects, as well as research projects in the field of neuroscience and unconventional technologies.

#### Health, wellbeing and inclusion

The company is involved in projects that provide financial inclusion and improve the quality of life of disadvantaged or special needs people.

Social and humanitarian projects are supported through the Hospice Casa Speranței Foundation, the STOP Drog Foundation, through non-profit associations or directly to the people concerned.

#### Social responsibility

Through all its actions, EVERGENT Investments aims to be an integral part of the community, with a team of principled professionals who aim to generate value for the full spectrum of stakeholders. The

company engages in social responsibility activities, in accordance with its own Corporate Governance Code, supporting them directly or through foundations or specialized associations, in order to build a strong community.

The many initiatives and projects it has been involved in during the first three months of 2024 reflect the company's mission to build resilient communities.

The main areas in which we are involved are: education, health, culture, sport, social.

Education is an essential factor in the sustainable development of society. EVERGENT Investments has strategic partnerships with universities, schools or organizations to support performance in education, creating connections between the local business environment and the national or global academic community. EVERGENT Investments' mission is to discover talented young people and support them on their journey to excellence.

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

EVERGENT supports culture because it wants young people to acquire Romanian identity, to cultivate their curiosity and critical spirit. Through art and culture, it fosters a space for dialog between all generations.

Sport means perseverance, courage, overcoming limits, team spirit, performance and its continuity. EVERGENT Investments supports both novice and experienced athletes in achieving their goals.

Communities and companies share the same interests and the positive impact on society helps to strengthen business. EVERGENT Investments' involvement in the community is aimed at sustainable economic development. Creating new jobs and helping disadvantaged people to integrate into the community are sustainable mechanisms for long-term intervention in society.

### Corporate Governance Component – “Governance”

EVERGENT Investments applies a corporate governance system aligned with the legal provisions applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority, the provisions of the Corporate Governance Code of the Bucharest Stock Exchange, the OECD principles of corporate governance, as well as the best practices in the field. This system represents the set of management responsibilities and practices to provide a strategic direction and a guarantee regarding the achievement of objectives.

The implementation of corporate governance principles, as well as the development of responsible and transparent business practices, represent important milestones of EVERGENT Investments' activity, at the same time ensuring the prerequisites for obtaining an increase in sustainable performance and for harmonizing the interests of all parties involved in the relationship with EVERGENT.

EVERGENT Investments is based on values such as responsibility, innovation, performance, diligence in action and the way employees go beyond their limits to be better. The company's values are well rooted in the organizational culture, being a guide, both on a personal level and in the business strategy. The company's team is made up of talented and persistent people, who share the same values, which have become competitive advantages and generated performance.

## 10. Activity of preventing and combating money laundering and terrorist financing

EVERGENT Investments ensures compliance with legal obligations and an adequate degree of compliance in the field of CSB/CFT, in accordance with the applicable legislation, good practices and applicable sectorial instructions, in which sense the SB/FT Designated Persons have achieved their objectives through a series of operations summarized as follows:

- ✓ drawing up the Activity Plan for the year 2024, in accordance with the objectives set by the CSB/CFT Strategy established at EVERGENT level and taking into consideration the applicable legal framework and internal regulations, with the approval of the management structure.
- ✓ the application of an internal BSC/CFT framework tailored to the specific activity so as to ensure the effectiveness of the relevant measures and controls.
- ✓ issue of compliance endorsements, according to internal procedures .
- ✓ implementation and application of necessary tools for the purpose of identifying and assessing SB/FT risks.
- ✓ participation to specific training on the subject.
- ✓ monitoring the procedures at the level of the subsidiaries, according to the specific nature and size of the economic activity carried out, as well as to the particularities of the business relationships, customers, products and services, in order to ensure the realization of the CSB/FT risk assessment process at Group level in compliance with the relevant legal provisions.

## 11. Subsequent events

There have been no significant events subsequent to the reporting date

*The H1 2024 Activity Report of the Board of Directors for the Simplified Interim Condensed Separate Financial Statements as of June 30, 2024 was approved at the Board of Directors' meeting of August 14, 2024.*

Claudiu Doros  
CEO and President of the Board

Mihaela Moleavin  
Finance Director

Gabriel Lupaşcu  
Compliance officer

Georgiana Dolgoş  
Director