



Evergent
INVESTMENTS

Board of Directors' Report for H1 2024
on the Consolidated Financial Statements



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Half-yearly report in accordance with: *Law no. 24/2017, Title III - Issuers whose securities are admitted to trading on a regulated market; Chapter III – Regular Information; FSA Regulation no. 5/2018 on the issuers of financial markets and market operations; FSA Rule no. 39/2015 on the approval of accounting regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA.*

Report date: *13th September 2024*

Issuer name: *EVERGENT Investments SA*

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

Phone no./fax/e-mail: *0234576740 / 0234570062 / office@evergent.ro*

Sole Registration no.: *2816642*

Trade Registry: *JO4/2400/1992*

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

LEI: *254900Y100025No4US14*

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: *ROSIFBACNOR0*; Bloomberg FIGI: *BBG000BMN556*; Reuters RIC: *ROEVER.BX*

NOTE 1 - to allow for a comparison of information, EVERGENT Investments maintains the same structure of the consolidated, yearly and half-yearly reports.

NOTE 2 – Figures presented in the report are presented in lei, unless another measurement unit is stated.

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

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

The purpose of the Company is to increase of the value of assets under management.

The Company’s main field of activity consists in financial investments.

Its object of activity consists in:

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

The company is self-managed in a one-tier system.

The shares issued by EVERGENT Investments SA are listed on Bucharest Stock Exchange (BVB), primary market, Premium category, symbol “EVER”.

The shares and shareholders’ records are kept according to the law by Depozitarul Central S.A.

The assets deposits services are provided by BCR SA – a company authorized by the Financial Supervisory Authority.

1.1. Consolidation Area

The condensed consolidated interim financial statements for the 6 months’ period ended on June 30, 2024 include the Company and its subsidiaries (hereinafter referred to as “Group”) as well as the Group’s interests in its associates.

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

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

The consolidated financial statements include the Group’s share in the results of the associates based on the equivalence method, from the date that the Group started to exercise significant influence until the date this influence ceases.

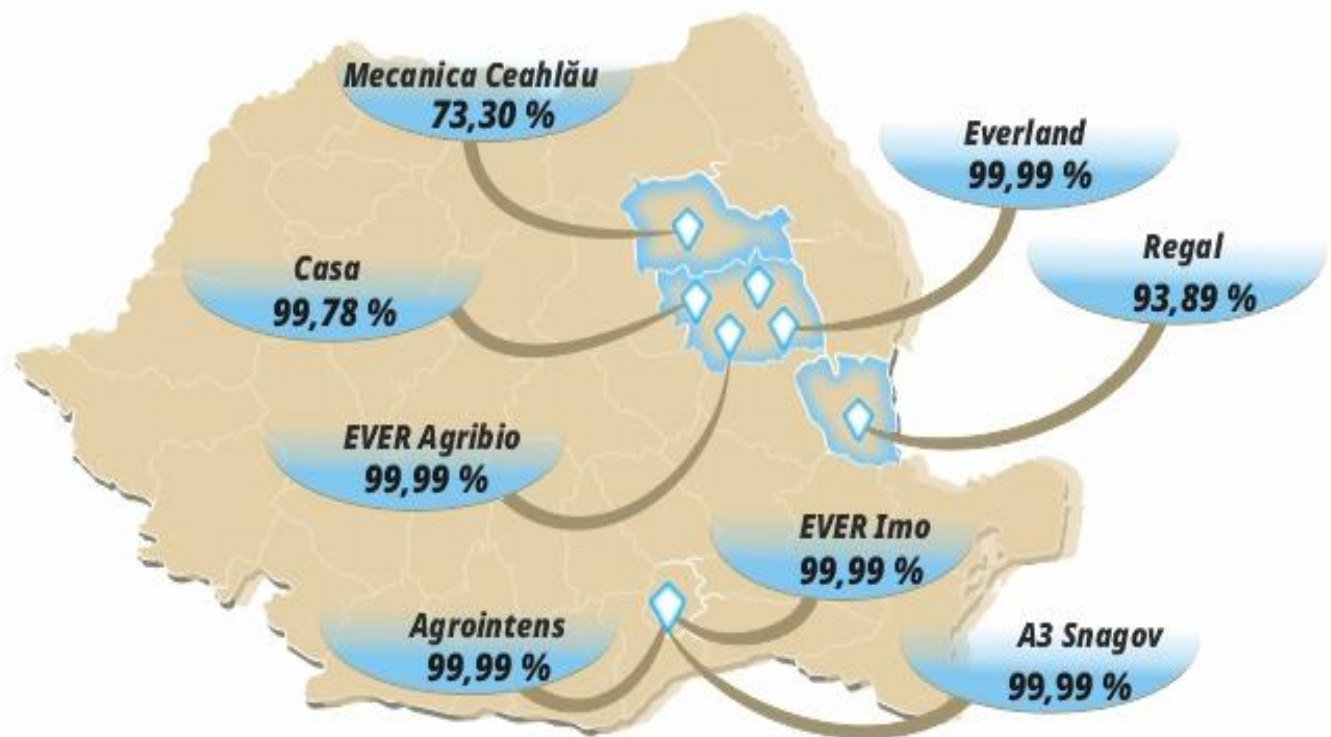
On June 30, 2024, EVERGENT Investments Group holds investments in one associate, Străulești Lac Alfa S.A., a holding of 50%.

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

EVERGENT Investments Group:

No.	Subsidiary name	Direct holding of EVERGENT Investments – parent company %	Share of the Group's total assets % 30.06.2024	Company type (closed/listed)	Activity
1	EVERLAND SA	99.99	1.37	Unlisted	Real estate
2	EVER IMO SA	99.99	2.08	Unlisted	
3	REGAL SA	93.89	0.24	Unlisted	
4	A3 SNAGOV SRL*	99.99	0.21	unlisted	
5	MECANICA CEHLĂU SA	73.30	1.75	BVB-REGS (MECF)	Agriculture and agricultural machines
6	AGROINTENS SA	99.99	1.51	Unlisted	
7	EVER AGRIBIO SA	99.99	0.20	Unlisted	
8	CASA SA	99.78	1.19	Unlisted	Rental/sub-rental of real property and support for EVERGENT Investments
9	VISIONALFA INVESTMENTS SA	99.99	0.01	Unlisted	AIFM- no activity
Total			8.56		

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



Statement of mutual holdings included in the consolidation area - 30.06.2024

Subsidiary name	Shareholders	% interest
Agrointens SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	100
Everland SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	TOTAL	100
Casa SA	EVERGENT Investments SA	99.78
	Other shareholders	0.22
	TOTAL	100

Ever Imo SA	EVERGENT Investments SA	99.99998
	CASA SA	0.00002
	<i>TOTAL</i>	<i>100</i>
Regal SA	EVERGENT Investments SA	93.89
	A.A.A.S. BUCUREȘTI	2.44
	Other shareholders	3.67
	<i>TOTAL</i>	<i>100</i>
Mecanica Ceahlău SA	EVERGENT Investments SA	73.30
	NEW CARPATHIAN FUND	20.21
	Other shareholders	6.49
	<i>TOTAL</i>	<i>100</i>
Ever Agribio SA	EVERGENT Investments SA	99.9997
	CASA SA	0.0003
	<i>TOTAL</i>	<i>100</i>
Visionalfa Investments SA	EVERGENT Investments SA	99.99
	Other shareholders	0.01
	<i>TOTAL</i>	<i>100</i>
A3 Snagov SRL	Everland SA	100%

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

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

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

1.2.1. Mecanica Ceahlău S.A.

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

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

Main financial results:

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total assets	68,821,682	68,970,284	74,953,166	64,938,490	94%
Turnover	49,028,602	17,630,750	28,544,891	14,039,664	80%
Profit/ (loss)	1,856,098	(27,700)	(4,067,416)	(3,703,047)	n/a
ROE %	3,98	0,43	n/a	n/a	
ROA %	2,70	n/a	n/a	n/a	

In the first half of 2024, net result was strongly impacted by a sharp decline in sales of agricultural machinery and tractors due to farmers' lack of capital resources. The difficult situation faced by 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.

1.2.2. EVER Imo S.A.

The company's core business is real estate development.

Ever Imo continues to develop its private equity portfolio in the residential real estate sector based on a portfolio of land in Bucharest. The northern area of Bucharest is developing rapidly and extensively, both in the residential and office segments.

The company is preparing the urban planning documents for a new residential real estate project on a 16,000 sq.m plot of land at 37 Străulești Street.

Main financial results (IFRS restatement):

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total assets	78,672,490	75,956,151	73,100,184	77,690,680	102%
Turnover	1,992,126	1,016,343	1,516,050	652,009	64%
Profit (Loss)	3,717,308	(1,212,372)	(4,673,941)	(776,281)	n/a
ROE %	n/a	n/a	n/a	n/a	
ROA %	n/a	n/a	n/a	n/a	

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

1.2.3. Regal S.A.

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

As of the reporting date (June 30, 2024), the company still owned two commercial spaces and the administrative headquarters. After the reporting date, the real estate assets "Sifonărie Olt 3" and "Restaurant Elite" were sold at a public auction on August 12, 2024. As a result, the company currently owns only one real estate asset, the headquarters, which will be put up for sale in October 2024.

Main financial results (IFRS restatement):

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total assets	8,924,544	8,837,235	9,339,109	8,946,392	101%
Turnover	316,700	171,097	339,913	149,261	87%
Profit (Loss)	(28,932)	(47,126)	226,070	514,697	n/a
ROE %	n/a	n/a	3,12	4,36	
ROA %	n/a	n/a	2,42	5,75	

The rental income earned in the first part of 2024 corresponds to the reduced number of commercial premises the company manages.

1.2.4. Casa S.A.

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

Main financial results (IFRS restatement):

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total assets	24,523,039	39,919,242	38,192,287	43,752,859	110%
Turnover	2,382,898	1,292,002	2,767,992	1,936,307	150%
Profit (Loss)	87,742	316,849	(2,853,057)	(628,777)	n/a
ROE %	1,44	0,69	n/a	0,58	
ROA %	0,36	0,79	n/a	n/a	

The rental spaces income earned in the first part of 2024 increased compared to prior years. The loss recorded in the first half of 2024 resulted primarily from an increase in the depreciation expenses related to the new premises and from registering some demolition expenses as part of redevelopment.

1.2.5. Agointens S.A.

Set-up in 2014, the company's main object of activity consists in the cultivation of fruit-bearing shrubs, strawberries, nut trees and other fruit-bearing trees.

The company holds projects with the purpose of setting up and developing farms for blueberry production. At present, the farms in Viștea and Mândra – Brașov county, Popești and Rătești – Argeș county are in various development stages. At the end of the reporting period, the planted area was of 105 ha.

Main financial results (IFRS restatement):

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total assets	48,138,592	53,625,481	51,128,423	55,499,499	103%
Turnover	11,252,760	310,243	6,141,515	1,559,060	503%
Profit (Loss)	(1,047,466)	(2,459,142)	(9,371,721)	(2,950,424)	n/a
ROE %	n/a	n/a	n/a	n/a	
ROA %	n/a	n/a	n/a	n/a	

The recorded loss is due to extremely adverse weather conditions, but also to the seasonality of the activity, characterized by registering the sales revenues mainly in the third quarter.

1.2.6. Everland S.A.

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

Main financial results (IFRS restatement):

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total assets	52,901,642	52,731,902	57,198,057	57,014,420	108%
Turnover	50,013	22,306	40,753	17,912	80%
Profit (Loss)	2,624,785	(211,137)	3,437,582	(153,934)	n/a
ROE %	6,07	n/a	7,80	n/a	
ROA %	4,96	n/a	6,01	n/a	

1.2.7. A3 Snagov SRL

The company was established in 2021 with the purpose of capitalizing on the real estate investment opportunities in the Snagov area, its shares being wholly owned by Everland SA.

Main financial results (IFRS restatement):

lei	2022	H1 2023	2023	H1 2024	Evolution H1 2024 / H1 2023 (%)
Total Active	6,305,129	6,282,666	7,387,829	7,632,808	121%
Turnover	-	-	-	-	n/a
Profit (Loss)	(20,023)	3,760	929,621	(2,361)	n/a
ROE %	n/a	n/a	n/a	n/a	
ROA %	n/a	n/a	n/a	n/a	

1.2.8. EVER Agribio SA

The company was established in September 2022 and will carry out activities in the agricultural sector, on the 50 ha land plot owned in Săucești, Bacău county.

A grant of €1.5 million has been approved by AFIR to set up the blueberry plantation at the new farm. The company is preparing to implement the project.

Main financial results (IFRS restatement):

lei	2022	S1 2023	2023	S1 2024	Evoluție S1 2024 / S1 2023 (%)
Total assets	3,848,314	3,338,999	3,171,877	7,431,561	223%
Turnover	0	0	-	-	n/a
Profit (Loss)	(223,091)	(452,211)	(834,760)	(460,706)	n/a
ROE %	n/a	n/a	n/a	n/a	
ROA %	n/a	n/a	n/a	n/a	

1.2.9. Visionalfa Investments SA

The company was established aiming at a project that has not materialized. Through the resolution of the Extraordinary General Meeting of Shareholders on July 25, 2023, the Company declares its fiscal inactivity state for a period of three years, starting with the mention registration date at the Trade Registry.

1.3. Influences resulted from consolidation operations

The tables below present the comparative statement of assets, liabilities and equity and comprehensive income, based on the figures in the condensed, consolidated and separate interim financial statements for the six-month period ended on June 30, 2024, prepared in accordance with the provisions of Rule 39/2015 for the approval of the accounting regulations compliant to the International Financial Reporting Standards ("IFRS"), applicable to authorized entities, regulated and supervised by the FSA in the Financial Instruments and Investments Sector.

The consolidated, condensed and separate interim financial statements for the six-month period ended on June 30, 2024 were not audited.

1.3.1. Comparative statement of assets on June 30, 2024

Financial Position	Company	Group	Differences
Cash and current accounts	1,657,538	7,636,357	5,978,819
Bank deposits with initial maturity within 3 months	244,560,823	254,547,037	9,986,214
Bank deposits with initial maturity higher than 3 months	205,508,507	207,219,314	1,710,807
Financial assets at fair value through profit or loss	414,195,732	342,167,542	(72,028,190)
Financial assets measured at fair value through other elements of the comprehensive income	2,704,130,842	2,495,965,172	(208,165,670)
Investments accounted for using the equity method	-	57,407,410	57,407,410
Bonds at fair value through other elements of the comprehensive income	4,046,214	4,046,214	-
Bonds at amortized cost	29,726	29,726	-
Other financial assets at amortized cost	8,679,649	13,331,572	4,651,923
Inventory	-	44,187,820	44,187,820
Other assets	426,473	2,043,978	1,617,505
Intangible assets held for sale	-	3,780,213	3,780,213
Property, plant and equipment	-	155,043,002	155,043,002
Goodwill	7,841,729	69,505,634	61,663,905
Right-of – use assets	2,876,035	10,618,727	7,742,692
Goodwill	-	4,339,505	4,339,505
Intangible assets	532,443	1,056,391	523,948
Total assets	3,594,485,711	3,672,925,614	78,439,903

1.3.2. Comparative statement of liabilities and equity on June 30, 2024

Financial position	Company	Group	Difference
Loans	145,748,192	173,055,295	27,307,103
Lease liabilities	2,906,733	9,670,810	6,764,077
Dividends payable	65,320,949	65,513,985	193,036
Current income tax liabilities	16,342,675	16,963,538	620,863
Financial liabilities at amortized cost	22,137,095	27,428,644	5,291,549
Other liabilities	5,170,734	7,616,079	2,445,345
Provisions for risks and charges	1,632,553	4,294,000	2,661,447
Liabilities related to deferred income tax	206,140,199	214,666,499	8,526,300
Total liabilities	465,399,130	519,208,850	53,809,720
Share capital	499,988,637	499,988,637	-
Retained earnings	1,343,181,032	1,342,271,906	(909,126)
Reserves for the revaluation of property, plant and equipment	92,781	20,720,833	20,628,052
Reserves from the revaluation of FVTOCI assets	1,340,680,678	1,330,616,826	(10,063,852)
Treasury shares	(74,217,111)	(74,217,111)	-
Equity- based payments to employees	14,975,431	14,975,431	-
Other equity instruments	4,385,133	4,385,133	-
Total equity attributable to the company's shareholders	3,129,086,581	3,138,741,655	9,655,074
Non-controlling interests	-	14,975,109	14,975,109
Total equity	3,129,086,581	3,153,716,764	24,630,183
Total liabilities and equity	3,594,485,711	3,672,925,614	78,439,903

1.3.3. Comparative analysis of the comprehensive income statement for the 6 month period ended on June 30, 2024

Statement of comprehensive income	Company	Group	Difference
<i>Income and gain (loss)</i>			
Gross dividend income	102,933,713	100,712,409	(2,221,304)
Interest income	11,536,768	11,151,201	(385,567)
Other operating revenue	323,641	17,497,405	17,173,764
Net gain/(net loss) on financial assets at fair value through profit or loss	42,512,984	44,289,332	1,776,348
Net gain on the sale of non-financial assets	85,973	337,242	251,269
<i>Expenses</i>			
(Loss)/Loss reversal on financial assets impairment	58,074	(1,126,314)	(1,184,388)
(Loss)/Loss reversal on non-financial assets impairment	-	(133,264)	(133,264)
Set-up)/Reversal of provisions for risks and charges	-	(55,391)	(55,391)
Expenses with wages, remunerations and other similar expenses	(11,105,115)	(20,165,303)	(9,060,188)
Other operating expenses	(6,169,996)	(20,823,840)	(14,653,844)
Operating profit	140,176,042	131,683,477	(8,492,565)
Financing expenses	(2,293,746)	(3,495,891)	(1,202,145)
Share of profit /(loss) of associates		(265,917)	(265,917)
Profit before tax	137,882,296	127,921,669	(9,960,627)
Income tax	(15,358,194)	(15,228,936)	129,258
Net profit	122,524,102	112,692,733	(9,831,369)
<i>Other comprehensive income elements</i>			
Increase/ (decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	-	82,778	82,778
Net gain/(net loss) on the revaluation of equity instruments at fair value through other elements of the comprehensive income (FVTOCI)	432,391,643	441,945,270	9,553,627
Other elements of comprehensive income – elements that will be reclassified in profit or loss	432,391,643	442,028,048	9,636,405
Net gain on the revaluation of FVTOCI bonds	58,962	58,962	-

Other elements of comprehensive income – elements that will be reclassified in profit or loss	58,962	58,962	-
Other elements of comprehensive income – total	432,450,605	442,087,010	9,636,405
Total related comprehensive income	554,974,707	554,779,743	(194,964)

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

Consequently, management considers the Group’s performance indicator to be the net result, including along with the net profit the net gain achieved from the sale of FVTOCI financial assets.

(Lei)	Company	Group	Differences
Net profit / (net loss)	122,524,102	112,692,733	(9,831,369)
Gain related to the sale of FVTOCI* financial assets, net of tax, recycled in retained earnings	127,449,210	127,449,210	-
Net result	249,973,312	240,141,943	(9,831,369)

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

1.3.4. Criteria for the recognition, measurement and valuation of financial assets

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

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

1.4. The Development of the EVERGENT Investments Group

1.4.1. The Group’s objectives and strategy for 2024

The key elements of EVERGENT Investments’ strategy and investment policy are based on a resource assignment that ensures the company’s sustainable development and satisfaction of the shareholders’ interests, both on the short and on the long term.

The solid and sustained **investment policy** is at the base of the long-term value increase of assets under management, a fundamental element for strengthening the investors’ trust. In essence, the company’s investments are in shares of companies listed on the BSE, in the Financial – Banking and Energy – Industrial sectors, as well as in the development of private equity projects in real estate and agribusiness. Moreover, the company is exploring new areas such as renewable energy and the technology sector, aligning with ESG principles and practices.

The predictable dividend policy and buy-back programs to the benefit of EVERGENT Investments’ shareholders

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

The Company has a predictable dividend policy and annually runs buy-back programs to ensure the marketability of EVER shares.

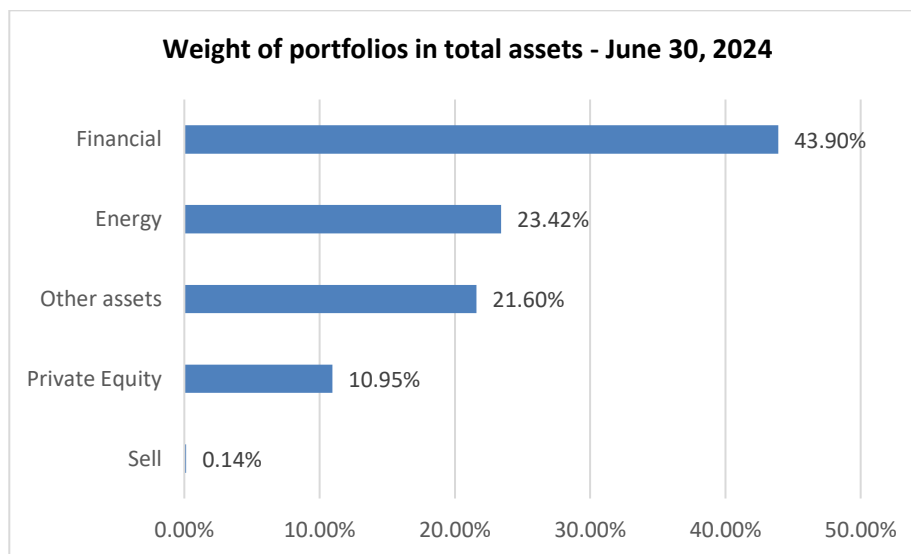
The company proposes a mix that it calibrates each year, both in the interest of shareholders who want to make profit and in the interest of those who remain long-term shareholders and benefit from an increased asset value over time. The policy mix, which includes the allocation of dividends and the possibility to subscribe through Public Tender Offers (PPOs), offers a yield that is superior to the one offered within a classic dividend distribution, remunerating the invested capital at a higher level than other investments.

The capital operations are aimed at carrying out new share buy-back programs in order to reduce the share capital and to the co-interest of management and employees, to increase the efficiency of the management act and in accordance with the AIFM/AIF legal regulations on variable remuneration.

Maintaining the strategies defined for the assets portfolios:

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

Weight of portfolios in total asset value on June 30, 2024:



The Private Equity Portfolio also includes the companies from the EVERGENT Investments Group.

As of June 30, 2024, the assets of the 9 subsidiaries of the EVERGENT Investments Group recorded a value of RON 314.5 million, representing 8.56% of the total assets of the EVERGENT Investments Group, according to the consolidated financial statements.

In accordance with its *Strategy and Investment Policy*, EVERGENT Investments has a strategy of mixed allocation of resources to the capital market, in parallel with the implementation of private equity projects that will ensure an additional return in the long term.

Private equity investments target an approach focused on the real estate and agribusiness sectors that are identified as having average to long-term increase potential. Additional opportunist investments can be made in other particular interest areas.

Indirect investments in the real estate sector, through a company controlled by EVERGENT Investments, are focusing on all branches – residential, office, commercial etc. – either through the

residential development of key properties from EVERGENT Investments' portfolio, or through new projects.

Rules applied in accordance with AIFM legislation

- ✓ The Private equity-type investment policy is in accordance with the multiannual investment strategy and with EVERGENT Investments' legal risk and prudential limits, without representing the main investment policy.
- ✓ EVERGENT Investments is a shareholder with a holding of over 90% in most of the portfolio's unlisted companies. In the selection and 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 field: financial analyses, legal, commercial and technical analyses, 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" type approach involves an active involvement in entrepreneurial projects, which leads to an increase in the profitability of managed assets and offers the possibility of compensating the risk of possible involutions of EVERGENT Investments' equity in listed companies.

Some of the investments presented in the paragraphs below are in the development stage, while others are still going through the maturity stage of an enterprise's life cycle.

1.4.2.1. Agointens SA – Blueberry farms

(www.agointens.ro)

Corporate Events:

- ✓ EGMS on February 22, 2024, approved the share capital increase of Agointens SA with the amount of RON 7,650,000 (the equivalent of €1,500,000 for an exchange rate of RON/€ 5.1), through the cash contribution of EVERGENT Investments SA, to finance the company's activity and the election of the CEO.
- ✓ OGMS on April 5, 2024, approved:
 1. The Board of Directors' Report for 2023 as well as the Financial Statements for 2023, accompanied by the independent financial auditor's report.
- ✓ EGMS on April 22, 2024, approved:
 1. The extension of the validity of the credit line in the amount of RON 3,500,000 for the operating capital credit line credit facility, for a period of 12 months, from Banca Transilvania SA, under the Bank's credit conditions, as well as maintaining the guarantees corresponding to the credit facility.

1.4.2.2. Everland SA

The asset held in Iași has the following characteristics:

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

Status:

- area urban plan approved by the Local Council of Iași on February 28, 2022;
- maximum built area is 83,800 square meters, the project value being estimated to around €100,000,000.

Corporate events:

- ✓ EGMS on February 29, 2024, approved:
 1. Participation of Everland SA to the share capital increase of A3 SNAGOV SRL with the total amount of RON 250,000.

- ✓ OGMS on April 9, 2024, approved:
 1. The 2023 Financial statements, accompanied by the independent financial auditor's report, as well as the sole manager's annual activity report.
 2. The activity program and Income and Expenditure budget for the financial year 2024.
 3. Granting the performance bonus corresponding to reaching the 2023 indicators and approval of the performance indicators for 2024.

1.4.2.3. Casa SA

On June 30, 2024, the company's share portfolio is comprised of 42 companies, of which 14 are operational and 28 are bankrupt (originating from the portfolio assigned following the privatization process). The real estate portfolio is comprised of a number of 12 assets in cities from the Moldova area.

The company has concluded the following legal documents with EVERGENT Investments:

- Contract for the monitoring of information and events regarding the companies in EVERGENT Investments' portfolio;
- Contract for the delivery of archive services;
- Contract for rental of premises and delivery of services for the Pictor Aman Building from Bacău by EVERGENT Investments SA.

Corporate Events:

- ✓ OGMS on February 22, 2024, approved:
 - The election of the company's Board of Directors members for a four-year mandate and their compensation amount.
- ✓ EGMS on February 9, 2024, approved:
 1. The increase of the share capital of Casa S.A. through contribution in kind, the amount of RON 1.108.900, following the contribution in kind of property belonging to EVERGENT Investments SA, namely:
 - a) real estate property located in Vaslui municipality, no. 8 Miron Costin street;
 - b) a) real estate property located in Iași municipality, no. 3 Grigore Ureche street, Gh. Sontu building.
 2. Carrying out the sale transaction for the property owned by the company in Bacău municipality, no. 94 C Pictor Aman street, Bacău county by EVERGENT Investments S.A for a price of RON 5,441,600.
 3. Carrying out the acquisition transaction by the company of the property owned by EVERGENT Investments SA in Bacău municipality, no. 94C Pictor Aman street, Bacău county, for a price of RON 7,572,000.
 4. The contracting from Banca Transilvania SA of a credit facility in the maximum amount of RON 5,150,000, for a period of 84 months from the signing date.
- ✓ OGMS on April 23, 2024, approved:
 1. The 2023 financial statements, accompanied by the financial auditor's opinion and the Board of Directors' Progress Report for the year 2023.
 2. The activity program and the income and expenditure budget for 2024, as well as the key performance indicators (KPI) for the members of the management structure.
- ✓ EGMS on May 21, 2024, approved:
 1. The sale of the properties owned by the company in Vaslui county, no. 8 Miron Costin street, for €214,200.

1.4.2.4. Mecanica Ceahlău SA

Corporate events:

✓ OGMS on April 18, 2024, approved:

1. The financial statements for the year 2023, accompanied by the independent auditor's opinion and Board of Directors' Progress Report for the year 2023.
2. Approval of the general remuneration limits for the directors and managers of the company.

More information on www.mecanicaceahlau.ro.

1.4.2.5. Regal SA

Corporate events:

✓ OGMS on April 16, 2024, approved:

1. The financial statements for the year 2023, accompanied by the independent auditor's Report and the Board of Directors' Progress Report for the year 2023.
2. The approval of the distribution of dividends in the amount of RON 2,377,816, representing the lowering of revaluation reserves corresponding to the land sold in 2023.
3. The activity program and the income and expenditure budget for the financial year 2024, as well as the key performance indicators (KPI) for the members of the management structure.

The company is considering distributing dividends from the assets sale.

1.4.2.6. EVER Imo SA

The company owns, for real estate development purposes, two land plots at a total surface of 3.5 ha in the northern area of Bucharest and a plot of land of 1.1 ha in the semi-central area.

Corporate events:

✓ EGMS on March 5, 2024, approved:

1. The increase of share capital by EVERGENT Investments in the amount of RON 7,075,000, value comprised of:
 - a) contribution in kind of some properties located in Bucharest, at a value of RON 4,975,000, located in: property, no. 12 Nerva Traian street, namely no. 6 Splaiul Unirii street;
 - b) cash contribution of RON 2,100,000.

✓ OGMS on April 26, 2024, approved:

1. The financial statements for the year 2023 accompanied by the financial auditor's opinion and the Board of Directors' Progress Report for the year 2023.
2. The activity program and Income and Expenditure Budget for the year 2024, as well as the key performance indicators (KPI) for the members of the management structure.

✓ EMGS on June 20, 2024, approved:

1. Conversion into shares of the bonds issued by Ever Imo in the amount of RON 16,800,000 and the increase of the company's share capital in the amount of RON 6,710,795 as a result of the conversion operation.

1.4.2.7. A3 Snagov SRL

Corporate events:

✓ EGMS on February 29, 2024, approved:

1. The increase of the share capital by Everland in the total amount of RON 250,000 in order

to partially finance the operating expenses related to the land registry proceedings, obtaining the area urban plan, notices and others, and the operating functioning expenses.

1.4.2.8. EVER Agribio SA

Corporate events:

- ✓ EGMS on January 31, 2024, approved:
 1. Registration of the company in the 2023 – 2027 Strategic Program financed by the European Agricultural Fund for Rural Development and submission of the Project "Set-up of the blueberry plantation" in Săucești, Bacău county, in order to obtain its financing.
- ✓ EGMS on March 29, 2024, approved:
 1. The share capital increase by EVERGENT Investments in the amount of RON 4,763,440 in order to finance the operational activities related to the project "Set-up of the blueberry plantation Săucești Bacău".
- ✓ OGMS on April 18, 2024, approved:
 1. The 2023 financial statements, accompanied by the financial auditor's opinion and the Board of Directors' Progress Report for 2023.
 2. the Activity program and Income and Expenditure Budget for 2024, as well as the key performance indicators (KPI) for the members of the management structure; the election of a new interim director.

1.4.3 Implementation of the 2024 Investment Program

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

Million RON	2024 Activity program	Achieved in H1 2024	% Achievement H1 2024
Total investment program, of which assigned for the following portfolios:	155.8	213.34	136.9
• Financial – Banking	48.3	21.05	43.6
• Energy - Industrial	50	149.94	299.9
• Private equity	57.5	42.35	73.7

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

In the H1 2024 period, there have been no transactions that would be classified in the reporting requirements (transactions with related parties representing more than 5% of the issuer's net assets).

2. IFRS Result Analysis of the EVERGENT Investments Group

2.1. Key Financial Indicators (comparative presentation)

2.1.1. Liquidity indicators

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

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

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

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

Indicator name	2022	H1 2023	2023	H1 2024
Current liquidity indicator	5.94	2.06	6.94	2.96
Quick liquidity indicator	5.55	1.82	6.41	2.80

2.1.2. Activity indicators

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

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

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

Indicator name	2022	H1 2023*	2023	H1 2024*
Fixed-assets turnover speed	0.10	0.03	0.10	0.06
Total assets turnover speed	0.08	0.03	0.08	0.05

*the indicators were not annualized

2.1.3. Profitability indicators

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

Return on equity (ROE) is calculated as a ratio between profit before the payment of interest and profit tax expenses and equity. The return on equity represents one of the most important indicators used in measuring the performance of a Company. The main objective of any business is to maximize the investments made by its shareholders. Therefore, a high ROE indicator value shows that the investment made by the shareholders has been turned into significant profit by the company's management.

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

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

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

Basic and diluted earnings per share are, financially speaking, an important indicator when comparing the results of a company over a given period of time or when comparing its results with the results of other companies in the same business sector.

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

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

Indicator name	2022	H1 2023*	2023	H1 2024*
ROE %*	4.4	1.3	5.0	4.2
ROA %*	4.2	0.9	3.8	3.1
Earning per basic share (RON/share) – profit per share	0.107	0.025	0.126	0.126
Earning per basic share (RON/share) – including net gain from the sale of FVTOCI assets	0.146	0.048	0.214	0.267
Dividend per share (RON/share) – distributed during the year, from the profit of the previous year	0.065	0.09	0.09	0.09

*the indicators have not been annualized

2.1.4. Other indicators

Indicator name	2022	H1 2023	2023	H1 2024
Receivables recovery period**	27.84	46.35	18.83	14.22
Debt repayment period**	130.43	226.98	120.18	117.99
Indebtedness degree (Total liabilities/Total assets) (%)	7.86	12.26	11.25	14.14
Return on capital employed (equity & borrowings) %*	4.35	1.22	4.83	3.96

*the indicator has not been annualized

** These indicators are not relevant for financial institutions such as EVERGENT Investments, the parent company and the main company within the Group.

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

3.1. *The objectives and policies for risk management, including policies for their coverage*

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

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

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

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

3.1.1 Market risk

Market risk is defined as the risk to register a loss or not obtain forecast profit, as a result of price fluctuations, interest rates and currency exchange rates. For the efficient management of market risk, we use diligence procedures in investments and diligence in the monitoring of holdings in the portfolio, methods of technical and fundamental analysis, and forecasts on the evolution of economic branches and financial markets.

The Group is exposed to the following market risk categories:

(i) Price risk

The Group is exposed to a price risk as there is the possibility that the value of financial instruments fluctuates, following the change of market prices.

(ii) Interest rate risk

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

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

(iii) Currency risk

Currency risk is the risk of registering losses or failure to achieve estimated profit following negative exchange rate fluctuations. Most financial assets and liabilities of the Group are expressed in national

currency and therefore currency rate fluctuations do not significantly affect the Group's activity. The other currencies used for operations are EUR and USD.

Exposure to currency exchange rate fluctuations is mainly a result of loans, deposits, shares and bonds in currency.

3.1.2 Liquidity risk

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

For the effective management of liquidity risk, the Group uses specific procedures in close correlation with its liquidity management policy and investment policy.

The Group's financial instruments may include investments in shares which are not traded on an organized market, and which may therefore have low liquidity.

3.1.3 Credit and Counterparty risk

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

For the efficient management of credit and counterparty risk, the Group uses specific procedures, closely connected to its liquidity and investment policy.

3.1.4 Issuer risk

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

Concentration risk, associated to issuer risk, represents the risk of bearing losses due to inadequate diversification (non-homogenous distribution) of exposures from capital title portfolio on terms, industrial sectors, geographic regions or issuers.

The management of issuer risk is made using specific procedures.

3.1.5 Operational risk

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

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

3.1.6 Sustainability risk

Sustainability risks are events or conditions related to sustainability factors (environmental, social and governance) which, should they materialize, could cause a significant effective or potential negative

impact on the assets or investment value, the profitability or balance sheet position, or on the Group's reputation.

The sustainability risk may manifest as an own risk or may have an impact on and significantly contribute to other risk categories such as market risk, liquidity risk, credit and counterparty risk, issuer risk or operational risk.

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

3.1.7. Taxation risk

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

In addition, the Romanian Government has a number of agencies authorized to control both Romanian and foreign entities operating in Romania. These controls are broadly similar to those carried out in many other countries, but may also extend to legal or regulatory areas in which Romanian authorities may have an interest.

Tax returns may be subject to audit and review for a period of five years, generally after the date of filing. In accordance with the legal regulations in force in Romania, the periods audited may be subject to additional checks in the future.

The management of the Group believes that it has correctly calculated and recorded the taxes and other debts to the Romanian State. However, there is a risk that the authorities may take a different position from that of the Group.

3.1.8. Risk related to the economic environment

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

According to the NBR May 2024 Inflation Report, the war in Ukraine and the conflict in the Middle East, together with economic developments in Europe, as well as the absorption of European funds, in particular those related to the "Next Generation EU" program, continue to generate significant uncertainties and risks to the outlook for economic activity".

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

3.1.9. Other risks

Regulatory risk - current and future risk of a negative effect on profit and capital, following the significant change of the regulatory framework applicable to the functioning of the Group. The impact may refer to: reduction of the attractiveness of a certain investment type, the sudden reduction of exposure of strategic issuers, significant increase of activity costs etc.

Systemic risk – a risk is seen as systemic if it is a substantial threat to financial stability and has the potential to lead to serious negative consequences on markets and real economies. The Group may be exposed to systemic risk due to its interconnection with markets and investors. The Group's objective is to anticipate and protect itself from these possible negative effects through crisis simulations, continuity plans and the setting of exposure limits for relevant risks.

Strategic risk - current or future risk of negative impact on profits and capital caused by changes in the business environment or adverse business decisions, inadequate implementation of decisions or the lack of reaction to the changes in the business environment. The Group's objective is to provide a proper framework for the management of strategic risks, through the correlation of strategic objectives with the means and methods used to reach these objectives, necessary resources, as well as quality of the decision-making process.

The management of the Group cannot predict all effects of the internal and international evolution that might have an impact on the Romanian financial sector. In the first half of 2024, the Group adopted all measures necessary to carry out its activity under the current conditions of the financial market through the adequacy of its investment policy and constant monitoring of cash flows.

Reputational risk - current or future risk of negative impact on profits and capital caused by the unfavourable perception of the company's image by the shareholders, investors or supervisory authority. The prevention and lowering of reputation risk is made through the following methods, not limited to them: adequate application of own ethics norms, confidentiality, as well as regulations in force concerning the prevention and fight against money laundering, preparation of an adequate form of presentation or communication of informative materials and materials for the promotion of the Group's activity, and establishing work procedures and decision making abilities in case of a crisis situation.

Conflict of interest risk – risk of loss due to any situation in which the interests of the Group are different from the personal interests of employees, directors and managers or their close relatives. The Group provides an efficient and unitary framework for conflict prevention and avoidance and adopts measures and rules to avoid conflicts of interest.

Risk related to activities carried out by the Group's subsidiaries – current or future risk of negative effect on profits and capital or company reputation due to negative effects on the level of the companies within the Group. In order to manage this risk, the companies within the Group include information on the relevant risks they are exposed to, their management method and possible prevention and lowering measures for these risks in their quarterly reports.

3.2. Main risks and uncertainties in H2 2024

According to the NBR 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 fiscal-budgetary measures that could be implemented ahead 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.

Furthermore, the absorption of EU funds, mainly 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 the monetary policies of the ECB and the Fed, as well as those of central banks in the region, also remains relevant

The pace of economic expansion is expected to remain relatively slow 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 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 to medium term are also taking a toll on oil demand. 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 prolongation of OPEC's agreement on production cuts. The projection of future oil price dynamics 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: favourable influences in Q3 2024 and Q1 2025, and unfavourable influences in Q4 2024, when the disinflationary process may quasi-stagnate. 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 expected 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 new fragmentations of trade relations between countries. They could also be affected by worsening bottlenecks in global supply chains amid heightened geopolitical tensions, but in the baseline scenario the effects from this source are assessed to be relatively low at this point in time.

From the point of view of real monetary conditions, the real effective exchange rate is expected to continue to exert 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 projected to marginally outpace that of exports, which points to a resumption of the negative contribution of net exports to GDP growth from this year onwards.

4. Important events subsequent to the reporting date

4.1. Agointens SA

- July 12, 2024- EGMS approved the increase of share capital in the amount of RON 6,500,000 (a value of €1,300,000 at an exchange rate of RON/€ 5) through the contribution of shareholder EVERGENT Investments SA and the rectification of the Income and Expenditure Budget for 2024.

4.2. Casa SA

- August 12, 2024 – EGMS approved the ratification of the transaction regarding the acquisition by the company of the property owned by individuals Doroftei Ioan and Doroftei Liliana located in Bacău, 94C Pictor Aman Street, Bacău, at the value of €325,000 and the sale of a commercial space owned by the company in Bacău, no. 3 Nicolae Bălcescu Street, 3rd floor, in the amount of €1,100,000.

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

In accordance with the resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 2 of April 27 2023, the public offer of shares was run between January 8, 2024 – January 19, 2024, for a number of 10,000,000 shares at a purchase price of RON 1.45/share in order to lower the share capital through share annulment.

The offer was a success in terms of investor interest, with an allocation index of 0.0409086221.

The running and completion of the Public Offer of shares issued by EVERGENT Investments, approved through FSA resolution no. 1328 of December 22, 2023 – current reports on January 19, 2024 and January 25, 2024 supplied to the market by BT Capital Partners, as offer broker.

- ✓ Offer run time: January 8, 2024 – January 19, 2024
- ✓ Allocation index set within the offer: 0.0409086221.
- ✓ Number and percentage represented by the equity filed within the offer: 244,447,246 shares, representing 25.42% of the share capital;
- ✓ Number of shares purchased within the offer: 10,000,000, representing 1.0398% of the share capital;
- ✓ Total value of bought-back shares: RON 14,500,000.

The Extraordinary General Meeting of Shareholders of EVERGENT Investments adopted resolution no. 3 on April 29, 2024, through which:

It approved the buy-back programs of own shares – Programs 10, 11 and 12”, abiding by the applicable legal provisions and with the following main characteristics:

a) Purpose of the programs: EVERGENT Investments shall buy-back shares with the purpose of running “stock option plan” type programs, as well as to lower its share capital through share annulment.

b) the number of shares that can bought-back and share capital percentage, as it will result following the reduction of share capital, as per item 2 on the EGMS agenda:

(i) maximum 12,500,000 shares through market operations (1.3751% of the share capital) to be distributed to the 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 offer, with 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 shall be the BSE market price at the time the purchase is made.
- d) Maximum price per share: 2 lei.
- e) Duration of each program: maximum 18 months from the date the resolution is registered in the Trade Registry.
- f) Payment for the redeemed shares will be made from the distributable profit or from the available reserves of the company, as recorded in the last approved annual financial statements, with the exception of the legal reserves recorded in the 2023 financial statements, in accordance with the provisions of Article 103 index 1 of Law no. 31/1990 on companies.

It authorises the Board of Directors and its individual members to adopt the necessary decisions in order to implement the resolution, including the completion of all steps and formalities for the implementation of the programs and application of assignment criteria, the setting of beneficiaries and number of rights/options to purchase shares, the exercising of rights period, the preparation and publication of informative documents, as required by the law.

Treasury Shares Buy-back Program no. 10, approved the resolution of the Extraordinary General Meeting of Shareholders of EVERGENT Investments no. 3 of April 29, 2024, was initiated according to the Resolution of the Board of Directors on June 7, 2024, the characteristics of the program being the following:

- Period: June 10, 2024 – November 15, 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 Art. 3, paragraph (3), item (b) of the EU Delegated Regulation 2016/1052;
- Price: the minimum purchase price shall be the BSE market price at the time the purchase is made, maximum price – RON 2 /share, in accordance with the EGMS resolution no. 3 of April 29, 2024;
- Program purpose: the Company will 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.

6. Corporate Governance

6.1. Corporate Governance Code

[www.evergent.ro/despre noi/Codul de guvernanta corporativa](http://www.evergent.ro/despre-noi/Codul-de-guvernanta-corporativa))

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

6.1.1. The structure and functioning method of the management and administrative bodies

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

6.1.1.2. The Board of Directors - the Company is managed by a Board of Directors comprised of 5 members, individuals, elected by the General Meeting for a 4 year period, with the possibility of being re-elected. The members of the Board of Directors are endorsed by the FSA. The current members of the Board of Directors: Doroş Liviu Claudiu – president, CEO; Iancu Cătălin-Jianu-Dan – vice-president, deputy CEO; Ceocea Costel, Ciorcilă Horia, Radu Octavian-Claudiu – were approved by OGMS Resolution no. 2 of January 28, 2021, for the 5th April 2021 – 5th April 2025 mandate and authorized by the FSA (Authorization no. 49 of March 30, 2021).

(Details on the organization and responsibilities of the Board of Directors are presented in Annex 1).

6.1.1.3. Audit committee - is a permanent committee, independent from EVERGENT Investments' management, subordinate to the Board of Directors. The Audit Committee assists the Board of Directors in fulfilling its responsibilities in the field of financial reporting, internal control, internal and external audit and risk management. The Audit Committee is comprised of 3 members, namely:

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

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

6.1.1.4. Appointing and Remuneration Committee - is a permanent committee, with consultative function, independent from EVERGENT Investments' executive management, subordinate to the Board of Directors. The Committee assists the Board of Directors in its fulfilment of responsibilities related to the appointing and remuneration of members for management functions, as well as their remuneration. The Committee is comprised of 3 members, namely:

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

(Details on the organization and responsibilities of the Appointing and Remuneration Committee are presented in Annex 1).

6.1.1.5. Investment Committee - is a permanent committee, with consultative function, independent from EVERGENT Investments SA's executive management, subordinate to the Board of Directors. The Investment Committee assists and supports the Board of Directors in the fulfilment of its obligations in the field of drafting strategies and investment policies, implementing the investment policy, analysing the financial instrument portfolio's performance and managing related risks. The Committee is comprised of 3 members, namely:

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

6.1.1.6. Executive management of the Company is ensured, in compliance with the Articles of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and Deputy CEO, who act as managers of the company as per Law no. 31/1990 on companies. The managers meet the legal requirements for their position, have a good reputation and experience in compliance with FSA regulations, including experience regarding the AIF strategies managed by AIFM. Executive managers of EVERGENT Investments: Doroş Liviu Claudiu – CEO, Iancu Cătălin Jianu Dan – Deputy CEO – FSA authorization no. 59 of April 5, 2021.

(Details on the organization and responsibilities of Executive Management are presented in Annex 1).

6.1.1.7. Management Committee

The CEO and deputy CEO comprise the Management Committee and effectively run the activity of the company within the limits of their assigned competencies.

Each director of the company coordinates the daily activity of certain departments according to the organisational chart and adopt individual decisions on their specific activity areas, and together they adopt decisions within the Management Committee, complying with the legal requirements that the directors ensure the actual management of the company.

For this purpose, the Committee adopts decisions regarding:

- ✓ implementation of the investment strategy set by the Board of Directors;
- ✓ implementation of the resolutions of the Board of Directors that target assigned abilities;
- ✓ matters that fall within the competence of the Board of Directors and are to be submitted for its discussion and approval concerning the delegated tasks;
- ✓ issues that, by their scope, can impact all lines of business (business, support, compliance);
- ✓ issues that, in order to adopt a decision, require full understanding and harmonization of business and compliance aspects;
- ✓ approval of procedures specific for the departments of the company.

The meetings of the Management Committee are also the internal framework for the directors to be fully and mutually informed on issued specific to coordinated areas.

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

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

Legal assistance, advice and representation

In support of the Company's interests, the legal advisors and auxiliary staff of the service, under the direction of the director, aim to find the best legal strategies and capitalize on relevant case law, while also meeting the deadlines set.

Legal assistance and advice

In line with the strategic objectives, the Legal Service ensures that legal regulations are implemented and complied with both by and towards the Company, with a continuous concern for the protection of legitimate rights and interests in all three main segments of activity (legal assistance, legal advice and legal representation).

At the end of the reporting period, the legal advice activity amounted to 36 advice files and a total of 292 legal endorsements 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 granting legal endorsements within the optimal timeframe.

We also emphasize the approval, at the level of the Director's activity, of a total of 944 provisions for the creation and/or termination of attachment orders relating to the payment of dividends to shareholders and the corresponding reply addresses.

Legal Representation

The legal proceedings before the courts are concentrated in the field of civil, administrative, commercial, company and capital market law.

The legal assistance and representation activity in the first semester of 2024 focused on the formulation of the necessary defences in the 271 disputes registered in the specific records, of which 18 disputes were finally settled.

We highlight an important number of litigations against AAAS, a public institution that owes EVERGENT the amount of RON 64,363,192.2 and against which the Company has initiated enforcement requests. At the same time, the service carried out intense actions of identification and monitoring of possible debtors of AAAS or assets belonging to this institution, in order to maximize the chances of realization of claims.

Legal assistance and representation was provided for the disputes EVERGENT has against various companies in the portfolio concerning the annulment of certain illegal GMS resolutions, as well as in the disputes where the company is respondent.

The synthetic statement of litigations where EVERGENT Investments acts as party (details in Annex 2.1).

- Litigations in which the company is plaintiff:
 - 204 files, of which: 193 files are litigations pending in various trial stages and 11 are settled.
- Litigations in which the company is the respondent:
 - 67 files of which: 60 files are litigations pending in various trial stages, and 7 are finally settled.

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

6.2.1. Risk Management - EVERGENT Investments establishes and maintains the permanent risk management function that is separate and independent from other functions and activities.

The department is subordinate to the Board of Directors. The permanent risk management function is exercised independently from the hierarchic and functional point of view, from that of portfolio management and other functional departments through the adoption of all organisational measures to prevent conflicts of interest, expressly foreseen by the Company's internal regulations. It has the necessary authority and access to all relevant information necessary to fulfil attributions and responsibilities.

Staff of the department:

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

(Details on the organization, responsibilities of the Risk Management Department are presented in Annex 33).

6.2.2. Compliance

EVERGENT Investments establishes and maintains a permanent and effective compliance verification function that is independent. Structurally and hierarchically, the Compliance Department reports to the Board of Directors. Each person employed in the Compliance Department is subject to F.S.A. authorization and is registered in the public register of the F.S.A.

Staff of the Compliance Department:

1. Michaela Pușcaș – compliance officer (FSA Reg. no.: PFR131RCCO/04003) until March 15, 2024;
1. Gabriel Lupașcu – compliance officer (FSA Reg. no.: PFR14RCCO/040020)

(Details on the organization and responsibilities of the Compliance department are presented in Annex 3).

6.2.3. Internal Audit - EVERGENT Investments sets and maintains the permanent internal audit function, independent from other functions and activities of EVERGENT Investments. The department is subordinate to the Board of Directors. For the purpose of directing the activity, the internal Audit Department develops policies and procedures aligned to the requirements of the International Standards for the professional practice of internal audit.

FSA notified internal auditors: Virginia Sofian, Gabriela Stelea, Rodica Grintescu.

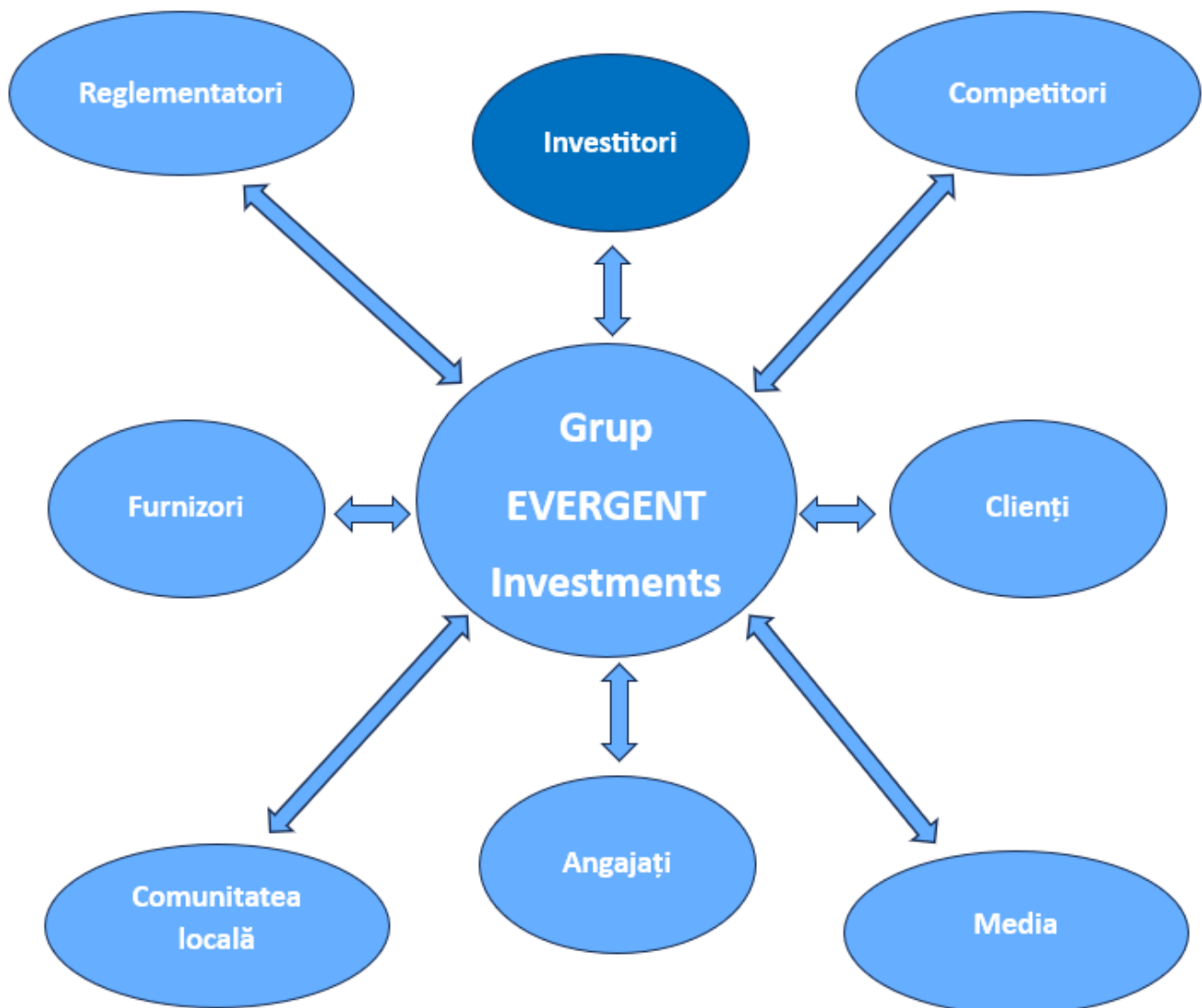
(Details on the organization and responsibilities of the Internal Audit Department are presented in Annex 3).

7. EVERGENT Investments Group's approach regarding environmental, social and governance – “ESG” aspects

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

By applying its investment experience and expertise, the Group is positioning itself to help build a sustainable future.

As efforts to integrate ESG into the investment sector evolve, EVERGENT Investments' approach will continue to evolve. The Group works closely with all stakeholders to make the approach transparent and tailored to their needs.



The ESG policy of the EVERGENT Investments Group is posted on www.evergent.ro



“Environmental” Component

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

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

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

Private Equity Portfolio

The "Atria Urban Resort" project is in the process of building 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 completed 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, lowering our dependence on external resources and reducing our carbon footprint.

“Social” Component

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

The Group believes that strong employee engagement drives performance, so it supports diversity and fairness initiatives and continuously promotes a culture of collaboration.

The EVERGENT Investments Group recognizes the positive impact it can have on the community of which it is a part of, whether through capital investment or sponsorship, while at the same time aiming to create opportunities for under-resourced communities.

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

Corporate Governance Component – “Governance”

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

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

8. Activity for the prevention and fight against money laundering and the financing of terrorism

EVERGENT Investments ensures compliance with legal obligations and an adequate degree of CSB/CFT compliance in accordance with applicable legislation, best practices and applicable industry guidelines.

The company identifies the ML/FT risks it is subjected to, both on the level of the entire activity and on Group level in accordance with applicable legal provisions.

ML/FT appointed individuals have reached their objective through the implementation of the necessary instruments to make sure that ML/FT legislation is abided by on the level of the Evergent Group as follows:

- ✓ the necessary steps have been taken to implement policies and procedures, in accordance with the current legislation, according to the specific nature and size of the economic activity carried out, as well as the specificities of the business relationships, customers, products and services.
- ✓ the necessary compliance opinions and reports have been issued in accordance with internal procedures and applicable legislation.
- ✓ the statements of real beneficiaries have been updated whenever changes have occurred, in accordance with the relevant regulations.

The Board of Directors' Report on June 30, 2024, relating to the Consolidated Financial Statements was approved in the BD meeting on September 13, 2024.

Claudiu Doros
CEO and President of the Board

Mihaela Moleavin
Finance Director

Gabriel Lupaşcu
Compliance Officer

Georgiana Dolgoş
Director

Structure and method of operation of directors bodies, management bodies and committees – EVERGENT Investments

1.1. General Shareholder's Meeting

The supreme government body of EVERGENT Investments is the General Meeting of Shareholders (GMS). The ordinary and extraordinary general meetings are convened by the Board of Directors in compliance with legal and statutory provisions. The proceedings of the meetings are recorded by the secretariat chosen by the GMS; the minutes are drafted in the special register.

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

1.2. Board of Directors

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

The directors and executive managers comprising the Management Committee enter into administration and/or management contracts with the company, prepared in compliance with the applicable legal framework. The content of these contracts concluded with the company will be declared and/or made public in accordance with applicable regulations if required.

In its activity, the Board of Directors adopts resolutions. The resolutions of the Board of Directors are valid if more than half its members were present and the resolutions are adopted with the majority of votes cast by present members. The president of the Board of Directors will have decisive vote in case there is a tie. The president of the Board of Directors who is also the company's CEO cannot have a decisive vote. Legally adopted resolutions are mandatory for the directors and other managers and enforceable at the time of written submission or from the time of the general notification, through the secretariat of the Board of Directors, if they do not stipulate a later term when they are to come into force in their wording.

The Board of Directors appoints a president and a vice-president from among its members. The President of the Board of Directors may also fulfill the function of CEO of the company, and the Vice President may also fulfill the function of Deputy CEO. The President shall chair the meetings. In the absence of the President, the proceedings shall be conducted by the Vice-President.

The President of the Board of Directors has the following basic responsibilities:

- a) coordinates the activity of the Board of Directors;
- b) convenes the Board of Directors;
- c) establishes the agenda of the Board of Directors;
- d) oversees the adequate information of the members of the Board regarding the items on the agenda;
- e) chairs the meetings of the Board of Directors;
- f) ensures the representation of the Board of Directors in relation to the Directors by signing the director's and manager's contracts;

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- g) monitors the implementation of the decisions of the Board of Directors and reports quarterly to the Board on the status of their implementation;
- h) signs the minutes of the meeting of the Board of Directors together with another director, if he chaired the meeting;
- i) conducts the GMS works and submits to the debate and approval of the GMS the issues on the agenda;
- j) ensures the proper functioning of the company's bodies.

The President may have other attributions established by the Board of Directors of the company by decision or expressly provided in legal provisions.

The Vice President of the Board of Directors fulfills the attributions of the President, in his absence.

The Vice-President may also have other attributions established by the Board of Directors of the company by decision or expressly provided in legal dispositions.

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

The EVERGENT' Memorandum of Association regulate the situations regarding:

- a) the administration of the company in the transitional period between the date of expiration of the mandates of the old directors and the date of validation of the new directors by the competent authority;
- b) the procedure for completing the Board, when vacancies appear;
- c) the organization and development of the meetings of the Board of Directors.

The Board of Directors has the following basic competencies, that cannot be assigned:

- a) setting the main activity and development directions of the Company;
- b) setting the accounting policies and financial control system, and approves financial planning;
- c) appointing and revocation of directors, setting their rights and obligations
- d) supervision of directors' activity
- e) preparing the annual report, organization of the general meeting of shareholders, and implementing its resolutions;
- f) submitting the request to open the company's insolvency procedure;
- g) proper fulfillment of the attributions set for the Board of Directors by the general meeting of shareholders
- h) setup/cancellation of subsidiaries and other secondary offices, without legal personality, or change of their headquarters;
- i) setting and approving the vote procedure during the general meeting of shareholders;
- i¹) taking appropriate measures regarding the establishment and implementation of corporate governance principles, including but not limited to:
 1. establishing relevant criteria for monitoring the performance of executive management/senior management and the company as a whole, as well as conducting an annual evaluation of the criteria's implementation.
 2. analyzing the adequacy, efficiency, and updating of the risk management system to ensure the effective management of assets held and the management of the risks to which the company is exposed.
 3. ensuring compliance with requirements related to outsourcing/delegation of operational activities or functions, both before and during the outsourcing/delegation process.
 4. analyzing and establishing a remuneration policy so that it aligns with the business strategy, long-term objectives and interests and includes measures to prevent the emergence of conflicts of interest;

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5. ensuring the development and implementation of ethical and professional standards to promote professional and responsible behavior at the society level to prevent conflicts of interest;
 6. approval of the company's policy and risk profile, appetite and risk tolerance limits, as well as the procedures for identifying, assessing, monitoring, managing and reporting the significant risks to which the company is or may be exposed;
 7. ensuring the development of business continuity and emergency response plans, as well as conducting semi-annual evaluations of these plans;
 8. semi-annual assessment and review of the effectiveness of the policy, measures and procedures established for risk management and taking appropriate actions to address any deficiencies.
- j) setting up other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by the law;
- k) pledging, leasing, creating movable real guarantees and mortgaging the assets of the company, in accordance with the law:
- the purchase, sale, exchange or guarantee setup of certain assets in the fixed assets category of the issuer, whose value exceeds either individually or cumulated, 20% of total fixed assets value over one financial year, less liabilities, are concluded by the Board of Directors or directors of the company, only after being previously approved by the extraordinary general meeting of shareholders. The cumulative operations related to fixed assets are treated separately for each category: acquisitions, disposals, exchanges, or collateralization;
 - the rental of tangible assets, for a period over one year, whose individual or cumulated value with the same contracted party or individuals involved, or acting in a concert manner exceeds 20% of total tangible assets value, less liabilities on the date the legal document is signed, as well as associations over a period longer than one year, exceeding the same value, are to be previously approved by the extraordinary general meeting of shareholders.
- l) approval of the exceeding of the limit foreseen by Law no. 31/1990, with the approval of the competent authority, in compliance with the regulations issued by it, for the buy-back of own shares issued in compliance with art. 4 Law 133/1996, in the property of initial holders. The bought-back shares can be used, based on the resolution of the board of directors, with the approval of the competent authority for the purpose of diminishing the capital or regulating the course of own shares on the capital market.

Other attributions of the Board of Directors:

- a) drafting general investment policies;
- b) integrating sustainability risks within the activities of:
 - ✓ implementation of the general investment policy as defined in the Fund's Rules, in the Memorandum of Association and in the Prospectus;
 - ✓ approval of the investment strategy;
 - ✓ periodic approval and examination of the adequacy of the internal procedures for adopting investment decisions for EVERGENT Investments, to ensure that these decisions are in line with the approved investment strategies;
 - ✓ periodic assurance and verification that the general investment policy, investment strategies and risk limits of EVERGENT Investments are applied and respected in an appropriate and efficient manner;
 - ✓ periodic approval and examination of the risk management policy and its application measures, processes and techniques, including the fund's risk limit system;
 - ✓ establishing and applying policies and procedures for evaluating the Fund's assets, in accordance with art. 19 of Directive 2011/61/EU;
 - ✓ ensuring that the Fund has a permanent and effective compliance verification function;
 - ✓ establishment and application of a remuneration policy in accordance with the provisions of Annex II to Directive 2011/61/EU.
- c) bank loan contracting;

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- d) conclusion of contracts with the depository, auditor and the entity that keeps the shareholders' records;
- e) assigning the company representation right to other managers, setting the limitations of the mandate as well;
- f) approval of the company's internal regulations and compliance procedure, internal audit, risk management and legal assistance for employees, directors and members of the board of directors;
- g) negotiating the collective employment contract;
- h) approval of the setup/cancellation of the management committee, with the quorum of votes for resolutions as foreseen in the Memorandum of Association;
- i) approval of the organization of the company, organization chart, positions and remuneration limits;
- j) appointing the individual(s) to replace the manager;
- k) approval of the participation level to the benefit plan for managers and directors, paid including through share assignment or options to buy company shares, abiding by statutory provisions;
- l) making sure that the company has an IT system that allows the safe keeping of market price records for each asset in the portfolio, of the net assets, the unitary value of net assets for the regulated reporting periods, record of the calculation method for all commissions, taxes and fees due, and keeping the history of these operations over a maximum period of 5 years;
- m) approval of the activity reports for the internal audit, compliance and risk management departments;
- n) approval of the investigation plan for the compliance department;
- o) ordering measures to remove any law infringement situation, infringement of regulations applicable to be capital market or internal procedures by EVERGENT Investments or its employees, following the analysis of the suggestions submitted in writing by the compliance officer;
- p) notification to FSA and capital market institutions involved about the circumstances ascertained by the compliance officer regarding the infringements of the legal regiment applicable to capital market and about the measures adopted;
- q) approval of the multiannual and annual audit plan and necessary resources;
- r) approval of the internal audit reports and measure plans to implement recommendations;
- s) approval of the results of crisis simulations;
- t) approval of the annual internal self-assessment results of operational risks, including IT operational risks and the internal control system and the risk response plan that outlines measures for preventing and mitigating operational risks.
- u) approval of the quarterly risk reports of the risk management department;
- v) approval of the classification of information as *privileged and confidential information* categories and the measures taken to manage them;
- w) approval of the assets evaluation method in compliance with SEV Evaluation Standards and GEV Evaluation Guidelines that are mandatory according to legal provisions to carry out the evaluation activity in Romania, mainly:
 - market approach methods;
 - revenue approach methods;
 - cost approach methods.
- x) the approval and examination of each modification of the policies and procedures for assets evaluation;
- y) approval of the general AML/CFT strategy and oversight of its implementation, ensuring an adequate and efficient governance framework for AML/CFT. Responsibilities include, but are not limited to:
 - ✓ supervises and monitors the adequacy and effectiveness of the policies, internal rules, mechanisms and procedures for managing AML/CFT risks in relation to the AML/CFT risk to which the Company is exposed, and, if necessary, orders measures to review them;
 - ✓ appoints the directly responsible leader for AML/CFT and assesses his adequacy or analyzes the assessment of suitability, communicating decisions that may affect the AML/CFT risks to which the company is exposed;
 - ✓ designates the person responsible for performing the duties of the AML/CFT compliance officer;

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- ✓ approves the activity report of the AML/CFT compliance officer or, if necessary, orders its review;
 - ✓ receives periodic updates regarding activities that expose the company to a higher risk of AML/CFT and is informed about the results of the AML/CFT risk assessment for the entire operation. This includes having direct and continuous access to all data and information held within the company that are necessary to fulfill the obligations specified by the current AML/CFT legislation.
- z) approves the annual activity report of the Commission for the Proper Administration of International Sanctions on the capital market;
- aa) addressing any other issues set by the General Meeting of Shareholders or by the regulations or legal provisions.

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

The directors' obligations and responsibilities are regulated by provisions regarding the mandate and those especially foreseen by Law no. 24/2017 regarding issuers of financial instruments and market operations, applicable FSA regulations and the provisions of the Memorandum of Association.

The members of the board of directors hold the knowledge, skills and experience to understand the activities of the company, especially the main risks associated to these activities, as well as the assets EVERGENT Investments invests in.

Advisory Committees of the Board of Directors

The Board of Directors may create advisory committees consisting of board members, charged with conducting investigations and making recommendations to the board, in areas such as auditing, remunerating the directors, managers and employees or nominating candidates for various management positions¹, etc. The Board of Directors establishes the internal rules of the constituted committees.

In applying the “EVERGENT Investments Corporate Governance Code”, the advisory committees are usually composed of non-executive and independent members who oversee the specific activity of the effective management and the executive. In the current activity, a clear division of the supervisory and control responsibilities is ensured in relation to the attributions of the executive management.

The activity of the committees is coordinated by a chairman, chosen from among its members. The Board of Directors will be informed immediately regarding the election of the chairman. The Board of Directors may establish additional responsibilities for the chairmen of the committees, establishing at the same time the corresponding indemnity.

The advisory committees of the board of directors must be composed of at least 2 members², according to the legal provisions and the Memorandum of Association.

¹ Law 31/1990 art. 140² paragraph (1) The Board of Directors may set up advisory committees consisting of at least 2 members of the Board and charged with conducting investigations and making recommendations to the Board in areas such as auditing, remunerating directors, managers, auditors and staff or nominating candidates for various management positions. The committees shall report regularly to the Board on their work.

² Memorandum of Association, art. 7, para. 24 - The Board of Directors may set up advisory committees consisting of at least 2 members of the board, charged with conducting investigations and developing recommendations for the board, in compliance with the applicable legal framework, in areas such as auditing, the remuneration of directors, executive managers and staff, or the nomination of candidates for various management positions. The committees will regularly submit reports on their activities to the Board.

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EVERGENT Investments complies with the legal requirements and recommendations of the BSE, which concern:

- ✓ at least one member of each committee must be an independent non-executive director;
- ✓ the audit, investment and remuneration committee consists only of non-executive directors;
- ✓ at least one member of the audit committee must have experience in applying accounting principles or financial audit;
- ✓ *the nomination-remuneration committee* consists of non-executive members, and the majority of members must be independent - BSE recommendation for the Premium category
- ✓ *the audit committee* must consist of at least three members and the majority of the members of the audit committee must be independent ”- BSE recommendation for the Premium category.

Audit Committee

The Audit Committee is a permanent Committee of the Board of Directors, independent from EVERGENT Investments executive management. The Audit Committee assists the Board of Directors in carrying out its responsibilities in the field of financial reporting, internal and external control and risk management. The Committee issues recommendations on various topics that are the subject of the decision-making process.

The members of the Audit Committee are appointed by the Board of Directors.

The Audit Committee is comprised by a number of 3 members elected from among non-executive managers. The majority of the members of the Committee will be independent non-executive directors (within the meaning of the provisions of Law no. 31/1990). The Chairman of the Committee shall be an independent non-executive director.

The audit committee must have the qualifications provided by law in the field in which the company operates. At least one member of the Audit Committee must have competences in the field of accounting and statutory audit, proven by qualification documents for the respective fields.

Attributions, responsibilities:

- a) informs the Board of Directors about the results of the statutory audit and explains how it contributed to the integrity of the financial reporting and what was the role of the Audit Committee in this process;
- b) monitors the financial reporting process and sends recommendations or proposals to ensure its integrity;
- c) approves the EVERGENT Investments Accounting Policy Manual;
- d) monitors the effectiveness of the company's internal quality control systems and risk management systems and of the internal audit regarding the financial reporting of EVERGENT Investments, without violating its independence;
- e) monitors the audit of the annual financial statements and of the consolidated annual financial statements, in particular its performance, taking into account the findings and conclusions of the competent authority, in accordance with the relevant regulations in force;
- f) analyzes the audit report and / or the opinion of the financial auditor regarding the essential aspects resulting from the financial audit, as well as regarding the financial reporting process and recommends the necessary measures;
- g) analyzes the findings and recommendations of the financial auditor regarding the significant deficiencies of the internal control, regarding the financial reporting process;
- h) is responsible for the selection procedure of the financial auditor or the audit firm and makes recommendations to the Board of Directors regarding its selection, appointment and replacement, subject to GMS approval, as well as its remuneration terms and conditions, in accordance with the regulations in force;

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- i) evaluates and monitors the independence of the financial auditor or of the audit firm and, in particular, the opportunity to provide non-audit services, in accordance with the relevant regulations in force;
- j) evaluates the conflicts of interests in connection with the transactions of the company and of its subsidiaries with the affiliated parties;
- k) any transaction of the company with any of the companies with which it has close relations, whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Board following a mandatory opinion of the Audit Committee;
- l) approves the Internal Audit Charter and the internal audit and internal control procedures;
- m) analyzes and approves the multiannual plan and the annual internal audit plan, the significant interim changes and the necessary resources related to this activity;
- n) analyses and approves the annual investigation plan for internal audit and its modifications;
- o) makes sure that the internal audit and internal control analysis and reports drafted are compliant with the audit and control plans approved by the Board of Directors;
- p) monitors the application of legal standards and generally accepted internal audit standards. The audit committee receives and evaluates the reports of the internal audit team, analyzes and approves the findings and recommendations of the internal audit and the plan of measures for their implementation.
- q) receives the report of the compliance officer, analyses and approves the ascertainments and recommendations suggested and the measure plan for their implementation;
- r) analyses and approves the annual report regarding internal audit activity;
- s) analyses and approves the annual report regarding the compliance activity;
- t) analyses and approves the annual report regarding the risk management activity;
- u) analyses and approves the risk policy, risk procedures and risk management methodologies;
- v) analyses and approves risk reports from the risk management department.

Appointing and Remuneration Committee

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

The committee assists the Board of Directors in fulfilling its responsibilities in the field of appointing and remunerating the members for management positions, as well as their remuneration.

The Committee consists of at least 2 non-executive members, of which at least one is an independent member, in the sense that it respects the principle of independence provided in art. 18 of the *FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority*.

Attributions, responsibilities:

- a) elaborates recommendations regarding the nomination policy of the directors and managers of the company in order to be submitted to the approval of the Board of Directors;
- b) approves, prior to the approval by the board of directors, and monitors the observance of the remuneration policy of the directors, managers and employees of the company, drawn up and applied by the executive management of the company. If they notice irregularities in the elaboration or application of the remuneration policy, the members of the committee immediately communicate in writing to the executive management the situations found and follow their correction, informing accordingly the members of the board of directors. The executive management has the obligation to

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- provide a written answer to the committee within 3 working days from the moment of receiving the notification, which in turn will inform the members of the board of directors. If the executive management unjustifiably refuses or postpones the application of the amendments requested by the committee, the board of directors has the obligation to submit to the FSA of a report regarding the deviations identified within the remuneration policy of EVERGENT Investments SA. The report shall be sent within 10 working days from the date of the written communication made by the nomination-remuneration committee;
- c) can elaborate recommendations regarding the remuneration policy for the EVERGENT Investments Group;
 - d) presents to the Board of Directors the annual report on the remuneration and other benefits granted to the directors and managers within the financial year;
 - e) takes note of the documentation that is made available to the financial auditor for the analysis of significant transactions reported according to art. 108 of Law no. 24/2017 regarding the issuers of financial instruments and market operations and, following the audit report, will recommend the measures that must be taken, if applicable;
 - f) elaborates recommendations regarding the filling of vacancies within the Board of Directors, in compliance with the GMS decisions and the incident legislation;
 - g) elaborates recommendations regarding the adoption of the decision of the Board of Directors and / or the executive management for the appointment, hiring, dismissal, respectively dismissal of department directors and staff with key and control functions, as well as for establishing the level of remuneration as well as their rights and duties;
 - h) periodically evaluates the level of acquisition and application of the specialized knowledge and makes recommendations regarding the process of continuous updating of the professional competencies of the directors, managers;
 - i) makes recommendations for the improvement of the knowledge regarding the company's activity in order to apply the best corporate governance practices;
 - j) monitors the observance of the requirements and obligations of transparency, information and reporting regarding the information from this activity segment.

Investment Committee

The Investment Committee is a permanent committee, with an advisory function, independent of the executive management of EVERGENT Investments SA, subordinated to the Board of Directors.

The Investment Committee assists the Board of Directors in fulfilling its responsibilities in the development of investment strategies and policies, the implementation of investment policy, the analysis of the performance of the portfolio of financial instruments and the management of related risks.

The Committee is composed of at least 2 non-executive members, of which at least one is an independent member, in the sense that it respects the principle of independence provided in art. 18 of the FSA Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority.

Attributions, responsibilities:

- a) issues recommendations to the Board of Directors regarding the investment strategy and policy;
- b) issues recommendations to the Board of Directors regarding the main directions of activity and development of the company;
- c) issues recommendations regarding the annual investment objectives substantiated within the annual activity programs;
- d) issues recommendations to the Board of Directors regarding the new investment / divestment programs / projects that are within the competence of the Board of Directors for approval;

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- e) issues recommendations to the Board of Directors regarding:
 - maximizing the performance of the financial instruments portfolio;
 - the allocation of assets for increasing performance, correlated with the activity program approved by the GMS, with the Investment Strategy and Policy (AIFM) and the economic forecasts;
- f) analyzes any investment proposal addressed to it and proposes to the Board of Directors new investment opportunities and methods to improve the activity of efficient asset management;
- g) analyzes and issues recommendations regarding the capital operations, increases / decreases of the share capital, as well as the share buyback programs for the purpose of managing the share capital or for the purpose of carrying out the Stock Option Plan programs;
- h) suggests investments that will be analyzed by the Investment Committee and will target mainly:
 - investments in companies where EVERGENT Investments holds control, in accordance with statutory provisions and Board resolutions:
 - “art. 7 line (18) letter j) decides the set-up of other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by legal provisions”
 - transactions with securities from the portfolio and not included in the annual activity program, which exceed the value of 20 million lei;
 - investments in new projects, transactions with newly issued securities and / or not included in the portfolio, as well as the development of new strategic lines
- i) issues recommendations regarding the strategy of restructuring the asset portfolio;
- j) issues recommendations regarding the portfolio optimization strategies;
- k) conducts investigations in the fields within its sphere of competence
- l) analysis and approves the way sustainability risks are included in the decision-making process.

The secretariats of the Board of Directors, the Executive Committee, and the consultative committees - general rules

1. The Board of Directors, the Executive Committee and the consultative committees of the Board of Directors operate in accordance with their own rules of organization and functioning, approved by the Board of Directors.
2. The secretariats are not separate organizational departments; they operate within the governance structures.
3. Secretaries of the Board of Directors and committees, as well as their replacements, are appointed by a decision of the Board of Directors, upon the proposal of the CEO.
4. The secretariat has the following core responsibilities:
 - Technical organization of meetings.
 - Communication of opinions and/or decisions to departments.
 - Preparation of meeting minutes, drafting of reports for approval by competent bodies, including monitoring the implementation of the Board of Directors' resolutions, with the support of the involved departments.
 - Physical and electronic archiving of meeting documents; physical archiving is ensured at the registered office.

Consultant to the Board of Directors

By decision of the Board of Directors, people may be hired as advisers to the Board of Administration.

Main attributions:

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1. analyzes and formulates substantiated observations and proposals based on the documents and notes drawn up by the other structures on topics subject to the attention or approval of the FSA and other competent authorities.
2. identifies, based on the analysis of the topics presented for the debate of management structures, the aspects that area not properly regulated and submits proposals for improving the regulatory framework;
3. analyzes and submits observations and suggestions regarding the way in which corporate governance principles are abided by EVERGENT Investments and the measures that should be applied for the application of BSE recommendations from the Corporate Governance Code, including on the content of Corporate Governance Regulation of EVERGENT Investments;
4. makes proposals regarding the revision of the internal regulations and the optimization of the organization of the activity of the Board of Directors/BD secretariat and of the advisory committees of the BD/secretariats of the advisory committees, including regarding the Regulations for the organization and operation of these structures;
5. monitors, at the express request of the management structures or their members, how management decisions are carried out;
6. can participate, following the designation by the management structures or their members, in external work meetings, after which he will make reports;
7. provide specialized assistance to the non-executive members of the Board.

Delegations of authority from the Board of Directors

The Board of Directors approves the delegation of power and sets the limitation of powers for the CEO, Deputy CEO and Executive Committee.

Operations made based on the powers delegated to executive managers are reported to the Board of Directors through written or verbal reports.

The Board of Directors has delegated to the CEO and Deputy CEO the attributions presented within these regulations.

The Board of Directors approves the delegation of powers and/or right of representation to other directors, setting their limitations. Operations made based on powers delegate by the Board of Directors are object of reports that will be presented in the meetings of the Board of Directors.

1.3 EVERGENT Investments Executive Management

The executive management of the company is insured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and Deputy CEO, who act as directors of the company as per Law 31/1990 regarding companies. The directors meet the legal requirements for their position; have a good reputation and sufficient experience in compliance with FSA regulations, including experience with the investment strategies of AIF managed by AIFM.

Executive management is appointed by the Board of Directors, according to statutory provisions, the identity of the individuals being immediately made known to FSA.

The executive management:

- is authorized to manage and coordinate the daily activity of the company, according to the activities coordinated by each director;

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- is responsible for the application of the general investment policy, for insuring the abidance by internal regulations and work procedures;
- notifies the Board of Directors regarding the activity carried out between its regular meetings.

In the field of risk management, executive management is responsible for:

- (a) making sure that the Risk management policy, the procedures and methodologies for the identification, evaluation, monitoring, management and reporting of significant risks to which the company is or could be subjected to, approved by the Board of Directors are properly implemented;
- (b) adopting measures, proper and efficient processes and techniques for the monitoring and control of all relevant risks in compliance with the risk management policy;
- (c) insuring the resources necessary for the implementation of the risk management system;
- (d) setting the competencies and responsibilities for risk management on the level of each line of activity;
- (e) proper and efficient application and abidance by the risk limits taken on, including in case of emergency situations, as well as abidance by the risk profile approved by the Board of Directors;
- (f) making sure crisis simulations are carried out;
- (g) setting and maintaining a proper system for risk exposure reporting;
- (h) half-yearly evaluation of the plan to insure activity continuity and for the emergency situations in order to eliminate or minimize risks;
- (i) development of an integrated risk culture on the level of EVERGENT Moldova, based on a full understanding of the risk the company is confronted with, the way these are managed, taking into consideration the risk tolerance/appetite of the company.

In the field of compliance insurance, the directors are responsible for:

- (a) approving the compliance policy (can be an integrated document or a combination of distinct internal regulations);
- (b) the analysis of the compliance policy and its method of implementation in EVERGENT Investments, at least once a year;
- (c) providing the resources necessary to implement the compliance policy;
- (d) ordering measures for the control of compliance risk.

CEO

The CEO enforces the resolutions of the Board of Directors, and for this purpose he issues written resolutions and orders. The decisions and orders are immediately enforceable from the time they are submitted to the individuals who have the authority to fulfill them.

The CEO has the following attributions:

- a) direct and actual management of the company's activity, in compliance with the objectives set by GMS;
- b) implementation of the company's general investment policy;
- c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, GMS resolutions or the resolutions of the Board of Directors;
- d) patrimonial engagement of the company in its relationship with third parties, through his own signature;
- e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors;
- f) approval of the measures regarding the protection of the integrity of tangible and intangible assets in the company's patrimony;

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- g) trading and/or negotiation responsibilities regarding the goods or rights of the company within the limits foreseen by the law, Memorandum of Association, GMS resolution or those of the Board of Directors;
- h) representation of the company in relationship with third parties and in court;
- i) collaboration with the auditors of the company, the company's depositary and with the entity that keeps the records of shareholders, as well as those with other control or supervision bodies of the company;
- j) approval of the content of the information reports for the market and shareholders regarding any action that is the object of a legal reporting obligation;
- k) internal (functional) organization of the company, taking into consideration the legal provisions, the provisions of the Memorandum of Association, internal regulations, the company's organizational chart as well as the resolutions of the Board of Directors;
- l) employment, promotion and lay-off of company's employees with the exception of department directors and the individuals holding key-positions that are appointed by the Board of Directors, as well as application of disciplinary actions for the company's employees, in compliance with legal norms and internal regulations;
- m) regular information of the company's employees as well as negotiating with these the individual employment contracts and work conditions;
- n) gratification of employees within the limits set by the collective employment contract and /or Board of Directors;
- o) verification and control responsibilities for the way the company's employees or other individuals in contractual relationship with the Company carry out their tasks;
- p) notification of the Board of Directors of the company regarding the activity carried out, in compliance with applicable law;
- q) other responsibilities set by the company's Board of Directors through resolution or expressly foreseen by legal provisions.

The CEO coordinates the entire activity of the Company in compliance with the attribution of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, Legal, Corporate Governance Service and Relationship with investors, IT system, Asset Valuation Department, Human Resources –Logistics Department, Occupational Health and Safety activities, Fire Prevention and Firefighting activities, as well as Physical Security activities.

The CEO serves as the direct leader responsible for AML/CFT, with specific responsibilities as outlined by relevant legal provisions, as established in the management contract.

The CEO leads and coordinates the Executive Committee.

In case of absence, the attributions assigned by the Board of Directors will be the competence of the Deputy CEO and the actual management of the company will be insured by the Deputy CEO and one of the individuals assigned as replacements, and FSA notified.

Deputy CEO

The Deputy CEO has the following attributions:

- (a) implementation of the board of directors' resolutions;
- (b) direct and actual management of the company's activity in compliance with the general objectives set by GMS;
- (c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, resolutions of the general meeting of shareholders or of the Board of Directors;

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- (d) patrimonial engagement of the company in its legal relationship with third parties, through own signature, in compliance with the provisions of internal regulations and within the set competence limits;
- (e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors and/or CEO;
- (f) approves the measures regarding the protection of the integrity of tangible and intangible assets in the property of the company;
- (g) trading and/or negotiating with third parties regarding the goods or rights of the company, within the limitations set by the law, Memorandum of Association, GMS Resolutions and those of the Board of Directors;
- (h) company representation before third parties and the court;
- (i) collaboration with the auditors of the company, the company's depository and with the entity that keeps the records of shareholders, as well as those with other control or supervision bodies of the company;
- (j) approves the content of information reports for the market and the shareholders regarding any action that is object of a reporting-related obligation;
- (k) internal (functional) organization of the company, taking into account legal provisions, the company's memorandum of association, internal regulations, company organizational chart, and the resolutions of the company's Board of Directors;
- (l) control and promotion of employees in compliance with legal norms and internal regulations;
- (m) gratifications for the employees within the limits set by the collective labor contract and/or Board of Directors;
- (n) verification and control responsibilities for the way in which the employees of the company or other individuals in contractual relationship with the company, fulfill their tasks;
- (o) informing the Board of Directors of the company regarding the activity carried out, in compliance with applicable law;
- (p) other attributions set by the Board of Directors of the company through resolution or expressly foreseen by legal provisions.

The Deputy CEO insures the daily coordination of departments: "ENERGY- INDUSTRIAL" Portfolio, "FINANCIAL- BANKING" Portfolio, "SELL" Portfolio, "PRIVATE – EQUITY" Portfolio, "Transactions" Department. The components of the financial instruments portfolios are set through Board resolution.

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

1.4. Executive Committee

The Board of Directors delegates the management of the company to the CEO and Deputy CEO, who together form the Management Committee.

The CEO and Deputy CEO can also be directors of the company.

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

The CEO and Deputy CEO who comprise the Executive Committee actually lead the activity of the company within the limitation of their delegated powers.

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Each director of the company coordinates the daily activity of some departments, according to the organizational chart and adopts individual resolutions on their specific areas of activity, and together they adopt decisions within the collective work body, the Management Committee, in the application of legal requirements, so that the directors insure the actual management of the company.

For this purpose, the Committee adopts decisions regarding:

- ✓ the implementation of the investment strategy set by the Board of Directors;
- ✓ the implementation of Board of Directors' resolution that target assigned competencies;
- ✓ the issues that fall under the competence area of the Board of Directors, and are to be subjected to debate and approval, regarding assigned responsibilities;
- ✓ issues that, given their importance might impact all lines of activity (business, support, compliance)
- ✓ issues that require the full understanding and harmonization of business and compliance aspect, in order to adopt a resolution;
- ✓ approval of procedures specific for the departments of the company.

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

The competence limits of the Board of Directors, CEO, Deputy CEO are set taking into consideration the basic responsibilities of the Board of Directors that cannot be assigned (provisions of art. 7 line 19 letter a-l of the Memorandum of Association).

Organization and carrying out of the Executive Committee's activity

In the interval between the meetings of the Board of Directors, the Management committee carries out its activity within the competence limitations set.

The Executive Committee presents adopted resolution and status of running operations in the Board of Directors.

The legally adopted decisions are mandatory for the directors and employees and enforceable at the time of their communication in writing if they do not stipulate in their wording another term, following the notification.

The resolutions of the Executive Committee are adopted unanimously.

In case decisions cannot be adopted in the Executive Committee in case the vote requirements are not met, the subject discussed shall be presented for the analysis of the Board of Directors, in order for a decision to be adopted.

The CEO leads and coordinates the Executive Committee, and in this quality:

- a) convenes every time necessary the Executive Committee in order to present for debate and approval issues that fall under its competence;
- b) monitors the implementation of the Executive Committee's decisions and reports quarterly to the Board on the progress of their execution;
- c) informs the Board of Directors about adopted resolution in each meeting of the Board of Directors.

1.5. Director

The director is an employee of the company and is subordinate to the Executive Committee.

The functional relationship of the executive manager are:

1. subordination to the CEO, Executive Committee, Deputy CEO;
2. collaboration with all company departments;
3. coordination of departments under his subordination according to the organisational chart.

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The director has mainly the following attributions:

1. Ensures the daily coordination of the departments and the necessary framework for carrying out the activities of the coordinated departments according to the Organization Chart, by organizing, planning and monitoring their activities, in order to reach specific objectives at a high level of performance;
2. Organizes, directs, verifies and supervises internal and inter-departmental activities, applying the necessary measures to ensure the proper running of internal processes according to specific approved procedures, compliance with legislation and correct understanding and application of specific regulations;
3. Makes sure that decisions adopted by the Management Committee and CEO are implemented within the set deadline;
4. Makes proposals for improving the activity of the departments they coordinate, in order to optimize internal resources and streamline operations carried out according to applicable internal procedures;
5. Facilitates and ensures collaboration with other departments and structures within the company, ensuring the necessary information transfer for decision-making;
6. Analyses and assigns for solving the documents entered within the company, implements the resolutions on documents assigned by the CEO and/or submits resolutions on documents that regard the activity of coordinated departments, assigned works and sets deadlines;
7. Endorses and/or approves all documents prepared within the coordinated activity according to his competence and within the limits approved by the CEO/Board;
8. Coordinates, prepares and/or actually participates to the preparation of works assigned to the departments of the company and/or inter-department works, within the set deadline and reports to the executive management on the way these are fulfilled;
9. Coordinates, from the point of view of compliance with internal regulations, procedures and decision-making processes, the activities under the responsibility of the coordinated departments;
10. Reports to the Management Committee, CEO on the activity carried out; ensures the execution of the Board of Directors' decisions and provides quarterly reports to the Executive Committee and the Board of Directors on the status of their implementation, based on information provided by managers and department heads, or project leaders, as applicable, following internal procedures and management decisions
11. Fulfils any other work attribution assigned to him according to legal and internal regulations in force, job description or that is assigned to him by executive management.

Protection of EVERGENT Investments' interests and assets through legal proceedings and out-of-court proceedings

Legal assistance, consultancy and representation

In support of the Company's interests, under the leadership of the Director, legal advisors and auxiliary staff within the legal service focus on identifying the best legal strategies and leveraging relevant case law, while also adhering to the established deadlines.

Legal assistance and consultancy

In line with strategic objectives, the legal service ensures that legal regulations are implemented and complied with, both by and towards the Company, with a continuous focus on protecting legitimate rights and interests across the three main areas of activity (legal assistance, consultancy, and representation).

At the end of the reporting period, the legal consultancy activity recorded 36 consultancy cases and a total of 292 legality opinions on various legal documents, such as contracts, addendums, decisions, mandates, and agreements. Thus, the department has achieved its goal of maintaining a high level of legal notices provided in a timely manner.

Additionally, it is worth noting the approval by the Director of 944 establishment and/or cessation of garnishments concerning the payment of dividends to shareholders and the corresponding response letters.

Legal representation

Legal proceedings in the courts are focused on civil law actions, administrative disputes, commercial matters, and issues related to the applicable legislation for companies and the capital market.

In the first semester of 2024, the legal assistance and representation activity focused on preparing defenses in the **271** litigations, of which **18** cases were definitively resolved.

We highlight a significant number of litigations against AAAS, a public institution that owes EVERGENT the amount of 64,363,192.2 lei, against which the Company has initiated enforcement proceedings. Additionally, the legal department has undertaken intense actions to identify and monitor potential debtors of AAAS or assets belonging to this institution to maximize the chances of recovering the claims.

The legal team also provided assistance and representation in the lawsuits EVERGENT has initiated against various companies in its portfolio, seeking to annul illegal General Meeting of Shareholders (GMS) decisions, as well as in cases where the company is the defendant.

Summary of Litigation involving EVERGENT Investments (details in Annex 2.1.)

- Litigations where the company is the **claimant**:
 - 204 cases, of which 193 are ongoing at various stages and 11 cases have been completed.
- Litigations where the company is the **defendant**:
 - 67 cases, of which 60 are ongoing at various stages and 7 cases have been completed.

LITIGATIONS as of June 30, 2024

Statement of litigations pending with object annulment of GMS resolutions for companies in EVERGENT Investments SA's portfolio – quality: plaintiff

No.	Company	Object	Litigation status	Observations
1	Dyonisos Cotesti	Annulment of OGMS resolution on 02.06.2023	Merits	

SOLVED LITIGATIONS

1	Dyonisos Cotesti	Annulment of OGMS resolution on 14.04.2022	Allows Evergent's appeal.	
2	Vastex SA - în faliment	Annulment of OGMS resolution on 29.05.2023	Declares Vastex's appeal null and void	
3	Brikston Construction	Annulment of OGMS resolution on 12.05.2023	Evergent's appeal dismissed	
4	Rulmenti Barlad	Annulment of OGMS resolution on 30.05.2023	Evergent's appeal dismissed	

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

no.	Company/ individual respondent	Claims value in lei	Object	Observations
1	AAAS	3,765.75	enforcement	
2	AAAS	3,817.58	enforcement	
3	A.A.A.S.	1,040.34	enforcement	
4	A.A.A.S.	5,790.02	enforcement	
5	A.A.A.S.	642,698.60	enforcement	
6	A.A.A.S.	8,172,942.24	enforcement	
7	A.A.A.S.	728,287.45	enforcement	
8	A.A.A.S.	1,749,645.01	enforcement	
9	A.A.A.S.	194,941.15	enforcement	
10	A.A.A.S.	510,479.96	enforcement	
11	A.A.A.S.	1,338,494.26	enforcement	
12	A.A.A.S.	1,533,598.42	enforcement	
13	A.A.A.S.	1,416,542.50	enforcement	
14	A.A.A.S.	1,796,404.14	enforcement	
15	A.A.A.S.	545,128.79	enforcement	
16	A.A.A.S.	13,978.84	enforcement	
17	A.A.A.S.	29,858.47	enforcement	
18	A.A.A.S.	6,126.20	enforcement	
19	A.A.A.S.	142,664.76	enforcement	
20	AAAS	3,580.64	enforcement	
21	A.A.A.S.	2,002,293.40	enforcement	
22	A.A.A.S.	2,102,965.54	enforcement	
23	A.A.A.S.	1,169,768.24	enforcement	
24	A.A.A.S.	1,670,460.35	enforcement	
25	A.A.A.S.	1,632,405.31	enforcement	

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26	A.A.A.S.	16,878.26	enforcement
27	A.A.A.S.	1,716.10	enforcement
28	A.A.A.S.	49,037.93	enforcement
29	A.A.A.S.	2,390.06	enforcement
30	A.A.A.S.	34,678.23	enforcement
31	A.A.A.S.	2,138.94	enforcement
32	A.A.A.S.	38,560.30	enforcement
33	A.A.A.S.	2,228.53	enforcement
34	A.A.A.S.	32,828.61	enforcement
35	A.A.A.S.	3,060.53	enforcement
36	A.A.A.S.	51,723.65	enforcement
37	A.A.A.S.	39,834.28	enforcement
38	A.A.A.S.	2,307.09	enforcement
39	A.A.A.S.	14,171.81	enforcement
40	A.A.A.S.	2,273.67	enforcement
41	A.A.A.S.	2,437.04	enforcement
42	A.A.A.S.	2,596.66	enforcement
43	A.A.A.S.	22,153.69	enforcement
44	A.A.A.S.	27,155.93	enforcement
45	A.A.A.S.	2,808,310.14	enforcement
46	A.A.A.S.	1,810,944.22	enforcement
47	A.A.A.S.	1,951,585.87	enforcement
48	A.A.A.S.	2,738,402.13	enforcement
49	A.A.A.S.	1,571,164.44	enforcement
50	A.A.A.S.	1,060,504.31	enforcement
51	A.A.A.S.	2,276,984.16	enforcement
52	A.A.A.S.	331,170.01	enforcement
53	A.A.A.S.	3,377,527.76	enforcement
54	A.A.A.S.	1,791,525.11	enforcement
55	A.A.A.S.	126,629.45	enforcement
56	A.A.A.S.	1,942,963.31	enforcement
57	A.A.A.S.	3,653,231.10	enforcement
58	A.A.A.S.	10,546.63	enforcement
59	A.A.A.S.	490,260.68	enforcement
60	A.A.A.S.	2,176,849.35	enforcement
61	A.A.A.S.	1,994,818.68	enforcement
62	A.A.A.S.	2,196,268.04	enforcement
63	A.A.A.S.	3,454,612.36	enforcement
64	A.A.A.S.	191,895.94	enforcement
65	A.A.A.S.	581.74	enforcement
66	A.A.A.S.	493,943.92	enforcement
67	A.A.A.S.	3,006.84	enforcement
68	AAAS	1,478.36	enforcement
69	AAAS	2,258.14	enforcement
70	AAAS	3,235.37	enforcement
71	AAAS	2,508.58	enforcement
72	AAAS	3,183.39	enforcement
73	AAAS	4,558.43	enforcement

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74	AAAS	4,876.07	enforcement	
75	AAAS	4,203.40	enforcement	
76	AAAS	3,206.06	enforcement	
77	AAAS	4,251.10	enforcement	
78	AAAS	3,542.57	enforcement	
79	AAAS	4,836.68	enforcement	
80	AAAS	2,837.49	enforcement	
81	AAAS	4,351.54	enforcement	
82	AAAS	4,326.77	enforcement	
83	AAAS	4,301.25	enforcement	
84	AAAS	4,318.94	enforcement	
85	AAAS	4,325.80	enforcement	
86	AAAS	4,326.64	enforcement	
87	AAAS	1,666.39	enforcement	
88	AAAS	2,823.14	enforcement	
89	AAAS	1,857.76	enforcement	
90	AAAS	3,838.86	enforcement	
91	AAAS	3,719.45	enforcement	
92	AAAS	3,766.46	enforcement	
93	AAAS	3,767.00	enforcement	
94	AAAS	3,752.03	enforcement	
95	AAAS	3,705.67	enforcement	
96	AAAS	3,786.44	enforcement	
97	AAAS	2,483.51	enforcement	
98	AAAS	1,863.09	enforcement	
99	AAAS	3,748.78	enforcement	
100	AAAS	1,896.39	enforcement	
101	AAAS	3,532.05	enforcement	
102	AAAS	1,900.86	enforcement	
103	AAAS	2,240.49	enforcement	
104	AAAS	3,169.44	enforcement	
105	AAAS	1,425.45	enforcement	
106	AAAS	3,527.66	enforcement	
107	AAAS	2,225.34	enforcement	
108	AAAS	1,993.58	enforcement	
109	AAAS	3,541.92	enforcement	
110	AAAS	1,864.74	enforcement	
111	AAAS	1,649.92	enforcement	
112	AAAS	2,943.74	enforcement	
113	Cantoreanu Ioan Florin	4,595.85	enforcement	
114	Romanian state	Civil liability	Claims	Allows Evergent's appeal in part. Evergent's recourse.
115	Cantoreanu Ioan Florin	7,418.10	claims	Action allowed. With appeal.
116	Romanian state	Civil liability	claims	Litigation pending on the merits
117	Accesorii Polka Dots SRL	29,513.15	claims	Action dismissed. with recourse
TOTAL:		64,404,719.30		

SOLVED LITIGATIONS				
1	SNGN Romgaz	431,271.23	claims	Final .
2	AAAS	4,100.80	Enforcement	Enforcement ceased
3	DGFRP	2,660.18	enforcement	Enforcement ceased
4	AIPC	3,479.45	enforcement	Enforcement ceased
Status of pending litigations where Evergent Investments SA acts and plaintiff – files connected to claims				
No.	Company	Object	Litigation status	Observations
1	Inco Industry SRL s.a.	Intervention – usucapio action	Evergent's recourse	
2	Vastex; Delkimvas	validation of garnishment	Stay judgment	
3	Vastex; Perpetuus Com	validation of garnishment	Stay judgment	
4	Vastex, Rovitec Cons	validation of garnishment	Stay judgment	
5	Vastex, Nechita Prestserv	validation of garnishment	Stay judgment	
6	Vastex, Lexfan Fitness	validation of garnishment	Stay judgment	
7	Vastex, Connected-Dval	validation of garnishment	Stay judgment	
8	Fortus Iasi	Bankruptcy, obligation to do	Litigation pending on the merits	
9	AAAS	Granting of real-estate enforcement	Evergent's recourse	
10	Conimpuls Bacau	Action pending	Litigation pending on the merits. Renouncement	
11	AAAS/Romanian state	complaint LB registration 159029/DE 244/2012	Litigation pending on the merits	
12	AAAS/Romanian state	complaint LB registration 159029/DE 187/2011	Litigation pending on the merits	
13	AAAS/Romanian state	complaint LB registration 159029/DE 528/2010	Litigation pending on the merits	
14	AAAS/Romanian state	complaint LB registration 159029/DE 46/2011	Complaint dismissed. with appeal	
15	AAAS/Romanian state	complaint LB registration 159039/DE 244/2012	Litigation pending on the merits	
16	AAAS/Romanian state	complaint LB registration 159039/DE 187/2011	Litigation pending on the merits	
17	AAAS/Romanian state	complaint LB registration 159039/DE 528/2010	Litigation pending on the merits	
18	AAAS/Romanian state	complaint LB registration 159039/DE 46/2011	Litigation pending on the merits	

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19	AAAS/Romanian state	complaint LB registration 158897/DE 244/2012	Complaint dismissed. With appeal.
20	AAAS/Romanian state	complaint LB registration 158897/DE 187/2011	Litigation pending on the merits
21	AAAS/Romanian state	complaint LB registration 158897/DE 528/2010	Litigation pending on the merits
22	AAAS/Romanian state	complaint LB registration 158897/DE 46/2011	Litigation pending on the merits
23	AAAS/Romanian state	complaint LB registration 131219/DE 244/2012	Litigation pending on the merits
24	AAAS/Romanian state	complaint LB registration 131219/DE 187/2011	Complaint dismissed. With appeal
25	AAAS/Romanian state	complaint LB registration 131219/DE 528/2010	Litigation pending on the merits
26	AAAS/Romanian state	complaint LB registration 131219/DE 46/2011	Complaint dismissed. With appeal
27	AAAS/Romanian state	complaint LB registration 158923/DE 244/2012	Litigation pending on the merits
28	AAAS/Romanian state	complaint LB registration 158923/DE 187/2011	Litigation pending on the merits
29	AAAS/Romanian state	complaint LB registration 158923/DE 528/2010	Litigation pending on the merits
30	AAAS/Romanian state	complaint LB registration 158923/DE 46/2011	Litigation pending on the merits
31	AAAS/Romanian state	complaint LB registration 158930/DE 244/2012	Complaint dismissed. With appeal
32	AAAS/Romanian state	complaint LB registration 158930/DE 187/2011	Litigation pending on the merits
33	AAAS/Romanian state	complaint LB registration 158930/DE 528/2010	Litigation pending on the merits
34	AAAS/Romanian state	complaint LB registration 158930/DE 46/2011	Litigation pending on the merits
35	AAAS/Romanian state	complaint LB registration 158944/DE 244/2012	Litigation pending on the merits
36	AAAS/Romanian state	complaint LB registration 158944/DE 187/2011	Litigation pending on the merits

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37	AAAS/Romanian state	complaint LB registration 158944/DE 528/2010	Litigation pending on the merits
38	AAAS/Romanian state	complaint LB registration 158944/DE 46/2011	Litigation pending on the merits
39	AAAS/Romanian state	complaint LB registration 158946/DE 244/2012	Litigation pending on the merits
40	AAAS/Romanian state	complaint LB registration 158946/DE 187/2011	Litigation pending on the merits
41	AAAS/Romanian state	complaint LB registration 158946/DE 528/2010	Litigation pending on the merits
42	AAAS/Romanian state	complaint LB registration 158946/DE 46/2011	Litigation pending on the merits
43	AAAS/Romanian state	complaint LB registration 158890/DE 244/2012	Litigation pending on the merits
44	AAAS/Romanian state	complaint LB registration 158890/DE 187/2011	Litigation pending on the merits
45	AAAS/Romanian state	complaint LB registration 158890/DE 528/2010	Litigation pending on the merits
46	AAAS/Romanian state	complaint LB registration 158890/DE 46/2011	Litigation pending on the merits
47	AAAS/Romanian state	complaint LB registration 158889/DE 244/2012	Litigation pending on the merits
48	AAAS/Romanian state	complaint LB registration 158889/DE 187/2011	Litigation pending on the merits
49	AAAS/Romanian state	complaint LB registration 158889/DE 528/2010	Litigation pending on the merits
50	AAAS/Romanian state	complaint LB registration 158889/DE 46/2011	Litigation pending on the merits
51	AAAS/Romanian state	complaint LB registration 158915/DE 244/2012	Litigation pending on the merits
52	AAAS/Romanian state	complaint LB registration 158915/DE 187/2011	Litigation pending on the merits
53	AAAS/Romanian state	complaint LB registration 158915/DE 528/2010	Litigation pending on the merits
54	AAAS/Romanian state	complaint LB registration 158915/DE 46/2011	Complaint dismissed, with appeal

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55	AAAS/Romanian state	complaint LB registration 159036/DE 244/2012	Litigation pending on the merits
56	AAAS/Romanian state	complaint LB registration 159036/DE 187/2011	Litigation pending on the merits
57	AAAS/Romanian state	complaint LB registration 159036/DE 528/2010	Litigation pending on the merits
58	AAAS/Romanian state	complaint LB registration 159036/DE 46/2011	Litigation pending on the merits
59	AAAS/Romanian state	complaint LB registration 158886/DE 244/2012	Litigation pending on the merits
60	AAAS/Romanian state	complaint LB registration 158886/DE 187/2011	Complaint dismissed. With appeal
61	AAAS/Romanian state	complaint LB registration 158886/DE 528/2010	Litigation pending on the merits
62	AAAS/Romanian state	complaint LB registration 158886/DE 46/2011	Litigation pending on the merits
63	AAAS/Romanian state	complaint LB registration 131224	Litigation pending on the merits
64	AAAS/Romanian state	complaint LB registration 159033	Litigation pending on the merits
65	AAAS/Romanian state	complaint LB registration 156393	Litigation pending on the merits

SOLVED LITIGATIONS

1	AAAS	Approval of real-estate enforcement	Appeal of Evergent allowed. Consent request dismissed.
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Statement of pending litigations with object various claims (EVERGENT Investments SA acting as plaintiff)

1*	ISU Bacau	administrative complaint	Litigation pending on the merits
2*	ISU Bacau	Annulment of administrative document	Litigation pending on the merits
3*	ISU Bacau	Suspension ascertainment protocol effects	Request dismissed. Evergent's recourse

Statement of pending litigations with object: Insolvency (EVERGENT Investments SA acting as plaintiff-creditor)

No.	Company	Claim value in lei	Stage	Observations
1	BIR	344.12	Bankruptcy	Procedure continues
2	Network Press	3,799.87	Bankruptcy	Procedure continues
3	Horticola SA	1,466,168.33	Insolvency	Procedure continues
4	Celule Electrice Bailesti	9,921.72	Insolvency	Procedure continues
5	Genko Med Group	93,835.07	Bankruptcy	Procedure continues

6	Vastex Vaslui	8,834,829.73	Orders the filing of bankruptcy. With appeal	Procedure continues
7	First Bank SA	Challenge of additional chart	Request of First Bank dismissed. With appeal	

TOTAL LEI: 10,408,898.84

SOLVED LITIGATIONS

1	Vastex SA	Appeal against the filing of bankruptcy	VASTEX's appeal dismissed	
2	Pantex S.A. Brasov	10.3	Bankruptcy	Orders that bankruptcy procedure be closed and the company cancelled. ANAF's recourse

Statement of pending litigations where EVERGENT Investments SA is respondent

No.	Plaintiff	Claims value	Object	Observations
1	Spatariuc Maria		Resolution to replace authentic document	Litigation pending on the merits
2	Spatariuc Dumitru s.a.		Resolution to replace authentic document	Litigation pending on the merits
3	Reuti Veronica		Document annulment	Litigation pending on the merits
4	Tibuleac Petrica Iulian		Resolution to replace authentic document	Litigation pending on the merits
5	Dron Cristina-Lotrisoara		Resolution to replace authentic document	Litigation pending on the merits
6	Cazacu Ioan		Resolution to replace authentic document	Disjoined from case no. 9917/193/2021. Declines jurisdiction in favor of the Botosani Court
7	Placintaru Ion		Resolution to replace authentic document	Litigation pending on the merits
8	Asavei Gheorghe		Obligation to do	Action dismissed. With appeal
9	Ever Imo/Octagon		Enforcement challenge	Litigation pending on the merits
10	Nane Vasile		Resolution to replace authentic document	Litigation pending on the merits

SOLVED LITIGATIONS

1	Dionisie Mirela s.a.		Resolution to replace authentic document	AAAS' recourse annulled
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LITIGATIONS AGAINST AAAS (plaintiff) - EVER (respondent)

No.	Challenged amount in lei	Object	Status	Observations, garnished third parties
1		Garnishment challenge	AAAS' appeal allowed. Sentence changed in part. Challenge in annulment of Evergent	Treasury

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2	Enforcement challenge	Challenge dismissed. With appeal.	Treasury
3	Enforcement challenge	Challenge dismissed. With recourse.	Treasury
4	Enforcement challenge	Challenge dismissed. With recourse	Treasury
5	Enforcement challenge	Litigation pending on the merits	Treasury
6	Enforcement challenge	Litigation pending on the merits	Treasury
7	Enforcement challenge	Challenge allowed. With appeal.	Treasury
8	Enforcement challenge	Challenge dismissed. AAAS' appeal.	Treasury
9	Enforcement challenge	Challenge dismissed. AAAS' appeal	Treasury
10	Enforcement challenge	Challenge party allowed, for enforcement expenses. With appeal	Treasury
11	Challenge of enforcement on real-estate	Litigation pending on the merits	
12	Challenge of enforcement on real-estate	Litigation pending on the merits	
13	Challenge of enforcement on real-estate	Litigation pending on the merits	
14*	Enforcement challenge	Request dismissed. With recourse.	U.C.M. Resita
15*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
16*	Enforcement challenge	Request dismissed. With recourse.	U.C.M. Resita
17*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
18*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
19*	Enforcement challenge	Request dismissed. With recourse.	U.C.M. Resita
20*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
21*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
22*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
23*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
24*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita

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25*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
26*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
27*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
28*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
29*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
30*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
31*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
32*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
33*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
34*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
35*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
36*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
37*	Enforcement challenge	Litigation pending on the merits	Treasury
38*	Enforcement challenge	Litigation pending on the merits	Ford Otosan
39*	Enforcement challenge	Litigation pending on the merits	Treasury
40*	Enforcement challenge	Litigation pending on the merits	Treasury
41*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
42*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
43*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
44*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
45*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
46*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
47*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
48*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita
49*	Enforcement challenge	Litigation pending on the merits	Treasury
50*	Enforcement challenge	Litigation pending on the merits	U.C.M. Resita

SOLVED LITIGATIONS				
1	appeal for annulment, file no. 17368/ 299/2022	Evergent's appeal for annulment dismissed		Treasury
2	Enforcement challenge	AAAS' appeal dismissed		Treasury
3	appeal for annulment, file no 18677/299/ 2022	Appeal for annulment of Evergent dismissed		Treasury
4	Garnishment challenge	AAAS' appeal dismissed		Treasury
5	Garnishment challenge	Evergent's appeal dismissed		TP. Regal Galati
6	Garnishment challenge	AAAS' appeal allowed		Treasury

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

1. Permanent risk management function

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

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

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

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

The person fulfilling the role of risk manager is subject to authorization by the Financial Supervisory Authority (F.S.A.) and is registered in the F.S.A. public registry.

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

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

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

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

Attributions and responsibilities:

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

Annex 3

- c) ensures that the risk profile of EVERGENT Investments communicated to investors complies with the risk limits established to cover at least market, issuer, liquidity, credit, counterparty, sustainability, and operational risks;
- d) reports to the Board of Directors of EVERGENT Investments up-to-date information on the following aspects:
 - o The company's compliance with the risk profile communicated to investors and the established risk limits - quarterly;
 - o The adequacy and effectiveness of the risk management process - semi-annually;
- e) proposes measures for risk prevention and mitigation and monitors their implementation;
- f) monitors and verifies the implementation of all corrective measures for risk prevention and mitigation, resulting from the process of operational risk self-assessment and internal control system within the departments;
- g) analyzes the operational risks related to the activities identified in the annual internal self-assessment process of operational risks and proposes measures to mitigate/keep under control the identified risks;
- h) assesses the company's risk profile based on the risk appetite and tolerance established by the Board of Directors and promptly communicates to the Board of Directors and executive management if it considers that the risk profile does not comply with the approved risk limits or if there is a significant risk that the risk profile may become non-compliant with these limits.
- i) substantiates and proposes risk limits, monitors their compliance and notifies the Board of Directors and the executive management in a timely manner of any existing or foreseeable exceedances of the established risk limits, to ensure that quick and appropriate measures can be taken;
- j) identifies the risks associated with EVERGENT Investments' engagement in new activities;
- k) provide assistance to the Board of Directors and the executive management regarding the identification of the risk profile of EVERGENT Investments;
- l) monitors the compliance of EVERGENT Investments' asset categories with the applicable legal and internal prudential limits;
- m) conducts stress tests;
- n) initiates the annual internal self-assessment of operational risks across all departments of EVERGENT Investments, providing consultancy on the identification and evaluation of risks and the establishment of appropriate measures to limit the possible consequences of these risks. The results of the self-assessments conducted within the departments are quantified by the risk management department in the "Risk Register," "Risk Map," and "Risk Response Plan." Based on operational risk exposure, the operational risk profile is developed;
- o) monitors the synthetic risk indicator of EVER's shares and the previous performance scenarios;
- p) the evaluation of the way in which the structure of the variable remuneration affects the risk profile of the company;
- q) calculates exposure and leverage to meet institutional reporting obligations.

The risk management process is carryout out through the following stages:

1. risk identification – risks are defined in the vision of the institution, the component elements are identified and risk-generating events are described.
2. risk evaluation and measurement – for each type of risk identified with the help of quantitative and qualitative methods, using databases and pre-set risk indicators.
3. risk monitoring – risk indicators are monitored as they evolve and they are classified within the set legal and internal limits.
4. risk management and control – measures are proposed to keep risks under control in case the limits are exceeded and reports are sent to the management structure.

The activities carried out include, but are not limited to, monthly/quarterly/annual analyses, as well as whenever necessary, regarding exposures to relevant risks (market risk, issuer risk, credit and counterparty risk, liquidity risk, sustainability risk, operational risk) and their inclusion within the assumed risk limits; ensuring that the assets/categories of assets in the portfolio are within the legal prudential limits; risk analyses regarding the impact of investment/divestment operations on compliance

Annex 3

with legal prudential limits and the approved risk profile, through simulations and proposing measures to keep the assumed risk under control; and the analysis and monitoring of operational risk events reported by the departments of EVERGENT Investments.

For its attributions, the Risk Management Department makes regular reports to the Directors and the Board of Directors. The quarterly risk reports are subject to the approval of the Board of Directors, with prior approval by the Audit Committee. The reports on the inclusion of assets in the system of prudential limits and those regarding falling within the risk limits are also sent for information to the departments/structures that perform the function of managing the portfolio and to the compliance department.

2. Permanent function of checking the compliance

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

Structurally and hierarchically the Compliance Department is subordinated to the Board of Directors. Each individual employed in the Compliance Department is subjected to FSA approval and is entered in the public FSA Register.

In case the company submits several individuals with compliance responsibilities for approval, the approval request is accompanied by the detailed responsibilities of each individual employed by the Compliance Department.

In case one of the individuals with internal control responsibilities is absent, his/her attributions and responsibilities will be automatically taken over by another authorized individual.

If EVERGENT Investments no longer has a person authorized as a compliance officer or in the event of its temporary unavailability, one of the members of the company's compliance department, if any, or one of the company's managers or another employee who has the knowledge and adequate professional experience, if the compartment consists of a single member, will temporarily take over the duties of the unavailable person, for a maximum period of 3 months in a calendar year.

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

- a) the person/persons has /have the authority, resources and experience necessary, as well access to all relevant information;
- b) the individual(s) who carries/carry out the compliance verification function are not involved in the delivery or carrying out of the services he/she monitors;
- c) the individual(s) bear(s) the responsibility of abiding by the responsibilities of the compliance function for any reporting regarding regulations in force, where it will be expressly specified if proper measures have been taken in order to remedy possible deficiencies;
- d) on setting the remuneration of individuals, the following must be taken into consideration: the remuneration level must allow EVERGENT Investments to employ qualified and experienced staff; the individuals' objectivity must not be affected by the remuneration setting method; variable remuneration must be based on objectives that are specific for the position and must not be set exclusively based on performance criteria at AIFM level; remuneration is directly supervised by the Appointing-Remuneration Committee;
- e) individuals are evaluated to make sure they fulfill and abide by the competence and professional experience requirements during the entire time they carry out their activity; integrity and good reputation and governance in compliance with applicable legal provisions.

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Attributions and Responsibilities:

- a) it periodically monitors and evaluates the adequacy and efficiency of the measures, policies and procedures set in compliance with applicable regulations, as well as the actions carried out in order to remedy deficiencies regarding the company's meeting its obligations.
- b) it regularly monitors and verifies the application of legal provisions applicable for EVERGENT Investments's activity, of internal regulations and procedures and acts according to its competencies in order to prevent and suggest measures to remedy any law infringement situations, or infringement of applicable regulations for the capital market, or internal regulations and procedures of EVERGENT Investments, by EVERGENT Investments or its employees; follows-up the implementation of suggestions and recommendations;
- c) it offers advice and assistance for relevant individuals responsible for the carrying out of activities so that EVERGENT Investments abides by its obligations based on incidental capital market legislation.
- d) it makes sure that the reports that EVERGENT Investments must send to FSA and capital market entities are sent within the deadline foreseen by regulations in force;
- e) it analyses and approves the documents sent by EVERGENT Investments to the FSA in order to obtain the authorizations foreseen by FSA regulations;
- f) it analyses and approves informative materials/advertising materials of EVERGENT Investments;
- g) analyzes and provides recommendations on documents drafted by EVERGENT Investments for compliance with the minimum content of internal documents and adherence to the regulatory framework for internal decision-making
- h) it approves the development of new strategies, investment policies, relevant organizational changes as well as investments on new markets and in new products;
- i) it verifies the compliance with prudential regulations;
- j) it provides the notifications of EVERGENT Investments and its employees regarding the legal regimen applicable to capital market, concerning approved norms and legislative projects that present interest for the company's activity, to make proposals/recommendations/ observations, if the case be;
- k) it is responsible for the supervision of the solving and management of complaints regarding EVERGENT Investments's activity on the capital market, for the keeping of the unique complaints record and periodical reporting to FSA about the status of the registered complaints.
Through the decision of the CEO, a permanent committee is setup within the company to analyze all shareholders' complaints and suggest, depending on the case, measures to be adopted by the management to remedy the situations identified; the communication of the answer to the applicant is made abiding by the legal deadline.
- l) it creates a process for the identification, registration, monitoring, prevention and disclosing of conflict of interests; it manages the internal procedure regarding *Conflict of Interest*.

Permanent and periodical control:

1. The drafting of the annual investigation program/plan, abiding by the following principles/criteria:
 - a) it includes control objective as per applicable legal regulations and represents a part of the integrated control process within EVERGENT Investments (compliance, internal audit and risk management);
 - b) it is drafted based on the analysis of the risks that can be incurred in EVERGENT Investments's activities, given the "Register of identified Operational Risks that might affect EVERGENT Investments's activity" drawn up by the Risk Management Department;
 - c) the activities carried out for verifying the compliance of the company's activities with applicable legal regulations, policy and procedures of EVERGENT Investments, are periodical and permanent control activities;
 - d) the main component of the activity is the permanent control, pro-active in nature, carried out through the continuous supervision and monitoring of the activities that fall under internal control competence, in order to prevent the occurrence of legal and internal non-compliance.

2. Carrying out investigations and submitting reports to the management structure:
 - a) it presents a report regarding the results of the investigations included in the investigation plan to the Board of Directors of EVERGENT Investments, for discussion and approval; the report is firstly approved by the Audit Committee;
 - b) reports to the Board of Directors and directors, the cases when the legal regimen applicable to the capital market, internal regulations and work procedures have been infringed, for the urgent notification of FSA and communication of the measures adopted to remedy identified situations.
 - c) regularly drafts, at least once a year, reports to the executive management regarding compliance issues, in which mentions should be made whether the proper measures to remedy possible deficiencies have been taken.
 - d) the annual report and investigations plan for the following year, approved by the Board of Directors are sent to FSA, if the law foresees so.

3. Permanent function of Internal Audit

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

The internal audit department is subordinated to the Board of Directors.

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

Attributions and Responsibilities:

- a) it helps the company, both as a whole and its structures, through the issue of opinions and recommendations;
- b) it assists the company in risk management;
- c) it contributes to the improvement of risk management, control and governance processes;
- d) it evaluates the adequacy and efficiency of controls regarding governance, operations and systems of EVERGENT Investments;
- e) it drafts and implements the policies and procedures to carry out internal audit activity, as well as any modification of these;
- f) it performs the risk assessment of the activities carried out by EVERGENT Investments, at least once a year;
- g) it sets, implements and maintains an audit plan in order to examine and evaluate the proper nature and efficiency of internal control systems, mechanisms and procedures of EVERGENT Investments;
- h) it submits the Audit Committee and Board of Directors the plan regarding audit activity and necessary resources, including significant modifications occurred;
- i) it carries out the missions included in the annual plan;
- j) it issues recommendation based on the result of the carried out activity;
- k) at the request of the Audit Committee or directors, it carried out ad-hoc missions or missions of an exceptional nature (not included in the annual internal audit plan);
- l) it verifies it recommendations have been respected;
- m) it reports at the end of each mission regarding internal audit issues and the adequacy of the measures adopted to remedy possible deficiencies;
- n) it records any relevant information that supports the conclusions and results of the engagement;
- o) it coordinates the activity of financial auditor, in order to make sure that audit objectives are met and in order to minimize overlapping;

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- p) periodically reports to the Audit Committee and the board of Directors on the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, based on the pre-set plan;
- q) it verifies if the management has accepted a residual risk level that cannot be acceptable for EVERGENT Investments and notifies to the Board of Directors the cases when no decision has been made regarding residual risk, in order to solve them;
- r) carries out formalized counseling missions (included in the Internal Audit Plan), informal, exceptional or in cases of emergency, at the express request of the Board of Directors or Executive Management.

The internal audit carries out assurance and counseling missions.

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

The activities carried out by the internal audit are as follows:

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

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improvement of the company's operations and of making sure that all objectives of the internal audit mission have been achieved, in quality conditions.

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

Counseling missions can be:

- 1) **formal counseling missions** - are usually included in the annual internal audit plan, and the terms and conditions are agreed with the applicant. Procedurally, these missions are usually performed as the assurance mission;
- 2) **informal counseling missions** - are activities or services, such as:
 - participation in interdepartmental working groups, committees or other bodies of this kind, with temporary activity, participation in projects (during the life cycle of the project) or in ad hoc meetings and working meetings;
 - providing facilitation and training services in the field of internal control and risk management;
 - the usual exchanges of specific information with other organizational structures within the company, group, industry, etc .;
- 3) **special counseling missions** - are special services performed by the internal audit within large institutional projects (eg consulting for outsourcing operations or prior to restructuring the organization's processes, participation in teams of experts, set up for the conversion of operational systems, etc.).

In certain circumstances, based on the cost-benefit analysis, the internal audit may decide to perform mixed audit missions, which incorporate elements from both the assurance mission and the advisory mission, in a consolidated, unitary approach.

Also, the internal audit may consider as appropriate the performance of missions, in which to distinguish between the "assurance" and the "counseling" component.

EVERGENT INVESTMENTS S.A.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS' PERIOD ENDED ON
30 JUNE 2024**

Prepared in accordance with IAS 34 Interim Financial Reporting and applying Rule of the Financial Supervisory Authority („FSA”) no. 39/2015 on the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA from the Financial Instruments and Investments Sector

UNAUDITED

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON JUNE 30, 2024
(All amounts are presented in lei unless otherwise stated)



In LEI

	Note	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Revenue and gains/(losses)			
Gross dividend income	6	100,712,409	32,978,419
Interest income		11,151,201	3,370,103
Other operating revenue	7	17,497,405	20,020,446
Net gain on financial assets at fair value through profit or loss	8	44,289,332	11,432,236
Net gain/(net loss) on disposal of non-financial assets		337,242	(435,303)
Expenses			
(Loss)/Loss reversal on financial assets impairment		(1,126,314)	282,921
(Loss)/Loss reversal on non-financial assets impairment		(133,264)	362,433
Set-up of provisions for risks and charges		(55,391)	(82,580)
Expenses with wages, remunerations and other similar expenses	9	(20,165,303)	(18,884,163)
Other operating expenses	10	(20,823,840)	(20,162,191)
Operating profit		131,683,477	28,882,321
Financing expenses	11	(3,495,891)	(2,385,364)
Share from the profit corresponding to associates		(265,917)	282,915
Profit before tax		127,921,669	26,779,872
Income tax	12	(15,228,936)	(4,274,093)
Net profit		112,692,733	22,505,779
Other comprehensive income			
Increase from revaluation of property, plant and equipment, net of deferred tax		82,778	67,485
Net gain/(Net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	14 d)	441,945,270	102,804,947
Other comprehensive income – elements that will not be reclassified in profit or loss		442,028,048	102,872,432

The attached notes are integral part of the financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS' PERIOD ENDED ON JUNE 30, 2024
(All amounts are presented in lei unless otherwise stated)



In LEI

		6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Net gain/(net loss) on revaluation of FVTOCI bonds	14 d)	58,962	(146,945)
Other comprehensive income – elements that will be reclassified in profit or loss		58,962	(146,945)
Other comprehensive income - Total		442,087,010	102,725,487
Total comprehensive income		554,779,743	125,231,266
Basic and diluted earnings per share (net profit per share)	27	0.1258	0.0247
Basic and diluted earnings per share (including gain on the sale of FVTOCI financial assets)	27	0.2670	0.0482
Net profit			
Net profit attributable to Company's shareholders		113,651,302	22,515,340
Net loss attributable to non-controlling interests		(958,569)	(9,561)
Total net profit		112,692,733	22,505,779
Comprehensive income			
Comprehensive income attributable to company's shareholders		555,740,436	125,255,886
Comprehensive income attributable to non- controlling interests		(960,693)	(24,620)
Total comprehensive income		554,779,743	125,231,266

The consolidated financial statements were approved by the Board of Directors on 13 September 2024 and signed on its behalf by:

Claudiu Doros
CEO and President of the Board

Mihaela Moleavin
Finance Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ON 30 JUNE 2024
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	<i>Note</i>	June 30, 2024	December 31, 2023
Assets			
Cash and current accounts		7,636,357	5,632,750
Bank deposits with initial maturity within 3 months	13 a)	254,547,037	304,399,579
Bank deposits with initial maturity of more than 3 months	13 b)	207,219,314	13,513,579
Financial assets measured at fair value through profit or loss	14 a)	342,167,542	298,338,840
Financial assets measured at fair value through other comprehensive income	14 b)	2,495,965,172	2,036,197,327
Investments accounted for using the equity method	15	57,407,410	57,673,327
Bonds at fair value through other comprehensive income	16	4,046,214	3,884,483
Bonds at amortized cost	16	29,726	35,692
Other financial assets at amortized cost	17	13,331,572	13,809,792
Inventories	18	44,187,820	48,606,721
Other assets		2,043,978	1,645,933
Non-current assets held for sale		3,780,213	4,957,804
Investment property		155,043,002	152,216,264
Property, plant and equipment		69,505,634	70,355,482
Right-of-use assets		10,618,727	11,754,681
Goodwill		4,339,505	4,339,505
Intangible assets		1,056,391	1,009,148
Total assets		3,672,925,614	3,028,370,907
Liabilities			
Borrowings	19	173,055,295	87,551,586
Lease liabilities	20	9,670,810	10,713,608
Dividends payable	21	65,513,985	49,998,003
Current tax liabilities		16,963,538	7,899,122
Financial liabilities at amortized cost	22	27,428,644	11,974,027
Other liabilities	23	7,616,079	8,834,287
Provisions for risks and expenses		4,294,000	4,238,609
Deferred tax liabilities	24	214,666,499	159,336,579
Total liabilities		519,208,850	340,545,821
Equity			
Share capital	25 a)	499,988,637	499,988,637
Retained earnings		1,342,271,906	1,172,329,499
Reserves from the revaluation of property, plant and equipment		20,720,833	21,072,031
Reserves from the revaluation of financial assets at fair value through other comprehensive income	14 d)	1,330,616,826	1,016,061,804
Treasury shares	25 e)	(74,217,111)	(66,642,400)
Equity-based payments to employees, directors and administrators	25 f)	14,975,431	24,881,378
Other items of equity		4,385,133	4,053,035
Total equity attributable to Company shareholders		3,138,741,655	2,671,743,984
Non-controlling interests	26	14,975,109	16,081,102
Total equity		3,153,716,764	2,687,825,086
Total liabilities and equity		3,672,925,614	3,028,370,907

The consolidated financial statements were approved by the Board of Directors on 13 September 2024 and signed on its behalf by:

Claudiu Doroş
CEO and President of the Board

Mihaela Moleavin
Finance Director

The attached notes are integral part of the financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS' PERIOD ENDED ON 30 JUNE 2024
(All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury Shares	Equity-based payments to employees, directors and administrator	Other equity instruments	Total assignable to mother company's shareholders	Non-controlling interests	Total
Balance on December 31, 2023	499,988,637	21,072,031	1,016,061,804	1,172,329,499	(66,642,400)	24,881,378	4,053,035	2,671,743,984	16,081,102	2,687,825,086
Comprehensive income										
<i>Net profit</i>	-	-	-	113,651,302	-	-	-	113,651,302	(958,569)	112,692,733
<i>Other comprehensive income</i>										
Increase/(decrease) of reserve from the revaluation of tangible assets, net of deferred tax	-	(351,198)	-	436,100	-	-	-	84,902	(2,124)	82,778
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax	-	-	441,945,270	-	-	-	-	441,945,270	-	441,945,270
Revaluation at fair value of FVTOCI bonds, net of deferred tax	-	-	58,962	-	-	-	-	58,962	-	58,962
Total other comprehensive income	-	(351,198)	442,004,232	436,100	-	-	-	442,089,134	(2,124)	442,087,010
Total comprehensive income	-	(351,198)	442,004,232	114,087,402	-	-	-	555,740,436	(960,693)	554,779,743
Net gain, transferred to retained earnings corresponding to the sale of FVTOCI equity instruments	-	-	(127,449,210)	127,449,210	-	-	-	-	-	-
Transactions with shareholders directly recognized in equity										
Dividend distributable to non-controlling interest	-	-	-	-	-	-	-	-	(145,300)	(145,300)
Buy-back of own shares	-	-	-	-	(16,914,927)	-	(233,633)	(17,148,560)	-	(17,148,560)
Treasury shares granted to employees and directors	-	-	-	-	9,340,216	(9,905,947)	565,731	-	-	-
Dividends expired according to the law	-	-	-	10,100,592	-	-	-	10,100,592	-	10,100,592
Dividends distributed from the result of 2023 financial year	-	-	-	(81,694,797)	-	-	-	(81,694,797)	-	(81,694,797)
Total transactions with shareholders, directly recognized in equity	-	-	-	(71,594,205)	(7,574,711)	(9,905,947)	332,098	(88,742,765)	(145,300)	(88,888,065)
Balance on June 30, 2024	499,988,637	20,720,833	1,330,616,826	1,342,271,906	(74,217,111)	14,975,431	4,385,133	3,138,741,655	14,975,109	3,153,716,764

The consolidated financial statements were approved by the Board of Directors on 13 September 2024 and were signed on its behalf by:

Claudiu Doros
CEO and President of the Board

Mihaela Moleavin
Finance Director

The attached notes are integral part of the financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS' PERIOD ENDED ON 30 JUNE 2024
(All amounts are presented in Lei, unless otherwise stated)



In LEI

	Share capital	Reserves from the revaluation of property, plant and equipment	Reserves from the revaluation of FVTOCI financial assets	Retained earnings	Treasury shares	Equity-based payments to employees, directors and administrator	Other equity elements	Total assignable to the mother company's shareholders	Non-controlling interests	Total
Balance on December 31, 2022	499,988,637	18,419,631	660,473,055	1,044,899,843	(38,991,230)	20,765,780	4,775,301	2,210,331,017	16,718,203	2,227,049,220
Comprehensive income										
<i>Net profit</i>	-	-	-	22,515,340	-	-	-	22,515,340	(9,561)	22,505,779
<i>Other comprehensive income elements</i>										
Reserve increase from the revaluation of tangible assets net of deferred tax	-	67,485	-	-	-	-	-	67,485	-	67,485
Reverse transfer from the revaluation to retained earnings following the derecognition of tangible assets	-	(222,103)	-	237,162	-	-	-	15,059	(15,059)	-
Revaluation at fair value of FVTOCI equity instruments, net of deferred tax	-	-	102,804,947	-	-	-	-	102,804,947	-	102,804,947
Revaluation at fair value of FVTOCI bonds	-	-	(146,945)	-	-	-	-	(146,945)	-	(146,945)
Total other comprehensive income	-	(154,618)	102,658,002	237,162	-	-	-	102,740,546	(15,059)	102,725,487
Total comprehensive income	-	(154,618)	102,658,002	22,752,502	-	-	-	125,255,886	(24,620)	125,231,266
Net gain, transferred to retained earnings on the sale of FVTOCI equity instruments	-	-	(21,504,320)	21,504,320	-	-	-	-	-	-
Transactions with shareholders directly recognized in equity										
Buy-back of own shares	-	-	-	-	(28,715,362)	-	(359,046)	(29,074,408)	-	(29,074,408)
Treasury shares granted to employees and directors	-	-	-	-	11,191,655	(10,850,388)	(341,267)	-	-	-
Dividends expired according to the law	-	-	-	14,163,548	-	-	-	14,163,548	-	14,163,548
Dividends distributed from 2022 financial year	-	-	-	(82,695,517)	-	-	-	(82,695,517)	-	(82,695,517)
Other elements	-	-	-	-	-	(9,445)	-	(9,445)	-	(9,445)
Total transactions with shareholders, directly recognized in equity	-	-	-	(68,531,969)	(17,523,707)	(10,859,833)	(700,313)	(97,615,822)	-	(97,615,822)
Balance on June 30, 2023	499,988,637	18,265,013	741,626,737	1,020,624,696	(56,514,937)	9,905,947	4,074,988	2,237,971,081	16,693,583	2,254,664,664

The consolidated financial statements were approved by the Board of Directors on 13 September 2024 and signed on its behalf by:

Claudiu Doros
CEO and President of the Board

Mihaela Moleavin
Finance Director

The attached notes are integral part of the financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS' PERIOD ENDED ON 30 JUNE 2024
(All amounts are presented in Lei, unless otherwise stated)

<i>In LEI</i>	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Operating activities		
Net profit of the period	112,692,733	22,505,779
<i>Adjustments:</i>		
Loss/(loss reversal) on financial assets impairment	1,126,314	(282,921)
Loss/(loss reversal) on non-financial assets impairment	133,264	(362,433)
Net gain on financial assets at fair value through profit or loss	(44,289,332)	(11,432,236)
	8	
Set-up of provisions for risks and charges	55,391	82,580
Gross dividend income	6 (100,712,409)	(32,978,419)
Interest income	(11,151,201)	(3,370,103)
Financing expenses	11 3,495,891	2,385,364
Profit tax	12 15,228,936	4,274,093
Other adjustments	1,397,434	2,726,635
Modifications of assets and liabilities corresponding to operating activities		
Proceeds from sale of financial assets at fair value through profit or loss	460,630	20,707,676
Payments for the acquisition of financial assets at fair value through other comprehensive income	(154,597,964)	(168,025,840)
Proceeds from the sale of financial assets at fair value through other comprehensive income	238,109,034	97,270,693
Proceeds from bonds	5,880	5,880
Changes in deposits with initial maturity higher than 3 months	(192,544,416)	(7,666,967)
Changes in other assets	3,404,463	(7,131,057)
Changes in other liabilities	(5,162,207)	(2,252,142)
Proceeds from dividends	91,801,827	30,620,815
Proceeds from interest	10,062,004	3,238,113
Income tax paid	(23,098,608)	(5,878,159)
Net cash used in operating activities	(53,582,336)	(55,562,649)
Investment activities		
Payments for acquisition of property, plant and equipment	(4,342,288)	(7,211,852)
Payments for acquisition of intangible assets	(203,539)	(123,315)
Payments for acquisition of investment property	(223,346)	(15,591,485)
Proceeds from the sale tangible assets, property investment and assets held for sale	3,008,046	371,970
Net cash used in investment activities	(1,761,127)	(22,554,682)
Financing activities		
Paid dividends	(56,223,523)	(56,760,538)
Proceeds from loans	95,252,018	107,236,423
Loan reimbursement	(9,868,471)	(6,372,054)
Payments of lease liability principal	(915,474)	(1,199,394)
Payments of loan interest	(3,271,049)	(1,938,408)
Payments of lease liability interest	(139,744)	(116,396)
Acquisition of treasury shares	(17,148,560)	(29,074,408)
Net cash resulted from financing activities	7,685,197	11,775,225

The attached notes are integral part of the financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS' PERIOD ENDED ON 30 JUNE 2024
 (All amounts are presented in Lei, unless otherwise stated)



<i>In LEI</i>	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Net increase / (decrease) of cash and cash equivalents	(47,658,266)	(66,342,106)
Cash and cash equivalents on January 1 st	308,036,838	128,186,346
Cash and cash equivalents on June 30	<u>260,378,572</u>	<u>61,844,240</u>

<i>In LEI</i>	June 30, 2024	June 30, 2023
Cash at hand	90,424	24,461
Current bank accounts	7,545,944	4,898,207
Bank deposits with maturity within 3 months (principal)	252,742,204	56,921,572
Cash and cash equivalents	<u>260,378,572</u>	<u>61,844,240</u>

The consolidated financial statements were approved by the Board of Directors on 13 September 2024 and were signed on its behalf by:

Claudiu Doros
CEO and President of the Board

Mihaela Moleavin
Finance Director

1. REPORTING ENTITY

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

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

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

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

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

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

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

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

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

As of 22 May 2023, the assets deposit and custody services are provided by Banca Comercială Română SA, as per FSA License no. 74 of 18th May 2023.

The Company's consolidated financial statements for the 6 months' period ended on 30 June 2024 include the Company and its subsidiaries (hereinafter referred to as „the **Group**”) as well as the Group's interests in its associates.

1. REPORTING ENTITY (continued)

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated interim condensed financial statements for the six months period have been prepared by the Group in accordance with IAS 34 "Interim Financial Reporting" and Accounting Regulations compliant with the International Financial Reporting Standards applicable to entities regulated and supervised by FSA in the financial instruments and investments sector, approved by Rule 39/2015.

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

These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the financial year ended on December 31, 2023, available on the Company's internet page: www.evergent.ro. These interim financial statements will also be available on the site, starting on September 13, 2024.

These interim financial statements do not include all information required by a complete set of financial statements, but the selected explanatory notes are included to explain the events and transitions that are significant for understanding the Group's financial position and performance changes in comparison to the consolidated annual statements published. The accounting records and financial statements of the Group's subsidiaries are held in lei, in accordance with the applicable statutory accounting regulations, namely Order no. 1802 of 29th December 2014 for the approval of accounting regulations regarding separate and consolidated financial statements ("RAS"). For the preparation of those Group's consolidated financial statements, the financial information was restated, where applicable, in order to reflect the differences between RAS and the International Financial Reporting Standards adopted by the European Union („IFRS”).

2. BASIS OF PREPARATION (continued)

(a) Statement of Compliance (continued)

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

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

(b) Functional and Presentation Currency

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

(c) Basis of Measurement

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

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

(d) Use of Estimates and Judgments

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

2. BASIS OF PREPARATION (continued)

(d) Use of Estimates and Judgments (continued)

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

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

- Determining the fair value of financial instruments (see explanatory note 14 (c))
- Fair value hierarchy and unobservable inputs used in the evaluation (Level 3) (see explanatory notes 14 (c))
- Classification of financial instruments (see explanatory 5)
- Adjustments for the expected credit losses of assets measured at amortized cost (see explanatory note
 - Analysis of criteria in IFRS 10 Consolidated Financial Statements, regarding investment entities.

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

2. BASIS OF PREPARATION (continued)

(e) Impact of the military conflicts in Ukraine and the Middle East and other international events and trends on the Group's financial position and performance

In the first half of 2024, the Bucharest Stock Exchange continued the upward trend of the previous year, with average liquidity and low volatility.

In addition to the risk generated by external developments as a result of global uncertainties in the context of the energy crisis, the war in Ukraine and the conflict in the Middle East, additional domestic risks relate to the delay in structural reforms and, implicitly, in the absorption of EU funds, in particular through the National Recovery and Resilience Plan (NRRP), the risk of default on loans contracted by the non-governmental sector and the macroeconomic balances that have continued to tighten, including in terms of the future conduct of tax and revenue policy.

Inflationary pressures are still high. On July 5, 2024, the National Bank of Romania lowered its monetary policy interest rate to 6.75% p.a. and to 6.5% on August 7, after it had been maintained at 7% p.a. for 1.5 years since early January 2023. In June, the European Central Bank also cut its benchmark interest rate by a quarter of a percentage point from its all-time high following the increase on September 14, 2023.

In the context of geopolitical and economic uncertainties, inflationary pressures and the possibility of a recession, high volatility is expected on financial markets, including the Bucharest Stock Exchange, at least in the short term, on a 6-month horizon.

In this context, the management assesses that the Group's profitability may be affected, but in the short or medium term, and no difficulties are expected in honouring the commitments of the Company and its subsidiaries, and business continuity is not affected.

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

2. BASIS OF PREPARATION (continued)

(f) Subsidiaries

Subsidiaries are entities under the Group's control. Control exists when the Group is exposed, or has rights to variable returns from its involvement in the investee and has the ability to affect its returns through its authority over the investee. At the time control is assessed, potential or convertible vote rights that are exercisable at that particular time should be considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the time control starts to be exercised, until its cease. Accounting policies of the Group's subsidiaries have been modified for the purpose of aligning them to those of the Group.

The list of consolidated subsidiaries on June 30 2024, namely on December 31, 2023 is the following:

<i>Subsidiary</i>	<i>Field of activity</i>	<i>June 30, 2024</i>	<i>December 31, 2023</i>
Casa SA	Rental of space	99.78%	99.77%
Mecanica Ceahlău SA	Manufacture and sale of agricultural machinery	73.30%	73.30%
Regal SA	Rental of own real-estate property	93.89%	93.89%
EVER IMO SA	Real-estate development	99.99%	99.99%
A3 Snagov SRL	Real-estate development	99.99%	99.99%
EVERLAND SA	Purchase and sale of own real- estate property	99.99%	99.99%
Agrointens SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99.99%	99.99%
EVER Agribio SA	Growing of fruit-bearing plants, strawberries, nut trees and other fruit-bearing trees	99.99%	99.99%
VISIONALFA Investments SA	Fund management activities	99.99%	99.99%

Subsidiary A3 Snagov SRL, established in June 2021, is indirectly owned by the Company, through EVERLAND SA, which owns 100% of its equity.

The Extraordinary General Meeting of Shareholder of subsidiary VISIONALFA Investments SA approved on July 25, 2023, the temporary suspension of the company's activity and its fiscal inactivity for a 3 years' period.

2. BASIS OF PREPARATION (continued)

(g) Associates

Associates are those companies where the Group can exercise significant influence but not control over financial and operational policies.

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

The Group's ownership in associated entities both on June 30, 2024, and December 31, 2023 is represented by 50% ownership in Străulești Lac Alfa S.A. Further to the analysis, the Group concluded that it does not hold either control, or joint control in Străulești Lac Alfa SA.

Investments in associates are booked according to the equity method and are initially recognized at cost. The Group's investment includes, if applicable, the goodwill identified at purchase less accumulated impairment losses. The consolidated financial statements include the Group's share of the revenue and expenses and changes in the associates' capital, following the adjustments for the alignment of accounting policies with those of the Group, from the date where significant influence starts until this significant influence ceases. When the Groups' share of the loss is higher than its interest in the entity accounted for through the equity method, the book value of this interest (including any long-term investments) is reduced to zero and the recognition of future loss is interrupted.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied to these condensed financial statements are consistent with those in the annual financial statements of the Group for the financial year ended on December 31, 2023 and have been consequently applied for all periods presented in these financial statements.

4. SEGMENT REPORTING

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

The basic criteria based on which the Group determines its operating segments in compliance with IFRS 8 „*Operating Segments*” are:

- the reported revenue of the operating segment, including sales to external clients and sales or transfers between segments represents 10% or more of combined, internal and external revenue of all operating segments;

4. SEGMENT REPORTING (continued)

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

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

Segment assets and liabilities include both the elements directly attributable to the segments, and elements that may be assigned on a reasonable basis.

The Group is comprised of the following operating segments:

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

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS' PERIOD ENDED ON 30 JUNE 2024.
(All amounts are presented in Lei, unless otherwise stated)



4. SEGMENT REPORTING (continued)

Break-down of income, expenses and result

6 months' period ended on June 30, 2024	Group	Financial investment services	Manufacture and distribution of agricultural machinery and equipment	Real-estate development (apartments)	Cultivation of fruit- bearing trees (blueberries)	Other
<i>In LEI</i>						
Income and revenue/(loss)						
Gross dividend income	100,712,409	100,701,197	-	-	-	11,212
Interest income	11,151,201	10,805,968	44,094	39,031	104,576	157,532
Other operating revenue	17,497,405	73,522	14,098,114	185,828	1,574,251	1,565,690
Net gain from financial assets at fair value through profit or loss	44,289,332	44,265,065	6,578	-	-	17,689
Net gain/(net loss) on the sale of non-financial assets	337,242	(302)	-	(919)	-	338,463
Expenses						
(Losses)/Loss reversal on impairment of financial assets	(1,126,314)	(28,775)	(1,091,773)	(21,405)	1,222	14,417
Loss reversal on impairment of non-financial assets	(133,264)	-	(133,264)	-	-	-
(Setup)/reversal of provisions for risks and charges	(55,391)	-	-	(5,391)	-	(50,000)
Expenses with wages and indemnities	(20,165,303)	(11,105,115)	(3,888,243)	(685,596)	(3,544,278)	(942,071)
Other operating expenses	(20,823,840)	(5,358,250)	(12,481,399)	(1,151,599)	(653,450)	(1,179,142)
Operating profit /loss	131,683,477	139,353,310	(3,445,893)	(1,640,051)	(2,517,679)	(66,210)
Financing costs	(3,495,891)	(2,231,933)	(377,844)	(55,922)	(750,862)	(79,330)
Share in the loss related to associates	(265,917)	(265,917)	-	-	-	-
Profit / (Loss) before tax	127,921,669	136,855,460	(3,823,737)	(1,695,973)	(3,268,541)	(145,540)
Profit tax	(15,228,936)	(15,358,194)	192,484	425,256	-	(488,482)
Net profit / loss	112,692,733	121,497,266	(3,631,253)	(1,270,717)	(3,268,541)	(634,022)

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS' PERIOD ENDED ON 30 JUNE 2024.
(All amounts are presented in Lei, unless otherwise stated)

4. SEGMENT REPORTING (continued)

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

6 months' period ended on June, 30 2023	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real-estate development (apartments)	Cultivation of fruit- bearing trees (blueberries)	Other
<i>In LEI</i>						
Revenue and income/(loss)						
Gross dividend income	32,978,419	32,948,168	-	-	-	30,251
Interest income	3,370,103	2,920,878	126,572	137,922	44,392	140,339
Other operating revenue	20,020,446	206,182	17,653,877	862,132	314,749	983,506
Net gain on financial assets at fair value through profit or loss	11,432,236	11,398,079	7,787	-	-	26,370
Net gain/(Net loss) on the sale of non-financial assets	(435,303)	90	166,081	-	(601,268)	(206)
Expenses						
(Losses)/loss reversal from impairment of financial assets	282,921	70,527	283,913	(85,282)	(217)	13,980
Loss reversal from impairment of non- financial assets	362,433	-	214,455	147,564	-	414
Setup of provisions for risks and charges	(82,580)	-	-	(82,580)	-	-
Expenses with wages and remunerations	(18,884,163)	(9,839,136)	(4,206,628)	(635,490)	(3,388,527)	(814,382)
Other operating expenses	(20,162,191)	(5,772,804)	(13,958,159)	(1,358,354)	1,439,665	(512,539)
Operating profit / (loss)	28,882,321	31,931,984	287,898	(1,014,088)	(2,191,206)	(132,267)
Financing costs	(2,385,364)	(1,650,215)	(65,095)	(61,653)	(607,436)	(965)
Share in the loss related to associates	282,915	282,915	-	-	-	-
Profit / (Loss) before tax	26,779,872	30,564,684	222,803	(1,075,741)	(2,798,642)	(133,232)
Profit tax	(4,274,093)	(4,303,104)	(186,925)	231,147	-	(15,211)
Net profit / (loss)	22,505,779	26,261,580	35,878	(844,594)	(2,798,642)	(148,443)

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS' PERIOD ENDED ON 30 JUNE 2024.
(All amounts are presented in Lei, unless otherwise stated)



4. SEGMENT REPORTING (continued)

Break-down of assets and liabilities

June 30, 2024	Group	Financial investment services	Manufacture of agricultural machinery and equipment	Real-estate development (apartments)	Cultivation of fruit-bearing trees (blueberries)	Other
<i>In LEI</i>						
Assets						
Cash and current accounts	7,636,357	1,657,538	201,370	312,746	1,506,259	3,958,444
Bank deposits with initial maturity within 3 months	254,547,037	244,560,823	1,513,464	200,702	4,359,899	3,912,149
Bank deposits with initial maturity higher than 3 months	207,219,314	205,508,507	-	100,371	-	1,610,436
Financial assets at fair value through profit or loss	342,167,542	341,540,051	289,236	-	-	338,255
Financial assets measured at fair value through other comprehensive income	2,495,965,172	2,487,575,871	-	-	-	8,389,301
Investments accounted for using the equity method	57,407,410	57,407,410	-	-	-	-
Bonds at fair value through other comprehensive income	4,046,214	4,046,214	-	-	-	-
Bonds at amortized cost	29,726	29,726	-	-	-	-
Other financial assets at amortized cost	13,331,572	6,250,721	2,933,912	442,460	1,486,184	2,218,295
Inventory	44,187,820	113,118	38,903,390	-	5,170,657	655
Other assets	2,043,978	301,711	293,779	428,887	671,897	347,704
Non-current assets held for sale	3,780,213	-	-	385,774	-	3,394,439
Investment properties	155,043,002	-	595,604	77,083,605	-	77,363,793
Property, plant and equipment	69,505,634	7,822,851	18,032,021	395,790	41,681,748	1,573,224
Right-of-use assets for qualifying assets in leases	10,618,727	1,074,143	1,524,644	4,737,369	3,236,201	46,370
Goodwill	4,339,505	-	-	-	4,339,505	-
Intangible assets	1,056,391	532,443	95,202	375	420,515	7,856
Total assets	3,672,925,614	3,358,421,127	64,382,622	84,088,079	62,872,865	103,160,921
Liabilities						
Loans	173,055,295	145,748,192	7,550,285	-	14,730,914	5,025,904
Lease liabilities	9,670,810	1,026,859	1,516,689	4,870,145	2,210,039	47,078
Dividends payable	65,513,985	65,320,949	-	-	-	193,036
Liabilities regarding current income tax	16,963,538	16,342,675	-	-	-	620,863
Financial liabilities at amortized cost	27,428,644	21,903,167	4,136,626	177,749	957,116	253,986
Other liabilities	7,616,079	5,170,733	1,119,859	308,748	540,201	476,538
Provisions for risks and charges	4,294,000	1,632,553	41,153	2,391,305	-	228,989
Liabilities regarding deferred income tax	214,666,499	206,140,199	2,006,859	2,445,584	33,345	4,040,512
Total liabilities	519,208,850	463,285,327	16,371,471	10,193,531	18,471,615	10,886,906

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS' PERIOD ENDED ON 30 JUNE 2024.
(All amounts are presented in Lei, unless otherwise stated)



4. SEGMENT REPORTING (continued)

Break-down of assets and liabilities (continued)

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

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS' PERIOD ENDED ON 30 JUNE 2024.
(All amounts are presented in Lei, unless otherwise stated)

5. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair value

The table below summarizes the book values and fair values of financial assets and liabilities of the Group on June 30, 2024:

<i>In LEI</i>	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying value	Fair value
Cash and current accounts	-	-	7,636,357	7,636,357	7,636,357
Bank deposits with initial maturity under 3 months	-	-	254,547,037	254,547,037	254,547,037
Bank deposits with initial maturity higher than 3 months	-	-	207,219,314	207,219,314	207,219,314
Financial assets at fair value through profit or loss	342,167,542	-	-	342,167,542	342,167,542
Financial assets at fair value through other comprehensive income	-	2,495,965,172	-	2,495,965,172	2,495,965,172
Bonds at fair value through other comprehensive income	-	4,046,214	-	4,046,214	4,046,214
Bonds at amortized cost	-	-	29,726	29,726	29,726
Other financial assets at amortized cost	-	-	13,331,572	13,331,572	13,331,572
Total financial assets	342,167,542	2,500,011,386	482,764,006	3,324,942,934	3,324,942,934
Borrowings	-	-	173,055,295	173,055,295	173,055,295
Lease liabilities	-	-	9,670,810	9,670,810	9,670,810
Dividends payable	-	-	65,513,985	65,513,985	65,513,985
Financial liabilities at amortized cost	-	-	27,428,644	27,428,644	27,428,644
Total financial liabilities	-	-	275,668,734	275,668,734	275,668,734

For financial assets and liabilities at amortised cost the Group analysed fair value on June 30, 2024 and concluded that there are no significant differences between fair value and amortized cost.

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5. FINANCIAL ASSETS AND LIABILITIES (continued)

Accounting classifications and fair value (continued)

The table below summarizes the book values and fair values of financial assets and liabilities of the Group on December 31, 2023:

<i>In LEI</i>	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Amortized cost	Total carrying amount	Fair value
Cash and current accounts	-	-	5,632,750	5,632,750	5,632,750
Bank deposits with initial maturity under 3 months	-	-	304,399,579	304,399,579	304,399,579
Bank deposits with initial maturity higher than 3 months	-	-	13,513,579	13,513,579	13,513,579
Financial assets at fair value through profit or loss	298,338,840	-	-	298,338,840	298,338,840
Financial assets at fair value through other comprehensive income	-	2,036,197,327	-	2,036,197,327	2,036,197,327
Bonds at fair value through other comprehensive income	-	3,884,483	-	3,884,483	3,884,483
Bonds at amortized cost	-	-	35,692	35,692	35,692
Other financial assets at amortized cost	-	-	13,809,792	13,809,792	13,809,792
Total financial assets	298,338,840	2,040,081,810	337,391,392	2,675,812,042	2,675,812,042
Loans	-	-	87,551,586	87,551,586	87,551,586
Lease liabilities	-	-	10,713,608	10,713,608	10,713,608
Dividends payable	-	-	49,998,003	49,998,003	49,998,003
Financial liabilities at amortized cost	-	-	11,974,027	11,974,027	11,974,027
Total financial liabilities	-	-	160,237,224	160,237,224	160,237,224

6. GROSS DIVIDEND INCOME

In LEI

	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Banca Transilvania	52,701,083	-
OMV Petrom	27,656,018	22,741,926
BRD – Groupe Société Générale	13,486,515	-
Aerostar	4,844,284	4,159,104
Transilvania Investments Alliance	1,548,965	1,468,285
Fondul Proprietatea	187,751	298,224
SN Nuclearelectrica SA	-	3,771,535
Bursa de Valori Bucuresti	-	449,877
Other	287,793	89,468
Total	100,712,409	32,978,419

Dividend income is registered at gross value. The taxation rates for the dividends of the period concluded on 30th June 2024 were 8% or 0% (2023: 8% or 0%). Dividend tax exemption applies if the Group's holding percentage was higher than 10% of the share capital of the company that distributed the dividends, for an uninterrupted period of at least one year prior to the distribution.

In the first half of 2024, the value of gross dividends distributed by companies for which interest holding was classified as financial assets at fair value through other comprehensive income was 100,556,191 lei (6 months' period ended on June 30, 2023: 32,528,542 lei).

7. OTHER OPERATING INCOME

In LEI

	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Income from sale of production	6,150,236	7,632,138
Income from merchandize sold	9,092,191	10,090,734
Income from parking-lot sales	-	620,745
Income from service	134,214	75,275
Total income from contracts with customers	15,376,641	18,418,892
Rental income	1,875,471	1,226,228
Income from recovered receivables	45,474	115,361
Other operating income	199,819	259,965
Total other categories of operating income	2,120,764	1,601,554
Total	17,497,405	20,020,446

7. OTHER OPERATING INCOME (continued)

Income from contracts with customers

In the category of income from sales of production, the highest share in the first 6 months of 2024 is held by Mecanica Ceahlău with the amount of 4,599,975 lei, namely 75% (6 months' period ended on June 30, 2023: 7,347,277 lei, namely 96%), representing income from the sale of the agricultural machines and equipment manufactured by this company, followed by Agointens with the amount of 1,548,361 lei, namely 25% (6 months' period ended on June 30, 2024: with the amount of 284,861 lei, namely 4%), representing income from the sale of agricultural products (blueberries).

In the category of income from the sale of merchandize the highest share in the first 6 months of 2024 is held by Mecanica Ceahlău with an amount of 9,081,491 lei, namely close to 100% (6 months' period ended on June 30, 2023: 10,062,118 lei, namely close to 100%), representing the sale of products distributed (tractors, herbicide equipment, front loaders, etc), followed by Agointens with the amount of 10,699 lei, namely under 1% (6 months' period ended in June 30, 2023: 25,381 lei, namely under 1%), representing income from the sale of blueberries purchased from other local manufacturers.

In the first half of 2023, income from the sale of parking-lots was made by subsidiary EVER IMO SA following the sale of the last parking-lots in residential centre Baba Novac Residence, developed by this subsidiary.

The services delivered by the Group are generally related to the products supplied (for example, repairs of agricultural machinery following the expiry of the guarantee period).

In the first half of 2024, namely 2023, the Group obtained income from contracts with customers from sales in Romania, with the exception of external sales of Mecanica Cehlau and Agointens subsidiaries.

Thus, Mecanica Ceahlău sold agricultural machines and tools, obtaining income of 49,691 lei from production sale, namely 1,807,083 lei from the sale of merchandize in Bulgaria, Republic of Moldova (6 months 2023: 485,641 lei from the sale of production, namely 35,611 lei from the sale of merchandize in Bulgaria, Republic of Moldova, Hungary, Poland and Austria). Agointens sold blueberries, obtaining income of 1,017,527 lei from the sale of production, namely 10,699 lei from the sale of merchandize to Spain and Germany (6 months 2023: 316,176 lei from the sale of production, namely 23,524 lei from the sale of merchandize to the Republic of Moldova and England).

The Group concluded only contracts with an estimated duration of less than one year and uses the simplified approach not to disclose the unsatisfied performance obligations.

The receivable balance in contracts with customers is included in explanatory note 17.

8. NET GAIN ON ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In LEI

	6 Months' period ended on June 30, 2024	6 Months' period ended on June 30, 2023
Net gain from the revaluation of financial assets at fair value through profit or loss	44,286,405	11,370,601
Net gain from the sale of financial assets at fair value through profit or loss	2,927	61,635
Total	<u>44,289,332</u>	<u>11,432,236</u>

The unrealized net gain registered in the first half of 2024, of 44,286,405 lei (6 months' period ended on June 30, 2023: 11,370,601 lei) represents the difference from the revaluation at fair value of fund units and shares held, classified at fair value through profit or loss.

Both in the first half of 2024 and in the first half of 2023, unrealized net gain was mainly generated by the increase of fair value of fund units.

The unrealized net gain in the first half of 2023, namely 2024 resulted from the sale of certain fund units.

9. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES

Expenses with wages, remunerations, contributions and other similar expenses include expenses with wages, remunerations and other benefits, as well as the corresponding contributions of employees, members of the Management Committee (referring both to the Management Committee of the Company and the Steering Committees/CEOs of subsidiaries and the Board of Directors (referring both to the Company's Board of Directors and the Board of Directors of the subsidiaries).

9. EXPENSES WITH WAGES, REMUNERATIONS AND OTHER SIMILAR EXPENSES (continued)

In LEI

	6 Months' period ended on June 30, 2024	6 Months' period ended on June 30, 2023
<i>Fixed remunerations</i>		
Board of Directors	4,320,579	3,972,589
Management Committee	2,935,859	2,784,350
Employees	12,203,209	11,748,424
<i>Total fixed remunerations</i>	<u>19,459,647</u>	<u>18,505,363</u>
<i>Variable remunerations</i>		
Board of Directors, Management Committee		
Bonuses for the current year	109,464	-
<i>Total</i>	<u>109,464</u>	<u>-</u>
Employees		
Bonuses for the current year	251,081	118,815
<i>Total</i>	<u>251,081</u>	<u>118,815</u>
<i>Total variable remunerations</i>	<u>360,545</u>	<u>118,815</u>
<i>Expenses with social contributions and similar expenses</i>	<u>395,212</u>	<u>376,716</u>
<i>Estimated expenses with untaken leaves</i>	<u>(50,101)</u>	<u>(116,731)</u>
Total wages, remunerations, contributions and similar expenses	<u>20,165,303</u>	<u>18,884,163</u>

The directors' allowances are approved by the General Meeting of Shareholders through the Articles of Incorporation, the management contracts and, in the case of EVERGENT Investments, also through the Policy of Remuneration of the Company's management and the officers' allowances are approved by the General Meeting of Shareholders and Board of Directors through management contracts and the Policy of Remuneration of the Company's management.

The Group's average number of employees in the first half of 2024 was 178 (6 months period ended on June 30, 2023: 192). The number of the Group's employees hired in the first 6 months of 2024 was 21 (six months' period ended on June 30, 2023: 31).

10. OTHER OPERATING EXPENSES

<i>In LEI</i>	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Expenses with outsourced services	4,105,691	3,834,190
Expenses with commissions and fees	2,969,237	2,053,847
Expenses for protocol and advertising	756,632	605,464
Expenses with the amortization of tangible and intangible assets	2,314,678	2,253,091
Expenses for the amortization of assets related to right-of-use assets from leasing contracts	1,008,629	766,864
Expenses for sponsorship and patronage	166,955	260,237
Expenses for merchandize	8,256,138	8,496,866
Changes in inventories of finished goods and work in progress	(2,575,655)	(7,256,475)
Other operating expenses	3,821,535	9,148,107
Total	<u>20,823,840</u>	<u>20,162,191</u>

Expenses with outsourced services mainly include expenses for valuation services, maintenance, rent, maintenance and repairs and insurance.

Expenses with commissions and fees include mainly the commission related to the net asset owed to FSA, commissions for equity transactions on the regulated market, commissions owed to the depositary bank and commission for registered services provided by the Central Depository, , as well as legal assistance fees and other fees for consultancy services of the Group.

Other operating expenses include expenses related to production and work in progress, travel, postage and telecommunications, utilities, fuel, materials and inventories, sponsorships, other taxes and other expenses.

In the first half of 2024, namely 2023, the change in stocks of finished goods and work in progress mainly includes the increase in stocks of work in progress of the subsidiaries Mecanica Ceahlau and Agointens.

In the first half of 2024, the expenses related to short-term leases and/or leases for which the underlying asset is of low value amounted to 126,265 lei (for the six-month period ended June 30, 2023: 185,296 lei).

11. FINANCING EXPENSES

In LEI

	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Interest expenses from borrowings	3,356,148	2,268,968
Interest expenses from leases	139,743	116,396
Total	<u>3,495,891</u>	<u>2,385,364</u>

12. INCOME TAX

In LEI

	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Current income tax		
Current income tax (16%)	6,501,710	6,523
Dividend tax (8%)	7,656,065	2,303,125
	<u>14,157,775</u>	<u>2,309,648</u>
Deferred income tax		
Financial assets	(175,427)	57,667
Investment property and tangible assets	(797,953)	(10,977)
Inventory	(22,900)	32,735
Liabilities related to the participation to cash benefit plan and other benefits	1,897,273	1,987,375
Provisions for risks and charges	9,579	158,302
Other items (including impact of tax loss)	160,589	(260,657)
	<u>1,071,161</u>	<u>1,964,445</u>
Profit tax (part recorded through profit or loss)	<u>15,228,936</u>	<u>4,274,093</u>

12. INCOME TAX (continued)

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

In LEI

	6 months' period ended on June 30, 2024	6 months' period ended on June 30, 2023
Profit before tax	127,921,669	26,779,872
Tax in compliance with statutory taxation rates (16%)	20,467,467	4,284,780
Effect on income tax of:		
Non-deductible expenses	2,755,258	2,436,219
Non-taxable income	(17,098,727)	(5,974,487)
Other elements	24,588,065	3,101,918
Registration and reversal of temporary differences	1,071,161	1,964,445
Dividend tax (8%)	7,656,065	2,303,125
Income tax, of which:	39,439,289	8,116,000
• <i>profit tax expense (through profit or loss)</i>	<i>15,228,936</i>	<i>4,274,093</i>
• <i>profit tax through retained earnings (on the sale of FVTOCI financial assets).</i>	<i>24,210,353</i>	<i>3,841,907</i>

The effective income tax rate in the first half of 2024 is 12% (6 months of 2023: 16%).

In the first half of 2024, income tax reflected through retained earnings includes the income tax related to the sale of FVTOCI financial assets, of 24,210,353 lei (6 months' period ended on June 30, 2023: includes the income tax on the sale of FVTOCI financial assets, of 3,841,907 lei).

The main non-taxable income from the standpoint of profit tax calculation is represented by dividend income (withholding tax) and income from differences following the measurement of financial assets at fair value through profit or loss (holdings over 10%), and non-deductible expenses include expenses from the revaluation of financial assets at fair value through profit or loss (holdings over 10%), as well as expenses proportionally assigned to non-taxable income.

When determining the fiscal result, management and administration expenses, as well as other common expenses, are taken into account as non-deductible expenses, pro rata with the share of non-taxable income in the total income recorded by the Group.

12. INCOME TAX (continued)

The main components of the Other items category are the similar items to income which principally include the net realized gain, reflected in retained earnings, on sales of equity instruments classified at fair value through other comprehensive income (FVTOCI) when less than 10% held, and items similar to expense which principally include benefits granted to directors, officers and employees of the Company in equity instruments settled in shares at the date of their actual grant.

13 BANK DEPOSITS

a) Bank deposits with initial maturity within 3 months

<i>In LEI</i>	June 30, 2024	D 2023
Term deposits with initial maturity within 3 months	247,742,204	302,404,082
Collateral deposits with initial maturity within 3 months-principal	5,000,000	-
Attached receivables on interest	1,828,235	2,011,833
Total bank deposits – gross value	<u>254,570,439</u>	<u>304,415,915</u>
Expected credit loss	(23,402)	(16,336)
Total bank deposits	<u>254,547,037</u>	<u>304,399,579</u>

On June 30, 2024, this category includes the collateral deposit with Banca Comercială Română, with a principal amount of RON 5,000,000, constituted as collateral for the multi-product credit facility contracted by the Company from this bank (see note 19 Loans).

The term and collateral deposits are classified as Stage 1.

13 BANK DEPOSITS (continued)

b) Bank deposits with initial maturity over 3 months.

<i>In LEI</i>	June 30, 2024	December 31, 2023
Term deposits with initial maturity higher than 3 months - principal	195,301,000	2,756,584
Collateral deposit with initial maturity higher than 3 months principal	10,000,000	10,000,000
Attached receivables on interest	1,943,020	758,255
Total bank deposits – gross value	207,244,020	13,514,839
Expected credit loss	(24,706)	(1,260)
Total bank deposits	207,219,314	13,513,579

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

On June 30, 2024 and December 31, 2023, this category includes the collateral held at Banca Comercială Română of 10,000,000 lei, set-up as collateral for the revolving type credit facility as overdraft contracted by the Company from this bank (see explanatory note 19 Loans).

All Group's bank deposits are classified as Stage 1

14. FINANCIAL ASSETS

a) Financial assets at fair value through profit or loss

<i>In LEI</i>	June 30, 2024	December 31, 2023
Fund units	318,934,674	274,381,350
Shares	23,232,868	23,957,490
Total	342,167,542	298,338,840

<i>In LEI</i>	6 months' period ended on June 30, 2024	6 months' period ended on June 30 2023
January 1st	298,338,840	279,782,253
Sales	(460,630)	(20,707,676)
Changes in fair value	44,286,405	11,370,601
Gain from FVTPL sales	2,927	61,635
June 30	342,167,542	270,506,813

14. FINANCIAL ASSETS (continued)

b) Financial assets at fair value through other comprehensive income

<i>In LEI</i>	June 30, 2024	December 31, 2023
Shares measured at fair value through other comprehensive income	2,495,965,172	2,036,197,327
Total	<u>2,495,965,172</u>	<u>2,036,197,327</u>

On June 30, 2024, the category of shares measured at fair value through other comprehensive income mainly includes shares held in Banca Transilvania, OMV Petrom, Aerostar, BRD - Groupe Société Générale and Professional Imo Partners.

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

The movement of financial assets in the period ended on June 30 2024 and June 30, 2023 is presented in the table below:

<i>In LEI</i>	6 months' period ended on June 30, 2024	6 months' period ended on June 30 2023
January 1st	<u>2,036,197,327</u>	<u>1,673,533,619</u>
Purchases/ Participation to capital increase	175,939,652	168,025,840
Sales	(238,109,034)	(97,270,693)
Changes in fair value	521,937,227	119,689,375
30 June	<u>2,495,965,172</u>	<u>1,863,978,141</u>

In the first 6 months of 2024, shares measured at fair value through other comprehensive income (FVTOCI) increased as a result of the appreciation of the Bucharest Stock Exchange quotations.

The sales of shares classified at fair value through other comprehensive income were decided on the basis of fundamental analysis prepared by the specialized departments, in the context of the Company's medium and long-term objectives or to capitalize on opportunities. The sales were not made shortly after vesting, and the share transactions were not intended to realize short-term profits.

14. FINANCIAL ASSETS (continued)

b) Financial assets measured at fair value through other comprehensive income (continued)

For details on net gain on the sale of shares measured at fair value through other comprehensive income, see note 14d).

On June 30, 2024, a number of 10,866,148 Banca Transilvania shares (December 31, 2023: 8,044,831 Banca Transilvania shares) held by the Company were mortgages in favour of BCR, as collateral for the loan facilities contracted from this bank (see explanatory note 19 Borrowings).

c) Fair Value Hierarchy

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

- Level 1: quoted prices (not adjusted) on active markets for shares and bonds and the (unadjusted) unit value of the net asset in case of fund units (that meet the definition of Level 1 inputs)
- Level 2: inputs other than the quoted prices included in level 1 that are observable for assets or liabilities either directly (e.g. prices) or indirectly (e.g. price derivatives)
- Level 3: inputs for assets or liabilities that are not based on observable inputs from the market (unobservable inputs).

June 30 2024

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	341,267,877	-	899,665	342,167,542
Financial assets measured at fair value through other comprehensive income	2,387,700,282	-	108,264,890	2,495,965,172
Bonds at fair value through other comprehensive income	<u>4,046,214</u>	<u>-</u>	<u>-</u>	<u>4,046,214</u>
Total	<u>2,733,014,373</u>	<u>-</u>	<u>109,164,555</u>	<u>2,842,178,928</u>

December 31, 2023

<i>In LEI</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	297,264,619	-	1,074,221	298,338,840
Financial assets measured at fair value through other comprehensive income	1,932,882,437	-	103,314,890	2,036,197,327
Bonds at fair value through other comprehensive income	<u>3,884,483</u>	<u>-</u>	<u>-</u>	<u>3,884,483</u>
Total	<u>2,234,031,539</u>	<u>-</u>	<u>104,389,111</u>	<u>2,338,420,650</u>

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14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on June 30, 2024	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	3,020,587	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.8 Invested capital/EBITDA multiple: 6.8 Discount for lack of marketability: 16.5%	The lower the EV/Turnover multiple, the lower the fair value The lower the EV/EBITDA, the lower the fair value. The lower the lack of marketability discount, the higher the fair value
Unlisted minority interest	5,027,718	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.4 Equity value/book value multiple: 1 Discount for lack of marketability: 13.6%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Listed minority interest without active market	3,193,718	Income approach – discounted cash-flow method	Weighted average cost of capital: 14.6% Constant long-term income growth rate: 3.3% Discount for lack of control: 15.5% Discount for lack of marketability: 15.8%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	11,820,329	Income approach – discounted cash-flow method	Weighted average cost of capital: 15.8% Constant long-term income growth rate: 3% Discount for lack of control: 14.7% Discount for lack of marketability: 17.9%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term income growth rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.

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14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on June 30, 2024	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	84,156,319	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 1.5 Discount for lack of control: 13.2% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	1,945,884	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.7 Discount for lack of control: 19.6% Discount for lack of marketability: 8.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	109,164,555			

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14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on December 31, 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market	3,020,587	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.8 Equity value/book value multiple: 6.8 Discount for lack of marketability: 16.5%	The lower the EV/Sales multiple, the lower the fair value. The lower the equity market value/book value ratio, the lower the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted majority interest	5,027,718	Market approach, comparable companies method	Invested capital/ turnover multiple: 0.4 Equity value/book value multiple: 1 Discount for lack of marketability: 13.6%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value..
Listed minority interest without active market	3,193,718	Income approach – discounted cash-flow method	Weighted average cost of capital: 14.6% Constant long-term income growth rate: 3.3% Discount for lack of control: 15.5% Discount for lack of marketability: 15.8%	The lower the weighted average cost of capital, the higher the fair value. The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value
Unlisted minority interest	6,870,329	Income approach – discounted cash-flow method	Weighted average cost of capital: 15.8% Constant long-term income growth rate: 3.0% Discount for lack of control: 14.7% Discount for lack of marketability: 17.9%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term revenue increase rate, the higher the fair value. The lower the lack of control discount, the higher the fair value The lower the lack of marketability discount, the higher the fair value.

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 (All amounts are presented in Lei, unless otherwise stated)



14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Financial assets	Fair value on December 31, 2023	Valuation technique	Unobservable inputs, value intervals	Relationship between unobservable inputs and fair value
Listed minority interest, without active market (holding-type)	84,156,319	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value 1.5 Discount for lack of control: 11.5% Discount for lack of marketability: 11.4%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Unlisted minority interest	2,120,440	Asset-based approach - asset accumulation method or adjusted net asset method	Market value of equity reported to their book value: 0.7 Discount for lack of control: 19.6% Discount for lack of marketability: 8.2%	In the balance, the book value is identified through equity. The lower the resulted ratio, the lower the fair value. The lower the lack of control discount, the higher the fair value. The lower the lack of marketability discount, the higher the fair value.
Total	104,389,111			

14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

Sensitivity analysis

Although the Group considers that fair value estimates are adequate, the use of other methods and assumptions could lead to different values of the fair value. For the fair values recognized following the use of a significant number of unobservable inputs (Level 3), the change of one or more assumptions would influence the Group's profit or loss and other comprehensive income at June 30, 2024 as follows:

Modified assumption (Lei)	Impact on profit or loss (before tax)	Impact on other comprehensive income (before tax)
		- (158,263)
WACC increase by 50 bps		- 244,808
WACC decrease by 50 bps		- 106,400
Increase of the perpetuity growth rate by 25 bps		- (35,304)
Decrease of the perpetuity growth rate by 25 bps		105,583 558,420
Increase of (EBITDA, Turnover, P/E) multiple by 10%	(105,583)	(558,420)
Decrease of (EBITDA, Turnover, P/E) multiples by 10%		- (1,270,880)
Increase of DLOM by 10%		- 1,270,880
Decrease of DLOM by 10%		

The main unobservable inputs refer to the relevant multiples of the total invested capital and multiples of equity in ordinary shares:

Price/ book value: the multiple measures the market price of a company relative to its equity (net asset). This multiple reflects the ratio that investors are willing to pay for the value of net asset per share. A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price-to-book than a company whose earnings result from rendering services (e.g. a consulting firm).

14. FINANCIAL ASSETS (continued)

c) Fair Value Hierarchy (continued)

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

Discount for lack of control: represents the discount applied to reflect the absence of the power of control and it is used within the discounted cash flow method, in order to determine the value of a minority interest in the equity of the valued company.

Discount for lack of marketability (DLOM): represents the discount applied to the comparable market multiples, in order to reflect the liquidity differences between the revalued company from the portfolio and its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

In case of equity instruments in holdings, the evaluation model was determined by summing the market value of assets and liabilities, namely their book values adjusted further to the subsequent valuations where the income-based approach was used. This method was used to determine directly the value of the equity of holding-type majority shareholders.

Level 3 Fair Value Modification

In LEI

	June 30, 2024	June 30, 2023
On January 1st	104,389,111	96,472,733
	(174,556)	(298,671)
Total loss recognized in profit or loss		
Gain recognized in other comprehensive income	-	93,567
Purchases/participation to share capital increase	4,950,000	-
Sales	-	(117,685)
On June 30	109,164,555	96,149,944

On June 30, 2024 and December 31, 2023, the Group classified as level 1 securities measured on the basis of the BSE closing prices, on the last day of trading. Fund units evaluated based on the unit value of their net asset certified by the fund depositary are included in this level.

The investments classified in Level 3, representing 4% of the Group's share portfolio on June 30, 2024 (December 31, 2023: 5%), have been measured by independent external or internal valuers, based on the financial information provided by the monitoring departments, using measurement techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs, with the management's supervision and review, which makes sure that all inputs underlying the valuation reports are accurate and adequate.

14. FINANCIAL ASSETS (continued)

d) Reserve from fair value revaluation of financial assets at fair value through other comprehensive income, net of deferred tax

<i>In LEI</i>	June 30, 2024	June 30, 2023
On January 1st	<u>1,016,061,804</u>	<u>660,473,055</u>
Gross gain from the revaluation of FVTOCI financial assets	522,007,083	119,501,150
Deferred tax corresponding to gain on the revaluation of FVTOCI financial assets	(80,002,851)	(16,843,148)
<i>Net gain from the revaluation of FVTOCI financial assets</i>	<u>442,004,232</u>	<u>102,658,002</u>
Net gain transferred to retained earnings following the sale of FVTOCI financial assets	(127,449,210)	(21,504,320)
On June 30	<u>1,330,616,826</u>	<u>741,626,737</u>

In the first half of 2024, net gain, of 127,449,210 lei (gross gain 151,659,564 lei, related tax 24,210,354 lei), was obtained mainly from the sale of shares held in Banca Transilvania, Romgaz and Hidroelectrica.

In the first half of 2023, net gain of 21,504,320 lei (gross gain 25,346,223 lei, related tax 4,055,423 lei) was obtained mainly following the sale of shares held in Romgaz).

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

<i>In LEI</i>	June 30, 2024	December 31, 2023
Straulești Lac Alfa shares	57,407,410	57,673,327
Total	<u>57,407,410</u>	<u>57,673,327</u>

Investments accounted for using the equity method are represented by the holding of shares in Straulești Lac Alfa, securities purchased in 2018.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The financial information for Străulesti Lac Alfa is summarized in the table below:

<i>In LEI</i>	June 30, 2024	December 31, 2023
Current assets	202,607,779	183,251,982
Non-current assets	8,935,050	9,422,331
Total assets	211,542,829	192,674,313
Current liabilities	30,905,387	26,524,305
Non-current liabilities	65,822,623	50,803,354
Total liabilities	96,728,010	77,327,659
Equity	114,814,819	115,346,654
Total liabilities and equity	211,542,829	192,674,313

<i>In LEI</i>	6 months' period ended on June 30, 2024	P6 months' period ended on June 30, 2023
Turnover	3,349,546	3,658,197
Net profit / (Net loss)	(531,835)	565,829

The reconciliation of the financial information for Straulesti Lac Alfa with the value of securities accounted for using the equity method is presented in the table below:

<i>In LEI</i>	June 30, 2024	June 30, 2023
Associated entity's net asset on January 1st	115,346,654	110,742,176
Net profit / (net loss)	(531,835)	565,828
Associated entity's net asset on June 30th	114,814,819	111,308,004
<i>Ownership in associated entity</i>	<i>50%</i>	<i>50%</i>
Investments accounted for using the equity method	57,407,410	55,654,002

16. BONDS

<i>In LEI</i>	June 30 2024	December 31 2023
Municipal bonds	29,741	35,711
Total bonds at amortized cost – gross value	29,741	35,711
Expected credit loss	(15)	(19)
Total bonds at amortized cost	29,726	35,692
Corporate bonds	4,046,214	3,884,483
Total bonds at fair value through other comprehensive income	4,046,214	3,884,483

On June 30, 2024 and December 31, 2023, the category of bonds at amortized cost include bonds issued by Bacau Town Hall.

At June 30, 2024 and December 31, 2023, the category of bonds at fair value through other comprehensive income includes bonds issued by Autonom Service SA, which are held by the Group under a business model whose objective is to hold financial assets both to collect contractual cash flows and to sell them. Autonom Service bonds are listed on the Bucharest Stock Exchange.

All Group's bonds are classified as Stage 1.

17. OTHER FINANCIAL ASSETS AT AMORTIZED COST

<i>In LEI</i>	June 30, 2024	December 31, 2023
Sundry debtors	60,252,191	57,667,514
Trade receivables	10,824,044	9,522,175
Amounts representing the guarantee for the public offering for the buy- back of treasury shares	-	5,000,000
Dividends receivable	1,535,890	281,373
Advances to suppliers	578,477	104,961
Total other financial assets – gross value	73,190,602	72,576,023
Less expected credit loss for other financial assets	(59,859,030)	(58,766,231)
Total other financial assets	13,331,572	13,809,792

Receivables from sundry debtors mainly include amounts arising from final court decisions in amount of 48,862,448 lei (December 31, 2023: 48,869,211 lei).

17. OTHER FINANCIAL ASSETS AT AMORTIZED COST (continued)

On December 31, 2023, the amount representing the guarantee for the public buy-back of treasury shares was set at the intermediary according to the provisions of FSA Regulation no. 5/2018 regarding issuers of financial instruments and market operations, article 57 point 1, letter. d).

On June 30, 2024, customer contracts, included in the table above in the “Trade receivables” line were in amount of 4,471,490 lei (December 31, 2023: 4,373,925 lei).

<i>In LEI</i>	June 30, 2024	December 31, 2023
Other performing financial assets	14,871,516	16,337,931
Other impaired financial assets	58,319,086	56,238,092
Total other financial assets – gross value	73,190,602	72,576,023
Adjustments for expected credit loss for other performing financial assets	(1,539,944)	(2,528,139)
Adjustments for expected credit loss for other impaired financial assets	(58,319,086)	(56,238,092)
Total other financial assets	<u>13,331,572</u>	<u>13,809,792</u>

<i>In LEI</i>	June 30, 2024		December 31, 2023	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Overdue for more than 365 days	(58,319,086)	58,319,086	(56,210,867)	56,210,867

<i>In LEI</i>	June 30, 2024		December 31, 2023	
	Expected credit loss	Gross value	Expected credit loss	Gross value
Not overdue	(13,012)	10,861,272	(117,556)	11,229,743
Overdue between 0 and 30 days	(27,396)	2,052,566	(66,284)	1,024,855
Overdue between 31 and 60 days	(31,019)	51,609	(31,019)	238,893
Overdue between 61 and 90 days	(53,981)	491,533	(53,981)	336,154
Overdue between 91 and 180 days	(93,923)	93,923	(2,063,306)	3,312,293
Overdue between 181 and 365 days	(1,320,613)	1,320,613	(223,218)	223,218
Total	<u>(1,539,944)</u>	<u>14,871,516</u>	<u>(2,555,364)</u>	<u>16,365,156</u>

17. OTHER FINANCIAL ASSETS AT AMORTIZED COST (continued)

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

<i>In LEI</i>	June 30, 2024	June 30, 2023
On January 1st	<u>(58,766,231)</u>	<u>(57,087,356)</u>
Set-up	(1,562,518)	(248,165)
Reversal	469,719	466,437
On June 30th	<u>(59,859,030)</u>	<u>(56,869,084)</u>

18. INVENTORY

<i>In LEI</i>	June 30, 2024	December 31, 2023
	3,661,074	2,847,410
Raw materials and consumables		
Work in progress	4,769,477	3,610,458
Semi-finished products	1,028,234	162,423
Finished products	22,624,561	22,296,136
Merchandize	12,104,474	19,690,294
Total	<u>44,187,820</u>	<u>48,606,721</u>

The highest value of inventory is held by subsidiaries Mecanica Ceahlău with 38,903,390 lei (December 31, 2023: 46,357,720 lei) and Agointens SA with 5,170,657 lei (December 31, 2023: 2,136,138 lei).

At June 30, 2024, the value of the Group's inventories pledged for loans contracted by subsidiaries amounted to RON 6,470,368 (December 31, 2023: RON 12,186,765).

19. LOANS

	June 30, 2024	December 31, 2023
Long-term liabilities	<u>12,801,364</u>	<u>76,333,024</u>
Long-term bank loans	12,801,364	76,333,024
Short-term liabilities	<u>160,253,931</u>	<u>11,218,562</u>
Short-term bank loans	160,253,931	11,218,562
Total loans	<u>173,055,295</u>	<u>87,551,586</u>

19. LOANS (continued)

The tables below provide detailed information on the Group's borrowings at June 30, 2024 and December 31, 2023:

June 30, 2024

<i>In LEI</i>	Bank	Credit type	Loan balance (Lei)	Contract currenc y	Annual interest rate (%)	Final maturity of the loan
Entity						
EVERGENT Investments	Banca Comercială Română	Revolving loan as overdraft	95,900,520	Euro	Negotiated floating interest rate	Jan 17, 2025
EVERGENT Investments	Banca Comercială Română	Multi-product credit facility (3 tragers)	49,847,672	Euro	Negotiated floating interest rate	June 2025
Agrointens	Banca Transilvania	Credit line for working capital	3,498,797	Lei	ROBOR 1 month + 2.5%	Apr 27 2025
Agrointens	Banca Transilvania	Financing of Mândra farm project	159,250	Lei	ROBOR 1 month + 2.75%	Aug 8, 2024
Agrointens	Banca Transilvania	Financing of Popești farm project	1,580,330	Lei	ROBOR 1 month + 2.9%	June 2, 2026
Agrointens	Banca Transilvania	Financing of refrigerating warehouse	692,537	Lei	ROBOR 1 month + 2.9%	Jul 14, 2026
Agrointens	Banca Transilvania	Financing of Rătești farm project	6,000,000	Lei	ROBOR 1 month + 2.9%	Oct 19, 2029
Agrointens	Banca Transilvania	Financing of Popești project, pot planting	1,500,000	Lei	ROBOR 1 month + 2.9%	May 8, 2030
Agrointens	Banca Transilvania	Rural Invest Credit	1,300,000	Lei	ROBOR 3 months + 1.9%	Sept 4, 2026
Casa	Banca Transilvania	Investment credit	5,025,904	Lei	6.9% up to 08.04.2027; ROBOR 3 months +1.9% for interval 09.04.2027-31.03.2031	Mar 31, 2031
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	2,550,285	Lei	ROBOR 3 months + 1.5%	May 13, 2025
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	5,000,000	Lei	ROBOR 3 months + 2.5%	Dec 19, 2024
Total			173,055,295			

19. LOANS (continued)

December 31, 2023

<i>In LEI</i>						
Entity	Bank	Credit type	Loan balance (Lei)	Contract currency	Annual interest rate (%)	Final maturity
EVERGENT Investments	Banca Comercială Română	Revolving loan as overdraft	63,674,421	Euro	Negotiated floating interest rate	Jan 17, 2025
Agrointens	Banca Transilvania	Credit line for working capital	3,499,600	Lei	ROBOR 1 month + 2.5%	April 27, 2024
Agrointens	Banca Transilvania	Financing of Mândra farm project	637,000	Lei	ROBOR 1 month + 2.75%	Aug 8, 2024
Agrointens	Banca Transilvania	Financing of Popești farm project	1,975,412	Lei	ROBOR 1 month + 2.9%	June 2, 2026
Agrointens	Banca Transilvania	Financing of refrigerating warehouse	858,745	Lei	ROBOR 1 month + 2.9%	July 14, 2026
Agrointens	Banca Transilvania	Refinancing of Rătești farm project	6,000,000	Lei	ROBOR 1 month + 2.9%	Oct 19, 2029
Agrointens	Banca Transilvania	Financing of Popești project for flowerpot planting	1,500,000	Lei	ROBOR 1 month + 2.9%	May 8, 2030
Agrointens	Banca Transilvania	Credit Rural Invest	1,300,000	Lei	ROBOR 3 months + 1.9%	May 8, 2030
Mecanica Ceahlău	Banca Transilvania	Investment credit	124,525	Euro	EURIBOR 6 months + 2.5%	Sep 4, 2026
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	2,981,883	Lei	ROBOR 3 months + 1.5%	May 13, 2025
Mecanica Ceahlău	Banca Transilvania	Credit line for working capital	5,000,000	Lei	ROBOR 3 months + 2.5%	Dec. 19, 2024
Total			87,551,586			

For credit facilities contracted by BCR on June 30, 2024, EVERGENT Investments that the following collateral set-up in favour of the bank:

- Movable pledge on accounts opened by the Company with BCR;
- Movable pledge on collateral deposits, in the amount of RON 15,000,000, constituted with BCR;
- Movable pledge on 10,866,148 Banca Transilvania shares held by the Company.

The bank loans contracted by the subsidiaries have as main collateral real estate assets in the amount of 52,633,440 lei and stocks in the amount of 6,470,368 lei.

19. LOANS (continued)

The reconciliation of opening and closing loan balances is shown in the table below:

In LEI

	<u>2024</u>	<u>2023</u>
January 1	<u>87,551,586</u>	<u>11,818,565</u>
Proceeds from loans	95,252,018	110,383,049.0
Reimbursement of loans	(9,868,471)	(8,012,360)
Related interest	85,099	-
Foreign exchange differences	35,063	-
June 30th	<u>173,055,295</u>	<u>114,189,254</u>

20. LEASE LIABILITIES

In LEI

	<u>30th June 2024</u>	<u>31st December 2023</u>
Gross lease liabilities – residual maturity		
Lease liabilities (over 5 years)	2,995,646	3,244,730
Lease liabilities (between 1 and 5 years)	6,659,986	7,522,926
Lease liabilities (up to 1 year)	2,327,207	2,389,131
Total gross liabilities	<u>11,982,839</u>	<u>13,156,787</u>
Lease liabilities – residual maturity		
Lease liabilities (over 5 years)	1,908,928	2,221,775
Lease liabilities (between 1 and 5 years)	5,887,533	6,594,866
Lease liabilities (up to 1 year)	1,874,349	1,896,967
Total	<u>9,670,810</u>	<u>10,713,608</u>

The Group has leasing contracts mainly for transportation means, equipment, office premises and land.

Expenses related to short-term leases or leases for which the underlying asset has a low value are disclosed in Note 10 Other operating expenses.

21. DIVIDENDS PAYABLE

<i>In LEI</i>	June 30, 2024	December 31, 2023
Dividends payable for 2012	641	641
Dividends payable for 2013	985	985
Dividends payable for 2014	162,380	162,380
Dividends payable for 2015	167,010	167,010
Dividends payable for 2016	162,414	162,414
Dividends payable for 2017	195,558	195,956
Dividends payable for 2018	115,829	117,588
Dividends payable for 2019	244,059	247,947
Dividends payable for 2020	286,453	10,448,442
Dividends payable for 2021	15,865,645	16,071,325
Dividends payable for 2022	22,012,734	22,423,315
Dividends payable for 2023	26,300,277	-
Total dividends to pay	<u>65,513,985</u>	<u>49,998,003</u>

Dividends payable, not collected within 3 years from the date of their release, are prescribed according to the law and registered to equity, with the exception of amounts garnished according to the law (e.g, if the amounts owed to shareholders as dividends are subject to enforcement procedures).

22. FINANCIAL LIABILITIES AT AMORTIZED COST

<i>In LEI</i>	June 30, 2024	December 31, 2023
Transactions to be settled	21,341,688	-
Suppliers and accrued expenses	5,287,863	11,368,526
Advances from customers	65,753	91,556
Other financial liabilities	733,340	513,945
Total	<u>27,428,644</u>	<u>11,974,027</u>

23. OTHER LIABILITIES

<i>In LEI</i>	June 30 2024	December 31, 2023
Taxes and levies	5,311,560	4,235,484
Liabilities related to employees' cash benefits plan and other rights	770,993	3,141,015
Other liabilities	1,533,526	1,457,788
Total	<u>7,616,079</u>	<u>8,834,287</u>

Benefit plan liabilities mainly represent the amounts to be granted as participation in the benefit plan, in cash, to the Company's employees as provided for in the Collective Bargaining Agreement and to the directors as provided for in the management contracts. Other employee liabilities regarding salaries include mainly the allowances for vacations not taken.

Current liabilities, including current income tax liabilities were paid by the Group on time.

24. DEFERRED INCOME TAX LIABILITIES

Liabilities related to deferred income tax on June 30, 2024 are generated by the elements presented in the following table;

<i>In LEI</i>	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	1,306,045,572	-	1,306,045,572
Tangible assets and investment property	74,556,577	-	74,556,577
Other assets	(5,815,038)	-	(5,815,038)
Liabilities related to profit sharing and other benefits	-	(16,204,004)	(16,204,004)
Provisions and other liabilities	-	(3,973,522)	(3,973,522)
Tax loss	-	(12,943,964)	(12,943,964)
Total	<u>1,374,787,111</u>	<u>(33,121,490)</u>	<u>1,341,665,621</u>
Net temporary differences - 16% rate			<u>1,341,665,621</u>
Deferred income tax liabilities			<u>214,666,499</u>

24. DEFERRED INCOME TAX LIABILITIES (continued)

Liabilities related to deferred income tax at 31 December 2024 are generated by the elements presented in the table below:

<i>In LEI</i>	Assets	Liabilities	Net
Financial assets at fair value through other comprehensive income	957,340,697	-	957,340,697
Tangible assets and investment property	87,273,372	-	87,273,372
Other assets	(4,573,721)	-	(4,573,721)
Liabilities related to profit sharing and other benefits	-	(1,632,553)	(1,632,553)
Provisions and other liabilities	-	(30,462,794)	(30,462,794)
Tax loss	-	(12,091,383)	(12,091,383)
Total	<u>1,040,040,348</u>	<u>(44,186,730)</u>	<u>995,853,618</u>
Net temporary differences - 16% rate			<u>995,853,618</u>
Deferred income tax liabilities			<u>159,336,579</u>

Deferred income tax directly recognized through the decrease of equity is 212,063,211 lei at June 30, 2024 (December 31, 2023: 158,670,398 lei), being generated by financial assets measured at fair value through other comprehensive income for which the Group's interest is under 10%, for a period of time of less than one year and by property, plant and equipment.

25. CAPITAL AND RESERVES

(a) Share Capital

The structure of the Company's shareholding on June 30, 2024 namely December 31, is presented in the tables below:

June 30, 2024	No. of shareholders	No. shares	Nominal value (lei)	(%)
Individuals	5,738,954	373,840,354	37,384,035	39%
Companies	146	587,913,238	58,791,324	61%
Total	5,739,100	961,753,592	96,175,359	100%

December 31, 2023	No. of shareholders	No. shares	Nominal value (Lei)	(%)
Individuals	5,740,158	363,730,993	36,373,099	38%
Companies	145	598,022,599	59,802,260	62%
Total	5,740,303	961,753,592	96,175,359	100%

All shares are ordinary and have been subscribed and paid in full on June 30, 2024, namely December 31, 2023.

All shares have the same voting right and nominal value of 0.1 lei/share. The number of shares authorized for issue is equal to that of issued shares.

Thus, the share capital on June 30, 2024 had a nominal value of 96,175,359 lei (31 December 2023: 96,175,359 lei).

On June 30 2024, the 403,813,278 lei difference between the book value of share capital of 499,988,637 lei and its nominal value, the inflation difference generated by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" up to 1 January 2004.

In the first half of 2024, namely 2023, there have been no changes in the Company's share capital.

25. CAPITAL AND RESERVES (continued)

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

This reserve includes the accumulated net fair value modifications of financial assets measured at fair value through other comprehensive income from the date of their classification in this category until the date of derecognition or impairment.

Reserves from the revaluation of financial assets measured at fair value through other comprehensive elements are registered at value net of deferred tax. The value of the deferred income tax recognized directly through the decrease of equity is presented in note 24.

(c) Legal Reserves

According to legal requirements, the Group sets up legal reserves of 5% of the net profit up to 20% of its share capital. The value of the legal reserve is included in retained earnings.

Legal reserves cannot be distributed to shareholders.

(d) Dividends

In the General Meeting of Shareholders on April 29, 2024, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share (total 81,694,796.85 lei), corresponding to the statutory result of financial year 2023.

The date of May 22, 2024 was approved as registration date (ex-date May 21, 2024), and the date of June 12, 2024 as dividend payment date.

In the General Meeting of Shareholders on 27 April 2023, the Company's shareholders approved the distribution of a gross dividend of 0.09 lei/share (total 82,695,517 lei), corresponding to the statutory profit of the 2022 financial year

(e) Treasury Shares

The total number of own shares held by the Company on June 30, 2024 is 55,762,627 shares representing 5.8% of share capital (December 31, 2023: 51,742,535 shares, representing 5.38% of share capital) in total 74,217,111 lei (December 31, 2023: of 66,642,400 lei).

25. CAPITAL AND RESERVES (continued)

(e) Treasury Shares (continued)

The evolution of the number of shares (and their value) in the first 6 months of 2024, namely 2023 is the following:

Treasury shares	Balance on January 1 st 2024	Purchases during the period	Allocations during the period (directors and employees)	Balance on June 30, 2024
Buy-back program approved by EGMS on April 29, 2024	-	1,729,000	-	1,729,000
Buy-back program approved by EGMS on April 27, 2023	9,017,535	10,000,000	(7,708,908)	11,308,627
Buy-back program approved by EGMS on April 28, 2022	19,625,000	-	-	19,625,000
Buy-back program approved by EGMS on January 20, 2022	23,100,000	-	-	23,100,000
Total number of shares	<u>51,742,535</u>	<u>11,729,000</u>	<u>(7,708,908)</u>	<u>55,762,627</u>
Total share value (Lei)	<u>66,642,400</u>	<u>16,914,927</u>	<u>(9,340,216)</u>	<u>74,217,111</u>
Treasury shares	Balance on January 1, 2023	Purchases during the period	Allocations during the period (directors and employees)	Balance on June 30, 2023
Buy-back program approved by EGMS on April 27, 2023	-	823,670	(182,465)	641,205
Buy-back program approved by EGMS on April 28, 2022	8,400,000	19,625,000	(8,400,000)	19,625,000
Buy-back program approved by EGMS on January 20, 2022	23,100,000	-	-	23,100,000
Buy-back program approved by EGMS on April 27, 2020	347,896	-	(347,896)	-
Total number of shares	<u>31,847,896</u>	<u>20,448,670</u>	<u>(8,930,361)</u>	<u>43,366,205</u>
Total share value (Lei)	<u>38,991,230</u>	<u>28,715,362</u>	<u>(11,191,655)</u>	<u>56,514,937</u>

25. CAPITAL AND RESERVES (continued)

(e) Treasury Shares (continued)

Within the buyback program approved by the EGMS on April 27, 2023 (Program no. 9), between January 8 and 19 2024, the Company run the public offering of treasury shares with the following main characteristics:

- number of treasury shares bought back in the offer: 10,000,000, representing 1.0398% of share capital
- purchase price: 1.45 lei per share
- offer broker: BT Capital Partners SA

The purpose of the program is the decrease of the share capital by annulling the shares bought back, as per EGMS Resolution no. 2 of April 27, 2023.

On June 7, 2024, EVERGENT Investments started Program no. 10 approved by EGMS on April 29, 2024 through which, a number of 1,729,000 shares were purchased in June.

The Program characteristics are the following:

- Purpose of the program: to buy back own shares in order to comply with the legal obligations arising from stock option plan programs, with a view to distributing variable remuneration to the company's employees, directors and executives;
- Run period: June 10, 2024 – November 15, 2024;
- The number of shares that can be bought-back: maximum 12,500,000 shares, representing 1.3751% of the share capital that will result following the reduction, as per Resolution no. 2 of the extraordinary general meeting of shareholders on April 29, 2024;
- minimum price per share: the minimum purchase price shall be the BSE price at the time the purchase is made;
- Maximum price per share: 2.00 lei;
- Daily volume: maximum 25% of the average daily volume of shares traded in May 2024, month that precedes the month when the program is announced, in accordance with art. 3 line (3) letter a) EU delegated regulation 2016/1052.
- Broker: BT Capital Partners;

In the first semester of 2024, were allocated to directors, executives and employees a total of 7,708,908 shares (6 months 2023: 8,930,361 shares), within the stock option plan (SOP) for 2022 (6 months 2023: SOP 2021).

25. CAPITAL AND RESERVES (continued)

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

Equity-based payments to employees, directors and administrators represent the value of benefits regarding the benefit plan of managers, directors and employees through SOP programs, the part offered in shares. The following SOP programs are outstanding on June 30, 2024, namely December 31, 2023:

<i>In LEI</i>	June 30, 2024	December 31, 2023
SOP 2022	-	9.905.947
SOP 2023	14,975,431	14,975,431
Total	14,975,431	24,881,378

Options that may be exercised at the beginning of the reporting period, which were fully exercised in the first half of 2024 correspond to shares of SOP 2022, of 9,905,947 lei (a number of 7,708,908 shares) and were allocated in the second quarter of 2024, for a price of 1.285 lei/share (closing price on April 26, 2023).

The options granted during 2024 and which are exercisable at the end of the reporting period correspond to shares related to SOP 2023, which are worth RON 14,975,431 (a number of 11,699,555 shares) and will be granted in the second quarter of 2025 at a price of RON 1.28/share (closing price on April 26, 2024).

There were no options expired or forfeited during 2023 or the first 6 months of 2024.

(g) Other items of equity

Other items of equity include acquisition costs for treasury shares (commissions and fees and other costs related their acquisition) and the gain/loss on allocation of treasury shares to administrators, officers and employees, as share-based benefits (the difference between value at granting price and the value at acquisition price of treasury shares).

26. NON-CONTROLLING INTERESTS

Non-controlling interests represent the part of the profit or loss and of net assets not held, neither directly or indirectly by the Group and are presented in the consolidated statement of comprehensive income and in equity in the consolidated statement of financial position, separately from the capital of the parent company's shareholders.

The changes of subsidiary interest that do not result in loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

<i>In LEI</i>	June 30, 2024	June 30, 2023
On January 1st	16,081,102	16,718,203
Loss attributable to non-controlling interests	(958,569)	(9,561)
Reserves from the revaluation of tangible assets attributable to non-controlling interests	(2,124)	(15,059)
Dividends distributed to non-controlling interests	(145,300)	-
On June 30	<u>14,975,109</u>	<u>16,693,583</u>

27. EARNINGS PER SHARE

The calculation of the basic earnings per share was made based on the profit attributable to the Company's shareholders and weighted average number of outstanding ordinary shares (without bought-back shares):

<i>In LEI</i>	Note	June 30, 2024	June 30, 2023
Net profit attributable to company's shareholders		113,651,302	22,515,340
<i>Weighted average number of outstanding ordinary shares in circulation</i>		903,145,074	912,639,810
Basic earnings per share (net profit per share)		<u>0.1258</u>	<u>0.0247</u>
Net profit attributed to Company's shareholders		113,651,302	22,515,340
Gain registered in retained earnings attributable to shareholders (from the sale of FVTOCI financial assets)		127,449,210	21,504,320
<i>Weighted average number of outstanding ordinary shares corresponding to the reporting period</i>		903,145,074	912,639,810
Basic earnings per share (including earning on the sale of FVTOCI assets)		<u>0.2670</u>	<u>0.0482</u>

27. EARNINGS PER SHARE (continued)

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

Basic and diluted earnings per share are calculated based on net income, which includes, in addition to net profit attributable to the Company's shareholders, the gain on the sale of FVTOCI financial assets.

The Group also presents in the financial statements, together with the basic and diluted earnings per share, the basic and diluted result per share (including the gain from the sale of FVTOCI financial assets), because along with the net profit, the gain from the sale of FVTOCI financial assets is considered an indicator of the Group's performance and is a potential source for dividend distribution to the shareholders.

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Subsidiaries

Balances and transactions between Group members have been eliminated in the consolidation process and are not presented in this explanatory note.

Associates of the Group

The Group has an investment in an associate on June 30, 2024 and December 31, 2023, Străulești Lac Alfa S.A., with an ownership of 50%.

Key management personnel

On June 30, 2024 and December 31, 2023, the members of the Board of Directors were Mr. Liviu Claudiu Doroș (President of the Board of Directors and CEO), Mr. Cătălin Jianu Dan Iancu (Vice-president of the Board of Directors and Deputy CEO), Mr. Costel Ceocea (Non-Executive Director), Mr. Horia Ciorcilă (Non-Executive Director) and Mr. Octavian Claudiu Radu (Non-Executive Director).

The key management staff includes the members of the Board of Directors of the Company and its subsidiaries, members of the Management Committee of the Company and the management committees/CEOs of its subsidiaries.

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

The salaries, remunerations and other benefits offered to key management staff are presented in the table below:

<i>In LEI</i>	6 months' period ended on June 30 2024	6 months' period ended on June 30 2023
Board of Directors	4,377,054	3,972,589
Officers	2,988,848	2,784,350
Total, of which:	<u>7,365,902</u>	<u>6,756,939</u>
Benefits granted as shares	-	-

Detailed information regarding the remunerations and benefits offered to the members of the Board of Directors and Management Committee are presented in explanatory note 9.

The Group does not offer post-employment benefits or benefits for the termination of the employment contract to its key personnel.

29. SUBSEQUENT EVENTS

There have been no subsequent event following the reporting date.

The consolidated financial statements were approved by the Board of Directors on 13 September 2024 and were signed on its behalf by:

Claudiu Doros
 CEO and President of the Board

Mihaela Moleavin
 Finance Director

STATEMENT

in accordance with the provisions of article 223, paragraph B (1), letter c) of FSA Regulation no. 5/2018 and article 67, paragraph (2), letter c) of Law no. 24/2017

The undersigned, Claudiu DOROȘ, in his capacity as President & CEO, and Mihaela MOLEAVIN, in her capacity as Finance Director, responsible for preparing the condensed interim consolidated financial statements of EVERGENT Investments Group (the Group) for the six-month period ended on June 30, 2024, declare the following::

- The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and by applying accounting regulations compliant with the International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in Financial Instruments and Investments Sector, as approved by the Financial Supervisory Authority’s Norm no. 39/2015;
- The accounting policies used in preparing the interim consolidated financial statements are in accordance with the applicable accounting regulations;
- EVERGENT Investments Group carries out its activity in conditions of continuity;
- We are not aware, at the date of this statement, of any other information, events, circumstances that would significantly alter the above statements.

We confirm that the condensed interim consolidated financial statements, which are in compliance with the above-mentioned regulations, **provide a true and fair view of the financial position and performance of the Group (including the assets, liabilities, profit and loss account of the Group) and that the Board of Directors' Report includes a correct and comprehensive analysis of the development, financial position and performance of the Group, as well as a description of the main risks and uncertainties specific to the activities carried out.**

Claudiu Doros
President & CEO

Mihaela Moleavin
Finance Director