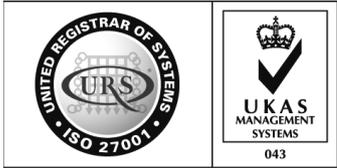


**2020 Board of Directors’
Report**
*related to the consolidated
financial statements*



URS is a member of Registrar of Standards (Holdings) Ltd.

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Report date: 29TH March 2021

Issuer name: EVERGENT Investments SA

Headquarters: Pictor Aman Str. No. 94 C, Bacau

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

Tax code: 2816642

Trade Registry: JO4/2400/92

LEI: 254900Y100025N04US14

Subscribed and paid-up capital: 98.947.918 lei

No. of issued shares: 989.479.176

Nominal value: 0,1 lei/share

Shareholding structure: 100% private

Free float: 100%

FSA Registry no.: PJR07AFIAA/040002

Regulated market on which the issued securities are traded:

Bucharest stock exchange, Premium category

International identifiers: Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNOR0; Bloomberg: BBGID BG000BMN5F5; Reuters: EVER.BX

In compliance with EGMS resolution no. 2/30.10.2020 and based on FSA certificate no. 21/01.03.2021 on the approval of the modification of the Memorandum of Association, SIF Moldova SA changed its name to EVERGENT INVESTEMENTS SA

NOTE 1 – To make information easily comparable, EVERGENT Investments maintains the same structure of interim consolidated reports on yearly and half-yearly level.

NOTE 2 – the figures presented in the report are presented in lei when no other measurement unit is specified.

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

EVERGENT Investments SA (former SIF Moldova SA) is classified in the category of Alternative Financial Investment Managers (AIFM) certified by Financial Supervision Authority under no. **20/23.01.2018** and functions abiding by the provisions of Law no. 74/2015 on the managers of alternative investment funds, Law 24/2017 on the issuers of financial instruments and market operations, Law 24/2017 on the issuers of financial instruments and market operations, Law 31/1990 on companies and FSA regulations issued for the application of primary legislation.

Purpose – increase of managed assets value.

The main field of activity of the company is financial investments.

Its activity object consists in:

- a) administration and management of financial instruments, derived financial instruments and other instrument qualified as such through the regulations of the competent authorities;
- b) administration and management of shares/bonds and other rights stemming from these in unlisted or closed companies;
- c) risk management;
- d) other auxiliary and adjacent activities for collective management

The company is self-managed in unitary system.

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

Depository services are provided by BRD - Société Générale S.A. – a company authorized by the Financial Supervision Authority.

1.1. Consolidation area

The consolidated financial statements on 31st December 2020 include the company and its subsidiaries (hereinafter referred to as “Group”), as well as the Group’s interests in associated entities.

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 financial and operational policies.

The consolidated financial statements include the quota of the Group from the results of the associated entities, based on the equivalence method, from the date the Group has started to exercise significant influence, up to the date when this influence ceases.

On 31st December 2020 EVERGENT Investments Group holds investments in an associate, Străulești Lac Alfa S.A. company with 50% holding.

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

The members of EVERGENT Investments Group:

No.	Subsidiary name	Direct holding EVERGENT Investments – mother company %	Company type (closed/listed)	Weight of total assets % 31.12.2020
1	AGROINTENS SA Bucharest	99,99	Unlisted	2,10
2	AGROLAND CAPITAL SA Bacau	99,99	Unlisted	1,76
3	CASA SA Bacau	99,32	Unlisted	0,59
4	MECANICA CEHLĂU SA Piatra Neamt	73,30	BSE-REGS (MECF)	1,06
5	REGAL SA Galati	93,02	BSE-ATS (REGL)	0,61
6	TESATORIILE REUNITE SA Bucharest	99,99	Unlisted	2,12
Total				8,24 *

* With virtual Casa SA shares (subscribed and not assigned by 31.12.2020) worth 8,3 mil. lei, EVERGENT Investment Group exposure limit becomes 8,63%.



Statement of mutual holdings of entities included in the consolidation area (31.12.2020)

Subsidiary name	Shareholders	No. shares	% holding	Nominal value (lei)
Agointens SA	EVERGENT Investments SA	2.996.161	99,99	10
	CASA SA	1	0,001	
	TOTAL	2.996.162	100	
Agroland Capital SA	EVERGENT Investments SA	3.812.000	99,992	10
	Asset Invest SA	1	0,008	
	TOTAL	3.812.001	100	
Casa SA	EVERGENT Investments SA	4.658.462	99,32	2,5
	Other shareholders	31.946	0,68	
	TOTAL	4.690.408	100	
Tesatoriile Reunite SA	EVERGENT Investments SA	1.763.027	99,999	2,5
	CASA SA	1	0,001	
	TOTAL	1.763.028	100	

Regal SA	EVERGENT Investments SA	1.116.258	93,021	0,1
	A.A.A.S. BUCURESTI	29.035	2,42	
	Other shareholders	54.707	4,559	
	TOTAL	1.200.000	100	
Mecanica Ceahlau SA	EVERGENT Investments SA	175.857.653	73,30	0,1
	Roumanian Investment.Fund	48.477.938	20,21	
	Other shareholders	15.572.869	6,49	
	TOTAL	239.908.460	100	

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

The Group's basic activities are the financial investments carried out by the Company, as well as the activities carried out by the subsidiaries, consisting mainly in the following activities:

- Manufacture of agricultural machines and equipment
- Real-estate development (apartments, including parking spaces)
- Rental and sale of own real-property
- Cultivation of fruit-bearing trees and
- Business and management consultancy.

Below we briefly present the main financial benchmarks of the companies in the Group.

1.2.1. Mecanica Ceahlău S.A.

The company's object of activity is the manufacture of agricultural machines and machines for logging. Setup in 1921, SC Mecanica Ceahlău SA Piatra –Neamt is today one of the most famous agricultural machine manufacturing companies in Romania. The machines and equipment manufactured by „Mecanica Ceahlău” cover the entire range of agricultural works, from soil preparation for seeding to harvesting.

Main financial results (IFRS):

Lei	2018	2019	2020	Evolution 2020/2019 %
Total assets	59.251.716	70.921.839	54.432.950	77
Turnover	32.105.256	28.593.142	18.020.000	63
Profit (loss)	828.717	10.599.011	(2.338.925)	(22)
ROE %	1,39	22,63	N/A	
ROA %	1,40	14,94	N/A	

The loss corresponding to 2020 was mainly caused by the severe draught in 2020, as well as COVID-19 pandemic.

1.2.2. Țesătoriile Reunite S.A.

Its main object of activity is real estate development. The company Tesatoriile Reunite was setup in 1933. At present it operates in the field of industrial real-estate rental and real-estate development.

Main financial results (IFRS):

Lei	2018	2019	2020	Evolution 2020/2019 %
Total assets	120.390.287	102.249.939	47.455.543	46
Turnover	1.580.619	66.228.149	95.498.541	144
Profit (Loss)	2.135.303	17.259.789	14.832.992	86
ROE %	6,96	31,09	41,74	
ROA %	1,77	16,88	32,02	

The significant turnover increase is due to the sale of part of the apartments in Baba Novac Residence

residential center developed by Tesatoriile Reunite. The decrease of profit in comparison to 2019 comes mainly from asset impairment adjustments (receivables and property, plant and equipment) registered in 2020.

1.2.3. Regal S.A.

Regal S.A. was setup in 1990 through the decision of Galati district Prefecture as a joint stock company, based on Law no. 15/1991 and Law no. 31/1990. The main activity object of the company is the rental of own real estate.

Main financial results (IFRS):

Lei	2018	2019	2020	Evolution 2020/2019 %
Total assets	9.951.465	11.863.835	10.022.202	84
Turnover	677.360	436.585	276.893	63
Profit (loss)	5.748.933	3.257.693	178.828	5
ROE %	80,72	40,40	3,52	
ROA %	57,77	27,46	1,78	

Income from rental of owned spaces obtained in 2020 were affected by Covid-19 without jeopardizing the continuation of activity, but with effects on the company's profitability.

1.2.4. Casa S.A.

Setup in 1999 as a joint stock company, based on Law no. 31/1990, the main object of activity of the Company consists in rental and sub-rental of own or rented real estate.

In 2020, CASA subsidiary has taken over from Asset Invest the latter's activity and assets.

Main financial results (IFRS):

Lei	2018	2019	2020	Evolution 2020/2019 %
Total assets	14.190.747	15.702.459	22.567.765	144
Turnover	1.109.206	1.326.706	1.557.886	117
Profit (loss)	1.976.872	1.307.646	(1.487.629)	(114)
ROE %	18,92	9,18	N/A	
ROA %	13,92	8,33	N/A	

During the state of emergency and state of alert on national level, the commercial activity in some of the areas held or rented by the company was temporarily suspended. Income obtained from the rental of spaces in 2020 was affected by the Covid 19 pandemic without jeopardizing the continuation of activity.

1.2.5. Asset Invest S.A.

Asset Invest subsidiary was voluntarily liquidated (and cancelled in December 2020) after the assets and activities were transferred to CASA SA.

1.2.6. Agointens S.A.

Setup in 2014 as a joint stock company based on Law no. 31/1990, the main activity object of the company is cultivation of fruit-bearing trees, strawberries, nut-trees and other fruit bearing trees.

Main financial results (IFRS):

Lei	2018	2019	2020	Evolution 2020/2019 %
Total assets	33.472.515	36.859.273	38.982.127	106
Turnover	4.340.768	5.659.167	8.215.101	145
Profit (loss)	(928.219)	(2.516.243)	(1.351.559)	54
ROE %	N/A	N/A	N/A	

ROA %	N/A	N/A	N/A
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The registered loss is in line with the company's financial forecast, the company managing newly setup companies.

1.2.7. Agroland Capital S.A.

Setup in 2014 as joint stock company based on Law no. 31/1990. The company was setup with the purpose of capitalizing on investment opportunities in the agribusiness-real estate field.

Main financial results (IFRS):

Lei	2018	2019	2020	Evolution 2020/2019 %
Total assets	39.069.648	40.266.296	41.582.609	103
Turnover	-	78.334	32.811	42
Profit (Loss)	7.865	584.902	2.303.234	394
ROE %	0,02	1,87	6,7	
ROA %	0,02	1,45	5,54	

1.3. Influences resulted from consolidation operations

1.3.1. Comparative statement of assets on 31st December 2020

The table below presents the comparative status of assets based on the figures in the individual and consolidated financial statements drafted in compliance with IFRS.

Balance position	Company	Group	Differences
Cash and current accounts	327.423	4.715.884	4.388.461
Bank deposits with initial maturity under 3 months	85.057.575	97.686.921	12.629.346
Bank deposits with initial maturity over 3 months	-	2.216.704	2.216.704
Financial assets at fair value through profit or loss	364.462.371	312.771.668	(51.690.703)
Financial assets measured at fair value through other comprehensive income	1.643.409.645	1.485.586.364	(157.823.281)
Investments accounted for using the equity method	-	43.700.058	43.700.058
Bonds at amortized cost	16.644.595	16.644.595	-
Bonds at fair value through other comprehensive income	3.802.401	3.802.401	-
Property investment	4.103.857	74.450.361	70.346.504
Goodwill		4.339.505	4.339.505
Intangible assets	368.884	1.073.564	704.680
Property, plant and equipment	7.503.594	54.038.192	46.534.598
Assets representing rights to use of leasing contracts support assets	1.132.811	2.310.090	1.177.279
Fixed assets held for sale	-	23.779.031	23.779.031
Inventory	-	26.378.821	26.378.821
Other financial assets at amortized	8.104.606	17.152.575	9.047.969
Other assets	344.410	1.763.516	1.419.106
Total assets	2.135.262.172	2.172.410.250	37.148.078

1.3.2. Comparative statement of liabilities and equity on 31st December 2020

The table below presents a comparative statement of liabilities and equity based on the figures in the individual and consolidated financial statements drafted in compliance with IFRS.

Balance position	Company	Group	Differences
Loans	-	9.793.365	9.793.365
Leasing contract liabilities	1.070.045	2.179.630	1.109.585
Dividends payable	35.818.292	36.338.673	520.381
Provisions for risks and expenses	129.344	1.442.468	1.313.124
Liabilities regarding deferred profit tax	90.800.183	97.310.265	6.510.082
Liabilities regarding current profit tax	4.171.854	4.202.333	30.479
Financial liabilities at amortized cost	944.439	5.477.053	4.532.614
Other liabilities	3.292.889	4.779.402	1.486.513

Total liabilities	136.227.046	161.523.189	25.296.143
Share capital	514.402.388	514.402.388	-
Retained earnings	871.860.684	876.747.483	4.886.799
Reserves from the revaluation of property, plant and equipment	8.527.896	16.029.110	7.501.214
Reserves from the revaluation of FVTOCI financial assets	591.817.817	575.885.218	(15.932.599)
Own shares	(9.595.338)	(9.595.338)	-
Benefits granted to employees as equity instruments	18.457.300	18.457.300	-
Other equity elements	3.564.379	3.564.379	-
Total equity assignable to company shareholders	1.999.035.126	1.995.490.540	(3.544.586)
Non-controlling interest	-	15.396.521	15.396.521
Total liabilities and equity	2.135.262.172	2.172.410.250	37.148.078

1.3.3. Comparative analysis of the statement of comprehensive income on 31st December 2020

Statement of comprehensive income	Company	Group	Differences
Income			
Dividend income	89.107.709	67.030.197	(22.077.512)
Interest income	2.913.568	3.395.853	482.285
Other operating income	1.082.041	125.532.987	124.450.946
Net gain from the sale of non-financial assets	191.429	763.995	572.566
(Net loss)/Net gain from the revaluation of financial assets at fair value through profit or loss	(50.074.477)	(45.719.842)	4.354.635
Net gain/(net loss) from the revaluation of property investment	(33.547)	3.342.251	3.375.798
(Losses)/loss reversal from financial assets impairment	(275.130)	(3.316.849)	(3.041.719)
(Losses)/loss reversal from non-financial assets impairment	628	(862.885)	(863.513)
(Setup)/reversal of provisions for risks and expenses	239.144	(433.809)	(672.953)
Expenses with wages, indemnities and other similar expenses	(23.607.641)	(38.282.048)	(14.674.407)
Other operating expenses	(9.067.642)	(102.315.527)	(93.247.885)
Operating profit	10.476.082	9.134.323	(1.341.759)
Expenses with the interest corresponding to leasing contract liabilities	(39.736)	-	39.736
Financing expenses		(710.299)	(710.299)
Share of loss corresponding to associates		5.853.550	5.853.550
Profit before tax	10.436.346	14.277.574	3.841.228
Profit tax	(4.609.320)	(8.139.209)	(3.529.889)
Net profit of the financial year	5.827.026	6.138.365	311.339
Other comprehensive income elements			
Increase/ (Decrease) of reserve from the revaluation of property, plant and equipment, net of deferred tax	(170.598)	726.188	896.786
Net gain/(net loss) from the revaluation of equity instruments at fair value through other comprehensive income (FVTOCI)	(153.598.721)	(157.178.047)	(3.579.326)
Other comprehensive income elements	(153.769.319)	(156.451.859)	(2.682.540)
Net loss from the revaluation of FVTOCI bonds	29.587	29.587	-
Other comprehensive income elements – elements that will not be reclassified in profit or loss	29.587	29.587	-
Other comprehensive income elements - Total	(153.739.732)	(156.422.272)	(2.682.540)
Total comprehensive income of the period	(147.912.706)	(150.283.907)	(2.371.201)

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

The Company's performance indicator is Net Result, which includes along with the net profit the net gain from the sale of FVTOCI financial assets, reflected in reported result:

(Lei)	Company	Group	Differences
Net profit of the financial year	5.827.026	6.138.365	311.339
Gain related to the transfer of FVTOCI* financial assets, net of tax, recycled in retained earnings	50.247.530	39.584.589	(10.662.941)
Net result	56.074.556	45.722.954	(10.351.602)

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

1.3.4. Criteria for the recognition, measurement and evaluation of financial assets on 31st December 2020 and 31st December 2019

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

Depending on these criteria, financial assets are classified as: financial assets measured at fair value through profit or loss („FVTPL”), financial assets measured at fair value through other comprehensive income („FVTOCI”) and financial assets measured at amortized cost.

1.4. Predictable development of EVERGENT Investments Group

1.4.1. Objectives and Strategy of the Group for 2020

The “key” of EVERGENT Investments’ investment strategies and policies are based on a resource assignment that insures **sustainable development of EVERGENT Investments’ activity and satisfaction of shareholders’ interest, both on the short and on the long run.**

Solid and sustained **investment policy** is based on the long-term increase of managed assets, a basic element for the consolidation of investors’ trust.

Remuneration policy of EVERGENT Investments’ Shareholders

EVERGENT Investments takes on a predictable dividend policy. Given the volatility of the capital markets, the Board of Directors aims to find a balance between the need to insure resources for the support of the investment programs that are to be developed, the short-term expectations of shareholders, that is the distribution of dividends and long-term expectations of shareholders, that is NAV increase and indirectly price increase.

The Board of Directors intends to remunerate shareholders by offering cash dividends and running Public Offerings (POs).

It is expected that the policy mix that includes assignment of dividends and the possibility to subscribe to a PO offer a higher yield than the classical dividend distribution, remunerating invested capital at a level higher than those offered by money placement.

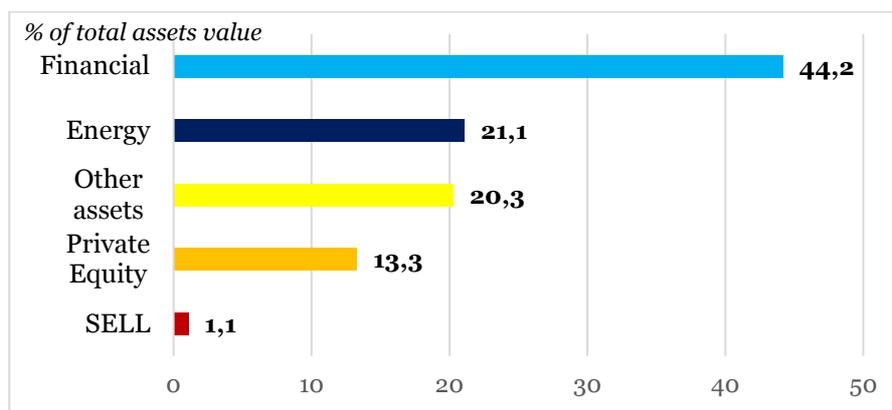
Capital operations through the running of a share redemption program for the purpose of lowering the share capital and distributing shares to employees, managers and directors of the company.

Maintaining the defined strategies for assets portfolios:

- *Increase* for the PRIVATE EQUITY portfolio (PPE) – “private equity” type approach within existent majority holdings (real estate, agriculture, other sectors);
- *Recalibration* for FINANCIAL- BANK portfolio (PFB) and ENERGY-INDUSTRIAL portfolio (PEI), listed portfolios that offer liquidities to EVERGENT Investments’ assets, this being the main generator of revenue and sources for new investments;

➤ *Restructure* for the SELL portfolio – continuation of restructure / sale of “historic” share portfolio.

Portfolio weight in total assets value on 31.12.2020:



1.4.2. PRIVATE EQUITY Portfolio – includes companies from EVERGENT Investments Group

On 31st December 2020 the assets of the 6 subsidiaries of EVERGENT Investments registered a value of 176,1 mil. lei representing 8,24% of total assets of EVERGENT Investments.

According to its *Investment Strategy and Policy*, EVERGENT Investments has an investment strategy defined to develop its PRIVATE EQUITY Portfolio, characterized by:

- project implementation in various activity sectors and business development for the companies in EVERGENT Investments' historic portfolio;
- investments in this portfolio represent a “private equity” approach that involves the **development of some existent majority holdings (real estate, agricultural machines, agribusiness), as well as new investments (real estate, agribusiness)** and offers growth opportunities on the average and long term.

Rules applied according to AIFM legislation

- ✓ Private equity type investments through which control is obtained on unlisted companies is in the line with the multiannual investment strategies and legal risk and prudential limits of EVERGENT Investments, without representing the main investment activity.
- ✓ EVERGENT Investments is a shareholder with a holding of over 99% in all unlisted shares. In the selection of monitoring of investments in unlisted companies, EVERGENT INVESTMENTS applies a high level of diligence, its staff holds the adequate professional skills and abilities for the activities that are specific in the investment fields: financial analysis, legal, commercial and technical analysis, negotiation, conclusion of agreements and contracts.
- ✓ These assets are assessed in compliance with the evaluation policies and procedures, their value being reported on a monthly basis.

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

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

1.4.2.1. AGROINTENS SA – “BLUEBERRY FARM extension” Blueberry Farm Project (www.agointens.ro)

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

Project description: The object of the project is the setup and development of blueberry farms. At present the following farms: Vistea –Brasov district, Mandra –Brasov district and Popesti –Arges district are in various development stages. At the end of the reporting period the planted area was 86 ha.

EVERGENT Investments' investment: 7,6 million euro.

Current status:

Operational: Seasonal agriculture works have been carried out.

Development - Popesti Farm- the extension of the farm was completed with the planting of a 3.5 ha area, reaching a newly planted area of 27 ha.

Corporate events:

14.04.2020 – EGMS approved the share capital increase by 2.667.500 lei.

1.4.2.2. AGROLAND CAPITAL SA –Iasi Real Estate Project

Premises: The company was setup for the purpose of capitalizing on investment opportunities from the agri-business – real estate field for the purpose of generating value for the shareholders. We have purchased assets belonging to Iasitex SA Company, located in the central area of Iasi municipality, with significant real estate development potential, on all segments: residential, office and commercial:

- ✓ Held land of around 25.800 square meters;
- ✓ Administrative building (GF+8) with a built area of 4.600 square meters.

Status:

- ✓ Completion of demolition and land clearing stage.
- ✓ Documentation to obtain the zonal urban plan for the multifunctional centre (homes, offices, services) pending with the architecture company.

1.4.2.3. ASSET INVEST SA

The company was in liquidation procedure according to EGMS on 30.04.2020.

Based on the process initiated by the mother company EVERGENT Investments, EGMS on 30.04.2020 decided:

- ✓ Approval of the sale of financial assets, activities of the company and transfer of employees to CASA SA (company within EVERGENT Investments Group). Achieved objective.
- ✓ Appointment of the company's liquidator, liquidation and cancellation of the company. Achieved objective.

In December 2020 we have completed the voluntary liquidation and cancellation of subsidiary Asset Invest SA.

1.4.2.4. CASA SA

The Company manages own real estate and those belonging to EVERGENT Investments and delivers real estate management services in the property of EVERGENT Investments.

The company took over from Asset Invest SA starting on 01.07.2020, activities with the following object:

- ✓ Monitoring of information and events regarding the companies in EVERGENT Investments' portfolio;
- ✓ Liquidation of companies in the SELL portfolio of EVERGENT Investments – based on mandate contract.

Details in the current report on 01.07.2020 on the legal documents entered with a company in

EVERGENT Investments Group. The operation abides by the strategy to optimize the structure of EVERGENT Investments Group and was communicated by the mother company in the report of the Board of Directors corresponding to Q1 2020.

At the same time, in compliance with Resolution no. 3 of the Extraordinary General Meeting on 30.04.2020, the company purchased assets (holdings) of Asset Invest S.A., the Company's activity being supplemented with *management of companies in its own portfolio*.

On 31.12.2020 the share portfolio of CASA SA is comprised of 50 companies, of which 16 functional and 34 in judicial liquidation (bankruptcy).

The real-estate portfolio on 31.12.2020 is comprised of a number of 10 real estate properties, of which:

- ✓ Exclusive usable area 5.213 square meters;
- ✓ Rented usable area 3.181 square meters;
- ✓ Usable area available for rental 2.032 square meters.

On 28.12.2020, EGMS approved the share capital increase with 8,3 mil. lei and purchase of 8 companies from EVERGENT Investments' SELL Portfolio.

1.4.2.5. MECANICA CEAHLAU SA

The company manufactures agricultural equipment for land process and distributes (i) Steyer and Hart tractors, (ii) Project herbicide equipment and (iii) Stoll front loaders.

In 2020, the company included in its product portfolio a new range of own mark products of towed herbicidation machines with capacities between 600 – 3500 liters that are sold under the name Clasic, Prima and Atomizor.

1.4.2.6. REGAL SA

On 31.12.2020 the company still owned 5 commercial areas plus its administrative headquarters, with a built area of 2.200 square meters. The company will continue the sale of commercial areas according to the approved strategy.

1.4.2.7. TESATORIILE REUNITE SA

"BABA NOVAC RESIDENCE" Residential real-estate project
(www.babanovac-residence.ro)

Baba Novac Residence" Real- estate project (100% holding through Tesatoriile Reunite SA)

- ✓ *The project was completed, at present we are running the stage of signing the sale and purchase contracts. We have sold 362 apartments of the 363 total.*
- ✓ *We have repaid in full the VAT and investment bank credits.*
- ✓ *Based on EGMS resolution on 04.12.2019 capital was returned to the shareholders through capital lowering of 22,6 mil. lei in the first half of 2020.*
- ✓ *In March 2020 we have completed the transaction on the purchase of a land in Bucharest with an area of 19.353 square meters, for real estate development.*
- ✓ *In the fourth quarter of 2020, the company signed a preliminary contract and paid the advance for the purchase of some and in Bucharest.*

Corporate events:

- ✓ 14.08.2020 – EGMS approved the sale of the asset located in Bucharest, Str. Spataru Preda, no. 5 comprised of land of 11.480 square meters and buildings with 9.232 square meters.
- ✓ 12.10.2020 – AGOA approved dividends of 4 mil. lei.

1.4.3 Implementation of 2020 Investment Program

EVERGENT Investments has analyzed and implemented investments *compliant with the directions and principles presented in 2020 Activity Program*, approved by the shareholders (OGMS on 27th April 2020).

mil. lei	2020 Activity program	Achieved on 31.12.2020	% achieved 31.12.2020
Total investment program, of which:	105	177	168
• PRIVATE EQUITY		11	
• FINANCIAL -BANING, of which:		98	
○ Fund units		48	
• ENERGY - INDUSTRIAL		68	

1.5. Report on the legal document concluded by EVERGENT Investments with subsidiaries (according to art. 82 Law no. 24/2017):

- ✓ Addendum no. 27/28.01.2020 to contract no. 7542/17.12.2015, with its later amendments and additions, concluded with ASSET INVEST SA, with object the sale of URB Rulmenti SA share package (*current report on 29.01.2020*);
- ✓ Addendum no. 3/26.03.2020 to Contract no. 1722/05.04.2018, with object lease of SIF Moldova vehicle by ASSET INVEST modification of art. 8 – lease period (*current report on 31.03.2020*).
- ✓ Contract no. 3145 /01.07.2020, entered with CASA SA with object the delivery of services to monitor information and events regarding the companies of EVERGENT Investments. (*current report on 01.07.2020*).
- ✓ Contract no. 3146/01.07.2020, entered with CASA SA with object the sale of shares in ca EVERGENT Investments' portfolio. (*current report on 01.07.2020*).

In accordance with the provisions of art. 82 Law no. 24/2017 and art. 144 FSA Regulation no. 5/2018, SIF MOLDOVA released:

- ✓ Through current report on 30.07.2020 – the Assurance report of financial auditor KPMG Audit SRL for H1 2020, regarding the abidance by the legal framework regarding contracts with subsidiaries that exceed 50.000 euro, namely Contract no. 7542/17.12.2015 with its later amendments and additions, concluded with ASSET INVEST SA.
- ✓ Through current report on 29.01.2021 – assurance report of financial auditor Deloitte Audit SRL, for H2 2020, regarding the abidance of the legal framework of contracts concluded with EVERGENT Investments SA's subsidiaries. The opinion of financial auditor focuses on 2 contracts concluded with CASA SA, namely contract no. 3145 /01.07.2020 and contract no. 3146/01.07.2020.

2. IFRS Result Analysis of EVERGENT Investments Group

2.1. Key Financial Indicators (comparative presentation)

2.1.1. Liquidity indicators

The analysis of the liquidity indicators determines the ability of the company to honor, at one point, the payment obligations assumed 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.

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

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

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

Indicator name	2018	2019	2020
Current liquidity indicator	9,81	13,06	10,61
Quick liquidity indicator	7,32	10,47	9,97

2.1.2. Activity Indicators

Activity indicators reveal the efficiency of a company's using its assets.

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

Total assets turnover indicator is calculated as a ratio between turnover and total assets. Total assets turnover speed analysis the turnover obtained by a certain quantity of total assets

Indicator name	2018	2019	2020
Fixed-assets turnover speed	0,09	0,16	0,11
Total assets turnover speed	0,07	0,12	0,09

2.1.3. Profitability Indicators

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

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

The return on equity represents one of the most important indicators used in measuring the performance of a Company. The main objective of every business is to maximize the investments made

by its shareholders. Therefore, a high ROE indicator value indicates that the investment made by the shareholders has been turned into high profit by the company's management.

Return on Assets (ROA) is calculated as a ratio between net profit and total assets of the company and measures the efficiency with which assets are used from the point of view of the profit obtained, indicating how many lei are obtained for each leu invested in company's assets.

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

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

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

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

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

The group present in its financial statements the earnings per basic share and diluted (including gain from the sale of FVTOCI financial assets), since along with the net profit, gain from the sale of FVTOCI financial assets is considered a performance indicator of the Group and represents a potential source for the distribution of dividends to shareholders.

Indicator name	2018	2019	2020
ROE %	3,1	8,1	0,5
ROA %	2,2	6,2	0,3
Earning per basic share (lei/share) – profit per share	0,052	0,150	0,007
Earnings per basic share (lei/share) – including net gain from the sale of FVOCI assets	0,098	0,221	0,047
Dividend per share (lei/share) – distributed during the year from the profit of the previous year	0,05	0,0304	0,06

2.1.4. Other Indicators

Indicator name	2018	2019	2020
Receivables recovery period	83,56	30,16	33,43
Debt repayment period	247,13	107,60	122,29
Debt level	11,18	9,52	7,44
Return on capital employed (equity & loans) %	3,46	7,95	0,45

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

3.1. Objectives and policies for risk management, including policies to cover them

The management of the Group thinks that risk management should be carried out in a consistent methodological framework and that their management is an important part of the strategy regarding return maximization, obtaining the targeted level of profit while maintaining an acceptable risk exposure and abidance by legal regulations. The risk management structure set by the management of the Group is an integral part of the Group's strategic objectives.

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

- Market risk (interest rate risk, currency risk and price risk);
- Credit risk
- Liquidity risk;
- Issuer risk
- Taxation risk;
- Risk corresponding to the economic environment;
- Operational risk.

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

3.1.1. Market Risk

Market risk is defined as the risk to register a loss or not to obtain forecast profit, as a result of price fluctuations, interest rates and currency exchange rates. For the efficient management of market risk we use technical and fundamental analysis methods, forecasts regarding the evolution of economic branches and financial markets, taking into consideration:

- Profitability evaluation for the share portfolio;
- Setting the concentration limits of assets on the same market, geographic position or economic sector;
- Setting presence limits on new markets;
- Setting bearable risk limits;
- Tolerance to risk concentrations;
- Strategic assignment of long-term investments based on the principle that the market will accurately determine the fundamental value;
- tactical, short-term assignment which involves the use of the market's short-term variations in order to obtain profit.

The selection of investment opportunities is carried out through:

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

The Group is exposed to the following market risk categories:

(i) Price Risk

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

(ii) Interest rate risk

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

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

(iii) Currency Risk

Currency risk is the risk of registering losses or failure to achieve estimated profit following negative exchange rate fluctuations. The Group is exposed to currency rate fluctuations but has no formalized policy to cover currency risk. Most financial assets and liabilities of the Group are expressed in national currency, the other currencies for operations being EUR and USD.

Most financial assets and liabilities of the Group are in national currency and therefore currency rate fluctuations do not significantly affect the Group's activity. The exposure to currency rate fluctuations is mainly due to deposits and shares in currency.

3.1.2. Credit Risk

The Group is exposed to credit risk related to financial instruments stemming from the possible failure to fulfill payment obligations by a third part 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 and other receivables.

3.1.3. Liquidity Risk

Liquidity risk represents the risk of registering loss or failing to reach estimated profits, resulted from the impossibility to at any time honor short-term payment obligations, without these involving excessive costs or losses that cannot be borne by the Group.

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

3.1.4. Tax risk

The Romania tax system is subject to various interpretation and constant changes that might be retroactive. In certain situations, tax authorities might adopt a position that is different to that of the Group and may calculate interest and tax penalties. Although the tax corresponding to a transaction may be minimal, penalties may be large, depending on the interpretation of the tax authority.

Moreover, Romanian Government has under its subordination a number of agencies authorized to control Romanian and foreign companies carrying out their activities in Romania. These verifications are largely similar to those carried out in many other countries, but they may also extend on legal or regulation areas the Romanian authorities might be interested in.

Statements regarding taxes and levies may be subjected to control and revision over a period of five years, usually after their submittal date. In compliance with legal provisions applicable in Romania, the controls may be subjected to additional verifications in the future.

The management of the Group thinks that it has registered accurate values in the tax accounts, and other debts to the state, but there is a chance that the authorities will have a position that is different from that of the Group.

The latest control of the Ministry of Public Finance the Group was subjected to cover the period up to January 1, 2010. Therefore, the Group's liabilities at this date may be the object of future verifications.

As for the subsidiaries, tax inspections targeted specific areas, mainly for VAT return.

3.1.5. Risk Corresponding to the Economic Environment

Romanian economy continues to show the specific traits of an emerging economy and there is a high uncertainty risk regarding the development of the politic, economic and social environment in the future.

The management of the Group is interested to estimate the nature of the changes that will take place in the economic environment of Romania and what their effect will be on the financial, operational and treasury status of the Group.

Among the characteristics of Romanian economy, we have the presence of a currency that is not fully convertible outside borders and a low liquidity degree of the capital market.

The management of the Group cannot predict all effects of international markets evolutions that will impact on the Romanian financial sector, nor their potential impact on the present financial statements.

The management of the Group considers that it has adopted the measures necessary for the sustainability and development of the Group under current market conditions.

3.1.6. 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.

3.2. Exposure to market risk, credit risk, liquidity risk and treasury risk

3.2.1. Exposure to market risk

Exposure to price risk

The Group is exposed to the risk associated to the variation of the price of financial assets at fair value through profit or loss and financial assets valued at fair value through other comprehensive income. On 31st December 2020, 90% of all shares with an active market owned by the Group (31st December 2019:85%) represented investments in companies that were included in the BET index of Bucharest Stock Exchange, index weighted with market capitalization and created to reflect the overall tendency of the prices of the ten most liquid shares trade on Bucharest Stock Exchange.

A positive variation of 10% of the price of financial assets at fair value through profit or loss would lead to an increase of profit after tax by 26.204.559 lei (31st December 2019: 26.021.352 lei), a negative variation of 10% having an equal net impact of contrary sign.

A positive variation of 10% of the prices of financial assets at fair value through other elements of comprehensive income would lead to an increase of equity, net of tax by 127.683.610 lei (31st December 2019: by 144.441.403 lei), a negative variation of 10% having an equal net impact of contrary sign.

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

	2020	%	2019	%
Financial, banking and insurance activities	949.355.738	63,3	1.071.470.071	63,4
Natural gas industry	278.738.607	18,6	367.853.661	21,8
Manufacture of transportation means	98.097.116	6,5	122.621.395	7,3
Real-estate transactions, rental, other services	57.152.058	3,8	63.887.686	3,8
Chemical and petrol industry	42.736.198	2,9	9.399.905	0,6
Energy industry	21.211.750	1,4	-	-
Wholesale, retail, tourism and restaurants	17.230.878	1,1	15.702.182	0,9
Construction materials industry	9.325.225	0,6	8.594.708	0,5
Manufacture of machines, tools and equipment	7.549.296	0,5	11.151.805	0,7
Textile industry	6.789.823	0,5	6.439.798	0,4
Food industry	4.795.402	0,4	5.499.183	0,3
Transport, storage, communication	4.702.309	0,3	4.912.049	0,2
Other	1.376.050	0,1	1.332.169	0,1
TOTAL	1.499.060.450	100	1.688.864.612	100

As it can be observed from the table above, on 31st December 2020 the Group mainly holds shares in companies working in the financial – banking and insurance field, with a weight of 63,3 % of the entire portfolio (31st December 2019: 63,4%).

Exposure to interest rate risk

On 31st December 2020 and 31st December 2019, most of the Group's assets and liabilities are not bearing interest. Therefore the Group is not significantly affected by the interest rate fluctuation risk. Cash surplus or other similar money availabilities is invested mainly in short-term bank deposits with initial maturity between 1-12 months. Moreover the Group has insignificantly invested in corporate and municipal bonds with fixed or variable interest.

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

31 st December 2020	Net value	< 1 month	1-3 months	3-12 months	>1 year	No interest risk
Financial assets						
Cash and current accounts	4.715.884	4.677.520	-	-	-	38.364
Bank deposits with initial maturity under 3 months	97.686.921	92.679.851	5.007.070	-	-	-
Bank deposits with initial maturity over 3 months	2.216.704	875.562	-	1.341.142	-	-
Financial assets at fair value through profit or loss	312.771.668	-	-	-	-	312.771.668
Financial assets measured at fair value through other comprehensive income	1.485.586.364	-	-	-	-	1.485.586.364
Investments accounted for using the equity method	43.700.058	-	-	-	-	43.700.058
Bonds at amortized cost	16.644.595	3.289	-	56.293	16.585.013	-
Bonds at fair value through other comprehensive income	3.802.401	-	-	3.802.401	-	-
Other financial assets at amortized cost	17.152.575	-	-	-	-	17.152.575
Total financial assets	1.984.277.170	98.236.222	5.007.070	5.199.836	16.585.013	1.859.249.029
Liabilities						
Loans	9.793.365	8.793.834	-	999.532	-	-
Dividends payable	36.338.673	-	-	-	-	36.338.673
Financial liabilities at amortized cost	5.477.053	-	-	-	-	5.477.053
Liabilities from leasing contracts	2.179.630	72.344	150.553	587.143	1.369.590	-
Total financial liabilities	53.788.721	8.866.178	150.553	1.586.675	1.369.590	41.815.726

31 st December 2019	Net value	< 1 month	1-3 months	3-12 months	>1 year	No interest risk
Financial assets						
Cash and current accounts	7.438.398	7.434.163	-	-	-	4.235
Bank deposits with initial maturity under 3 months	111.781.215	111.229.495	551.720	-	-	-
Bank deposits with initial maturity over 3 months	17.089.607	12.936.222	1.004.838	3.148.547	-	-
Financial assets at fair value through profit or loss	309.778.000	-	-	-	-	309.778.000
Financial assets measured at fair value through other comprehensive income	1.675.707.206	-	-	-	-	1.675.707.206
Investments accounted for using the equity method	37.846.509	-	-	-	-	37.846.509
Bonds at amortized cost	24.530.592	7.998.713	-	44.533	16.487.346	-
Bonds at fair value through other comprehensive income	3.942.270	-	-	23.244	3.919.026	-
Other financial assets at amortized cost	18.642.522	-	-	-	-	18.642.522
Total financial assets	2.206.756.319	139.598.593	1.556.558	3.216.324	20.406.372	2.041.978.472
Liabilities						
Loans	27.362.225	27.362.225	-	-	-	-
Dividends payable	31.273.268	-	-	-	-	31.273.268
Financial liabilities at amortized cost	29.564.496	-	-	-	-	29.564.496
Liabilities from leasing contracts	1.794.687	97.227	163.076	609.597	924.788	-
Total financial liabilities	89.994.676	27.459.452	163.076	609.597	924.788	60.837.764

The impact on the Group's profit of a modification of +/- 100 bp of the interest rate corresponding to variable interest bearing assets and liabilities and expressed in other currencies corroborated with a

modification of +/- 500 bp of the interest rate corresponding to assets and liabilities bearing variable interest expressed in lei is -/+ 374.761 lei (31st December 2019: -/+ 1.036.674 lei).

Exposure to currency risk

Assets in lei and other currencies on 31st December 2020 and 31st December 2019 are presented in the table below.

31 st December 2020	Net value	Lei	EUR	USD
Financial assets				
Cash and current accounts	4.715.884	4.627.704	76.515	11.665
Bank deposits with initial maturity under 3 months	97.686.921	91.896.732	5.790.189	-
Bank deposits with initial maturity over 3 months	2.216.704	2.216.704	-	-
Financial assets at fair value through profit or loss	312.771.668	309.965.925	2.805.743	-
Financial assets measured at fair value through other comprehensive income	1.485.586.364	1.485.586.364	-	-
Investments accounted for using the equity method	43.700.058	43.700.058	-	-
Bonds at amortized cost	16.644.595	16.644.595	-	-
Bonds at fair value through other comprehensive income	3.802.401	-	3.802.401	-
Other financial assets at amortized cost	17.152.575	17.150.370	2.205	-
Total financial assets	1.984.277.170	1.971.788.452	12.477.053	11.665
Loans	9.793.365	8.793.834	999.531	-
Leasing contract liabilities	2.179.630	288.963	1.890.667	-
Dividend payable	36.338.673	36.338.673	-	-
Financial liabilities at amortized cost	5.477.053	4.392.228	1.084.825	-
Total financial liabilities	53.788.721	49.813.698	3.975.023	-

31 st December 2019	Net value	Lei	EUR	USD
Financial assets				
Cash and current accounts	7.438.398	7.337.224	90.394	10.781
Bank deposits with initial maturity under 3 months	111.781.215	107.920.872	3.860.342	-
Bank deposits with initial maturity over 3 months	17.089.607	17.089.607	-	-
Financial assets at fair value through profit or loss	309.778.000	307.976.781	1.801.219	-
Financial assets measured at fair value through other comprehensive income	1.675.707.206	1.675.707.206	-	-
Investments accounted for using the equity method	37.846.509	37.846.509	-	-
Bonds at amortized cost	24.530.592	16.619.701	7.910.891	-
Bonds at fair value through other comprehensive income	3.942.270	-	3.942.270	-
Other financial assets at amortized cost	18.642.522	18.635.438	7.084	-
Total financial assets	2.206.756.319	2.189.133.327	17.612.200	10.781
Loans	27.362.225	26.094.054	1.268.171	-
Dividends payable	31.273.268	31.273.268	-	-
Financial liabilities at amortized cost	29.564.496	26.750.953	2.813.544	-
Leasing contract liabilities	1.794.687	-	1.794.687	-
Total financial liabilities	89.994.676	84.118.275	5.876.402	-

The net impact on the Group's profit of a modification of $\pm 15\%$ of the Leu/EUR exchange rate corroborated with a modification of $\pm 15\%$ of Leu/USD exchange rate on 31st December 2020, all other variables remaining constant, is ± 961.461 lei (31st December 2019: $\pm 1.480.070$ lei).

3.2.2. Exposure to Credit Risk

On 31st December 2020 and 31st December 2019 the Group did not hold, in general, collateral as insurance nor other credit risk improvement. On 31st December 2020 and 31st December 2019 the Group did not register outstanding financial assets, with the exception of trade receivables or from various debtors.

The Group's maximum exposure to credit risk is 141.088.346 lei on 31st December 2020 (31st December 2019: 189.112.520 lei), including current accounts and bank deposits with banks, bonds and other financial assets at amortized cost, and can be analyzed as follows:

Exposures from bank deposits and current accounts

	31 st December 2020	31 st December 2019
EximBank	78.534.087	22.732.965
Banca Transilvania	11.747.544	22.260.871
Garanti Bank	4.497.722	463.527
BRD - Group Societe Generale	4.351.376	25.043.628
Raiffeisen Bank	2.418.937	3.527.702
BCR	1.077.258	9.950.513
Unicredit Tirioc Bank	16.553	587
CEC Bank	12.186	48.742.262
Alpha Bank	-	408.394
Other commercial banks	1.925.482	3.142.333
Total bank availabilities	104.581.145	136.272.782
Cash	38.364	36.438
Total cash, current accounts and bank deposits, of which	104.619.509	136.309.220
<i>Cash and current accounts</i>	<i>4.715.884</i>	<i>7.438.398</i>
<i>Bank deposits with initial maturity under 3 months</i>	<i>97.686.921</i>	<i>111.781.215</i>
<i>Bank deposits with initial maturity over 3 months</i>	<i>2.216.704</i>	<i>17.089.607</i>

Exposures from bonds at amortized cost

	31 st December 2020	31 st December 2019
Bacău municipal bonds	70.856	82.800
Banca Transilvania bonds	-	7.910.891
Straulesti Lac Alfa bonds	16.573.739	16.536.901
Total	16.644.595	24.530.592

Exposures from bonds at fair value through other comprehensive income

	31 st December 2020	31 st December 2019
Autonom Service bonds	3.802.401	3.942.270
Total	3.802.401	3.942.270

Financial assets at amortized cost

	31 st December 2020	31 st December 2019
AAAS receivables	54.991.048	54.982.151
Trade receivables	14.357.678	20.214.073
BRD – transactions pending settlement	6.295.020	2.664.989
Advances to the Central Depository for dividend payment to the shareholders	1.500.447	872.393
Advances for suppliers	1.794.327	280.229
Other financial assets at amortized cost	6.708.320	5.644.875
Adjustments for expected credit loss	(68.494.265)	(66.016.188)
Total	17.152.575	18.642.522

Adjustments for expected credit loss correspond to the receivables from State Assets Management Authority („AAAS”) from litigations that were won with final sentences that are covered in full, and part of trade receivables.

3.2.3. Liquidity Risk

The structure of the Group's assets and liabilities has been analysed based on the remaining period from the balance day until contract maturity, for the period of time concluded on 31st December 2019 and for the financial year concluded on 31st December 2018, as follows:

31 st December 2020	Carrying value	< 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets					
Cash and current accounts	4.715.884	4.715.884	-	-	-
Bank deposits with an initial maturity under 3 months	97.686.921	97.686.921	-	-	-
Bank deposits with an initial maturity over 3 months	2.216.704	875.562	1.341.141	-	-
Financial assets at fair value through profit or loss	312.771.668	-	-	-	312.771.668
Financial assets measured at fair value through other comprehensive income	1.485.586.364	-	-	-	1.485.586.364
Investments accounted for using the equity method	43.700.058	-	-	-	43.700.058
Bonds at amortized cost	16.644.595	3.289	56.293	16.585.013	-
Bonds at fair value through other comprehensive income	3.802.401	-	23.747	3.778.654	-
Other financial assets at amortized cost	17.152.575	15.091.469	1.966.950	879	93.277
Total financial assets	1.984.277.170	118.373.125	3.388.131	20.364.546	1.842.151.367
Financial liabilities					
Loans	9.793.365	1.570.855	1.000.788	7.221.722	-
Dividends payable	36.338.673	36.338.673	-	-	-
Financial liabilities at amortized cost	5.477.053	4.495.801	110.400	210.229	660.623
Leasing contract liabilities	2.179.630	222.896	587.143	1.369.591	-
Total financial liabilities	53.788.721	42.628.225	1.698.331	8.801.542	660.623
Net financial assets	1.930.488.449	75.744.900	1.689.800	11.563.004	1.841.490.744

31 st December 2019	Carrying value	< 3 months	3 - 12 months	> 1 year	No pre-set maturity
Financial assets					
Cash and current accounts	7.438.398	7.438.398	-	-	-
Bank deposits with an initial maturity under 3 months	111.781.215	111.781.215	-	-	-
Bank deposits with an initial maturity over 3 months	17.089.607	13.941.060	3.148.547	-	-
Financial assets at fair value through profit or loss	309.778.000	-	-	-	309.778.000
Financial assets measured at fair value through other comprehensive income	1.675.707.206	-	-	-	1.675.707.206
Investments accounted for using the equity method	37.846.509	-	-	-	37.846.509
Bonds at amortized cost	24.530.592	-	8.043.246	16.487.346	-
Bonds at fair value through other comprehensive income	3.942.270	-	23.244	3.919.026	-
Other financial assets at amortized cost	18.642.522	13.714.896	456.255	4.368.847	102.524
Total financial assets	2.206.756.319	146.875.568	11.671.293	24.775.219	2.023.434.239
Financial liabilities					
Loans	27.362.225	17.866.425	1.514.764	7.981.037	-
Dividends payable	31.273.268	31.273.268	-	-	-
Financial liabilities at amortized cost	29.564.496	25.880.910	1.845.353	678.230	1.160.003
Leasing contract liabilities	1.794.687	260.302	609.597	924.788	-
Total financial liabilities	89.994.676	75.280.904	3.969.713	9.584.055	1.160.003
Net financial assets	2.116.761.643	71.594.664	7.701.580	15.191.164	2.022.274.236

3.2.4. Exposure to Treasury Risk

	31 st December 2020	31 st December 2019
Net cash used from exploitation activities	68.888.678	80.077.638
Net cash used in investment activities	(12.692.671)	18.793.123
Net cash used in financing activities	(72.848.496)	(76.114.562)
Net increase / (decrease) in cash and cash equivalents	(16.652.489)	22.756.199
Cash and cash equivalents on 1 st January	118.984.865	96.228.666

Cash and cash equivalents on 31 st December	102.332.376	118.984.865
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Cash and cash equivalents include the following elements:

	31 st December 2020	31 st December 2019
Cash in the cash register	38.364	36.438
Current bank accounts	4.677.532	7.403.336
Bank deposits with initial maturity under 3 months (principal)	97.616.479	111.545.092
Cash and cash equivalents	102.332.376	118.984.865

In the table below you have the reconciliation of cash and cash equivalents with the financial position statement:

	31 st December 2020	31 st December 2019
Cash and current accounts	4.715.884	7.438.398
Bank deposits with initial maturity under 3 months	97.686.921	111.781.215
Less receivables attached to bank deposits	(76.767)	(236.979)
Plus expected credit loss corresponding to deposits and current accounts	6.338	2.233
Cash and cash equivalents in the cash-flow statement	102.332.376	118.984.865

4. Important events occurred after the end of the financial year

4.1. EVERGENT Investments SA

Assurance report of the financial auditor– H2 2020 – In accordance with the requirements of art. 92 index 3 Law 24/2017 and provisions of FSA Regulation no. 5/2018, the Assurance Report of Financial Auditor Deloitte Audit SRL, for the 2nd half of 2020, regarding the abidance by the legal framework of contracts entered with EVERGENT Investments SA's subsidiaries. The auditor's opinion focuses on 2 contracts entered with CASA SA.

(Current report on 29.01.2020)

Unaudited preliminary financial results for 2020 financial year- In accordance with 2021 financial release calendar, EVERGENT Investments has drafted and published the individual financial statements for financial year 2020 (unaudited) in accordance with the International Financial Reporting Standards ("IFRS") and FSA Rule no. 39/2015 for the approval of Accounting Regulations compliant with the Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervision Authority.

(Current report on 26.02.2021)

The conducting of the Ordinary General Meeting of Shareholders on 28th January 2021

Main resolutions adopted:

1. The members of the Board of Directors of EVERGENT Investments: Ceocea Costel, Ciorcila Horia, Doros Liviu-Claudiu, Iancu Catalin-Jianu-Dan, Radu Octavian Claudiu, were elected or a 4 years' mandate, starting on 5th April 2021 until 5th April 2025 with the mention that the exercise of the attributions corresponding to the manager position shall only begin after the approval authorization is issued by the Financial Supervision Authority.
2. The Remuneration policy for the members of the company's Board of Directors and directors of the company was approved. The document can also be consulted on the website site [www.sifm.ro/about us](http://www.sifm.ro/about-us).

The Management and Directors Agreements that will be entered by the company with the members of the Board of Directors or directors for the 2021-2025 mandate were approved. The contracts come into force on the date the managers and directors are approved by FSA. The contracts are in agreement with the remuneration policy approved by the shareholders

Based on the presented resolutions, the Board of Directors (in the meeting on 28th January 2021) adopted the following resolutions regarding the management structure:

1. Mr. Doros Liviu-Claudiu is appointed President – CEO and the conclusion of the management contract are approved;
2. The appointing of Mr. Iancu Catalin-Jianu-Dan as vice-president, deputy CEO and conclusion of the management contract are approved;
3. For the 2021-2025 mandate the functioning of three consultative committees of the Board of Directors is approved, namely: Audit committee, Appointment- Remuneration Committee and Investment Committee, newly setup committee;
4. Each committee is comprised of 3 members, namely non-executive managers: Ceocea Costel, Ciorcila Horia si Radu Octavian Claudiu, with the following managers:
 - a) President of the Audit Committee – Radu Octavian Claudiu;
 - b) President of the Appointing-Remuneration Committee – Ceocea Costel;
 - c) President of the Investments Committee– Ciorcila Horia.

Each management structure and manager shall exercise its responsibilities starting on the date of FSA's approval for the members of the Board of Directors and executive management.

(Current report on 28.01.2021)

Authorization of the change of the company name to EVERGENT Investments SA - Name-change authorization – the Financial Supervision Authority has authorized the modification of the Memorandum of Association regarding the change of the company's name from "Societatea de Investitii Financiare Moldova" S.A. to "EVERGENT Investments" S.A, approved through the Resolution of the Extraordinary General Meeting of Shareholders no. 2 on 30th October 2020. Authorization no. 21/01.03.2021.

(Current report on 02.03.2021)

4.2. Mecanica Ceahlau SA – not the case

4.3. Regal SA - not the case

4.4. Agointens SA – not the case

4.5. Agroland Capital SA

- On 5th January 2021 OGMS for the appointing of sole manager.

4.6. Tesatoriile Reunite SA – not the case

4.7. Casa SA:

- Capital increase of 8,3 mil. lei, approved according to EGMS on 28/29.12.2020;
- In January, extension of the service agreement for EVERGENT Investments SA of 29.100 lei + VAT per month
- Conclusion of two rental agreements for 3 years between CASA SA and EVERGENT Investments, cu with annual value of 50,760 euro and 9,600 lei.

COVID-19 Pandemic. EVERGENT Investments' position.

Given the context of the COVID 19 pandemic, it is to be expected that in 2021 there will still be a high volatility of quotes on Bucharest Stock Exchange, market on which most of EVERGENT Investments' portfolio is exposed to. Although on the short run the management of the Company has taken into consideration the decrease of quotes under the level before the start of the COVID-19 pandemic, with impact on the Company's assets, on the average and long run it is expected that the markets will reabsorb the effects of this crisis. The measures that have been taken all over the world and in Romania as well, both as an actual response to the epidemic and the economic ones are meant to reestablish the trust in the economic and social environment, especially in financial and commodities markets.

5. Information concerning the purchase of own shares by EVERGENT Investments Group

The running of the own shares redemption program, in accordance with resolution no. 4/27.04.2020 of EGMS AGEA EVERGENT Investments.

1. The cumulated results of the operations run in the **first stage** of the redemption program (current report on 08.12.2020):
 - ✓ Period: 12.10.2020 – 04.12.2020;
 - ✓ Number of purchased shares: 2.000.000;
 - ✓ Average price: 1,2035 lei/share;
 - ✓ Total shares value: 2.407.086,36 lei;
 - ✓ Percentage in the share capital of EVERGENT Investments: 0,2021;
 - ✓ Broker: BT Capital Partners.

Events following the reporting date, related to the own shares purchase programs:

2. **The second stage** of the own shares redemption program (with the amendment of characteristics presented in the current report on 26.01.2021). The cumulated results of the operations are:
 - ✓ Period: 09.12.2020 – 03.03.2021;
 - ✓ Number of purchased shares: 4.686.171;
 - ✓ Average price: 1,2783 lei/share;
 - ✓ Total share value: 5.990.177,98 lei;
 - ✓ Percentage of EVERGENT Investments' share capital: 0,47;
 - ✓ Broker: BT Capital Partners.
3. **The running of the Public Offering for EVER shares** (current report on 04.03.2021)
 Through FSA decision no. 303/03.03.2021 the public purchase offer for shares issued by EVERGENT Investments SA was approved with the following main characteristics:
 - ✓ Number of shares that are object of the offer: 8.266.125, representing 0,84% of the share capital;
 - ✓ Purchase price: 1,6 lei per share;
 - ✓ Running period: 09th March– 22nd March 2021;
 - ✓ Offer Broker: BT Capital Partners;
 - ✓ Subscription locations: in accordance with the offering document displayed on the website www.sifm.ro.

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

The operations are part of the policy mix of EVERGENT Investments that include redemption programs and assignment of dividends that insure a higher yield of invested capital without other types of placements.

6. Corporate Governance

6.1. Corporate Governance Code

(www.sifm.ro/despre noi/Codul de Guvernanta Corporativa).

6.1.1. The structure and operation method of the administrative bodies, the governing bodies, the supervisory bodies and the committees.

6.1.1.1. General Meeting of Shareholders – the supreme governing 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 the legal and statutory provisions. The session papers are recorded by the secretariat chosen by the GMS; the minutes are drawn up in the special register. The General Meeting of Shareholders adopts resolutions based on proposals made by the Board of Directors and/or shareholders. GMS resolutions, signed by the meeting president, are reported to FSA, BSE and made public through publication in a national newspaper, Official Journal, Part IV, posted on the official website and at the headquarters. GMS resolutions are enforceable (applied immediately) from the moment they are adopted, if their contents or legal provisions do not foresee another time for their becoming enforceable (*Details presented in Annex 1*)

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

The current members of the Board of Directors are: Ceocea Costel, Ciorcila Horia, Doros Liviu Claudiu, Iancu Catalin-Jianu-Dan, Radu Octavian-Claudiu - was approved by OGMS Resolution no. 8.1./04.04.2017, for 2017 – 2021 mandate and endorsed by FSA (FSA certificate no. 400/13.07.2017). (*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 SIF Moldova management, subordinated to the Board of Directors. The Audit Committee assists the Board of Directors in carrying out its responsibilities in the field of financial reporting, internal control, internal and external audit, risk management. The Audit Committee consists of 3 members, namely:

1. Octavian Claudiu Radu – President - non-executive and independent director;
2. Horia Ciorcila – 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 a consultative function, independent from the executive management of SIF Moldova, subordinated to the Board of Directors. The committee assists the Board of Directors in fulfilling its responsibilities in the field of nominating and remunerating the members for management positions, as well as their remuneration. The committee consists of 3 members, namely:

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

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

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

SIF Moldova management: Doros Liviu Claudiu – CEO, Iancu Catalin Jianu Dan – Deputy CEO – FSA Approval no. 401 of July 13, 2017

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

6.1.2. Protecting the interests /assets of SIF Moldova through legal procedures

The Legal Department has as main objectives: assistance, consulting and legal representation. The Legal Department contributed through the activity carried out to the realization of the strategy, within the litigation and the objectives pursued in the judicial and extrajudicial transactions, ensuring dedicated assistance and support

(Details regarding the organization, responsibilities and Status of litigations on 30th June 2020 are presented in annexes 2)

6.2. 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 function of risk management which 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 function of risk management is exercised independently, from a hierarchical and functional point of view, compared to that of portfolio management and other functional compartments, by adopting all organizational measures to prevent conflicts of interest, expressly stipulated in the internal rules of the company. The permanent risk management function has the necessary authority and access to all the relevant information needed to fulfill its duties and responsibilities. Risk Management Department staff:

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

(Details on the organization and responsibilities of the Risk Management Department are presented in Annex 3)

6.2.2. Compliance - EVERGENT Investments establishes and maintains a permanent and effective compliance function that is independent. Structurally and hierarchically, the Compliance Department is subordinated to the Board of Directors. Each person in the Compliance Compartment is subject to the authorization of FSA and is entered in the Public Register of FSA. Compliance Compartment staff:

1. Michaela Puscas- compliance officer, department coordinator (FSA Reg. no.:PFR131RCCO/04003);
2. Catalin Nicolaescu – compliance officer (FSA Reg. no. :PFR131RCCO/04004)

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

6.2.3. Internal audit - EVERGENT Investments establishes and maintains the permanent internal audit function that is separate and independent from other functions and activities of SIF Moldova. The 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 the professional practice of internal audit. Internal auditors FSA notified: Virginia Sofian, Gabriela Stelea. FSA notified internal auditors: Virginia Sofian, Gabriela Stelea
(Details on the organization and responsibilities of the Internal Audit Department are presented in Annex 3).

2020 Activity Report of the Board of Directors relating to the consolidated financial statements was approved in the BD meeting on 15.03.2021.

President of the Board of Directors
Costel CEOCEA

CEO
Claudiu DOROȘ

CFO
Mihaela MOLEAVIN

Compliance officer
Michaela PUȘCAȘ