

**AGRICOVER CREDIT IFN SA**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS ENDED 30 JUNE 2021**

**AGRICOVER CREDIT IFN SA**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021**

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## **Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements**

To the Shareholders,  
Agricover Credit IFN S.A.

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Agricover Credit IFN S.A. ("the Company") as at 30 June 2021, the condensed consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2021 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

**For and on behalf of KPMG Audit S.R.L.:**

**Greco Tudor Alexandru**

registered in the electronic public register of financial auditors and audit firms under no AF2368

registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 23 August 2021

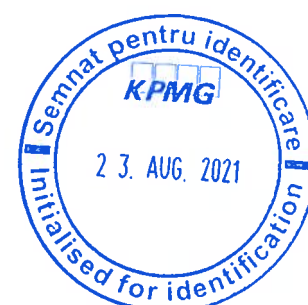
**Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)**  
**Auditor financiar: GRECU TUDOR ALEXANDRU**  
**Registrul Public Electronic: AF2368**

**Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)**  
**Firma de audit: KPMG AUDIT S.R.L.**  
**Registrul Public Electronic: FA9**

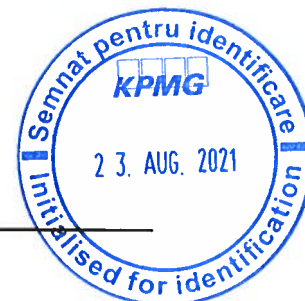
**AGRICOVER CREDIT IFN SA**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**  
**(All amounts in RON unless otherwise stated)**

	<u>Note</u>	<u>June 2021</u>	<u>June 2020</u>
Interest income	4	87,961,967	90,052,094
Interest and similar expense	4	<u>(31,247,281)</u>	<u>(35,729,345)</u>
<b>Net interest income</b>		56,714,686	54,322,749
Net expense from expected losses on loans and advances to customers	3.2	(1,572,153)	(13,075,886)
<b>Net interest income after net charge for expected credit losses on loans and advances to customers</b>		55,142,533	41,246,863
Fee and commission income	5	3,640,091	2,184,834
Fee and commission expense	5	<u>(47,675)</u>	<u>(1,049)</u>
<b>Net fee and commission income</b>		3,592,416	2,183,785
Other operating income		296,136	37,411
General and administrative expenses	6	(21,557,630)	(16,811,169)
Other operating expenses		(839,417)	(930,770)
Net loss from derivative financial instruments	3.3, 3.4	<u>(3,279,382)</u>	<u>(980,606)</u>
Foreign Exchange translation gains less losses		<u>80,935</u>	<u>(1,784,693)</u>
<b>Profit before tax</b>		33,435,591	22,960,821
Income tax expense	7	(4,976,685)	(3,321,346)
<b>PROFIT FOR THE PERIOD</b>		<u>28,458,906</u>	<u>19,639,475</u>
<b>Other comprehensive income for the year</b>			-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>28,458,906</u>	<u>19,639,475</u>
<b>Profit attributable to:</b>			
- Equity holders of the Company		<u>27,644,923</u>	<u>19,363,919</u>
- Non-controlling interest		<u>813,983</u>	<u>275,556</u>
<b>Total comprehensive income attributable to:</b>			
- Equity holders of the Company		<u>27,644,923</u>	<u>19,363,919</u>
- Non-controlling interest		<u>813,983</u>	<u>275,556</u>

These condensed consolidated interim financial statements were approved by Board of Directors on 23.08.2021 and signed.



**AGRICOVER CREDIT IFN SA**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**  
**(All amounts in RON unless otherwise stated)**



	<u>Note</u>	<u>June 2021</u>	<u>31 December 2020</u>
<b>ASSETS</b>			
Cash and cash equivalents	8	63,107,056	87,236,628
Loans and advances to customers	3.1, 3.2	1,989,384,741	1,643,269,520
Other financial assets		1,766,387	2,309,660
Other assets		1,178,155	1,623,525
Deferred tax assets		2,771,211	2,742,050
Intangible assets		2,474,862	1,614,966
Property, plant, equipment and right-of-use assets		5,725,190	5,071,524
<b>TOTAL ASSETS</b>		<b><u>2,066,407,603</u></b>	<b><u>1,743,867,875</u></b>
<b>LIABILITIES</b>			
Derivative held for risk management		582,229	1,368,452
Borrowings	9	1,678,893,660	1,384,820,722
Other financial liabilities	10	13,139,182	14,739,396
Current tax liability		3,102,345	710,336
Provision for off balance sheet commitment		159,772	157,458
<b>TOTAL LIABILITIES</b>		<b><u>1,695,877,188</u></b>	<b><u>1,401,796,365</u></b>
<b>EQUITY</b>			
Share capital		117,924,970	117,924,970
Retained earnings		236,435,353	208,790,430
Legal and other reserves		15,073,644	15,073,644
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b><u>369,433,966</u></b>	<b><u>341,789,044</u></b>
Non-controlling interests		1,096,449	282,466
<b>TOTAL EQUITY</b>		<b><u>370,530,415</u></b>	<b><u>342,071,509</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2,066,407,603</u></b>	<b><u>1,743,867,875</u></b>

These condensed consolidated interim financial statements were approved by Bord of Directors on 23.08. 2021 and signed by:

Jabbar Kanani

Administrator Digitally signed by  
 Jabbar Kanani  
 Date: 2021.08.23 18:14:16

Denisa Manoliu

Chief Financial Officer

Digitally signed by  
 Mihaela-Denisa Manoliu  
 Date: 2021.08.23 18:06:56

The accompanying notes 1 to 14 form an integral part of these condensed consolidated financial statements.

**AGRICOVER CREDIT IFN SA**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**  
**(All amounts in RON unless otherwise stated)**

	Note	Attributable to the owners of the Company						Total equity
		Share capital	Retained earnings	Legal reserve	Other reserves	Total	Non-controlling interest	
Opening balance at 1 January 2021		<u>117,924,970</u>	<u>208,790,430</u>	<u>14,135,428</u>	<u>938,216</u>	<u>341,789,044</u>	<u>282,466</u>	<u>342,071,509</u>
Profit for the period / Total comprehensive income for the period		-	27,644,923			27,644,923	813,983	28,458,906
Total comprehensive income of the period		-	27,644,923			27,644,923	813,983	28,458,906
Transactions with owners of the Company								
Balance at 30 June 2021		<u>117,924,970</u>	<u>236,435,353</u>	<u>14,135,428</u>	<u>938,216</u>	<u>369,433,966</u>	<u>1,096,449</u>	<u>370,530,415</u>



**AGRICOVER CREDIT IFN SA**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**  
**(All amounts in RON unless otherwise stated)**

	Note	Attributable to the owners of the Company						Total equity
		Share capital	Retained earnings	Legal reserve	Other reserves	Total	Non-controlling interest	
<b>Opening balance at 1 January 2020</b>		<u>107,924,970</u>	<u>169,552,736</u>	<u>11,401,388</u>	<u>938,216</u>	<u>289,817,310</u>	=	<u>289,817,310</u>
Profit for the period / Total comprehensive income for the period		-	19,363,919	-	-	19,363,919		19,639,475
<b>Total comprehensive income of the period</b>		-	<b>19,363,919</b>	-	-	<b>19,363,919</b>		<b>19,639,475</b>
<b>Change in ownership interest</b>								
Issue of shares in subsidiary		-	-	-	-	-		144,000
<b>Balance at 30 June 2020</b>		<u>107,924,970</u>	<u>188,916,656</u>	<u>11,401,388</u>	<u>938,216</u>	<u>309,181,230</u>		<u>309,600,786</u>

These condensed consolidated interim financial statements were approved by Bord of Directors on 23.08. 2021 and signed.





**AGRICOVER CREDIT IFN SA**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**(All amounts in RON unless otherwise stated)**



	<u>June 2021</u>	<u>June 2020</u>
	Notes	
<b>Cash flow from operating activities</b>		
Interest and commissions receipts	44,564,280	40,148,769
Interest and commissions payments	(29,111,027)	(35,207,121)
Brokerage fees cashed	2,859,677	2,221,197
Staff costs paid	(17,037,554)	(15,392,193)
Payments to suppliers	(10,918,063)	(8,040,502)
Other receivables receipts	1,629,970	975,478
Net disbursements of loans and advances to customers	<u>(305,391,948)</u>	<u>(293,543,973)</u>
<b>Net cash flows used in operating activities before income tax</b>	<b><u>(313,404,665)</u></b>	<b><u>(308,838,345)</u></b>
Income tax paid	(2,613,837)	(2,551,914)
<b>Net cash flows used in operating activities</b>	<b><u>(316,018,502)</u></b>	<b><u>(311,390,259)</u></b>
<b>Investing activities</b>		
Purchase of property, equipment, intangible assets	<u>(1,267,265)</u>	<u>(413,703)</u>
<b>Net cash flows used in investing activities</b>	<b><u>(1,267,265)</u></b>	<b><u>(413,703)</u></b>
Withdrawals from borrowings	845,197,016	1,005,894,809
Repayment of borrowings	<u>(552,668,592)</u>	<u>(731,293,364)</u>
<b>Net cash flows from financing activities</b>	<b><u>292,528,424</u></b>	<b><u>274,601,445</u></b>
Positive exchange rate fluctuation on cash and cash equivalents	627,770	884,425
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b><u>(24,129,573)</u></b>	<b><u>(36,318,092)</u></b>
Cash and cash equivalents at 1 January	<u>87,236,628</u>	<u>76,568,296</u>
<b>Cash and cash equivalents at 30 June</b>	<b><u>63,107,055</u></b>	<b><u>40,250,204</u></b>

These condensed consolidated interim financial statements were approved by Board of Directors on 23.08.2021 and signed.

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**1. GENERAL INFORMATION**

Agricover Credit IFN SA (hereinafter referred to as “the Company”) provides for 13 years corporate lending services to agricultural customers and through its subsidiary Clubul Fermierilor Romani Broker de Asigurare SRL (“the Subsidiary “) brokerage services in the field of agricultural insurance intermediation. As at 30 June 2021 the Company owns 51.02% of the Subsidiary (31 December 2020: 100%).

Agricover Credit IFN SA Group (hereinafter referred to as „the Group” or “Agricover”) comprises of Agricover Credit IFN SA and the Clubul Fermierilor Romani Broker de Asigurare SRL, set up by the Company during 2011. Agricover Credit IFN SA is the parent company of the Group and is subject to consolidation as a subsidiary of Agricover Holding SA Group.

As at 30 June 2021 Agricover Credit IFN employs 176 people (31 December 2020: 160). As at 30 June 2021 Clubul Fermierilor Romani Broker de Asigurare SRL employs 26 people (31 December 2020: 36)

The Company is a joint stock entity and is incorporated and domiciled in Romania. The shareholders structure of the Company as at 30 June 2021 and 31 December 2020 is: AGRICOVER HOLDING SA (99.999998 %) and AGRICOVER SA (0.000002 %).

The immediate parent of the Group is AGRICOVER HOLDING SA, ultimately controlled by Mr. Jabbar Kanani.

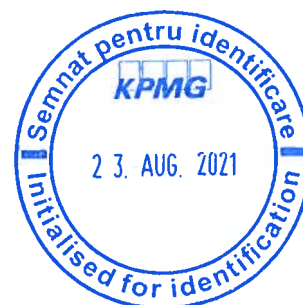
The address of its registered office is as follows: Bdul Pipera, no. 2B, 6th floor, Cubic Center Office Building, Voluntari city, Romania.

Agricover Credit IFN SA is run by six operating managers together referred to as the executive management, as follows:

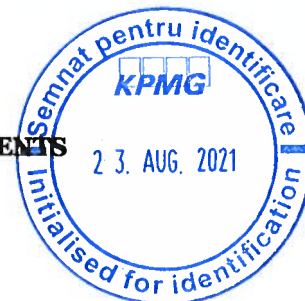
- Mr. Robert Rekkers , CEO
- Mrs. Denisa Manoliu, CFO
- Mrs. Oana Tatar, CTO
- Mr. Bogdan Cristocea, COO
- Mr. Lucian Neagu, CCO
- Mr. Dan Domnitanu, CRO
- Mr. Sorin Manolache, Legal Manager.

Clubul Fermierilor Romani Broker de Asigurare SRL is run by one operating manager, as follows:

- Mrs Rusu Georgeta- Executive Director



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**1. GENERAL INFORMATION (CONTINUED)**

Compensation of the members of the executive management for the 6-month period ended 30 June 2021 amounted to RON 3,945,943 gross amount, out of which expense in 2021 RON 2,619,164 (June 2020: RON 3,386,519, out of which expenses in 2020 RON 1,313,496).

The activity of the executive managers is reviewed by the main governance body of the Group, the Board of Administrators, having the following three members:

- Mr. Jabbar Kanani
- Mr. Stefan Doru Bucataru, permanent representative of VELDSTER INC
- Mr. Liviu Dobre

Compensation of the members of the Board of Administrators for the 6-month period ended 30 June 2021 amounted to RON 1,010,795 gross amount (June 2020: RON 977,793).

The Group offers four main categories of products: short term credit lines for working capital, discounting operations (exclusively RON denominated), medium and long-term loans for financing investment projects (capex products, RON or EUR denominated), and medium and long term loans for working capital. These financing facilities are designed for farmers and have various tailored maturities which are usually correlated with the harvesting and sale of crops periods. Working capital is for the most part on short term, but another product with extended maturity up to 10 years has been launched beginning with March 2017. Discounting operations have maturities of maximum 12 months while most Capex products have 2- 5 years' maturities with two yearly annuity payments and bear floating interest rate (interest is either payable on a monthly basis or capitalized monthly and payable generally in two yearly installments together with part of the principal outstanding; the same treatment is applied to the administration commission).

The Subsidiary's activity is represented by brokerage of insurance policies, including but not restricted to policies related to collaterals on loans and advances granted by the Company to its customers.

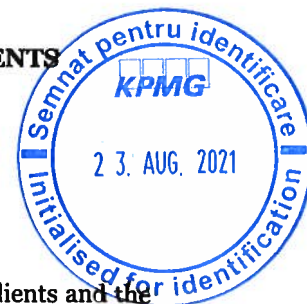
The condensed consolidated interim financial statements for the six-month period ended 30 June 2021 have been approved for issue by the Board of Directors on 23.08.2021 Neither the entity's owners nor others have the power to amend the condensed consolidated interim financial statements after issue.

**1.1 Declaration of conformity**

The condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. effective as at the Group's interim reporting date, 30 June 2021.

They do not include all the information required for a complete set of consolidated financial statements in accordance with the International Financial Reporting Standard adopted by the European Union ("IFRS"). However, certain notes are included in order to explain the events and transactions that are significant in order to understand the changes in the Group's financial position and performance as of the last annual consolidated financial statements as at and for the year ended 31 December 2020.

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**1. GENERAL INFORMATION (CONTINUED)**

Given the liquidity position, the profit result and the long-term relationships with the clients and the lenders, the Group's management is confident that the going concern assumption is adequate.

**1.2 Basis of preparation**

For the purpose of these condensed consolidated interim financial statements, the Company consolidates the Subsidiary. Transactions between the Company and its subsidiary as well as balances and unrealized gains on such transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Non-controlling interests in the results and equity of the Subsidiary are shown separately in the condensed consolidated interim statement of profit or loss, condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and interim balance sheet respectively.

**1.2 Basis of measurement**

The condensed consolidated interim financial statements were prepared on historical cost basis, except for the financial instruments recognized at fair value through profit or loss (i.e. all derivative contracts).

**1.3 Functional and presentation currency**

The items included in the condensed consolidated interim financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the entities within the Group is the Romanian leu "RON". The condensed consolidated interim financial statements are presented in Romanian lei "RON".

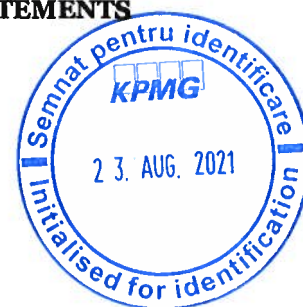
The exchange rate for the major foreign currency (EUR) was:

<b>Currency</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>Fluctuation %</b>
Euro (EUR)	1: RON 4.9267	1: RON 4.8694	1.02 %

**1.4 Use of estimates and judgements**

The preparation of the condensed consolidated interim financial statements in accordance with the IAS 34 "Interim Financial Reporting" as adopted by the European Union implies that the management uses estimations and judgements that affect the application of accounting policies, as well as the reported value of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical data and various other factors that are believed to be relevant under the given circumstances, the result of which forms the basis of the judgements used in assessing the carrying value of the assets and liabilities for which no other evaluation sources are available. Actual results may differ from these estimates.

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**1. GENERAL INFORMATION (CONTINUED)**

The estimates and assumptions are reviewed on an ongoing basis.

The review of the accounting estimates are recognized in the period in which the estimate is reviewed, if the review affects only that period, or in the period of the review and future periods if the review affects both current and future periods.

The Group makes estimates and assumptions that affect the amounts of assets and liabilities reported within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the given circumstances. The areas involving use of judgments, or areas where assumptions and estimates are significant to the financial statements are disclosed only if significantly changes occurred during the interim period as compared to the last annual financial statements. There have been no significant changes in the areas involving judgments, or areas where assumptions and estimates are significant to the financial statements. The measurement of expected credit losses is discussed below as it represents the most significant risk to which the Group is exposed and the managements considers it relevant for a complete understanding of the financial statements.

*Expected losses on loans and advances to customers*

The Group reviews its loan portfolios to assess expected credit losses (“ECL”) at least on a quarterly basis. In determining whether expected credit losses should be recognized in the condensed consolidated statement of profit and loss and other comprehensive income, the Group makes judgments as to whether there is any observable data indicating a measurable decrease in the estimated future cash flows related to the portfolio of loans and advances to customers. The methodology and assumptions used for estimating the expected credit losses are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The measurements of expected credit losses are built upon IFRS 9 requirements and result in the appropriate and timely recognition of ECL in accordance with the applicable accounting framework. There have been no significant changes to the Group’s methodology for estimating expected credit losses as compared to the techniques identified in the most recent annual financial statements (i.e. the Consolidated financial statements as at and for the period ended 31 December 2020).

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**2. SIGNIFICANT ACCOUNTING POLICIES**

Except as described below, the significant accounting methods and policies applied by the Company and the Subsidiary in these interim condensed consolidated financial statements are the ones also applied in the Consolidated financial statements as at and for the period ended 31 December 2020.

There are no new IFRS or IFRIC interpretations that are effective for the first time in this interim period and that would have a material impact on these condensed consolidated interim financial statements.

**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**3.1 Credit risk**

Credit risk is the risk of suffering financial loss, should any of the Group's customers or market counterparties fail to fulfill their contractual obligations to the Group.

**Credit risk measurement**

The Group is presenting below inputs, assumptions and techniques used for estimating expected credit losses.

*Definition of default*

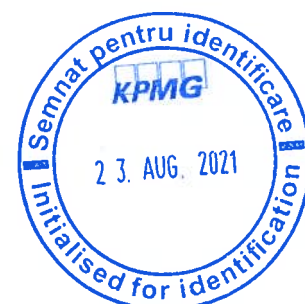
For the purpose of determining the risk of a default occurring, the Group applies a default definition that is consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and considers both quantitative and qualitative indicators as appropriate. The definition of default is applied consistently to all financial instruments.

An asset is marked as defaulted whenever one of the following circumstances occurs:

- the asset is more than 90 days past due, or
- the Group concludes that the borrower is unlikely to pay, considering:
  - Initiation of legal procedures against the borrower,
  - Decisions of the Collection Committee based on public information, information available within the Group but also from other entities within the Agricover Holding SA Group.
  - Repeated restructuring

*Determining whether credit risk has increased significantly*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant





**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

and available without undue cost or effort. This includes information and analysis done based on the Group's historical experience and expert credit assessment and including forward-looking information.

The Group concludes that there has been a significant increase in credit risk whenever one of the following circumstances occurs:

- the asset is more than 30 days past due,
- different triggers are signaled by the Credit Risk Committee, such as: payment incidents, significant increase in customer debt to other financial institutions, increase of indebtedness by 50% compared to the previous monitoring,
- the debtor exhibits significant financial degradation as based on the analysis of its financial reports, or
- first restructuring if no amounts are overdue by more than 30 days.

*Segmentation*

In order to assess the staging of exposures and to measure the expected credit losses (ECL) on a collective basis, it is necessary to group the exposures into risk drivers based on shared credit risk characteristics. The risk drivers applied by the Group refer to:

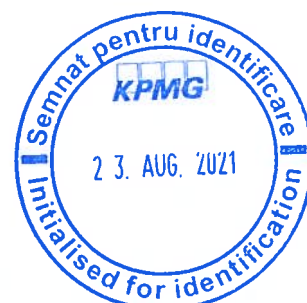
- Type of client (referring to: i) the surface of agriculture land worked by the client, i.e. above, respectively below 400 hectares; ii) clients that perform other agriculture activities than work of land)
- Type of product

*Incorporation of forward-looking information*

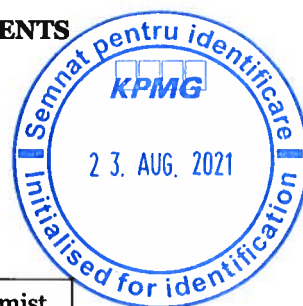
The Group incorporates forward-looking information into the measurement of ECL. External information considered includes economic data and forecasts published by National Commission for Strategy and Prognosis, forecast for 2021.

The Group has identified the macro-economic key drivers of credit risk using an analysis of historical default data and respective macro-economic variables. The predicted relationships have been developed based on analysing historical data over the past 5 years. For the forward-looking adjustment purposes, the contribution of the Agriculture sector in total gross domestic product was found to be highly correlated with the probabilities of default of the Company's exposures.

The incorporation of forward-looking information reflects the expectations of the Management and involves the creation of scenarios (base case, optimist and pessimist), including the assignment of probability weights for each scenario as presented below. Following application of the probability weight scenarios Management expectation is that the growth of the Agriculture sector gross domestic product for 2021 would be of 7.3%. The following scenarios were used in the analysis:



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**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**December 2020**

Indicator / Weights of scenarios	Base	optimist	pessimist
Contribution of the Agriculture sector in total gross domestic product	14% growth	26% growth	9% decline
Weights of scenarios	54%	11%	35%

**June 2021**

Indicator / Weights of scenarios	Base	Optimist	Pessimist
Gross domestic product of the Agriculture sector.	14% growth	15% growth	9% decline
Weights of scenarios	50%	20%	30%

*Sensitivity analysis*

If the pessimist case scenario was assigned a probability of 100%, the allowance account would increase by 1.96 million RON as at 30 June 2021 (31 December 2020: 1.2 million).

**Credit risk exposure are monitored on a monthly basis by the Risk Director.**

This process has two main components:

- 1) Standard exposure monitoring, automatic process applied to all credit risk exposures. Risk indicators considered:
  - Insolvency (Insolvency Register): legal matters monitored: commercial and bankruptcy;
  - Public information (i.e. based on Central Credit Register ("CRC"));
  - Debts to the state budget that should not exceed to Company's exposure to the client.
- 2) Intensive monitoring process applied for clients with exposure over 2 million RON. Risk indicators considered in addition to standard monitoring:
  - Company status at the National Trade Register Office
  - Information from the Office of Payment Incidents for Romanian Companies
  - Significant increase in client debt to other financial institutions. Sensitive threshold: greater than 50%

The Group manages limits and controls concentrations of credit risk wherever they are identified - in particular, to individual counterparties and groups. Such limits are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

Actual exposures against limits are monitored monthly. Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

Other specific control and mitigation measures include:

*Collateral*

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The main collateral types for loans and advanced are:



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**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

- Mortgages over agricultural land (arable land);
- Other mortgages over residential and commercial, respectively agricultural properties.
- Pledge over business assets such as premises, inventories and accounts receivables.

The valuation of different types of collaterals is presented below:

- Mortgages: fair value of the collateral yearly appraised by a certified external independent appraisal;
- Pledge on equipment: based on fair value of the collateral at the origination, updated yearly with an internal depreciation rate.
- Pledge on stock: based on fair value of the collateral given and updated by the CARS Committee, and inspected monthly by a certified external independent expert
- Pledge on crops: based on fair value of the collateral given and updated by the CARS Committee;
- Assignment of receivables and other guarantees received, usually represents the value of the receivables.

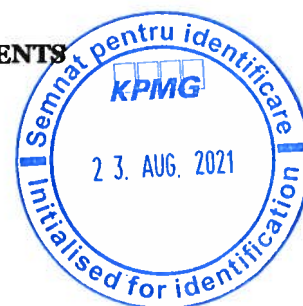
Information about the fair value of the collateral used in credit losses allowance estimation at 30 June 2021 is as follows:

The fair value of the collateral is limited at the exposure.

	<u>Capex</u>	<u>Credit lines</u>	<u>Loan type</u> <u>Factoring</u>	<u>Total</u>
Loans collateralized by:				
- Mortgage	64,566,128	767,491,697		832,057,825
- Pledge on equipment	56,687,701	20,184,687		76,872,388
- Pledge on stock		310,064		310,064
<b>Total collateral</b>	<b>121,253,829</b>	<b>787,986,449</b>	<b>-</b>	<b>909,240,278</b>
<b>Total gross loans and advances to customers</b>	<b><u>143,546,106</u></b>	<b><u>1,795,946,838</u></b>	<b><u>102,665,516</u></b>	<b><u>2,042,158,460</u></b>



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**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

Information about the fair value of the collateral used in credit losses allowance estimation on 31 December 2020 is as follows:

	<b>Capex</b>	<b>Loan type</b>		<b>Total</b>
		<b>Credit lines</b>	<b>Factoring</b>	
Loans collateralized by:				
- Mortgage	66,956,233	693,352,676		760,308,909
- Pledge on equipment	42,840,556	26,322,127		69,162,683
- Pledge on stock		60,172,163		60,172,163
<b>Total collateral</b>	<b><u>109,796,789</u></b>	<b><u>779,846,965</u></b>	<b>=</b>	<b><u>889,643,755</u></b>
<b>Total gross loans and advances to customers</b>	<b><u>118,187,872</u></b>	<b><u>1,523,445,061</u></b>	<b><u>53,059,103</u></b>	<b><u>1,694,692,036</u></b>

**Maximum exposure to credit risk before collateral held or other credit enhancements**

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the condensed consolidated statement of financial position is as follows:

<b>Financial Assets</b>	<b><u>30 June 2021</u></b>	<b><u>31 December 2020</u></b>
Cash and bank balances	63,107,056	87,236,628
Loans and advances to customers	1,989,384,741	1,643,269,520
Other financial assets	<u>1,766,387</u>	<u>2,309,660</u>
<b>Total financial assets</b>	<b><u>2,054,258,184</u></b>	<b><u>1,732,815,809</u></b>

In addition, as of 30 June 2021, the Group has 2 financial guarantee contracts totalling RON 5.5 mil (31.12.2020: RON 6.5 mil) with a related party, namely Abatorul Peris S.A

The exposure reflected on the financial position represents the part drawn by the clients from the credit lines. At any given date, credit lines might include an undrawn part, always uncommitted. From this perspective, the Group's policy is to approve any withdrawals from the uncommitted part. Such approvals are given following analysis of the applicant with a focus on developments subsequent to the initial approval of the credit limit.

In the process of expected credit losses estimation, the Group converts the amount of the undrawn part of the credit limit to an EAD using the credit conversion factor, calculated as the probability of drawing the undrawn portion in the next 12 months. The credit conversion factor estimated by the Group as of 30 June 2021 is

15%. Group's exposure to such products, together with the undrawn balances and their estimated EAD equivalent are detailed in the table below:

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**3.FINANCIAL RISK MANAGEMENT (CONTINUED)**

	<b>June 2021</b>	<b>December 2020</b>
Credit lines limit granted	1,112,150,721	1,029,413,241
Outstanding balance (drawn)	950,074,259	837,555,406
Undrawn balances	162,076,462	191,857,835
Credit Conversion factor	15%	15%
Undrawn balance after credit conversion factor	24,311,469	28,778,675
Provision for off balance sheet	159,771	157,458

**Concentration of risks of financial assets with credit risk exposure**

*(a) Geographical sectors*

The Group is exposed exclusively to the Romanian market – all of its customers are local farmers.

*(b) Industry sectors*

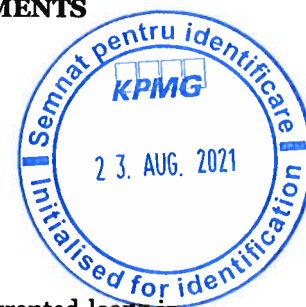
The only sector credited by the Group is agriculture.

*(c) Other risk concentrations*

Management monitors and discloses concentrations of credit risk by identifying exposures to borrowers with aggregated loan balances in excess of 10% of the Company's own funds as calculated based on NBR related regulatory requirements. The Group did not have any such significant risk concentrations at 30 June 2021 and 31 December 2020.



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**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**LOANS AND ADVANCED TO CUSTOMERS**

**3.1 Gross exposure as of June 2021**

An explanation of the movements in the gross carrying amount of the Company's granted loans is provided here:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross exposure				
<b>Gross carrying amount at 01.01.2021</b>	<b>1,497,610,177</b>	<b>141,783,973</b>	<b>55,297,886</b>	<b>1,694,692,036</b>
New assets originated	430,231,120	-		430,231,120
Increase in value of existing assets	116,172,636	6,452,016	732,546	123,357,198
Assets derecognized or repaid (excluding write off)	(202,291,566)	(2,487,745)	(1,146,630)	(205,925,941)
Transfers from Stage 1	(16,370,680)	16,370,680	-	-
Transfers from Stage 2	-	(5,563,098)	5,563,098	-
Transfers from Stage 3	-	-	-	-
Amounts written off			(195,953)	(195,953)
<b>At 30 June 2021</b>	<b>1,825,351,687</b>	<b>156,555,826</b>	<b>60,250,947</b>	<b>2,042,158,460</b>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross exposure				
<b>Gross carrying amount at 01.01.2020</b>	<b>1,466,135,902</b>	<b>47,264,189</b>	<b>21,966,017</b>	<b>1,535,366,108</b>
New assets originated	1,490,452,203			1,490,452,203
Increase in value of existing assets	481,655,375		5,171,000	486,826,375
Assets derecognized or repaid (excluding write off)	(1,798,438,485)	(14,603,000)	(1,935,972)	(1,814,977,457)
Transfers from Stage 1	(142,194,818)	142,194,818		-
Transfers from Stage 2		(33,072,034)	33,072,034	-
Transfers from Stage 3				-
Amounts written off			(2,975,193)	(2,975,193)
<b>At 31 December 2020</b>	<b>1,497,610,177</b>	<b>141,783,973</b>	<b>55,297,886</b>	<b>1,694,692,036</b>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross exposure				
<b>Gross carrying amount at 01.01.2020</b>	<b>1,466,135,902</b>	<b>47,264,189</b>	<b>21,966,017</b>	<b>1,535,366,108</b>
New assets originated	220,202,364			220,202,364
Increase in value of existing assets	380,879,856	16,894,431		397,774,287
Assets derecognized or repaid (excluding write off)	(254,786,677)	(15,861,569)	(3,269,367)	(273,917,613)
Transfers from Stage 1	(85,880,927)	73,968,160	11,912,767	-
Transfers from Stage 2		(16,786,068)	16,786,068	-
Transfers from Stage 3				-
Amounts written off				-
<b>At 30 June 2020</b>	<b>1,726,550,516</b>	<b>105,479,143</b>	<b>47,395,485</b>	<b>1,879,425,144</b>

**3.2 Expected credit losses**

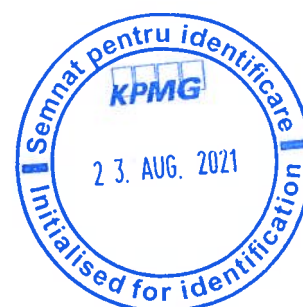
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An explanation of the movements in the expected credit losses estimated by the Group in relation to its granted loans is provided here:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Expected credit losses as at 01.01.2021</b>	<b>10,364,512</b>	<b>6,113,175</b>	<b>34,922,143</b>	<b>51,399,830</b>
New assets originated or purchased	1,638,587	-	-	1,638,587
Increase in value of existing assets	900,841	218,963	74,000	1,193,804
Assets derecognized or repaid (excluding write offs)	(862,456)	(76,000)	(324,094)	(1,262,550)
Transfers from stage 1	(662,358)	662,358	-	-
Transfers from stage 2	-	(1,605,430)	1,605,430	-
Transfers from stage 3	-	-	-	-
Amounts written off			(195,953)	(195,953)
<b>At 30 June 2021</b>	<b>11,379,126</b>	<b>5,313,067</b>	<b>36,081,526</b>	<b>52,773,719</b>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Expected credit losses as at 01.01.2020</b>	<b>8,518,563</b>	<b>5,639,495</b>	<b>19,789,348</b>	<b>33,947,406</b>
New assets originated or purchased	7,124,144			7,124,144
Increase in value of existing assets	6,000,648	9,322,072	1,179,962	16,502,682
Assets derecognized or repaid (excluding write offs)	(1,973,209)	(399,988)	(826,012)	(3,199,209)
Transfers from stage 1	(9,305,634)	5,968,380	3,337,254	-
Transfers from stage 2		(14,416,784)	14,416,784	-
Transfers from stage 3				-
Amounts written off			(2,975,193)	(2,975,193)
<b>At 31 December 2020</b>	<b>10,364,512</b>	<b>6,113,175</b>	<b>34,922,143</b>	<b>51,399,830</b>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Expected credit losses as at 01.01.2020</b>	<b>8,518,563</b>	<b>5,639,495</b>	<b>19,789,348</b>	<b>33,947,406</b>
New assets originated	7,124,144			7,124,144
Increase in value of existing assets	6,603,624	1,367,227	1,179,962	9,150,813
Assets derecognized or repaid (excluding write offs)	(1,973,209)	(399,988)	(826,012)	(3,199,209)
Transfers from stage 1	(9,305,634)	5,968,380	3,337,254	-
Transfers from stage 2		(7,056,673)	7,056,673	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>At 30 June 2020</b>	<b>10,967,488</b>	<b>5,518,441</b>	<b>30,537,225</b>	<b>47,023,154</b>



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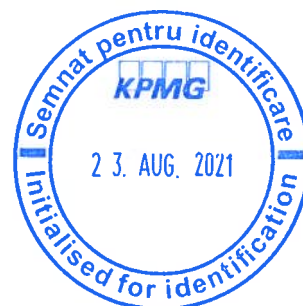
**Loans and advances to customers *continued***

The exposure to credit risk for loans and advances to customers presented by type of products, as at 30 June 2021:

	<b>Capex Collective</b>	<b>Credit lines Collective</b>	<b>Factoring Collective</b>	<b>Total</b>
Stage 1	131,338,985	1,595,389,958	98,622,743	<b>1,825,351,687</b>
Stage 2	7,595,341	107,919,373	3,577,884	<b>119,092,598</b>
Stage 3	1,747,510	40,487,024	464,888	<b>42,699,423</b>
	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	
Stage 2	1,980,699	35,482,529		<b>37,463,229</b>
Stage 3	883,571	16,667,953		<b>17,551,524</b>
<b>Total gross amount for loans and advanced to customers</b>	<b>143,546,106</b>	<b>1,795,946,838</b>	<b>102,665,516</b>	<b>2,042,158,460</b>

The exposure to credit risk for loans and advances to customers presented by type of products, as at 31 December 2020:

	<b>Capex Collective</b>	<b>Credit lines Collective</b>	<b>Factoring Collective</b>	<b>Total</b>
Stage 1	105,629,809	1,340,135,008	51,845,360	1,497,610,177
Stage 2	7,768,998	92,850,594	749,254	101,368,846
Stage 3	1,666,552	41,517,906	464,489	43,648,947
	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	
Stage 2	2,318,935	38,096,192	-	40,415,126
Stage 3	803,578	10,845,361	-	11,648,939
<b>Total gross amount for loans and advanced to customers</b>	<b>118,187,872</b>	<b>1,523,445,061</b>	<b>53,059,103</b>	<b>1,694,692,036</b>



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The expected credit losses divided by type of products as at 30 June 2021, are presented below:

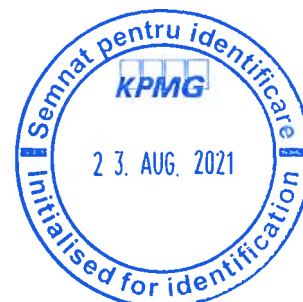
	<b>Capex Collective</b>	<b>Credit lines Collective</b>	<b>Factoring Collective</b>	<b>Total</b>
Stage 1	306,173	10,942,009	130,944	<b>11,379,126</b>
Stage 2	10,441	1,683,307	491	<b>1,694,239</b>
Stage 3	749,418	27,663,435	464,888	<b>28,877,741</b>
	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	
Stage 2	52,604	3,566,224		3,618,828
Stage 3	145,751	7,058,034		7,203,785
Total allowance for credit risk	<b>1,264,386</b>	<b>50,913,009</b>	<b>596,324</b>	<b>52,773,719</b>

The expected credit losses divided by type of products as at 31 December 2020, are presented below:

	<b>Capex Collective</b>	<b>Credit lines Collective</b>	<b>Factoring Collective</b>	<b>Total</b>
Stage 1	252,644	9,963,847	148,022	10,364,512
Stage 2	14,296	1,238,603	391	1,253,290
Stage 3	793,092	28,537,376	464,489	29,794,957
	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	
Stage 2	144,611	4,715,274	-	4,859,885
Stage 3	133,616	4,993,570	-	5,127,186
Total allowances for credit risk	<b>1,338,260</b>	<b>49,448,669</b>	<b>612,902</b>	<b>51,399,831</b>

**Restructured loans and advances to customers**

Restructuring activities include extended payment arrangements, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgment of local management, indicate that collection will most likely continue. These policies are kept under continuous review. Repeated restructuring is one of the Group's impairment indicators. As at 30 June 2021, the restructured net exposure was of RON 14,099 thousand (2020: RON 14,844 thousand).

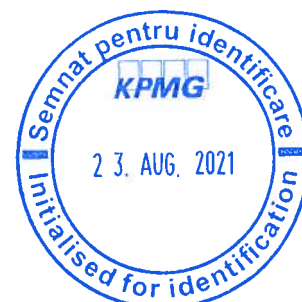




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<b>Restructured loans and advances to costumers as of June 2021</b>	<b>Capex</b>	<b>Credit lines</b>	<b>Factoring</b>	<b>Total</b>
<b>Collective</b>				
Stage 2	27,759	4,757,468	-	4,785,227
Stage 3	535,046	13,255,257	-	13,790,303
Collective expected credit losses	43,163	9,028,030	-	9,071,193
<b>Total gross amount for collective loans and advanced to customer</b>	<b>562,805</b>	<b>18,012,725</b>	<b>-</b>	<b>18,575,530</b>
<b>Individual</b>				
Stage2	-	833,386		833,386
Stage 3	479,049	9,521,042		10,000,091
Individual expected credit losses	93,606	6,144,257		6,237,863
<b>Total gross amount for individual loans and advanced to customer</b>	<b>479,049</b>	<b>10,354,428</b>		<b>10,833,477</b>
<b>Total expected credit losses</b>	<b>136,769</b>	<b>15,172,287</b>		<b>15,309,055</b>
<b>Total gross amount for loans and advanced to customer</b>	<b>1,041,854</b>	<b>28,367,153</b>		<b>29,409,007</b>
<b>Net exposure of forborne loans and advances to customer</b>	<b>905,085</b>	<b>13,194,866</b>		<b>14,099,951</b>

<b>Restructured loans and advances to costumers as of 31 December 2020</b>	<b>Capex</b>	<b>Credit lines</b>	<b>Factoring</b>	<b>Total</b>
<b>Collective</b>				
Stage 2	29,110	4,110,576	-	4,139,685
Stage 3	505,456	13,915,952	-	14,421,407
Collective expected credit losses	41,106	7,740,149	-	7,781,255
<b>Total gross amount for collective loans and advanced to customer</b>	<b>534,565</b>	<b>18,026,527</b>	<b>-</b>	<b>18,561,093</b>
<b>Individual</b>				
Stage2	-	1,945,568		1,945,568
Stage 3	382,853	6,829,949		7,212,802
Individual expected credit losses	76,571	4,976,716		5,053,286
<b>Total gross amount for individual loans and advanced to customer</b>	<b>382,853</b>	<b>8,775,517</b>		<b>9,158,370</b>
<b>Total expected credit losses</b>	<b>117,677</b>	<b>12,716,865</b>		<b>12,834,541</b>
<b>Total gross amount for loans and advanced to customer</b>	<b>917,418</b>	<b>26,802,044</b>		<b>27,719,462</b>
<b>Net exposure of forborne loans and advances to customer</b>	<b>799,741</b>	<b>14,085,179</b>		<b>14,884,921</b>





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**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Reposessed collateral**

As at 30 June 2021, the Group has no asset (land or other) obtained by taking possession of collateral held as security (2020 nil) as a result of foreclosure procedures.

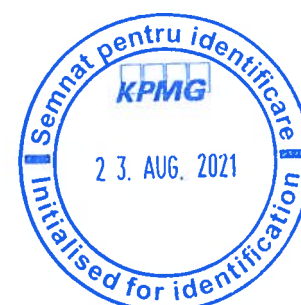
Reposessed assets (generally represented by inventories – agricultural products) are sold as soon as practicable.

**3.3 . Foreign exchange risk**

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency, which is monitored periodically. The table below summarizes the Group's exposure to foreign currency exchange rate risk at 30 June 2021 and 31 December 2020. The Group exposure to foreign exchange currency increased due to the new euro denominated borrowings, to manage this exposure the Group concluded new derivative hedge contracts.

Included in the table are the Group's monetary financial assets and financial liabilities, presented at their carrying amounts, categorized by currency.

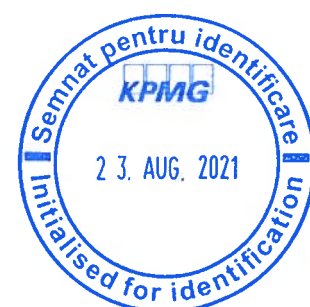
	<b>June 2021</b>		
	<b><u>EUR</u></b>	<b><u>RON</u></b>	<b><u>Total</u></b>
<b>Assets</b>			
Cash and bank balances	1,812,587	61,294,470	63,107,056
Gross carrying amount	90,985,409	1,951,173,051	2,042,158,460
Expected credit losses	(491,723)	(52,281,996)	(52,773,719)
Loans and advances to customers	90,493,686	1,898,891,055	1,989,384,741
Other financial assets		1,766,387	1,766,387
<b>Total assets</b>	<b>92,306,273</b>	<b>1,960,185,525</b>	<b>2,052,491,797</b>
<b>Liabilities</b>			
Borrowings	354,730,210	1,324,163,450	1,678,893,660
Other financial liabilities		13,139,182	13,139,182
<b>Total Liabilities</b>	<b>354,730,210</b>	<b>1,337,302,632</b>	<b>1,692,032,842</b>
Derivative financial instruments - notional	<b>259,513,923</b>	<b>(259,513,923)</b>	-
<b>Net financial position</b>	<b>(2,910,015)</b>	<b>363,368,970</b>	<b>360,458,955</b>



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

	<u>EUR</u>	<u>RON</u>	<u>December 2020</u>
			<u>Total</u>
<b>Assets</b>			
Cash and bank balances	5,060,298	82,176,330	87,236,628
Gross carrying amount	49,016,134	1,645,675,902	1,694,692,036
Deferred tax related loans			(22,685)
Expected credit losses	(83,064)	(51,316,766)	(51,399,830)
Loans and advances to customers	48,933,070	1,594,336,451	1,643,269,521
Other financial assets		2,309,660	2,309,660
<b>Total assets</b>	<b>53,993,368</b>	<b>1,678,822,441</b>	<b>1,732,815,810</b>
<b>Liabilities</b>			
Borrowings	168,394,726	1,216,425,998	1,384,820,724
Other financial liabilities	-	14,739,395	14,739,395
<b>Total Liabilities</b>	<b>168,394,726</b>	<b>1,231,165,393</b>	<b>1,399,560,119</b>
Derivative financial instruments - notional	<u>94,709,830</u>	<u>(94,709,830)</u>	=
<b>Net financial position</b>	<b>(19,691,528)</b>	<b>352,947,218</b>	<b>333,255,690</b>



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

The Group has adopted measures to preserve capital:

- strict monitoring of the capital position.
- non-distribution of dividends.
- periodic simulations by testing the increase of interest rates and the probability of non-repayment.

**3.4 Fair value of financial assets and liabilities**

**(a) Financial instruments measured at fair value, fair value hierarchy**

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

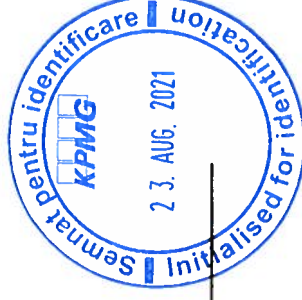
- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



**AGRICOVER CREDIT IFN SA**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**(All amounts in RON unless otherwise stated)**



**3 FINANCIAL RISK MANAGEMENT (CONTINUED)**

The level in the fair value hierarchy into which the recurring fair value measurements are categorized is presented in the table below. Recurring fair value measurements are those that the accounting standards require or permit in the condensed consolidated statement of financial position at the end of each reporting period.

	30 June 2021			31 December 2020			RON	
	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3
<b>FINANCIAL INSTRUMENTS AT FAIR VALUE</b>								
Other financial assets:								
- Foreign exchange forward contracts	-	(582,229)	-	(582,229)	-	(1,368,452)	(1,368,452)	
<b>TOTAL RECURRING FAIR MEASUREMENTS</b>	-	(582,229)	-	(582,229)	-	(1,368,452)	(1,368,452)	

As at 30 June 2021 the Group had FX Forward contracts outstanding with a total negative fair value of RON 582,229 (2020: 1,368,452 RON). The fair value was estimated based on discounted cash flows model, using directly observable inputs (i.e.: market FX and interest rates). As such, the fair value of the derivative is classified as Level 2 in the fair value hierarchy.

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardized contractual terms and conditions. Derivatives have potentially favorable (assets) or unfavorable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative

The accompanying notes 1 to 14 form an integral part of these condensed interim consolidated financial statements

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

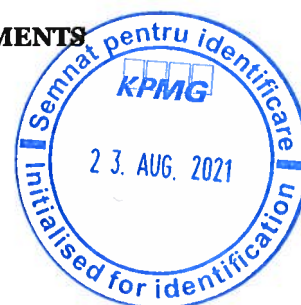
financial assets and liabilities can fluctuate significantly from time to time. The Group does not take trading or speculative positions when entering into derivative transactions. All such transactions are initiated for risk management purposes.

**b) Financial instruments not measured at fair value but for which fair value is disclosed**

All financial assets and liabilities presented on the Group's condensed consolidated statement of financial position (except derivative financial instruments measured at fair value) have their fair value approximately equal to the carrying amount as most of the loans and advances to customers bear variable interest rates with short re-pricing periods



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**3. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**3.5 Capital management**

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the condensed consolidated statement of financial position, are:

- to comply with the capital requirements set by the regulator (i.e.: National Bank of Romania, "NBR");
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Regulatory capital are monitored by the Company's management, employing techniques based on the guidelines developed and implemented by the National Bank of Romania, for supervisory purposes. The required information is filed with the NBR on a quarterly basis by the Company at stand-alone level. The Company has complied with all externally imposed capital requirements throughout 2021 and 2020.

The table below shows regulatory capital measures of the Company as reported to the NBR in line with the requirements of Regulation 20/2009 regarding non-banking financial institutions ("Regulation 20/2009"). Regulation 20/2009 requires non-banking financial institutions to comply with a threshold of maximum 1,500%, representing the aggregate adjusted exposure compared to own funds.

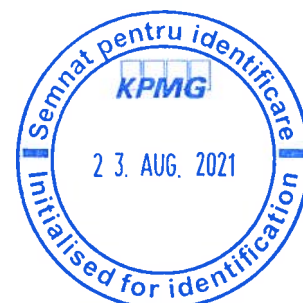
<b>Capital and aggregate exposure</b>	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
Share capital	117,924,970	107,924,970
Legal reserve	14,076,627	11,371,387
Other reserves	938,217	938,217
Retained earnings	221,522,475	177,540,605
Net profit	<u>28,173,583</u>	<u>28,814,719</u>
<b>1. Available capital</b>	<b><u>382,635,872</u></b>	<b><u>326,589,898</u></b>
Distribution of profit	-	-
Intangibles	2,474,862	546,368
<b>2. Deductions from available capital</b>	<b><u>2,474,862</u></b>	<b><u>546,368</u></b>
<b>I. Total capital</b>	<b><u>380,161,010</u></b>	<b><u>326,043,530</u></b>
<b>II. Investment capital</b>	<b><u>150,000</u></b>	<b><u>150,000</u></b>
<b>III. Other elements deducted (2019 difference between regulatory credit risk provisions and IFRS 9)</b>	<b><u>10,917,005</u></b>	
<b>IV. Own funds</b>	<b><u>369,094,005</u></b>	<b><u>325,893,530</u></b>
<b>Total aggregate exposure</b>	<b><u>1,594,329,797</u></b>	<b><u>1,483,314,568</u></b>
Aggregate adjusted exposure compared to own funds.	<b>432%</b>	<b>455%</b>

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**4. NET INTEREST INCOME**

	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
<b>Interest income</b>		
Interest income	87,953,831	90,038,809
Deposits and current accounts	8,136	13,285
<b>Total interest income</b>	<b><u>87,961,967</u></b>	<b><u>90,052,094</u></b>
<b>Interest Expense</b>		
Interest and similar expenses for borrowings	31,212,432	35,683,135
Interest for lease contract	<u>34,849</u>	<u>46,210</u>
<b>Total interest expense</b>	<b><u>31,247,281</u></b>	<b><u>35,729,345</u></b>
<b>Net interest income</b>	<b><u>56,714,686</u></b>	<b><u>54,322,749</u></b>

Interest income includes RON 1,407,935 (30 June 2020: RON 601,638) interest income on impaired financial assets.



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**5. NET FEE AND COMMISSION INCOME**

	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
Insurance brokerage commission income	3,640,091	2,184,834
Fees expense	47,675	1,049
<b>Net fee and commission income</b>	<b><u>3,592,416</u></b>	<b><u>2,183,786</u></b>

Insurance brokerage commission is represented by commissions earned by the Group's insurance broker subsidiary.

**6. GENERAL ADMINISTRATIVE EXPENSES**

General administrative expenses include personnel expenses, other general administrative expenses and depreciation and amortization expenses, as follows:

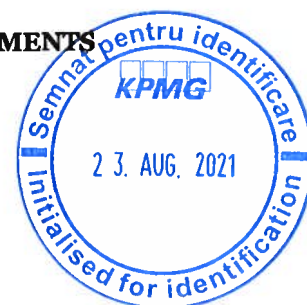
**a) PERSONNEL EXPENSES**

	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
Salaries and other benefits	15,692,936	10,959,699
Social security costs, of which	405,370	334,853
<b>Total personnel expenses</b>	<b><u>16,098,306</u></b>	<b><u>11,294,552</u></b>





**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**6. GENERAL ADMINISTRATIVE EXPENSES (CONTINUED)**

**b) OTHER GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>June 2021</u>	<u>June 2020</u>
Fuel expenses and maintenance	438,600	267,207
Advertising expenses	187,649	618,781
Consulting and audit expenses	866,934	1,263,150
Other lease related expenses	88,047	11,570
Software expenses	449,735	465,706
Telecommunication and postage	133,254	156,906
Protocol expenses	288,925	212,516
Insurance expenses	196,646	141,176
Travel expenses	134,709	88,800
Repairs and maintenance	256,099	206,902
Commissions related to external services	371,431	301,706
Other	897,839	664,168
<b>Total other general and administrative expenses</b>	<b><u>4,309,868</u></b>	<b><u>4,398,588</u></b>

The fee for the interim review services as of 30 June 2021 has been 11,500 EUR, equivalent plus VAT. The fee for the audit of the statutory financial statements for the year ended 31 December 2020 has been 35,500 EUR, equivalent plus VAT. The fee for the non-audit services rendered by the statutory auditor for financial year 2020 has been 21,000 EUR, equivalent plus VAT.

**c) DEPRECIATION AND AMORTISATION**

	<u>June 2021</u>	<u>June 2020</u>
Depreciation and impairment of property, plant and equipment	188,705	180,406
Depreciation of right of used assets	841,715	838,237
Depreciation of software and other intangible assets	<u>119,035</u>	<u>99,385</u>
<b>Total depreciation and amortization expenses</b>	<b><u>1,149,455</u></b>	<b><u>1,118,028</u></b>

**7. INCOME TAX EXPENSE**

Income tax expense is recognised based on enacted tax rate of 16%. The effective tax rate at 30 June 2021 is 14.88%, compared to 14.47% for the six months ended 30 June 2020.

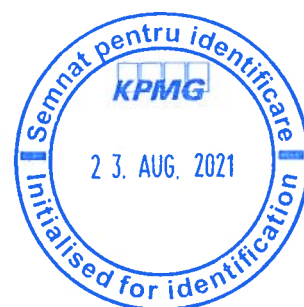
**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
<b>Profit before income tax</b>	<b>33,435,591</b>	<b>22,960,822</b>
<b>Theoretical tax calculated at tax rate of 16%</b>	<b>5,349,695</b>	<b>3,673,732</b>
Tax effect on:		
Legal reserves	(255,771)	(257,390)
Income tax facilities (sponsorship)	(81,000)	(-)
Other profit tax exemption	8,517	(50,877)
Other permanent income tax differences	(44,754)	(44,119)
<b>Income tax expenses</b>	<b>4,976,685</b>	<b>3,321,346</b>

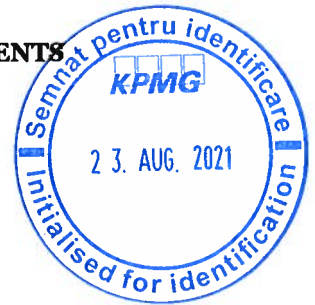
**8. CASH AND BANK BALANCES**

	<b><u>June 2021</u></b>	<b><u>2020</u></b>
Current accounts	61,754,842	85,988,675
Placements with banks with maturities less than 3 months	<u>1,352,214</u>	<u>1,247,953</u>
<b>Total cash and bank balances</b>	<b><u>63,107,056</u></b>	<b><u>87,236,628</u></b>

The current accounts and placements with bank are held with local financial institutions.



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**9. BORROWINGS**

Borrowings only include financial instruments classified as liabilities at amortized cost.

The borrowings are floating rate, and the borrowings from local banks are mainly yearly renewable, usually renewed at the same price.

The Group has complied with the financial covenants of its borrowing facilities during the current reporting period and also as at 31 December 2020

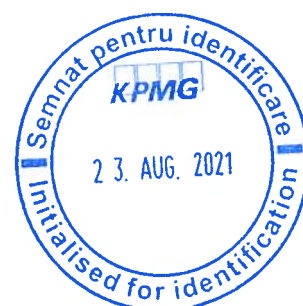
According to payment criteria, borrowings on short term payable on maximum one year and borrowings on long term, payable over a year time horizon, the Group's borrowings are classified as follows:

<b>Borrowings as at 30 June 2021</b>	<b>Total</b>	<b>Maturity</b>
Banca Transilvania SA	115,679,695	11/18/2021
UniCredit Bank SA	132,680,434	10/2/2021
BRD Groupe Societe Generale	128,804,952	8/31/2021
ING Bank Romania	191,234,690	11/5/2022
OTP Bank	1,977,083	12/16/2021
Alpha Bank	19,995,770	8/26/2021
Garanti Bank	17,801,715	8/1/2021
Garanti Bank	14,970,000	1/31/2022
Eximbank SA	78,792,323	8/30/2023
Banca Comerciala Romana	90,167,242	10/12/2021
CEC Bank	19,518,500	19/03/2022
Intesa Sanpaolo	87,021,091	8/30/2022
Credit Europe Bank	-	15/11/2021
Banca Romaneasca	20,823,701	8/5/2022
International Finance Corporation	27,673,577	15/01/2024
EFSE SICAV-SIV	12,693,544	15/12/2022
EFSE SICAV-SIV	59,683,237	30/11/2025
EFSE SICAV-SIV	47,674,619	12/15/2027
EBRD	46,440,688	20/04/2023
EBRD	23,177,266	3/20/2024
EBRD	24,574,553	7/1/2022
Black Sea Trade and Development Bank	44,050,159	19/12/2024
International Investment Bank	13,531,759	13/07/2022
International Investment Bank	42,999,684	19/03/2026
International Investment Bank	47,739,380	27/02/2027
European Investment Bank	33,508,285	25/11/2024
European Investment Bank	17,607,951	18/06/2026
European Investment Bank	17,998,774	7/12/2027
European Investment Fund	32,040,524	30/09/2026
European Investment Fund	19,860,694	5/15/2028
Responsibility Sicav	49,648,617	9/6/2024
Agricover Holding SA	198,523,154	1/31/2026
<b>Total borrowings</b>	<b><u>1,678,893,661</u></b>	

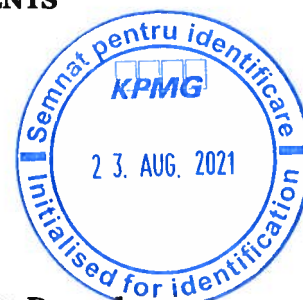
**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

**9. BORROWINGS (CONTINUED)**

<b>Borrowings as at 31 December 2020</b>	<b>Total</b>	<b>Maturity</b>
Banca Transilvania SA	77,550,683	11/18/2021
UniCredit Bank SA	99,224,766	10/2/2021
BRD Groupe Societe Generale	57,193,269	8/31/2021
ING Bank Romania	150,630,515	11/5/2022
OTP Bank	5,707,633	12/16/2021
Alpha Bank	19,970,391	8/26/2021
Garanti Bank	46,925,975	7/1/2021
Garanti Bank	14,940,000	1/31/2022
Eximbank SA	84,688,512	30/08/2022
Banca Comerciala Romana	98,545,174	10/12/2021
CEC Bank	19,807,083	19/03/2022
Intesa Sanpaolo	100,896,397	31/08/2021
Credit Europe Bank	8,272,203	15/11/2021
Banca Romaneasca	29,913,267	8/5/2022
International Finance Corporation	32,717,980	15/01/2024
EFSE SICAV-SIV	4,506,039	15/06/2021
EFSE SICAV-SIV	16,917,181	15/12/2022
EFSE SICAV-SIV	66,317,474	30/11/2025
EFSE SICAV-SIV	14,052,799	12/15/2027
EBRD	46,411,010	20/04/2023
EBRD	23,162,556	3/20/2024
EBRD	24,425,906	7/1/2022
Black Sea Trade and Development Bank	50,333,605	19/12/2024
International Investment Bank	17,823,787	13/07/2022
International Investment Bank	47,288,136	19/03/2026
International Investment Bank	47,697,751	27/02/2027
European Investment Bank	38,347,522	25/11/2024
European Investment Bank	19,144,486	18/06/2026
European Investment Bank	17,968,242	7/12/2027
European Investment Fund	34,307,556	30/09/2026
European Investment Fund	20,096,271	5/15/2028
Responsibility Sicav	49,036,555	9/6/2024
<b>Total borrowings</b>	<b><u>1,384,820,722</u></b>	



**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**

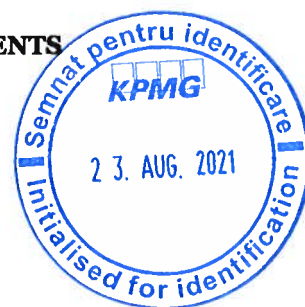


**9. BORROWINGS (CONTINUED)**

As of 30 June 2021, and 31 December 2020 the borrowings comprise:

<b>Lender</b>	<b><u>30 June 2021</u></b>	<b><u>31 December 2020</u></b>
Banca Transilvania SA	115,679,695	77,550,683
UniCredit Bank SA	132,680,434	99,224,766
BRD Groupe Societe Generale	128,804,952	57,193,269
ING Bank România	191,234,690	150,630,515
OTP Bank	1,977,083	5,707,633
Alpha Bank	19,995,770	19,970,391
Garanti Bank	32,771,715	61,865,975
Eximbank SA	78,792,323	84,688,512
Banca Comercială Română	90,167,242	98,545,174
CEC Bank	19,518,500	19,807,083
Intesa Sanpaolo	87,021,091	100,896,397
Credit Europe Bank	-	8,272,203
Banca Romaneasca	20,823,701	29,913,267
International Finance Corporation	27,673,577	32,717,980
EFSE SICAV-SIV	120,051,400	101,793,493
Black Sea Trade and Development Bank	44,050,159	50,333,605
BERD	94,192,507	93,999,472
International Investment Bank	104,270,823	112,809,674
European Investment Bank	69,115,010	75,460,250
European Investment Fund	51,901,218	54,403,827
Responsibility Sicav	49,648,617	49,036,555
Agricover Holding SA	198,523,154	-
<b>Total borrowings</b>	<b>1,678,893,660</b>	<b>1,384,820,722</b>

**AGRICOVER CREDIT IFN SA**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(All amounts in RON unless otherwise stated)**



**10. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES**

	<b><u>30 June</u></b> <b><u>2021</u></b>	<b><u>31 December</u></b> <b><u>2020</u></b>
Lease liabilities	4,850,105	4,271,899
Other financial liabilities, out of which:	8,289,077	10,467,496
- Employees	4,488,281	6,192,708
taxes and social contributions	1,325,210	1,091,966
VAT	188,357	437,781
others (suppliers)	2,287,229	2,745,041
<b>Total other liabilities</b>	<b>13,139,182</b>	<b>14,739,395</b>

Except for lease liabilities, other financial liabilities and other liabilities are expected to be settled within no more than 12 months after the date of the condensed consolidated statement of financial position (31 December 2020: all current).

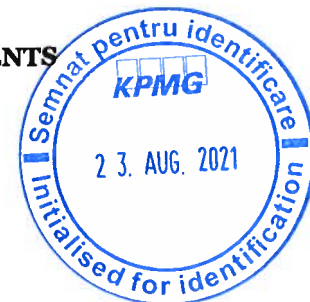
**11. CONTINGENT LIABILITIES AND COMMITMENTS**

**(a) Legal proceedings**

The client AC AGROFAM UNIREA commenced in April 2017 allegation against the Group in respect of financial losses and moral damages said to be caused by the Group's request to be started insolvency procedures for AC AGROFAM UNIREA. Should the action against the Group be successful, the estimated losses are of RON 1,552,000. The claim has been rejected by both Bucharest Court and by the Court of Appeal; a third appeal was filed by the client to which a trial date has not yet been scheduled. The Group has been advised by its legal advisers that the plaintiff has no chance of winning the third appeal. Accordingly, no provision for any risks and charges has been made in these condensed consolidated interim financial statements.

The Group initiated a number of Court claims against its customers which arise in the ordinary course of business and are mainly related to the foreclosure of bad debts.

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**12. NON-IFRS MEASURES**

The Company has included below certain non IFRS financial

	<b>June 2021</b>	<b>June 2020</b>
<b>1. Capital ratio</b>	<b>23.15%</b>	<b>21.97%</b>

This capital ratio refers exclusively to the Company, Agricover Credit IFN SA, and was derived by the Management from the regulatory capital measures (i.e. Own Funds and Total Aggregated Exposure, please refer to note 3.5 "Capital management") of the Company based on the Regulation 20/2009 issued by NBR and using a formula described below and which is not part of the Regulation 20/2009. The capital ratio formula used by the Management is Own Funds / Total Aggregated exposure, A/C for 2020 and B/D for 2021 (for the requirement provided by the Regulation no 20/2009 please refer to note 3.5 "Capital management").

A. Own Funds June 2020	325,893,530
B. Own Funds June 2021	369,094,005
C. Total aggregate exposure June 2020	1,483,314,568
D. Total aggregate exposure June 2021	1,594,329,797

	<b>June 2021</b>	<b>June 2020</b>
<b>2. Non-Performing Loan Ratio</b>	<b>2.95%</b>	<b>2.50%</b>

The figures below are extracted from these condensed consolidated interim financial statements. In monitorization of the non-performing loans, the management uses the indicator "The Non-performing loan ratio" computed as the Gross exposure Stage 3 / Total gross exposure, E/G for 2020 and F/H for 2021

E. Gross Loans Exposure Stage 3 June 2020	47,395,485
F. Gross Loans Exposure Stage 3 June 2021	60,250,947
G. Gross Loans exposure June 2020	1,879,425,144
H. Gross Loans exposure June 2021	2,042,158,460

	<b>June 2021</b>	<b>June 2020</b>
<b>3. Risk earnings ratio</b>	<b>2.77%</b>	<b>24.07%</b>

The figures below are extracted from these condensed consolidated interim financial statements. In monitorization of the loans portfolio performance, the management uses the indicator "the Risk earnings ratio" computed as Net expense from expected losses on loans and advances to customers /Net Interest Income, K/I for 2020 and L/J for 2021

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I. Net Interest Income June 2020	54,322,749
J. Net Interest Income June 2021	56,714,686
K. Net expense from expected losses on loans and advances to customers June 2020	13,075,886
L. Net expense from expected losses on loans and advances to customers June 2021	1,572,153

	<b>June 2021</b>	<b>June 2020</b>
<b>4. Cost Income ratio</b>	<b>36.96%</b>	<b>31.38%</b>

The figures below are extracted from these condensed consolidated interim financial statements.

In monitorization of the performance of the Group, the management uses the "Cost Income ratio" indicator computed, without considering cost of credit risk (Net expense from expected losses on loans and advances to customers), as per the following formula: Operating Expenses/Operating Revenues, (M+N)/(I+R+S) for 2020 and (O+P)/(J+T+V) for 2021

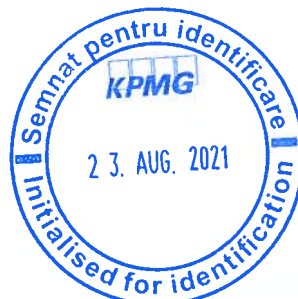
M. General and administrative expenses June 2020	16,811,169
N. Other operating expenses June 2020	930,770
O. General and administrative expenses June 2021	21,557,630
P. Other operating expenses June 2021	839,417
R. Net fee and commission income June 2020	2,183,785
S. Other operating income June 2020	37,411
T. Net fee and commission income June 2021	3,592,416
V. Other operating income June 2021	296,136

**13. RELATED PARTY DISCLOSURES**

The Group is controlled by AGRICOVER HOLDING SA which owns 99.99999 % of the ordinary shares. The remaining 0.00001 % are held by AGRICOVER SA.

A number of transactions are entered into with related parties in the normal course of business. These include mainly loans and placements.

	<b><u>30 June</u> 2021</b>	<b><u>31 December</u> 2020</b>
<b>Loans and advances to customers</b>		
Loans outstanding at 1 January	425,000	0
Loans issued during the year	4,102,500	11,009,088
Loan repayments during the year	(500,000)	(10,584,088)
<b>Loans outstanding</b>	<b>4,000,000</b>	<b>425,000</b>
Credit line interest income earned	73,451	158,041





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Letter of guarantee (off balance exposure)	<u>5,500,000</u>	<u>6,500,000</u>
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The volumes of related-party transactions, outstanding balances at the year-end, and relating expense and income for the year are as follows:

(a) *Loans and advances to related parties*

No provisions have been recognized in respect of loans given to related parties (2020: nil). No loans or other advances were granted to the parent or to the ultimate controlling party.

As at 30 June 2021 all loans and advances to related parties are neither past due nor impaired.

(b) *Borrowings from related parties*

	<u>30 June</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
<b>Borrowings</b>		
Borrowings outstanding at 1 January	0	-
Borrowings issued during the year from Agricover Holding S.A	197,068,000	-
<b>Borrowings outstanding</b>	<b><u>197,068,000</u></b>	<b>-</b>
<b>Accrued interest</b>	<b><u>2,777,849</u></b>	<b>-</b>



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**13. RELATED PARTY DISCLOSURES (CONTINUED)**

Loans issued during the year to related parties

	2020			
	Shareholders	Subsidiary	Shareholders	Subsidiary
	<u>Other companies from Agricovert Group</u>	<u>Other companies from Agricovert Group</u>	<u>Other companies from Agricovert Group</u>	<u>Other companies from Agricovert Group</u>
Agricovert Holding S.A	-	-	-	-
Agricovert SA	-	-	-	-
Granddis	-	-	-	-
Net Farming (ex Agricovert Ferme)	-	-	-	10,526,588
Agricola Cornatelu SRL	-	-	500,000	-
Barimpex SRL	-	-	-	-
Abatorul Peris S.A	-	-	27,500	57,500
Agricovert Technology S.A	-	-	3,575,000	425,000
<b>Total</b>	<b>=</b>	<b>=</b>	<b>4,102,500</b>	<b>11,009,088</b>

The loans and advances to associated companies are secured with promissory notes and pledges on stock, carry variable interest rates and are repayable at maturity. All loans and advances to entities under common control are granted at market rates (i.e.: between a minimum rate of 6M ROBOR plus a 5% margin and a maximum rate of 12%); additionally all loans and advances to entities under common control bear a front-end fee of 0.5% of the granted amount.

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**13. RELATED PARTY DISCLOSURES (CONTINUED)**

*(a) Interest income from related parties:*

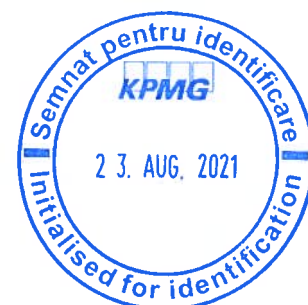
	<u>June 2021</u>	<u>June 2020</u>
Net Farming SRL	-	-
Granddis	-	-
Agricover SA (shareholder)	6,108,649	6,764,164
Agricola Cornatelu SRL	4,357	-
Barimpex SRL		
Agricover Holding S.A (shareholders)	-	-
Abatorul Peris S.A		62,115
Agricover Technology S.A	69,095	
<b>Total</b>	<b><u>6,182,100</u></b>	<b><u>6,826,279</u></b>

Out of which, revenues from factoring without recourse contracts taxes are in amount of:

Agricover S.A (shareholders)	<u>6,108,649</u>	<u>6,764,164</u>
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*(b) Expenses with related parties:*

	<u>June 2021</u>	<u>June 2020</u>
Agricover SA (shareholders)	365,875	328,748
Agricover Technology S.A	16,249	
Agricover Holding S.A	2,777,849	
<b>Total</b>	<b><u>3,159,973</u></b>	<b><u>328,748</u></b>



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**13. RELATED PARTY DISCLOSURES (CONTINUED)**

(c) *Other financial assets*

	<b>Entities under common control</b>	
	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
Agricover SA (shareholder)	194,699	140,131

(d) *Other financial liabilities:*

	<b>Entities under common control</b>	
	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
Agricover SA (shareholders)	16,262	30,611
<b>Total</b>	<b><u>16,262</u></b>	<b><u>30,611</u></b>

(e) *Key management compensation:*

	<b><u>June 2021</u></b>	<b><u>June 2020</u></b>
Salaries	2,453,152	2,250,630
Bonuses	937,253	(174,860)
Social security charges:	92,474	71,065
Other	147,081	144,454
<b>Total</b>	<b><u>3,629,960</u></b>	<b><u>2,291,289</u></b>

**14. EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION**

No significant events.