



# BOARD OF DIRECTORS REPORT FOR 2023

## META ESTATE TRUST SA

A company listed on the SMT – AeRO Market of the  
Bucharest Stock Exchange  
Symbol: MET



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## ISSUER INFORMATION

### INFORMATION ABOUT THIS FINANCIAL REPORT

**Report type:** Board of Directors Report for 2023

**For the period:** 01.01.2023 – 31.12.2023

**Date of publication of the report:** 26.04.2024

### ISSUER INFORMATION

**Name:** META ESTATE TRUST S.A. ("the Company", "MET")

**Fiscal Code:** RO43859039

**Trade Register no.:** J40/4004/2021

**Head Office:** 4-10 Muntii Tatra, 4th Floor, Bucharest, Romania

### SECURITIES INFORMATION

**Subscribed and paid-up capital:** RON 93,491,736

**Market on which the securities are traded:** SMT-AeRO Premium

**Total number of shares:** 93,491,736, of which: 82,241,760 class "A" ordinary shares and 11,249,976 class "B" preferred shares

**Symbol:** MET

### CONTACT DETAILS FOR INVESTORS

**E-mail:** [investors@meta-estate.ro](mailto:investors@meta-estate.ro)

**Phone no:** 021 589 7329

**Website:** [www.metaestate.ro](http://www.metaestate.ro)

The financial statements as at 31 December 2023 presented on the following pages are audited. The figures presented in the descriptive part of the report, expressed in thousand or millions of RON / lei, are rounded to the nearest whole number and may result in small differences in the regularization.

## KEY FIGURES 2023



12.38 mil.  
Turnover  
+20% vs. 2022



9.47 mil.  
Net profit  
+46% vs. 2022  
+39% vs. budget



19.29 mil.  
Operating income  
+4% vs. 2022



28.22 mil.  
Total revenues  
+26% vs. 2022



109.75 mil.  
Total assets  
+12% vs. 2022



101 mil.  
Investment  
portfolio  
+25% vs. 2022

Note: amounts are presented in RON

## ABOUT META ESTATE TRUST (MET)

Meta Estate Trust is a real estate holding company founded in March 2021 by a group of Romanian entrepreneurs with experience in real estate and capital markets. As of 29 August 2022, Meta Estate Trust is listed on the Bucharest Stock Exchange, AeRO market, with the stock symbol MET.

The company has invested in more than 50 real estate projects in the 3 years since its establishment and has successfully exited more than 20 real estate projects so far, acting as a partner to real estate developers through equity participation as well as acquisitions of homes in residential projects in early stages of construction in Bucharest and major cities.

Our **vision** is to democratize real estate investment in Romania. Our **mission** is to create and develop an innovative financial instrument that offers investors the opportunity to achieve sustainable returns in the real estate market, regardless of available capital. By democratizing investments, we mean: accessibility, diversification, risk mitigation, transparency, capital protection.

Meta Estate Trust aims to become the partner of real estate developers, using capital market instruments and, a long-term mission, to facilitate access to diversified real estate investments, both by market segment and geography.

### Investment policy

The company's investment policy is based on a mix of investment typologies with different return and risk profiles to shape a diversified and flexible portfolio that can easily adapt to market cycles.

The analysis and mitigation of investment risks associated with this asset class is a key activity of the company, taking into account 3 dimensions of study: feasibility of exit assumptions (price and timing), feasibility of completion of construction works (budget fit and financing) and legality of the project (fit with urban planning indexes and compliance with the legal texts regarding the obtaining of building permits).

The business directions the company focuses on are:

- ✦ Partnerships with developers for co-development - investment in early-stage projects with planning permits;
- ✦ Early-stage projects - acquisition of housing in residential projects in early stages of construction, with exit before or upon completion;
- ✦ Income producing assets - acquisition of housing for long- and short-term rental, with an acquisition yield of 6.5-7.5%, with the potential for positive annual revaluation and resale in 3-5 years;
- ✦ Bulk acquisitions - purchases of packages of completed new stock apartments at discounted prices and their individual resale at market price;
- ✦ Call/Put-Option on Real Estate Assets - pre-contracting a future or completed property at a substantial discount to market price and optioning the seller to buy back the pre-contract;
- ✦ Other opportunities - Flexible investments in any sector of the real estate market offering a satisfactory return.

## Advantages of Meta Estate Trust

**Protection of capital** - the investment is protected by additional guarantees and contractual clauses.

**Risk management** - the risk is mitigated through geographic diversification, access to different market segments and rapid capital turnover.

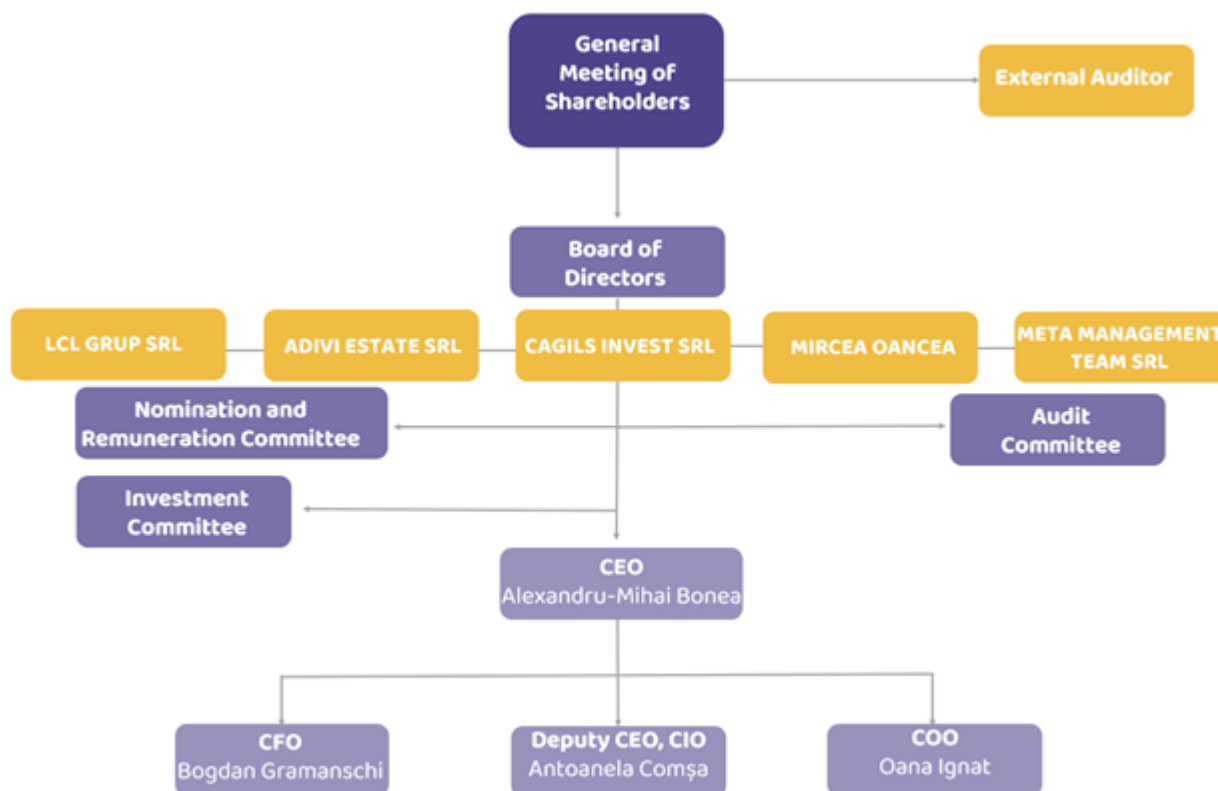
**Accessibility** - investors can choose complex real estate projects with no minimum investment threshold.

**Liquidity** - immediate access to invested capital and significantly higher liquidity than direct real estate investments.

**Attractive returns** - the expertise of a team with many years of experience in the real estate market, with access to attractive opportunities.

**Transparency** - visibility into the company's business through high standards of corporate governance and communication.

### ORGANIZATION CHART 31.12.2023



## CORPORATE GOVERNANCE

The company is supported by a five-member Board of Directors and three committees with predefined roles - Audit, Nomination and remuneration and Risk and investment analysis committees. We apply strict corporate governance rules to provide transparency and trust to our stakeholders, but also to guide the organization towards the desired standards.

The Board of Directors consists of 5 members elected by the Ordinary General Meeting of Shareholders for a maximum period of 4 years, with the possibility of re-election for successive terms.

At 31 December 2023 the Board of Directors consists of the following members:

- Meta Management Team SRL – Chairman of the Board of Directors
- CAGILS INVEST SRL, represented by Ms. Ilinca Păun
- LCL GRUP SRL, represented by Mr. Ciprian Lăduncă
- ADIVI ESTATE SRL, represented by Mr. Adrian Vasile Viman
- Mr. Mircea Oancea

During 2023 the Board of Directors held a total of 15 meetings.

We hereby make note of the fact that, to date, the Board has not been subject to a formal annual performance review process.

**The Board of Directors members** voted at the General Meeting of Shareholders on 7 December 2023, whose term of office began on 27 January 2024 for a period of 4 years, are as follows:



**Laurențiu Dinu**, permanent representative of Cert Master Standard S.R.L. - Chairman of the Board of Directors

Laurențiu Dinu has over 10 years of professional experience in the Ministry of European Integration, the Romanian Government and the European Commission and is currently managing partner of CertRom, a certification company for public and private institutions.



**Ilinca von Derenthall** – Member of the Board of Directors

Ilinca is currently a member of several other Boards of Directors, having experience as BoD Chairman, non-executive independent director, BoD member and member in advisory board.

Ilinca has significant experience in senior executive management roles, being involved in stock exchange listings, mergers and acquisitions, privatisations, client investment management and renewable energy generation. Ilinca also has significant experience in the finance sector, banking, chemicals, renewable energy generation and international capital markets and financing.



**Daniel Popa** – Member of the Board of Directors

Director of Reynaers Romania, with more than 20 years of experience in the real estate and construction sector. A dynamic, results-oriented executive leader with robust experience in the real estate and construction sector.

Proven expertise in business development, strategic planning, compliance, financial oversight and negotiations.



**Alexandru Voicu** – Member of the Board of Directors

CEO of asset manager Certinvest, with over 13 years' experience in the capital markets, specializing in risk and investment management.

A professional who divides his time between investment, entrepreneurship and risk management; he sees the world as a series of interacting systems that add complexity. Adept at implementing new technologies where they are needed and optimizing the operational performance of companies.



**Adrian Viman**, permanent representative of Adivi Estate S.R.L. – Member of the Board of Directors

Adrian Viman is founder & CEO of Adivi Estate and Adivi Gims and has over 20 years of experience in top management and boards of directors. He led the Kaufland Group in Romania and Germany from the position of CEO and Chairman of the Board of Directors.

Experienced entrepreneur in the real estate and financial-banking sectors, with a special interest in companies in the tech and crowd-funding industries.

**Executive Management** is presented below:



Alexandru Bonea – CEO MET is a serial entrepreneur with a successful business track record in three countries. He is the initiator of the Meta Estate Trust project, bringing to the Romanian market an innovative business model that bridges the gap between the real estate market and the capital market.

He has over 7 years of experience in the real estate sector, during which time he coordinated Delta Studio Group's real estate investments and residential real estate developments and launched projects in Portugal, Dubai and Romania.



With an impressive career of more than 20 years in the Romanian real estate industry, she is one of the best known and appreciated managers in the Romanian real estate market, Antoanela Comşa – Deputy CEO is in charge, together with the CEO and the executive team, of the implementation of the investment policy.

Specialized in construction, she has successfully overseen all investments of the Spanish group Gran Via in Romania, as General Manager. She has also served as President of the Romanian Real Estate Investors Association (AREI) and is



Bogdan Gramanschi – CFO MET is a professional with more than 14 years of solid experience in financial auditing and consulting in the banking and financial institutions sector, with expertise in project management, IFRS reporting standard implementation and interpretation of specific issues.

His experience on risk assessment and business development, structuring of various transactions including complex pricing and capital structures, acquisitions/sales or mergers, etc. is an essential attribute for a company with a business model such as Meta Estate Trust and brings added value to the team to deliver the results shareholders expect.



## Remuneration and benefits for members of the Board of Directors and the CEO

In consideration of its activity, the Chairman of the Board of Directors – Meta Management Team SRL – will be remunerated as follows under the management contract entered into for a 10-year period, effective April 2021:

- a. Fixed annual remuneration in the first three years:
  - 2021 – EUR 100,000
  - 2022 – EUR 75,000
  - 2023 – EUR 50,000
- b. Annual management fee (% of assets under management):
  - 2.4% in 2021
  - 2.2% in 2022
  - 2% in 2023 and 2024
  - 1.5% as of 2025
- c. Performance fee: Depending on the added value generated by the project (Value of Company + Cash Dividends – Capital Contributions), a Performance Bonus will be paid in instalments according to the project's IRR:
  - 0% for IRR < 4%
  - 10% for IRR between 4% and 7%
  - 14% for IRR surplus between 7% and 14%
  - 17% for IRR surplus between 14% and 21%
  - 21% for IRR surplus > 21%

The IRR will be computed using the formula below:

$$\sum_{t=1}^n \frac{C_t}{(1+r)^t} + \frac{VS_n}{(1+r)^n} - \sum_{t=1}^n \frac{I_t}{(1+r)^t} = 0$$

$I_t$  = investments made by investors in each funding round (contributions to the share capital)

$n$  – number of years elapsing as of 01.04.2021 until the calculation of the Exit Bonus

$C_t$  = capital distributions in year "t" (paid dividends/decrease of share capital/redemption programs) conducted in years 1 - n

$VS_n$  = Value of Company on calculation of the Exit Bonus

$r$  = IRR

Also, the remuneration of the BoD members was established by the Extraordinary General Meeting of Shareholders (EGMS) Resolution no. 1/27.01.2022 to the RON equivalent of EUR 1,500 gross/month, owed from appointment until December 31st 2022. From this date on, the remuneration will be increased to EUR 2,000 gross/month in RON equivalent.

Thus, in 2023 the Company recorded the following remuneration costs:

- ✦ RON 1,67 million for the Chairman of the Board of Directors (fixed annual remuneration + annual management fee)
- ✦ RON 0,47 million for the other members of the Board of Directors and the General Manager of the Company

No variable bonuses or compensation were awarded in 2022 to the members of the Board of Directors or the CEO.

The management contract will cease to apply from 2024, more information in the next section, Key Events.

## Dividend distribution policy

The annual profit will be distributed by the Company according to the Memorandum of Association and based on the audited annual financial statements and the general strategy in relation therewith, after being approval by the Ordinary General Meeting of Shareholders ('OGMS'). The proposal for profit distribution will be submitted for approval with the OGMS and will consist in using the profit to increase the share capital for share issue and distribution. Under the terms provided in the Memorandum of Association, the Company's intention is to fully reinvest the profit to avoid divestment. Any dividends due will be accruing as a payment liability on the Company.

The distribution of profits shall be made in accordance with the legislation in force, from the actual profit and after covering the reserves or other contributions provided for by law or by the articles of association, such as covering the accounting losses of the previous year, if any, resulting in a profit distributable to shareholders.

The share capital of the Company is divided into two classes of shares:

1. class A, corresponding to ordinary shares and
2. class B, corresponding to preference shares.

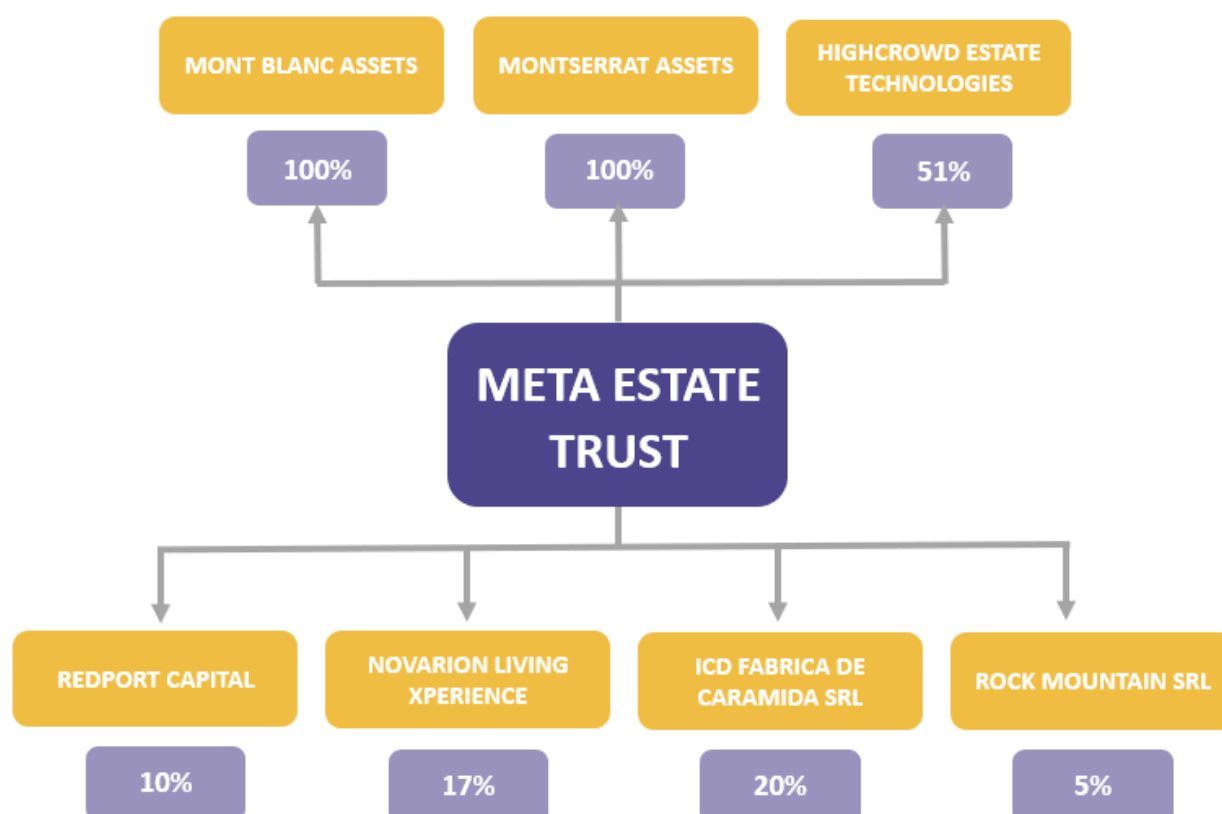
Preference shares do not have voting rights but, according to the Articles of Association, benefit from a fixed annual priority dividend of 38% of the nominal value of a share limited in value to a maximum of 33% of the distributable annual profit. In the event that the 33% of the total distributable profit is not sufficient to grant the 38% dividend, this limit will be reduced in that year without the difference being carried forward to subsequent years.

To the extent that the OGMS decides to distribute dividends, after the distribution of the priority dividends, the remaining amount to be distributed is allocated to the holders of ordinary shares. The number of preference shares that may be issued by the Company is limited to 11,250,000 and the total number reached at the last share capital increase was 11,249,976 preference shares.

Shareholders receive dividends in proportion to their share in the paid-up share capital within each share class. The Board of Directors will submit to the OGMS a proposal for the distribution of the profit as a rule at the same meeting at which the audited annual financial statements are submitted for approval.

In order to steadily increase the share capital and to become a market leader as quickly as possible, the Board of Directors will consider in the profit distribution proposal, in accordance with the provisions of the Articles of Association, the issue of Class A shares for distribution to existing shareholders. The Company believes that self-financing by directing profits towards capital increases and the issue of new shares generates an increase in the value of the Company, which is to the benefit of shareholders, due to a higher expected return on capital than its cost.

## Structure of equity investments as of 31 December 2023



## KEY EVENTS

### Key events during 2023

#### Business Highlights:

- ◆ In order to streamline the process of selling properties in the Meta Estate Trust portfolio and to simplify and accelerate exits from short-maturity residential projects, we created the Meta Homes division ([www.metahomes.ro](http://www.metahomes.ro)). The division sold or disposed of a total of 19 apartments, 7 houses and 9 parking spaces during 2023.
- ◆ In the first part of 2023 the Company fully exited and marked the forecasted yield from the Rahmaninov and Dante Aligheri projects in Bucharest, as well as the Eforie Sud project.
- ◆ In September, the company sold its 40% stake in Redport Properties, the developer of The Level Apartments project, for RON 13.6 million, an investment project that generated a return on investment of 37% in 22 months.
- ◆ We reinvested the cash generated from sales and investments in both ongoing projects and newly identified opportunities.
  - ⤴ In the first part of the year the Meta Estate Trust team identified and placed availabilities in 4 new projects: in Eforie Sud (Constanta), One66 (Brasov), Metropolitan Residence (Bucharest), and an exceptional plot located in the ultra-central area of Bucharest, which already benefits from a Building Permit
  - ⤴ In ongoing projects, we have completed the acquisition of rental units in real estate projects in Bucharest: The Level, Avrig Park, Parcului 20 by Cordia and Mobexpert Homes. We also made additional investments in investment projects located in the Sibiu area for a total of RON 3.4 million. Furthermore, we initiated the acquisition of 3 residential units and 3 parking spaces in the Green Lake Residence residential project (Bucharest).
  - ⤴ In the second part of 2023 we invested in new projects by:
    - the acquisition of a 10% stake in Redport Capital, a developer that will start the construction of phases 3 and 4 of The Level Apartments project in the Dămăroaia - Străulești area and granted a financing for this development for a total amount of RON 6.7 million
    - granting a loan totaling RON 5.9 million to the developer Rock Mountain for the construction of luxury apartments in the central area of Poiana Brasov.
    - the purchase of housing units in residential projects built by the developer NOA in the areas of Piața Victoriei and Pajura (Bucharest) for a total amount of RON 4.9 million.
    - concluded a partnership with the developer APX Immo Property for a high-end residential project in the Cotroceni area (Bucharest), granting a mezzanine financing of RON 6.9 million.
  - ⤴ We initiated the first investment in the hospitality industry by purchasing 4 apartments and 4 parking spaces in the Swissotel in Poiana Brasov to be operated as a hotel and capitalized in a time horizon of 3 years. The investment so far amounts to RON 3.4 million.
- ◆ We started using the ceiling financing facility contracted in 2022 with Libra Internet Bank by drawing an amount of RON 1 million to finance the purchase of buildings in the Avrig Park project and RON 1 million to finance the buildings purchased in the Parcului 20 project.
- ◆ Montserrat Assets SRL subsidiary initiated the first investment project in the Rentals business line by acquiring 2 apartments and 4 parking spaces within The Level Apartments - Phase II project (Bucharest) for a total amount of RON 2 million. These will generate recurring revenues through a 5-year lease agreement, generating an annualized return of over 7%.

#### Events after 31.12.2023:

- ◆ We have completed the sale of the last 3 real estate units purchased in the Mobexpert Homes residential complex, an investment project that generated a return on project of 30%.
- ◆ We have performed the acquisition of 100% share of Poiana SPV 6814 SRL. This transaction was concluded in order to strengthen Meta Estate's position in Poiana Brasov, an area of investment interest, and to over-guarantee Meta Estate's shareholders' investment made so far.

## Governance Highlights:

- ✦ The year 2023 brought consolidations in the Company's management, both at Executive Management and Board of Directors level, aimed at strengthening the Company's long-term position by developing a management team that includes specialists from complementary fields, with experience in real estate, finance, capital markets and corporate governance.
- ✦ The Executive Management of the Company has changed as follows:
  - On July 28, 2023, the decision of the Board of Directors approved the appointment of Mr. Bonea Alexandru-Mihai in the position of General Director of the Company for a period of 4 years.
  - On August 23, 2023, Mrs. Antoanela Comşa was appointed as Director of Investments, and on September 22, 2023, it was announced that Ms. Antoanela Comşa takes the position of Deputy General Manager of the Company starting from the same date.
  - On October 10, 2023, by the decision of the Board of Directors, Mr. Bogdan Gramanschi was appointed in the position of Financial Director of the Company, for a period of 4 years.
- ✦ The Board of Directors changed as follows:
  - On 26.04.2023 the appointment of Cagils Invest SRL, represented by Mrs. Păun Ilinca-Mihaela, as a permanent member of the Company's Board of Directors, was approved for a period expiring on 27.01.2024.
  - On 08.05.2023, as a result of the resignation of Mr. Bonea Dragoş Adrian from the position of Member of the Board of Directors, Mr. Bonea Alexandru Mihai was appointed as provisional BoD Member of the Company on 08.05.2023 until 27 September 2023, at which date the general meeting of shareholders decided to appoint a new permanent member in the BoD
  - On September 27, 2023, the election of Mr. Mircea Oancea as a member of the Board of Directors for a term expiring on January 27, 2024 (thus replacing Mr. Alexandru Mihai Bonea who held the position of provisional member of the Board of Directors from May 8, 2023)
  - On December 7, 2023, the General Shareholders Meeting voted for the new members of the Board of Directors for 4-year mandates starting on January 27, 2024, as follows:
    - Mrs. Ilinca von Derenthall
    - Mr. Dumitru-Daniel Popa
    - Cert Master Standard S.R.L., by permanent its representative Mr. Laurentiu Mihai Dinu
    - Mr.. Alexandru Voicu
    - Adivi Estate S.R.L., by its permanent representative Mr. Adrian Vasile Viman
- ✦ On 26.04.2023, the Special Meeting of Preferred Shareholders approved the waiver of the payment of the priority dividend for 2022, taking into account the complexity of the mechanism for converting priority dividends into ordinary shares of the Company, as stated in the Company's Articles of Association , with the mention that the Company will submit to the approval of the shareholders in the next meeting of the Extraordinary General Meeting of Shareholders the allocation of new free shares, in proportion to the share held in the Company's share capital by each shareholder, by incorporating the reserves in the share capital.
- ✦ During the Extraordinary General Shareholders' Meeting of September 25, 2023, the increase of the Company's share capital was approved by the amount of up to RON 6,456,495, by incorporating some reserves through the issuance of up to 6,456,495 new ordinary shares at a price of 1 RON per share.
- ✦ On November 9, 2023, the Central Depository registered the increase of the share capital in the amount of RON 6,456,495 decided during the Extraordinary General Shareholders Meeting on September 25, 2023. Thus, a number of 6,456,495 new class A shares were issued with a nominal value of 1.00 RON / share, their number in circulation reaching 82,241,760. Thus, the social capital reaches the value of RON 93.49 million.
- ✦ On December 7, 2023, the Ordinary General Shareholders Meeting approved the distribution of dividends in the amount of RON 3,757,429.68 (gross dividend, with a yield of 5.22% on the reference date) from the net profit related to the financial year 2022, dividend to be paid on January 16, 2024

## Events after 31.12.2023:

- ✦ On 16 January 2024 the Company paid net dividends in the amount of RON 3.5 million, as approved at the OGMS on 7 December 2023.
- ✦ On 27 January 2024, the new Board of Directors voted by the shareholders in GSM of 7 December 2023 began its mandate, with the main objectives of implementing the Company's strategy for the next 4 years, developing the investment portfolio and achieving the objective of generating a satisfactory return on equity. A priority of the new Board of Directors is also the management of the relationship with the Meta Management Team for which the Board members will seek the best solution that protects the shareholders' investment. The BoD expressed its confidence in the success of the initiated approach.
- ✦ On January 29, 2024, the Company was informed of the request for a Court summons ("the Request", "the Claim") by Meta Management Team SRL ("MMT"), request registered with the Bucharest Court file 2701/3/2024, for: (i) a declaration of termination of the management contract concluded on 22.03.2021 between MET and MMT ("the Contract") by effect of MET's unilateral will (as stated in MMT's formulation); (ii) order MET to pay the amount allegedly due of RON 23.7 million and (iii) order MET to pay the litigation legal costs.
  - ⤴ With regard to the stage of the proceedings, it should be noted that the application was presented to MET by the Court on 14 March 2024.
  - ⤴ The Board of Directors has started exploring scenarios for handling this dispute. Law firms have been chosen to assist and represent the company in this dispute. The selected lawyers are analyzing the Contract and the MMT Claim and all other relevant documents and preparing the MET defense strategy, including the Statement of Defense to be filed in response to the MMT Claim, as well as the legality and validity of the Contract clauses.
  - ⤴ With regard to the assessment of the chances of winning this dispute, we would point out that this dispute is at a preliminary stage, and an assessment at this stage could not be anchored in the whole procedural framework of the dispute; we will be in a better position to estimate the chances of winning once we have received MMT's reply to the statement of defense and once the first trial has taken place.
  - ⤴ The company will keep the market and shareholders informed of developments in this file in a proactive and transparent manner.

## Key events Capital Market:

- ✦ During 2023, 18.5 million MET shares were traded on the SMT/AeRO segment, worth RON 17 million. The Company's market capitalization as of 31 December 2023 was RON 71.99 million. The average daily trading value for MET shares during 2023 was RON 77 thousand.
- ✦ During this period the market price of MET shares decreased by 7.2%, compared to the performance of the BET AeRO index, which increased by 19.9%.
- ✦ On the basis of MET share transactions during 2023 the Company recorded an increase in the number of shareholders of 56.7%
- ✦ During 2023 the Company published regular financial reports, current reports on its activity, held teleconferences with investors, participated in various capital market events and maintained constant and proactive communication with shareholders through diversified communication channels (BVB information, Newsletters, Whatsapp community information, etc.).

## PROJECT PORTFOLIO

The investments made so far are distributed in the Mid-Market and Upper-Market residential segments, in several cities in the country (Bucharest, Sibiu, Brasov, Iasi, Constanta).

As of 31 December 2023 the Meta Estate Trust project portfolio included:



### Avrig Park Residence (Phase I)

**Location:** Bucharest, Obor  
**Developer:** Rock Development Investment  
**Site:** [avrigparkresidence.ro](http://avrigparkresidence.ro)  
**Entry:** August 2021  
**Investment type:** apartment acquisition



### Parcului 20

**Location:** Bucharest, zona Expoziției  
**Developer:** Cordia Parcului Residential Project  
**Site:** [parcului20.ro](http://parcului20.ro)  
**Entry:** August 2021  
**Investment type:** acquisition apartment



### Greenfield Baneasa

**Location:** Bucharest, Băneasa  
**Developer:** Impact Developer & Contractor  
**Site:** [greenfieldresidence.ro](http://greenfieldresidence.ro)  
**Entry:** August 2021  
**Investment type:** apartment acquisition



### The Level Phase II

**Location:** Bucharest  
**Developer:** Redport Properties  
**Site:** <https://thelevel-apartments.ro/>  
**Entry:** July 2021  
**Investment type:** apartment acquisition + equity/loan



### Mobexpert Homes

**Location:** Ilfov, Pipera  
**Developer:** Olimp Imobiliare  
**Site:** [mobexporthomes.ro](http://mobexporthomes.ro)  
**Entry:** Noiembrie 2021  
**Investment type:** houses acquisition



### Mătășari

**Location:** Bucharest, central  
**Developer:** Rock Green Development  
**Entry:** December 2021  
**Investment type:** apartments acquisition



### Bliss Estate

**Location:** Brașov, Ghimbav  
**Developer:** Art Innovation  
**Site:** [blissestate.ro](http://blissestate.ro)  
**Entry:** February 2022  
**Investment type:** houses acquisition



### NOA Residence

**Location:** Bucharest, zona Bucureștii Noi  
**Developer:** Nedef Properties  
**Site:** [noaresidence.ro](http://noaresidence.ro)  
**Entry:** April 2022  
**Investment type:** apartments acquisition



## Sopra Neptun

**Location:** Neptun, Mangalia  
**Developer:** Sopra Estate  
**Site:** [N/A](#)  
**Entry:** November 2022  
**Investment type:** apartment acquisition



## First Estates

**Location:** Bucharest, zona Pipera  
**Developer:** Alsin Management  
**Site:** [firstestates.ro](#)  
**Entry:** December 2022  
**Investment type:** apartment acquisition



## Rock Mountain

**Location:** Poiana Braşov  
**Developer:** Rock Mountain  
**Site:** [N/A](#)  
**Entry:** December 2022  
**Investment type:** equity/loan



## Metropolitan Residence

**Location:** Bucharest, Aviaţiei  
**Developer:** Metropolitan Developments  
**Site:** [www.metropolitanresidence.ro](#)  
**Entry:** August 2023  
**Investment type:** apartment acquisition



## The Level Phase

III

**Location:** Bucharest  
**Developer:** Redport Properties  
**Site:** <https://thelevel-apartments.ro/>  
**Entry:** August 2023  
**Investment type:** apartment acquisition + equity/loan



## Novarion - The Lake

**Location:** Sibiu  
**Developer:** Novarion Living Experience  
**Site:** [www.novarion.ro](#)  
**Entry:** August 2023  
**Investment type:** apartment acquisition + equity/loan



## One 66 - Central Residence

**Location:** Braşov  
**Developer:** One66  
**Site:** <https://one66.ro/>  
**Entry:** February 2023  
**Investment type:** apartment acquisition



## Swissotel

**Location:** Brasov, Poiana Brasov  
**Developer:** Neagoe Basarab  
**Site:** [www.asterhotel.ro](#)  
**Entry:** September 2023  
**Investment type:** apartment acquisition



## NOA Victoriei

**Location:** Bucharest  
**Developer:** Nedef Properties  
**Site:** <https://noavictoria.com/>  
**Entry:** September 2023  
**Investment type:** apartment acquisition



## Ion Dragalina

**Location:** Bucharest  
**Developer:** APX Immo Property  
**Site:** n/a  
**Entry:** November 2023  
**Investment type:** equity/loan

## ANALYSIS OF THE FINANCIAL RESULTS

### Overview of financial results

In 2023 Meta Estate Trust SA achieved total revenues of RON 28.2 million (2022: RON 21.7 million) and a net profit of RON 9.5 million (2022: RON 6.5 million), an increase of more than 45% compared to the previous year's net result. The company's performance was backed-up by its business model, sound strategy and ability to adapt quickly to market conditions during the year, including by adopting tight control over operating costs. As at 31 December 2023 total assets reached the threshold of RON 110 million, up 12% compared to the end of 2022, while the investment portfolio reached the threshold of RON 101 million, up 25% during FY2023.

The Company has constantly monitored its investment portfolio and cash flow situation and has managed to maintain a consistently very good cash position throughout 2023. This allowed new investments and total placements of over RON 65.8 million in 2023 in 18 investment projects, of which 12 new projects in Bucharest, Constanta, Sibiu and Brasov. At the same time, the investment portfolio generated proceeds in 2023 of approximately RON 63.7 million, of which RON 48.3 million related to exits marked in the financial period ended 31 December 2023.

As at 31 December 2023 the Company benefited from an increased liquidity position with a current liquidity ratio of 9.7x (31 December 2022: 9.2x) and an immediate liquidity ratio of 4.25x (31 December 2022: 4.8x) and a low gearing ratio of 6.29% (31 December 2022: 0.98%), indicating that Meta Estate Trust is in a strong financial position.

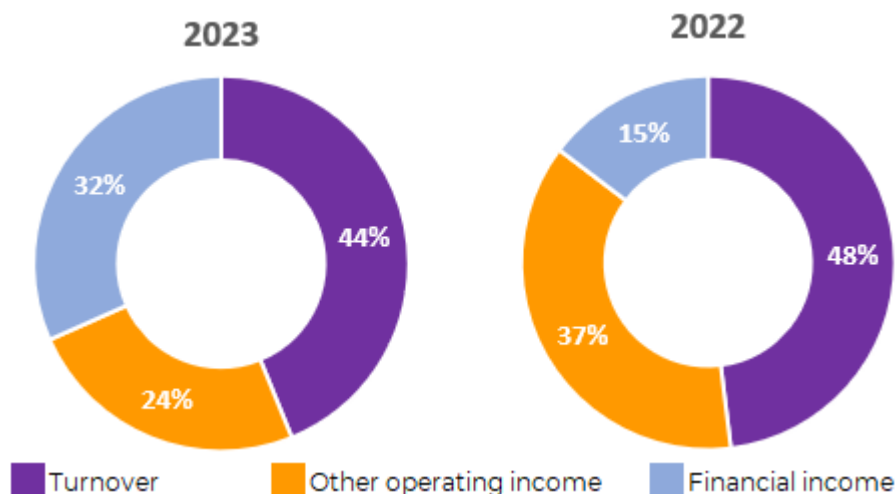
### Analysis of the income statement

INCOME AND EXPENSES (RON'000)	2023	2022	Variation	Variation%
Total operating income	19,290	18,546	744	4%
Expenses directly related to operating income	11,027	9,649	1,378	14%
<b>Operating margin before general expenses</b>	<b>8,263</b>	<b>8,897</b>	<b>(635)</b>	<b>-7%</b>
General operating expenses	5,927	4,398	1,528	35%
<b>Operating result</b>	<b>2,336</b>	<b>4,499</b>	<b>(2,162)</b>	<b>-48%</b>
Financial income	8,926	3,190	5,736	180%
Financial expenses	624	502	123	24%
<b>Financial profit</b>	<b>8,302</b>	<b>2,688</b>	<b>5,613</b>	<b>209%</b>
<b>Gross profit</b>	<b>10,638</b>	<b>7,187</b>	<b>3,451</b>	<b>48%</b>
Tax on income	1,164	674	489	73%
<b>NET PROFIT</b>	<b>9,474</b>	<b>6,513</b>	<b>2,961</b>	<b>45%</b>

In 2023, Meta Estate Trust's operating revenues amounted to RON 19.3 million (2022: RON 18.6 million) and represented 68% of total revenues for the period (2022: 85%).

Turnover reached RON 12.4 million (2022: RON 10.5 million) representing 44% of total revenues and was generated predominantly from the sales of residential real estate units in Bucharest owned in The Level, Mobexpert, Avrig and Parcului projects. These became the property of the Company during 2023.

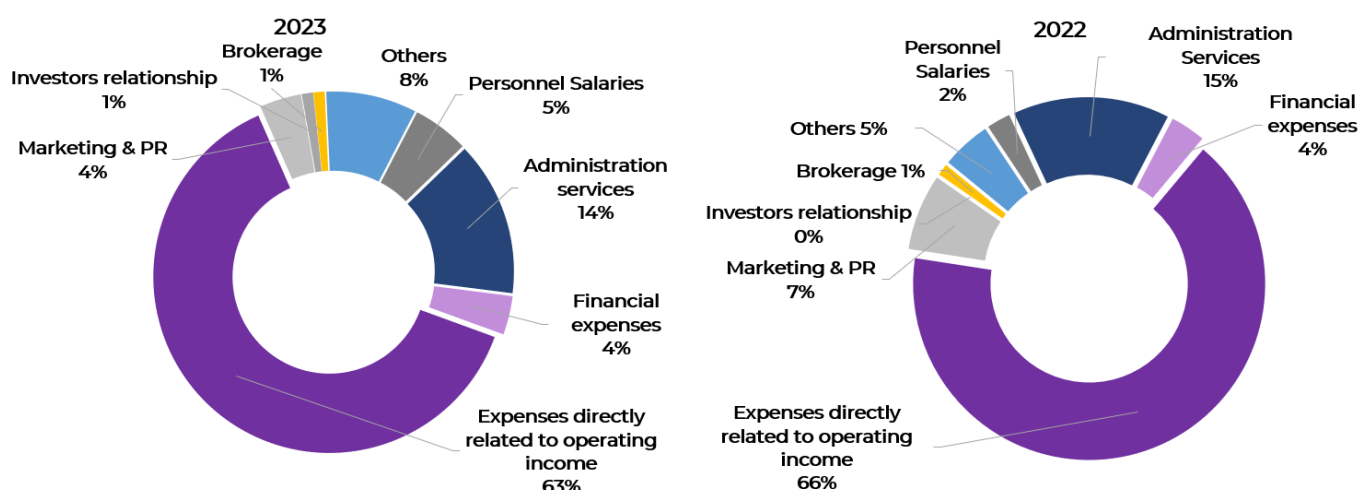




Other operating income accounted for 25% of total income (2022: 37%) and were mainly generated from the partial or total completion of investments in the Rahmaninov and Dante Alighieri projects (Bucharest), the UpLake project (Lakeside Palace - Chitila), NOA Pajura (Bucharest), Mătăsari (Bucharest), Metropolitan (Bucharest) and the Eforie Sud project (Constanța) for a total amount of RON 5 million and from assignments of receivables or sale-purchase promises in The Level and Mobexpert projects (Bucharest) for RON 1.8 million.

Expenses directly related to operating income amounted to RON 11 million (2022: RON 9.6 million) and were mainly represented by expenses related to assets sold including brokerage commissions, notary fees and other expenses related to the acquisition of real estate units or the assignment of promissory sales contracts. These expenses represent 65% of total operating expenses (2021: 69%).

Thus, the operating margin before overheads was RON 8.3 million (2022: RON 8.9 million), representing 43% of total operating income.



General operating expenses in the amount of RON 5.9 million represented 35% of total operating expenses for the period (2022: RON 4.4 million, 31%), the increase being due to growth in the Company's business volume. Expenses related to management services accounted for 42% of total general operating expenses and mainly represent the remuneration related to the management contract concluded with Meta Management Team SRL. Salaries accounted for 15% of general expenses (2022: 8%), with the Company recording an average number of 6 employees with individual employment

contracts and 2 persons with individual mandate contracts related to management positions during 2023. Marketing and PR expenses accounted for 11% of overheads (2022: 22%).

Based on the above results, the Company recorded an operating profit in 2023 in the amount of RON 2.3 million (2022: RON 4.5 million).

The financial income recorded in 2023 in the amount of RON 8.9 million represented 32% of the total income for the period and was mainly generated by shareholder loan operations for entities in which Meta Estate Trust holds stakes and is a partner in the co-development of real estate projects, as well as dividend income received (2022: RON 3.2 million). The significant increase compared to the previous year was driven by the exit from The Level - Phase II project developed in partnership with Redport Properties, through the sale of the 40% stake and the realization of dividends associated with this investment in the amount of RON 2.9 million.

Financial income was supplemented by income from short-term bank placements of RON 0.3 million (2022: RON 0.5 million), as well as income from favorable EUR/RON exchange rate differences on commercial transactions in foreign currencies of RON 0.9 million (2022: RON 0.3 million).

Financial expenses amounted to RON 0.6 million (2022: RON 0.5 million) and were mainly generated by changes in the EUR/RON exchange rate related to transactions in EUR.

Thus, Meta Estate Trust achieved a financial profit of RON 8.3 million (2022: RON 2.7 million), 3 times higher than the previous year and 9% higher than budgeted for the current year.

In 2023 the Company recorded a gross profit in the amount of RON 10.6 million, a 50% higher result compared to the previous year. The amount of corporate income tax due for 2023 was RON 1.2 million (2022: RON 0.7 million).

The company achieved a net profit of RON 9.5 million in 2023, 45% higher than in 2022 and about 40% higher than the budgeted net result for 2023, thus confirming its very good financial performance in a challenging year for the real estate market.

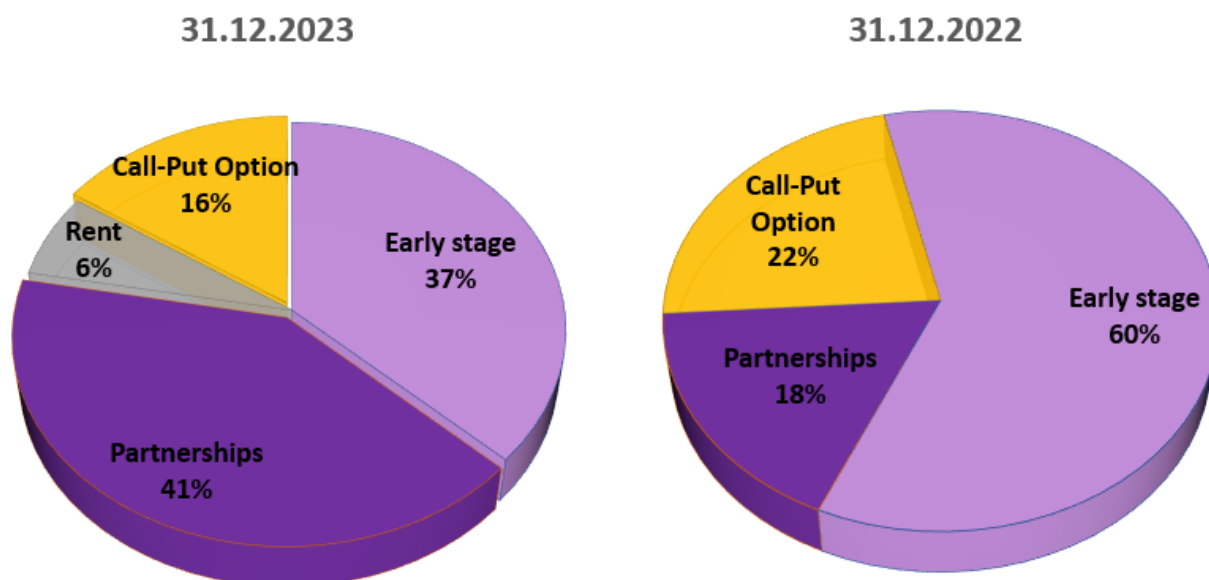
## Balance sheet analysis

ASSETS (RON'000)	31.12.2023	31.12.2022	Variation	Variation%
Intangible assets	-	12	(12)	-100%
Tangible fixed assets	1,128	493	635	129%
Financial fixed assets	26,449	10,090	16,359	162%
<b>Total fixed assets</b>	<b>27,577</b>	<b>10,595</b>	<b>16,982</b>	<b>160%</b>
Inventories	36,774	42,155	(5,381)	-13%
Debts	39,800	29,099	10,701	37%
Cash and bank accounts	5,529	16,646	(11,117)	-67%
<b>Total current assets</b>	<b>82,103</b>	<b>87,900</b>	<b>(5,797)</b>	<b>-7%</b>
Expenditure in advance	71	89	(18)	-20%
<b>TOTAL ASSETS</b>	<b>109,752</b>	<b>98,584</b>	<b>11,168</b>	<b>11%</b>

As of 31 December 2023, total assets reached RON 109.8 million, up 11% from the end of 2022 (31 December 2022: RON 98.6 million). The increase in assets was driven almost exclusively by additional liquidity generated by projects completed during 2023.

The asset structure as at 31 December 2023 follows the Company's investment strategy, with four main lines of business being implemented: **Partnerships with developers**, **Early stage** or acquisition of housing in the early stages of construction with exit before or on completion, **Call/Put-Option** on real estate assets involving pre-contracting of a future or completed property, and **Income recurring** through the acquisition of housing to generate rental income. The investment turnover achieved

during the year allowed a rebalancing of the existing investment portfolio by reducing the majority position of the Early stage business line, developing the Partnerships with developers business line and launching the first projects associated with the Income recurring business line.



**Partnerships with developers** aim to invest in early stage projects with planning permits, where the need for development capital is high. The Company classifies partnerships with Rock Mountain, Novarion Living Experience, Redport Capital and APX Immo Property in this category where the investment is in the form of a shareholder loan, with the Company also holding an equity investment in the partners..

This type of investment is included in the company's balance sheet under Fixed Assets, classified as Financial Fixed Assets, reflecting as at 31 December 2023 the value of the shareholdings held by Meta Estate Trust in Novarion Living Experience SA (17% of the shares), as well as the shareholder loan granted for a total amount of RON 15 million, the value of the shareholdings held in Redport Capital SRL (10% of the shareholding) and the shareholder loan granted for a total amount of RON 5 million, the value of the shareholdings held in Rock Mountain SRL (5% of the shares), as well as the shareholder loan granted for a total amount of RON 11.2 million and the value of the stakes held in ICD Fabrica de Caramida (20% of the shareholding), as well as the shareholder loan granted for a total amount of RON 6.9 million.

**Financial Fixed Assets** also include the Company's investment in shares held in affiliated entities: Highcrowd Technologies SA (51% of the shareholding), Mont Blanc Assets SRL (100% of the shareholding) and Montserrat Assets SRL (100% of the shareholding). In 2023 the Company granted a shareholder loan to Montserrat Assets SRL in the amount of RON 2 million for the purchase of two apartments in the residential complex The Level - Phase III which were subsequently leased to the developer Redport on 5-year leases.

**Financial Fixed Assets** increased during 2023 by RON 16.6 million as a result of the additional loan of RON 7.2 million granted by the Company to Rock Mountain, the completion and structuring of the loan of RON 7.5 million granted to Novarion Living Experience (RON 2 million additional loan granted during 2023 and partial reclassification of existing financing as at 31 December 2022 in the amount of RON 4.5 million from the category Receivables to the category Long-term financial assets), as well as the loan granted to Monserrat Assets SRL mentioned above. At the same time, the Company successfully completed The Level - Phase II residential project with partner Redport Capital and further financed in the third quarter of 2023 with a loan in the amount of RON 5 million for the development of The Level - Phase III project.

Furthermore during the last quarter of the year, the Company entered into a partnership with the developer APX Immo Property for a high-end residential project in the Cotroceni area (Bucharest), granting a mezzanine financing of RON 6.9 million, with a duration of 12 months, and acquiring a 20% stake in ICD Fabrica de Carămidă.

**Early stage** investment typology or the purchase of housing in the early stages of construction, as well as the **Call/Put-Option** line of business is presented in the **Current assets** structure under the **Inventories** category, which reflects as at 31 December 2023 the value of advances granted for real estate projects totaling RON 29.7 million, as well as the value of buildings completed and taken possession of by the Company totaling RON 7.6 million. The structure of the projects in the Inventories category is shown below:

REAL ESTATE PROJECTS (RON'000)	31.12.2023	31.12.2022
AVRIG 7 - Phase I	2,279	3,129
AVRIG 7 - Phase IIA	3,116	3,114
AVRIG 7 - Phase IIB	4,953	4,947
Matasari	-	2,674
Neagoe Basarb	3,436	-
Metropolitan	2,424	-
ONE66	2,877	-
NOA Residence Pajura	4,447	1,977
NOA Victoria	2,468	-
The Level	341	4,239
XUX Morilor	1,509	247
Mobexpert	2,489	-
Parcului 20	1,924	-
UpLake	770	1,489
Others	3,741	5,595
Rahmaninov	-	6,897
Dante Aligheri	-	7,846
<b>Total Inventories</b>	<b>36,774</b>	<b>42,155</b>

During 2023, the Call/Put-Option investments in the Rahmaninov and Dante Aligheri real estate projects located in Bucharest were completed and cashed in (their balance is reflected in Inventories as at 31 December 2022: RON 14.7 million). New investments made by the Company during 2023 associated with the Early Stage and Call/Put-Option lines of business totaling RON 20 million were: in Poiana Brasov for the Neagoe Basarab project, in Bucharest in the Metropolitan, One66, Noa Residence Pajura, Noa Victoria, Mobexpert and Parcului 20 projects, and in Sibiu in the XUX Morilor project.

Investment category **Income recurring** or Income producing assets outlined during 2023 aims to operate real estate units with a view to generating recurring rental income. This line of business also allows the Company to adapt to market cycles and move assets from the Early stage category that are not sold in a timely manner to the Income producing assets category. As at 31 December 2023 the real estate properties in The Level (through the Montserrat subsidiary), Avrig and Neagoe Basarab projects are included in this category.

Outstanding receivables mainly represent amounts receivable on partially or fully divested projects arising from agreements to terminate sale and purchase commitments or short-term interest on loans. The Company also classified in the category Receivables the short-term loan granted to ICD Fabrica de Cămămidă in the amount of RON 6.9 million, as well as the short-term loan granted to Novarion in the amount of RON 7.5 million and the related interest due in 2024.

The amount of receivables as at 31 December 2023 stood at RON 39.5 million, an increase of 36% compared to last year mainly as a result of the completion of the shareholder loan granted to Novarion described above, as well as the financing granted in the ICD Brick Factory projects of RON 6.9 million and Mătășari totalling RON 12.5 million as at 31 December 2023.

Cash in bank accounts decreased from RON 16.6 million to RON 5.5 million as a result of the investments made by the Company during the year as described above.

LIABILITIES AND SHARE CAPITAL (RON'000)	31.12.2023	31.12.2022	Variation	Variation%
Short term debt	6,391	956	5,435	568%
Provisions	35	19	16	85%
<b>Total debt and provisions</b>	<b>6,426</b>	<b>975</b>	<b>5,451</b>	<b>559%</b>
Share capital	93,492	87,035	6,456	7%
Share premium	-	6,456	(6,456)	-100%
Reserves	901	359	542	151%
Reported results	-	(2,396)	2,396	-100%
Profit for the period	9,474	6,513	2,961	45%
Profit sharing	(542)	(359)	(183)	51%
<b>Total Equity</b>	<b>103,325</b>	<b>97,609</b>	<b>5,717</b>	<b>6%</b>
<b>TOTAL LIABILITIES AND SHARE CAPITAL</b>	<b>109,752</b>	<b>98,584</b>	<b>11,168</b>	<b>11%</b>

Short-term payables outstanding at 31 December 2023 increased by RON 6 million and represent:

- ✦ Trade debts with current suppliers (RON 1 million)
- ✦ Financial liabilities related to net dividends payable (RON 3.5 million), income tax due for the fourth quarter (RON 0.2 million), dividend withholding tax (RON 0.3 million)
- ✦ Credit contracted from Libra Bank for the purchase of real estate (RON 1.1 million)

During the financial year 2023, the previous year's profit was allocated to cover losses from previous years, the legal reserve and other reserves were established, and share premiums were transferred to the reserve account.

The share capital of the Company was increased in September 2023 by the amount of RON 6.5 million by incorporating reserves from previous profits and issuing 6.5 million shares distributed free of charge to shareholders.

In December 2023, the General Meeting of Shareholders decided to grant cash dividends in the total gross amount of RON 3.8 million (from the reserves related to 2022 profit).

Meta Estate Trust's equity increased by 6% compared to 31 December 2022 as a consequence of the result for 2023. The share capital of Meta Estate Trust as at 31 December 2023 consists of 93,491,736 shares with a nominal value of RON 1/share.

The book value per share on 31 December 2023 is RON 1.11/share. Net profit per share as at 31 December 2023 is RON 0.1/share (31 December 2022: RON 0.07/share).

## Cash flow analysis\*

<b>CASH GENERATED BY OPERATING ACTIVITY (RON'000)*</b>	<b>(11,766)</b>
Project receipts	63,748
Project payments	(65,852)
Expenses related directly to projects	(2,240)
Administrative expenses, of which:	(7,422)
- <i>Meta Management Team</i>	(2,768)
- <i>salaries and collaborators</i>	(1,851)
- <i>taxes and duties</i>	(1,245)
- <i>other operating expenses</i>	(1,559)
<b>CASH USED FOR INVESTMENT ACTIVITIES (RON'000)*</b>	<b>(489)</b>
- office set-up	(511)
- share capital increases – subsidiaries	(174)
- interest receipts and miscellaneous	388
<b>NET CASH FROM FINANCING ACTIVITIES (RON'000)*</b>	<b>1,139</b>
- Financing from Libra Bank	1,139
<b>TOTAL CASH FLOW DURING THE PERIOD (RON'000)</b>	<b>(11,117)</b>
Cash at the beginning of the period	16,646
Cash at the end of the period	5,529

*he above table contains amounts extracted by the Company from its operating activities and its own internal system, and are not presented in accordance with the requirements of OMFP 1802/2014 on Cash Flows as reflected in the audited financial statements attached to this report.*

Continuous monitoring of the cash flow situation as well as the investment portfolio, both to manage current investments and to place cash into new opportunities considered by the Company, has resulted in an approximately 62% turnover of equity during 2023 in operating activity. Thus, the Company managed to partially or fully close projects from which it received RON 63.7 million and placed cash totaling RON 65.8 million in existing additionally financed projects or in new projects during January - December 2023. Operating activities also include cash payments related to 2023 for administrative expenses amounting to RON 7.4 million, of which 60% are payments to the management company, salaries of staff and collaborators, 16% taxes and duties, while the difference is payments for current operating expenses.

Net cash used in investment activity amounted to RON 0.5 million during 2023 and represented payments for the development of the Company's new headquarters and for the increase in the share capital of subsidiaries, adjusted by interest receipts related to the use of cash on hand in the form of bank placements.

Net cash from financing activities in 2023 included the loan contracted from Libra Bank in the amount of RON 2 million from the available credit line in the total amount of EUR 1.5 million, of which RON 1 million was repaid in the last quarter related to sales of financed real estate units.

## FINANCIAL INDICATORS

<i>Financial data in RON '000</i>	<i>31.Dec.23</i>		<i>31.Dec.22</i>	
<b><i>Current liquidity indicator</i></b>				
Current assets (A)	82,161	<b>=12.86</b>	87,966	<b>=91.98</b>
Current liabilities (B)	6,426		956	
<b><i>Degree of indebtedness</i></b>				
Total debts (A)	6,391	<b>=0.0619</b>	956	<b>=0.0098</b>
Equity capital (B)	103,325		97,609	
<b><i>Overall solvency ratio</i></b>				
Total assets (A)	109,752	<b>=17.0725</b>	98,584	<b>=103.0840</b>
Current liabilities (B)	6,391		956	
<b><i>Gross operating margin rate (before general operating expenses)</i></b>				
Gross operating margin (before general operating expenses)	8,263	<b>=0.4284</b>	8,897	<b>=0.4797</b>
Operating income	19,290		18,546	
<b><i>Turnover rate of customer flows</i></b>				
Average customer balance	339.64	<b>=10.0175</b>	333.03	<b>=11.6375</b>
Annualized turnover	12,375		x365	
<b><i>Turnover rate of fixed assets</i></b>				
Annualized turnover	12,375	<b>=0,4487</b>	10,445	<b>=0,9859</b>
Fixed assets	27,577		10,595	

## PERSPECTIVES, OPPORTUNITIES AND RISKS FOR 2024

### Perspectives

From an operational perspective, the main directions on which we want to develop the Company's activity are:

- ✦ Analysis and implementation of new investments to develop the business line **Partnerships with developers** targeting mainly residential projects in key Romanian cities with above average population density and individual income, significant university and business centers.
- ✦ Developing the **Income recurring** segment by investing in both residential and commercial assets aimed at generating recurring income and developing the activity of the affiliated companies Montserrat Assets SRL and Mont Blanc Assets SRL.
- ✦ Taking ownership of several residential units acquired in early project phases during the period 2022-2023 and re-selling a significant proportion of the residential units in the portfolio in completed projects.
- ✦ Monitoring projects in which the Company is directly involved as a shareholder or financier in order to achieve the assumed returns.

On 20 March 2024 the Board of Directors approved the Income and Expenditure Budget for 2024, which was published together with the GSM convenience, for approval by the General Meeting of Shareholders on 25 April 2024.

The budget for 2024 is shown below and includes the results expected to be generated by the Company over the next 12 months:

REVENUES (RON'000)	Budget 2024	Actual 2023	Variation	%
Turnover	14,436	12,375	2,061	17%
Other operating income	8,091	6,915	1,176	17%
Expenses directly related to operating revenue	(13,175)	(11,027)	(2,148)	19%
Financial income from investments in which the Company is a shareholder	9,901	7,801	2,100	27%
Financial expenses - directly related to investments	(500)	(43)	(457)	100%
<b>Net Operating Income</b>	<b>18,753</b>	<b>16,021</b>	<b>2,732</b>	<b>17%</b>
General operating expenses	(6,556)	(5,927)	(629)	11%
Other net financial income/(expenses)	433	544	(111)	-20%
<b>Gross Profit</b>	<b>12,630</b>	<b>10,638</b>	<b>1,992</b>	<b>19%</b>
Corporate income tax	(2,021)	(1,164)	(857)	74%
<b>NET PROFIT FOR THE FINANCIAL EXERCISE</b>	<b>10,609</b>	<b>9,474</b>	<b>1,135</b>	<b>12%</b>

For the year 2024, the Company aims to continue its growth strategy both by acquiring housing and/or rental assets and by supporting projects as a shareholder. Also during 2024, Meta Estate Trust will take ownership of several residential units acquired in the initial project phases which it will capitalize in 2024 and 2025.

In order to implement these directions of action, the company plans to raise funds mainly from bank loans. By implementing these strategies, the company expects gross profit to increase by 18% year-on-year and net profit by 12% year-on-year in 2024.

For the year 2024, the Company estimates an increase in total revenues of 20% compared to the previous year, up to RON 32.9 million.



*Turnover* is budgeted at RON 14.4 million based on estimated sales of rental units purchased in the project phase in previous years and to be completed in 2024, up 17% from the previous year..

*Other operating income* includes income related to disposal fees and indemnities from termination agreements. Compared to 2023, an increase of 17% is forecast based on the estimated completion of current investments made in previous years.

*Financial income related to investments* in which the Company is a shareholder relates mainly to interest income on loans granted to companies in which the Company has an interest. The estimated increase takes into account continued support for existing projects as well as new partnerships with developers who will carry out projects of interest to the Company.

*Operating expenses - directly related to investments* are estimated to increase to RON 13.2 million due to the increase in the volume of activity on the trading of completed real estate units. These expenses include costs related to assets sold, including brokerage commissions, notary fees and other costs related to the acquisition of real estate units or the assignment of sale promise contracts.

*General operating expenses* are estimated at RON 6.6 million. These expenses mainly include management services and personnel costs, marketing and advertising costs and other legal costs of running the company. General operating expenses are estimated to be in line with the previous year, with a 12% increase representing a higher budgeting of legal services expenses in the current context of the litigation with the management company.

*Financial expenses - directly related to investments* are interest costs related to bank loans contracted by MET. The company intends to access funds from credit institutions to pay the final instalment on the pre-contracted buildings.

## Opportunities

The slowdown in the volume of transactions in the residential segment due to the current context will generate very diverse investment opportunities for MET on favorable terms. The expected opportunities are related to the following types of transactions:

- ✦ Purchase of completed or project housing at a volume discount.
- ✦ Acquisition of rental assets, entering the commercial segment and establishing strategic partnerships with corporations in this segment.
- ✦ Purchase of distressed assets (with potentially higher yield).
- ✦ Partnerships with developers in the medium and long term.

## Risks

The activities carried out by the Company may give rise to various risks. The Company's management is aware of these and monitors events that may have adverse effects on the Company's operations. The main specific risks to which the Company is exposed in the coming period are:

### The specific risk of price value and transaction volume developments in the real estate market

The company may face the scenario that real estate asset prices may stagnate or decline due to reasons such as international crises or national political crises, negative market sentiment, which implicitly causes the postponement of the purchase decision, financial crises or the application of more conservative lending policies by banks, which complicate access to mortgages for the end customer. With the potential decrease in sales prices, the Company's revenues could be lower than initially estimated.

### Risk specific to Early Stage transactions

This risk is related to the developer's inability to complete or late completion of projects for which the Company has paid an advance when signing promissory purchase agreements - in this case, recovery of the advance payments can only take place after a lengthy procedure with an unpredictable outcome. The Company applies an investment policy involving additional analysis in Early Stage transactions, aimed at reducing the risks specific to these types of transactions.

### Concentration risk

This risk arises when a significant proportion of the Issuer's investments are concentrated in the same project, city or type of function (residential, commercial, office, logistics). With the attraction of additional funds into the company through shareholder contributions and bank loans, the growth of the Issuer's real estate assets will be achieved through diversification, both geographically and in terms of functions, but mainly investment projects in dynamic urban centers in Romania will be targeted.

Together with the other two risks above, specific to the evolution of prices and transaction volumes in the real estate market and specific to Early Stage transactions, these risks are considered by the company to be in the *Operational Risks* sphere.

### Interest rate and exchange rate risk

*Interest rate risk* - Macroeconomic and international developments, as reflected in the dynamics of inflation, national and European monetary policies and capital market developments, influence interest rates, to which the Company is directly exposed through its loans and borrowings and indirectly through the attractiveness of the units offered for sale by the Company and its partners. Increases in interest rates are absorbed in finance costs, negatively impacting the Company's financial results, results of operations and prospects, and may also impact the Company's revenues from or in connection with rental unit sales transactions.

*Foreign exchange risk* - The RON is subject to a floating exchange rate regime, whereby its value against foreign currencies is determined on the interbank exchange market. The monetary policy of the National Bank of Romania ("NBR") targets inflation. The ability of the NBR to limit the volatility of the leu depends on a number of economic and political factors, including the availability of foreign currency reserves and the volume of new foreign direct investment. A significant depreciation of the RON could adversely affect the economic and financial situation of the country, which could have a material adverse effect on the Issuer's business, results of operations and financial condition.

### Liquidity risk

Liquidity risk is the scenario in which the Company cannot meet its obligations on time. The Company manages liquidity through a mix of cash from current operations and cash from financing activities. In the event that certain assets become illiquid for a certain period of time in the operational activity, the Company relies more on the financing component. There is a risk that at certain market moments the Company may not be able to access additional financing, either from credit institutions or from the capital market. A higher amount attracted for investment will allow the Company to access larger and more diversified transactions in other market segments (such as office or retail) and, by increasing the size of the business, streamline the administrative cost structure. This is generally dependent on the economic development of Romania as a whole, on investors' and financiers' perception of the real estate market, as well as on the performance of other economic sectors. The Company's performance and positioning also influences its ability to attract funds for new investments. Sound planning and diversification of funding sources are ways in which the Company's management aims to maintain reliable access to finance, even if financing conditions become less favorable in the future.

The main risks and uncertainties regarding the activity carried out by Meta Estate Trust SA, which remain valid in 2023, are identified and presented in detail in the Prospectus for the Initial Public Offering approved by the ASF by Decision no. 894 dated 14.07.2022.

## MANAGEMENT STATEMENT

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According to the best information available, we confirm that:

- ✦ The financial statements for the year ended 31 December 2023 present a true and fair view of the assets, liabilities, financial position, and statement of income and expenses of Meta Estate Trust SA as required by applicable accounting standards
- ✦ The report attached hereto, prepared in accordance with Article 65 of Law no. 24/2017 on issuers of financial instruments and market operations and Addendum no. 15 to ASF Regulation no. 5/2018 on issuers of financial instruments and market operations for the year 2023, contains correct and true information on the Company's development and performance.

Laurențiu-Mihai Dinu representing Cert Master Standard SRL – Chairman of Board of Directors

Alexandru-Mihai Bonea –General Director

Bogdan Gramanschi –Financial Director