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# INCOME AND EXPENSE BUDGET 2025



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## Macroeconomic context and the real estate market

We are going through a challenging period, marked by significant events both domestically and internationally. The macroeconomic context is directly influenced during this period by geopolitical tensions, which have escalated through the intensification of armed conflicts, as well as by the electoral years we are going through, both domestically and internationally, and which are modifying the policies implemented at the level of the main economies of the world. We see financial markets very sensitive to macroeconomic evolutions in developed countries and a fragility of investor confidence at a high level.

The international economic growth rate is estimated by the IMF at 3.3% for 2025 and 2026, but growth forecasts are different at the level of global economies. At the level of developed countries, the favorable evolution of the US economy is noteworthy, while that of the Eurozone was revised downward by 0.2 percentage points at the beginning of 2025 by the European Central Bank, to 0.9% for 2025, respectively 1.2% for 2026. This evolution follows the slightly below-expected growth recorded at the end of 2024, fueled by high uncertainties both internally in the Union and related to international trade policies.

In 2024, Romania's gross domestic product registered a significant slowdown, both compared to the 2.4% level of 2023 and the previous forecast of 2.9% by the European Commission for 2024. Therefore, economic growth in 2024 contracted to 0.9% according to the latest data published by the INS. Of the negative developments that contributed to GDP formation, agriculture stands out with a share in GDP of 3.2% and a volume of activity reduced by 10.5%, construction with a share in GDP of 7.5% and a volume of activity reduced by 2.4% and real estate transactions with a share in GDP of 7.2% and a volume of activity reduced by 1.3%. As in previous years, consumption, the main driver of GDP in recent years, was noted as a positive development, but in contrast to the net export of -2.9% recorded, which had a negative impact on economic growth.

A negative development recorded in 2024 also comes from the public sector, where the budget execution for 2024 brought a deficit of 8.6% of GDP, a record level, well above forecasts and commitments assumed towards the European Union. This aspect maintains high uncertainties regarding fiscal and revenue policy, including in an electoral context, but also from a longer perspective considering the budget consolidation plans that will be negotiated with the European Commission to reduce the deficit.

Therefore, we are facing a complicated year 2025 at the very least. We are in a position to navigate both a inflamed political context, internally by the cancellation of the presidential elections and externally by the new political pressures manifested in Romania and in European Union countries, as well as an economic context marked by the challenges presented above and supported by a positive development closely linked to Romania's capacity to accelerate investments and absorb as much of the funds made available by the European Union as possible.

The annual inflation rate decreased in 2024 to 4.62% in September and ended the year at 5.14% in a slight increase due to the increase in fuel and food prices amid the contraction of agriculture influenced by the drought recorded during the summer. According to the estimates of the National Bank of Romania presented in the minutes of the monetary policy meeting of February 2025, the annual inflation rate is expected to experience a pronounced fluctuation in the first half of 2025, and in the second half to decrease on a higher trajectory than in the previous projection, remaining above the target range until the end of this year, where a value of 3.7% is expected, with a sustained decrease in the following year to 2.9% in December 2026.

# Income and expense budget 2025

(all amounts are expressed in thousands of RON ("RON'000", unless otherwise specified)



The residential real estate market activity in Romania recorded an increase during 2024 compared to the previous period, an evolution visible in the number of real estate transactions (+10% in the first 10 months, compared to the previous year, with a slight downward trend at the end of the year temporarily influenced by the electoral period). Prices per useful square meter of residential units continued to increase, directly influenced by a decreasing supply and at least a maintenance of market demand. Also, the decrease in inflation, as well as the stabilization of interest rates and the offers of mortgage loans with a fixed interest rate of 5% boosted both transactions and prices, which recorded an increase of 10-15% in 2024, the growth trend having been maintained in the first months of 2025. The trends for 2025 are of a continued increase in prices, but their evolution depends on several factors, the most important being related to the labor market and economic activity. If there are any deteriorations in the labor market, they will directly affect housing prices and future transactions, but short-term corrections cannot be major given that prices are calibrated to current material costs and labor prices. Overall, the outlook for 2025 is positive, supported by slight economic growth, a relatively stable labor market with wage growth trends, as well as a decrease in inflation and anticipated interest rates for the second half of 2025. Also, the medium-term price trend is increasing and is even expected to accelerate given the decreasing supply and reduced deliveries of new units in the coming period, especially in Bucharest. An important factor contributing to the price increase is the rise in the construction costs, with an 11% increase in 2024 compared to the previous period and growth trends in the coming period against the background of the labor shortage and fiscal measures implemented in 2024.

The activity in the commercial and retail real estate market registered an expansion in 2024, with Romania emerging as the regional leader in real estate investments with an advance of over 58% compared to the previous period, according to the annual report published by Colliers. Investments were mostly directed towards commercial spaces, followed by industrial spaces, while office spaces represented only a small part of 3% of total investments, as noted by the National Bank of Romania in its Financial Stability Report, December 2024. A difficult year 2025 is foreseen for the local office market, against the backdrop of low rental demand, which will amplify the differences between modern, energy-efficient and well-positioned projects and the less competitive ones. According to Colliers consultants, this dynamic generates a dual market: on the one hand, modern and well-positioned buildings continue to attract tenants, while less performing spaces face difficulties in attracting or retaining occupants.

The retail market delivered over 160,000 square meters of completed modern spaces in 2024, and the outlook for 2025 is for growth to over 200,000 new square meters. Yields in this segment remained stable, with values between 7.25% and 7.75% for shopping centers, offices or top industrial assets. Also, transactions with retail commercial parks opened in regional cities concluded with yields of 8%, also supported by the appetite for financing in this segment of Romanian banks.

The commercial real estate market has made the transition from office spaces to industrial and commercial ones, observing a greater resilience of the latter to adverse factors manifested by current political tensions and a slight economic instability. As the NBR notes in its Annual Report, Romania's attractiveness in terms of industrial and logistics spaces is expected to increase further with the entry into the Schengen area also by road. Their development is closely linked to the existing infrastructure, while future deliveries depend on the infrastructure works under development. The factors supporting the expansion of the logistics and industrial sector also include the favorable difference between wages and productivity, which will continue to attract companies interested in relocating production, as well as the fact that Romania continues to have a significantly smaller stock of industrial spaces than other neighboring countries.

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## Key financial indicators estimated for 2025

The year 2025 brings significant changes in the structure and business lines of Meta Estate Trust. As approved in the Extraordinary General Meeting of Shareholders, the capital structure will be simplified by reducing or eliminating the share of preferred shares, a process carried out through a share buyback program of this category. At the same time, META aims to maintain the resources available in the company and reinvest them, thus the buyback program being finalized with an increase in the share capital from the receivables arising from the transfers of preferred shares. Following the completion of these operations, and in accordance with the decisions of the EGMS, the Company will start the listing process on the main market in the second half of 2025. Along with the simplification of the capital structure, the move to the main market aims at better visibility of the company as well as at increasing the interest of new investors supported by the good financial results achieved and confirmed according to plans in the last 2 years.

Meta Estate aims to continue its growth strategy in 2025 both through the acquisition of housing and/or rental assets and through supporting projects as a shareholder. Furthermore, during 2025, Meta Estate Trust ("MET") will take ownership of several residential units acquired in various project phases that it will capitalize on during the year.

In order to implement these directions of action, the company plans to attract funds mainly from bank loans or by co-opting investors in new investments on recurring revenue lines. By implementing these strategies, the Company estimates for 2025, an increase in gross profit by 12% compared to the previous year and in net profit by 11% compared to the same period.

INCOME AND EXPENSES	Budget 2025	Actual 2024	Variation	%
Turnover	21.343	13.256	8.087	61%
Other operating income	7.950	12.239	-4.289	-35%
Income from fair value adjustment on investment property	1.000	0	1.000	100%
Expenses directly related to operating income	-16.834	-13.963	-2.871	21%
<b>Operating profit before general operating expenses</b>	<b>13.459</b>	<b>11.532</b>	<b>1.927</b>	<b>17%</b>
General operating expenses	-6.675	-7.025	350	-5%
<b>Operating result</b>	<b>6.784</b>	<b>4.507</b>	<b>2.277</b>	<b>51%</b>
<b>Financial result - profit</b>	<b>7.298</b>	<b>8.077</b>	<b>-779</b>	<b>-10%</b>
<b>Gross profit</b>	<b>14.082</b>	<b>12.584</b>	<b>1.498</b>	<b>12%</b>
Corporate income tax	-2.058	-1.719	-339	20%
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>	<b>12.024</b>	<b>10.865</b>	<b>1.159</b>	<b>11%</b>

# Income and expense budget 2025

(all amounts are expressed in thousands of RON ("RON'000", unless otherwise specified)



## Substantiation of the budget for the year 2025

### Income

For 2025, the Company estimates a 13% increase in total revenues compared to the previous year, up to RON 38.3 million, structured as follows:

INCOME	Budget 2025	Actual 2024	Variation	%
Turnover	21.343	13.256	8.087	61%
Other operating income	7.950	12.239	-4.289	-35%
Income from fair value adjustment on investment property	1.000	0	1.000	100%
<b>Total Operating Income</b>	<b>30.293</b>	<b>25.495</b>	<b>4.798</b>	<b>19%</b>
Financial income from investments in which the Company is a shareholder	7.779	8.082	-303	-4%
Other financial income	199	404	-205	-51%
<b>Total Financial Income</b>	<b>7.978</b>	<b>8.486</b>	<b>-508</b>	<b>-6%</b>
<b>Total Income</b>	<b>38.271</b>	<b>33.981</b>	<b>4.290</b>	<b>13%</b>

*The turnover* is budgeted at RON 21.3 million based on estimates sales of housing units purchased in the project phase in previous years and those to be completed in 2025, up 61% compared to the previous year.

*Other operating income* includes income related to transfer fees and compensation from agreements to terminate the sale-purchase agreements, as well as income from rents related to investments in the *Recurring Income* business line. The year 2024 recorded an increase in these incomes especially in the projects related to the Mătășari investment where the Company made an assignment of the receivable at the end of 2024 for the amount of EUR 3.4 million, as well as in the delayed projects restructured during the year where the new advances also included penalties recognized to date. The year 2025 estimates incomes in this category mainly from the *Income Recurring* business line, as well as the completion of some investments through the assignment of the sale-purchase agreements.

*Income from fair value adjustments of real estate investments* include income from the revaluation of investment projects in the *Income Recurring* business line. Investments in this category provide both a predictable, stable cash flow over a long period of time, as well as an appreciation of the value of commercial assets determined by the negotiated commercial conditions. In 2025, the Company will expand its portfolio in the area of income recurring investments through the announced commercial partnerships and through new investments in this segment. This strategy is part of the company's development in a segment where it wants to attract new investors as well as to resize the dimension of assets in a bankable segment.

*Financial income related to investments in which the Company is a shareholder* mainly refers to interest income on loans granted to companies in which the Company has entered as a partner for real estate developments and in which it holds shares. The estimated increase takes into account the continued support of existing projects as well as new partnerships with developers who will carry out projects of interest to the Company.

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*Other financial income* includes interest income on short-term bank deposits as well as dividends from the activities of subsidiaries. The company will continue to maintain highly liquid assets in order to be able to quickly access new investment opportunities.

## Expenses

Total expenses for 2025 are forecast at 24.2 million lei, based on the current size of the company's activity volume.

REVENUE AND EXPENDITURE	Budget 2025	Actual 2024	Variation	%
Operational expenditure - directly related to investments	16.834	13.963	2.871	21%
General operating expenses	6.675	7.025	-350	-5%
<b>Total Operating Expenditure</b>	<b>23.509</b>	<b>20.988</b>	<b>2.521</b>	<b>12%</b>
Financial expenses directly related to investments	680	400	280	70%
<b>Total expenses before corporate income tax</b>	<b>24.189</b>	<b>21.388</b>	<b>2.801</b>	<b>13%</b>

*Operating expenses - directly related to investments* are forecasted to increase to RON 16.8 million as a result of the volume of activity in connection with 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, assignment of promissory contracts or new investments in residential and commercial projects

*General operating expenses* are estimated at RON 6.7 million. These expenses mainly include expenses for management services and personnel expenses, costs for marketing and advertising services, as well as other legal costs of running the company. General operating expenses are estimated to decrease by 5% compared to the previous year's budget, with a lower component of legal services expenses in the current context of the dispute with the management company.

*Financial expenses - directly related to investments* represent interest costs related to bank loans taken by MET. The Company intends to access funds from credit institutions for the final settlement of the pre-contracted real estate properties.

# Income and expense budget 2025

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## Company performance and benchmarking to 2025

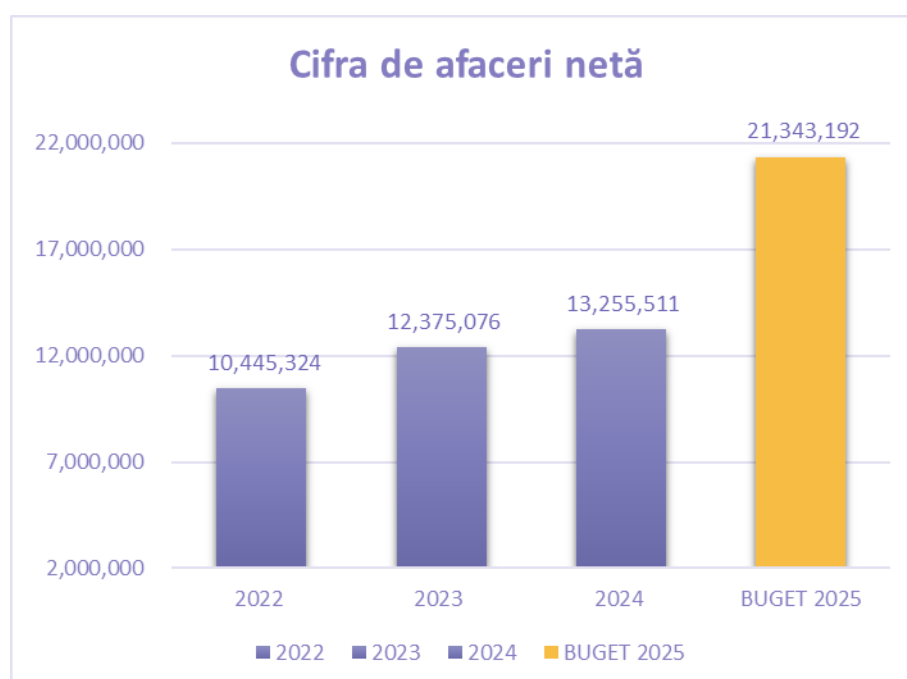
Meta Estate Trust was established in 2021 and listed on the Bucharest Stock Exchange, AeRO market in August 2022 attracting a total local market capital at the time of listing of EUR 19.2 million. The company invested in the local real estate market through its investment strategy focused on 3 business lines, namely:

- residential real estate units trading line,
- Call/Put Option investment line,
- mezzanine investment line (co-development partnerships for residential developments).

As of 2024, in order to balance investment risk and increase the size of the company, the Society has also developed the Recurring Income investment line by completing and operating its first rental income generating acquisition in the hospitality industry, as well as pre-contracting future developments in the retail and healthcare industries.

**The company's turnover**, driven by the trading line, grew steadily between 2022 and 2024, exceeding the RON 13 million threshold at the end of 2024, 7% more than in the previous year and 27% higher than in 2022.

The budgeted turnover for 2025 will exceed RON 21 million, with a significant increase of more than 60% compared to 2024 estimated on the basis of residential investments delivered or in the process of completion, which are expected to be sold during 2025. As shown in the current budget, the Company aims to continue and increase the volume of activity in this segment, while significantly reducing the share of investments in the Call/Put Option line, a segment with a high degree of both operational and investment risk in a challenging economic environment.

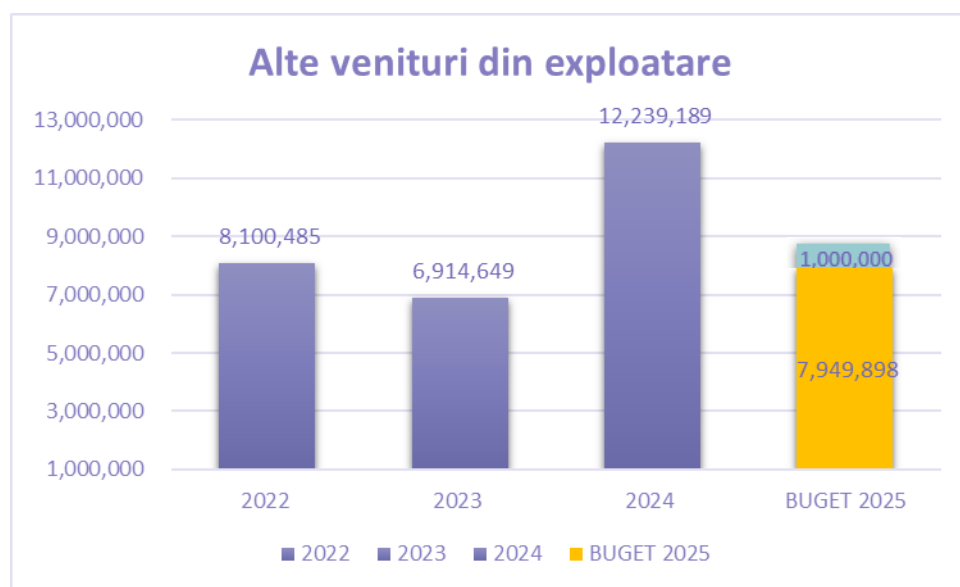


## Income and expense budget 2025

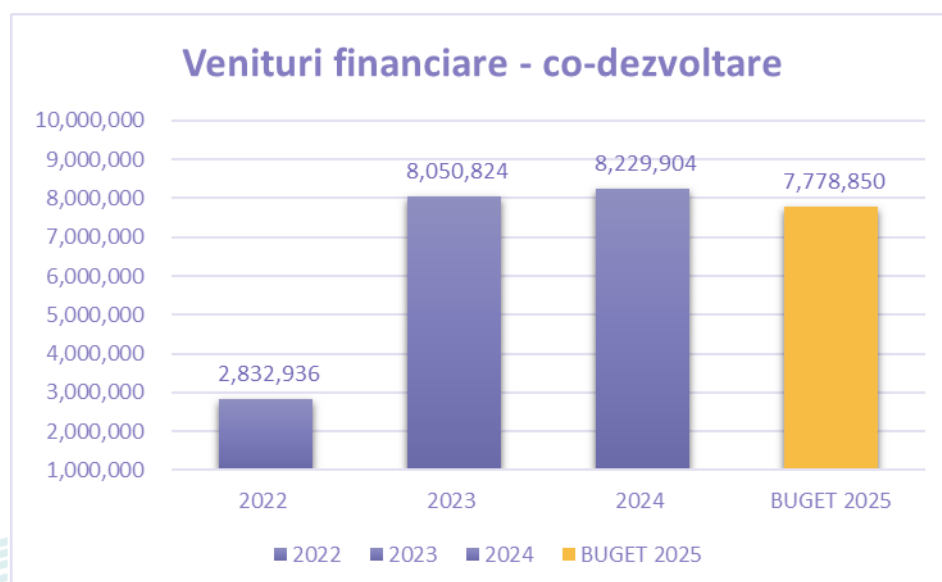
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**Other operating income** had a less predictable evolution in the period 2022-2024, being directly influenced by the Call/Put Option business line. For 2025, the Company aims to generate income in this category mainly from the Recurring Income business line, up to RON 7.9 million. Also this new business line will generate income from fair value appreciation of real estate investments, for the first investments contracted or in the process of being contracted for 2025 the amount of fair value appreciation income is estimated at RON 1 million.



**Financial income from investments in which the Company is a shareholder** generated by the Co-Development line of business represents the most significant component of the Company's revenues. Meta Estate carefully reviews approved real estate projects and joins as a partner and shareholder in the development company. Revenues in this category are recognized from the return on real estate projects, either in the form of dividends upon completion and sale of the residential assemblies (recognized at the end of the investment period) or in the form of interest on shareholder loans granted (recognized on a straight-line basis over the life of the project).



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Financial income from the *Co-development* business line had a steady growth of 30%-35% per year over the period 2022-2024 up to the level of RON 8.2 million reached at the end of 2024. For 2025 we estimate a slight decrease by RON 0.5 million compared to the level reached in 2024, mainly due to the liquidation of the investment in Novarion through which the shareholder loan of EUR 2.7 million was repaid in advance in March 2025, the Company marking a significant exit with an annualized return of 20% over the period of the investment.

**The net result** for the period in 2024 increased by 15% compared to 2023, or by 67% compared to 2022, exceeding the RON 10 million threshold while maintaining a return on equity of more than 10%, a target reached during 2023.

For the year 2025, the Company aims to continue the same trend of growth in the budgeted result, with a net profit of RON 12 million, 11% higher than in 2024, while maintaining a return on equity of over 10%.

