



meta  
estate

# H1 2023 REPORT

**01.01.2023 - 30.06.2023**

**META ESTATE TRUST S.A.**

**Company listed on the SMT market - AeRO of the Bucharest Stock  
Exchange Symbol: MET**



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## ISSUER INFORMATION

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### INFORMATION ON THIS FINANCIAL REPORT

Type of report: Half-yearly report

For the period: 01.01.2023 – 30.06.2023

Publication date: 30 August 2023

### ISSUER INFORMATION

Name: META ESTATE TRUST S.A. ('Company', 'MET')

Fiscal code: RO43859039

Trade Registry Number: J40/4004/2021

Registered Office: 4-10 Muntii Tatra Street, 4<sup>th</sup> floor, District 1, Bucharest, Romania

### INFORMATION ON SECURITIES

Subscribed and paid in capital: RON 87,035,241

Market on which securities are traded: SMT-AeRO Premium

Total number of shares: 87,035,241, of which: 75,785,265 Class A ordinary shares and 11,249,976

Class B preferred shares

Symbol: MET

### CONTACT DATA FOR INVESTORS

Email: [investors@meta-estate.ro](mailto:investors@meta-estate.ro)

Telephone: 021 589 7329

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

The financial statements as at 30 June 2023 presented on the following pages are neither audited nor reviewed by an external auditor.

The figures presented in the descriptive part of the report, expressed in millions of lei, are rounded to the nearest whole number, and may lead to small regularisation differences.

## MESSAGE TO THE SHAREHOLDERS ON BEHALF OF THE MANAGEMENT

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Dear shareholders,

We would like to bring to your attention some relevant aspects of the Company's development during the first half of 2023, as well as on the industry sector we operate in, as detailed in this report.

The financial results for the first semester are published on an anniversary date, as Meta Estate Trust celebrates on 29 August one year since its listing on the stock market. It's been a year of challenges, but also of achievements. Meta Estate Trust ranges among the top 5 important companies in the composition of the BETAeRO index, where it was included just 7 months after listing.

As regards the Romanian residential market, it has been going through a period of slowdown in terms of transaction volume and sales price growth. Reasons include rising financing costs, a decrease in the number and volume of mortgages granted to the population, and the uncertain economic and geopolitical context caused by the war in Ukraine. However, the purchasing power of Romanians in relation to housing prices has increased. The average net wage increased by 15.7% in May 2023 compared to the previous year while the nominal value of residential property prices stagnated. We also witness lending activity picking up as several banks have run promotional fixed-rate mortgage programmes. In this respect, we expect a possible acceleration of the trading volume in Q4.



In a challenging market context, Meta's business model has proven successful. We have recorded increased financial results in the first half of 2023 over the same period last year. Total revenues increased by 60% to RON 6.63 million, supported by early-stage business lines and partnerships with developers. In the first 6 months of 2023 we invested over €4.8 million in 8 investment projects, including 4 new projects in Bucharest, Constanța and Brașov. Currently, the company has made investments in 22 real estate projects across the country. At the same time, Meta Estate Trust cashed the equivalent in RON of approximately EUR 3.4 million from transactions, total exit in 2 investment projects and partial exit in 4 others. The gross margin of closed investments in the first half of 2023, before general operating expenses, amounted to RON 3.8 million. Also, in April this year, we launched our own sales division, Meta Homes, with the aim to promote the properties in our portfolio, allowing clients to contact us directly for the units we have for sale in the projects we have invested in. Overall, we achieved a gross profit of RON 3.44 million, five times higher than the same period last year. Total assets exceeded RON 100 million at the end of the first semester.

Key projects in the portfolio continue to develop in line with the company's expectations, based on close and constant monitoring by our multidisciplinary team. According to recent announcements, the company has strengthened its management team and we are confident that the disclosed changes will help grow the business of Meta Estate Trust. We have a good cash position and will continue to invest in new market opportunities expected to intensify near the end of 2023 and during 2024.

The medium-term objectives undertaken by the Board of Directors remain unchanged: to reach an asset portfolio of €100 million, to achieve a return on equity of more than 15% and to be listed on the Main Market of the Bucharest Stock Exchange. In the coming period, we will adjust the company's strategy towards increasing returns on portfolio investments and further minimising investment risks by increasing collaterals in both existing projects and future investments.

# H1 2023 REPORT



We invite you to go over the financial report to learn more about the performances of Meta Estate Trust from January to June 2023. If you have any questions or concerns, you may reach us at [investors@meta-estate.ro](mailto:investors@meta-estate.ro).

Thank you for your trust!

Alexandru Mihai Bonea  
CEO





# Key Figures H1 2023



**6.63 M**

Total Revenues

**+60% vs. S1 2022**



**3.18 M**

Total expenses

**-8% vs. S1 2022**



**3.44 M**

Gross Profit

**x5 vs. S1 2022**



We have exceeded

**>100 M**

the threshold of total assets

Note: Figures are expressed in RON

## KEY EVENTS

### Business Highlights

#### Events that took place between 01.01.2023 and 30.06.2023:

- ✦ In order to optimize the process of selling the properties in Meta's portfolio, simplify and accelerate the exit from short maturity residential projects, we have created the Meta Homes division ([www.metahomes.ro](http://www.metahomes.ro)) and expanded Meta's team of professionals by bringing on-board Mrs. Andreea Posteuca. With over 18 years of experience in the field, Andreea coordinates the new sales department where the know-how Andreea has accumulated through brokering sales of over 3,000 mid-sized residential and commercial units has already brought the expected results;
- ✦ The first relevant results of Meta Homes translated into the sale of 10 properties from our portfolio;
- ✦ The competitive environment we are active in has required us to streamline our financial, legal and technical analysis processes. This process relies on an in-house, multidisciplinary due diligence team and a standardised workflow designed to simplify the assessment of key elements of each project and to optimise the decision-making process in terms of optimal timelines, real-time monitoring, and close tracking of expected returns;
- ✦ Our investment team is constantly researching, sourcing, and identifying projects that can generate returns in line with the company's business strategy. Thus, Meta identified and invested money in 4 new projects: Eforie Sud (Constanța), One66 (Brașov), Metropolitan Residence (Bucharest), and an exceptional plot of land, located in the ultra-central area of Bucharest, for which a Building Permit has already been granted;
- ✦ We completely exited and recognized the expected return from the projects located in Rahmaninov, Dante Aligheri and Eforie Sud areas;
- ✦ To streamline capital allocations, we have advanced discussions with several bank lenders. In addition to the loan facility contracted in 2022 with Libra Internet Bank in the total amount of €1,500,000 by which we aimed to have sufficient funds available to preserve shareholders' capital and be able to enter into several projects simultaneously, we have strengthened relationships with several other banks with which we expect to enter into a financing relationship by the end of 2023;
- ✦ Starting with 20 March 2023, the company has been included in the BETAeRO index. The decision was approved at the quarterly meeting of the BVB Index Committee, Meta Estate Trust being ranked among the Top 5 companies included in the BET AeRO index.



#### Events that took place after 30.06.2023:

- ✦ We provided a loan in the amount of €500,000 to one of our main commercial partners in Sibiu, secured against 27,000 sqm of land which, at the same time, cross-guarantees other projects of the company in Sibiu, and by doing so we sought two major purposes: achieving a 20% return on investment, but also improving our position in completing existing projects;
- ✦ Meta Homes maintained its sales dynamics by concluding 4 new contracts for units in the portfolio;
- ✦ The upward trend in the hospitality industry has led to the decision to pay special attention to this segment by investments in residential or commercial properties with potential for use as short-term rental or even hotel. In this regard, we have invested in a plot of land located in the historical area of Sibiu city, with the scope of future development of a 4-star hotel;
- ✦ Apart from injecting capital into new hospitality projects, we decided to allocate part of the company's existing portfolio to short-term rental units, partnering with one of the most reputable providers of rental and management platforms on the Romanian market;
- ✦ We are in advanced negotiations for the acquisition of two small commercial properties.

## Governance Highlights

### Events that took place between 01.01.2023 and 30.06.2023:

- ✦ On 26.04.2023, the Special Meeting of Preferred Stock Shareholders approved the waiver of the payment of the priority dividend for 2022, taking into account the complexity of the mechanism for the conversion of priority dividends into ordinary shares of the Company, as stated in the Company's memorandum of association, with the provision that the Company will submit to the approval of the shareholders at the next Extraordinary General Meeting of Shareholders the allocation of new, free-of-charge shares pro rata the interest held in the Company's share capital by each shareholder, by incorporating the reserves into the share capital.
- ✦ The Ordinary General Meeting of Shareholders gathered on 26.04.2023 approved Cagils Invest SRL, represented by Păun Ilinca-Mihaela, to be appointed as permanent member of the Board of Directors for a term of office expiring on 27.01.2024 (Cagils Invest SRL has been appointed as provisory director by Board decision of 28.09.2022 upon the resignation by Mr. Nicolescu Ionuț Alin from his position as member of the Board of Directors). At the same time, the Ordinary General Meeting of Shareholders held on 26.04.2023 approved the income and expenditure budget for the current year and reconfirmed the Company's financial auditor, Mazars România SRL, for a mandate to end on 30.05.2024.
- ✦ On 08.05.2023, upon the resignation of Mr. Bonea Dragoș Adrian from his position as member of the Board of Directors, Mr. Bonea Alexandru Mihai was appointed as provisory Board member for a term of office that will begin on 08.05.2023 and end on the date when the general meeting of shareholders decides to appoint a new permanent member in the Board of Directors.

### Events that took place after 30.06.2023:

- ✦ On 17.07.2023, Meta Management Team SRL (Chairman of the Board of Directors of Meta Estate Trust SA) notified Meta Estate Trust SA on the substitution of its permanent representative, namely that Mr Voicu Eugen Gheorghe was replaced by Mr. Cartianu Teodor-Cristian (change notified to the Bucharest Stock Exchange in the current report no. 32 of 17.07.2023).
- ✦ On 28.07.2023, by decision of the Board of Directors, it was approved that Mr. Bonea Alexandru-Mihai be appointed as CEO of the Company for a term of 4 years.



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## PROJECT PORTFOLIO

As of 30.06.2023



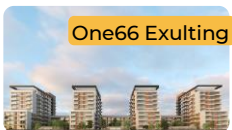
### BRAȘOV



Bliss Estate



Rock Mountain



One66 Exulting

### IAȘI



Greenfield Copou

### SIBIU



The Lake Home

### CONSTANȚA



Tomis Park



Boreal Plus



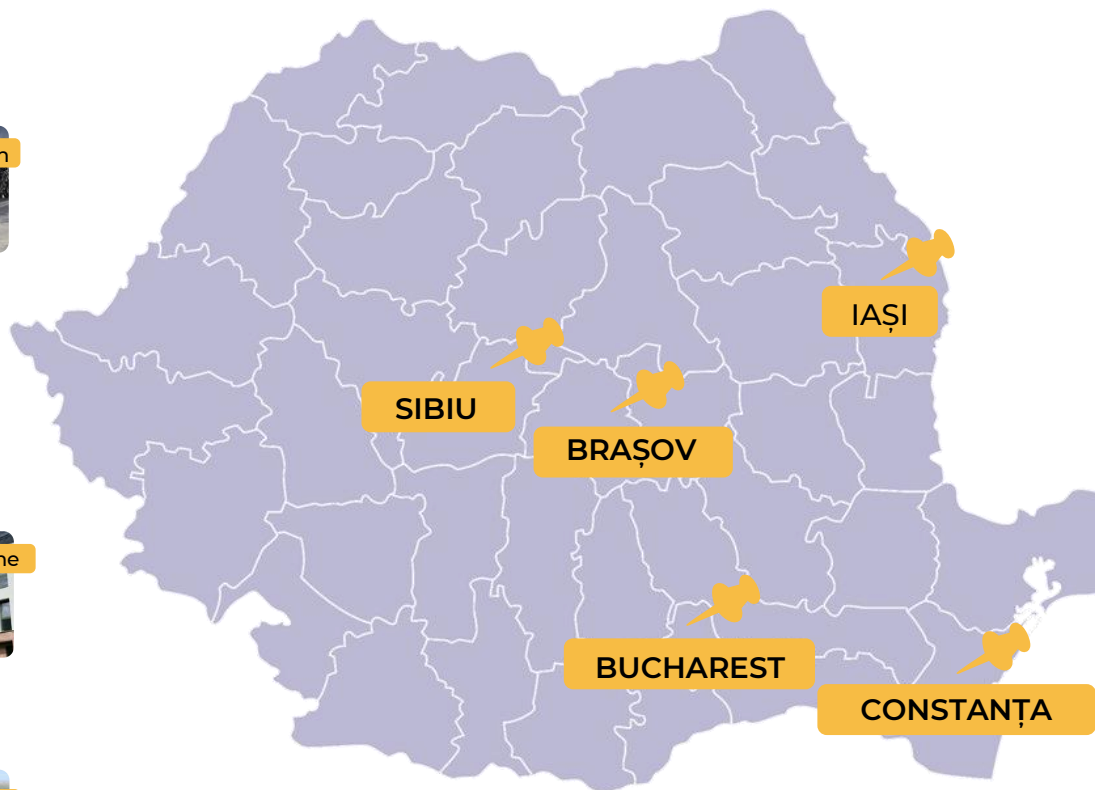
Zaya



Sopra Neptun



Eforie Sud



### BUCHAREST



The Level



Aviației Park



Avrig Park



Parcului 20



Greenfield Băneasa



Mobexpert Homes



NOA Residence



Uplake Residence



Rahmaninov



Dante Aligheri



First Estates



Mătășari



Metropolitan Aviației

Investments made to date are distributed across the Mid-Market and Upper-Market residential segments in several cities across the country (Bucharest, Brașov, Sibiu, Iași, Constanța).



## ANALYSIS OF FINANCIAL RESULTS

INCOME AND EXPENSES (RON thousands)	S1 2023	S1 2022	Variation	Variation %
Total operating income	4,257	2,947	1,310	44%
Expenses directly related to operating income	398	1,997	(1,599)	-80%
Operating profit before general expenses	3,859	950	2,909	306%
General operating expenses	2,460	1,431	1,028	72%
Operating result	1,399	-481	1,880	-391%
Financial income	2,375	1,204	1,170	97%
Financial expenses	324	25	300	1217%
Financial profit	2,051	1,180	871	74%
Gross profit / (loss)	3,450	699	2,751	394%
Corporate income tax	552	-	552	100%
<b>NET PROFIT / (LOSS)</b>	<b>2,898</b>	<b>699</b>	<b>2,199</b>	<b>315%</b>

ASSETS (RON thousands)	30.06.2023	31.12.2022	Variation	Variation %
Intangible fixed assets	0	12	-12	-100%
Tangible fixed assets	776	493	283	57%
Long-term financial assets	11,647	10,091	1,556	15%
Total fixed assets	12,423	10,595	1,828	17%
Inventories	40,253	42,155	-1,902	-5%
Receivables	44,135	29,099	15,036	52%
Cash and cash equivalents	5,975	16,646	-10,671	-64%
Total current assets	90,362	87,900	2,462	3%
Prepayments	72	89	-17	-19%
<b>TOTAL ASSETS</b>	<b>102,857</b>	<b>98,584</b>	<b>4,273</b>	<b>4%</b>

LIABILITIES AND EQUITY (RON thousands)	30.06.2023	31.12.2022	Variation	Variation %
Short-term payables	2,332	956	1,376	144%
Provisions	19	19	-	0%
Total liabilities and provisions	2,351	975	1,376	141%
Share capital	87,035	87,035	-	0%
Legal reserve	359	359	-	0%
Other reserve	10,214	-	10,214	100%
Share premium	-	6,456	(6,456)	-100%
Retained earnings/(losses)	-	(2,396)	2,396	-100%
Profit for the period	2,898	6,513	(3,615)	-56%
Profit distribution	-	(359)	359	-100%
Total equity	100,506	97,609	2,897	3%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>102,857</b>	<b>98,584</b>	<b>4,273</b>	<b>4%</b>

### Overview of financial results

During the first 6 months of 2023, Meta Estate Trust SA achieved total revenues of RON 6.6 million and a gross profit of RON 3.4 million, while total assets exceeded the RON 100 million threshold and increased by 4% compared to the end of 2022. The Company's performance has been supported by its business model, sound strategy and ability to adapt quickly to market conditions.

Due to its good cash position at the beginning of the period, the Company was able to access investments at competitive prices and managed to place more than EUR 4.8 million in 8 investment projects during the first 6 months of 2023, including 4 new projects in Bucharest, Constanța and Brașov. Furthermore, the investment portfolio generated proceeds of approximately EUR 3.4 million, of which EUR 2.9 million are related to exits made during the first half of 2023. The gross margin of exited investments in the first semester of 2023, before general operating expenses, was RON 3.86 million.

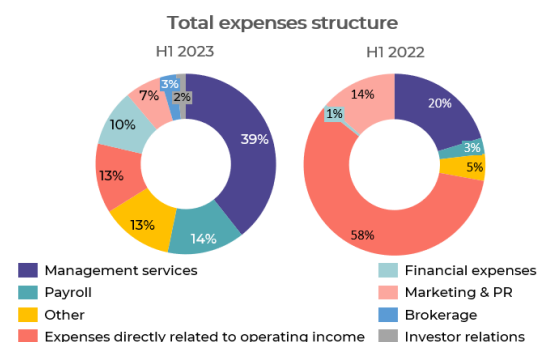
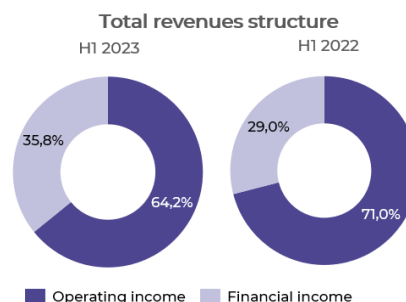
The Company's increased cash position at the beginning of 2023 made it possible to access new investment opportunities within the first 6 months of the year, before proceeds from the sale of units or from transfers of promissory sale agreements. RON 11.4 million was thus used in operating activities during the first half of the year and RON 0.7 million was the net cash generated by investments, mainly from lending to companies in which ownership interests are held and from the collection of related interest rates.

## Analysis of the income statement

During the first 6 months of 2023, the operating income of Meta Estate Trust was RON 4.3 (S1 2022: RON 2.9) and accounted for 64% of the total income for the period (S1 2022: 71%).

Operating income was mostly derived from:

- ✦ Completion of investments made in the projects located in Bucharest on Rahmaninov and Dante Alighieri streets, in the UpLake (Lakeside Palace) project located in Chitila, and in the Eforie Sud project located in Constanța County
- ✦ Partial exit from the Avrig (phase 1), NOA Residence (phases 1 and 2), Aviației Park, and Mobexpert Pipera projects



Expenses directly related to operating income amounted to RON 0.4 million (S1 2022: RON 2.0 million) and were mainly represented by expenses related to assets sold including brokerage fees, notary fees and other expenses related to the purchase of real estate units or the assignment of promissory sale agreements. In comparison with the first 6 months of 2022, expenses directly related to operating income are lower by RON 1.6 million mainly due to the early completion of several investment projects in 2023 compared to the exit by sale in 2022.

As such, the operating margin before general operating expenses was RON 3.9 (S1 2022: RON 0.9 million).

General operating expenses in amount of RON 2.5 million accounted for 77% of the total expenses for the period (S1 2022: RON 1.4 million, 41%), their increase being due to the increase in the Company's volume of activity. Management services expenses account for 51% (S1 2022: 36%) of the total general operating expenses and represent mostly the remuneration related to the management contract concluded with Meta Management Team SRL.

Based on the aforementioned results, the Company registered an operating profit of RON 1.4 million during the first 6 months of 2023 (S1 2022: loss of RON 0.5 million).

Financial income of RON 2.4 million accounted for 36% of the total income for the period and was mainly generated by shareholder lending to entities Meta Estate Trust holds interests in (S1 2022: RON 1.2 million). The Company also recorded revenues of RON 0.4 million due to the favourable EUR/RON currency exchange rates related to transactions in EUR (S1 2022: RON 0.001 million). During the same period, the Company earned revenues from placements in short-term bank deposits in the amount of RON 0.1 million (S1 2022: RON 0.1 million). Financial expenses amounted to RON 0.3 million and were mainly generated by EUR/RON exchange rate variations related to transactions in EUR (S1 2022: RON 0.03 million). Thus, Meta Estate Trust earned a financial profit of RON 2.1 million (S1 2022: RON 1.2 million).

The financial performance of the first 6 months of 2023 resulted in a gross profit of RON 3.4 million, with the Company recording a gross profitability 5 times higher than the same period last year.

## Balance Sheet analysis

As of 30 June 2023, total assets reached RON 102.9 million, which is 4% more than the end of 2022 (31 December 2022: RON 98.6 million). The increase in assets was financed by additional liquidity obtained from exits made.

The total assets structure as of 30 June 2023 is similar to 31 December 2022. Thus, as of 30 June 2023, current assets account for 88% of total assets (31 December 2022: 89%), while long-term assets represent 12% of total assets (31 December 2022: 11%).

Of current assets, a significant share is represented by the value of advance payments made for real estate projects, in the amount of RON 40.3 million (31 December 2022: RON 42.2 million) and by the value of receivables represented by the amounts to be collected from partially or fully divested projects, in the amount of RON 24.4 million (31 December 2022: RON 9.1 million).

The amount of RON 16.5 million was transferred within the first 6 months of the year from the category of Inventories into the category of receivables due to the early termination of purchase agreements for real estate units and represents amounts to be recovered in the projects Avrig 7 (Rock Development), UpLake (Lakeside Palace SRL) and projects located in Bucharest, on Rahmaninov and Dante Aligheri streets.

The Company invested in 4 new projects during the first semester of 2023 (Eforie Sud, One66 Brasov, Metropolitan Residence Aviației, and Mătășari land), completely exited 3 projects and partly exited 4 other projects.

Current assets increased by 3% compared to 31 December 2023, the increase was mainly generated by the recognition of compensations granted under agreements to terminate promissory sale and purchase agreements in relation to projects located in Bucharest on Rahmaninov and Dante Aligheri streets, and the UpLake project.

As of 30 June 2023, receivables amounted to RON 44.1 million (31 December 2022: RON 29.1 million), which is 52% more than last year, mainly as a result of partly or fully-disinvested projects from which the Company shall recover the advance payments and indemnities under agreements to terminate pre-sale and purchase agreements (RON 15.3 million).

Receivable balances mainly account for amounts receivable in respect of partially or fully-divested projects arising from agreements to terminate pre-sale and purchase agreements as well as the balance of shareholder loans granted to companies in which MET holds shares in, and related interest accrued.

Long-term financial assets consist of ownership interests held by MET in Redport Capital SRL (40% of the shareholding), Novarion Living Xperience SA (17% of the shareholding), Highcrowd Technologies SA (51% of the shareholding), Mont Blanc Assets SRL (100% of the shareholding), Montserrat Assets SRL (100% of the shareholding) and Rock Mountain SRL (5% of the shareholding) and of long-term lending to entities in which the Company holds shares.

The cash at banks decreased from RON 16.6 million to RON 5.9 million during the first 6 months of 2023, mainly as a result of investments made by the Company during this period.

Short-term payables as of 30 June 2023 increased by RON 1.4 million, the balance of RON 2.3 million mainly representing advances received under pre-sale agreements for some units in Avrig phase 1, Mobexpert Pipera and The Level projects (RON 1.2 million), the debt owed under the management contract concluded with Meta Management Team SRL (RON 0.4 million) and the corporate income tax payable (RON 0.4 million). As of 30 June 2023, the Company had no debts representing bank loans.

The Company's equity increased by 3% compared to 31 December 2022, as a result of the profit earned in 2022. On 26 April 2023, the General Meeting of Shareholders decided to transfer share premiums of RON 6.5 million to the reserve account (other than legal reserve). During the same meeting, shareholders also decided to distribute RON 3.8 million of the 2022 profit to other reserves.



## FINANCIAL INDICATORS

Financial Data expressed in RON '000	01 Jan 23 / 30 June 22		30 June 23	
<i>Current ratio</i>				
Current Assets (A)	87,900	= 91.91	90,362	= 38.75
Current Liabilities (B)	956		2,332	
<i>Debt ratio</i>				
Total Liabilities (A)	956	= 0.0098	2,332	= 0.0232
Equity (B)	97,609		100,506	
<i>Solvency Ratio</i>				
Total Assets (A)	98,584	= 103.1	102,857	= 44.1
Current Liabilities (B)	956		2,332	
<i>Operating Gross Margin Ratio</i> (before operating overheads)				
Operating gross margin (before general operating expenses)	950	= 32%	3,859	= 91%
Operating income	2,947		4,257	
<i>Debtors Turnover Ratio</i>				
Average customers' balance*	0	x 365 = 0	2.4	x 365 = 3.19
Annualised turnover	3,819		275	
<i>Fixed Asset Turnover Ratio</i>				
Annualised turnover	3,819	= 0.36	275	= 0.02
Fixed assets	10,595		12,423	

\*Includes only the balance amounts directly linked to the turnover



## PERSPECTIVES AND RISKS WITHIN THE NEXT 6 MONTHS

- ✦ Reviewing and diversifying the investment portfolio, keeping the main focus on residential developments in key Romanian cities with a population density and individual income above the average, significant university and business centres;
- ✦ Penetrating one of the real estate market niches that has generated exceptional returns since the pandemic ended: the hospitality industry, by investing in residential assets held for short-term rental;
- ✦ Maintaining and improving annual returns from investment projects;
- ✦ Closing the exit from residential projects in the portfolio;
- ✦ Strengthening the operational and sales team by implementing MetaHomes.ro and the in-house residential unit sales department by hiring professionals in key roles with relevant experience and significant achievements;
- ✦ Careful monitoring and continuing to provide support to projects in which the company is directly involved as a shareholder until effective exit and realisation of the estimated returns;
- ✦ Further exploitation of existing opportunities in the residential market, the strength of our management and financial analysis team's experience and speed of reaction and decision, which mark a difference between us and the competition, being an asset in this regard; purchase of completed or project-phase housing at a volume discount; (bank-funded) purchase of rental units with a focus on residential and retail area; purchase of distressed assets, and partnerships with real estate developers.

The main risks and uncertainties with regard to the activity carried out by Meta Estate Trust SA, which are still valid in 2023, have been identified and presented in the Primary IPO Prospectus approved by ASF under Decision no. 894 of 14.07.2022, which may be consulted [here](#).

### Overview of the Romanian real estate market

The Romanian real estate market is a vital sector of Romania's economy, characterized by significant dynamics in recent decades. Since the collapse of the communist regime in 1989, the country has undergone a process of economic and social transformation and the real estate sector has played a key role in this evolution.

Following Romania's accession to the European Union in 2007, the real estate market has experienced impressive growth, fuelled by foreign investment, credit stimulus and extensive urban development. During the economic boom, real estate prices increased significantly, especially in large cities and areas with high touristic potential.

However, the Romanian real estate market has also experienced periods of stagnation or adjustment, influenced by internal and external factors such as the 2008 global financial crisis or the recent COVID-19 pandemic. These events have impacted the demand and supply of properties, calling for a re-assessment of the market and an increased focus on the sustainability and quality of real estate projects.

As regards the property types, apartments and houses in large cities such as Bucharest, Cluj-Napoca, Timișoara or Iași, are still the most sought after, while the commercial and office segment attracted the interest of business investors. In addition, the real estate market has in recent years seen an increase in demand for sustainable real estate projects, with a focus on renewable energy and energy efficiency. Despite the challenges, the Romanian real estate market still offers interesting opportunities for investors and buyers. With its developing infrastructure, varied tourist attractions and lower costs compared to other European countries, Romania continues to attract local and foreign investors' attention.

## Housing demand

The demand for houses in Romania is driven by several complex factors that reflect the evolution and dynamics of the society and the economy. In recent decades, the country has undergone a significant transition in the housing market and housing demand has been largely influenced by the following factors:

- ✦ **Demographics and population growth:** a key factor affecting the demand for houses is population size and growth. Population growth, internal migration, and urbanisation lead to increased demand for houses in large cities and urban areas.
- ✦ **Economy and financial stability:** the status of the national economy and the general level of financial stability have a significant impact on the demand for houses. Periods of economic growth and access to affordable mortgages stimulate demand, while recessions can lead to a temporary drop in the interest of purchasing property.
- ✦ **Revenues and the purchasing power:** The revenues and the purchasing power of the population are crucial in determining the individual's ability to buy a house. People with higher incomes are more likely to be able to afford a suitable home.
- ✦ **Government policy and tax incentives:** measures taken by the government to stimulate the real estate market, such as tax incentives for purchasers and developers, may influence the demand for houses in Romania. Urban planning and development policy can also influence the distribution of demand across different regions and property types.
- ✦ **Urban growth and infrastructure development:** urban development, modern infrastructure and accessibility are critical factors influencing the demand for houses. Cities with developed infrastructure and good connections to other areas attract more investment and demand for housing.
- ✦ **Cultural and social trends:** Cultural and social changes can affect housing preferences and demand. For example, the trend for work from home, seeking greener and more environmentally friendly spaces can lead to changes in the housing demand.

The largest urban agglomerations in the country in terms of metropolitan coverage include Bucharest, Cluj-Napoca, Timișoara, and Iași. These cities receive significant foreign investment and capital, are university centres and have the lowest unemployment rates. The second category of cities, which we consider to be economic hubs or centres, are Constanța, Brașov and Craiova. These cities attract population and purchasing power from the wider region, although they are less attractive than the top category. However, they receive a good mix of foreign and local investment, are university centres and offer a good standard of living. The third category comprises cities of local interest that dominate the immediate neighbourhood, thus attracting population and contributing to the natural growth.

Metropolitan area	Inhabitants (thousand)	Annual growth rate	Typology	Age groups			Wages (average, EUR)				
				Underage	20-40	41-60+	2019	2020	2021	2022	Annual growth rate
BUCHAREST	2340	0.3%	First level	17.4%	34%	48%	857	911	966	1063	7.4%
Cluj-Napoca	400	0.5%	First level	17.2%	38%	45%	727	774	822	972	10.2%
Timișoara	376	0.3%	First level	15.3%	39%	46%	698	731	781	879	8.0%
IAȘI	373	0.8%	First level	18.9%	37%	44%	659	688	723	793	6.4%
CONSTANȚA	316	0.0%	Economic hub	16.7%	30%	53%	551	584	600	685	7.5%
Brașov	314	0.1%	Economic hub	15.4%	31%	54%	615	643	675	761	7.4%
Craiova	257	-0.6%	Economic hub	18.6%	33%	49%	583	613	631	699	6.3%
Galați	230	-0.8%	Regional	18.0%	29%	53%	548	581	599	710	9.0%
Pitești	211	-0.4%	Regional	18.6%	32%	49%	613	629	655	714	5.2%
Ploiești	207	-0.6%	Regional	17.5%	28%	54%	593	625	652	741	7.7%
Oradea	204	0.0%	Regional	18.6%	33%	48%	503	538	562	659	9.4%
Arad	166	-0.2%	Regional	17.8%	30%	52%	550	571	604	697	8.2%
Brăila	163	-1.0%	Regional	17.3%	26%	56%	512	539	547	666	9.2%
Sibiu	154	0.0%	Regional	17.6%	32%	50%	627	654	700	842	10.3%

(Source: 2011 census, NSI)

Cities in the first category generate the most developments and the highest sales, which make them the most attractive to developers and investors, as indicated by the selected public data. In addition to the disclosed figures, we expect the age groups and demographic structure of these cities to influence the demand for residential units in metropolitan areas. Although minors (under 18 age group) are not a target audience, they indirectly influence demand by increasing the need for space (e.g. as part of families looking for a larger apartment). The 20-40 years age group is likely to drive demand growth, while the latter group is more likely to take a moderate approach to demand. As shown in the summary table above, the selected cities benefit from a consistent

number of residents belonging to the age group with the highest demand for residential units, sustainable and increasing revenues.

Over the same period last year, the interest of buyers in all markets spirals downward. Thus, in the first quarter of 2023, demand fell by 12%. This downward trend is valid for all markets under review, with the largest decrease (-23%) being recorded in Iași, while the smallest decrease (-2%) in Cluj-Napoca.

Compared to the previous quarter, interest in house purchases was higher in the first quarter of 2023 by 21.5%, across the six regional centres surveyed. From this point of view, five of the six cities analysed recorded increases: Bucharest (+32.5%), Cluj-Napoca (+30.1%), Timișoara (+8.4%), Iași (+6.3%) and Brașov (+2.1%). The only city experiencing a decreasing interest for house purchase was Constanța (-1,9%). (Source: Q1 2023 Report imobiliare.ro)

## Housing supply

According to publicly available data (source: Eurostat), about 85% of the entire stock of residential units was built before 1990, which has serious implications in terms of quality, interior finishing and construction standards. In addition to age, Romanian cities have the smallest apartments in Europe, with the majority (up to 80%) having a usable floor area of less than 50 square metres and personal space per person of around 20 square metres.

It is also worth noting that such developments that dominate supply are no longer suitable for the current needs of the population, as they are too small. In addition, the useful life of these units is around 70-90 years and major consolidation works are needed after, approximately, 50 years from the date of commissioning, as the structural strength weakens over time.

Metropolitan area	Increase
BUCHAREST	96.0%
Cluj-Napoca	110.0%
Timișoara	150.0%
Iași	32.0%
Constanta	24.0%
Brașov	157.0%
Craiova	78.0%
Galati	29.0%
Pitești	27.0%
Ploiești	-8.0%
Oradea	110.0%
Arad	14.0%
Brăila	-20.0%
Sibiu	73.0%

We can therefore conclude that new developments are needed to fill these gaps in the current market offer. This is also supported by the experience of the last 10 years. (source: National Statistics Institute).

A survey posted on [www.imobiliare.ro](http://www.imobiliare.ro) demonstrates a cut in supply during the last year:

Offer	New market units Q1 2023	New market units within the past 12 months	Total offers	Evolution within the past 12 months
Bucharest	2470	-34.4%	5430	-22.9%
Cluj-Napoca	610	-36.8%	1260	-19.1%
Timișoara	770	-19.6%	1940	-6.8%
Brașov	520	-15.3%	840	-17.4%
Iași	300	-43.4%	610	-31.3%
Constanța	450	-3.4%	810	-2.4%

## Price Overview

Following the impact of the financial crisis in the second half of 2007, prices per usable square metre of residential units have steadily increased and the Romanian Government has sought to support and implement mechanisms to help buyers by introducing reduced VAT rate on purchases, state guarantees for property and mortgage loans and subsidising the interest on these.

Cluj-Napoca ranks first in terms of highest average prices demanded for apartments in sale in the main cities, with a value of €2,420 per square metre in the first quarter of 2023, registering a slight increase of 0.3%. In addition, prices in this regional centre have seen an advance of 8.1% in the last year and a 30.8% increase over the last two years.

Bucharest comes second, with an average price of €1,660 per usable square metre and a decline of 0.9% in the first three months of 2023. At the same time, it has seen an annual advance of 0.5% and an increase of 12.8% over the last two years.

Braşov came third in this ranking, with an average price of €1,580 per usable square meter, after a 0.6% increase in Q1 2023 and 5.5% in the last year. [Source: Q1 2023 Report imobiliare.ro](#)

Metropolitan area	Average price / net surface sqm (EUR)	Price evolution		
		2 years	1 year	Q1-2023
Bucharest	2.420	30.8%	8.1%	0.3%
Cluj-Napoca	1.660	12.8%	0.5%	-0.9%
Timișoara	1.580	25.4%	5.5%	0.6%
Iași	1.460	14.6%	1.8%	0.8%
Constanta	1.460	21.4%	3.8%	1.2%
Braşov	1.450	12.8%	4.6%	1.0%
Craiova	1.350	23.9%	9.8%	2.4%
Galați	1.340	22.8%	6.8%	2.7%
Pitești	1.080	7.7%	2.7%	0.7%
Ploiești	1.080	12.0%	5.2%	0.8%
Oradea	990	11.1%	3.6%	-0.5%

## Transactions

Based on data published by ANCPPI (National Agency for Cadastre and Real Estate Publicity), Bucharest recorded by far the highest number of transactions and was the only urban agglomeration to record increases in 2022.

Metropolitan area	2017	2018	2019	2020		2021		2022	
				No.	Delta 2019	No.	Delta 2020	No.	Delta 2021
Bucharest	44,600	40,600	41,300	43,500	5.3%	59,500	36.8%	64,700	8.7%
Cluj-Napoca	14,100	9,100	8,300	10,800	30.1%	12,100	12.0%	10,000	-17.4%
Timișoara	9,400	8,200	6,500	8,100	24.6%	12,500	54.3%	11,400	-8.8%
Iași	8,500	5,400	3,600	4,700	30.6%	8,800	87.2%	7,000	-20.5%
Constanța	7,400	5,200	3,500	4,800	37.1%	10,000	108.3%	8,700	-13.0%
Braşov	6,600	6,900	7,000	7,500	7.1%	11,000	46.7%	10,700	-2.7%
Craiova	2,300	2,000	2,000	2,300	15.0%	2,800	21.7%	2,700	-3.6%
Galați	3,000	2,500	1,900	2,100	10.5%	3,300	57.1%	3,400	3.0%
Pitești	3,000	2,000	2,400	1,800	-25.0%	2,800	55.6%	1,900	-32.1%
Ploiești	3,700	3,400	2,600	2,600	0.0%	3,800	46.2%	3,200	-15.8%
Oradea	2,800	2,000	1,800	2,000	11.1%	4,200	110.0%	3,700	-11.9%
Arad	2,600	2,700	2,400	1,700	-29.2%	3,000	76.5%	2,700	-10.0%
Brăila	1,300	1,000	900	900	0.0%	1,200	33.3%	1,200	0.0%
Sibiu	2,500	2,300	1,700	2,100	23.5%	3,700	76.2%	3,400	-8.1%

In the first quarter of 2023, a total of 10,146 individual units were sold in Bucharest, according to data published by the National Agency for Cadastre and Real Estate Publicity (ANCPPI). This figure is 2,801 units lower than in the same period in 2022, recording a decrease of 21.6%.

Metropolitan area	Sale period (days)		Delta
	Q1 2023	Q1 2022	
Cluj-Napoca	96.5	97.0	-0.52%
Constanța	59.0	59.0	0.00%
Braşov	61.0	49.0	24.49%
Bucharest	41.5	56.0	-25.89%
Timișoara	56.0	47.5	17.89%

In terms of the average selling period for an apartment, Bucharest can be considered as the most active real estate market in Romania today. In this ranking, this regional centre is followed by Timișoara, Constanța, Braşov and Cluj-Napoca, respectively.

## Conclusions

Our survey on the Romanian real estate market highlights a dynamic and attractive context with multiple opportunities for developers, investors, and buyers. The residential market in large metropolitan areas enjoys long-term economic stability, rising wage incomes and a growing population.

However, there are short-term challenges such as the tax laws, the rising inflation and the rising interest rates that may impact demand and affordability of new apartments, but the long-term outlook remains positive and new developments continue to be attractive to buyers due to more affordable prices compared to other similar economies.

The Romanian real estate market is dynamic and robust and the preference for home ownership remains strong among the population. Based on our analyses, no major market disruptions are foreseen, and demand is expected to continue to support real estate developments in the near future.





## ABOUT META ESTATE TRUST (MET)

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

The company has invested in more than 37 real estate projects over the 2 years since its incorporation and has successfully exited 11 real estate projects to date, partnering with real estate developers through capital participation, as well as house purchases in residential projects found in the 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 by 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 relies 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 class of assets is a key activity to the company in the light of the 3 dimensions under review: realisability of exit scenarios (price and moment in time), feasibility of completion of construction works (complying with budget and funding limits) and project legality (compliance with urban indicators and observance of laws on the grant of the building permit).

The company focuses on the following lines of business:

- ◆ Partnerships for co-development. Investments in projects in early stages that have a building permit;
- ◆ Early-stage projects – purchase of units in residential projects in the early stages of construction, with exit before, or at their completion;
- ◆ Income producing assets - purchase of housing for long- and short-term rental, with an acquisition yield of 6.5 -7.5% plus the potential for annual revaluation and resale in 3-5 years;
- ◆ Bulk acquisitions - purchase of packages of completed new stock apartments at discounted prices and their individual resale at market price;
- ◆ Landbank - purchase of land for future returns through development/co-development or resale after improvement of development parameters;
- ◆ Other opportunities - flexible investments in any sector of the real estate market offering a satisfactory return.

### Advantages of Meta Estate Trust

**Capital protection** – the investment is secured against extra collaterals and contractual clauses.

**Risk management** – risk is mitigated through geographical diversification, access to different market segments and fast capital turnover.

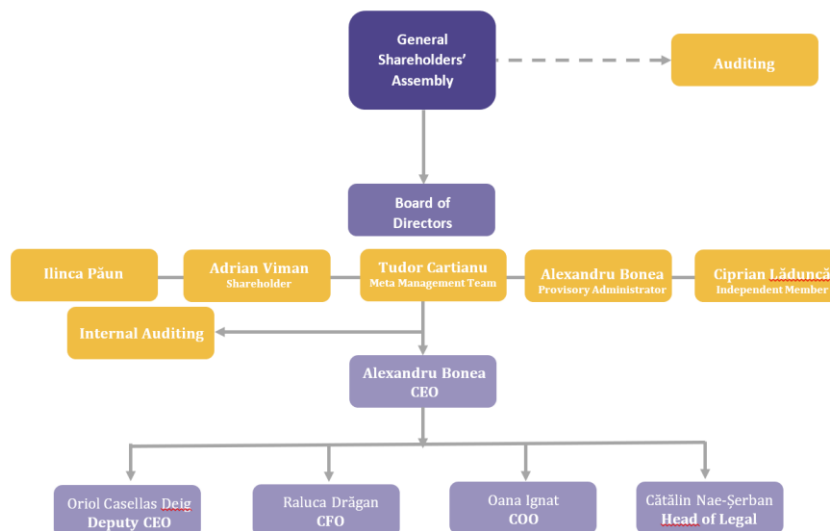
**Accessibility** – investors can choose complex real estate projects without no minimum investment threshold.

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

**Attractive rate of returns** – the expertise of a team with many years of experience in the property market, with access to attractive opportunities.

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

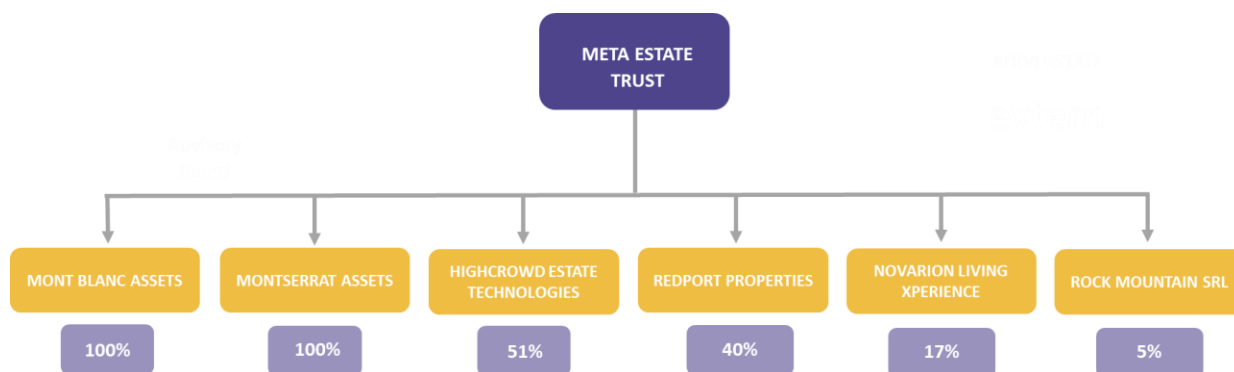
## Organisational structure (as at 30 August 2023)



## Corporate governance

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

## Shareholding as at 30 June 2023



## MANAGEMENT STATEMENT

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According to the best available information, we confirm that:

- ✦ The unaudited financial statements for the six-month period ended as at 30 June 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 for the six-month period ending as at 30 June 2023 in accordance with Article 67 of Law no. 24/2017 on issuers of financial instruments and market operations and Annex no. 14 to ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, contains correct and true information on the Company's development and performance.

Teodor Cristian Cartianu on behalf of META MANAGEMENT TEAM SRL – President of the Board of Directors

Alexandru Mihai Bonea – CEO

Raluca Elena Drăgan – CFO



meta  
estate

# FINANCIAL STATEMENTS

As at 30.06.2023



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2. Income Statement
3. Statement of Changes in Equity
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5. Explanatory Notes



**META ESTATE TRUST S.A.**  
**BALANCE SHEET**

As at 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



**meta**  
**estate**

	<b>Balance as at 01.01.2023</b>	<b>Balance as at 30.06.2023</b>
<b>FIXED ASSETS</b>		
<b>I. INTANGIBLE FIXED ASSETS</b>	<b>11,503</b>	<b>21</b>
<b>II. TANGIBLE FIXED ASSETS</b>	<b>492,856</b>	<b>776,069</b>
Furniture and office equipment	-	51,028
Investment property	492,856	685,077
Tangible fixed assets in progress	-	39,964
<b>III. LONG TERM FINANCIAL ASSETS</b>	<b>10,090,700</b>	<b>11,647,350</b>
Shares held in subsidiaries	173,000	476,000
Shares held in associates	5,937,780	5,937,780
Other long-term financial assets	22,000	22,000
Other loans	3,957,920	5,211,570
<b>TOTAL FIXED ASSETS</b>	<b>10,595,059</b>	<b>12,423,440</b>
<b>CURRENT ASSETS</b>		
<b>I. INVENTORIES</b>	<b>42,154,989</b>	<b>40,252,528</b>
Inventory items	-	4,647
Finished products and goods	297,900	2,926,495
Advance payments for inventory	41,857,089	37,321,386
<b>II. RECEIVABLES</b>	<b>29,099,172</b>	<b>44,135,033</b>
Trade receivables	666,213	173,513
Amounts receivable from associates	3,958,800	4,673,674
Other receivables	24,474,159	39,287,846
<b>III. CASH AND CASH EQUIVALENTS</b>	<b>16,645,635</b>	<b>5,974,718</b>
<b>TOTAL CURRENT ASSETS</b>	<b>87,899,796</b>	<b>90,362,279</b>
<b>PREPAYMENTS</b>	<b>89,027</b>	<b>71,681</b>
Amounts to be carried forward within less than one year	'66,314	55,901
Amounts to be carried forward within more than one year	22,713	15,780
<b>PAYABLES: AMOUNTS TO BE PAID WITHIN A PERIOD OF UP TO 1 YEAR</b>	<b>956,345</b>	<b>2,332,123</b>
Trade payables - suppliers	560,561	1,849,679
Other payables, including fiscal and social security payables	395,784	482,444
<b>NET CURRENT ASSETS / NET CURRENT LIABILITIES</b>	<b>87,009,765</b>	<b>88,086,057</b>
<b>TOTAL ASSETS MINUS CURRENT LIABILITIES</b>	<b>97,627,537</b>	<b>100,525,277</b>
<b>PROVISIONS</b>	<b>19,000</b>	<b>19,000</b>
Other provisions	19,000	19,000
<b>SHARE CAPITAL</b>	<b>87,035,241</b>	<b>87,035,241</b>
Subscribed and paid-in capital	87,035,241	87,035,241
<b>SHARE PREMIUM</b>	<b>6,456,496</b>	<b>-</b>
<b>LEGAL RESERVE</b>	<b>359,370</b>	<b>359,370</b>
<b>OTHER RESERVES</b>	<b>-</b>	<b>10,213,926</b>
<b>RETAINED EARNINGS/(LOSSES)</b>	<b>(2,396,394)</b>	<b>-</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>6,513,194</b>	<b>2,897,740</b>
<b>PROFIT DISTRIBUTION</b>	<b>(359,370)</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>97,608,537</b>	<b>100,506,277</b>

These Financial Statements were authorised by the management on 25 August 2023.

**Chairman of the Board,**  
META MANAGEMENT TEAM SRL  
Represented by  
Tudor Cartianu

**Prepared by,**  
ACCOMTESS PROFILE SRL  
Certified CECCAR member company  
Registered with the professional body under no.  
007092

**META ESTATE TRUST S.A.**  
**INCOME STATEMENT**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



	<b>6 months ending 30.06.2022</b>	<b>6 months ending 30.06.2023</b>
<b>Net turnover</b>	<b>1,909,589</b>	<b>137,620</b>
Other operating income	1,037,462	4,118,936
<b>TOTAL OPERATING INCOME</b>	<b>2,947,051</b>	<b>4,256,556</b>
Expenses with raw materials and consumables	12,678	3,022
Other material expenses	3,573	3,424
Expenses with water and electricity	-	2,032
Cost of goods sold	1,600,980	98,622
Personnel expenses	99,401	445,598
<i>Wages and bonuses</i>	92,430	431,340
<i>Social security and protection expenses</i>	6,971	14,258
Value adjustments in respect of tangible and intangible fixed assets (expenses)	9,590	9,065
Other operating expenses	1,701,890	2,295,702
<i>Expenses in respect of external services</i>	1,488,886	2,134,577
<i>Other taxes, charges, and similar liabilities</i>	49,540	78,736
<i>Other expenses</i>	163,464	82,389
<b>TOTAL OPERATING EXPENSES</b>	<b>3,428,112</b>	<b>2,857,465</b>
<b>OPERATING PROFIT / (LOSS)</b>	<b>(481,061)</b>	<b>1,399,091</b>
Interest income	1,203,333	1,972,488
<i>of which, income from affiliated entities</i>	-	-
Other financial income	1,163	402,498
<b>TOTAL FINANCIAL INCOME</b>	<b>1,204,496</b>	<b>2,374,986</b>
Interest expenses	-	-
<i>of which, expenses in relation to affiliated entities</i>	-	-
Other financial expenses	24,612	324,136
<b>TOTAL FINANCIAL EXPENSES</b>	<b>24,612</b>	<b>324,136</b>
<b>FINANCIAL PROFIT</b>	<b>1,179,884</b>	<b>2,050,850</b>
<b>TOTAL INCOME</b>	<b>4,151,547</b>	<b>6,631,542</b>
<b>TOTAL EXPENSES</b>	<b>3,452,724</b>	<b>3,181,601</b>
<b>GROSS PROFIT / (LOSS)</b>	<b>698,823</b>	<b>3,449,941</b>
Tax on profit	-	552,201
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	<b>698,823</b>	<b>2,897,740</b>

These Financial Statements were authorised by the management on 25 August 2023.

**Chairman of the Board,**  
 META MANAGEMENT TEAM SRL  
 Represented by  
 Tudor Cartianu

**Prepared by,**  
 ACCOUNTESS PROFILE SRL  
 Certified CECCAR member company  
 Registered with the professional body under no.  
 007092

**META ESTATE TRUST S.A.**  
**STATEMENT OF CHANGES IN EQUITY**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

Equity Item	Balance as at 01.01.2023	Increases		Decreases		Balance as at 30.06.2023
		Total	through transfer	Total	through transfer	
Subscribed and paid in capital	87,035,241	-	-	-	-	87,035,241
Share premium	6,456,496	-	-	6,456,496	6,456,496	-
Legal reserve	359,370	-	-	-	-	359,370
Other reserve	-	10,213,926	10,213,926	-	-	10,213,926
Retained earnings/(losses)	(2,396,394)	-	-	(2,396,394)	(2,396,394)	-
Profit/(Loss) for the year	6,513,194	2,897,740	-	6,513,194	6,513,194	2,897,740
Profit distribution	(359,370)	-	-	(359,370)	(359,370)	-
<b>TOTAL</b>	<b>97,608,537</b>	<b>13,111,666</b>	<b>10,213,926</b>	<b>10,213,926</b>	<b>10,213,926</b>	<b>100,506,277</b>

Equity Item	Balance as at 01.01.2022	Increases		Decreases		Balance as at 31.12.2022
		Total	through transfer	Total	through transfer	
Subscribed and paid in capital	68,737,003	18,298,238	-	-	-	87,035,241
Share premium	3,963,701	2,492,795	-	-	-	6,456,496
Legal reserve	-	359,370	359,370	-	-	359,370
Retained earnings/(losses)	-	(2,396,394)	(2,396,394)	-	-	(2,396,394)
Profit/(Loss) for the year	(2,396,394)	6,513,194	-	(2,396,394)	(2,396,394)	6,513,194
Profit distribution	-	(359,370)	(359,370)	-	-	(359,370)
<b>TOTAL</b>	<b>70,304,310</b>	<b>24,907,833</b>	<b>(2,396,394)</b>	<b>(2,396,394)</b>	<b>(2,396,394)</b>	<b>97,608,537</b>

These Financial Statements were authorised by the management on August 25<sup>th</sup> 2023.

**President of the Board,**  
 META MANAGEMENT TEAM SRL  
 Represented by  
 Teodor Cartianu

**Prepared by,**  
 ACCOUNTESS PROFILE SRL  
 Certified CECCAR member company  
 Registered with the professional body under no.  
 007092

**META ESTATE TRUST S.A.**  
**STATEMENT OF CASH FLOWS**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

	<b>6 months ending 30.06.2022</b>	<b>6 months ending 30.06.2023</b>
<b>Profit before tax</b>	<b>698,823</b>	<b>3,449,941</b>
<b>Adjustments for:</b>		
Value adjustments related to tangible and intangible fixed assets: expense / (income)	9,590	9,065
Adjustments related to provisions: expense / (income)	-	-
Value adjustments related to receivables: expense / (income)	-	-
Interest income	(1,203,333)	(1,972,488)
<b>Cash flows from operations before changes in working capital</b>	<b>(494,920)</b>	<b>1,486,518</b>
Decreases / (increases) in receivables balances	(5,148,691)	(15,643,229)
Decreases / (increases) in stock balances	(11,159,937)	1,902,461
Decreases / (increases) in prepayments	(12,339)	17,346
Increases / (decreases) in deferred income	2,694	-
Increases / (decreases) in commercial payables	(588,949)	1,289,118
Increases / (decreases) in other payables	(412,548)	(52,293)
<b>Cash generated by changes in working capital</b>	<b>(17,319,770)</b>	<b>(12,486,597)</b>
Income tax / profit tax paid	-	(413,248)
<b>Net cash generated from / (used in) operating activities</b>	<b>(17,814,690)</b>	<b>(11,413,327)</b>
Acquisitions of shares in various entities	-	(303,000)
Purchases of intangible assets	(40,323)	-
Sales of intangible assets	-	11,482
Purchases of tangible fixed assets	-	(53,035)
Purchases of investment property	(397,832)	(199,279)
Other granted loans	-	(1,253,650)
Payment of guarantees for future purchases	-	(39,964)
Interest received	95,461	2,579,856
<b>Net cash used in investment activity</b>	<b>(342,694)</b>	<b>742,410</b>
Proceeds from share capital increase	6,889,297	-
<b>Net cash generated from / (used in) financing activities</b>	<b>6,889,297</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(11,268,087)</b>	<b>(10,670,917)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>14,538,819</b>	<b>16,645,635</b>
<b>Cash and cash equivalents at the end of period</b>	<b>3,270,732</b>	<b>5,974,718</b>

These Financial Statements were authorised by the management on 25 August 2023.

**Chairman of the Board,**  
 META MANAGEMENT TEAM SRL  
 Represented by  
 Tudor Cartianu

**Prepared by,**  
 ACCOUNTESS PROFILE SRL  
 Certified CECCAR member company  
 Registered with the professional body under no.  
 007092

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

## **1. GENERAL INFORMATION**

META ESTATE TRUST S.A. ("the Company", "MET"), having its registered offices in Bucharest, District 1, 75-77 Buzești, 9th floor, Office no. 13, was founded in 2021 in accordance with the provisions of Law no. 31/1990, registered with the Trade Registry under no. J40/4004/2021, tax registration code R043859039.

The main object of business is „Holding activities”, NACE (Romanian CAEN) code 6420.

## **2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

### **2.1. Basis for preparation**

#### *2.1.1. General Information*

These financial statements have been prepared in accordance with Order no. 1802/2014 of the Romanian Minister of Public Finances, as further amended and supplemented ('OMFP 1802 / 2014') and in compliance with the requirements imposed by the Accountancy Law no. 82/1991 in its republished version.

The financial statements include:

- Balance Sheet;
- Income Statement;
- Statement of Changes in Equity (prepared voluntarily by the Company);
- Statement of Cash Flows (prepared voluntarily by the Company);
- Notes to the Financial Statements

Financial Statements are stand-alone. The Company is not required to prepare consolidated financial statements.

The accounting entries on the basis of which these financial statements have been prepared are made in lei ("RON") at historical cost, in accordance with the Company's accounting policies and with OMFP 1802/2014.

#### *2.1.2. Going Concern*

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue as a going concern without going into liquidation or significant curtailment. In order to assess the applicability of this assumption, the Company's management reviews forecasts of future cash inflows.

Based on these analyses, management believes that the Company will be able to continue in business for the foreseeable future and therefore the application of the going concern basis in the preparation of the financial statements is justified.

In February 2022, an armed conflict broke out between Russia and Ukraine, which affected the economies of both countries and resulted, among other things, in a significant flow of refugees from Ukraine to neighbouring countries (including Romania), as well as a series of sanctions imposed by the international community on Russia and Belarus and some of the Russian-owned companies. The medium and long-term impact of this conflict and the sanctions imposed on Russia cannot be predicted with sufficient accuracy at this stage.



**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

**2.1. Basis for preparation (continued)**

Given that the Company has no activities significantly dependent on the conflict or sanctions-affected area (notably Russia, Ukraine, Belarus), neither in terms of acquisitions, sales or investments, we believe that the Company's ability to continue its business for the foreseeable future will not be significantly affected, although there are still uncertainties related to the evolution of the conflict and the potential impact on countries in the vicinity of the conflict zone and the global economy.

The Company's financial statements as at 30.06.2023 have not been adjusted as a result of this event.

*2.1.3. Use of accounting estimates*

In preparing the Company's financial statements in accordance with OMFP 1802/2014 as further amended, the Company's management makes estimates and assumptions that affect the sums reported for revenues, expenses, assets and liabilities, as well as contingent assets and liabilities at the end of the period. Although the Company's management relies in making such estimates on the best information available on the preparation date, actual results may vary from the estimates.

*2.1.4. Presentation currency*

Accounts are kept in Romanian and in the national currency (RON). The items included in these financial statements are presented in Romanian Lei ('RON').

*2.1.5. Accounting principles*

The positions disclosed in these financial statements are assessed in accordance with the following accounting principles:

Going concern - These financial statements have been prepared based on the assumption that the Company will carry on its business as a going concern in the foreseeable future.

Consistency - applying the same regulations, methods and rules in assessing, recording and presenting patrimonial items and results in the accounts, ensuring the comparability of accounting information over time.

Prudence - all value adjustments due to impairment of assets have been considered, as well as all the foreseeable liabilities and potential losses that arose during the financial year ended or during a previous year.

Matching - all revenues and expenses for the year have been considered, regardless of the date of their collection or payment.

Offsetting - the values of items representing assets were not set off against the values of items representing liabilities, namely income against expenses.

Substance over form - the information disclosed in the financial statements reflects the economic reality of events and transactions, not only their legal form.

Materiality - any item that has a significant value is presented separately in the financial statements.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

**2.2. Conversion of foreign currency transactions**

Transactions made in a foreign currency are converted into RON using the foreign exchange rate valid on the transaction date. The exchange rate used for the conversion of the balance amounts denominated in foreign currency as of 30 June 2023 was RON 4.9634 / EUR (31 December 2022: 4.9474 RON/EUR). Monetary assets and liabilities denominated in foreign currency are valued and reported using the exchange rate communicated by the National Bank of Romania and valid at the end of the reported year. Currency translation differences, either favourable or unfavourable, between the exchange rate on the registration date of foreign currency receivables or liabilities for the current month or the exchange rate valid at the end of the previous month for those of previous months and the exchange rate valid at the end of the financial year are recorded as financial revenues or expenses, as appropriate.

**2.3. Significant accounting policies related to the financial statements**

**2.3.1. Fixed assets**

*2.3.1.1. Intangible fixed assets*

Web domain registrations are recognised as a component of the asset and are recorded at cost. Subsequently, these are measured at cost less accumulated depreciation and/or accumulated impairment losses, if any.

*2.3.1.2. Tangible fixed assets*

Furniture and office equipment are recorded at cost (which includes directly attributable costs such as transport, handling, installation). These are presented in the balance sheet at cost less accumulated depreciation and/or accumulated impairment losses, if any.

Investment properties represent properties (land, buildings - or part of a building - or both) held by the Company for rental income or capital appreciation, or both, rather than for:

- to be used in the production or supply of goods or services or for administrative purposes, or
- to be sold in the ordinary course of business.

These are recognised as a component of the asset and recorded at cost. Subsequently, they are measured at cost less accumulated depreciation and/or accumulated impairment losses, if any.

Tangible fixed assets in progress are those fixed assets produced or purchased by the Company which are not yet ready for use for the purpose for which they were created. These are registered at cost. They are recognised in the balance sheet at cost less impairment adjustments.

*2.3.1.3. Long term financial assets*

*Shares held in subsidiaries, Shares held in associates and Other long-term financial assets* – include interests held in entities in the form of shares. These are recognised in the balance sheet at cost less impairment adjustments.

*Other loans* – are non-current receivables and are recognised at cost less impairment adjustments.

**2.3.2. Inventories**

The Company includes in the Inventory *category* the amounts granted / paid in the early stages of construction of residential units or developments to the property developer / builder / general contractor. These amounts are often in the form of advances and represent assets with a long manufacturing cycle

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

**Inventories (continued)**

intended for sale. These are recognised at purchase price. Advances granted for the purchase of these assets that the Company intends to resell are shown under *Advances* for inventories. If the destination of the goods changes after the moment of purchase or advance payment, the Company may reclassify the assets to another asset category to reflect their use, in accordance with accounting policies and OMFP 1802/2014.

**2.3.3. Receivables**

Receivables are recognized in the balance sheet at their probable collection value (amount to be recovered according to the documents giving the right of collection, less adjustments for impairment).

**2.3.4. Cash and cash equivalents**

Cash and cash equivalents consist of bank accounts in RON and in foreign currency, short-term bank deposits and petty cash. Cash and cash equivalents are recorded at cost. Cash in foreign currency is valued at the exchange rate communicated by the National Bank of Romania, valid at the end of the reporting period.

**2.3.5. Payables**

Payables are presented in the balance sheet at the value of sums to be paid for the goods and services received.

**2.3.6. Provisions**

Provisions are recognized when the Company has a current liability (legal or constructive) generated by a past event, and an outflow of resources is likely to be needed in order to meet the obligation, and the payable can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the management's current best estimates thereon. If an outflow of resources is no longer likely to arise in order to cover a liability, the provision must be cancelled by carrying it forward on revenue.

**2.3.7. Share capital and share premium**

The subscribed and paid-in share capital includes the shares issued by the Company and fully subscribed and settled by the shareholders at the balance sheet date, assessed at their par value. Share premium represents the difference between the total subscription amount of the issued shares and their nominal value.

**2.3.8. Legal reserve**

The legal reserve is set-up by the annual allocation of 5% of the gross accounting profit at the end of the current financial year, until the legal reserve reaches the level of 20% of the Company's share capital.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

**2.3.9. Revenues**

*2.3.9.1. Production sold*

Revenues from production sold refers to income from rental contracts for rental units owned by the Company and from services rendered. These are recognised on an accruals basis in accordance with the contract.

*2.3.9.2. Income from sale of goods*

It refers to the income from the sale of housing units that have been purchased by the Company for resale. They are recognized on the transfer of related risks and benefits.

*2.3.9.3. Other operating income*

This category includes income from assignments and penalties. They are recognized when the right to receive them arises in compliance with the contractual terms between the parties.

*2.3.9.4. Interest income*

Interest income is recognized from time to time as generated, either from the liquidation of short-term bank deposits placed by the Company, or from loans granted to entities in which the Company holds shares.

**2.3.10. Contingent liabilities / Contingent assets**

A contingent liability is a potential obligation that arises from past events prior to the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a potential asset that arises from events before the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

**2.4. Taxes and charges**

The Company has recorded corporate income tax for the period 01 - 30 June 2023 based on the taxable profit from the tax reports according to the relevant Romanian legislation.

The current tax is calculated based on the tax result using the tax rate in force at the balance sheet date.

The corporate income tax rate for the 6-month period ended on 30.06.2023 was 16% (the 6-month period ended on 30.06.2022: 16%).

**2.5. Affiliated entities and other related parties**

According to OMFP 1802/2014, affiliated entities means two or more entities within a group (composed of the parent company and its controlled entities).

An entity in which the Company has a participating interest and in which it exercises significant influence by holding at least 20% of the voting rights of the shareholders or associates of that entity is considered an associated entity.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

**2.5. Affiliated entities and other related parties (continued)**

An entity is 'related' to another entity if:

- a) directly or indirectly, through one or more undertakings:
  - it controls or is controlled by the other entity or is under common control of the other entity (that includes parent companies, subsidiaries, or member subsidiaries);
  - it has an interest in that specific entity, which offers significant influence upon such entity, or
  - holds shared control over the other entity.
- b) it represents a member of the other entity;
- c) it represents a joint venture of which the other entity is an associate;
- d) is a member of the key management staff of the entity or its parent company;
- e) it represents a close family member of the person mentioned under paragraphs a) or d);
- f) it represents an entity that is controlled, jointly controlled, or significantly influenced or for which significant voting power for such an entity is given, directly or indirectly, by any person mentioned under paragraph d) or e); or
- g) the entity represents a post-employment incentive plan for the benefit of the employees or of the employees of any entity related to such company.

**2.6. Other considerations**

The financial statements are not intended to fully present the financial position, the result of operations and a complete set of notes to the financial statements in accordance with the accounting regulations and principles accepted in countries and jurisdictions other than Romania. Therefore, these financial statements are not prepared for the use of individuals who do not know the accounting and legal regulations in Romania, including the provisions of the OMPF 1802/2014 as further amended.



**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



**1. FIXED ASSETS**

Description of item	Gross book value				Value adjustments (amortization and adjustments for depreciation or impairment)				Net book value	
	Balance as at 01.01.2023	Increases	Assignments, transfers, and other decreases	Balance as at 30.06.2023	Balance as at 01.01.2023	Adjustments recorded during the period	Decreases or amounts carried forward	Balance as at 30.06.2023	Balance as at 01.01.2023	Balance as at 30.06.2023
0	1	2	3	4 = 1+2-3	5	6	7	8 = 5+ 6-7	9 = 1-5	10 = 4-8
<b>Intangible fixed assets</b>	<b>17,246</b>	-	<b>17,196</b>	<b>50</b>	<b>5,743</b>	<b>750</b>	<b>6,464</b>	<b>29</b>	<b>11,503</b>	<b>21</b>
Other intangible fixed assets	17,246	-	17,196	50	5,743	750	6,464	29	11,503	21
<b>Tangible fixed assets</b>	<b>497,421</b>	<b>291,529</b>	-	<b>788,950</b>	<b>4,565</b>	<b>8,316</b>	-	<b>12,881</b>	<b>492,856</b>	<b>776,069</b>
Furniture and office equipment	-	52,286	-	52,286	-	1,258	-	1,258	-	51,028
Investment property	497,421	199,279	-	696,700	4,565	7,058	-	11,623	492,856	685,077
Fixed assets in progress	-	39,964	-	39,964	-	-	-	-	-	39,964
<b>Financial fixed assets</b>	<b>10,090,700</b>	<b>1,556,650</b>	-	<b>11,647,350</b>	-	-	-	-	<b>10,090,700</b>	<b>11,647,350</b>
Shares held in affiliated entities	173,000	303,000	-	476,000	-	-	-	-	173,000	476,000
Shares held in associates	5,937,780	-	-	5,937,780	-	-	-	-	5,937,780	5,937,780
Other long-term financial assets	22,000	-	-	22,000	-	-	-	-	22,000	22,000
Other loans	3,957,920	1,253,650	-	5,211,570	-	-	-	-	3,957,920	5,211,570
<b>TOTAL</b>	<b>10,605,367</b>	<b>1,848,179</b>	<b>17,196</b>	<b>12,436,350</b>	<b>10,308</b>	<b>9,066</b>	<b>6,464</b>	<b>12,910</b>	<b>10,595,059</b>	<b>12,423,440</b>

Intangible fixed assets represent registration of web domains.

Tangible fixed assets are represented as at 30 June 2023 mainly by investment property consisting of parking spaces located within the Aviației Park project that have been let, by IT equipment and by fit-out and modernization works for office spaces.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



### 3. FIXED ASSETS (continued)

Long term financial fixed assets as at 30 June 2023 consist of interests in companies developing real estate projects. Redport Capital SRL (40% of the shareholding), Novarion Living Xperience SA (17% of the shareholding) and Rock Mountain (5% of the shareholding) - respectively in affiliated entities: Highcrowd Technologies SA (51% of the shareholding), a subsidiary whose activity is crowd-funding, Mont Blanc Assets SRL (100% of the shareholding) and in Montserrat Assets SRL (100% of the shareholding), set up for the purpose of carrying out specific real estate investment projects.

The amount of RON 5,211,570 represents long-term loans granted to entities in which the company holds shares.

### 4. INVENTORIES

Description of item	Balance as at 01.01.2023	Increases	Out of which by transfer	Decreases	Out of which by transfer	Balance as at 30.06.2023
Inventory items	0	4,647	0	0	0	4,647
Goods	297,900	2,926,495	2,577,276	297,900	0	2,926,495
Advances for inventories	41,857,089	17,547,935	0	22,083,638	2,577,276	37,321,386
<b>TOTAL</b>	<b>42,154,989</b>	<b>20,479,077</b>	<b>2,577,276</b>	<b>22,381,538</b>	<b>2,577,276</b>	<b>40,252,528</b>

Inventories are represented as at 30 June 2023 by goods consisting of real estate purchased with the purpose of resale and advances granted by the Company for the purchase of real estate assets for resale.

The amount of RON 16,494,171 was transferred in 2023 from the category of inventories (advances) into receivables due to the early termination of purchase agreements for real estate units and represents amounts to be recovered from projects Avrig 7 (Rock Development), UpLake (Lakeside Palace SRL) and other units located in Bucharest, on Rahmaninov and Dante Aligheri streets.

During the first 6 months of 2023, the units from project "The Level" were handed over, and the Company took ownership of part of the units pre-contracted in this project. As a result, these units were reclassified from the category of advances for inventories to finished products and goods, in the amount of RON 2,330,196.

At the beginning of the year 2023, the Company took ownership of a property acquired in Sibiu in the amount of RON 520,701. Thus, the advance paid during 2022 in the amount of RON 247,080 was reclassified from the category of advances for inventories to finished products and goods.

Finished products and goods in the amount of RON 2,926,495 as at 30 June 2023 represent real estate units owned by the Company, but not sold, in projects located in Bucharest and Sibiu.

Advances for inventories represent precontracted units in various real estate projects in Bucharest, Sibiu, Braşov, Iaşi and Constanţa.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

## 5. RECEIVABLES

Description of item	Balance as at 01.01.2023	Balance as at 30.06.2023	Maturity - balance as at 30.06.2023	
			Within less than 1 year	Within more than 1 year
Customers	666,067	3,451	3,451	-
Advances to suppliers	146	170,062	170,062	-
<b>Total trade receivables</b>	<b>666,213</b>	<b>173,513</b>	<b>173,514</b>	-
				-
Amounts receivable from associates	3,958,800	4,673,674	4,673,674	-
<b>Total amounts receivable from associates</b>	<b>3,958,800</b>	<b>4,673,674</b>	<b>4,673,674</b>	-
				-
Amounts receivable from partially and fully divested projects	9,104,171	24,352,537	24,352,537	-
Receivables from loans granted to entities in which the Company holds shares	12,368,500	12,408,500	12,408,500	-
Interest receivable	2,423,392	1,816,023	1,816,023	-
VAT to be recovered	571,164	697,807	697,807	-
Non-eligible VAT	3,202	2,969	2,969	-
Other social receivables	2,337	5,047	5,047	-
<b>TOTAL other receivables</b>	<b>24,474,159</b>	<b>39,287,846</b>	<b>39,287,845</b>	-
<b>TOTAL</b>	<b>29,099,172</b>	<b>44,135,033</b>	<b>44,135,033</b>	-

The amount of RON 4,673,674 related to receivables from associates represent amounts to be recovered from Redport Properties SRL in relation to a shareholder loan.

Amounts to be received from partially or fully-divested projects represent amounts disbursed as advances and indemnities arising from agreements to terminate pre-sale and purchase contracts. Out of the balance amount as at 30 June 2023 and until the date on which these financial statements were authorised, the amount of RON 10,837,526 was collected.

The amount of interest accrued on loans granted to entities the Company holds interests in is RON 1,814,782 (31 December 2022: RON 2,407,968). The amount of interest accrued on short-term deposits denominated in EUR and in RON is RON 1,241.

## 6. CASH AND CASH EQUIVALENTS

Description of item	Balance as at	
	01.01.2023	30.06.2023
Current accounts in lei	147,454	66.162
Current account in foreign currency	499,537	1,698,492
Short-term deposits in lei	7,588,000	4,210,000
Short-term deposits in foreign currency	8,410,580	0
Cash in hand in lei	64	64
<b>TOTAL</b>	<b>16,645,635</b>	<b>5,974,718</b>

## 7. SHARE CAPITAL

The subscribed and paid-up share capital as at 30 June 2023 consists of 87,035,241 shares (31 December 2021: 68,737,003 shares) with a nominal value of RON 1 each.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)

**7. SHARE CAPITAL (continued)**

Shareholding structure	01.01.2023	%	30.06.2023	%
Individual shareholders - list type	53,272,467	61.21	53,272,467	61.21
Legal entities shareholders - list type	33,762,774	38.79	33,762,774	38.79
<b>TOTAL</b>	<b>87,035,241</b>	<b>100.00</b>	<b>87,035,241</b>	<b>100.00</b>

The share capital contains 2 classes of shares detailed below:

Share capital structure by share classes	01.01.2023	%	30.06.2023	%
Class A - ordinary shares	75,785,265	87.07	75,785,265	87.07
Class B - preferred shares	11,249,976	12.93	11,249,976	12.93
<b>TOTAL</b>	<b>87,035,241</b>	<b>100.00</b>	<b>87,035,241</b>	<b>100.00</b>

The ordinary shares carry 100% of the voting rights in the Company. Preferred shares give priority dividend and have no voting rights attached. According to the memorandum of association, they are limited to 11,250,000.

During 2023, the Company's net profit achieved in 2022, in the amount of RON 6,513,194, was distributed as follows:

- RON 2,396,394 to cover the losses from the previous years;
- RON 359,370 to create the legal reserve;
- RON 3,757,430 to create other reserves.

The share premiums in amount of 6,456,496 lei were transferred to other reserves.

**8. PAYABLES**

Description of item	Balance as at 01.01.2023	Balance as at 30.06.2023	Maturity - balance as at 30.06.2023	
			Within less than 1 year	Within more than 1 year
Creditor customers	364	1,243,558	1,243,558	-
Suppliers - invoices to be received	499,151	440,567	440,567	-
Suppliers	61,047	165,554	165,554	-
Corporate tax liability	289,905	428,858	428,858	-
Social security and health insurance contributions	29,039	40,536	40,536	-
Other payables	76,809	13,050	13,050	-
Sundry creditors	30	-	-	-
<b>TOTAL</b>	<b>956,345</b>	<b>2,332,122</b>	<b>2,332,122</b>	<b>-</b>

Creditor customers represent amounts invoiced to customers as advances for sale of real estate units.

Suppliers – invoiced to be received represents the value of services received up to 30 June 2023 for which the Company has not yet received invoices. Out of these, the amount of RON 372,528 represents the payable related to the management contract concluded with Meta Management Team SRL.

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



## 9. OPERATING INCOME

Description of item	6 months ending 30.06.2022	6 months ending 30.06.2023
Income from sale of goods	1,907,270	123,000
Rental income	2,319	14,620
<b>Net turnover</b>	<b>1,909,589</b>	<b>137,620</b>
Other operating income	1,037,462	4,118,936
<b>TOTAL</b>	<b>2,947,051</b>	<b>4,256,555</b>

Income from the sale of goods is generated by the sale of residential units that have been purchased for resale purposes. These relate the Aviației Park project.

Rental income is generated by the rental of parking spaces in the Aviației Park project.

Other operating income was mainly generated by agreements to terminate pre-sale and purchase contracts, such as Mătășari, Pajura, Ghimbav, Chitila, Rahmaninov, Dante Aligheri, Eforie Sud and from the sale of pre-contracted rental units from other projects (such as Aviației Park, Mătășari, Mobexpert Homes Pipera, etc.).

## 10. PERSONNEL EXPENSES

As at 30 June 2023, the Company had 6 employees with individual employment contracts. The average number of employees with individual employment contracts was 5.

## 11. EXPENSES IN RESPECT OF EXTERNAL SERVICES

Description of item	6 months ending 30.06.2022	6 months ending 30.06.2023
Management services expenses	699,005	1,248,234
Protocol, advertising and publicity expenses	446,755	328,721
Other third-party expenses	124,433	200,110
Fee and commission expenses	77,752	195,187
Brokerage fees	140,941	162,324
<b>TOTAL</b>	<b>1,488,886</b>	<b>2,134,577</b>

Management services expenses relate to the service contract with the Meta Management Team, expenses with other Board members and the expenses of collaborators providing management services.

Protocol, advertising and publicity expenses mainly related to marketing campaigns and outsourced public relations and marketing services.

Fee and commission expenses relate mainly to amounts paid to lawyers and notaries for services related to real estate transactions.

Brokerage fees mainly relate to services provided by brokers for intermediating the raising of capital market funds and for market maker services.



**META ESTATE TRUST S.A.**  
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For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



### 11. EXPENSES IN RESPECT OF EXTERNAL SERVICES (continued)

Other third party expenses mainly include costs related to the operation of the Company (e.g. rent, accounting and payroll services, financial audit and valuation services, IT services, mail and telecommunications, subscriptions to publications, courier services, etc).

### 12. FINANCIAL INCOME AND EXPENSES

Description of item	6 months ending 30.06.2022	6 months ending 30.06.2023
Interest income	1,203,333	1,972,488
Other financial income	1,163	402,498
Interest expenses	-	-
Other financial expenses	24,612	324,136
<b>FINANCIAL PROFIT</b>	<b>1,179,884</b>	<b>2,050,85</b>

Interest income refers to interest earned on loans granted to companies in which the Company holds shares (RON 1,869,701) and on short-term deposits (RON 102,787). Other financial income and expenses arise from exchange rate differences.

### 13. CORPORATE INCOME TAX

Starting from Q4 2021, the Company is liable for corporate income tax (tax rate 16%).

### 14. OFF-BALANCE SHEET COMMITMENTS

During its investment in residential real estate, the Company enters into promissory purchase agreements that stipulate, apart from the sums disbursed in advance, the payment commitments over certain periods of time (for example, on completion of the building). Upon the execution of the promissory purchase agreement, the Company may assign a portion of the property against an assignment fee, in which case the remaining payment liability is transferred on the assignee. If payment liabilities are not complied with on time, the parties usually approve of a 3- month extension and if the remaining price is not paid later and the parties do not reach another agreement, the promissory buyer loses the advance payment. The total sum of maximum payment commitments under promissory purchase agreements concluded by the Company totalled EUR 15.44 million as at 30 June 2023 (31 December 2022: EUR 14.01 million), of which EUR 3.01 million were estimated to become due within 12 months (31 December 2022: EUR 4.35 million). The Company seeks to cover existing commitments through a mix of its own sources and funding raised from banking institutions and from the capital market, in pursuit of reaching an optimal level of the financing schedule. As at 30 June 2023, the balance of the credit line contracted and unpaid was EUR 1,500,000 (31 December 2022: EUR 1,500,000).

**META ESTATE TRUST S.A.**  
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For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



## 15. OTHER INFORMATION

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 the conversion of priority dividends into ordinary shares of the Company, as stated in the Company's memorandum of association, with the provision that the Company will submit to the approval of the shareholders at the next Extraordinary General Meeting of Shareholders the allocation of new, free-of-charge shares pro rata the interest held in the Company's share capital by each shareholder, by incorporating the reserves into the share capital.

At the Ordinary General Meeting of Shareholders held on 26.04.2023, it was approved that Cagils Invest SRL, represented by Păun Ilinca-Mihaela, be appointed as permanent member of the Board of Directors for a term of office expiring on 27.01.2024.

On 08.05.2023, upon the resignation of Mr. Bonea Dragoș Adrian from the position of Board of Directors member, Mr. Alexandru Bonea was appointed as provisory member for a term of office beginning on 08.05.2023 and ending on the date when the general meeting of shareholders decides to appoint a new permanent member.

As at 30 June 2023, the Board of Directors was made of the following members:

- Meta Management Team SRL, Board of Directors president, represented by Teodor Cartianu
- Adivi Estate SRL, Board of Directors member, represented by Viman Adrian Vasile
- LCL Grup SRL, Board of Directors member, represented by Lăduncă Ciprian
- CAGILS Invest SRL, member of the Board of Directors, represented by Păun Ilinca Mihaela
- Alexandru Bonea, Board of Directors provisory member

### ***Balance and transactions with affiliated parties***

The affiliated entities and the related parties with which the Company has entered into transactions in 2022 or for which balance sheet exist are as follows:

<b>Name</b>	<b>Affiliation category</b>
Meta Management Team SRL	Chairman of the Board of Directors
Redport Properties SRL	Associated entity
Highcrowd Technologies SA	Subsidiary
Montserrat Assets S.R.L.	Subsidiary
Mont Blanc Assets S.R.L.	Subsidiary
Oriol Casellas Deig	Key management member
Raluca-Elena Drăgan	Key management member
LCL Grup SRL (represented by Ciprian Lăduncă)	Member of the Board of Directors
CAGILS INVEST SRL (represented by Ilinca Păun)	Member of the Board of Directors
ADIVI ESTATE SRL (represented by Adrian Viman)	Member of the Board of Directors

The transactions with affiliated entities and related parties during 2023 and balances as at 30 June 2023 are presented below:

**META ESTATE TRUST S.A.**  
**EXPLANATORY NOTES**

For the 6 months period ended 30 June 2023

(all amounts are presented in Romanian lei ("RON"), unless specified otherwise)



**15. OTHER INFORMATION (continued)**

<b>Amounts included in the balance sheet</b>	<b>Category</b>	<b>Balance as at 01.01.2023</b>	<b>Balance as at 30.06.2023</b>
Long term financial assets	Associates	5,937,780	5,937,780
Long term financial assets	Affiliated entities	173,000	476,000
Receivables	Associates	3,958,800	4,673,674
Receivables	Affiliated entities	-	269
Suppliers	Other members of the Board of Directors	8,832	-
Suppliers - invoices to be received	Chairman of the Board of Directors	396,862	372,528
Suppliers - invoices to be received	Other members of the Board of Directors	-	19,850

<b>Amounts included in the income statement</b>	<b>Category</b>	<b>Year ended on 30.06.2022</b>	<b>Year ended on 30.06.2023</b>
Management services expenses	Key management members	191,320	182,352
Management services expenses	Meta Management Team SRL – Chairman of the Board of Directors	473,575	900,492
Management services expenses	Other members of the Board of Directors	38,151	169,407
Other operational expenses	Affiliated entities	-	1,165
Other operational income	Affiliated entities	-	19,200
Other operational income	Associates	-	714,874

**15. EVENTS AFTER THE BALANCE SHEET DATE**

On 19.07.2023, the Company decided to call the Ordinary General Meeting of Shareholders for 27.09.2023 in order to:

- Approve the election of a new member to the Company's Board of Directors. Following the resignation as of Mr. Bonea Dragos Adrian, Mr. Bonea Alexandru-Mihai was appointed as provisory member until the date of the first Ordinary General Meeting of Shareholders of the Company;
- Elect a new Chairman of the Board of Directors from the elected members of the Board of Directors (including the currently appointed Chairman).

On 28.07.2023, by decision of the Board of Directors, it was approved that Mr. Bonea Alexandru-Mihai be appointed as General Manager of the Company for a term of 4 years.

These Financial Statements were authorised by the management on August 25<sup>th</sup> 2023.

**Chairman of the Board,**  
META MANAGEMENT TEAM SRL  
Represented by  
Teodor Cartianu

**Prepared by,**  
ACCOMTESS PROFILE SRL  
Certified CECCAR member company  
Registered with the professional body under no.  
007092

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Meta Estate Trust S.A.

4-10 Muntii Tatra Street, 4th Floor, District 1, Bucharest, Romania

No. Trade Register: J40/4004/2021; TIN 43859039

Subscribed Capital: 87,035,241 lei

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