

# STK Emergent - 2021 preliminary results

## 1. The economic context

The resources of the fund are placed in shares of listed companies or companies that are to be listed on the stock exchange, as well as in real estate assets for the purpose of developing a real estate project which is under authorization. Thus, the main factors that directly influence the evolution of the fund's assets are the real estate market and the trends of the capital markets.

The real estate market in Cluj Napoca (the location of the fund's real estate assets) is on a multi-annual growth trend, with average selling prices that reached historical highs at the end of 2021. For this purpose, the graph below provided by the imobiliare.ro website calculates the index of the price trend.



During 2021, part of the fund's assets were placed in the shares of newly listed companies in order to create exposure to sectors that are actively producing economic growth, such as the IT industry, but also the agricultural or transport sectors.

## 2. Financial Statements

The preliminary annual financial statements as of 31 December, 2021 have been prepared in compliance with the International Financial Reporting Standards (IFRS).

### a) Statement of Financial Position

The preliminary statement of financial position at 12/31/2020 in compliance with the International Financial Reporting Standards is as follows:

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In accordance with IFRS:	31.12.2021	(%)	31.12.2020	(%)	2021 vs 2020
<b>Non current assets</b>					
Other financial assets at fair value through other comprehensive income	37,840,961	54.49%	32,979,223	54.90%	114.74%
<b>Current assets</b>					
Securities at fair value through profit or loss (held for trading)	24,620,440	35.45%	3,938,383	6.60%	625.14%
Receivables from securities transactions	239,027	0.34%			
Cash and cash equivalents	6,744,085	9.71%	23,150,763	38.50%	29.13%
<b>TOTAL ASSETS</b>	<b>69,444,512</b>	<b>100%</b>	<b>60,069,370</b>	<b>100.00%</b>	<b>115.61%</b>
<b>Equity</b>	<b>68,951,160</b>	<b>99.29%</b>	59,567,832	99.20%	115.75%
<b>Current liabilities</b>	<b>493,352</b>	<b>0.71%</b>	500,537	0.80%	98.56%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,444,512</b>	<b>100%</b>	<b>60,069,370</b>	<b>100.00%</b>	<b>115.61%</b>

The *Other financial assets at fair value through other comprehensive income* include mainly securities held at STK Properties SA and Emergent Real Estate SA. They are valued in compliance with the international valuation standards in accordance with Regulation 7/2020. Thus, a fair value is used from a valuation report made by an ANEVAR certified external valuator. The increase of 14.74% of these assets is in line with the evolution of the real estate market, + 16.4% in the last year according to imobiliare.ro.

The *Securities at fair value through profit or loss account (held for trading)* category, amounting to 24.6 million RON, comprised mainly shares of companies newly listed on the Bucharest Stock Exchange, the IT field having a share of over 50%. Cash flow has decreased as a result of these investments, so we have created exposure to sectors with growth potential.

Equity increased by 15% compared to 2020. The absolute figure of RON 9.37 million is made of RON 4.8 million from real estate investments and 4.5 million from investments in shares.

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## b) Statement of Profit or Loss

Compared to the previous year, the preliminary statement of profit or loss account of the Fund at the end of 2021 is as follows:

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In accordance with IFRS:	2021	2020	Var (%)
Net gains on financial instruments traded or held for trading at fair value through profit or loss	5,854,743	334,032	1653%
Dividend income	143,422	20,000	617.11%
Interest income	9,731	70,760	-86.25%
Net gain from foreign exchange differences	444,672	54,046	722.77%
<b>Total Net Revenue</b>	<b>6,452,568</b>	<b>478,838</b>	<b>1247.55%</b>
Net loss on financial instruments traded or held for trading at fair value through profit or loss	-	0	<i>n.a.</i>
Administration fees, bank charges, fees	1,930,978	1,865,669	3.50%
<b>Total Net Expenses</b>	<b>1,930,978</b>	<b>1,865,669</b>	<b>3.50%</b>
<b>Net Profit for the year</b>	<b>4,521,590</b>	<b>-1,386,831</b>	<i>n.a.</i>

Financial securities at fair value through profit or loss brought in revenues of 5.85 million RON as a result of the increase in the stock market value of the investments made, mainly from the increases registered by the shares of the companies listed in 2021.

The total revenues increased 13 times, while the fund's expenses grew by 3.5%, which allowed a net profit from the investment activity on the capital market of RON 4.5 million RON.