

Board of Directors Report

1st Quarter 2025

STK Emergent

1st Quarter Report in accordance with the **Law no. 24/2017, Regulation no. 15/2018**

Date of the report: **May 15, 2025**

Issuing entity: **The STK EMERGENT alternative investment fund managed by STK FINANCIAL AFIA SA**

Headquarters: **Romania, 400423 Cluj - Napoca, 3 Mihai Veliciu Street, County of Cluj**

Telephone number: **0264 591 982**

Decision of the Financial Supervisory Authority (ASF): **no. 232/15.11.2021**

Registration number in the ASF Registry: **CSC09FIAIR/120013**

Subscribed and paid-in share capital: **RON 186,681,000**

The regulated market on which the issued securities are traded: **The Bucharest Stock Exchange**

1. Events with significant impact on Fund`s performance

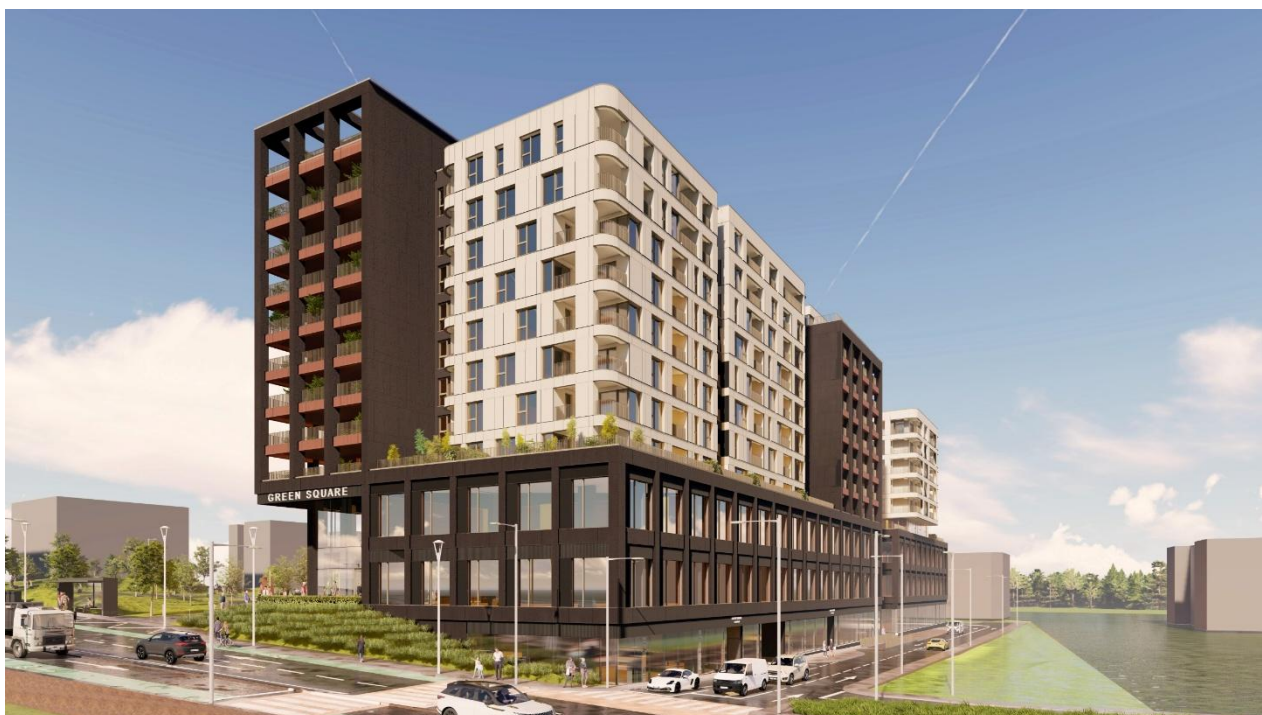
The most significant factor was the general context of the capital markets worldwide (characterized by valuations in the upper part of the historical values – hence, a reduced expected return- and by economic and political risks coming mainly from the steps taken by the American government that wishes a remodelling of the commercial economic relations, inclusively by means of a tariff war).

On top of that, the economic and political situation in Romania has added additional risks: a budget deficit near 10% which should be reduced (probably through tax rises and currency depreciation – factors which incur risks for the trends of the companies listed on stock exchange), the cancellation and reorganization of the presidential elections, which can have consequences on the economic standing, on Romania's perception outside and, last but not least, on the country's rating (there is a risk that the negative outlook announced by the rating agencies might materialize, which means a relegation to the *junk* category).

In this context, we chose to consolidate the fund's financial position by raising liquidities. An important contribution had the capital raise from January, amounting to RON 7.7 mln., but also the net sales of over RON 1 mln. from the tradeable portfolio held at the beginning of the year.

A specific significant factor is the authorization process of the Green Square project, that is making progress against the challenges of the excessive bureaucracy.

The project will be made of a commercial centre, apartments, as well as a park, as one can see in the images below:



2. Fund's Financial Position and Performance

The financial statements as of March 31, 2025 have been prepared in accordance with the Financial Supervisory Authority (ASF) Norm 39/2015 for the approval of the Accounting Regulations pursuant to the International Financial Reporting Standards (IFRS), applicable to entities authorized, regulated and supervised by the ASF in the Sector of Financial and Investment Instruments. The financial statements of STK Emergent fund have not been consolidated.

The financial statements as of March 31, 2025 have not been audited.

The Fund's Statement of Financial Position as of **March 31, 2025** compared with December 31, 2024 is as follows:

RON

In accordance with IFRS:	31.03.2025	Weighting (%)	31.12.2024	Weighting (%)	Var (%)
Non current assets					
Non-current financial assets measured at fair value through other comprehensive income	46,476,407	49.53%	48,339,067	54.56%	-3.85%
Current assets					
Current financial assets at fair value through profit or loss mandatorily measured at fair value	6,997,607	7.46%	8,082,296	9.12%	-13.42%
Receivables from trading operations	-		-	0.00%	
Cash and cash equivalents	40,351,386	43.01%	32,179,717	36.32%	25.39%
TOTAL ASSETS	93,825,400	100.00%	88,601,079	100.00%	5.90%
Equity	93,579,923	99.74%	88,365,726	99.73%	5.90%
Total current liabilities	245,477	0.26%	235,353	0.27%	4.30%
TOTAL LIABILITIES	93,825,400	100.00%	88,601,079	100.00%	5.90%

The post *Non-current financial assets measured at fair value through other comprehensive income* includes Fund's holdings in STK Properties SA and Emergent Real Estate SA.

The *Current financial assets at fair value through profit or loss mandatorily measured at fair value* were down by 13.42% versus the end of last year. The price changes in STK Properties stock are recorded here. *Cash and cash equivalents* rose by 25.39% also due to the capital raise from January 2025.

The total assets of the Fund amounted to RON 93.8 million as of March 31, 2025, on the rise by 5.9% compared to the end of 2024.

The financial performance of the Fund as of March 31, 2025 compared to the same period of the last year is as follows:

In accordance with IFRS:	31.03.2025	31.03.2024	Var (%)
Net gains from current financial assets at fair value through profit or loss, mandatorily measured at fair value		1,437,883	n/a
Dividend income		-	
Interest income	370,711	156,530	137%
Net gains from foreign exchange differences	3,055	-	n/a
Total net Revenues	373,765	1,594,413	-77%
Net loss from disposed financial assets at fair value through other comprehensive income		-	n/a
Net losses from current financial assets at fair value through profit or loss, mandatorily measured at fair value	389,615	-	n/a
Management fees, bank charges, fees	685,644	599,805	14%
Net loss from foreign exchange differences		5,168	n/a
Total net Expenses	1,075,259	604,973	78%
Net result of the financial year	(701,493)	989,440	n/a

The net revenues come almost entirely (99%) from interest income.

The *management fees, bank charges and other fees*, amounting to RON 0.69 million, increased versus the first quarter of the previous year due to the rise in assets and the costs incurred by raising additional capital. The net losses from current financial assets come almost entirely from the negative changes in Arobs stock held at the end of the last year, a residual holding from an older investment (since IPO) and which was, meanwhile, almost entirely sold off.

The operational activity of the Fund in the first quarter of 2025 ended with a net loss of RON 701 thousand.

Attached to this report are:

Statement of Financial Position as of 03/31/2025

Statement of Profit or Loss and Other Comprehensive Income as of 03/31/2025

Notes to the Accounts

Chairman of the Board,
PASCU Nicolae