

Board of Directors Report

1st Half 2024

STK Emergent

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

Date of the report: **August 29, 2024**

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**

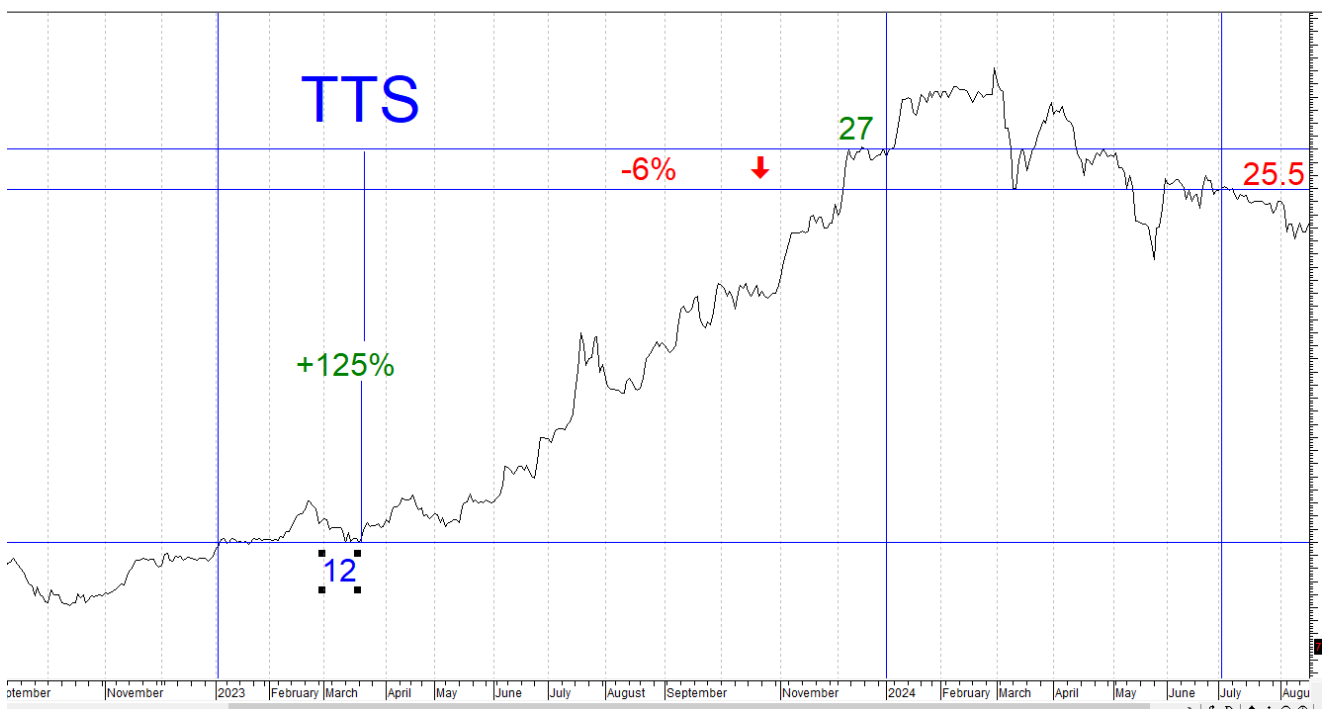
Subscribed and paid-in share capital: **RON 146,340,600**

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

1. Events with significant impact on Fund`s performance

In the first half of 2024 the results of STK Emergent fund were influenced by the trend of its main holdings: TTS, AROBS and EL.

TTS was an older investment that rose considerably in 2023. The year 2024 was marked by the company's more pessimistic forecasts that proposed a budget with a declining profit due to the dimming of the advantage created by the conflict in Ukraine.



As a result of the worsening outlook in the short term, we sold off that investment.

STK FINANCIAL AFIA SA

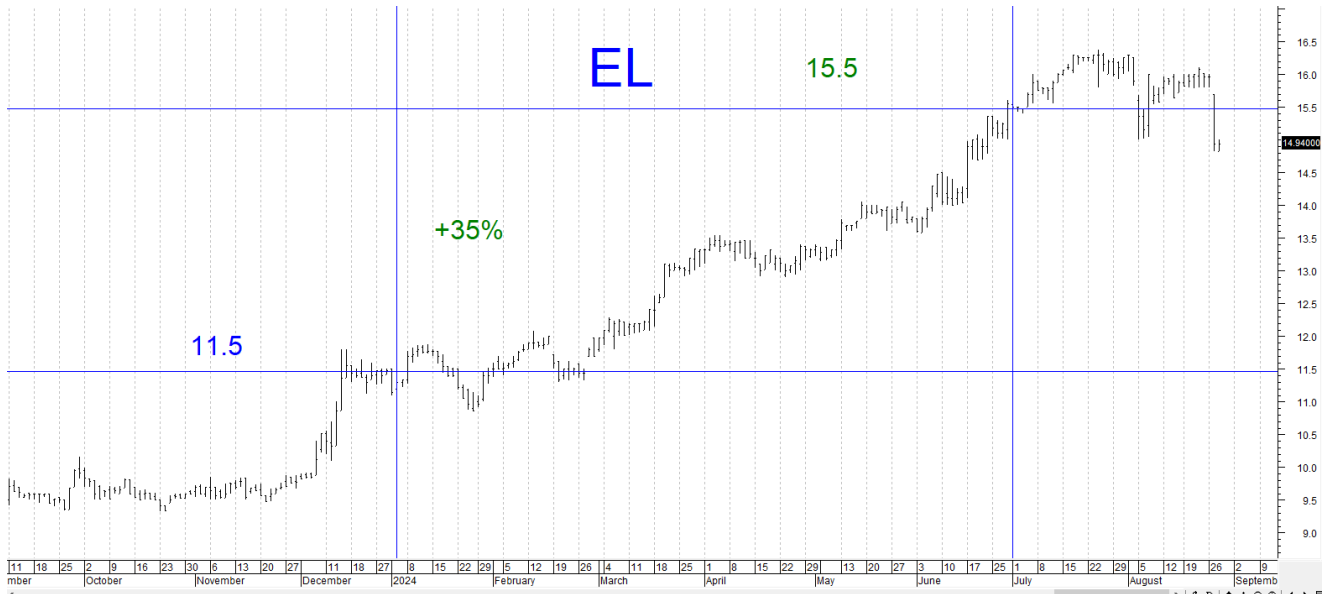
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Operator date cu caracter personal nr. 30711, Autorizația ASF nr. 94/28.03.2018

Nr. Reg. ASF PJR07¹AFIAA/120008, CIF 17772595, J12/2600/2005, Capital social: 913.724 lei

AROBS is an IT company with a business growth rate history. In 2024 the company carried out a share capital increase in order to support the growth strategy through acquisitions, which led to a fall of 9% in the market price.

Electrica (EL) capitalized on the favorable effect of tariff increase and, against the improved financial results, posted a substantial rise.



2. Fund's Financial Position and Performance

The financial statements as of June 30, 2024 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 June 30, 2024 have not been audited.

The Fund's Statement of Financial Position as of **June 30, 2024** compared with December 31, 2023 is as follows:

| In accordance with IFRS: | 06/30/2024 | Weighting (%) | 12/31/2023 | Weighting (%) | RON Var (%) |
|--|-------------------|----------------|-------------------|----------------|----------------|
| Non current assets | | | | | |
| Non-current financial assets measured at fair value through other comprehensive income | 48,145,307 | 55.70% | 46,748,312 | 55.16% | 2.99% |
| Current assets | | | | | |
| Current financial assets at fair value through profit or loss mandatorily measured at fair value | 10,311,525 | 11.39% | 17,346,278 | 20.47% | -40.55% |
| Receivables from trading operations | 40,118 | 0.05% | 1 | 0 | n.a. |
| Cash and cash equivalents | 27,947,385 | 32.33% | 20,654,295 | 24.37% | 35.31% |
| TOTAL ASSETS | 86,444,335 | 100.00% | 84,748,886 | 100.00% | 2.00% |
| Equity | 86,213,547 | 99.73% | 84,524,457 | 99.74% | 2.00% |
| Total current liabilities | 230,788 | 0.27% | 224,429 | 0.26% | 2.83% |
| TOTAL LIABILITIES | 86,444,335 | 100.00% | 84,748,886 | 100.00% | 2.00% |

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 post *Current financial assets at fair value through profit or loss mandatorily measured at fair value* fell by 41% versus the end of the last year. The *Cash and cash equivalents* increased by 35.3% over the same time frame.

The total assets of the Fund amounted to RON 86.4 million as of June 30, 2024, on the rise by 2% compared to the end of 2023.

The financial performance of the Fund as of June 30, 2024 compared to the same period of the last year is as follows:

| In accordance with IFRS: | 06/30/2024 | 06/30/2023 | Var (%) |
|---|-------------------|-------------------|----------------|
| Net gains from current financial assets at fair value through profit or loss, mandatorily measured at fair value | 1,031,241 | 1,530,430 | -33% |
| Dividend income | 137,787 | 121,679 | 13% |
| Interest income | 342,700 | 402,131 | -15% |
| Net gains from foreign exchange differences | 2,724 | 16,402 | -83% |
| Total net Revenues | 1,514,453 | 2,070,643 | -27% |
| 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 | - | - | n.a. |
| Management fees, bank charges, fees | 1,222,358 | 1,093,116 | 12% |
| Net loss from foreign exchange differences | - | - | n.a. |
| Total net Expenses | 1,222,358 | 1,093,116 | 12% |
| Net result of the 1st half | 292,095 | 977,527 | -70% |

The breakdown of net revenues is as follows: 68% net gains from current financial assets at fair value through profit or loss, 23% interest income and 9% dividend income.

Management fees, bank charges and other fees, amounting to RON 1.2 million increased versus the first quarter of the previous year due to the rise in assets and trading activity.

The operational activity of the Fund in the first half of 2024 ended with a net gain of RON 292 thousand.

Attached to this report are:

Statement of Financial Position as of 06/30/2024

Statement of Profit or Loss and Other Comprehensive Income as of 06/30/2024

Notes to the Accounts

**Chairman of the Board,
PASCU Nicolae**