Star Invest

Budget of Revenues and Expenditures

2026

BUDGET OF REVENUES AND EXPENDITURES

Financial Analysis – Distributable Cash Flow and Profit and Loss Account

PART I – Distributable Cash Flow Analysis

This budget is based on an analysis focused on cash flows distributable to shareholders. The investment structure envisages an initial equity capital of approximately EUR 4 million and a capital increase of EUR 10 million, intended to finalize the acquisition of the office building located at 68 Polona Street, Bucharest. The acquired asset benefits from bank financing of approximately EUR 8 million, with an estimated annual interest rate of 5% and an annual principal repayment of approximately 5%.

Operating revenues are generated from rents and are based on an estimated annual NOI of EUR 2.1 million.

Recurring expenses include asset management costs calculated at 1.5% of NAV, as well as financing costs related to the bank loan.

I.A. Analysis of the annualized return of the acquired asset

Before presenting the estimated distributable cash flows for 2026, this section outlines the projected return of the office building to be acquired. The return is calculated in relation to the shareholders' investment amounting to EUR 10 million. Based on the assumptions described above, the indicators shown in the corresponding table result.

Component (annualized)	Value (EUR)	Value (RON)
Stabilized annual NOI	2,100,000	10,710,000
Estimated annual bank interest	-400,000	-2,040,000
Asset management fee (1.5% × NAV EUR 10 mil)	-150,000	-765,000
Annualized operating cash flow	1,550,000	7,905,000
Stabilized return on invested capital	15.50%	15.50%

It should be noted that this return is generated under conditions where the current level of bank financing is below the Company's strategic target, namely 50% of total assets.

I.B Analysis of the cash flow distributable to shareholders

This section presents a projection of the cash flow distributable to the Company's shareholders at the end of 2026, taking into account the assumptions described above, as well as the following additional assumptions:

- the realization of a profit from the sale of the land currently held in the portfolio during 2026, at an estimated minimum transaction value of EUR 3 million;
- the allocation of a CAPEX budget intended to improve the services provided to the tenants of the acquired building, estimated at approximately EUR 250,000 during 2026.

Component	Value (EUR)	Value (RON)
NOI pro-rata (8 months)	1,400,000	7,140,000
Profit from land sale	700,000	3,570,000
CAPEX for improvements	-250,000	-1,275,000
Bank interest	-266,667	-1,360,002
Asset management fee	-160,000	-816,000
Distributable cash flow before principal repayment	1,423,333	7,258,998
Gross distribution yield	10.17%	10.17%
Bank loan principal repayment	-267,000	-1,361,700
Distributable cash flow after principal repayment	1,156,333	5,897,298
Gross distribution yield after principal repayment	8.26%	8.26%

The distribution rates are slightly reduced by the fact that the Company will capitalize the return generated by the acquired office building for only an 8-month period in 2026.

The presentation of distributable cash flows, both before and after repayment of the bank loan principal, aims to highlight the Company's actual distribution capacity, including under an alternative bullet-type financing scenario in which principal repayment would be deferred.

The indicators are presented before taxation, as the analysis focuses on the distribution capacity specific to a REIT-type structure oriented toward recurring income.

It is important to note that the distributions estimated above are calculated before applying the success fee due to the Administrator. This success fee is set at 20% of the return exceeding the 6% annual threshold, calculated in relation to the shareholders' invested capital. Consequently, to the extent that the distributable return exceeds this level, part of the excess will be allocated to the Administrator in accordance with the incentive mechanism, which may result in an adjustment of the net distribution effectively received by shareholders.

This analysis exclusively addresses distributable cash flows and does not include prospects related to the realization of capital gains arising from the appreciation of the Company's net asset value (NAV). Any potential value increases generated through yield compression, optimization of rental income, or revaluation of real estate assets would represent additional benefits for shareholders, separate from and in addition to the distributions estimated above.

PART II – Budget of revenues and expenditures, Profit and Loss Account

Although the cash flow analysis presented above highlights the Company's ability to generate distributions to shareholders, the accounting result may differ significantly due to the accounting treatment applicable to certain items. The Profit and Loss Account is prepared on an accrual (accounting) basis and does not include capital expenditures (CAPEX) or principal repayments, but it does include asset depreciation expenses and the related corporate income tax.

Component	Value (EUR)	Value (RON)
NOI pro-rata (8 months)	1,400,000	7,140,000
Profit from land sale	700,000	3,570,000
Total revenues	2,100,000	10,710,000
Management fee	-205,000	-1,045,500
Bank interest	-266,667	-1,360,002
Asset depreciation	-200,000	-1,020,000
Gross profit before tasx	1,428,333	7,288,498

Corporate income tax (16%)	-228,533	-1,165,518
Estimated net profit	1,199,800	6,118,980