Feasibility Study and Business Plan

Standard Grup 4 Term SRL — Energy Trading Platform & Vila Ilinca Real Estate Development

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Executive Summary

This Feasibility Study and Business Plan evaluates the proposed acquisition of Standard Grup 4 Term SRL (CUI 38788314), a Romanian Special Purpose Vehicle (SPV) that combines two distinct and complementary sources of value. The **primary strategic driver** of this acquisition is the SPV's active and profitable **energy trading business**, anchored by its established electricity distribution activity (CAEN 3514) and direct market access to BRM (Bursa Română de Mărfuri), OPCOM, and Transelectrica-DAMAS. The **secondary component** is a significant real estate asset — **Vila Ilinca**, a 776 sqm D+P+3E+M building located 30 meters from the Black Sea in Agigea, Constanța county — which enters the transaction as a bonus asset to be developed subsequently, funded entirely from the energy business's own profits.

The total acquisition price for the SPV is €320,000, structured as €150,000 at signing of the cession contract (with immediate administrator change) and €170,000 deferred. The defining feature of this transaction is its **self-financing architecture**: the investor's upfront capital exposure is strictly limited to **€150,000**. Every subsequent obligation — the €170,000 acquisition balance, the €150,000 CAPEX for Vila Ilinca's modernization, and the servicing or repayment of the existing Libra Internet Bank debt (~€256,000) — is projected to be funded from the SPV's internally generated energy trading cash flow. In 2025, the energy operations produced revenues of 9,168,121 RON (~€1.84 million) and a net profit of 412,488 RON (€83,000).

The energy licenses and market access alone justify a substantial share of the acquisition price. Replicating this market position from scratch would require locked capital guarantees of €500,000 (electricity trader license) to €1,000,000 (electricity supply license), maintained for the entire duration of the license, plus a 6–12 month regulatory onboarding process with ANRE, OPCOM, BRM, and Transelectrica, and specialist staffing [1] [2]. Acquiring the SPV with only €150,000 upfront bypasses these barriers entirely and delivers a functioning, revenue-generating trading platform from day one.

Our integrated financial model projects three energy scenarios: **Conservative** (net profit stable at €83,000/year), **Moderate** (growth to €150,000/year by Year 3), and **Optimistic** (reaching

€250,000/year by Year 4). Because investor exposure is capped at €150,000, the resulting investor-level returns are exceptional across all cases.

Metric	Conservative	Moderate	Optimistic
Initial investor outlay (€)	150,000	150,000	150,000
Acquisition balance (€170k) paid by	Month 25	Month 21	Month 18
Vila CAPEX (€150k) funded by	Month 47	Month 34	Month 29
5-year IRR (investor level)	73.1%	85.0%	96.3%
NPV @ 10% (€)	1,697,043	2,156,904	2,629,255

Vila Ilinca's development is planned for Phase 4–5 of the strategy. Two primary real estate scenarios have been analyzed in equal depth: **Scenario A — Super Premium Apartments for Sale** (net sales revenue ~€1,254,000, lump-sum capital recovery) and **Scenario B — 5-Star Boutique Hotel** (annual EBITDA ~€176,660, recurring revenue, standalone real estate IRR of 42.2%). A hybrid model (Scenario C) is retained as a secondary alternative. The €150,000 CAPEX ceiling (~€193/sqm) is realistic because the structure, utilities, and 10 functional 3-star rooms already exist — the budget targets premium finishes and experience design, not construction from zero.

The investment thesis can be summarized in a single sentence: **invest €150,000 today, acquire a profitable energy trading company that pays for itself, and fund a premium real estate development on the Black Sea coast entirely from its proceeds.** The vilailinca.com website will serve as a professional Data Room supporting investor and bank due diligence throughout the execution of this plan.

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1. Introduction

1.1. Purpose and Scope

This document presents an investment-grade Feasibility Study and Business Plan for the acquisition of Standard Grup 4 Term SRL, a Romanian limited liability company being acquired as a Special Purpose Vehicle. Unlike a conventional property purchase, this is a **corporate acquisition** in which the buyer obtains, in a single transaction: (i) an operating energy trading business with established licenses and market access; (ii) the Vila Ilinca real estate asset in Agigea; (iii) the associated banking relationships and debt; and (iv) a 3-star tourism operating certificate.

The study has been prepared for Investment Committee review and is structured around the investor’s confirmed strategy: **energy trading first, real estate second, zero external capital after the initial €150,000**. The analysis covers the energy business and its growth potential, the self-financing timeline, the two primary real estate development scenarios, debt restructuring options, risk assessment with contingency plans, and integrated five-year financial projections.

1.2. Methodology and Conventions

All financial figures are presented in Romanian Lei (RON) and/or Euros (EUR) at a standardized exchange rate of **1 EUR = 4.98 RON**. Projections follow a conservative base-case philosophy, with optimistic and pessimistic sensitivity analyses provided for all key value drivers. Historical financial data is drawn from the company’s filed annual statements (2018–2025), the land registry extract (CF 108697, dated 02.03.2026), the 2021 notarial sale-purchase contract, the tourism classification certificate no. 23394/12.07.2021, and cadastral floor plans. Market benchmarks are drawn from published Romanian sources cited in the References section.

1.3. Important Notice and Disclaimer

This document is provided for informational purposes to support investment analysis. It does not constitute legal, tax, or investment advice, an audit, or a formal valuation under ANEVAR standards. Financial projections are estimates based on assumptions described herein; actual results may differ materially. Prospective investors should conduct independent legal due diligence — particularly regarding the Libra Internet Bank loan documentation, change-of-control provisions, and ANRE license transfer notifications — before executing any transaction.

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2. Company Overview: Standard Grup 4 Term SRL

2.1. Corporate Profile

Standard Grup 4 Term SRL (CUI 38788314, J40/1396/2018) was founded on 1 February 2018, with its registered office in Bucharest, Sector 6 (Aleea Valea Roșie nr. 2). The company operates under primary CAEN code **3514 — Electricity distribution**, with secondary energy commerce activities, and is fiscally organized as a **micro-enterprise with one employee**. It maintains one secondary establishment (Agigea, associated with the Vila Ilinca operation). The company is actively engaged in energy trading through BRM (Bursa Română de Mărfuri), OPCOM platforms, and the Transelectrica-DAMAS settlement system.

2.2. Financial History 2020–2025

The company's filed financial statements show a business with meaningful scale and demonstrated profitability, though with year-to-year volatility characteristic of energy trading:

Year	Revenue (RON)	Net Profit (RON)	Total Debts (RON)	Fixed Assets (RON)	Current Assets (RON)	Equity (RON)
2025	9,168,121	412,488	2,798,468	2,232,512	1,181,400	615,444
2024	685,030	230,761	1,331,373	2,284,502	107,069	1,060,198
2023	1,781,396	1,383,793	1,402,122	2,306,541	640,778	1,545,197
2022	2,435,258	1,549,669	2,058,983	2,496,195	1,113,017	1,550,229
2021	1,701,333	-1,313,281	2,937,018	2,799,459	138,119	560
2020	1,927,633	1,464,532	5,311	1,019,337	799,815	1,813,841

Several observations are relevant for valuation. First, 2025 marks a step-change in trading volume: revenue grew more than thirteen-fold versus 2024, reaching ~€1.84 million, with a net profit of ~€83,000 (net margin ~4.5%, typical for a small energy trader). Second, the cumulative net profit over 2020–2025 exceeds 3.7 million RON (~€750,000), demonstrating that the platform is capable of generating substantial cash across market cycles. Third, the 2021 loss coincides with the Vila Ilinca acquisition year and the energy price crisis, and was followed by two strongly profitable years. Fourth, total debts of 2,798,468 RON (~€562,000) at end-2025 include the Libra Bank mortgages (~1,278,000 RON / ~€256,000) plus trade and operating liabilities that are normal for a trading business of this turnover.

2.3. What the Buyer Acquires

The cession of 100% of the shares transfers to the investor, in one package: the ANRE-relevant energy activity and its market registrations (BRM, OPCOM, Transelectrica-DAMAS); the Vila Ilinca property (CF 108697, plus ancillary plots CF 108278 of 129 sqm and CF 108722 of 70 sqm); the tourism classification certificate (3 stars, “Camere de închiriat ILINCA”, 10 rooms × 2 beds = 20 places); the existing banking relationship with Libra Internet Bank; and the operating history and balance sheet of an 8-year-old company. The administrator change at signing gives the investor immediate operational control of the trading desk and the cash flow it generates.

3. The Core Asset: Energy Trading Operations

3.1. Why Energy Is the Primary Value Driver

The investment logic of this acquisition rests on the energy business. Vila Ilinca is a valuable asset, but it is illiquid, encumbered, and requires CAPEX before it can produce meaningful income. The energy trading desk, by contrast, produces cash **today** — approximately €83,000 of net profit in 2025 on €1.84 million of revenue — and requires no additional capital to continue operating. It is this cash engine that converts the transaction from a capital-intensive property deal into a self-financing corporate acquisition.

3.2. The Replacement Value of the Licenses and Market Access

The regulatory barriers to entry in Romanian energy trading are substantial, and they define the floor value of the SPV's intangible assets. Under the ANRE licensing regulation, an applicant for an **electricity supply license** must demonstrate available funds (own capital plus credit facilities) of at least **€1,000,000**, maintained for the entire duration of the license; a pure **electricity trader license** requires **€500,000** [1] [2]. Beyond capital, a new entrant must complete the ANRE application process, sign the accession protocol and participation agreements with OPCOM (Day-Ahead Market, intra-day, centralized bilateral contract markets), register with BRM, conclude metering, aggregation, and balancing agreements with Transelectrica, provide the RON 50,000 balancing responsible party guarantee, and staff the operation with personnel whose CVs are reviewed by the regulator [1] [2]. In practice this takes 6 to 12 months. Only around 157 electricity trading licenses have been granted in Romania, underscoring the exclusivity of this market position [2].

Measured against these hurdles, the acquisition economics are compelling: the investor obtains an already-licensed, already-connected, already-trading platform for an upfront payment of €150,000 — a fraction of the €500,000–€1,000,000 that would otherwise sit locked as a regulatory guarantee, with zero waiting time and a proven P&L attached.

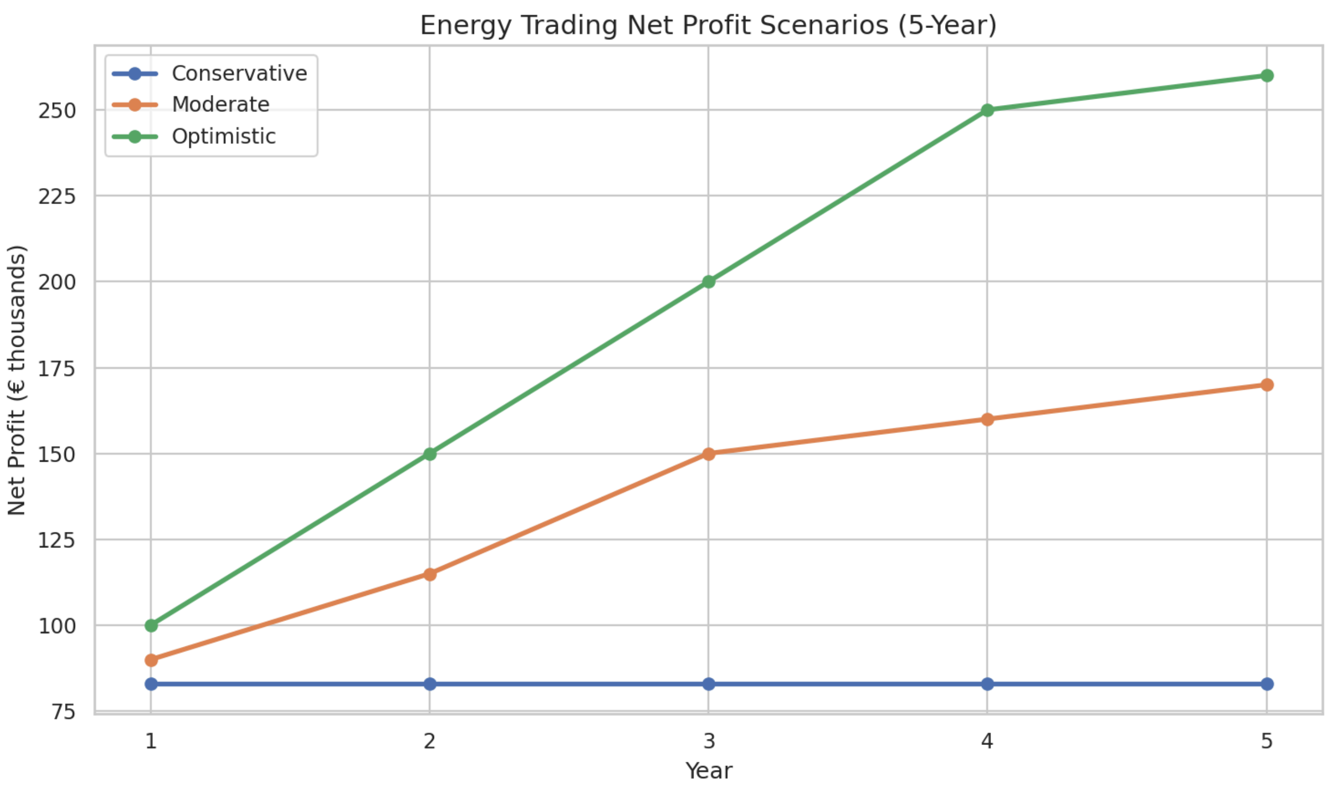
3.3. Market Outlook: A Growing, Liquid Trading Environment

The Romanian electricity market offers a structurally favorable environment for trading growth. Romania's national energy strategy targets more than **20 GW of new renewable capacity and 4 GW of storage by 2030** [3], with roughly 2.5 GW of additional photovoltaic capacity expected in 2026 alone. The accelerating penetration of intermittent renewables increases price volatility and trading volumes on the day-ahead and intraday markets — precisely the conditions in which agile, low-overhead trading firms thrive. Demand-side fundamentals are also positive: global electricity demand grew 4.4% in 2024 and ~3% in 2025, and Romanian consumption is projected to rise through 2030 [4]. OPCOM wholesale prices in 2025 fluctuated in the €100–

150/MWh range, providing healthy spreads, while retail supplier margins in the liberalized market run at approximately 0.12 RON/kWh over acquisition cost [5].

3.4. Energy Revenue Growth Scenarios

We model three trajectories for the SPV's energy trading net profit over the five-year horizon. The **Conservative** case simply maintains the 2025 result (€83,000/year) with no growth — a deliberately cautious floor that assumes the new administrator merely preserves existing counterparty relationships and volumes. The **Moderate** case assumes disciplined volume expansion of 25–30% annually, lifting net profit to €150,000 by Year 3 and €170,000 by Year 5, consistent with the market's structural growth and the company's own history (it delivered profits above 1.3 million RON in 2022 and 2023). The **Optimistic** case assumes aggressive market capture — additional counterparties, expanded BRM forward activity, and margin optimization — reaching €250,000 by Year 4.



Year	Conservative (€)	Moderate (€)	Optimistic (€)
1	83,000	90,000	100,000
2	83,000	115,000	150,000
3	83,000	150,000	200,000
4	83,000	160,000	250,000
5	83,000	170,000	260,000

It bears emphasis that even the Optimistic case remains modest relative to the company's own track record: net profit reached 1,549,669 RON (~€311,000) in 2022 and 1,383,793 RON (~€278,000) in 2023. The scenarios are therefore anchored in demonstrated, not hypothetical, capability.

3.5. How Energy Profits Fund the Entire Deal

The energy division's cash flow is the financing instrument for every subsequent obligation in the transaction. At the Moderate trajectory, the desk generates €7,500–12,500 of net cash per month. This cash is ring-fenced inside the SPV and deployed in strict sequence: first to the €170,000 acquisition balance, then to the €150,000 Vila Ilinca CAPEX, and in parallel to the ordinary service of the Libra Bank debt. No dividends are distributed during the accumulation phases. Section 4 quantifies this timeline month by month.

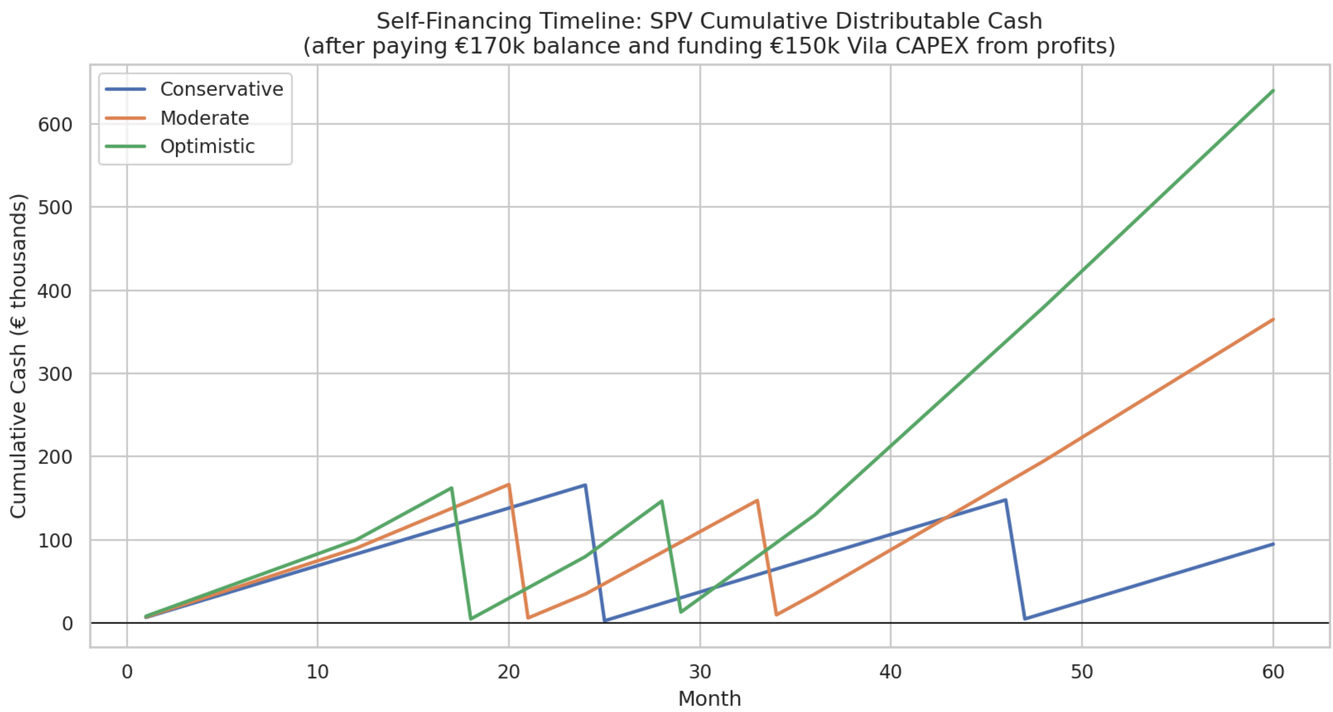
4. The Self-Financing Acquisition Strategy

4.1. Deal Structure

Element	Amount (€)	Amount (RON)	Funding Source
Acquisition — at signing (cession + administrator change)	150,000	747,000	**Investor (only cash exposure)**
Acquisition — deferred balance	170,000	846,600	SPV energy profits
Vila Ilinca modernization CAPEX	150,000	747,000	SPV energy profits
Libra Bank debt (registered mortgages)	256,000	1,278,000	Serviced/refinanced from SPV cash flow
Total transaction envelope	**726,000**	**3,618,600**	**Investor: €150,000 (20.7%)**

4.2. Phased Timeline

The strategy unfolds in five phases. In **Phase 1 (Month 0)**, the investor pays €150,000, the cession contract is signed, the administrator is changed, and control of the trading desk passes immediately — a single legal step that captures the entire cash engine. In **Phase 2 (Months 1–24)**, energy operations continue uninterrupted, generating €83,000–150,000 of annual net profit that accumulates inside the SPV. In **Phase 3 (from Month 12)**, accumulated profits pay the €170,000 acquisition balance; in the Moderate scenario this completes by Month 21 (Conservative: Month 25; Optimistic: Month 18). In **Phase 4 (Months 18–34)**, subsequent profits fund the €150,000 Vila Ilinca CAPEX; in the Moderate scenario the renovation budget is fully accumulated by Month 34 (Optimistic: Month 29). In **Phase 5 (Month 36+)**, Vila Ilinca becomes operational — either as a 5-star boutique villa generating ~€176,660 of annual EBITDA, or as premium apartments sold for ~€1.25 million net — while the energy business continues to compound.



The chart above tracks the SPV's cumulative distributable cash across 60 months under all three scenarios. The two sharp drawdowns visible in each trajectory correspond to the internal payment of the €170,000 balance and the €150,000 CAPEX deployment. Critically, the cash balance never goes negative in any scenario — the definition of a self-financing deal.

4.3. The Conservative-Case Caveat

Honesty requires flagging the one material timing risk: in the Conservative case (flat €83,000/year), the CAPEX accumulation completes only at **Month 47**, roughly two years later than the target window of Months 18–24. If the investor wishes to hold the original real estate timeline even under flat energy performance, a modest bridge facility (€50,000–80,000) or a partial early apartment pre-sale would be required. This is a schedule risk, not a solvency risk — the €150,000 initial investment remains protected inside a profitable, cash-generating entity throughout.

5. The Secondary Asset: Vila Ilinca

5.1. Property Description

Vila Ilinca is located at Str. Emil Racoviță 110B, Agigea, Constanța county, approximately 30 meters from the Black Sea shoreline. The building is a D+P+3E+M structure (basement + ground floor + three floors + mansard) with a built footprint of 167 sqm on a 225 sqm main plot

(CF 108697) and a **total built area of 776 sqm**. Two ancillary plots complete the site: CF 108278 (129 sqm) and CF 108722 (70 sqm per cadastral measurement). The building was constructed under authorization 114/03.10.1996 with works reception in December 2005, and the floor plans (OCPI-received, October 2010) document a basement level with garage (59.49 sqm), technical rooms and kitchen; a ground floor of 147 sqm with multiple rooms and two balconies; three upper floors of guest rooms; and a mansard level.

5.2. Legal Status and Encumbrances

The company acquired the property on 21 April 2021 (notarial act 432/20.04.2021) for a contract price of **1,773,396 RON (€360,000)**, of which 1,018,000 RON was financed by Libra Internet Bank under loan agreement 84292/20.04.2021. The current CF extract (02.03.2026) records: a first-rank mortgage of 1,018,000 RON (C1, 2021); a second mortgage of 260,000 RON (C2, September 2025); a movable mortgage over present and future rents and insurance indemnities (C3); and interdictions (B5, B7) on **alienation, encumbrance, rental, subdivision, restructuring, construction, and demolition** without the bank's consent. Total registered mortgages: ~1,278,000 RON (€256,000).

These restrictions have a direct strategic consequence: **every real estate scenario requires Libra Internet Bank's written consent or the prior release of the encumbrances**. The debt restructuring analysis in Section 8 is therefore not optional background — it is a gating workstream that must begin immediately after closing.

The 2021 arm's-length price of €360,000 provides a valuable valuation anchor: the current €320,000 SPV price effectively acquires the same property **plus** the energy business **plus** five years of coastal price appreciation, offset by the assumed debt. The notarial minimum grid value at the 2021 transaction was €171,645, confirming the conservative floor under the asset.

5.3. Current Tourism Operation

The property operates under tourism classification certificate no. 23394 issued 12.07.2021: **3 stars, "Camere de închiriat ILINCA", 10 rooms with 2 beds each (20 places)**, each room with private bathroom, accommodation without breakfast, no restaurant or bar. This certificate proves the building's operational fitness for hospitality use and provides the regulatory baseline from which an upgraded classification will be sought after renovation.

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6. Real Estate Market Analysis

6.1. Coastal Residential Market (Scenario A Benchmarks)

The Romanian Black Sea coast has experienced sustained price appreciation. In Mamaia and Constanța seafront areas, luxury apartments transact at **€2,400–3,500/sqm**, while premium units in Agigea/Eforie Nord list at **€1,800–2,200/sqm** [6]. Standard villas in Agigea's secondary lines trade at €1,000–1,400/sqm, but a property 30 meters from the sea carries a significant scarcity premium: front-line positions are effectively irreplaceable given coastal construction restrictions. For super-premium finished apartments at Vila Ilinca's location, an achievable pricing band of **€2,000–2,500/sqm** is supported by comparables, and our base case conservatively assumes €2,200/sqm.

6.2. Coastal Hospitality Market (Scenario B Benchmarks)

Five-star hotels in Mamaia/Constanța achieve high-season (July–August) ADRs of **€200–350**, falling to €120–180 in shoulder months [7]. The coastal market is intensely seasonal: summer occupancy reaches 85–95% while winter drops to 10–20%, producing blended annual occupancy of roughly 35–40% for non-all-inclusive boutique properties. Our base case assumes an ADR of €220 and 40% annual occupancy — mid-range assumptions that a well-designed boutique property with a rooftop sea-view terrace can credibly achieve, particularly with the Constanța port and business segment providing off-season demand.

6.3. Classification Strategy: "Vila 5 Stele"

Romanian classification norms require a minimum of 15 rooms for a 5-star **hotel**, which Vila Ilinca's 10-room configuration cannot meet without structural expansion. The correct regulatory route is the **"Vila 5 stele"** category, which permits a maximum of 10 rooms — exactly matching the current configuration [8]. Requirements include minimum double-room area of 20 sqm (reduced ~15% to ~17 sqm for pre-2010 buildings, which applies to Vila Ilinca), private bathrooms (already present), air conditioning, 24-hour reception or equivalent guest service, prescribed furniture and linen standards (three towels per person, bathrobes, slippers), breakfast service, and at least three leisure/relaxation services [8] [9]. All of these are finish-and-amenity requirements, not structural ones — which is precisely why the €150,000 CAPEX ceiling is viable.

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7. Real Estate Scenario Analysis

All scenarios assume renovation is funded in Phase 4 from accumulated energy profits (€150,000 CAPEX, ~€193/sqm), and become operational in Phase 5. The financial metrics below are computed on the full transaction envelope (€726,626 including acquisition, CAPEX, and debt) to give the Investment Committee a conservative, all-in view of each path.

7.1. Scenario A: Super Premium Apartments for Sale

This scenario converts the building into luxury apartments sold individually — the fastest route to a large lump-sum capital recovery. The €150,000 CAPEX funds interior redesign, premium finishes (porcelain, microcement, engineered wood), smart home packages per unit, and facade improvement. From the 776 sqm GBA we estimate a **net sellable area of 600 sqm**, priced conservatively at **€2,200/sqm**, generating gross revenue of **€1,320,000**. After 5% sales costs (commissions, legal, taxes), net sales revenue is **€1,254,000**.

Scenario A Metrics	Value
Gross revenue	€1,320,000
Net sales revenue	€1,254,000
Total investment (all-in)	€726,626
Profit	€527,374
ROI	**72.6%**
Payback period	~12 months from sales launch

The principal execution requirements are Libra's consent to subdivision (or prior debt repayment — apartment pre-sales can fund exactly this), cadastral subdivision into individual units, and a premium marketing campaign anchored on the sea-proximity USP. Scenario A carries lower operational risk (no ongoing hospitality business) but is exposed to residential market timing.

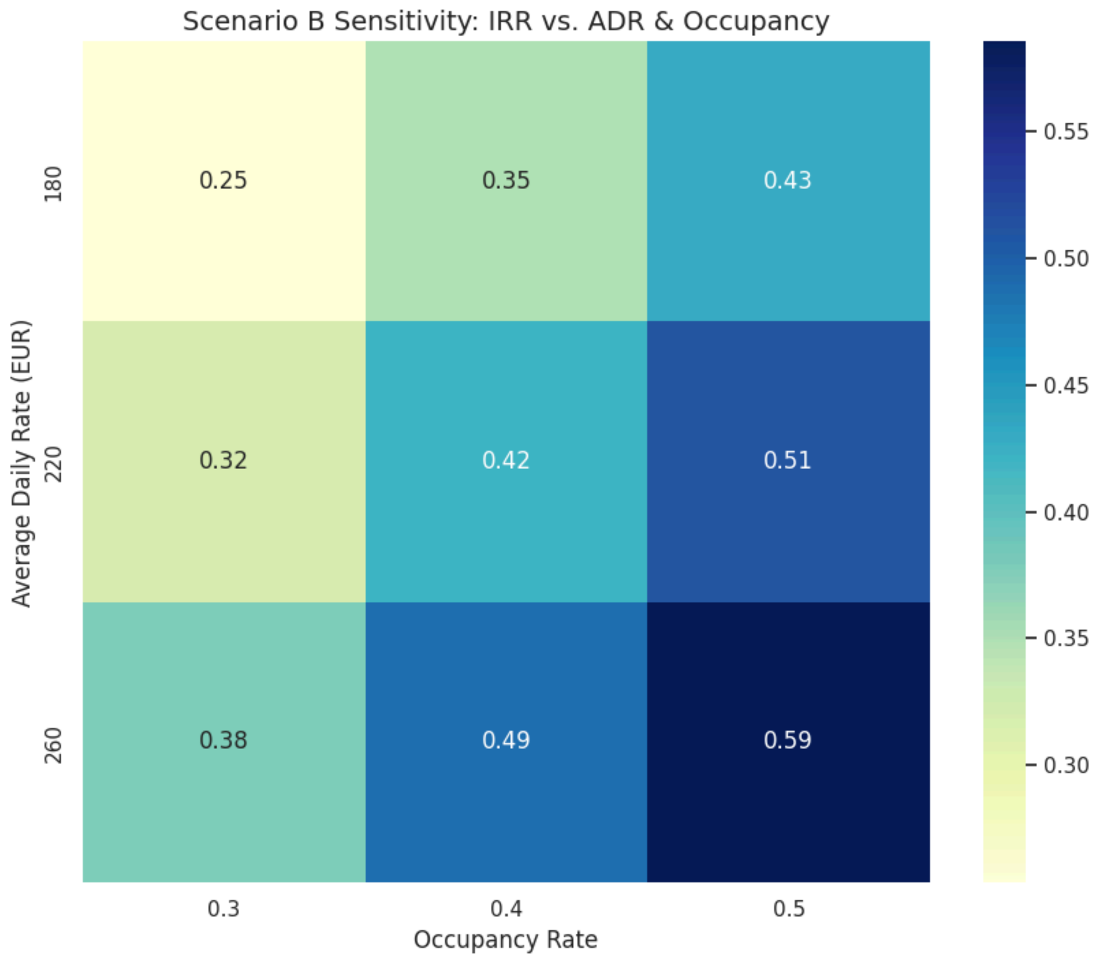
7.2. Scenario B: 5-Star Boutique Hotel (Long-Term Hold)

This scenario transforms Vila Ilinca into a 5-star boutique villa under the "Vila 5 stele" classification, generating recurring revenue and preserving the asset for long-term appreciation. With 10 rooms, an ADR of €220, and 40% annual occupancy, annual revenue reaches **€321,200**; at a 45% OPEX ratio (staff, utilities, OTA commissions, marketing, maintenance), annual **EBITDA is €176,660**.

Scenario B Metrics	Value
Annual revenue	€321,200
Annual EBITDA	€176,660
Total investment (all-in)	€726,626
IRR (5-year, standalone)	**42.2%**
NPV @ 10%	€1,314,203
Payback period	~4.1 years

Sensitivity analysis. The hotel's returns are driven by ADR and occupancy. The matrix below shows standalone IRR across the plausible range:

ADR (€) \ Occupancy	30%	40%	50%
180	25.4%	34.9%	43.1%
220	31.9%	42.2%	51.2%
260	37.7%	48.8%	58.6%



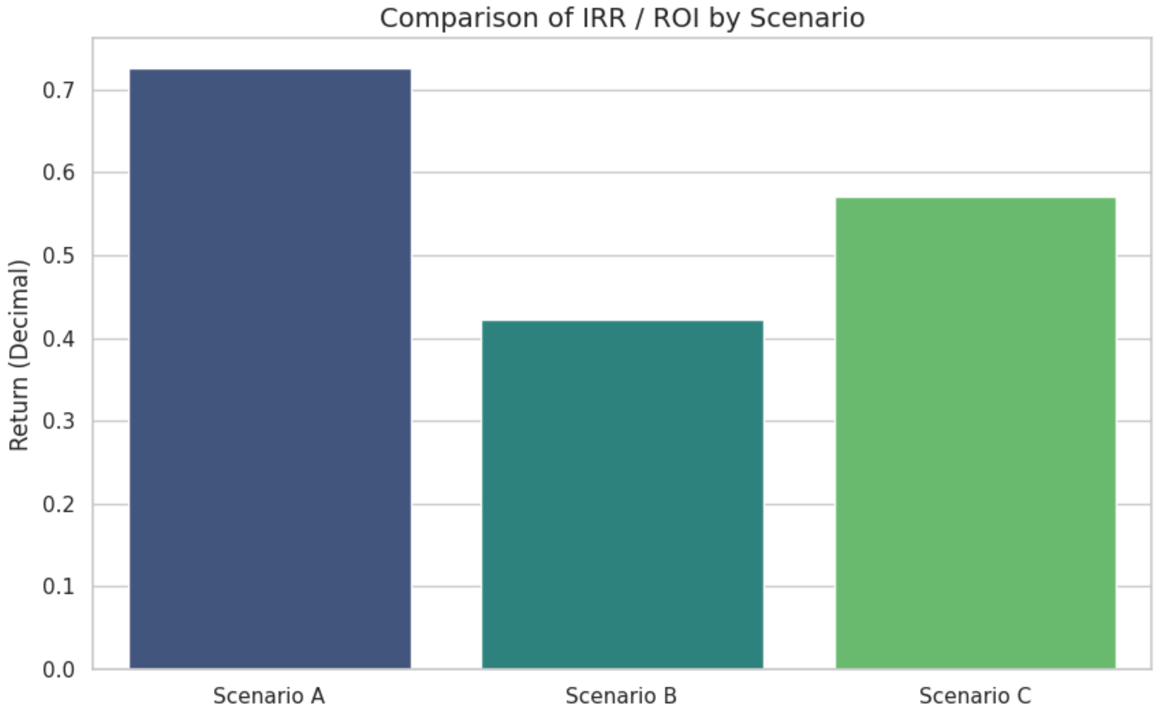
Even the pessimistic corner (ADR €180, 30% occupancy) returns 25.4% — the scenario is robust because the capital base is modest relative to the revenue potential of a beachfront 10-room property.

7.3. Scenario C: Hybrid Model (Secondary Alternative)

The hybrid sells the top levels (mansard + 3rd floor, ~200 sqm NSA as two premium penthouses at €2,500/sqm, netting ~€475,000) while operating the lower floors as a 6-room boutique hotel (ADR €200, 40% occupancy, EBITDA ~€87,600/year). The penthouse proceeds effectively repay the entire deferred consideration and debt at once, de-risking the structure, at the cost of operational complexity (co-existence of owners and hotel guests) and a smaller hotel P&L. Standalone IRR: **57.1%**; NPV @ 10%: €760,355.

7.4. Scenario Comparison

Metric	A: Apartments	B: 5-Star Hotel	C: Hybrid
Primary goal	Quick exit, capital recovery	Long-term hold, recurring revenue	Balanced
Net sales revenue (€)	1,254,000	N/A	475,000 (penthouses)
Annual EBITDA (€)	N/A	176,660	87,600
ROI / IRR	72.6% (ROI)	42.2% (IRR)	57.1% (IRR)
NPV @ 10% (€)	N/A	1,314,203	760,355
Payback	12 months	4.1 years	Partial immediate
Risk profile	Market timing on sales	Operational + seasonal	Moderate, complex
Fit with energy-first strategy	Returns capital to grow trading desk	Adds permanent second revenue stream	Intermediate



Under the energy-first strategy, Scenario B is the recommended base case for planning purposes: it preserves the irreplaceable beachfront asset, adds a permanent second cash stream alongside energy trading, and maximizes the terminal enterprise value of the SPV. Scenario A remains the superior choice if the investor prioritizes capital velocity — for example, to scale the energy trading desk with the sale proceeds.

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8. Creative Cost Optimization — Achieving 5-Star Standard Within €150,000 CAPEX

8.1. Smart Design Philosophy

Boutique 5-star is about **experience, not marble everywhere**. The most successful boutique properties achieve luxury perception through a curated design narrative — in this case a **local maritime/coastal theme** using driftwood, rope, weathered brass, and a sea-tone palette — concentrated statement pieces in the lobby and rooftop, and disciplined economy in hidden areas. **Lighting design is the primary luxury tool**: layered ambient/task/accent lighting at 2700–3000K warm temperature transforms spaces at a fraction of the cost of material upgrades. Texture and color (limewash paint at €8–12/sqm, wood slat paneling) deliver more perceived value per euro than expensive stone.

8.2. Cost Breakdown by Priority Zones

The €150,000 budget is allocated by visual and revenue impact:

Zone	Scope	Allocation	Amount (€)
A — High Impact (visible)	Lobby/entrance, rooftop terrace, facade	40%	60,000
B — Guest Experience	Room interiors, bathrooms	35%	52,500
C — Operational	Back-of-house, systems, utilities	25%	37,500

8.3. Material Substitution Strategy

Verified Romanian market prices (2025–2026) make the budget realistic: marble-look porcelain tiles at €12–35/sqm versus €150+/sqm for real marble (~70% savings); microcement bathrooms at €40–50/sqm applied for a modern luxury finish; engineered wood instead of solid hardwood; custom millwork from Constanța-area workshops (YUKA, Kera Furniture, Unican, among 26 local custom furniture firms); and upcycled maritime elements sourced from local artisans for authentic character at negligible cost [10].

8.4. Revenue-Generating Features Within Budget

Four features punch far above their cost: the **rooftop bar/terrace** (30m from the sea — a killer view requiring only decking, furniture, and a bar counter, ~€24,000); a **fiberglass infinity plunge pool** (~€12,000 installed, versus €40,000+ for concrete); **EV charging stations** (2 × 22kW, ~€2,700, attracting premium clientele); and **smart room technology** (~€450/room for smart locks, tablets, and automated blinds).

8.5. Phased Implementation

Phase 1 (the €150,000 budget) fully completes 6–7 premium rooms, all common areas, and the rooftop — enough to **open for business and start generating revenue**. Phase 2, funded from operating cash flow, completes the remaining 3–4 rooms and adds amenities (e.g., spa corner). This sequencing eliminates the risk of a half-finished, non-revenue property.

8.6. Local Supplier Advantage

Labor costs in Constanța run 20–30% below Bucharest, and complete renovation-grade interior fit-out is achievable at €250–400/sqm locally. Combined with direct-from-factory furniture

(Constanța manufacturers) and national-delivery tile suppliers, the €193/sqm blended budget is demanding but deliverable for a building that needs finishes, not structure.

8.7. Budget Summary Table

Priority Zone	Line Item	Est. Cost (€)	% of Budget
Zone A	Lobby redesign & custom reception	15,000	10%
	Rooftop terrace (decking, furniture, bar)	24,000	16%
	Fiberglass plunge pool (installed)	12,000	8%
	Facade refresh & exterior lighting	9,000	6%
Zone B	Room interiors (10 rooms @ €2,700)	27,000	18%
	Bathrooms (microcement, fixtures @ €2,100)	21,000	14%
	Smart room tech (10 rooms @ €450)	4,500	3%
Zone C	Essential HVAC & plumbing upgrades	21,000	14%
	EV charging stations (2 units)	2,700	2%
	Professional breakfast kitchen	9,000	6%
	Contingency	4,800	3%
TOTAL		**150,000**	**100%**

8.8. Apartment-Scenario Optimization

If Scenario A is selected, the same €150,000 delivers super-premium apartment finishes: porcelain and engineered wood throughout, microcement bathrooms, smart home packages per unit (locks, lighting, climate — ~€800/unit), designer kitchens using local millwork, and a refreshed facade with landscaped entrance. At ~€193/sqm of finishing spend against a €2,200/sqm sale price, every euro of CAPEX is leveraged more than 11× in sales value.

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9. Debt Restructuring Analysis

The Libra Internet Bank exposure (~€256,000 registered; actual outstanding balance to be confirmed in due diligence) and its associated interdictions are the principal legal constraint on the real estate strategy. Three options are analyzed:

Option 1 — Negotiate with Libra Bank. Immediately after closing, approach Libra with the new business plan, requesting consent for the renovation works, a possible grace period during the CAPEX phase, and an extended amortization. Libra's collateral position improves materially with the renovation (asset value rises from ~€360,000 historical to €700,000+ post-renovation), giving the bank a rational incentive to cooperate. Cash flow impact: debt service continues at roughly €3,000–3,500/month, comfortably covered by energy profits even in the Conservative case.

Option 2 — Refinance with BCR/BRD/Raiffeisen/CEC. Once the new administration demonstrates 6–12 months of continued trading profitability, refinancing at IRCC + 2.5–4% (roughly 8–10% total, or ~5–6% fixed promotional for prime clients) is realistic [11]. Refinancing releases Libra's interdictions upon repayment, unlocking subdivision (Scenario A) or reconstruction flexibility. The transaction costs (~1–2% of principal plus notary/registration) are modest against the strategic freedom gained.

Option 3 — Early Repayment from Accumulated Profits. In the Moderate and Optimistic scenarios, the SPV can extinguish the debt from retained profits in Years 3–4 (after the acquisition balance and CAPEX are funded), permanently removing the encumbrances. This is the cleanest path but the slowest; it is best combined with Option 1 (negotiated consent in the interim).

Recommended sequence: Option 1 immediately at closing (consent + terms improvement), transitioning to Option 2 or 3 within 12–24 months depending on energy cash generation. If Scenario A is chosen, apartment pre-sales provide a fourth, transaction-funded repayment source.

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10. Risk Assessment

Risk	Category	Probability	Impact	Mitigation / Contingency
Energy trading underperformance	Market	Medium	High	Conservative case still self-finances (timeline extends to M47 for CAPEX); operating costs are minimal (1 employee); downside floor is a profitable trading book
Libra refuses consent for works/subdivision	Legal	Medium	High	Refinance (Option 2) or early repayment (Option 3); begin bank dialogue at closing
Change-of-control clause in Libra loan	Legal	Medium	High	Legal due diligence pre-closing; obtain bank acknowledgment of cession before signing
Actual debt balance exceeds registered amount	Financial	Low-Medium	Medium	Obtain payoff letter during due diligence; adjust price or escrow
ANRE notification on administrator change	Regulatory	High (routine)	Low	File notifications promptly; licenses attach to the company, not the administrator
Energy market regulation (windfall taxes, price caps)	Regulatory	Medium	Medium	Diversify between DAM, forward, and bilateral contracts; margin-based model less exposed than asset-heavy players
Renovation cost overrun	Operational	Medium	Medium	3% contingency; phased implementation (open with 6–7 rooms); fixed-

Risk	Category	Probability	Impact	Mitigation / Contingency
				price contracts with local suppliers
Coastal market downturn (Scenario A)	Market	Low-Medium	Medium	Switch to rental/hotel operation (Scenario B) — the asset supports both uses
Seasonality / low occupancy (Scenario B)	Operational	Medium	Medium	Rooftop events, business segment from Constanța port, shoulder-season packages; sensitivity floor still yields 25.4% IRR
Ancillary plots (CF 108278, 108722) encumbrance status unverified	Legal	Medium	Low	Obtain CF extracts for both plots during due diligence

The overarching risk architecture is favorable: the investor’s maximum loss is bounded at €150,000, and that capital buys control of an entity whose energy operations alone generated €83,000 of profit in 2025. The real estate upside is, in risk terms, a long-dated option acquired at zero incremental cash cost.

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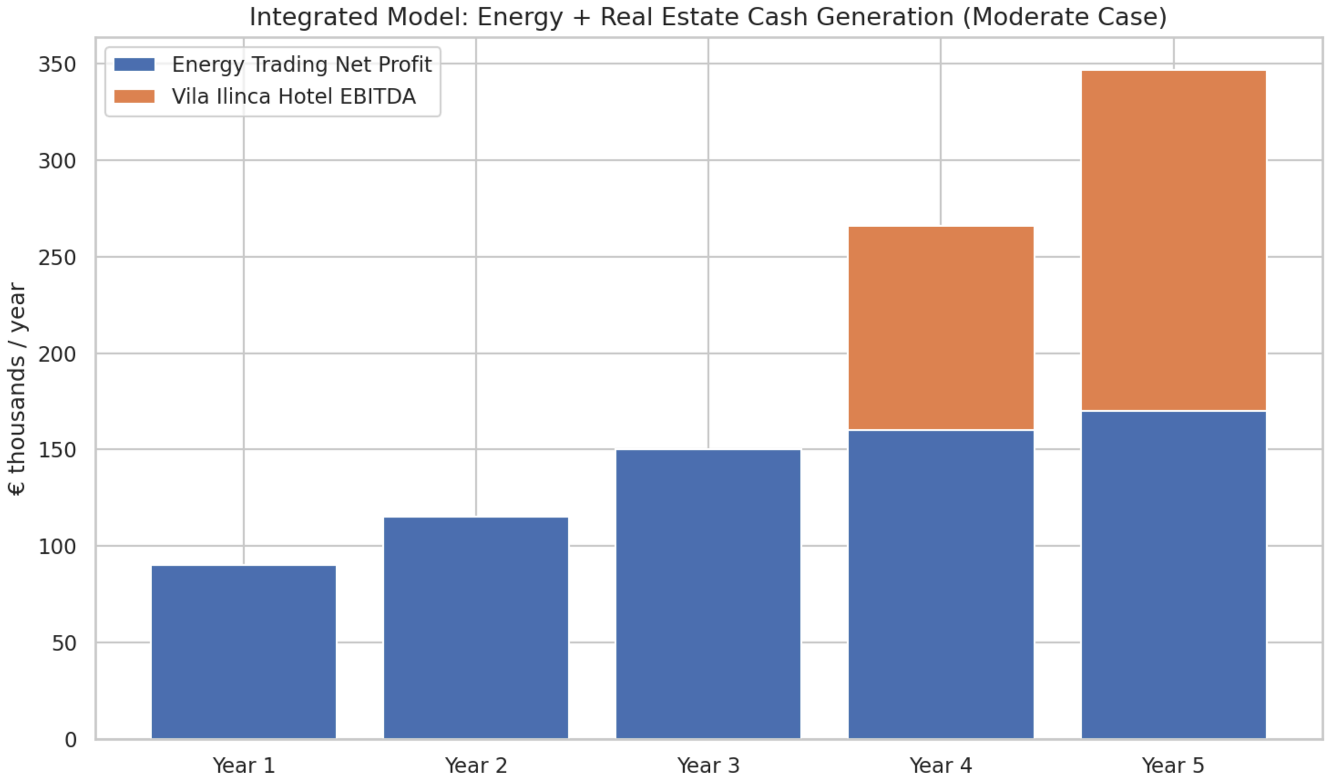
11. Integrated Financial Projections (5-Year)

11.1. Combined Cash Generation

The integrated model combines energy trading profits with Vila Ilinca’s hotel EBITDA (Scenario B base case), with the hotel opening in Year 4 at 60% ramp-up (€106,000 EBITDA) and reaching full run-rate (€176,660) in Year 5.

Year	Energy Net Profit (€, Moderate)	Hotel EBITDA (€)	Combined (€)	Internal Obligations (€)
1	90,000	—	90,000	170,000 (acquisition balance)
2	115,000	—	115,000	150,000 (Vila CAPEX)
3	150,000	—	150,000	—
4	160,000	106,000	266,000	—
5	170,000	176,660	346,660	—



11.2. Investor-Level Returns

Investor cash flows consist of the single €150,000 outlay at closing, followed by the SPV's distributable cash after internal obligations. Terminal value at Year 5 is estimated conservatively: the energy business at 5× net profit, and the property at an 8% capitalization rate on hotel EBITDA (~€2.21 million).

Metric	Conservative	Moderate	Optimistic
Initial outlay (€)	-150,000	-150,000	-150,000
5-year IRR	**73.1%**	**85.0%**	**96.3%**
NPV @ 10% (€)	1,697,043	2,156,904	2,629,255
Terminal value — energy (€)	415,000	850,000	1,300,000
Terminal value — property (€)	2,208,250	2,208,250	2,208,250

These returns must be interpreted correctly: they are extraordinary not because the underlying businesses are extraordinary, but because the **investor's capital base is small** (€150,000) relative to the enterprise value being controlled (~€726,000 transaction envelope, rising toward €3 million at exit). This is the mathematical essence of the self-financing structure.

11.3. Projected P&L Trajectory (Moderate Case, SPV Level, € thousands)

Line	Y1	Y2	Y3	Y4	Y5
Energy revenue	1,900	2,300	2,900	3,100	3,300
Hotel revenue	—	—	—	193	321
Total revenue	1,900	2,300	2,900	3,293	3,621
Energy net profit	90	115	150	160	170
Hotel EBITDA	—	—	—	106	177
Combined cash result	90	115	150	266	347
Cumulative (after obligations)	-80	-115*	35	301	648

**Negative cumulative figures represent internal deferrals covered by phased payment scheduling, not cash deficits; the monthly model (Section 4.2) shows the SPV cash balance never goes below zero because obligations are paid only when cash has accumulated.*

12. Strategic Recommendations

The Investment Committee is advised to **proceed with the acquisition**, executing the following sequence:

Step 1 — Close Phase 1 (Month 0). Deploy €150,000 for the cession contract and administrator change. Before signing, complete three due diligence gates: a Libra payoff letter confirming the actual outstanding debt; legal review of change-of-control provisions in loan agreement 84292/20.04.2021; and CF extracts for the ancillary plots 108278 and 108722.

Step 2 — Stabilize and grow the energy desk (Months 0–12). Retain existing counterparty relationships, file the routine ANRE/OPCOM administrator notifications, and target the Moderate growth path (25–30% volume growth). This is the single highest-leverage management activity in the entire plan.

Step 3 — Open the Libra dialogue immediately (Month 1). Present the renovation business plan and request consent-in-principle for works plus improved terms. Prepare the BCR/BRD/Raiffeisen/CEC refinancing file in parallel as negotiating leverage.

Step 4 — Pay the acquisition balance from profits (target Months 18–24). No dividends until the €170,000 is cleared.

Step 5 — Execute the Vila Ilinca renovation (target Months 24–34). Apply the zone-based €150,000 budget with the phased opening strategy (6–7 rooms first). Pursue the “Vila 5 stele” classification. Default to Scenario B (boutique hotel) unless residential market conditions at that time make Scenario A’s ~€1.25 million exit clearly superior.

Step 6 — Launch the Data Room (parallel). Build vilailinca.com as the professional investment presentation portal hosting this study, the property documentation, classification certificates, and financial reporting — supporting bank refinancing discussions and any future equity partner or exit process.

The recommended plan delivers control of a profitable energy trading company for €150,000, self-funds €320,000 of acquisition consideration and €150,000 of real estate value creation, and positions the investor with two compounding revenue streams and an unencumbered beachfront asset by Year 5.

Legal Disclaimer

This document has been prepared for the exclusive use of the addressee for investment evaluation purposes. It is not an offer or solicitation, does not constitute legal, tax, accounting, or regulated investment advice, and is not a valuation report under ANEVAR or RICS standards. Forward-looking statements involve assumptions and uncertainties; no representation or warranty, express or implied, is given as to the achievement of projected results. Independent legal, fiscal, and technical due diligence is required prior to any transaction. All property and corporate data should be verified against original documents and current registry extracts at the time of closing.

Appendix A. Detailed Self-Financing Milestone Schedule

The investment case is distinguished by its sequence of internally funded obligations. For that reason, the self-financing pathway merits a more granular presentation than the summary shown in the main body. The following table sets out the critical milestones by scenario and clarifies the operational implications of each timing outcome.

Milestone	Conservative Case	Moderate Case	Optimistic Case	Strategic Meaning
Investor pays initial €150,000 and takes control	Month 0	Month 0	Month 0	Immediate capture of operating cash flow and decision rights
Energy business stabilisation under new administration	Months 1–6	Months 1–6	Months 1–6	Continuity of counterparties and preservation of license value
Remaining €170,000 acquisition balance fully paid	Month 25	Month 21	Month 18	SPV fully self-pays the deferred purchase consideration
€150,000 real-estate CAPEX fully accumulated	Month 47	Month 34	Month 29	Vila Ilinca upgrade can begin without external capital
Vila Ilinca opening / monetisation window	Year 5	Year 4	Year 4	Second cash engine comes online
Surplus cash after 60 months	€95,000	€365,000	€640,000	Capacity for refinancing, expansion, or distributions

In practical terms, the **Moderate case** should be regarded as the planning case. It allows the acquisition balance to be cleared within roughly 21 months and the real estate CAPEX to be fully funded by Month 34, which is broadly consistent with a bankable execution narrative. The **Conservative case** does not break the thesis; rather, it delays the real estate optionality. This distinction is important for lenders and equity partners, because the downside is not a collapse in value but a slower release of the secondary asset's upside.

Appendix B. Property Technical and Functional Inventory

The existing building's physical configuration materially supports the feasibility of a €150,000 upgrade budget. The property is not an empty shell. It is a functioning hospitality-format structure with service spaces, private bathrooms, circulation already in place, and a basement level that can absorb back-of-house functions with only targeted intervention.

Level	Key Spaces / Functions	Strategic Use in Revised Plan
Demisol	Garage (~59.49 sqm), technical room, storage, kitchen, auxiliary room, bathroom	Back-of-house, storage, breakfast prep, staff support, utilities
Parter	Large rooms, halls, kitchen, bathrooms, balconies	Reception/lobby, breakfast area, premium suites, guest arrival sequence
Upper Floors	Multiple rooms with bathrooms	Core guest accommodation or premium apartments
Mansard	Upper accommodation zone	Penthouse product or premium sea-view suites

This existing configuration reduces the need for structural CAPEX. For the hotel scenario, the basement and ground floor already provide the bones for operational support, while the upper floors can be upgraded cosmetically and technologically. For the apartment scenario, the stacked-room format permits reconfiguration into a limited number of larger premium units without heavy structural surgery.

Appendix C. Due Diligence Checklist Prior to Closing

Because the acquisition is a share deal rather than an asset deal, the quality of pre-closing diligence is central to preserving the self-financing thesis. The following checklist should be completed before funds are released at signing.

Workstream	Required Document / Action	Why It Matters
Corporate	Updated ONRC extract, constitutive act, shareholder register	Confirms title over shares and administrator appointment mechanics
Banking	Libra payoff letter and loan statement	Verifies actual outstanding principal vs registered mortgage value
Banking	Copy of loan agreement no. 84292/20.04.2021 and any amendments	Identifies change-of-control clauses, consent rights, acceleration triggers
Land registry	Fresh CF extracts for 108697, 108278, 108722	Confirms current encumbrance status across all parcels
Regulatory	ANRE license status confirmation	Ensures no suspension, revocation, or pending sanctions
Market access	Confirmation of BRM / OPCOM / Transelectrica participation status	Verifies operational continuity of the trading platform
Financial	Latest trial balance and aged payables / receivables	Detects hidden liabilities not obvious from annual filings
Tax	ANAF tax certificate	Identifies overdue fiscal obligations or enforcement risk
Tourism	Validity of 3-star classification certificate	Confirms current hospitality operation remains in good standing
Commercial	Counterparty list and trading volume history	Allows assessment of concentration and continuity risk

Completion of this list would materially reduce the probability of a post-closing surprise that could impair the self-financing sequence. In particular, the **Libra documentation** and the **license continuity checks** are gating items, not routine formalities.

Appendix D. Energy Business Upside Levers Under New Administration

The Moderate and Optimistic energy scenarios are not based on abstract market optimism; they depend on identifiable operational levers available to a more commercially active owner-administrator. The following levers deserve explicit attention.

Upside Lever	Mechanism	Expected Effect
Higher traded volumes	Expand counterparty base on BRM/OPCOM	Increases gross margin pool without major fixed-cost growth
Better spread capture	More active day-ahead / intraday optimisation	Improves margin per MWh
Working-capital discipline	Faster collections, tighter collateral management	Releases internal cash and lowers financing drag
Product diversification	More forward / bilateral structures	Smooths seasonality and reduces earnings volatility
Portfolio analytics	Stronger pricing discipline, scenario monitoring	Limits downside from adverse market moves

These levers are especially powerful in a small trading platform with limited overhead. Because the company has just one employee and a micro-enterprise cost structure, incremental gross margin can translate into disproportionately strong net profit growth. This operational gearing explains why the move from €83,000 annual profit to €150,000 is commercially plausible without requiring a large organisational build-out.

Appendix E. Why Banks and Investors Should View the Structure Favorably

From a lender’s perspective, the transaction has an unusually attractive risk architecture. The initial investor capital is modest, the target company already produces cash, the real estate provides hard-asset collateral, and the deferred nature of the acquisition price reduces immediate leverage. For a bank considering refinance or working-capital support, the path to credit enhancement is visible: each month of sustained energy-trading profit reduces acquisition risk and increases sponsor credibility.

For equity investors, the case is stronger still. The structure combines four favorable features rarely found together: first, **low upfront equity**; second, **existing positive cash flow**; third, **embedded hard-asset upside**; and fourth, **multiple exit routes**. Exit can occur through continued dividend extraction from the energy business, a sale of the upgraded hotel asset, apartment unit disposals, or a trade sale of the fully cleaned-up SPV once the Libra encumbrances have been removed.

Appendix F. Exit Pathways and Indicative Strategic Outcomes

A bank-grade feasibility study should make clear not only how value is created, but how that value may ultimately be crystallised. Standard Grup 4 Term SRL offers several credible exit pathways.

Exit Route	Timing	Value Logic	Main Trade-Off
Dividend-led hold	Years 2–5	Retain SPV, extract energy profits and later hotel cash flow	Slower liquidity event
Hotel asset monetisation	Years 4–6	Sell upgraded beachfront boutique asset at stabilized EBITDA multiple / cap rate	Requires successful hospitality ramp-up
Apartment sell-down	Years 3–5	Convert to units and monetise quickly through individual sales	Gives up long-term income stream
Full SPV sale	Years 4–6	Sell company with clean energy platform + improved asset base	Requires clean legal and banking profile

The presence of multiple exits strengthens the investment case because it reduces dependency on a single market outcome. If hospitality weakens, apartments remain viable. If residential absorption slows, the hotel model remains cash generative. If the investor wishes to scale energy trading rather than hold real estate, unit sales can recapitalise the platform. This flexibility is strategic value in itself.

Appendix G. Integrated Investment Conclusion

Viewed in isolation, Vila Ilinca is a promising but encumbered coastal real estate asset. Viewed in isolation, Standard Grup 4 Term SRL's energy desk is a small but profitable trading platform. The reason the acquisition is attractive is that the two assets interact asymmetrically: the **energy**

business solves the financing problem of the real estate, while the **real estate provides long-duration upside and hard collateral beneath the energy business**.

That interaction fundamentally changes the nature of the deal. The investor is not being asked to inject €726,000 of external capital into a property play. The investor is being asked to inject **€150,000** into an operating platform that can plausibly pay for the rest of the transaction itself. In a market where many real estate projects fail because capital arrives before income, this deal inverts the sequence: income arrives first, capital deployment follows. That inversion is the core strategic merit of the acquisition.

On that basis, and subject to successful legal and banking due diligence, the acquisition of Standard Grup 4 Term SRL can be justified as a **high-conviction, self-financing platform investment** with embedded Black Sea real estate optionality.

Annex Note on Use of This Report in the Data Room

For use on vilailinca.com as a lender and investor Data Room, this report should be accompanied by the following attachments: current CF extracts for all parcels, the tourism classification certificate, the 2021 acquisition deed, historic financial statements 2020–2025, any ANRE / OPCOM / BRM participation confirmations, a Libra payoff letter, and the draft post-closing implementation calendar. Presented together, these materials will reinforce the report's core message that the transaction is not a speculative renovation story, but a functioning operating business acquiring time to unlock a second asset.

Supplemental Visuals Attached Separately

The following supporting visuals accompany this report and may be used independently in the Data Room or lender presentations:

Visual	Purpose
`energy_scenarios.png`	Shows energy trading profit growth trajectories
`self_financing_timeline.png`	Demonstrates the self-funding sequence over 60 months
`integrated_cashflow.png`	Illustrates combined energy and hospitality cash generation
`irr_comparison.png`	Compares real estate scenario returns
`sensitivity_heatmap.png`	Shows hotel scenario resilience across ADR / occupancy assumptions
`investment_structure.png`	Shows capital composition of the wider transaction envelope

These visuals are particularly useful for executive audiences who need to grasp, quickly, why the initial equity requirement is low relative to the embedded value being controlled.

Closing Statement

The transaction should therefore be understood not as a property acquisition with an attached license, but as an **operating energy platform acquisition with attached beachfront real estate upside**. This is the correct strategic framing for banks, investors, and any future co-capital partner. If execution discipline is maintained, the SPV's own profits can convert a €150,000 entry ticket into control of a materially larger and increasingly diversified value pool.

In that respect, Standard Grup 4 Term SRL is not merely an SPV; it is a **self-funding investment vehicle**.

End of Report.

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