one

UNITED PROPERTIES

2023

ANNUAL REPORT

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ONE UNITED PROPERTIES S.A
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The consolidated and individual financial statements presented on the following pages are prepared in accordance with International Financial Reporting Standards, as adopted by European Union ("IFRS"). The consolidated and individual financial information as of December 31st, 2023, **are audited.**

The financial figures presented in the descriptive part of the report that are expressed in million RON or million EUR are rounded off to the nearest integer. This may result in small reconciliation differences.

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2023 Annual Report of One United Properties S.A.

MESSAGE FROM THE FOUNDERS

Dear Shareholders,

2023 marked another year of **thriving success** for **One United Properties**, as evidenced by our record number of deliveries, the high pre-sales level at the developments currently under construction, and our financial performance.

In a context where many real estate developers continued to struggle, One United Properties recorded a 30% increase in consolidated turnover in 2023, amounting to **EUR 308.1 million** (RON 1.5 billion; +31%), a record for our Group. This growth was propelled by a vibrant residential market, with sales soaring by 46% year-on-year to **EUR 228.5 million** (RON 1.1 billion; +47%), and a 62% increase in rental income, reaching **EUR 25.9 million** (RON 128.4 million +63%). Our gross profit climbed to **EUR 107.5 million** (RON 531.7 million**)** in 2023, marking an 11% increase from a normalized perspective compared to the previous year.

Our balance sheet reflects the strength and stability of our operations, with total assets reaching an all-time high of **EUR 1 billion** (RON 5 billion). This includes real estate assets valued at **EUR 746.5 million** (RON 3.7 billion) and a robust cash position of **EUR 84.6 million** (RON 420.7 million).

Our disciplined, risk-averse approach over the past 15 years has not only allowed us to maintain a prudent **loan-to-value** ratio of **28%** but also to complete 1,430 units in 2023 and oversee developments exceeding a **gross development value** of **EUR 1.5 billion**. The engagement of over **21,000 professionals** across our projects in 2023 alone further signifies our substantial contribution to the local economy.

Our ability to sustain low leverage over the years while expanding our development portfolio clearly indicates our **operational efficiency**, **strong balance sheet**, and **prudent management**. We are proud that since our IPO, the market has appreciated this key differentiator for our shareholders.

Since our debut on the Bucharest Stock Exchange in July 2021, ONE shares have generated a total return of 27% for our shareholders in EUR terms. Over the same period, the EPRA index, a benchmark for listed real estate companies in developed Europe, has lost 37%, pressured by the higher cost of capital. In other words, **ONE has outperformed broader European real estate peers** by **more than 60%** since our IPO.

Looking forward, we anticipate strong growth for the real estate sector, especially in Bucharest. According to government estimates, Romania's GDP is set to reach EUR 350 billion in 2024. Historically, **Bucharest's contribution to the national GDP has exceeded 28%**. Therefore, the capital's GDP shall be around **EUR 98 billion** in 2024.

We see our city's unparalleled potential reflected in our goals for One United Properties. We want **to double the business by 2030** and **grow it four times until 2035** by leveraging Bucharest's positive evolution and our commitment to quality and sustainable housing.

We are excited to share our plans at the upcoming **Capital Markets Day on April 4th, 2024**. This event will offer deeper insights into our strategies and how we aim to continue creating exceptional shareholder value.

In conclusion, our strategic focus for 2024 and beyond remains the residential segment, paired with steadily increasing revenues generated by the commercial division. We are confident that in 2024, we will continue delivering **exceptional value to our shareholders**.

Thank you for your trust and being part of **ONE's** success story.

Victor Capitanu

co-CEO

Andrei Diaconescu

co-CEO

MESSAGE FROM THE CHAIRMAN

Dear Shareholders, Clients, and Colleagues,

On behalf of the Board of Directors of One United Properties, I am proud to conclude yet another **highly successful business year** for our Company, and to share with you the key highlights and accomplishments as outlined in this Annual Report.

2023 was a year marked for continued challenges for the global real estate sector. One United Properties has not only withstood these difficulties, but has emerged stronger, evidenced by our impressive turnover of **EUR 308.1 million** (RON 1.5 billion; +31%), which registered a 30% year-on-year increase, and a net result **of EUR 90.9 million** (RON 449.6 million), which grew 10% at normalized level. We achieved these important results while maintaining a **loan-to-value ratio of 28%,** underscoring our financial prudence and stability in comparison to our European counterparts. Furthermore, our cash position remained robust at **EUR 84.6 million** (RON 420.7 million), positioning us well for continued growth in 2024 and beyond.

Our activity in 2023 moreover stands out as a testament to our capacity for delivering on promises amidst fluctuating market conditions. Last year, we completed four major developments - One Cotroceni Park, One Verdi Park, One Floreasca Vista, and One Timpuri Noi, contributing **with 1,430 new, sustainable, and quality residences** to the capital city. These developments are more than mere additions to the urban landscape; they embody our commitment to quality living and environmental stewardship.

Our major achievement of 2023 – **surpassing EUR 228.5** (RON 1.1 billion) in residential sales – validates our approach to real estate development. This milestone serves as a marker of our clients' trust and encourages us to elevate our standards continually. In this context, throughout the last year, we significantly increased our development activity to meet the growing customer demand.

The total value of our developments under construction in 2023 reached a staggering **EUR 1.5 billion** in gross development value. This expansion is not merely a quantitative increase but a demonstration of our capability to manage and execute multiple high-quality developments simultaneously. It further cements our position as a leading developer of premium, large-scale, sustainable developments.

Our teams deserve special recognition for their outstanding performance. Our sales team sold and pre-sold 953 units in 2023, **a 59% increase in number of units sold** – an impressive result considering the backdrop of 16% decrease in residential sales in Bucharest in 2023 versus 2022. This achievement is crucial to our sustained growth, as it ensures that our residential sales translate into long-term profitability, guided by our revenue recognition policy and our commitment to maintaining a minimum profit margin of 35% across all developments.

The commercial segment also experienced significant growth in 2023, underscoring the continued demand for quality, sustainable working environments. Last year, we achieved a new milestone for our Company, by signing a landmark agreement with **Infineon Technologies** to develop a 20,000 sqm sustainable office building. Moreover, we established hospitality division within our Group, and we are proud that we already signed the first partnership for this segment, concluding agreement with Ennismore, to introduce the well-known global brand of **Mondrian** to Bucharest.

I would like to thank you all for your continued confidence in our development strategy. As we maintain the accelerated pace of growth, we remain committed to identifying opportunities that align with our ethos of sustainability and excellence in design. We are dedicated to continuing our **positive impact on the Bucharest economy** and to implementing initiatives that improve the lives of the communities we serve.

On behalf of the Board of Directors, we thank you for your trust and support.

Claudio Cisullo

Chairman of the Board of Directors

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Residential segment evolution

	Completed	Construction Phase	Planning Phase
GDV	€ 643.5mil.	€ 1,295.6mil.	€ 2mld.+
No. of units	2,451	4,347	6,000+

Commercial segment evolution

	Completed	Construction Phase	Planning Phase
GLA	142,300 sqm	14,300 sqm	83,000 sqm
NOI	€ 29.7mil.	€ 6.3mil.	€ 17.8mil.

2023 highlights

59% YoY residential unit sales increase vs 16% decrease in Bucharest residential sales

1,430 residential units finalized across 4 developments with GDV of € 350.4m

34,200 sqm commercial spaces leased and pre-leased, +8% YoY

€ 1.5bn delivered and under construction GDV

21,000+ people who worked across ONE sites

RON 0.12 annualized EPS

€ 1bn value of total assets as of December 31st, a historical high

€ 84.6m strong **cash position**, down 26% YoY due to significant development

€ 1.2bn GDV of developments under construction

28% Gross LTV as of the end of 2023, stable since 2022, proving solid financials and low leverage of the Group.

€ 122m net debt, 12% of the total assets of € 1 billion

KEY FINANCIAL DATA

Turnover in EUR m

2023	308.1
2022	236.5
2021	227.6
2020	111
2019	83.5

Net profit in EUR m

2023	90.9
2022	101.9
2021	103.6
2020	36.6
2019	41.6

Sales of residential property in EUR m

2023	228.5
2022	156
2021	142.9
2020	90.4
2019	31.1

Rental income[1] in EUR m

2023	25.9
2022	16
2021	2.4
2020	0.3
2019	3.8

[1]Rental income refers to income generated by the Office as well as retail divisions and includes both renatal revenues and services from tenants revenues.

KEY INDICATORS

Built surface[1] residential (sqm)

2023	1,060k
2022	1,047k
2021	483k
2020	250k
2019	270k

GLA office portfolio (sqm)

2023	117k
2022	136k
2021	101k
2020	47k
2019	23k

Apartments sold & pre-sold[2]

2023	2,685
2022	1,732
2021	1,133
2020	434
2019	250

[2]Cumulated, starting 2019.

GLA retail portfolio[3] (sqm)

2025F	41,5k
2024F	27k
2023	27k
2022	27k
2021	1k

[3]Until 2021, ONE has developed retail spaces exclusively for sale. Please note different interval of time on x-axis versus other graphs on this page, considering that prior to 2021, own retail GLA was 0.

One shares total return

Since the IPO in July 2021, ONE shares generated a **total return of 27%** for its shareholders, in EUR terms. Over the same period, pressured by the higher cost of capital, EPRA Index lost 37%. Consequently, ONE has outperformed its broader European real estate peers by around **60% since the IPO.**

Cash inflow on residential sales

2020	2021	2022	2023
62	142	128	211

Cash inflow from signed residential pre-sales as of 31.12.2023 in EUR m

2024	2025
150	145

One United Properties best-selling developments in 2023

One Lake District
Phase 1

430 unit sales in 2023
522 total unit sales
786 total units

One High District

251 unit sales in 2023
525 total unit sales
807 total units

One Lake Club

145 unit sales in 2023
267 total unit sales
723 total units

One Floreasca Towers

55 unit sales in 2023
126 total unit sales
208 total units

71% Of available apartments under development and delivered **were sold out** as of 31.12.2023

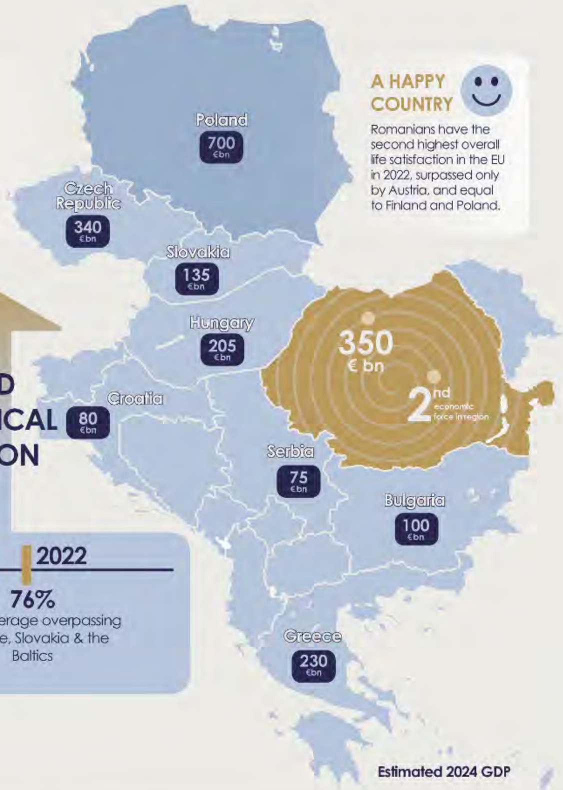
As of 31.12.2023, the sales team had a **portfolio of 1,415 units** available for sale and pre-sale

Additional 1,181 units at further phases of One Lake District and **approximately 1,300** at One Cotroceni Towers can be added to sales team portfolio depending on sales evolution and demand

Romania

Situated at the crossroads of Central and South-Eastern Europe

8th largest country in the EU



A HAPPY COUNTRY

Romanians have the second highest overall life satisfaction in the EU in 2022, surpassed only by Austria, and equal to Finland and Poland.

Population

2023

→ **19.1m** residents

→ **5.7m** diaspora

2nd in Central & Eastern Europe

6th in EU

5.5m employees in 2022

3.5m work in service sector in 2022

1.85m industry and construction in 2022

3% unemployed in 2023

Economy

€ 284.2bn GDP in 2022

12th largest economy in the EU

2nd largest economy in the CEE, after Poland, overpassing Czech Republic

€ 350bn estimation for Romania's GDP in 2024

A RAPID ECONOMICAL EVOLUTION

GDP

Between 2016-2022, the country's GDP per capita increased with CAGR of 9.01%, above EU CAGR of 1.54%

2013 — **54%** of EU average

2022 — **76%** of EU average overpassing Greece, Slovakia & the Baltics

*Sources: Romanian National Institute of Statistics, Romanian National Employment Agency, Eurostat

KEY ECONOMICAL DATA

- **14th Lowest goverment debt** in EU, standing at 50.5%, below that of Italy, France, and Spain
- **77% Purchasing power parties and GDP/capita** in 2022 at the same level as Hungary and Portugal, right behind Poland (79%)
- **36th out of 43 countries in terms of cost of living** in Europe, with Bosnia and Herzegovina, Belarus, Moldova, North Macedonia, Russia, Ukraine, and Kosovo positioned lower
- **Cheapest Member State for food & non alcoholic beverages**(72% of EU average), followed by Poland (73%), with Denmark and Luxembourg having the highest prices in the group (121%)
- **Internet penetration** increased from 36,4% in 2010 to 89,2% in 2023 higher than Italy, Poland, Portugal or Greece

Sources: Romanian National Commission for Strategy and Forecast, Eurostat, World Bank, Numbeo

RESIDENTIAL REAL ESTATE

95% of Romanians own a home in 2022, surpassing the EU average of 69%

41% Overcrowdness - 2nd highest residential overcrowdness ratio in the EU after Latvia in 2022

1.1 rooms/person compared to 1.6 EU average in 2022

200K Residential units deficit with only 441 units / 1000 inhabitants in 2020

556K Romanians have mortgage loans 7.3% of the working population in 2023

Sources: Eurostat, National Bank of Romania, Helgi Library

CAPITAL MARKETS

€ 1.8bn IPO Hidroelectrica's largest IPO in Europe, 5th globally in 2023

Romania recognized as an emerging market by FTSE Russell, with the potential for an upgrade from Frontier to Emerging by MSCI following the IPO of Hidroelectrica

32% increase of BET index in 2023

40% increase of BET-TR index, best performance in the region

Sources: EY, LSE Group, Bucharest Stock Exchange

Bucharest

Population

2.8m inhabitants in the Metropolitan Area (Bucharest-Ilfov) in 2023

6th largest capital in the EU

>700K commuters daily

GDP Bucharest Metropolitan Area vs CEE (€ BN – 2024F)

Slovenia	Serbia	Croatia	Bucharest	Bulgaria
67	75	80	98	100

67th in World Best City 2024, surpassing Brussels, Rome, Vienna, and Lisbon

31st safest city in Europe, surpassing Lisbon, Oslo, Vienna, Luxembourg, and London

9th most valuable ecosystem in the Top 10 Emerging Ecosystems in 2022, 2nd in Europe after Copenhagen

Best performing region in the SEE

1.5 million employees with average net wage of € 1,200 (2023), versus € 960 national net average Bucharest-Ilfov region had GDP per capita of 177% in 2022 compared to EU-27

Bucharest	177%
Warsaw	162%
Budapest	158%
Vienna	142%
Berlin	122%

6.9 years for a Romanian to purchase a one-bedroom, 50 sqm apartment in Bucharest in November 2023, 5 times easier than in 2008, when it took 32.8 years

Among the cheapest cities in Europe for apartment rental

Bucharest	€ 8,1/sqm
Ljubljana	€ 11,1/sqm
Vilnius	€ 13/sqm
Prague	€ 14,4/sqm
Warsaw	€ 15,2/sqm

Among the most affordable mortgages in EU as represented by the share of the average mortgage rate in national salary

Bucharest	43%
Rome	46%
Budapest	80%
Paris	82%
Prague	115%

Equity transaction

>60% of residential sales in 2023 in Romania were paid in equity, considering that the new registered mortgages also include refinancing loans

Equity transaction

Sources: Romanian National Institute of Statistics, Romanian National Employment Agency, Eurostat, GfK, Numbeo, The Global Livability Index 2023, Start-up Genome

Belgrade	Bucharest	Zagreb	Ljubliana	Prague
€2,587	€1,693	€2,579	€3,359	€4,942

Lowest transaction value for new homes in the EU in 2022

0.9% Lowest unemployment rate in the country,13,300 persons in 2023

€ 15,314 purchasing power per capita - 198% of the national average in 2023

Top 100 Best City to Live in the World

in 2023, rose 21 positions compared to 2022

Offices

3.4m sqm modern office stock in Bucharest at the end of 2023, surpassing Bratislava but remaining below Warsaw

Source: CBRE

COMPANY INFORMATION

Established in 2007 by Victor Capitanu and Andrei Diaconescu, One United Properties rapidly emerged as the leading force in mixed-use development in Romania. The company's purpose is to create thriving, sustainable communities by developing state-of-the-art, energy-efficient buildings and to drive enduring value growth for its stakeholders.

One United Properties is the largest residential and mixed-use real estate developer and investor in Romania, with headquarters based in Bucharest. The Company operates exclusively in Romania, and it has a track record of having developed sustainable residential, mixed-use and office real estate in Bucharest and in Constanta (Mamaia). The distinguished ONE brand is synonymous with quality, design, community, sustainability, and highly desirable locations.

The main activities of the One United Properties include construction and sale of apartments, construction, and lease of office property as well as construction and lease or sale of retail spaces. Consequently, One United Properties is active in the following three real estate segments:

RESIDENTIAL

Landmark developments, premium locations, quality, focus on design, great communities and sustainability are at the core of ONE's residential developments.

The Company started its business in this segment. The Company is involved in the classic development of the landbanks under built-to-sell model. With an unparalleled reputation as a premium developer, ONE develops apartments for medium-high, high, and very high-income clients.

OFFICE

ONE's office developments integrate an energetically efficient plan, being healthy and environmentally sustainable, with emphasis on the employee experience and wellness.

ONE entered the office market in 2017 to build a portfolio delivering recurring revenues. For the office segment, ONE develops Class A buildings. ONE's office portfolio includes both developed as well as acquired buildings.

RETAIL

Retail spaces bring value to the ample rich communities One United Properties is developing, offering all the facilities and services only a few steps away.

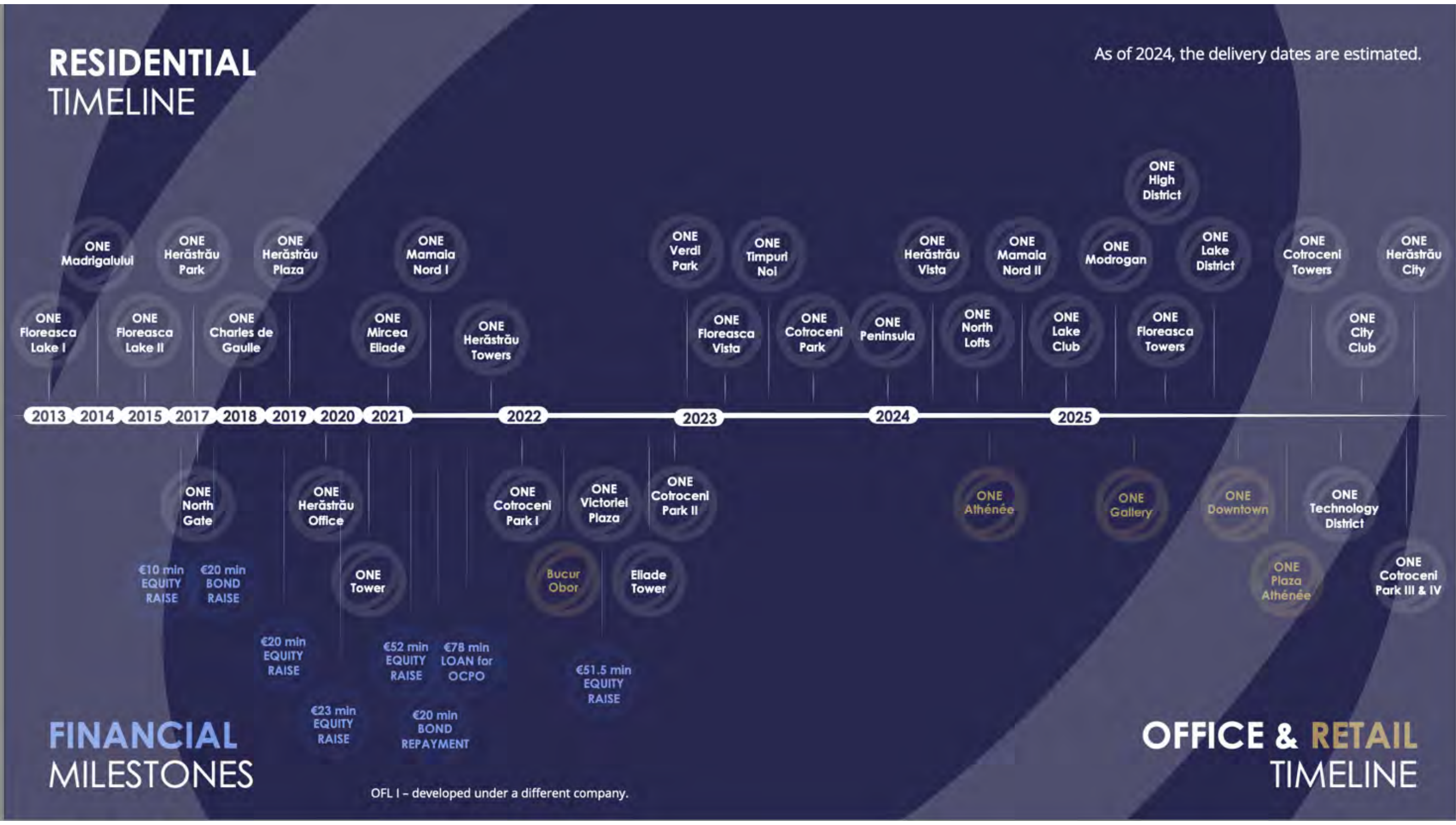
Initially, retail spaces were only built-to-sell. As of 2021, the company also develops retail spaces for rent.

KEY MILESTONES

Victor Căpitanu and Andrei-Liviu Diaconescu started their real estate investment activity in 2000 and developed their first residential project in 2006. Incorporated on November 16th, 2007, the company started the real estate developments under the "One" brand in 2013. Between 2012 and 2018, the company focused on high-end and ultra-high-end developments and in 2017, it entered the office market through the acquisition of One North Gate.

Between 2019 and 2022, the transformative years, One United Properties built its first large-scale high-rise developments as well as entered the office development segment, by developing landmark One Floreasca City, which combines the residential development One Mircea Eliade and the office building, One Tower. In that period the company also announced the first developments on the mid-income market segment – One Timpuri Noi and One Cotroceni Park. This period was also dedicated to increasing the focus on sustainability and launching the company's first urban regeneration developments.

As of 2023, One United Properties focuses on large to very large developments, such as One Lake District or One High District, just to mention two. The Group has consolidated its position on the office market following the delivery of One Cotroceni Park Office Phase 1 and 2 as well as entered the retail market, under built-to-rent versus built-to-sell model, following the acquisition and consolidation of Bucur Obor.



SCOPE OF BUSINESS

STRATEGY OF PROFITABLE GROWTH

One United Properties' strategy is to invest in premium development opportunities with prospects of sustained returns and to consolidate the position of the ONE high-end brand on both the residential and offices market.

The main directions of action to achieve this are:

- Maintain **leadership position** in the prime residential, mixed-use and office real estate market in Romania.
- Leverage **strong brand** and reputation to continue expanding the addressable market into the medium-income customer segment while keeping strong margins and expanding geographically into all areas of Bucharest (and potentially into other major cities in Romania or in Europe).
- Continue to build **revenue generating portfolio** through development of high-quality AAA commercial properties and opportunistically, through acquisitions, if the returns are attractive.
- Maintain **low-risk** cash generation business model, while optimizing capital structure and enhancing returns to shareholders.
- Maintain the commitment to **green and sustainable** developments.
- Be one of the most active and transparent issuers listed on the Bucharest Stock Exchange, having our contribution to **bringing liquidity to the local capital market** and supporting its reclassification to the Emerging Market status.

RESIDENTIAL MARKET IN 2023

According to the National Agency for Cadastre and Real Estate Advertising, there were 158,448 residential units sold in Romania in 2023, 10% less than in 2022. Out of that number, 48.597 unites were sold in Bucharest alone, with the capital city seeing a 16% decline in number of transactions of both new as well as old units.

According to SVN's Bucharest Residential Market Q4 2023 Snapshot, the sales of units increased quarter-on-quarter throughout 2023, with the last quarter of the year bringing the best home sales volume ever recorded in a quarter in Bucharest-Ilfov region (but also at a national level) in the modern history of the local residential market, even though 2023 brought a two-digit annual decrease in home sales.

New home deliveries dropped in 2023. According to the National Institute of Statistics, as cited in SVN's report, the number completed homes in Bucharest-Ilfov in the first nine months of 2023 was 5.8% lower than the one registered in the same period of 2022. Approximately 19,000 new residential units were estimated to be delivered in Bucharest-Ilfov by the end of 2023 according to SVN's data, depending on compliance with construction schedules. Registering this result will mark a 11% decrease compared to the 2022 level, when about 21,300 dwellings were delivered, down 3% from 2021.

In terms of pricing, at national level, the prices of properties saw an annual increase of 1.9% year-on-year in 2023, according to the real estate index calculated by SVN in partnership with Ziarul Financiar.

According to SVN calculations, it takes 6.9 years (or about 83 average wages) for a Romanian to purchase a one-bedroom, 50 sqm apartment in Bucharest in November 2023, versus 32.8 years needed back in January 2008 therefore making it almost 5 times easier to buy a new home in Bucharest, decreasing for the first time in history below 7 years mark.

According to National Bank of Romania, as of March 2023, there were 556,000 Romanians with mortgage loans, accounting for approximately 7.3% of the working population. Romanians have access to some of the most affordable mortgages in the EU, with a 43% share of the rate in the average national salary, compared to 46% in Italy, 80% in Hungary, 82% in France, 83% in Poland and 115% in Czech Republic, as calculated for a 50 sqm apartment in a capital city, in the mass market.

Equity transactions in Bucharest accounted in 2023 for more than 60% of sales, considering that the new registered mortgages also include refinancing loans.

RESIDENTIAL DEVELOPMENTS

The target clients of One United Properties for the residential segment are:

- clients looking for developments located in the most exclusive areas of Bucharest (Herăstrău, Floreasca, Primăverii, Tei Lake), built by developers with excellent reputation, significant expertise on the residential market, offering unique architecture and design and a superior quality of the product. These clients have monthly incomes of €5,000-10,000 per family, or more.
- clients looking for premium developments, located in central and semi-central areas of Bucharest, built by developers with excellent reputation, ideally a well-known brand, a consistent experience on the residential market, and offering very good quality of the product. These clients have monthly incomes between €2,000-5,000 per family.

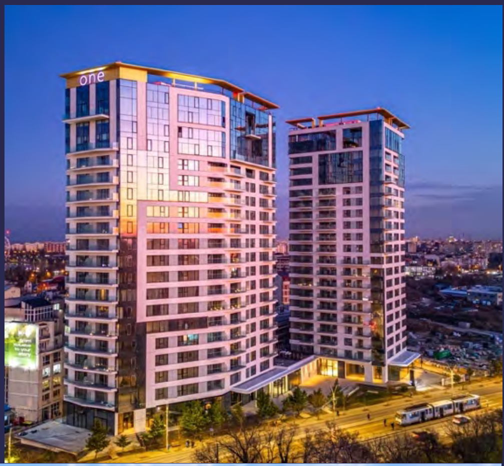
The residential market is divided into the following 4 tiers: ultra-high-end, high-end, premium (medium income) and affordable (mass-market). One United Properties operates on the first 3 tiers. The developments of One United Properties are known for the quality of the buildings, premium finishing, impeccable design as well as excellent infrastructure and prime location. These are the key reasons why One United Properties is a sought-after brand by the clients who wish to find quality and safe, healthy developments where they can settle with their families.

To diversify the client structure, One United Properties decided to develop in other sought-after districts, such as Cotroceni or Timpuri Noi. In these areas, the units are sold at lower prices per sqm compared to the Northern area of Bucharest, however still offering to clients the landmark design and quality for which One United Properties is known.

In 2023, One United Properties finalized 1,430 residential units at One Verdi Park, One Floreasca Vista, One Timpuri Noi and One Cotroceni Park, overpassing the total number of finalized units from all prior years within one single year. The total GDV of the developments finalized in 2023 was EUR 350.4 million. Since the Company's inception until December 31st, 2023, One United Properties completed residential developments hosting 2,451 units, with total GDV of EUR 643.5 million

In 2023, the Company managed 9 construction sites with future developments of 4,346 units and over 15,000 sqm of commercial spaces, bringing the total delivered and under construction GDV in 2023 to more than EUR 1.5 billion.

The key residential developments – 4 delivered in 2023, as well as 8 where the construction was ongoing during 2023, are presented on the following pages.



One Verdi Park

Starting date	Q4'19
Completion date	Q1'23
Units	339
Parking places	522
GBA (sqm)	62,590
Saleable (sqm)	39,603
GDV (m)	€ 130.40

One Floreasca Vista

Starting date	Q2'20
Completion date	Q4'23
Units	63
Parking places	73
GBA (sqm)	11,677
Saleable (sqm)	9,236
GDV (m)	€ 32.44

One Timpuri Noi

Starting date	Q2'19
Completion date	Q3'23
Units	151
Parking places	174
GBA (sqm)	23,357
Saleable (sqm)	14,092
GDV (m)	€ 27.04

One Cotroceni Park

Starting date	Q1'21
Completion date	Q4'23
Units	996
Parking places	1,359
GBA (sqm)	137,720
Saleable (sqm)	87,862
GDV (m)	€ 168.89

One Herastrau Vista

Starting date	**Q3’22**
Estimated completion date	**Q4’24**
Units	**119**
Parking places	**179**
GBA (sqm)	**18,741**
GDV (m)	**€49.36**

One Peninsula

Starting date	**Q4’20**
Estimated completion date	**Q2’25**
Units	**169**
Parking places	**293**
GBA (sqm)	**53,821**
GDV (m)	**€ 159.32**

One Mamaia Nord II

Starting date	**Q3’22**
Estimated completion date	**Q4’24**
Units	**86**
Parking places	**147**
GBA (sqm)	**18,552**
GDV (m)	**€ 30.87**

One Lake Club

Starting date	**Q4’22**
Estimated completion date	**Q4’25**
Units	**737**
Parking places	**937**
GBA (sqm)	**111,155**
GDV (m)	**€ 320.88**

One Floreasca Towers

Starting date	**Q4'22**
Estimated completion date	**Q2'25**
Units	**217**
Parking places	**293**
GBA (sqm)	**32,787**
GDV (m)	**€ 87.33**

One High District

Starting date	**Q3'22**
Estimated completion date	**Q4'25**
Units	**846**
Parking places	**1,040**
GBA (sqm)	**108,133**
GDV (m)	**€ 193.14**

One North Lofts

Starting date	**Q2'23**
Estimated completion date	**Q2'24**
Units	**140**
Parking places	**237**
GBA (sqm)	**30,701**
GDV (m)	**€ 35.70**

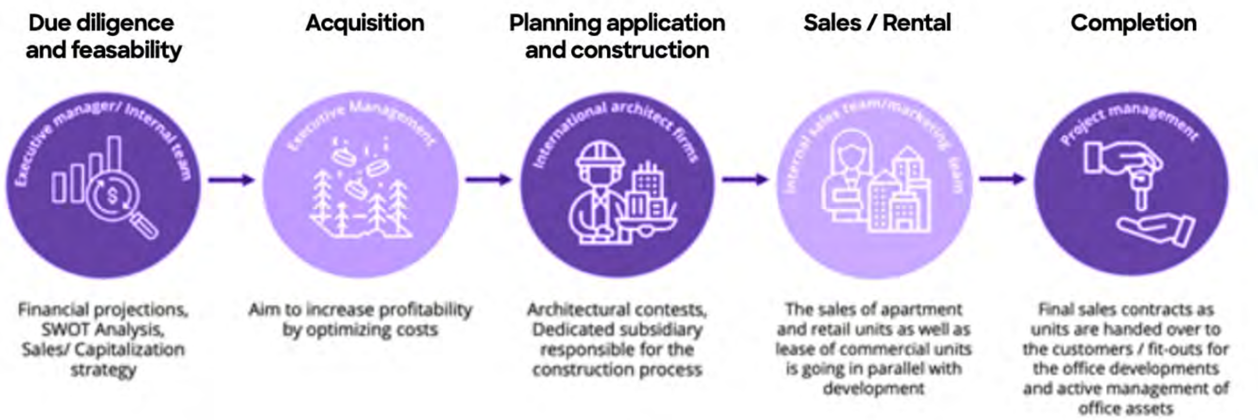
One Lake District

Starting date	**Q1'23**
Estimated completion date	**Q2'25* / Q4'26**
Units	**1,975**
Parking places	**2,476**
GBA (sqm)	**246,400**
GDV (m)	**€ 318.50**

**Completion date for Phase 1.*

RESIDENTIAL DEVELOPMENT PROCESS

Prior to deciding to acquire land for development, the management carries out a thorough analysis on the investment opportunity, which can last between 2-6 months. Only after the feasibility analysis, urban and legal due diligence, defining and seeking feedback from the market on the architectural concept, the decision on the investment is made.



The sale process of the housing units begins as soon as possible after the permitting of the land for development. There are cases when certain areas of a project are sold prior to the acquisition of the land for development, to attract the capital needed for the acquisition of the land. Sales made in the early stages of construction are used to supplement the financial resources needed in the execution of construction works and to boost the return on equity.

Promises of sale concluded with promising buyers include one of the following two payment options: a 30% advance upon signing and 70% payment upon delivery, well fitted for customers who want to access bank financing, or a payment of the price in equal instalments of 20% each, divided over the entire construction. The option of 100% payment upon signing is also available. The sales strategy of the Group's subsidiaries usually aims at the progressive increase of the sale prices as the development reaches certain stages in the execution of the construction works, reflecting the increase in value associated with the respective housing units.

One United Properties has proven experience in managing and controlling all stages of development and sale of a project and relies on a strict verification process before investing in a property and initiating the design and construction of a project. This experience is further enhanced by:

- the subsidiary real estate agency, Skia Real Estate, which is involved in each stage of the development of a residential project, primarily managing the sale, rental, and customer support in connection with the properties of One United Properties and its subsidiaries, and
- integrated architecture practice, provided by X Architecture and Engineering Consult, One United Properties' subsidiary, known as an innovative architecture firm in Romania, which allows to combine intelligent design with business and technology management, both in the operational model and in developed buildings.

The business model of One United Properties includes the disciplined and systematized use of external contractors and subsidiaries, which allows the Company to have an increased capacity to absorb cyclical market movements, combined with control mechanisms that allow it to supervise and monitor external suppliers. The development process is organically embedded in the Company's values and is essential for its ability to deliver high quality products on time and cost-effectively.

SUSTAINABILITY OF THE RESIDENTIAL DEVELOPMENTS

One United Properties' priority is the constant improvement of ONE's developments' parameters to better serve the environment and consequently the communities.

Each year the Company invests in reducing the negative environmental impact of its developments and to optimize environmental compliance. One United Properties innovates by using refined materials, improving its processes, and always striving to educate its partners and inhabitants.

One United Properties is a member of Romanian Green Building Council (RGBC), an organization promoting environmental responsibility and energy efficiency. Since 2017, all residential developments of One United Properties are "Green Homes" certified by the RBGC, which require the full compliance with the following environmental criteria:

- sorting for recycling in site;
- reducing the heat effect through light-colored roofing and terraced spaces;
- the optimization of water consumption through efficient irrigation;
- connected to smart BMS systems;
- efficient low-flow sanitary units;
- the elimination of light pollution by the installation of LED lamps;
- the use of sustainable building materials such as brick (Caparol <1 g / l compared to the standard 30 g/l);
- education for sustainable operating scales of the building (energy efficiency, waste sorting, compost etc.).

OFFICE MARKET IN 2023

According to iO Partners, Bucharest City Report Q4 2023, in 2023, gross demand reached record high of approx. 409.3k sqm, +44% vs 2022. Net demand saw a decrease of 28%, amounting to 101.4k sqm of office space. The gross take-up volume in Bucharest in 2023 totaled almost 182k sqm, 2% over 2022. New leases and expansions accounted for approx. 15% of total demand in 2023.

The largest delivered office development in 2023 was One Cotroceni Park Phase 2, with 34K sqm GLA. For 2024, the capital will see the record low pipeline, with only one office development to be delivered, with 15.5K sqm of GLA, 85% below 2023. The vacancy rate slightly increased in 2023, reaching 14.3% as of the yearend, however expected to decrease in 2024 due to extremely limited pipeline.

Prime office rents in Bucharest continued to increase in 2023, registering a 16% increase to €22.0 per sqm per month, as a way of absorbing the inflationary pressure through indexation.

The modern office stock in Bucharest reached 3.4 million square meters at the end of 2023, surpassing Bratislava but remaining below Warsaw, Budapest, and Prague

OFFICE DEVELOPMENTS

Building on its residential success, One United Properties entered the office segment in November 2017 through the acquisition of One North Gate. As of December 31st, 2023, the Company's standing office portfolio totaled 117K sqm GLA, and it includes One Tower (GLA of 24K sqm, leased 100%), One Cotroceni Park 1 (GLA of 46K sqm, leased 88%), One Cotroceni Park 2 (GLA of 35K sqm, leased 75%), and One Victoriei Plaza (GLA of 12K sqm, leased 100%). Together with the retail component, One United Properties' commercial portfolio, which also includes Bucur Obor, has a GLA of over 142K sqm.

The growth within the ONE office portfolio is generated by four vectors:

- The strong trend of corporates that are taking the opportunity of the pandemic period to redraw their entire corporate real estate strategy and to relocate from older generation buildings to new, modern ones, to upgrade;
- The need to provide sanitary comfort to talent, in order to attract them back to the office, hence the prioritizing of LEED and WELL certified properties;
- The need to access integrated functions like residential and commercial within the same development, thus reducing commute time and offering near house amenities;

- The strategy to follow a hub and spoke office distribution throughout the city, opening several new satellite offices to dramatically reduce commute time of the employees, promoting a near home office environment.

The office segment is of strategic importance for One United Properties as it envisages the medium to long-term rental of spaces (minimum 5 years, preferred 7-10 years contracts), offering a predictable recurrent revenue, complementing the residential development business model.

SUSTAINABILITY OF THE OFFICE DEVELOPMENTS

All office buildings developed by One United Properties are certified or pre-certified under WELL Health and Safety and LEED Platinum certification by the US Green Building Council, one of the most demanding certifications on the environmental impact and performance. In addition, the sustainability goal of the office portfolio is to build only fully carbon neutral developments going forward and undergoing LEED ZERO CARBON certification for all new office assets.

HISTORICAL LANDMARKS PORTFOLIO

As part of its long-term strategy to develop Bucharest, One United Properties is committed to restoring the city's cultural heritage, including its downtown area. This initiative aligns with ONE’s broader sustainability strategy, which the Company began implementing in 2021 after joining the UN Global Compact, the world's largest sustainability initiative. Moreover, the vision of the Company is to put the capital city of Romania on the international map, by developing modern landmarks, that can become attraction points for both residents as well as tourists.

In line with this commitment, One United Properties has acquired several important historical landmarks in the center of Bucharest, which are currently in the process of restoration to their former glory. These include One Athénée, One Gallery, Mondrian Hotel, One Downtown.

ONE UNITED PROPERTIES DEVELOPMENTS IN BUCHAREST

GROUP STRUCTURE

One United Properties S.A. is the holding company of the Group. The Group's activity is carried out through the subsidiaries. The mother company supervises, co-implements as well as raises and provides funds for the implementation of the development projects.

The main subsidiaries of One United Properties S.A. are presented below. These companies were established or acquired with the purpose of performing certain tasks – either implementing specific developments, or assisting in the process of developing, leasing and/or selling apartments or office properties. As of December 31st, 2023, the Group consisted of 52 subsidiaries of full consolidation.

Name of the subsidiary	Activity	Ownership as of 31.12.2023
One Modrogan SRL	Real estate developer in Romania	100.00%
One Peninsula SRL	Real estate developer in Romania	100.00%
One Charles de Gaulle Residence SRL	Real estate developer in Romania	100.00%
One Herastrau Plaza SRL	Real estate developer in Romania	100.00%
One Verdi Park SRL	Real estate developer in Romania	95.00%
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%
One Mircea Eliade Properties SRL	Real estate developer in Romania	100.00%
One Long Term Value SRL	Real estate developer in Romania	98.00%
One Herastrau Towers SRL	Real estate developer in Romania	100.00%
One Cotroceni Park SRL	Real estate developer in Romania	80.00%
Skia Real Estate SRL	Operational services – project development	51.00%
One Lake District SRL	Real estate developer in Romania	100.00%
One North Gate SA	Real estate developer in Romania	85.22%
One United Tower SA	Real estate developer in Romania	71.46%
Neo[1] Floreasca Lake SRL	Real estate developer in Romania	95.00%
One Mamaia Nord SRL	Real estate developer in Romania	95.00%
One Timpuri Noi SRL	Real estate developer in Romania	95.00%
One Herastrau Vista SRL	Real estate developer in Romania	95.00%
One Floreasca Towers SRL	Real estate developer in Romania	100.00%
One Long Term Investments SRL	Real estate developer in Romania	100.00%
One Cotroceni Park Office SA	Real estate developer in Romania	67.25%
One Cotroceni Park Office Faza 2 SA	Real estate developer in Romania	67.25%
One Cotroceni Park Office Faza 4 SA	Real estate developer in Romania	100.00%
One Proiect 19 SRL	Real estate developer in Romania	100.00%

[1] As of November 2021, One United Properties decided to drop the NEO brand due to difficulty to position it at a competing level with ONE, despite the high quality and the design of the product. Consequently, all the developments that used NEO name were rebranded, and the former Neo Floreasca Lake is referred to, commercially, as One Floreasca Vista.

One High District S.R.L.	Real estate developer in Romania	100.00%
One Plaza Athenee SRL	Real estate developer in Romania	100.00%
One Proiect 4 SRL	Real estate developer in Romania	100.00%
One Proiect 5 SRL	Real estate developer in Romania	100.00%
One Lake Club SRL	Real estate developer in Romania	100.00%
One Herastrau City SRL (former One Proiect 7 SRL)	Real estate developer in Romania	100.00%
One Carpathian Lodge Magura SRL	Real estate developer in Romania	66.72%
One Proiect 8 SRL	Real estate developer in Romania	100.00%
One City Club SRL	Real estate developer in Romania	100.00%
One Dowtown SRL (former of One Proiect 10 SRL)	Real estate developer in Romania	100.00%
One Proiect 24 SRL	Real estate developer in Romania	90.00%
Bo Retail Invest SRL	Real estate developer in Romania	100.00%
Bucur Obor SA	Lease of retail space	54.44%
One United Management Services SRL	Management services	100.00%
One Proiect 11 SRL	Real estate developer in Romania	100.00%
One Proiect 12 SRL	Real estate developer in Romania	100.00%
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Real estate developer in Romania	100.00%
One Proiect 15 SRL	Real estate developer in Romania	100.00%
One Victoriei Plaza SRL	Renting office premises in Romania	100.00%
Eliade Tower SRL	Renting office premises in Romania	100.00%
One Park Line SRL (former of One Proiect 16 SRL)	Real estate developer in Romania	100.00%
One Technology District SRL (former of One Proiect 17 SRL)	Real estate developer in Romania	100.00%
One Proiect 18 SRL	Real estate developer in Romania	100.00%
One Proiect 2 SRL	Real estate developer in Romania	0.00%
One Proiect 20 SRL	Real estate developer in Romania	100.00%
One Proiect 22 SRL	Real estate developer in Romania	100.00%
One Proiect 21 SRL	Real estate developer in Romania	100.00%
One Baneasa Airpark SRL (former of One Proiect 23 SRL)	Real estate developer in Romania	100.00%

In 2023, four new subsidiaries were established within the One group: One Proiect 20 SRL, One Proiect 21 SRL, One Proiect 22 SRL and One Baneasa Airpark SRL (former of One Proiect 23 SRL).

The Company increased its ownership in the share capital of the subsidiaries as follows:

- One North Gate SA from 67.69% to 85.22%, the total consideration price for the shares acquired is RON 9,112,073;
- One United Tower SA from 70.24% to 71.46%, the total consideration price for the shares acquired is RON 2,758,672;
- One Herastrau Plaza SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900;
- One Lake District SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900;

- One Cotroceni Park Office Faza 4 SA from 80.00% to 100.00%, the total consideration price for the shares acquired is RON 18,000;
- One Cotroceni Park Office SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 35,301,200;
- One Cotroceni Park Office Faza 2 SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 17,899,200.

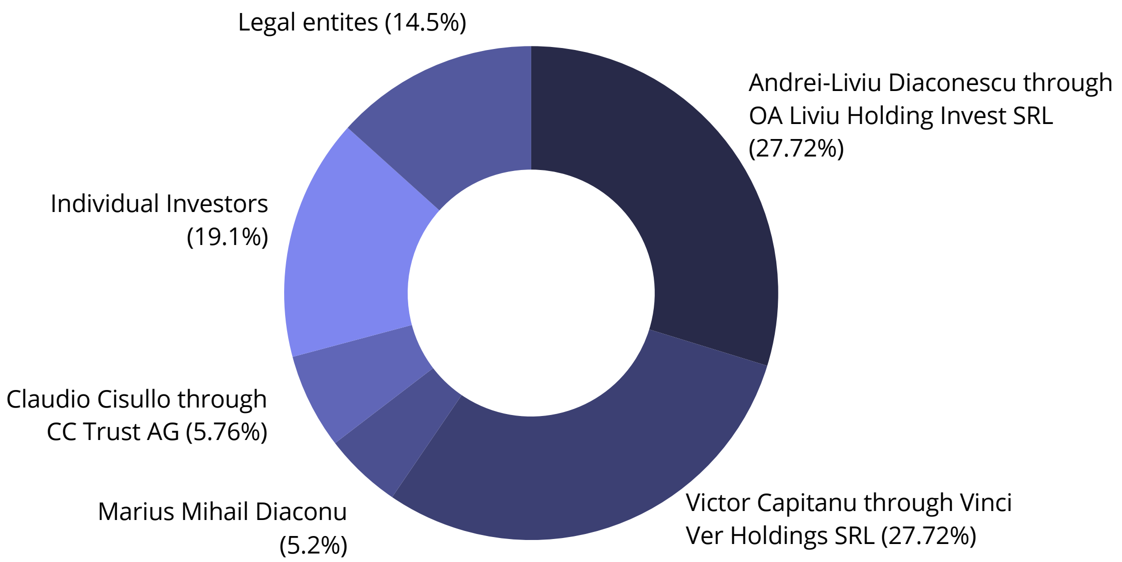
SHAREHOLDERS AND ISSUED CAPITAL

One United Properties S.A. is a joint-stock company incorporated in accordance with the laws of Romania. Following a successful IPO, during which the company raised RON 260 million, One United Properties listed on the Main Market of the Bucharest Stock Exchange on July 12th, 2021.

In 2022, the share capital of One United Properties was raised due to a new capital increase, which took place between June 27th and August 3rd, 2022. The process consisted of two stages – first, within which existing shareholders subscribed new shares based on their preference rights, and second, within which the new investors participated in a private placement. The final price per share for both stages was established at RON 1.25 and the Company raised a total of RON 253.7 million in the process.

As of December 31st, 2023, the share capital of One United Properties was RON 759,530,863 divided into 3,797,654,315 shares with a nominal value of RON 0.2 per share. In 2023, the share capital of the Company was increased with 94,835,729 shares following the EGMS resolution no. 62 from April 26th, 2022, with the purpose to implement the Stock Option plan for the executive members of the Board of Directors, following the meeting of the performance criteria related to the growth of the value of the Company in 2021. The share capital increase was carried out to set off certain, liquid, and due receivables held by the beneficiaries of the SOP.

As of December 31st, 2023, One United Properties had 9,113 shareholders (+145% since IPO). The shareholding structure of the company as of December 31st, 2023, was as follows:



Andrei-Liviu Diaconescu and Victor Capitanu, the founding shareholders of One United Properties are each holding 27.72% of the Company though their investment vehicles, OA Liviu Holding Invest SRL and, respectively, Vinci Ver Holdings SRL. Excluding all the shares held by the co-founders and stakes held by CC Trust and Mr. Marius Mihail Diaconu, the effective free-float of the company as of December 31st, 2023 is 33.6%.

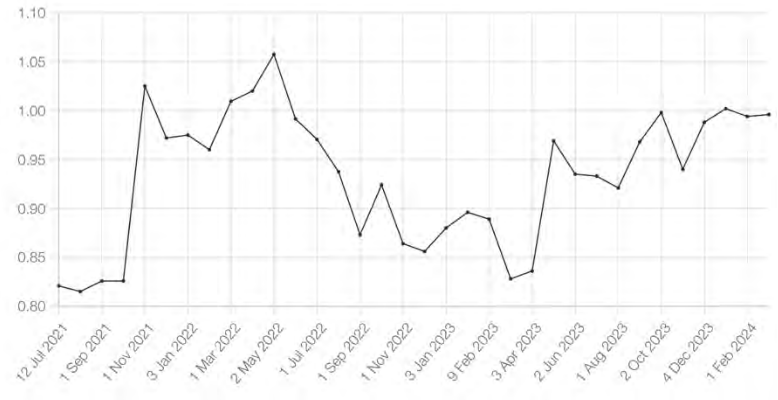
One United Properties S.A. held 3,605,144 own shares, representing 0.09% of share capital, as of December 31st, 2023. The increase in the number of shares was due to the buyback that took place between September 19th, 2023, and October 27th, 2023 as approved by the EGSM decision no. 62 from 26.04.2022. During the share buyback, the Company bought back a total of 3,600,000 shares. **More details are available HERE**.

None of the subsidiaries of One United Properties held ONE shares as of December 31st, 2023.

ONE ON THE BUCHAREST STOCK EXCHANGE

In 2023, the share price of One United Properties increased 15.4%, as ONE was the 13th most traded stock on BVB in terms of absolute liquidity and the 19th most traded by liquidity to free float.

Since the IPO in mid-2021, ONE shares generated total return of 27% for shareholders, in EUR terms. Over the same period, pressured by the higher cost of capital, the EPRA index, a benchmark for listed real estate companies in developed Europe, has lost 37%. In other words, ONE has outperformed broader European real estate peers by more than 60% since the IPO.



The market capitalization as of December 31st, 2023, was RON 3.8bn.

The key capital markets events in 2023 included:

ROTX INDEX INCLUSION

As of March 20th, 2023, ONE shares are included in the ROTX index of Wiener Börse (Vienna Stock Exchange). The ROTX is a capitalization-weighted price index and is made up of 15 Romanian blue-chip stocks traded at Bucharest Stock Exchange. Calculated in EUR, USD and RON and disseminated in real-time by Wiener Börse, the ROTX is designed as tradable index and is used as underlying for structured products. The inclusion in the ROTX was part of the Company's strategy to improve the visibility of Romanian capital market on the international arena as well as contribute to the further appreciation of the Company's liquidity. **More information HERE.**

MSCI INDICES INCLUSION

As of June 1st, 2023, ONE shares were included in the MSCI Frontier Markets Small Cap index and MSCI Romania Small Cap index. On August 10th, 2023, MSCI announced that effective August 31st, 2023, ONE shares will be promoted from Small Cap to Mid Cap category, becoming part of the MSCI Frontier and MSCI Romania indices, which exclusively feature Mid Cap and Large Cap companies. **More information HERE**.

RESEARCH COVERAGE

One United Properties is one of the most covered Romanian stocks, having 10 financial analysts: Christoph Shultes (Erste Group), Thomas Neuhold (Kepler Cheuvreux), Vlad Podea (BT Capital Partners), Ionut Gravis (BRK Financial Group), Roxana Stejerean (Goldring), Florin-Adrian Ciocoi (Ipopema Securities), Mihai Antolic (Intercapital), Adrian-Cosmin Patruti (Raiffeisen Bank), Alina David (Swiss Capital), and Jakub Caithaml (Wood & Co).

One United Properties did not have corporate bonds issued as of December 31st, 2023.

ORGANIZATIONAL STRUCTURE

The General Shareholders Meeting is the highest decision body of the Company. The company is managed by a Board of Directors consisting of seven Members who are collectively responsible for the Company's strategy and development, as well as oversee the Executive Management team.

The Company's operations are divided into several departments: Project Development, Architecture, Urbanism, Design, Financial, Legal, Sales, Leasing, Marketing, Aftersales, Investor Relations, Investments, Asset Management and Human Resources. Internal Audit and Compliance departments respond directly to the Board of Directors. One United Properties' organizational structure is presented below:

GENERAL MEETINGS OF SHAREHOLDERS

In 2023, One United Properties held two General Meetings of Shareholders – on April 25th, 2023 and on October 9th, 2023,

During the OGMS and EGSM from April 25th, 2023, the shareholders approved, among other items, the distribution of the second tranche of the dividends of RON 37 million. With first tranche paid in November 2022, the full gross dividend for 2022 is RON 73.1 million. The shareholders further elected the Board of Directors of One United Properties, comprising of seven Members: Claudio Cisullo, Victor Capitanu, Andrei-Liviu Diaconescu, Dragos Manda, Marius Diaconu, Augusta Dragic, and Magdalena Souckova (Soucek), as well as approved the 2023 budget. **The GSM resolutions are available HERE.**

During the OGMS and EGSM from October 9th, 2023, the shareholders approved, among other items, the audited financial statements for the first six months of 2023, the distribution of the 2023 half-year dividend of RON 38 million, the share buyback, as well as contracting various credit facilities for developments currently under construction. **The GSM resolutions are available HERE.**

BOARD OF DIRECTORS

The Board of Directors of One United Properties consists of five non-executive members as well as two executive members, Victor Capitanu and Andrei-Liviu Diaconescu, the company's co-founders. Five members of the Board are independent, thus forming a majority.

In the annual General Meeting of the Shareholders from April 25th, 2023, the shareholders elected a new Board of Directors of One United Properties, comprising of seven Members: Claudio Cisullo (elected by the Board as the Chairman of the Board of Directors), Victor Capitanu, Andrei-Liviu Diaconescu, Marius-Mihail Diaconu, Augusta-Valeria Dragic, Dragos-Horia Manda, and Magdalena Souckova. The mandate of the Board Members is of 1 year. **More information HERE.**

In 2023, the position of the Chairman of the Board of Directors was held by Mr. Claudio Cisullo.

The Members of the Board of Directors as of December 31st, 2023, are presented below. The mandates of all the Members of the Board of Directors are set to expire on April 25th, 2024, and consequently, in the General Meeting of Shareholders from April 25th, 2024, the shareholders will elect a new Board of Directors.

CLAUDIO CISULLO

Chairman of the Board of Directors, independent

Born in 1964, Mr. Cisullo is the founder and Chairman of CC Trust Group AG, an internationally active family office invested in biotech, private aviation, leisure, pharmaceuticals, professional services, real estate, and technology sectors. With over 30 years of experience in corporate finance, M&A, venture capital and private equity, Mr. Cisullo ranks among the 300 wealthiest people in Switzerland and is an active investor on the Romanian residential and commercial property market.

Mr. Cisullo was appointed as Member of the Board of Directors of One United Properties on 28.09.2020 and President of the Board of Directors of One United Properties on 20.05.2021.

Number of ONE shares held on 31.12.2023: 218,703,478 shares held through CC Trust Group AG.

VICTOR CAPITANU

Executive Member of the Board of Directors

Born in 1979, Victor is the co-founder and Executive Member of the Board of Directors at One United Properties, coordinating Sales, Leasing, Marketing, and Investments.

Victor is a CFA charter holder, with a degree in Financing & Banking from Bucharest Academy of Economic Studies and has attended an Executive Private Equity Program at Harvard University and an Executive program at Singularity University in Silicon Valley.

Victor Căpitanu was appointed as Member of the Board of Directors at One United Properties on 09.05.2016.

Number of ONE shares held on 31.12.2023: 1,052,553,846 shares held through Vinci Ver Holdings SRL.

ANDREI-LIVIU DIACONESCU

Executive Member of the Board of Directors

Born in 1975, Andrei is the co-founder and Executive Member of the Board of Directors of One United Properties, coordinating Operations, Financial and Legal. Andrei holds an EMBA from ASEBUSS and an International Law Degree from the University of Macedonia, Thessaloniki.

Andrei Diaconescu was appointed as Member of the Board of Directors at One United Properties on 09.05.2016.

Number of ONE shares held on 31.12.2023: 1,052,553,846 shares held through OA Liviu Holding Invest SRL.

MARIUS-MIHAIL DIACONU

Non-executive Member of the Board of Directors, independent

Born in 1973, Mr. Diaconu is an active investor and executive with an experience of 20+ years. His projects cover animal health, real estate, IT, agriculture, entertainment, industrial services, and have been developed in Europe, Asia, and the US. Marius is the founder (1999) and CEO of Altius SRL, a market leader for animal health products and the largest importer in Romania, with a regional presence including Bulgaria and Moldova. Mr. Diaconu holds a degree in Marketing from Bucharest Academy for Economic Studies (1997).

Mr. Diaconu was appointed as Member of the Board of Directors of One United Properties on 28.09.2020.

Number of ONE shares held on 31.12.2023: 187,331,906 shares held directly and 10,207,760 through Altius SA.

AUGUSTA-VALERIA DRAGIC

Non-executive Member of the Board of Directors, independent

Mrs. Dragic co-founded the Superbet Group in 2008 with Mr. Sacha Dragic. Since opening their first shop more than a decade ago, the Group has since grown to be the clear Romanian market-leader, expand internationally and include multiple brands across Europe. Superbet Group operates a leading online offering powered by proprietary technology built in their Tech Hubs in Bucharest, Zagreb, and London, a network of 1,000+ national betting agencies across its markets, and a global team of approximately 4,800 employees. In 2019, Superbet secured a €175m minority investment from Blackstone, a US based global investment Group, to supercharge its growth.

Mrs. Dragic was appointed as Member of the Board of Directors of One United Properties on 26.04.2022.

Number of ONE shares held on 31.12.2023: 2,490,666 through D Craig Investment SA.

DRAGOS-HORIA MANDA

Non-executive Member of the Board of Directors, independent

Born in 1960, Mr. Manda is chairman of Patria Bank's Board of Directors and Managing Partner of Axxess Capital. He has 17+ years of private equity experience in S-E Europe and an impressive track record as Chairman / member of the Board of various PE founds such as the Romanian American Enterprise Fund, Balkan Accession Fund and Emerging Europe Accession Fund. In his career, Mr. Manda has overseen capital investments of €200+ million in industries such as IT, retail, financial services, energy, and manufacturing.

Mr. Manda was appointed as Member of the Board of Directors of One United Properties on 24.04.2019.

Number of ONE shares held on 31.12.2023: 28,487,047.

MAGDALENA SOUCKOVA

Non-executive Member of the Board of Directors, independent

Mrs. Magdalena Souckova is a seasoned executive, with broad, 30+ years of experience in providing audit and advisory business services. Mrs. Souckova was Country Managing Partner for EY in the Czech Republic from 2008 until December 2021. Between 2011 and 2020 she was also the Managing Partner for the Central Cluster at EY, which includes Czech Republic, Slovakia, Hungary, Slovenia, Serbia, Croatia, Bosnia, Herzegovina, and Montenegro. Under her leadership, the Cluster has almost doubled in size into a 220 million dollars business, with 80 partners and a team of 2,500 professionals. Mrs. Souckova graduated from the University of Massachusetts. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants. She is also a Czech statutory auditor and a member of the Chamber of Auditors of the Czech Republic.

Mrs. Souckova was appointed as Member of the Board of Directors of One United Properties on 26.04.2022.

Mrs. Souckova did not hold any ONE shares on 31.12.2023.

None of the Board Members of One United Properties were banned by a court from serving as a member of the board of directors or supervisory board of a company in the last 5 years, nor has there been any cases of insolvency, liquidation, bankruptcy, or special administration of in any of the Companies where the above persons were members of the board of directors or supervisory board. In the last 5 years, there have been no litigations or administrative procedures in which the Board Members of One United Properties were involved in the context of their activity within the company, or regarding their ability to fulfill their duties within the company. There is no agreement, understanding or family connection between any of the Board Members and any other person due to whom he or she was appointed as the member of the Board of Directors of the company.

CONSULTATIVE COMMITTEES

The Board of Directors established the Remuneration & Compensation Committee, Risk & Audit Committee as well as Internal Audit in 2021, ahead of the IPO. On April 12th, 2022, One United Properties announced the creation of the Environmental, Social and Governance Committee that will assist the Board of Directors in defining the sustainability strategy. It is the first-ever ESG Committee appointed by the Board of Directors of a Romanian blue-chip company (**More information HERE**).

Both the Remuneration & Compensation Committee and the Risk & Audit Committee comprise of three or four members of the Board of Directors, of which one is elected chairman. The ESG Committee comprises of the members of the Board of Directors, as well as external experts and advisors in the field.

The members of the Risk and Audit Committee as of December 31st, 2023, were:

- Dragos-Horia Manda, Chairman
- Marius-Mihail Diaconu, Member
- Magdalena Souckova, Member

The members of the Nomination and Remuneration Committee as of December 31st, 2023, were:

- Claudio Cisullo, Chairman
- Victor Capitanu, Member
- Augusta-Valeria Dragic, Member

The members of the Environmental, Social, and Governance Committee as of December 31st, 2023, were:

- Andrei-Liviu Diaconescu, Chairman
- Victor Capitanu, Member
- Zuzanna Kurek, Member

EXECUTIVE MANAGEMENT

The bios of Victor Căpitanu and Andrei-Liviu Diaconescu, who act as co-CEOs of One United Properties, are presented above.

COSMIN SAMOILA

Chief Financial Officer

Cosmin is One United Properties' CFO since 2021. He has over 17 years of experience in multiple regions and business lines. He was for 4 years the CFO of Sixt Romania Group and 10 years at Adama Holding Group (part of Immofinanz AG) where, as Head of Controlling and Managing Director, he has coordinated all financial aspects of more than 60 assets, located in Romania and several countries in SE Europe. Cosmin began his professional career at Ernst & Young, where he was a senior auditor. He graduated the Academy of Economic Studies, is a certified expert accountant in Romania and a fellow member of ACCA.

Number of ONE shares held on 31.12.2023: 687,279.

BEATRICE DUMITRASCU

CEO Residential Division

Beatrice joined One United Properties in 2013 as sales manager. She is a highly skilled real estate executive. She started her real estate career in 2005 at Eurisko, as Residential Broker. Two years later, she became the Head of the Residential Department, with a portfolio of over 5,000 residential units for sale. Eurisko was acquired by CB Richard Ellis in 2008 for $35 million. Since then, Beatrice built a career with some of the largest Romanian residential developers, such as Conarg Real Estate, Adama, Sirius International, Tiriac Imobiliare, RO-IS International Development, Romconsulting, Anchor Group and even acting independently for two years.

Number of ONE shares held on 31.12.2023: 414,050.

MIHAI PADUROIU

CEO Office Division

Mihai joined One United Properties in November 2019. He has a long career in the local real estate market, in some of the largest international consulting companies. During his 13-year activity in real estate, he was involved in numerous relocation processes for both multinational and local companies, trading over 500K sqm of offices throughout this period.

Mihai holds a degree in International Economic Relations from the Academy of Economic Studies and is a member of the 2016 RICS (Royal Institution of Chartered Surveyors).

Number of ONE shares held on 31.12.2023: 2,827,927 held through PMA PRIME PROPERTY CONSULTING SRL.

VICTOR SAVI-NIMS

Chief Legal Officer

Victor has been One United Properties Chief Legal Officer since December 2019. He is a seasoned lawyer with a strong business acumen gained by coordinating integrated real estate and construction, M&A, banking/financing as well as corporate & commercial legal services. He worked with Mitel & Partners, handling international clients in real estate and M&A projects, and with the Alexandrion Group, coordinating the Legal Department. He graduated from the Bucharest Nicolae Titulescu Law School and holds an LLM degree in Business Law and an MSc degree in Ecology and Sustainable Development from the University of Bucharest – UNESCO Cousteau Chair. Victor is a member of the Bucharest Bar and of the Romanian National Bar Association.

Number of ONE shares held on 31.12.2023: 317,359.

None of the members of executive team were in the past 5 years forbidden by the court to fulfil the position of a Member of a Board of Directors or Supervisory Board. In past 5 years, there were no cases of insolvency, liquidation, bankruptcy, or special administration of companies where the executive members sat on the Board of Directors or Supervisory Board. None of the executive managers carries professional activity which would compete with that of the company.

EMPLOYEES

As of December 31st, 2023, the Group had 115 employees (out of that 111 FTE and 4 part-time employees), all of whom are based in One United Properties' head office in Bucharest, Romania. Out of all employees, 85% had a university degree and 7% holding as of end of 2023 the high school diploma. One United Properties has among its employees University students who hold junior roles within the company, who are currently in the process of obtaining their university degree, therefore 8% of the employees were registered at the university as of the yearend.

At the level of One United Properties and its subsidiaries there are no organized unions and no collective bargaining agreements have been concluded.

BUSINESS PARTNER RELATIONS

In its day-to-day activity, One United Properties collaborates with many contractors. In 2023, One United Properties collaborated with approximately 1,300 third-party suppliers, out of which approximately 4% were large suppliers.

On operations & development side, these include construction companies, architects and building planners, building material, furniture and fit-out companies, technical consultants, real estate agents, utility providers, facility providers and other specialist providers (security, waste removal, etc.). Out of all these partners, a particularly important group are the contractors who develop One United Properties projects. On the corporate side, One United Properties collaborates on a regular basis with lawyers, auditors, evaluators, corporate and business advisors, and specialists in particular areas. In 2023, there were no particular changes to the supply chain of One United Properties.

In 2023, 21,413 people worked for One United Properties' construction sites, contributing to the company's significant impact on the dynamic evolution of Bucharest.

2023 BUSINESS HIGHLIGHTS

RESIDENTIAL SALES

953 apartments with a total surface of 80,757 sqm, 1,584 parking spaces and other unit types were sold and pre-sold for a total of EUR 274.9 million in 2023. A year prior, in 2022, the Group sold and pre-sold 599 apartments with a total surface of 52,724 sqm, 978 parking spaces and other units for a total of EUR 169.2 million. The total value of the residential sales includes the pre-sales to early clients, which are lower margin sales that help finance land acquisition. These are units that the Group pre-sold to early clients at developments where construction did not begin. The total value of these sales in 2023 was EUR 31.6 million (same as of end of H1 2023), vs EUR 18.1 million for 2022.

Despite a 16% decrease in residential sales in Bucharest in 2023 versus 2022 (data according to the National Cadastre and Real Estate Advertising Agency), One United Properties defied market trends by marking a 59% YoY increase in the number of residential units sold. This remarkable growth was fueled by an expanded and more varied selection of residential offerings, paired with flight to quality of the clients.

Due to excellent sales, as of December 31st, 2023, 71% of available apartments under development and delivered were already sold out. Out of the developments already delivered, there are 77 units of finalized stock available for purchase at One Verdi Park, One Herastrau Towers, One Floreasca Vista, One Timpuri Noi and One Cotroceni Park (4.1% of total units at these developments). Amounts to be received under contracts concluded with customers as of December 31st, 2023, are EUR 295 million in additional cash by 2025 (EUR 150 million in 2024 and EUR 145 million in 2025).

More than half of the apartments sold by One United Properties in 2023 were two-room apartments, with a total sellable area of 33,691 sqm, with the demand for these units increasing 50% vs 2022. Demand for the 2-room apartments was the highest at One Lake District, where in 2023, 307 such units were sold, becoming the bestselling product of One United Properties. The increases were also seen for 3-room apartments, +64% YoY, and the 4-room apartments, +83% YoY. Studio sales grew the most, 137%, to 97 units pre-sold in 2023, reflecting strong sales at One High District, One Lake District, One Lake Club and One Floreasca Towers. The sales per apartment type in 2023, including the total saleable area, are presented below:

Apartment type	2023	Saleable area (sqm)
studio	97	4,718
2-room	514	33,691
3-room	184	17,638
4-room	150	22,740
5+ room & villas	8	1,970
TOTAL UNITS SOLD	**953**	**80,757**

The most sought-after development in 2023 was the first phase of One Lake District, where in 2023, 430 units out of 786 available units were sold, with the total level of sold-out units reaching 66%. One Lake District will host a total of 1,967 units, and the apartments from the next phases will be put on sale in 2024. The second-bestselling development was One High District, where 251 units were sold in 2023, resulting in 65% of the units already being pre-sold at the development as of December 31st, 2023, followed by One Lake Club, where 145 units were pre-sold in 2023. One Lake Club development will be labeled as 'Furnished by Armani/Casa' following the conclusion of a partnership with Armani/Casa in November 2023. The 2023 sales for key developments, together with the total number of units sold from the launch of the sales until December 31st, 2023, are as follows:

Development	Status	Delivery	Units sold in 2023	Total units sold from project start	Total units developed
One Lake District 1	In Development	Q2 2025	430	522	786[1]
One High District	In Development	Q4 2025	251	525	807
One Lake Club	In Development	Q4 2025	145	267	723
One Floreasca Towers	In Development	Q2 2025	55	126	208
One Cotroceni Park	Finalized	Q4 2023	23	873	898
One Mamaia Nord 2	In Development	Q4 2024	12	41	86
One Mircea Eliade	Finalized	Q4 2020	12	244	244
Other developments	-		25	939	1,200
TOTAL UNITS			**953**	**3,537**	**4,952**

NOTE: [1]At One Lake District a total of 1,967 units will be developed, however currently only 786 units from the first phase of the development are available for purchase. The delivery term presented for One Lake District is for 1st phase only.

COMMERCIAL PORTFOLIO

In February 2023, One United Properties delivered One Cotroceni Park Office 2 to its tenants. One Cotroceni Park 2, with GLA of 34.5K was the largest office delivery on the Bucharest market in 2023.

In September 2023, One United Properties informed the market about the conclusion of a contract with Infineon Technologies, German leader in designing and manufacturing semiconductors, which covers the development of a turnkey sustainable prime office building to cover Infineon needs for a period of 15 years, starting with 2026. The starting value of the contract amounts to EUR 57 million (excluding VAT), indexed to the EU annual inflation. Under the contract, the Company will develop and further lease a building, One Technology District, with total office Gross Leasable Area of 20,000 sqm (with terraces), including 2,000 sqm of laboratories and 280 parking spaces. The development will also incorporate geoexchange system that will fully cover the heating and cooling needs of the tenant. One Technology District is estimated to be delivered in Q2 2026. **More information HERE.**

In December 2023, One United Properties announced the closing of the acquisition of the former Ford Factory, a historical landmark which will be transformed by the Company in a commercial development, One Gallery, transaction concluded with Auchan Romania S.A. Upon completion, One Gallery will have GLA of approximately 14,333 sqm and 314 parking spaces built on 2 underground floors. The estimated GDV upon completion is EUR 90 million. On December 18th, 2023, One United Properties concluded a credit facility agreement with Alpha Bank Group, with a total value of up to EUR 30.5 million for the purpose of financing/ refinancing in part of the development costs of One Gallery, as well as a VAT credit facility of up to EUR 4.6 million. **More information HERE and HERE.**

In total, including the contract signed with Infineon Technologies, in 2023, One United Properties leased and pre-leased 34,200 sqm of office and retail spaces versus 31,700 sqm in 2022.

As of December 31st, 2023, the Company's standing office portfolio totaled 117K sqm GLA, and it includes One Tower (GLA of 24K sqm, leased 100%), One Cotroceni Park 1 (GLA of 46K sqm, leased 88%), One Cotroceni Park 2 (GLA of 35K sqm, leased 75%), and One Victoriei Plaza (GLA of 12K sqm, leased 100%). Together with the retail component, One United Properties' commercial portfolio, which also includes Bucur Obor, has a GLA of over 142K sqm.

Development	Status	Delivery/ Acquisition	GLA	% Leased	% Pre-leased	% Tenants moved
One Tower	Developed	2020	24,039	100%	-	100%
One Cotroceni Park 1	Developed	2022	46,252	88%	-	88%
Bucur Obor	Acquired	2022	25,582	94%	-	94%
One Victoriei Plaza	Acquired	2022	12,000	100%	-	100%
One Cotroceni Park 2	Developed	2023	34,456	75%	-	55%
TOTAL CURRENT LEASE PORTFOLIO			**142,329**	**89%**	**-**	**84%**
One Technology District	In development	2026	20,000	-	100%	0%
One Gallery	In development	2025	14,333	-	-	0%
TOTAL STANDING & UNDER DEVELOPMENT LEASE PORTFOLIO			**176,662**	**-**	**-**	

DIVESTMENTS

In 2023, the Group started implementing strategy to consolidate office portfolio around large, landmark mixed-use and urban regeneration developments, such as One Floreasca City and One Cotroceni City. Consequently, the Group started the process of selling selected, non-core assets.

At the beginning of April 2023, One United Properties informed the market about the signing of an agreement for the sale of all the shares held in One Herastrau Office S.A. The Company held a 30% stake in One Herastrau Office Properties S.A., which in turn held a 66.67% stake in One Herastrau Office S.A. The participation in One Herastrau Office S.A. was acquired by One Herastrau Office Properties S.A. in June 2020, at a EUR 15 million valuation for the whole business. One Herastrau Office S.A. was sold in its entirety to a private investor for approx. EUR 21 million. One Herastrau Office S.A.'s key asset was the commercial development of One Herastrau Office, with a total GLA of 8,074 sqm, distributed over 7 floors and additional 3 floors of underground parking. The income from the sale was recognized by One United Properties in Q1 2023. **More information HERE.**

In May 2023, One United Properties informed the market about the signing of an asset sale pre-agreement for an office building owned by One North Gate S.A., an entity in which the Company holds a 76.395% stake. The transaction, valued at EUR 6 million, represented roughly 20% of all assets held by One North Gate S.A. The asset sold to Element Investitii Imobiliare S.R.L. represented an office building known as One North Gate, with Gross Leasable Area (GLA) of 4,500 sqm, spread across GF+4 floors, and 131 parking spaces. **More information HERE.**

In total, in 2023, One United Properties exited four non-core rental properties, in total amount of EUR 41.7 million, which generated a 5x multiple on invested equity for One United Properties shareholders, as presented in the table below.

Investment Property	Asset Category	GLA (sqm)	Ownership (%)	NOI	Selling Price	Yield (%)	Cost	Profit	Equity Invested	IRR (%)
One Herastrau Office	Office	8,076	20%	1,500,000	21,000,000	7.14%	18,105,319	2,894,681	1,250,676	60%+
One North Gate	Office	4,991	85%	450,000	6,000,000	7.50%	4,060,127	1,939,873	1,000,000	30%+
Lidl - One Verdi Park	Retail	1,974	100%	536,898	8,800,000	6.10%	2,672,735	6,127,265	500,000	50%+
One Mircea Eliade	Residential	1,083	100%	274,301	5,870,500	4.67%	1,764,616	4,105,884	500,000	50%+
Rental properties sold in 2023		**16,124**		**2,761,199**	**41,670,500**	**6.63%**		**15,067,703**	**3,250,676**	

NOTE: All amounts in EUR unless otherwise stated.

HOSPITALITY SEGMENT

In November 2023, One United Properties announced conclusion of a memorandum of understanding with Ennismore, a world's leading lifestyle hotel operator, partially owned by Accor, for the opening of the Mondrian Hotel in Bucharest. Mondrian Bucharest will be located on 8-10 Georges Clemenceau Street, near the Romanian Athenée. The acquisition of the building that will house the Mondrian Hotel is part of the Company's commitment for the regeneration of the downtown of the city and for the protection of Bucharest's cultural heritage.

Bringing Mondrian to Bucharest marks One United Properties debut on the hospitality market. In this context, in February 2024, Mr. Riad Abi Haidar, a seasoned international hospitality leader, joined One United Properties as Partner & CEO of the Hotel Division. **More information HERE.**

LANDBANK

As of December 31st, 2023, One United Properties had ownership or under pre-SPA over 265,000 sqm of excellent land locations for further development, with total above-ground gross building rights (GBA) of over 865,000 sqm, with total GDV in excess of EUR 2 billion. All these land plots are currently in the planning phase. The Group estimates the construction of approximately 6,000 apartments, services for communities, and 163,500 sqm of rental commercial buildings. Out of the commercial buildings, 117,500 sqm will host offices and the remaining 46,000 sqm are located within buildings that will undergo restoration, including One Gallery, the largest private investment in a protected building in Romania. The gross development value of the restoration portfolio currently under development by One United Properties is estimated at EUR 239 million.

Besides the owned landbank, the Company has a strong pipeline of new plots of land for further development. One United Properties is in advanced negotiations for 3 future developments and in early discussion or negotiation stages for 20+ other developments.

CONSOLIDATED FINANCIAL RESULTS

KEY FINANCIAL HIGHLIGHTS

- **A 31% increase in the consolidated turnover** of One United Properties in 2023 vs 2022, as the Group registered a turnover of **RON 1,524.1 million,** a record for the Group.
- **Gross result** reached **RON 531.7 million** in 2023, a 7% YoY decline (an **11%** increase excluding the one-off gain from Bucur Obor's bargain purchase recognized in 2022), while the bottom line reached **RON 449.6 million** (11% YoY decline; **10%** increase excluding the one-off gain)**.**
- Revenues from the **residential segment** reached **RON 1,130.4 million** in 2023, a **47% YoY increase** driven by a diverse residential offering. The value of residential sales is an absolute record for the Group, overpassing for the first time RON 1 billion mark within a single year.
- The **net margin** of the residential segment reached **27.9%** for 2023, a decrease vs 41.4% registered in 2022 due to the revenue recognition applied by the Group (see Revenue Recognition of Residential Sales for details), as 3 new large-scale developments in the early stages of construction were added to the sales portfolio between Q4'22 and Q3'23. Company maintains target of minimum 35% margin per development.
- **Rental income** including revenues from services to tenants increased 63% to **RON 128.4 million** in 2023, driven by revenues from tenants at One Tower, One Cotroceni Park Office 1, One Victoriei Plaza, as well as Bucur Obor. Revenues from rental will continue to grow as tenants continue to move into OCP Office 2.
- **Administrative expenses** decreased 9% to **RON 82 million** due to the most significant part of the non-cash SOP allocation being recognized in 2022.
- Annualized **EPS of RON 0.12**, representing an **Earnings Yield of 12%** at RON 0.988 share price.
- **Total assets** reach the historic value of **RON 5 billion**.
- Strong **cash position** of **RON 420.7 million,** down 26% YoY due to significant development activity carried out in 2023, with developments under construction amounting to **more than EUR 1.2 billion in GDV** as of yearend.
- **Gross loan-to-value** ratio of **28%** as of the end of 2023, stable since 2022, proving solid financials and low leverage of the Group compared with the European peers. **Net debt** is **RON 606.9 million**, 12% of the total assets of RON 5 billion.

EARNINGS ANALYSIS

The consolidated turnover of One United Properties grew 31% in 2023 compared to 2022, reaching RON 1,524.1 million. The increase in the turnover was supported by a 47% increase in revenues from sales of residential property, which reached RON 1,130.4 million in 2023 vs RON 769.5 million in 2022. The net income from residential property decreased 1% YoY, reaching RON 315.5 million in 2023 vs 318.9 million in 2022 due to the revenue recognition of the new developments where construction began as of 2023. According to the IFRS 15 recognition methodology, developments in initial stages generate lower margins. Moreover, the sales prices increase as the construction progresses. Consequently, the net margin decreased from 41.4%, as recorded for 2022, to 27.9% for 2023. It is important to mention that this value does not correctly reflect the overall margin that One United Properties generates from the sale of residential units. As a principle, the Company targets, with each development, a net margin of minimum 35%. ***For more information about the revenue recognition of residential sales at One United Properties, consult*** ***the dedicated chapter of this report, available HERE******.***

The rental income, which includes the income generated by the commercial division together with the revenues from the tenant services, saw a 63% increase, reaching RON 128.4 million in 2023 vs RON 78.9 million in 2022. The effect has been driven by the revenues coming from the entire portfolio, but particularly the largest developments: One Tower (leased 100%), One Cotroceni Park 1 (leased 88% as of

December 31st, 2023), One Victoriei Plaza (100% leased), as well as the impact of the results generated by Bucur Obor (94% leased), consolidated under the retail division. The revenues from rental income will continue to grow in the coming quarters due to the impact of One Cotroceni Park 2, leased at 75% however with only 55% of tenants moved in as of December 31st, 2023.

It is important to mention that in 2022, One United Properties recorded a one-off gain from a bargain purchase in the amount of RON 94.1 million, representing the gain from the transaction of purchasing a majority stake in Bucur Obor at a deeply discounted price vs the market value of the acquired company, as appraised by Colliers. Moreover, in 2022, the Group also saw a RON 54.9 million gain from office buildings under development, representing the development progress at One Cotroceni Park Office 2, which was delivered in Q1 2023. In 2023, the Group recorded a gain of RON 20.4 million from office and retail buildings under development.

However, in 2023, the Group recorded RON 180.2 million in gains from completed investment property (vs RON 88.5 million in 2022), representing the reclassification of the apartments for rental purposes, corresponding to rental apartments at One Mircea Eliade and One Herastrau Towers, as well as the start of operations of the commercial space of 2,000 sqm located within One Verdi Park, rented to Lidl for 9+9 years. The commercial space was sold in Q3 2023 for EUR 8.8 million. Gains from investment property for further development, as appraised by Colliers, saw a 20% decrease to RON 60 million.

Administrative expenses decreased 9% in 2023 vs 2022, amounting to RON 82 million. This decrease was due to the recognition, in 2022, of the major part of the expense related to the Stock Option Plan (SOP) granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program for the 2021 performance. The total non-cash value of SOP in 2023 is RON 25.1 million, vs RON 46 million in 2022. Excluding the SOP impact, the administrative expenses increased 28% to RON 56.9 million in 2023 vs 2022, reflecting a much larger scale of operations. In terms of other operating expenses, these decreased 4%, amounting to RON 14.7 million. Out of this amount, RON 9.3 million are sponsorships related to CSR activities, which are expected to be partially deducted from the profit tax, while other items include expenses with provisions and allowance for impairment.

Other property operating expenses for the commercial segment increased 40%, to RON 11.5 million, in 2023 due to reception of One Cotroceni Park Office 2 in February, where tenants still had to move in as of the yearend.

Other property operating expenses for the residential segment, which include the property expenses for the residential developments completed and not yet fully delivered to clients, increased 136%, to RON 12.1 million due to the finalization of the largest residential development to date, One Cotroceni Park, and the resulting increase in the operating costs which were not yet fully transferred to the final customers.

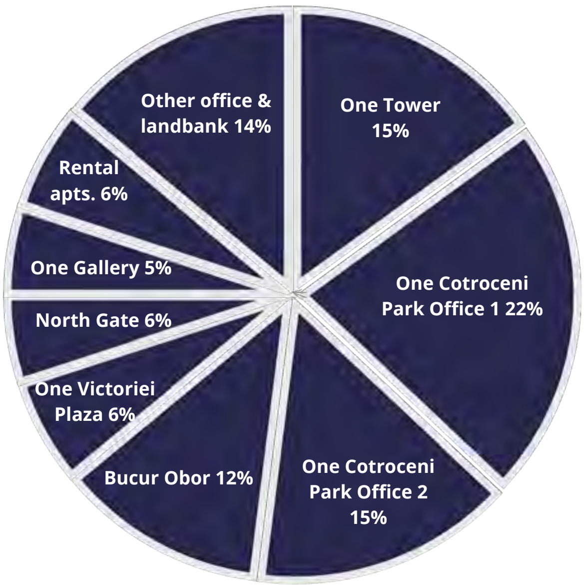
The result from operating activity amounted to RON 561.7 million in 2023, registering a 3% decline due to the one-off gains' recognition in 2022, attributable to the bargain purchase of Bucur Obor. Excluding the extraordinary event of the bargain purchase of Bucur Obor, the EBITDA increased 17% in 2023 vs 2022. The gross result reached RON 531.7 million in 2023, a 7% decrease compared to 2022 (+11% excluding Bucur Obor impact from 2022), while the bottom-line amounted to RON 449.6 million, an 11% decline YoY (+10% increase excluding Bucur Obor). The income tax for 2023 amounted to RON 82.1 million, of which RON 33.2 million is the actual expenditure, and the remaining RON 48.9 million represents the deferred tax on profit generated by gains from fair value adjustment, which will become taxable only upon the sale of assets.

Selected P&L positions (RON)	2023	2022	Δ %
Revenues from sales of residential property	**1,130,393,968**	**769,518,382**	**47%**
Cost of sales of residential property	(802,740,979)	(445,459,287)	80%
Other property operating expenses - residential	(12,124,094)	(5,133,247)	136%
Net income from residential property	**315,528,895**	**318,925,848**	**-1%**
Rental income incl. revenues from tenant services	128,354,651	78,909,622	63%
Other property operating expenses - commercial	*(11,452,425)*	*(8,171,409)*	*40%*
Net rental income	**86,621,358**	**54,206,051**	**60%**
Gains from investment property fair value adjustment	260,631,796	218,466,572	19%
Gains from bargain purchase	0	94,079,969	-100%
Administrative expenses incl. SOP	*(82,020,505)*	*(90,436,029)*	*-9%*
Other operating expenses	*(14,665,945)*	*(15,308,340)*	*-4%*
Result from operating activity	561,693,761	576,124,706	-3%
Gross profit	531,721,445	572,908,912	-7%
Net profit	**449,618,530**	**502,477,465**	**-11%**

ASSETS

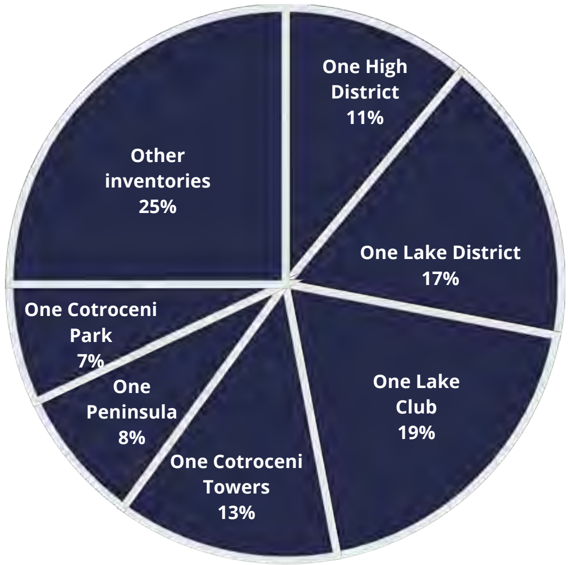
Total assets grew 18% in 2023, reaching landmark threshold of RON 5 billion. The non-current assets increased 20%, reaching RON 2.8 billion, growth driven primarily by a 20% increase in investment properties to 2.7 billion as of the end of 2023, representing the commercial segment and the landbank. The appreciation is due to the inclusion of One Cotroceni Office 4, One Gallery as well as One Baneasa Airpark in the landbank following their respective acquisitions in 2023. In terms of appreciation of standing assets, the largest increase was seen for One Downtown (+125%), followed by the rental apartments (+67%), and One Cotroceni Park Office 3 (+26%).

Office & landbank '000 RON	31.12.2023	31.12.2022
One Tower	418,629	387,166
One Cotroceni Park Office 1	598,601	569,891
One Cotroceni Park Office 2	413,144	349,442
One Cotroceni Park Office 3	36,553	28,992
One Cotroceni Park Office 4	80,073	-
One Victoriei Plaza	138,527	138,527
One North Gate	161,177	131,420
Eliade Tower	44,771	45,021
Bucur Obor	313,559	307,460
One Athénée	-	50,197
One Downtown	42,448	18,846
One Plaza Athénée (Mondrian Hotel)	71,510	68,066
One Carpathian	8,004	7,708
One Gallery	124,882	-
One Baneasa Airpark	21,555	-
Other	67,018	47,551
Apartments for rental	170,217	101,698
TOTAL	**2,710,669**	**2,251,985**



Current assets grew 15% in 2023, reaching RON 2.2 billion due to a 51% increase in inventories (residential properties), which reached RON 1 billion. The significant increase in the inventory represents the addition of One Cotroceni Towers, following the acquisition of the already permitted land plot for the development, as well as a substantial increase in the value of One High District and One Lake Club. Due to the delivery of One Verdi Park to customers in 2023, the inventory for this development decreased by 20%. The rest of the developments saw a varying degree of appreciation or depreciation, aligned with the residential sales evolution in 2023, as presented in the business updates section.

Residential Property in '000 RON	31.12.2023	31.12.2022
One Verdi Park	57,376	72,017
One Cotroceni Park - Residential	71,563	39,809
One Cotroceni Towers	127,931	-
One Modrogan	43,627	43,432
One Mircea Eliade	20,307	15,862
One Peninsula	81,602	75,136
One Herastrau Towers	1,227	19,660
One Floreasca Vista	10,161	14,603
One Timpuri Noi	8,594	8,964
One Mamaia Nord 2	23,556	11,083
One Herastrau Vista	16,444	4,587
One High District	111,535	4,353
One Lake Club (P1 & P2)	186,456	117,969
One Lake District	174,992	188,991
One Floreasca Towers	60,750	45,499
Other inventories	6,544	1,029
TOTAL	**1,002,665**	**662,994**



The trade receivables saw an increase of 25% up to RON 489.5 million due to the finalization and the beginning of the deliveries to final clients of units at One Cotroceni Park, One United Properties largest development to date. Due to significant development activity in 2023 as well as payment of the second tranche of the 2022 dividend in the amount of RON 37 million on May 30th, 2023, the cash position declined 26%, down to RON 420.7 million.

EQUITY AND LIABILITIES

Equity grew 13% in 2023, reaching RON 2.9 billion. The increase was driven by a 26% growth in retained earnings, which amounted to RON 1.5 billion as of the end of 2023. The share capital increased by 3%, to RON 759.5 million, while the share premiums grew 227% to RON 91.5 million, reflecting the share capital increase carried out to implement the Stock Option Plan (SOP) granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program for the 2021 performance. Own shares amounted to negative RON 3.5 million, representing the shares bought back from the market in the second half of 2023, in line with the share buyback program initiated in Q3 2023 (**more details HERE**).

The total liabilities increased 25% in 2023, amounting to RON 2.1 billion as of December 31st, 2023, as the long-term liabilities grew 29%, up to RON 1.2 billion, while current liabilities increased 19% to RON 887.5 million. The increase in the non-current liabilities was driven by a 27% growth of the loans and borrowings, representing a major part of long-term bank loan amounting to RON 793.5 million, the increase being driven by the new loan for One Plaza Athénée (Mondrian Hotel), and drawings for financing of One Cotroceni Park Office 2, Eliade Tower and One Cotroceni Park Residential.

Average maturity left for outstanding loans as of December 31st, 2023, is 7.3 years for bank loans related to investment property assets (EUR 138 million) and 2.3 years for the bank loans related to development of residential property assets (EUR 45 million). Average interest margin is between 1.5% to 3.5% for 2023.

Overall, the increase in the long-term loans for One United Properties is driven, on one hand, by the office and commercial buildings, which require more debt than the residential developments and are financed using long-term loans. These loans do not impact the cash-flow since they are primarily paid with rent, and they are amortized each year. On the other hand, the developments targeting mid- and mid-high income (where the clients can contract apartments using a 30% down payment and a 70% payment upon delivery) require more debt than high and very high-income developments where clients pay the full amount over the construction period (100% prepayment or 5 equal instalments of 20%).

Nonetheless, even with the growing office portfolio and the decision to expand to a new client segment, One United Properties maintained the loan-to-value indicator at 28% as of the end of 2023, same value as of the end of 2022. The net debt amounted to RON 606.9 million, 12% of the total assets of RON 5 billion.

The increase in the current liabilities was, on one hand, driven by a 33% increase in advance payments from customers, which amounted to RON 389.6 million as of the end of 2023, representing the advance payments from customers on pre-sold apartments. On the other hand, trade and other payables increased 31%, amounting to RON 354.4 million, representing a significantly larger business scale than the prior year.

CASH INFLOWS

In 2023, One United Properties saw cash inflows of EUR 211 million, a record-high result for the Company. Contractual cash-flows, meaning amounts to be received under pre-sales agreements concluded with customers as of 31.12.2023, amount to EUR 295m in additional cash by 2025. There are the amounts due **only** for the units that were pre-sold and are to be delivered in the future, excluding any sale done as of 2024.

As of 31.12.2023, the sales team had a portfolio of 1,415 residential units available for sale and pre-sale. Additional 1,181 units at further phases of One Lake District and approx. 1,300 units at One Cotroceni Towers can be added depending on sales evolution. The potential cash-flows generated by these pre-sales are not included in the below graph. The realized cash inflows from residential properties for years 2020-2023 is presented for comparative purposes.

REVENUE RECOGNITION OF RESIDENTIAL SALES

One United Properties recognizes revenues based on pre-sales, matched with the percentage of completion method. The mix of sold vs unsold units, as well as the timing of these sales, particularly in relation to the reporting period, can impact recognized revenues and the associated profit margins.

The cost structure of a construction is seldom linear. Initial stages might involve higher expenses related to excavation, laying foundations, and infrastructure development, whereas later stages have costs associated with finishing, fittings, and interiors. Thus, as revenue is recognized based on the stage of completion, the costs paired with that revenue can fluctuate, leading to varying profit margins.

Moreover, One United Properties manages construction of multiple developments in parallel, each being at the time of financial reporting a different construction phase, thus having different cost structures. Consequently, some developments could be in their initial phase with heavy infrastructure investments, while others could be in the final stages with different types of costs. When revenues from these developments under construction are pooled together, the blended profit margin can show significant variations.

PRINCIPLE OF REVENUE RECOGNITION ACCORDING TO IFRS 15

The recognition of revenues from the sale of residential developments over the construction period, often referred to as the "percentage of completion method," is rooted in the principles outlined in the International Financial Reporting Standards (IFRS), particularly IFRS 15 "Revenue from Contracts with Customers." This method of revenue recognition is used due to:

- **Matching Principle**: Recognizing revenue over the construction period is in line with the matching principle, which suggests that revenues and expenses should be recognized in the same period they are earned or incurred. This allows for better matching of the revenue generated from a development with the expenses associated with that development over time.
- **Reflects Economic Reality**: This method allows the financial statements to better reflect the economic reality of the construction process, which is ongoing. Instead of recognizing all the revenue at once, it's recognized as value added to the development.
- **Smoother Earnings**: Recognizing revenue over the construction period can result in smoother earnings over multiple periods rather than volatile earnings that occur only when developments are completed.
- **Improved Cash Flow Prediction**: Recognizing revenue progressively provides stakeholders with a better understanding of incoming cash flows, leading to more informed financial planning.
- **Risk Assessment**: Recognizing revenue over time provides better visibility into developments that may be at risk of delays or not meeting expected profitability. This can allow management to take corrective actions more promptly.
- **Incentive Structure**: When revenue is recognized progressively, it might provide a more consistent incentive for project managers and the management team to ensure developments stay on track rather than deferring all efforts and recognition towards the end.

The disadvantage of the method is that, unlike the straightforward point-in-time recognition, the percentage of completion method adds layers of complexity, making financial statements harder to decipher for some investors and analysts, sometimes generating incorrect presumptions that the revenues or profitability of the Company is decreasing, while it is simply fluctuating due to many developments having different level of completion.

Recognizing revenues from sales of residential developments over the construction period aligns with the IFRS framework's underlying principles and offers various benefits in terms of financial reporting and economic representation.

REVENUE AND PROFIT RECOGNITION EXAMPLE

Total Contract Value: EUR 1,000,000 Land cost: EUR 100,000

Development costs: EUR 500,000 Profit Margin: 40% (EUR 400,000 for the whole development)

Year 0 (Start of Contract):

- At sales kick-off, the client makes a prepayment of 30%, which amounts to EUR 300,000.
- No construction has been completed yet, so no revenue or profit is recognized at this point. The amount cashed in - EUR 300,000 is recorded as a liability on One United Properties' balance sheet.

Year 1 (End of First Year):

- Assume 50% of the construction is completed.
- 50% of the total contract value less land amount, or EUR 450,000, is the revenue that should be recognized by the end of Year 1 together with the amount of EUR 100,000 related to land which is recognized as revenue for 100% from year 1 and in correspondence the cost of sale, no margin being recorded to land value.
- The cost of sale represents 50% from the development costs of EUR 500,000, therefore EUR 250,000 at which is added the land cost of EUR 100,000 for 100% from year 1, as mentioned at the point above.
- As described above, EUR 550,000 represents the revenue, EUR 350,000 represents the cost, and EUR 200,000 is the profit.
- Given that One United Properties has already received EUR 300,000, the remaining amount (EUR 250,000) until the total revenue amount recorded of EUR 550,000 is recognized as contract assets under receivable line and the liability of EUR 300,000 is reversed.
- In terms of profit recognition for Year 1, One United Properties would recognize EUR 200,000 in profit (36% relative margin).

Year 2 (End of Second Year/Upon Delivery):

- The construction is 100% complete by the end of the second year.
- The total revenue to be recognized over the contract's duration is EUR 1,000,000.
- Also, EUR 600,000 (60% of EUR 1,000,000) represents the total cost, and EUR 400,000 (40% of EUR 1,000,000) is the total profit.
- Since EUR 550,000 revenue and EUR 200,000 profit were already recognized in Year 1, the remaining revenue to be recognized in Year 2 by One United Properties is EUR 450,000, with a profit of EUR 200,000 and relative margin of 44%.

Upon delivery, the client pays the remaining 70% of the contract value, or EUR 700,000, therefore the contract assets recognized in year 1 of EUR 250,000 is reversed and the remaining amount EUR 450,000 represents the revenue for year 2, as mentioned also in the point above.

At the contract's conclusion, the revenue recognized by One United Properties aligns with the construction progress and payments received: EUR 300,000 in Year 1 and EUR 700,000 in Year 2 for a total of EUR 1,000,000. From a profit perspective, One United Properties would recognize a profit of EUR 200,000 in Year 1 and another EUR 200,000 in Year 2, totaling EUR 400,000 for the unit.

Please note that the actual revenue recognition would also consider any costs incurred and other factors stipulated under IFRS 15. However, this example provides a simplified illustration to help understand the core concepts in practice.

REVENUE RECOGNITION OF INVESTMENT PROPERTIES

One United Properties manages its investment properties to earn rental income, for capital appreciation, or both. These properties are initially measured at cost and subsequently at fair value. Professional valuers assess the fair value at reporting dates, reflecting market conditions. Gains or losses from fair value adjustments are recognized in profit or loss as they occur. The company's investment properties include standing properties generating rental income, properties under development, and property for further development.

PRINCIPLE OF REVENUE RECOGNITION ACCORDING TO IAS 40

One United Properties follows the principles set forth in IAS 40 for recognizing gains from fair value adjustments of investment properties in profit or loss. This approach ensures accurate and transparent reporting of the company's financial performance related to its investment properties.

Investment properties are initially recognized at cost, incorporating transaction costs. Post initial recognition, these properties are measured at fair value. Changes in fair value are appraised semi-annually and immediately recognized in profit or loss.

Fair Value Measurement Techniques are:

- Market Approach**:** Utilizes market comparison technique based on observable data.
- Discounted Cash-Flows (DCF)**:** Projects cash flows discounted at a market-derived rate.
- Residual Approach**:** Applies to properties with development potential, estimating the value post-development.
- Income Approach**:** Converts future cash flows to a current value, reflecting the property's income-producing ability.

Key valuation inputs include capitalization rate, terminal yield, discount rate, expected rental growth, and net market rent.

Investment properties' fair value is assessed regularly, typically semi-annually. Any fair value changes since the last measurement are recognized in profit or loss for that period. This includes both gains and losses.

Gains or losses from fair value adjustments are itemized in the income statement based on the category of the investment property, ensuring transparency and clarity for financial statement users.

KEY FINANCIAL RATIOS

The main financial ratios of One United Properties, based on the consolidated results as of December 31st, 2023, are presented below.

Financial data in RON '000	31 December 2023	
Liquidity ratio		
Current assets	2,150,225,206	= 2.42
Current liabilities	887,483,595	
Gearing ratio		
Interest-bearing debt x100	1,027,669,000	= 36%
Equity	2,862,928,546	
Trade receivables turnover		
Average receivables	440,734,684	= 0.29
Turnover	1,524,067,113	
Fixed asset turnover		
Turnover	1,524,067,113	= 0.54
Non-current assets	2,836,979,222	

Loan to value

	31 December 2023	
Financial debt	1,027,669,000	= 28%
Real estate assets	3,713,334,629	

DIVIDEND POLICY

One United Properties dividends are distributed from the net annual profit distributable based on the individual annual financial statements audited, after their approval by the Ordinary General Meeting, and after the approval of the dividend proposal by the OGMS. Distributable profit is the part of the net profit for the financial year that can be distributed as dividends after the legal and statutory distributions have been made, such as the distribution for the legal reserve and, where applicable, the use of net profit for other purposes provided by law (for example, coverage of accounting losses from the previous year, if applicable).

Shareholders receive dividends in proportion to their participation in the paid-up share capital of the Company and there is no right of priority or preference over the distribution of dividends in favor of any shareholder.

The proposal for the distribution of dividends made by the Board of Directors will be subject to a vote at the OGMS, as a rule, at the same meeting at which the Company's audited financial statements are approved.

The Board of Directors will consider in formulating the proposal to the Company's OGMS the principle of distributing of up to 35% of the consolidated gross profit obtained by the Company, but, in any case, in compliance with any provisions regarding the distribution of dividends included in financing contracts. If there are deviations outside this range, they will be justified and explained to the shareholders during the periods when they will take place.

In selecting a specific dividend distribution rate in accordance with the Company's dividend policy, the Board of Directors will consider the following:

- reducing fluctuations in dividend yields from one period to another, as well as the absolute value of the dividend per share;
- the investment needs and opportunities of the Company;
- possible contributions of non-monetary items to net profit reporting;
- the financial resources for the payment of dividends, as well as the degree of indebtedness of the Company; and
- establishing a dividend yield comparable to that of other listed companies in the same industry or related sectors.

The Company will also be able to pay dividends in the form of shares of the same class as those granting rights to these dividends.

One United Properties distributed for each of the years ended December 31st 2022, 2021, and 2020 gross dividends worth RON 73,130,615.64, RON 74,973,314.85, and RON 49,243,000, respectively.

For 2023, One United Properties proposes to pay a total gross dividend of RON 75,880,983.42. A first tranche of gross dividends in amount of RON 37,976,491.71 was approved by OGSM Decision no. 67 from October 9th, 2023, and was distributed on January 31st, 2024. The Board of Directors proposed to the shareholders for the annual OGSM held on April 25th, 2024, approval of a second tranche in amount of RON 37,940,491.71.

ESG MATTERS

One United Properties strategy focuses equally on the Environmental, Social, and Governance aspects. As a leading green developer in Romania, how we build has a direct impact on the communities around us. As a publicly listed company, we must ensure top corporate governance and risk management. Consequently, as of financial year 2020, we annually publish, on a voluntary basis, an annual sustainability report.

One United Properties sustainability strategy is anchored to the United Nations Sustainable Development Goals (SDGs), the collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. As part of sustainability strategy, the Company has identified twelve SDGs to which realization it can contribute.

ENVIRONMENTAL STRATEGY

One United Properties has always strived to ensure the sustainability of its developments throughout their lifetime. Considering the global impact that the real estate industry has on the environment, there was always a particular attention paid to reducing carbon emissions to minimize climate change, as well as streamlining the operational activities to ensure that the developed constructions will maintain their qualities years after their completion. In this context, since its early beginnings, One United Properties has delivered projects developed in line with the best environmental and sustainability practices, enjoying vast market recognition. As the sustainability aspects grow in importance, we maintain our dedication to developing projects that obtain prestigious certifications in the field of environmental protection.

7 AFFORDABLE AND CLEAN ENERGY

We invest in innovative energy solutions, such as geothermal pumps, to build energetically independent buildings. Aligning to the applicable regulations, we make sure that our residential developments have a minimum of 30% energy coming from renewable sources. We strive for our residential developments to emit between 15-30% less CO2 emissions than standard apartment buildings.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We build modern and accessible developments. Where the infrastructure is lacking, we develop it ourselves – we ensure that the road infrastructure benefits the whole neighborhood, but we also promote pedestrian, bike, and scooter travel. Bucharest, Romania's capital, is consistently included in the world's most congested capitals, with Bucharest citizens losing on average 98 hours per year in traffic. We believe in building well-connected communities where our customers can give up on cars for the benefit of healthier alternatives, such as walking, bikes, and scooters. We ensure the use of innovative green energy and technology solutions in our developments, such as geothermal heat pumps for residential developments, or energy recuperating elevators in office buildings.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We build buildings that last, using quality materials that are made to withstand the test of time. We invest in innovative energy, water, and sewage management solutions that help our customers cut future costs, while ensuring responsible waste management– at the stage of construction as well as after delivery to the customer.

13 CLIMATE ACTION

We are aware of the impact that the real estate sector has on the climate, therefore we make sure that all our developments implement solutions that limit the CO2 emissions and optimize water management after delivery. We invest in the education of our employees, customers, and business partners so they build knowledge and capacity to meet the challenges and opportunities brought by climate change.

We recognize the importance of preserving and restoring ecosystems, protecting wildlife habitats, and promoting sustainable land use practices. We prioritize biodiversity conservation in all our real estate developments. Through the integration of green spaces, use of native plants, and engagement in reforestation efforts, we create sustainable communities that coexist harmoniously with nature while actively protecting and enhancing biodiversity. We do not develop in protected areas.

SOCIAL STRATEGY

The ONE community is what distinguishes One United Properties from other developers. One United Properties has pioneered the mixed-use development concept in Romania, being the most important player in this segment in Romania. Mixed-use developments work against the trend of building sprawling cities and instead, they help create inclusive, connected communities. In mixed-use areas, inhabitants can find housing, restaurants, services, schools, green spaces, cultural and entertainment facilities, and more.

The main vision for One United Properties developments has always been the focus on customer proximity, community building, urban regeneration, sustainability, and environmental protection. In the plot-purchasing strategy, One United Properties always focuses on identifying the large plots of land where urban scale, multi-functional projects can be designed. We always aim to deliver developments with complete social infrastructure, that includes green areas, shops and restaurants, roads, sidewalks, city furniture.

Our efforts as an employer, business partner, and a public company have always centered on ensuring a safe environment for all our employees and collaborators, as well as championing equality. Principles shall never be compromised. Therefore, as part of our sustainability strategy, we pledge that not only us, but also all our suppliers, adhere to respecting human rights, highest occupational health, and safety norms, as well as ethical standards.

We develop healthy residential and office buildings where our customers and tenants can live healthy lives.

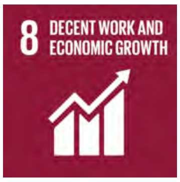
We ensure equal opportunities for all our employees, regardless of their gender, and we promote women's advancement in the workplace.

We promote the social, economic, and political inclusion of all, irrespective of age, gender, sexual orientation, disability, race, ethnicity, origin, religion, economic or any other status.

We build buildings with limited negative environmental impact, located in safe, green communities. We believe that our developments are the landmarks of urban regeneration, sustainability, and positive environmental impact. We invest in regeneration of cities' landmarks, protecting Romania's cultural heritage.

GOVERNANCE STRATEGY

As a public company, we must meet the needs of all our shareholders who strive for governance, accountability, and integrity. We are strongly preoccupied with managing risks related to the ESG aspects to ensure the resilience of our business.



We carefully select our contractors and suppliers, to work with partners that adhere to our values based on diversity and inclusion. To all employees, we offer full and productive employment under equal pay.

We implement transparent business practices and promote accountability within the organization to build trust with stakeholders. We ensure that not only us, but also our collaborators and contractors adhere to ethical standards, respect human rights, and contribute to the promotion of fair and just societies. We advocate for the development and implementation of laws and regulations that promote sustainable development and social justice.

We collaborate with government bodies, non-profit organizations, and other stakeholders to leverage resources, knowledge, and expertise for sustainable development. We share best practices and knowledge with other developers and industry stakeholders to promote sustainable development practices.

The activity of One United Properties and its subsidiaries generally does not have a significant impact on the environment. However, the Group has an obligation to comply with many laws and regulations in the field of environmental protection. These laws and regulations largely concern the management and disposal of hazardous materials, emissions into the atmosphere, accidental discharges, clean-up of contaminated areas and, in general, health and safety issues. Also, depending on the specifics of each project that the Group develops, there is an obligation to obtain opinions on agreements and / or environmental permits or to send a prior notification to the competent authorities.

As of December 31st, 2023, there were no major lawsuits related to breaches of environmental laws or regulations.

2023 ESG HIGHLIGHTS

In June 2023, One United Properties announced the conclusion of a partnership with Veolia Romania Solutii Integrate (VRSI), for the implementation of geoexchange-type energy efficiency solutions for the One Lake Club and One High District developments, which will avoid emissions of approximately 2,000 tons of CO_2/year. The total value of the investment amounts to EUR 6.7 million, the partnership representing expansion of previous agreement which covered developments One Lake District and One Peninsula. **More information HERE.**

In August 2023, One United Properties released its 2022 Sustainability Report. The report was prepared using Global Reporting Initiative (GRI) standards, and its preparation was overseen by the ESG Committee to the Board of Directors. **The 2022 Sustainability Report can be accessed HERE.**

In November 2023, One United Properties announced that Morningstar Sustainalytics assessed One United Properties with an ESG risk rating of 18.4, which qualifies as low risk. Previously, in the September 2022 assessment, One United Properties received an ESG risk rating of 20.0. According to Sustainalytics, between 2022 and 2023, One United Properties ESG risk management improved by 29.4%, showcasing a substantial improvement in the robustness of the Company's ESG programs, practices, and policies. This rating is the **3rd lowest rating** out of the BET index companies. **More information HERE.**

Our purpose is to create thriving, sustainable communities by developing state-of-the-art, energy-efficient buildings.

By serving this mission, we will generate long-term value growth for all our stakeholders.

ONE UNITED PROPERTIES' PURPOSE STATEMENT

2024 PROSPECTS

The 2024 Budget of One United Properties was adopted by the Board of Directors on March 22nd, 2024, and is subject to the approval in General Meeting of Shareholders on April 25th, 2024.

The budget for in RON is presented in the table below and includes the results expected to be generated by the Company at the consolidated level.

Values in RON	2024 Budgeted	2023 Audited	Δ%
Turnover	1,749,493,444	1,524,067,113	15%
Revenues from sales of residential property	1,424,997,629	1,130,393,968	26%
Rental income and revenues from services to tenants	176,424,851	128,354,651	37%
Result from operating activity	687,646,578	561,693,761	22%
Gross Profit	617,512,781	531,721,445	16%
Net Profit	**525,210,736**	**449,618,530**	**17%**

For 2024, One United Properties targets consolidated gross turnover of RON 1.7 billion, a 15% increase compared to the 2023 result. The result from operating activity is set increase 22%, to RON 687.6 million driven by higher sales of residential property. The consolidated gross profit target is RON 617.5 million, 16% higher than the result for 2023, while the net profit is estimated to reach RON 525.2 million in 2024, a 17% increase versus 2023, with the net margin expected at 30%.

The revenues from residential property sales are targeted to reach RON 1.4 billion in 2024, a 26% increase compared to the 2023 result. The net income from residential property is set to reach RON 535.6 million, a 70% increase, while the net margin from residential sales is set to increase with approximately 10pp, to 37.6%. The increase will be driven by the already solid sales generated at the developments currently under construction, which are set to progress towards completion, therefore positively influencing the net margin, in line with the revenue recognition policy applied by the Group.

As of January 1st, 2024, the One United Properties sales team has a portfolio of 1,415 units available for sale and pre-sale. Additional 1,181 units in the later phases of One Lake District and approximately 1,300 units at One Cotroceni Towers can be added to the sales team portfolio depending on sales progress and demand.

The rental revenues, including rental income and revenues from services to tenants, are estimated to amount RON 176.4 million in 2024, a 37% increase compared to 2023 result. The net rental income is projected to increase 16%, to RON 100.5 million. The increase in the rental activity will be driven by tenants moving in to One Cotroceni Park Phase 2, that was delivered early 2023, and which is estimated to be full leased out this year. The Company also plans full lease of One Cotroceni Park Phase 1 before the yearend. It is important to mention that the rate of growth for the rental revenues is more tempered than in the prior years, due to the sale/pre-sale of four non-core rental assets in the course of 2023 as part of the strategy to focus activity of the Company on large-scale mixed-use developments.

Gains from investment property are set to decline 43% in 2024 versus 2023, to RON 148.1 million.

As of January 1st, 2024, One United Properties' standing office portfolio totaled 117K sqm GLA, and it includes One Tower (leased 100%), One Cotroceni Park 1 (leased 88%), One Cotroceni Park 2 (leased 75%), and One Victoriei Plaza (leased 100%). Together with the retail component, One United Properties' commercial portfolio, which also includes Bucur Obor (leased 94%), has a GLA of over 142K sqm.

KEY FACTORS AFFECTING GROUP RESULTS

One United Properties results can be affected by several key factors, some of them being presented below. Investors should consider that the factors presented above are the most significant risks that One United Properties is aware of at the time of redacting this report. However, the risks presented in this section do not include all the risks associated with the Company's activity, and the Group cannot guarantee that it includes all the relevant risks for 2024. There may be other risk factors and uncertainties of which the Group or companies from the Group is not aware at the time of preparing this report and which may in future modify the actual results, financial conditions, performances, and achievements of the Company and may lead to a decrease in the price of the Group's shares. Investors should undertake pre-requisite checks to prepare their investment opportunity assessment. The management recommends investors to read a more elaborated list of risks that One United Properties is subject to, that was included in the Listing Prospectus, available **HERE,** as well as in the prospectus issued with respect to the share capital increase that took place in 2022, available **HERE,** which nonetheless cannot be treated as exhaustive.

GENERAL ECONOMIC ENVIRONMENT - The results of the Group can be directly affected by economic conditions, especially employment levels, inflation, real disposable income, access to mortgage loans, consumer confidence, and applicable taxes. In an unfavorable or volatile economic environment with a decrease in disposable income, the interest in purchasing apartments might decrease. This risk continues to be significant for 2023 due to the estimated high inflation as well as growing energy costs, both particularly heightened because of the geopolitical conflict caused by the war in Ukraine. The deterioration of Romania's economy may lead to a reduction in the number of customers, a higher number of bad-paying customers and/or may lead to an increase in unrented space or a decrease in rents for office buildings and a deterioration in Group's results, in context of dissatisfaction or late payment.

POLITICAL AND MILITARY INSTABILITY IN THE REGION - Political and military instability in the region such as the invasion of Ukraine by the Russian Federation and the subsequent war in the Ukraine, can further lead to deeply unfavorable economic conditions, social unrest or, in the worst case, military confrontations in the region. The effects continue to be largely unpredictable but may include a decrease in investment, significant currency fluctuations, increases in interest rates, reduced credit availability, trade and capital flows, and increases in energy prices. These effects and other unforeseen adverse effects of the crises in the region could have a significant negative effect on the Group's business, prospects, results of operations and financial position.

COMPETITION IN THE MARKETS IN WHICH THE GROUP OPERATES - The Group is in competition with various entities in connection with potential real-estate acquisitions. Such entities could have an advantage from the following perspectives: have stronger pre-existing relationships with potential sellers / customers, financial, technical, or other resources, or have more relaxed corporate governance and integrity rules, which could put the Group at a disadvantage in terms of acquisition opportunities. Some of the Group's competitors may have lower capital costs or easier access to financing sources which may allow them to respond more quickly to acquisition opportunities or may have a greater risk tolerance or perform risk analyses other than those of the Group which they may allow them to accept less favorable conditions for potential acquisitions than the Group would.

DIFFICULTIES INMPLEMENTING STRATEGY – The Group may face difficulties in implementing its strategy, as well as in completing current or future real-estate projects, in current or future market conditions. It is also not certain at this time whether the implementation of its strategy will lead to an increase in value for the Group. This depends, inter alia, on the availability of real estate acquisition opportunities, the availability of financing resources, the performance of the management in the administration and development of the owned real estate and the other operational risks.

Factors such as costs and inability to obtain the necessary authorizations for the development of the

Group's projects could affect the Group's plans to obtain added value from the projects it envisages. Even if implemented, there is no guarantee that the Group's plans will be successful. Failure to successfully implement the considered strategies (or to exceed the costs and timetable envisaged) as well as not obtaining the anticipated benefits from the implementation of these strategies may have negative effects on the Group's business, financial condition, operating results, or prospects.

DURATION OF DEVELOPMENT MAY EXCEED INITIAL EXPECTATIONS - The Group faces the risk that certain projects will require more funding or more time to complete than anticipated in the initial plans. The increase in costs can be caused by the variation of the costs in construction materials, design or execution errors, the increase of salary costs, the increase of energy costs or delays in the project's execution schedule. Also, construction activities, essential for the work of the Real Estate Development Group, could be adversely affected by a variety of natural or man-made events, including human error, theft or vandalism, adverse weather conditions, earthquakes, storms or other natural disasters and other natural phenomena or force majeure events, which may stop or delay the construction activity. The Covid-19 pandemic has also contributed and is likely to contribute to such delays in the future. These phenomena may adversely affect the Group's business depending on their intensity and frequency.

Given that the Group pre-sells a proportion of the areas and apartments in the projects it develops, at the price set by pre-contracts, with a significant advance compared to the time of their completion, the increase in costs during the projects has a negative impact on profit margins and may lead, in the event of significant delays to the loss of customers, contractual penalties or termination of relevant contracts.

REVENUE MAY BE LOWER THAN ESTIMATED GDV - Estimating the future value of a property is inherently subjective, due to the individual nature of each property, as well as the fact that this value may be affected by market conditions or other aspects beyond the Group's control. Factors such as changes in applicable legal requirements (in areas such as urban planning, construction, environment, and taxation), political conditions, financial market condition, financial condition of customers, applicable tax regimes and interest rate fluctuations also contribute to a possible change in forward valuations.

The estimated gross development values for residential projects are only estimates and are based on assumptions (including elements such as construction costs, housing demand, average selling price, price increase and number estimated by units in developments), which may prove inaccurate. There is no assurance that the gross development values thus estimated, and the developments proposed by the Group will reflect the actual selling prices achieved for the projects under development or planned. Failure to sell the number of residential units or the sales prices envisaged by the Group could lead to the loss of the estimated gross development values.

LABOR SHORTAGE - The general labor shortage in Romania and in particular the shortage of skilled / specialized labor in the construction sector, as well as the growing demand for skilled / skilled labor could limit the development prospects of the Group. In addition, the labor shortage could lead to macroeconomic imbalances and can affect the business environment, thus affecting the financial prospects of Romanian companies. The potential termination of the applicability of the tax facilities applicable to construction employees starting with 2018, as well as the salary inflation in Romania could lead to increases in the Group's operating expenses. In addition, the need for the Group to provide competitive compensation with the rest of the market could lead to unforeseen and unsustainable increases in spending on employees and service providers.

SUPPLIER RISK – The Group has substantial relationships with certain suppliers of materials and services. These suppliers may, inter alia, extend delivery time, supply unreliable equipment, increase prices, and limit or discontinue supply due to deficits, own business requirements or for other reasons. Although the Group is not totally dependent on the products, materials and services provided by certain suppliers, in many cases it has made substantial investments in relation to a particular supplier, which makes it difficult to quickly find replacement suppliers if a supplier refuses to offer favorable prices to the Group, ceases to produce the materials and products that the Group uses or no longer provides the services that the Group needs. If the materials, products, or services are not provided to the high standards specific to the Group or if the suppliers are insolvent, the total or partial execution of the claims against the suppliers may be difficult or impossible. The occurrence of any of these risks may generate technical problems, damage the Group's reputation, lead to the loss of customers, and may have a significant negative effect on the Group's business, prospects, results of operations and financial position. In addition, the Group's contractual obligations to its customers may exceed the scope of the guarantees that the Group has obtained from suppliers.

The Group is also exposed to risks associated with potential financial instability of its suppliers. Should the Group's suppliers interrupt the supply of certain materials and products, they would be unable to supply equipment that meets the Group's specifications or would interrupt the supply of equipment or services to the Group, either because of bankruptcy or for other reasons and the Group could not obtain satisfactory replacement products, these circumstances could have an adverse effect on the Group's business, results of operations and financial condition.

ERRORS OF THE AUTHORITIES IN ISSUING DOCUMENTS - The development activity of the real estate projects carried out by the Group could be delayed, respectively significant costs could be incurred due to the errors of the authorities in the approval and authorization process. Such errors can materialize either through unfounded refusals or through documentation that subsequently requires the correction of errors, or the modification of the projects considered by the Group to correspond to the parameters imposed by error by the authorities.

OCCUPATIONAL SAFETY AND HEALTH RISKS – An accident at work on one of the sites where the Group carries out its real estate development activity (which may involve its own staff or the staff of the entities contracted by the Group) or the deterioration of the Group's standards in the field of occupational safety and health could expose employees, subcontractors or the general public to risk of accident, and could lead to significant sanctions and damages, as well as damage to the Group's reputation. Compliance with operational, occupational safety, health and safety requirements is important for the success of the Group's business. Any deficiency in this matter, including any delay in changing occupational safety and health practices following the detection of any deficiency or change in any legal requirements, may lead to sanctions for non-compliance with the relevant legal requirements. Moreover, any serious work-related injury can lead to significant costs for the Group, i.e. it can damage the Group's reputation, having a significant negative effect on the Group's business, prospects, results of operations and financial position.

REQUIREMENTS IMPOSED BY PUBLIC AUTHORITIES - The real estate development activity involves the observance of numerous local, national, and European regulations, as well as decisions/decisions/orders of public authorities regarding urbanism, environment, health and safety at work, taxes and duties and other aspects. Where urban planning parameters are not appropriate or have not been regulated, it is necessary to develop a new urban planning documentation, obtain opinions from the relevant authorities and entities and approve this urban planning documentation by the competent local councils, respectively by the general council of Bucharest. Furthermore, for the execution of construction works it is necessary to obtain a building permit, a process that in turn involves obtaining a set of approvals from public authorities and the development of technical documentation. For the operation of the buildings, a series of authorizations issued by the public authorities are required, such as the fire safety authorization, ISCIR, civil protection, etc.

The process of authorizing a real estate project is complex, can take place over periods of time that can vary between 6-9 months and 5-6 years and is dependent on the conduct of public authorities. For example, the practice of the local public authorities of the Municipality of Bucharest (the main market on which the Group operates) is unpredictable, given that the coordinating zonal urban plans for 5 out of 6 sectors of the Municipality of Bucharest were suspended for a period of one year in February 2021 and the public authorities have taken positions that signal the intention to replace them in their entirety and to significantly reconsider the urban planning activity at the level of the Municipality of Bucharest. Moreover, the intention of the public authority seems to be to limit, hinder and/or slow down real estate developments by creating difficult situations for real estate developments by the need to prepare new urban planning documentation for future projects.

A possible cancellation of some coordinating PUZs could affect the authorization regime of some of the Group's projects for which building permits have not yet been obtained. Also, in case the building permits for these projects were obtained before a possible cancellation of some coordinating CPUs, the building permits already obtained, if they were contested by the time of issuing the decision to cancel those PUZs could be canceled because of the cancellation of these PUZs. In any of these situations the Group could find itself in a position to resume the authorization process, generating delays in execution and delivery or even the need for redesign based on other urban parameters and losses for the Group and potentially affecting sales promises in connection with the projects affected.

In general, real estate development involves interactions with public authorities, including those chosen or appointed on political grounds. Some of the acts or positions of such authorities may be politically motivated or undertaken for publicity reasons, and in some cases, such acts or positions may be related to the work of the Group and may cause difficulties or delays in the execution of the Group's projects or may damage its image, in both cases with significant negative consequences for the Group.

The project authorization process developed by the Group bears the risk of unpredictability of the conduct of public authorities and may be adversely affected by delays and limitations imposed by local public authorities. Also, given that the Group assumes to future buyers, based on promises of sale-purchase, certain deadlines for completion of projects, the conduct of the authorities may have an impact in relation to these persons, the Group may be required to pay compensation for delays or extend deadlines in unfavorable economic conditions.

Moreover, the development activity of the real estate projects carried out by the Group could be delayed, respectively significant costs could be incurred due to the errors of the authorities in the approval and authorization process. Such errors can materialize either through unfounded refusals or through documentation that subsequently requires the correction of errors, or the modification of the projects considered by the Group in order to correspond to the parameters imposed by error by the authorities.

Any delay, cost, or modification of a project due to an error committed by the authorities in issuing documents for the approval and authorization of projects developed by the Group may have negative effects on the business, financial situation, prospects and operational results of the Group.

AUTHORIZATIONS MAY BE SUBJECT OF APPEALS FROM THIRD PARTIES - To the extent that they can justify a legitimate interest, third parties have the possibility to challenge individual administrative acts or normative administrative acts by means of a direct action which is governed by partially different regulations, depending on the individual character (such as an authorization construction) or normative (such as urban plans) of the respective administrative act. The interest in challenging an administrative act generally derives from the fact that the rights and legitimate interests of that third party are affected by that administrative act, which is usually assessed by the courts on a case-by-case basis.

It is also possible that during the execution of some projects, they may undergo changes that require changes to the authorization documents or additional authorizations. Sometimes these modifications may lead to the need to suspend the construction during the obtaining of the modified or new authorizations, which leads to delays in the completion of the construction and the achievement of the final acceptance. Delays in the completion of projects may lead to delays in receiving money from customers, the need to pay additional amounts by the Company, increases in project costs and damage to our reputation.

FINANCIAL LIQUIDITY – Land and real estate are relatively illiquid. Although the purpose of the land acquisition by the Group is the development of real estate projects and not the sale of such land, to the extent that the Group needs liquidity or to the extent that certain land is no longer useful for the Group's development plans, the Group could be put in the situation of immobilizing significant sums in these properties.

The low liquidity of these assets can affect the Company's ability to sell them in a relatively fast time and at a satisfactory price when needed, which can affect the activity in the short and medium term. Due to the low liquidity of the Group's assets and other factors, if the Company is unable to generate positive cash flows from its operating activities, it may be unable to sell assets in its portfolio on advantageous terms.

There is no guarantee that the Group will be able to generate or accumulate sufficient funds to cover the long-term capital expenditures envisaged or that it will be able to cover them at a reasonable cost. The terms and conditions under which future funding will be made available to the Group may not be acceptable to the Group or there may not even be any funding available. Moreover, if the level of contracted loans increases in the long run, the Group may be subject to additional financial restrictions. The long-term inability to raise sufficient funds to finance the Group's projects could have a negative effect on its ability to grow and achieve its performance objectives and could result in unforeseen costs or delays in implementing the Group's projects.

Also, there can be no assurance that in the event of unforeseen changes, the Group's cash flow will be sufficient to pay future liabilities. Failure to pay principal and/or interest on the agreed terms, or any future loans or breach of any commitments entered into by the loan agreements may result in the performance of the collateral provided by the Group, including mortgages or the acceleration of the term of the obligations or could make it difficult or even impossible to borrow in the future. In these circumstances, the Group may also become obliged to sell part of its assets to meet its payment obligations. Any of the events described above could have a negative effect on the activity, financial situation, prospects, or results of the Group's operations. The Group is obliged to comply with the provisions of restrictive debt clauses, which may limit its ability to finance future operations and capital needs, to pursue business opportunities and to carry out activities.

Although all these limitations are subject to significant exceptions and qualifications, these obligations could limit the Group's ability to finance potential new projects and capital needs and to continue acquisitions and other commercial activities that may be of interest to it.

If the Group fails to comply with any of these obligations, it will be in a situation of default of its financial obligations and the relevant creditors could declare the principal amount and accrued interest on the applicable loans as due and payable after any applicable remedy period. These restrictions could have a material adverse effect on the Group's ability to finance potential new projects or capital needs or to engage in other activities that may be of interest to it.

FAKE NEWS – The nature of the Group’s business and the highly covered sector of the real estate industry can expose One United Properties to claims related to defamation, dissemination of misinformation or news hoaxes (also referred to as ‘fake news’), or other types of content that can harm, temporarily or on a long-term, the reputation of the business. The Group or its developments may also be negatively affected by the actions or statements of different individuals, acting under false of inauthentic identities, that can disseminate information that is deemed to be misleading or intending to manipulate opinions about the Group, the brands or the products offered by the Group. Any such situation can potentially lead to a decline in the willingness of the customers to buy products from the Group, thus leading to the decline in sales, and / or a decline in the price of the financial instruments issued by the Group.

CYBERSECURITY RISK - Cybersecurity risk is determined by the likelihood of exposure, critical asset or sensitive information loss, or reputational harm stemming from a cyberattack or breach within an organization's network. The steps in mitigating such risk are: 1. Identify Most Valuable Digital Assets, 2. Audit Organization’s Data and Intellectual Property, 3. Perform A Cyber Risk Assessment, 4. Analyze Security and Threat Levels, 5. Establish Cyber Risk Management Responsible, 6. Automate Risk Mitigation & Prevention Tasks, 7. Create An Incident Response Plan, 8. Educate Employees On Cybersecurity Policies.

CLIMATE CHANGE RISKS – The Company is also subject to a wide array of transitional and physical risks related to climate change, that can carry also financial implications. In 2023, for the purpose of 2022 Sustainability Report, the ESG Committee to the Board of Directors of One United Properties carried out the first assessment of the risks and opportunities arising from the climate change, following the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD). In its annual Sustainability Report, One United Properties outlines actual and potential impacts of climate-related risks on the Company's businesses, strategy, and financial planning together with the processes used by the Company to identify, assess, and manage climate-related risks. For the latest list of the climate change related risks, please consult the latest Sustainability Report of the Company.

LITIGATIONS – For an update on the lawsuits as of December 31st, 2023, please consult the dedicated Annex to this report.

Also there can be other risks such as:

- The Company may encounter difficulties in purchasing real estate that meets its quality standards;
- The revenues from ongoing or planned residential projects could be lower than the estimated;
- The ability to raise funds for the acquisition of real estate and the development of real estate projects could be affected, which could significantly adversely affect business activity;
- The costs and duration of development real-estate projects may exceed the Company's initial expectations;
- Ownership over certain real estate owned or likely to be acquired in the future by the Company entities may be uncertain;
- The Company may face a labor shortage, which could impede the proper course of business;
- The Company may incur costs to ensure compliance of its real estate projects with the applicable laws;
- There is a risk that the Company will not be able to attract or retain key personnel, directors, officers, employees and others without whom it would not be able to effectively manage its business;
- If the Company does not maintain its reputation for the quality of its products and services, the Company's ability to attract new customers and retain existing customers may be affected;
- The Company's activity is based on materials and services provided by third parties. These suppliers may choose to discontinue the supply of their products or services or try to impose uncompetitive prices;
- Real estate development activity involves occupational safety and health risks;
- Authorization documents for Company's real estate projects may be the subject of appeals from third parties;
- Unfavorable decisions by tax authorities or changes in tax laws or interpretations could have a material adverse effect on the results of the Company's operations and on cash flows;
- The Company could face problems related to environmental protection, as well as restrictions imposed by environmental legislation and specific environmental protection costs in terms of purchased real estate and real estate projects developed by the Company;
- Failure to comply with anti-corruption laws or allegations of non-compliance could have a material adverse effect on the Company's reputation and activity;
- The Company may be subject to fines, damages or other penalties and may be subject to negative publicity as a result of legal proceedings, contractual claims and disputes;
- Land and real estate are low-liquidity assets that may substantially limit the Group's financial liquidity;
- The crisis generated by the coronavirus pandemic and other large-scale public health events and climate-related catastrophes could affect the global economy leading to slower or negative economic growth, increased unemployment and reduced demand and could therefore have a negative impact on the Company's activity.

CONSOLIDATED PROFIT&LOSS STATEMENT (RON)

PROFIT & LOSS STATEMENT (RON)	2023 Audited	2022 Audited	Δ %
Revenues from sales of residential property	**1,130,393,968**	**769,518,382**	**47%**
Cost of sales of residential property	(802,740,979)	(445,459,287)	80%
Other property operating expenses - residential	(12,124,094)	(5,133,247)	136%
Net income from residential property	*315,528,895*	*318,925,848*	*-1%*
Gains from investment property fair value adjustment	**260,631,796**	**218,466,572**	**19%**
Gains from bargain purchase	**0**	**94,079,969**	**-100%**
Rental income	**98,073,783**	**62,377,460**	**57%**
Revenues from services to tenants	**30,280,868**	**16,532,162**	**83%**
Expenses from services to tenants	(30,280,868)	(16,532,162)	83%
Other property operating expenses - commercial	(11,452,425)	(8,171,409)	40%
Net rental income	*86,621,358*	*54,206,051*	*60%*
Commissions for brokerage real estate	(14,977,030)	(9,255,427)	62%
Administrative expenses	(82,020,505)	(90,436,029)	-9%
Other operating expenses	(14,665,945)	(15,308,340)	-4%
Profit on disposal of investment property	5,888,494	304,746	1832%
Other operating income	**4,686,698**	**5,141,316**	**-9%**
Result from operating activity	**561,693,761**	**576,124,706**	**-3%**
Financial income	26,840,583	18,348,129	46%
Financial expenses	(62,109,094)	(21,966,642)	183%
Share of result of associates	5,296,195	402,719	1215%
Gross profit	**531,721,445**	**572,908,912**	**-7%**
Income tax	(82,102,915)	(70,431,447)	17%
Net profit	**449,618,530**	**502,477,465**	**-11%**

CONSOLIDATED PROFIT&LOSS STATEMENT (EUR)

PROFIT & LOSS STATEMENT (EUR)	2023 Audited	2022 Audited	Δ %
Revenues from sales of residential property	**228,524,000**	**156,041,442**	**46%**
Cost of sales of residential property	(162,284,641)	(90,329,370)	80%
Other property operating expenses - residential	(2,451,045)	(1,040,910)	135%
Net income from residential property	*63,788,314*	*64,671,162*	*-1%*
Gains from investment property fair value adjustment	**52,690,144**	**44,300,228**	**19%**
Gains from bargain purchase	**0**	**19,077,354**	**-100%**
Rental income	**19,826,904**	**12,648,780**	**57%**
Revenues from services to tenants	**6,121,676**	**3,352,360**	**83%**
Expenses from services to tenants	(6,121,676)	(3,352,360)	83%
Other property operating expenses - commercial	(2,315,258)	(1,656,982)	40%
Net rental income	*17,511,646*	*10,991,798*	*59%*
Commissions for brokerage real estate	(3,027,803)	(1,876,798)	61%
Administrative expenses	(16,581,523)	(18,338,442)	-10%
Other operating expenses	(2,964,914)	(3,104,195)	-4%
Profit on disposal of investment property	1,190,436	61,796	1826%
Other operating income	**947,475**	**1,042,548**	**-9%**
Result from operating activity	**113,553,775**	**116,825,451**	**-3%**
Financial income	5,426,177	3,720,598	46%
Financial expenses	(12,556,170)	(4,454,353)	182%
Share of result of associates	1,070,695	81,663	1211%
Gross profit	**107,494,477**	**116,173,359**	**-7%**
Income tax	(16,598,183)	(14,281,951)	16%
Net profit	**90,896,294**	**101,891,408**	**-11%**

The Consolidated Statement of Profit or Loss was translated to EURO from the consolidated financial statements in RON using the average exchange rate for the year as published by the National Bank of Romania, 4.9465 RON / EUR for 2023 and 4.9315 RON / EUR for 2022.

CONSOLIDATED BALANCE SHEET (RON)

BALANCE SHEET (RON)	31.12.2023 Audited	31.12.2022 Audited	Δ %
NON-CURRENT ASSETS	**2,836,979,222**	**2,360,606,681**	**20%**
Goodwill	19,256,076	19,256,076	0%
Intangible assets	16,967,132	15,259,605	11%
Investment properties	2,710,669,855	2,251,984,947	20%
Right of use assets	1,868,857	2,687,154	-30%
Investments in associates	8,666,072	3,369,877	157%
Property, plant, and equipment	52,595,794	51,131,523	3%
Other non-current assets	26,955,436	16,917,499	59%
CURRENT ASSETS	**2,150,225,206**	**1,876,143,802**	**15%**
Inventories	1,002,664,774	662,994,340	51%
Advance payments to suppliers	129,869,872	116,316,909	12%
Trade receivables	489,466,746	392,002,622	25%
Other receivables	92,833,787	112,944,944	-18%
Prepayments	14,650,932	24,924,944	-41%
Cash and cash equivalents	420,739,095	566,960,043	-26%
TOTAL ASSETS	**4,987,204,428**	**4,236,750,483**	**18%**
EQUITY	**2,862,928,546**	**2,531,326,688**	**13%**
Share capital	759,530,863	740,563,717	3%
Share premium	91,530,821	27,981,399	227%
Legal reserves	25,713,307	17,452,635	47%
Own shares	(3,468,115)	1,029	-
Other capital reserves	21,140,590	51,848,900	-59%
Retained earnings	1,496,291,804	1,184,656,306	26%
Non-controlling interests	472,189,276	508,822,702	-7%
LIABILITIES	**2,124,275,882**	**1,705,423,795**	**25%**
NON-CURRENT LIABILITIES	**1,236,792,287**	**956,652,728**	**29%**
Loans and borrowings from bank and others	827,819,156	654,206,589	27%
Loans and borrowings from minority shareholders	82,609,273	3,528,882	2241%
Trade and other payables	1,944,934	23,442,273	-92%
Lease liabilities	2,646,947	2,646,947	0%
Deferred tax liabilities	321,771,977	272,828,037	18%
CURRENT LIABILITIES	**887,483,595**	**748,771,067**	**19%**
Loans and borrowings from bank and others	117,201,920	172,421,627	-32%
Loans and borrowings from minority shareholders	38,651	47,528	-19%
Lease liabilities	274,592	778,490	-65%
Trade and other payables	354,378,291	271,065,556	31%
Accrued income	20,734,382	11,099,273	87%
Current tax liabilities	5,247,540	717,144	632%
Advance payments from customers	389,608,219	292,641,449	33%
TOTAL EQUITY AND LIABILITIES	**4,987,204,428**	**4,236,750,483**	**18%**

CONSOLIDATED BALANCE SHEET (EUR)

BALANCE SHEET (EUR)	31.12.2023 Audited	31.12.2022 Audited	Δ %
NON-CURRENT ASSETS	**570,292,933**	**477,140,859**	**20%**
Goodwill	3,870,879	3,892,161	-1%
Intangible assets	3,410,753	3,084,369	11%
Investment properties	544,902,074	455,185,541	20%
Right of use assets	375,680	543,145	-31%
Investments in associates	1,742,064	681,141	156%
Property, plant, and equipment	10,572,869	10,335,029	2%
Other non-current assets	5,418,614	3,419,473	58%
CURRENT ASSETS	**432,240,826**	**379,218,135**	**14%**
Inventories	201,556,864	134,008,639	50%
Advance payments to suppliers	26,106,596	23,510,715	11%
Trade receivables	98,393,187	79,234,067	24%
Other receivables	18,661,558	22,829,151	-18%
Prepayments	2,945,148	5,037,988	-42%
Cash and cash equivalents	84,577,473	114,597,575	-26%
TOTAL ASSETS	**1,002,533,759**	**856,358,994**	**17%**
EQUITY	**575,509,296**	**511,647,873**	**12%**
Share capital	152,681,796	149,687,455	2%
Share premium	18,399,634	5,655,779	225%
Legal reserves	5,168,920	3,527,638	47%
Own shares	(697,165)	208	-
Other capital reserves	4,249,707	10,480,030	-59%
Retained earnings	300,786,355	239,450,278	-26%
Non-controlling interests	94,920,049	102,846,485	-8%
LIABILITIES	**427,024,463**	**344,711,121**	**24%**
NON-CURRENT LIABILITIES	**248,621,454**	**193,364,744**	**29%**
Loans and borrowings from bank and others	166,409,190	132,232,403	26%
Loans and borrowings from minority shareholders	16,606,214	713,280	2228%
Trade and other payables	390,973	4,738,302	-92%
Lease liabilities	532,092	535,018	-1%
Deferred tax liabilities	64,682,985	55,145,741	17%
CURRENT LIABILITIES	**178,403,009**	**151,346,377**	**18%**
Loans and borrowings from bank and others	23,560,069	34,850,957	-32%
Loans and borrowings from minority shareholders	7,770	9,607	-19%
Lease liabilities	55,199	157,353	-65%
Trade and other payables	71,237,547	54,789,497	30%
Accrued income	4,168,050	2,243,456	86%
Current tax liabilities	1,054,867	144,954	628%
Advance payments from customers	78,319,507	59,150,553	32%
TOTAL EQUITY AND LIABILITIES	**1,002,533,759**	**856,358,994**	**17%**

The Consolidated Balance Sheet was translated to EURO from the consolidated balance sheet in RON using the period end exchange rate as published by the National Bank of Romania, 4.9746 RON / EUR for 31.12.2023 and 4.9474 RON / EUR for 31.12.2022.

INDIVIDUAL PROFIT&LOSS STATEMENT (RON)

PROFIT & LOSS STATEMENT (RON)	2023	2022	Δ %
Revenues from services rendered	0	15,905,553	-100%
Revenues from rentals, service charge and similar	649	169,485	-100%
Other Revenues	12,477,662	10,235,197	22%
Total operating revenues	**12,478,311**	**26,310,235**	**-53%**
Amortization, depreciation and impairment net	(9,885,950)	(9,750,133)	1%
Administrative Expenses	(4,333,918)	(9,423,744)	-54%
Other operating expenses	(4,986,824)	(11,558,259)	-57%
Total operating expenses	**(19,206,692)**	**(30,732,136)**	**-38%**
Result from operating activity	**(6,728,381)**	**(4,421,901)**	**52%**
Revenues from dividends	111,172,666	100,918,000	10%
Revenues from interest	42,166,892	18,829,563	124%
Other financial revenues	4,897,895	4,753,118	3%
Total financial income	**158,237,453**	**124,500,681**	**27%**
Interest expenses	0	(789,429)	-100%
Total financial expenses	**0**	**(789,429)**	**-100%**
Gross profit	**151,509,072**	**119,289,351**	**27%**
Tax expenses	(1,999,117)	(2,473,355)	-19%
Net profit	**149,509,955**	**116,815,996**	**28%**

INDIVIDUAL BALANCE SHEET (RON)

BALANCE SHEET (RON)	31.12.2023	31.12.2022	Δ %
NON-CURRENT ASSETS	**1,036,820,288**	**842,462,074**	**23%**
Intangible assets	73,436	59,668	23%
Property, plant and equipment	245,783	2,291,888	-89%
Right of use asset	0	17,640,137	-100%
Financial assets - investments	426,552,763	209,382,429	104%
Financial assets - loans granted	582,735,536	571,982,357	2%
Deferred tax assets	2,020,616	1,167,931	73%
Other non-current assets	25,192,154	39,937,664	-37%
CURRENT ASSETS	**344,389,669**	**267,885,990**	**29%**
Trade receivables	50,800,423	726,283	6895%
Other receivables	130,315,249	100,314,789	30%
Prepayments	316,022	244,934	29%
Financial assets - loans granted	126,216,672	29,095,328	334%
Cash and cash equivalents	36,741,303	137,504,656	-73%
TOTAL ASSETS	**1,381,209,957**	**1,110,348,064**	**24%**
EQUITY	**1,052,765,827**	**954,731,514**	**10%**
Share capital	759,530,863	740,563,717	3%
Share premium	91,530,821	27,981,399	227%
Own shares	(3,468,115)	1,029	-
Other capital reserves	21,140,590	51,848,900	-59%
Legal reserve	25,028,088	17,452,635	43%
Retained earnings	159,003,580	116,883,834	36%
LIABILITIES	**328,444,130**	**155,616,550**	**111%**
NON-CURRENT LIABILITIES	**470,194**	**37,411,529**	**-99%**
Lease liability	0	17,864,412	-100%
Other non-current liabilities	470,194	19,547,117	-98%
CURRENT LIABILITIES	**327,973,936**	**118,205,021**	**177%**
Lease liability	0	1,901,977	-100%
Trade payables	271,276	933,976	-71%
Other payables	327,612,848	115,104,814	185%
Current tax liability	89,812	227,623	-61%
Deferred income	0	36,631	-100%
TOTAL EQUITY AND LIABILITIES	**1,381,209,957**	**1,110,348,064**	**24%**

BVB CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE[2]	COMPLIANT	PARTIALLY COMPLIANT	NON-COMPLIANT	COMMENT
Section A - Responsibilities				
A.1. All companies shall have Internal Rules for the Board of Directors (the "Board"), which shall include the terms of reference/responsibilities of the Board and the key management functions of the Company, and which shall apply, inter alia, the General Principles of this Section.	X			The Company has adopted the Corporate Governance Code, which includes also Internal Rules for the Board of Directors.
A.2. Provisions for the management of conflicts of interest shall be included in the Rules of the Board. In any event, Board members shall notify the Board of any conflicts of interest that have arisen or may arise and shall refrain from taking part in the discussions (including by non-attendance, unless the failure to attend prevents the establishment of the quorum) and from voting for passing a resolution on the issue giving rise to the relevant conflict of interest.	X			The Board members have, under the law, duties of care and loyalty to the Company, stipulated not only in the Articles of Association of the Company, but also in other internal regulations of the Company. Provisions for the management of conflicts of interest are included in the Corporate Governance Code of One United Properties.
A.3. The Board shall consist of at least 5 (five) members.	X			The Board consists of 7 (seven) members elected by the Ordinary General Shareholders' Meeting (OGSM), in accordance with the provisions of the Companies Act and the Articles of Association of the Company.
A.4. Most Board members shall not have an executive function. In the case of companies in the Premium Category, no less than two non-executive members of the Board shall be independent. Each independent Board member shall issue a statement at the time of nomination thereof for election or re-election, and	X			Five out of seven Board members are non-executive, and five out of seven are independent. On the occasion of each appointment of a Board member, the Company performs an assessment of the independence of its members on the basis of the independence criteria set out in the Corporate Governance Code (which are

[2] The Statement summarizes the principles of the Corporate Governance Code; the full version of the Code may be read on the website of the Bucharest Stock Exchange: www.bvb.ro.

whenever any change arises in the status thereof, indicating the elements on the basis of which the same is to be deemed independent in terms of character and judgment.				essentially similar to those laid down in the Companies Act), consisting of an individual assessment conducted by the relevant Board member.
A.5. Any other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions in the Board of companies and non-profit institutions, shall be disclosed to the shareholders and prospective investors prior to nomination and during the term of office thereof.	X			Information on the permanent professional commitments and obligations of the Board members, including executive and non-executive positions within companies and non-profit institutions, can be found in the CVs of the Board members, available at the Company headquarters and published of the Company's website.
A.6. Any member of the Board shall present the Board with information on any relation with a shareholder holding, either directly or indirectly, shares representing more than 5% of all voting rights.	X			The information is included in the annual reports issued by the Company.
A.7. The Company shall appoint a Secretary of the Board to be in charge of supporting the activity of the Board.	X			The Company has a General Secretary who supports the Board activities.
A.8. The Corporate Governance Statement shall stipulate whether a Board assessment has taken place under the direction of either the Chairperson or the Nomination Committee and, if so, shall summarize the key measures and the resulting changes. The Company shall have a policy/guide regarding Board assessment, including the purpose, criteria and frequency of the assessment process.		X		The Company did not have in 2023 policy nor guide on the Board assessment. There was no formal Board self-assessment made for 2023. However, the objective pursued by this provision of the BVB Corporate Governance Code is ensured by the fact that the mandates of the members of the Board of Directors are granted for limited periods of one year, an indirect assessment being therefore performed yearly by the OGMS.
A.9. The Corporate Governance Statement shall contain information on the number of Board and Committee meetings over the past year, the participation of the directors (in person and in default) and a Report by the Board and Committees on their activities.	X			The Board of Directors of One United Properties shall meet whenever necessary, but at least once every three months. During 2023, 16 Board meetings and 1 off-site meeting took place (with all meetings except 1 held in full attendance), 9 meetings for Risk and Audit Committee (all in full attendance), 2 meetings for Nomination and Remuneration Committee (full attendance), and 1 meeting for the ESG Committee (full attendance).
A.10. The Corporate Governance Statement shall include information on the exact number of independent members of the Board.	X			In 2023, five (5) Board members met all the criteria of independence provided for by the Corporate Governance Code of One United Properties.
A.11. The Board of companies in the Premium Category shall set up a Nomination Committee,		X		One United Properties established in 2021 the Nomination and Remuneration Committee. The Committee consists of three

consisting of non-executive members, to direct the nomination of any new Board members and to submit recommendations to the Board. Most members of the Nomination Committee shall be independent.				members, out of whom one member is executive Board Member, Mr. Victor Capitanu. Two members of the Committee, including the Chair, are independent. The good corporate governance pursued by the BVB Corporate Governance Code is achieved by the fact that Mr. Victor Capitanu, in his capacity as the founder of the Issuer, proved that his involvement is essential in the recruitment process of any members of the Board of Directors and Directors, but also regarding their remuneration regime for their functions, in relation to the financial situation and strategy of the Issuer. The benefits brought by his presence in the Nomination and Remuneration Committee are, therefore, compatible with the Committee's mission.
Section B – The risk management and internal control system				
B.1. The Board shall set up an Audit Committee, in which at least one member shall be independent and non-executive. Most members, including the Chair, shall have proven appropriate qualification relevant to the functions and responsibilities of the Committee. At least one member of the Audit Committee shall have proven adequate experience in auditing or accounting. In the case of companies in the Premium Category, the Audit Committee shall consist of at least three members and most members of the Audit Committee shall be independent.	X			One United Properties established in 2021 the Risk & Audit Committee. The Committee consists of four members, out of whom three members are non-executive and independent. All members of the Risk & Audit Committee, including the Chairman, have proven appropriate qualifications, as per internal rules established by the Company.
B.2. The Chair of the Audit Committee shall be an independent non-executive member.	X			The Chair of the Risk & Audit Committee is an independent non-executive member.
B.3. As part of its responsibilities, the Audit Committee shall carry out an annual assessment of the internal control system.	X			The Risk and Audit Committee conducts an annual evaluation of the Company's internal control system.
B.4. The assessment shall take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board Audit Committee, the promptness and effectiveness with which the executive management addresses any deficiencies or weaknesses identified as a result of the internal control and the submission of relevant	X			In the annual assessment, the Risk and Audit Committee assesses the effectiveness of this system, the adequacy of the risk management and internal control reports submitted to the Risk and Audit Committee, as well as the promptness and the effectiveness of management in addressing the deficiencies or weaknesses found in terms of internal control.

reports to the Board.				
B.5. The Audit Committee shall assess any conflicts of interest in connection with the transactions of the Company and its subsidiaries with related parties.	X			The Risk and Audit Committee evaluates the effectiveness of the Group's risk management system, monitor the application of the statutory and generally accepted internal audit standards and will evaluate the situations of conflicts of interest within the transactions concluded by the Group and / or any of its subsidiaries with affiliated parties.
B6. The Audit Committee shall assess the effectiveness of the internal control and risk management systems.	X			
B.7 The Audit Committee shall monitor the application of the legal standards and generally accepted internal audit standards. The Audit Committee shall receive and assess the reports of the internal audit team.	X			
B.8. Whenever the Code mentions reports or analyses initiated by the Audit Committee, these shall be followed by regular reports (at least annual reports) or ad hoc reports to be subsequently submitted to the Board.	X			The Risk and Audit Committee regularly presents the Board with reports on the specific issues that have been assigned to it.
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the Company with the shareholders and affiliates thereof.	X			The Company grants equal treatment to all its shareholders. Related party transactions are treated objectively, in accordance with the usual industry standards, and the applicable laws and corporate regulations.
B.10. The Board shall adopt a policy to ensure that any transaction of the Company with any of the companies with which it has close ties, whose value is equal to or greater than 5% of the Company net assets (according to the latest financial report), is approved by the Board following a binding opinion of the Board Audit Committee and is properly disclosed to the shareholders and prospective investors to the extent that such transactions fall within the category of events subject to reporting requirements.	X			In certain situations, the Members of the Board of Directors and the Directors of One United Properties may be in a situation of conflict of interest between their obligations towards the Company and their private interests and other obligations. In the event of a conflict of interest, the respective members of the Board of Directors and Directors have the obligation to abstain from deliberations and voting, respectively to abstain in any other decision-making process or in connection with any act or fact. on which the respective conflict was born, as well as to report / reveal the respective conflict of interests. Any transaction concluded between One United Properties and the persons mentioned above is concluded in terms equivalent to those prevailing in the transactions that take place at the market level, in compliance with the applicable legal and statutory provisions. The management of such conflicts of interest is included in the Corporate Governance Code of One United Properties.
B.11. Internal audits shall be performed by a	X			The Company had in 2023 the Internal Audit function.

structurally separate division (the Internal Audit Department) within the Company or by hiring an independent third party.				
B.12. In order to ensure the fulfilment of the primary functions of the Internal Audit Department functionally speaking, it shall report to the Board by means of the Audit Committee. For administrative purposes and as part of the responsibilities of the management to monitor and reduce risks, it shall report directly to the Chief Executive Officer.	X			The Internal Audit reports to the Risk and Audit Committee.
Section C – Fair reward and motivation				
C.1. The Company shall publish the Remuneration Policy on its website and shall include a statement on the implementation of the Remuneration Policy in the Annual Report during the annual period under review. Any key change in the Remuneration Policy shall be published on the Company website in a timely manner.	X			The Remuneration Policy of the Company is published on the Company's website and the Remuneration Report for 2023 is part of the Annual GSM documentation, subject to shareholder's approval.
Section D – Adding value by way of the investor relations				
D.1. The Company shall organize an Investor Relations Service - indicating to the general public the officer(s) in charge or the relevant organizational unit. In addition to the information required by law, the Company shall include on its website a section dedicated to Investor Relations, in both Romanian and English, with all the relevant information of interest to investors, including: • The main corporate regulations: Articles of Association, the procedures regarding the General Shareholders' Meetings (GSM); • The professional CVs for the members of the Company management bodies, other professional commitments of the Board members, including executive and non-executive positions in the Boards of Directors of	X			All the information as specified by the D1 provision is provided on the Company's website.

companies or non-profit institutions; • Current and regular reports (quarterly, half-yearly and annual); • Information on the General Shareholders' Meetings; • Information on the corporate events; • The name and contact details of a person who can provide relevant information, on request; • Company presentations (e.g., investor presentations, quarterly result presentations, etc.), financial statements (quarterly, half-yearly, annual), Audit Reports, and Annual Reports.				
D.2. The Company shall have a policy on the annual distribution of dividends or other benefits to the shareholders. The principles of the policy of annual distribution to the shareholders shall be published on the Company website.	X			The Company's dividend policy is included in the Corporate Governance Code, which is published on the Company website, in the Investor Relations section.
D.3. The Company shall adopt a policy regarding forecasts, whether they are made public or not. Forecasts mean quantified conclusions of various studies aimed at determining the overall impact of a number of factors for a future period (the so-called assumptions): by its nature, a forecast has a high level of uncertainty, and the actual results can vary significantly from the original forecasts. The Forecast Policy shall determine the frequency, period considered and content of the forecasts. If published, the forecasts may only be included in the annual, half-yearly or quarterly reports. The Forecast Policy shall be published on the Company website.	X			The Company's forecasting policy is public and available on the Company website, in the Investor Relations section.
D.4. The rules of the General Shareholders' Meetings shall not limit the participation of shareholders in the general meetings or the exercise of their rights. Any amendments to these rules take effect, at the earliest,	X			Information on the organization of the General Shareholders' Meetings is mentioned in the Company's Articles of Association, as well as the Corporate Governance Code, and are in line with provision D.4.

starting with the next Shareholders' Meeting.				
D.5. Independent financial auditors shall be present at the General Shareholders' Meeting when their reports are presented at these meetings.	X			The independent financial auditors participate in the Ordinary General Shareholders' Meetings where the individual and consolidated annual financial statements are subject to approval.
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.		X		The information about the internal controls and significant risk management system is provided in the Annual Report. Shall the question related to the internal control and significant risk management system be asked during the annual meeting, the question will be addressed by the Board.
D.7. Any specialist, consultant, expert, or financial analyst may take part in Shareholders' Meetings based on a prior invitation from the Chairperson of the Board. Accredited journalists may also attend General Shareholders' Meetings, unless otherwise decided by the Chairperson of the Board.	X			There is a possibility for any specialist, consultant, expert, financial analyst, or accredited journalist to participate in the GSM based on a prior invitation from the Chairman of the Board.
D.8. The quarterly and half-yearly financial reports shall include information in both Romanian and English on the key factors that influence change in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.	X			The quarterly and half-yearly financial reports include information in both Romanian and English on the key factors that cause changes in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.
D.9. A Company shall hold at least two meetings/teleconferences with analysts and investors each year. The information presented on these occasions shall be published in the Investor Relations section of the Company website at the time of the meetings/teleconferences.	X			One United Properties holds two teleconferences – one in English, and another one in Romanian, each quarter thus adding up to a total of 8 teleconferences a year. The recording of each of the teleconferences is published on BVB website as well as on the Company's website. Additionally, the company hosts annually ONE Investor Day as well as engages on a continuous basis with its shareholders and analysts via dedicated events, conferences, and roadshows.
D.10. If a Company supports various forms of artistic and cultural expression, sporting, educational or scientific activities and deems their impact on the Company innovation and competitiveness to be part of its mission and development strategy, it will publish its policy on its activity in this field.	X			The Company includes this information in the annual Sustainability Report, which is published on the BVB website as well as on the Company's website.

DECLARATION OF THE MANAGEMENT

Bucharest, April 26th, 2024

The undersigned, based on the best available information, hereby confirm that:

a) the consolidated and individual financial statements for the twelve-month period ended December 31st, 2023, provide an accurate and real image regarding the assets, obligations, financial position, the financial performance, and the cash flows of the company One United Properties S.A., as well as of the group to which it belongs, as required by the applicable accounting standards; and

b) the report attached to this statement, prepared in accordance with art. 63 of the Law no. 24/2017 on issuers of financial instruments and market operations and to annex no. 15 to FSA Regulation no. 5/2018 on issuers of financial instruments and market operations for the twelve-month period ended December 31st, 2023, comprises accurate and real information regarding the development and performance of the company One United Properties S.A., as well as of the group to which it belongs.

Chairman of the Board of Directors

Claudio Cisullo

Executive Member of the Board of Directors

Victor Capitanu

Executive Member of the Board of Directors

Andrei-Liviu Diaconescu

ANNEXES

LIST OF RELEVANT LITIGATION FILES OF ONE GROUP COMPANIES 2023

20 March 2024

NOTE: **CLICK on the name of the company from the General Table will send you to the Litigation Table of the respective company. In the Litigation Tables of each company the pending court files, in which the ONE companies have active procedural capacity (where they are plaintiffs/ litigations that have been initiated by them) are marked with GREEN color and the pending court files, in which the ONE companies have passive procedural capacity (where they are defendants/ litigations initiated by third parties) are marked with RED color.**
CLICK on the court dates indicated in the last column of the Litigation Table will send you to the afferent link from the Courts' File Portal.
CLICK on the name of the company that appears in the Litigation Table will send you back to the General Table.

NO.	CURRENT NAME AND LEGAL FORM	TRADE REGISTER NUMBER	TAX CODE	ADDRESS	FORMER NAMES/LEGAL FORMS
1.	ONE COTROCENI PARK SRL	J40/16080/2017	RO 38236441	Bucharest, District 1, 20 Maxim Gorki Street	ONE HERASTRAU PROPERTIES SRL (15.09.2017)
2.	ONE MIRCEA ELIADE PROPERTIES SRL	J40/7492/2016	RO 36134550	Bucharest, District 1, 20 Maxim Gorki Street	ONE PRIMAVERII PROPERTIES SRL (19.05.2016)
	ONE UNITED TOWER SA	J40/20317/2017	RO 38586064	Bucharest, District 1, 20 Maxim Gorki Street	ONE UNITED TOWER SRL (28.02.2020)
3.	ONE MODROGAN SRL	J40/3313/2014	RO 32941698	Bucharest, District 1, 20 Maxim Gorki Street	ONE DOWNTOWN PROPERTIES SA (14.03.2014)
4.	ONE PENINSULA SRL	J40/5520/2014	RO 33142150	Bucharest, District 1, 20 Maxim Gorki Street	ONE HERASTRAU PARK RESIDENCE SA (07.05.2014) ONE HERASTRAU PARK RESIDENCE SRL (23.03.2018)
5.	ONE LAKE DISTRICT SRL	J40/16082/2017	RO 38236450	Bucharest, District 1, 20 Maxim Gorki Street	ONE DISTRICT PROPERTIES SRL (16.04.2020)
6.	ONE FLOREASCA TOWERS SRL	J40/9705/2019	RO 41434708	Bucharest, District 1, 20 Maxim Gorki Street	ONE HERASTRAU IV SRL (29.09.2020)
7.	ONE LAKE CLUB SRL	J40/8913/2021	RO 44312314	Bucharest, District 1, 20 Maxim Gorki Street	ONE PROIECT 6 SRL (01.11. 2021)

ONE COTROCENI PARK S.R.L.

No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**74586/3/2011***	CALOR S.R.L.	Bucharest Appeal Court	The subject of this litigation is a complex dispute over the validity of several Theda Mar property title documents over lots in the real estate project area, including lots purchased by One Cotroceni Park. These titles resulted from several dismantling operations, the legality of which is challenged by Calor S.R.L. The National Company for Railway Passenger Transport „CFR Călători" S.A. (SNCFR) was introduced in this litigation, also considering the existence of unused (non-functional) railway lines on the ground.	This case has already gone through a procedural cycle (first court, appeal court, second appeal court) being sent back to the first court for a retrial, when it received the file no. 74586/3/2011*. One Cotroceni Park (OCP) was introduced in the case on the **25.05.2020** court hearing. In the retrial of the case, on 13.12.2021, the Bucharest Tribunal has again rejected the claim in full. This decision was again appealed by the plaintiff. On 15.02.2023 a transaction agreement was concluded with the plaintiff (CALOR) which provides, inter alia, for the obligation of Calor to waive the request made in this case. At the hearing that took place on 02.05.2023, the plaintiff's waiver was registered by the Bucharest Appeal Court and the solution is now final and binding. **This case is closed.**	**CLOSED** on 02.05.2023
2	**7453/3/2016**	CALOR S.R.L.	Bucharest Tribunal	Cancellation of the first sale-purchase agreement from the series of agreements through which the lots adjacent to the project area were transferred. Calor S.R.L. disputes the validity of this first sale-purchase agreement and other	On the **15.09.2016** court hearing, the litigation was suspended until a final and binding court decision will be issued in file 11328/3/2015. After this court file was finalized with the court dismissing the requests of the plaintiff, Calor requested that the 7453/3/2016 court file is resumed and the court introduces SNCFR and One	**CLOSED** on 10.05.2023

				subsequent acts, also requesting land book rectifications.	Cotroceni Park in the case. On the **09.06.2021** court hearing, the litigation was again suspended until a final and binding solution will be issued in case files 74586/3/2011* and 6021/302/2018. On 15.02.2023 a transaction agreement was concluded with the plaintiff (CALOR) which provides, inter alia, for the obligation of Calor to waive the request made in this case. At the hearing that took place on 10.05.2023, the plaintiff's waiver was registered by the Bucharest Appeal Court and the solution is now final and binding. **This case is closed.**	
3	**11906/302/2018**	CALOR S.R.L.	District 5 Court	The purpose of this litigation is to establish the existence of constructions on the land in dispute with Theda Mar, which is also the subject of previous litigations. The alleged constructions targeted by the plaintiff consist of an alleged concrete access alleyway and a gas pipeline, apparently located on the defendants' land. The lack of certainty of the constructions actually targeted by the applicant and their actual position is confirmed even by the court which agreed to an on-spot investigation to clarify these issues, but which was postponed due to the suspension of the case.	This litigation is in the second procedural cycle (the first time, the petition was dismissed, in first court and in appeal court, as inadmissible, and in the second appeal phase the court ordered the retrial of the case). OCP was introduced in the case on **27.03.2019**, during the retrial of the case in first court. On **07.06.2019**, the trial of the case was suspended until a final and binding court solution will be issued in case files 74586/3/2011 * and 11328/3/2015. On 15.02.2023 a transaction agreement was concluded with the plaintiff (CALOR) which provides, inter alia, for the obligation of Calor to waive the request made in this case. At the hearing that took place on 25.05.2023, the plaintiff's waiver was registered by the Bucharest Appeal Court	**CLOSED** on 25.05.2023

					and the solution is now final and binding. **This case is closed.**	
4	**25837/3/2020**	CALOR S.R.L.	Bucharest Tribunal	The annulment of the sale agreement between Theda Mar and OCP, regarding a plot of land adjacent to the project, purchased in order to provide additional accesses to the project, from Progresului Street. Plaintiff Calor S.R.L. uses the same arguments as in the other litigations, regarding land dismantling process, as well as the public property right of the National Company for Railway Passenger Transport „CFR Călători" S.A. on the lots. The National Company for Railway Passenger Transport „CFR Călători" S.A. was forcibly introduced as a party in this litigation.	At the first court hearing of **14.05.2021**, the court ruled on the exceptions of unconstitutionality invoked in the case by the plaintiff and postponed the case until **17.09.2021**. At the **17.09.2021** court hearing, in order to take note of the newly registered documents and to clarify the court claim, the case was again postponed until **12.11.2021** when the request for forced intervention was admitted in principle. On 25.02.2022, the case was suspended until a final settlement of the file 74586/3/2011 will be reached. On 15.02.2023 a transaction agreement was concluded with the plaintiff (CALOR) which provides, inter alia, for the obligation of Calor to waive the request made in this case. At the hearing that took place on 16.06.2023, the plaintiff's waiver was registered by the Bucharest Appeal Court and the solution is now final and binding. **This case is closed.**	**CLOSED** on 16.06.2023

ONE MIRCEA ELIADE PROPERTIES S.R.L. and ONE UNITED TOWER S.A.

No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**25248/3/2018**	Asociația Mișcarea Civică Miliția Spirituală and Asociația Salvați Bucureștiul	Bucharest Appeal Court	In this case, the plaintiffs requested the annulment of the environmental agreement related to the first building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	In first court, on **25.08.2020** the plaintiffs' court claim was rejected in full, and they were ordered to pay over EUR 30.000 to the defendant companies, as legal expenses. The plaintiffs' appeals were rejected on **14.04.2022** (**2024 update**: the motivated court decision was communicated to the company on June 2023. No extraordinary appeal was filed. **The case is closed**)	**CLOSED** on 14.04.2022
2	**4858/3/2019**	Asociația Salvați Bucureștiul and Asociația SOS Orașul	Bucharest Appeal Court	In this case, the plaintiffs requested the annulment of the PUZ the first building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	In first court, on **30.12.2019** court hearing, the plaintiffs' court claim was rejected in full, with the court also ordering them to pay the legal expenses to the defendant companies. On **01.04.2022** the plaintiffs' appeals were rejected. (**2024 update**: the motivated court decision was communicated to the company in October 2023 and an extraordinary appeal was filed by one of the plaintiffs. This was registered under case file no. **7047/2/2023**)	**DEFINITIVE** since 01.04.2022
3	**7047/2/2023**	Asociația SOS Orașul	Bucharest Appeal Court	In this case file, the plaintiff Asociația SOS Orașul has filed an extraordinary appeal against the final and binding solution issued in case file 4858/3/2019.	The extraordinary appeal was filed on **23.10.2023** and the first hearing is scheduled for **12.03 2024**. In the written defense, the company has raised two objections because this extraordinary	18.06.2024

					appeal was late and is also inadmissible. (**2024 update**: On **12.03.2024** the case was postponed for procedural reasons – one of the parties was not correctly subpoenaed, and the next hearing is scheduled for **18.06.2024**.)	
4	**32311/3/2019**	Asociația Salvați Bucureștiul and Asociația SOS Orașul	Bucharest Appeal Court	In this case, the plaintiffs requested the annulment of the second building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	On the **02.06.2020** hearing, the court annulled the plaintiffs' petition to complete the main claim for not paying the relevant legal fees. The plaintiffs formulated a reexamination request on this matter (court file 32311/3/2019/a1) which was finally dismissed on **14.07.2020**. On the **12.01.2020** court hearing, the litigation was suspended until a final and binding court decision will be issued in case file 4858/3/2019. The case was reinstated after a final and binding decision was issued in case file 4858/3/2019. In 1st Court the plaintiffs' claim was rejected in full on **16.06.2022**. The plaintiffs have filed an appeal on **27.11.2023**. (**2024 update**: The appeal was communicated to the company, the company filed its defense and the 1st hearing in the appeal is scheduled for **31.10.2024**)	31.10.2024

ONE MODROGAN S.R.L.

No.	Court File	Name of opponent	Competent court	Litigation object	Litigation Status	Next hearing
1	**28412/3/2022**	The City of Bucharest, The General Mayor of the City of Bucharest and the General Council of the City of Bucharest	Bucharest Tribunal	The object of the litigation is represented by a guarantee claim formulated by One Modrogan against the Bucharest Municipality, General Mayor of Bucharest and the Bucharest General Council for the amount of 354.660.026 lei which was split from case file 11527/3/2022. The requested amount represents the damage (assessed when the petition was formulated) which would have been generated to ONE MODROGAN by the annulment of the documents on the basis of which the project was built (PUZ and building permit), subject to legality control in case file 11527/3/2022.	On **19.10.2022**, the case was suspended until the final settlement of court file 11527/3/2022. (**2024 update**: A final and binding decision has not yet been issued in case file 11527/3/2022. As such, this case file remains suspended.)	**SUSPENDED** on 19.10.2022

No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**20661/3/2020**	Uniunea Salvați România	Bucharest Appeal Court	In this litigation, the plaintiff requested the cancellation and suspension of PUZ Aleea Modrogan no. 1A until a final and binding solution will be issued in this case.	In 1st Court, on the **04.03.2021** court hearing, considering the capacity of the plaintiff – political party, the petition was dismissed as being formulated by a person lacking active procedural capacity. Right now the file is in the appeal phase at the Bucharest Appeal Court. On **29.03.2022** the	**CLOSED** on 21.09.2023

					case file was suspended for the Supreme Court of Justice to decide whether or not a political party is entitled to file this type of claim. The Supreme Court of Justice refused to decide on the specified matter. The case was reinstated and on 21.09.2023 the plaintiff's appeal was rejected in full. (**2024 update**: the final and binding court decision was communicated to the company in March 2023. **The case is closed.**)	
2	**11527/3/2022**	Asociația pentru Conservarea Integrată a Patrimoniului Natural și Cultural	Bucharest Tribunal	In this litigation, the plaintiff requested the annulment of the PUZ and the building permit related to the project in Aleea Modrogan no. 1A, and also the demolition of the already constructed buildings.	This case file is still in 1st Court. On **21.11.2023** the case was suspended until a final and binding decision will be issued in case file **34956/3/2021** concerning the Protected Areas Zoning Plan. (**2024 update**: Case file 34956/3/2021 is still in 1st Court and the next hearing is scheduled for 25.03.2024)	**SUSPENDED** on 21.11.2023

ONE PENINSULA S.R.L.

No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**34643/3/2020**	General Mayor of the City of Bucharest	Bucharest Appeal Court	The plaintiffs have requested the annulment of the building permit, town planning certificates and deforestation permit issued for the One Peninsula project. Subsequently, as per an additional request the plaintiffs request the annulment of the urban planning documents and the document issued by the Bucharest Environmental Protection Agency, which are the basis for issuing the building permit for the One Peninsula project.	This case file is now in the appeal stage. In 1st Court, the plaintiffs' claim was rejected in full on **30.06.2023**. After the case was won, a settlement was reached with the plaintiffs, and they have not filed an appeal. However, the General Mayor of Bucharest has filed an appeal. (**2024 update**: the first hearing in the appeal is scheduled for **22.11.2024**)	22.11.2024
2	**21714/3/2023**	Asociația SOS Orașul and Asociația pentru Conservarea Integrată a Patrimoniului Natural și Cultural	Bucharest Tribunal	The plaintiffs have requested the annulment of the building permits issued for the One Peninsula project	This litigation is still in 1st Court. In the written defense, the company has raised several objections. (**2024 update**: In the first hearing that occurred on 14.03.2024 the case was postponed for procedural reasons. The next hearing is scheduled for **25.04.2024**.)	25.04.2024
3	**30413/3/2023**	Asociația SOS Orașul and	Bucharest Tribunal	The plaintiffs have requested the annulment of the Zoning Plan	This litigation is still in 1st Court. In the written defense, the company has raised	10.04.2024

		Asociația pentru Conservarea Integrată a Patrimoniului Natural și Cultural		relevant for the building permits issued for the One Peninsula project	several objections. (**2024 update**: The first hearing is scheduled for **10.04.2024**.)	
4	**21715/3/2023**	Asociația SOS Orașul and Asociația pentru Conservarea Integrată a Patrimoniului Natural și Cultural	Bucharest Tribunal	The plaintiffs have requested the suspension of the relevant Zoning Plan and of the building permits issued for the One Peninsula project	This litigation is still in 1st Court. In the written defense, the company has raised several objections. Several postponements were granted for procedural reasons. Case file 34852/3/2023 was also joined to this case file (**2024 update**: Next hearing is scheduled for **27.04.2024**.)	27.03.2024

ONE LAKE DISTRICT S.R.L.

No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**31086/3/2023**	The City of Bucharest and The General Mayor of the City of Bucharest	Bucharest Tribunal	The plaintiffs have requested the annulment of the building permit issued for the One Lake District project	This litigation is still in 1st Court. In the written defense, the company has raised several objections. (**2024 update**: On **11.03.2024** the court has decided to establish if the plaintiffs are allowed to file this type of request. The court has postponed its decision because of a recusation request filed by the plaintiffs. The recusation request was filed because this judge has already decided in two different cases that the plaintiffs cannot file this type of request. The recusation claim will be ruled upon on **27.03.2024**.)	**DECISION** to be issued on 27.03.2024

ONE FLOREASCA TOWERS S.R.L.

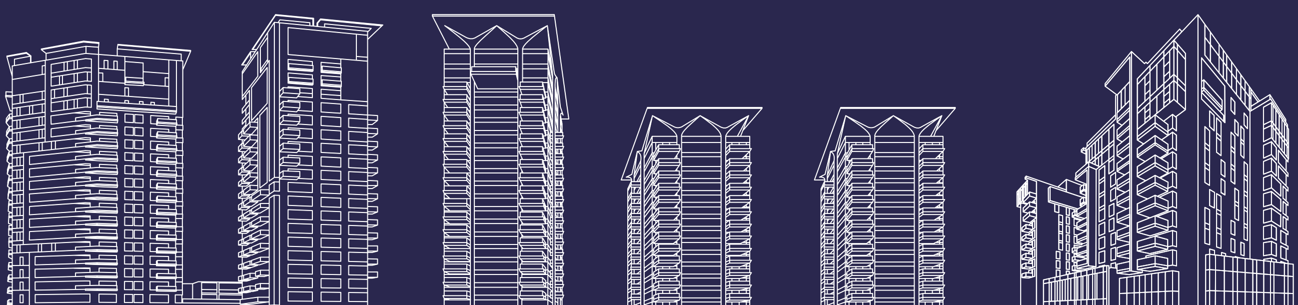
No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**18079/3/2023**	The City of Bucharest and The General Mayor of the City of Bucharest	Bucharest Tribunal	The plaintiffs have requested the annulment of the building permit issued for the One Floreasca Towers project	The litigation was won in 1st Court. (**2024 update**: On the 1st hearing on **07.02.2024**, the court decided that the plaintiffs cannot file this type of claim against the company and has rejected the claim in full. The plaintiffs have filed an appeal with the Bucharest Appeal Court. Until now, the appeal was not yet communicated to the company and the appeal case file is not yet available online)	**DECISION** issued on 07.02.2024

ONE LAKE CLUB S.R.L.

No.	Court File	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**18043/3/2023**	The City of Bucharest and The General Mayor of the City of Bucharest	Bucharest Tribunal	The plaintiffs have requested the annulment of the building permit issued for the One Lake Club project	The litigation was won in 1st Court. (**2024 update**: On the 1st hearing on **17.01.2024**, the court decided that the plaintiffs cannot file this type of claim against the company and has rejected the claim in full. The plaintiffs have filed an appeal with the Bucharest Appeal Court. Until now, the appeal was not yet communicated to the company and the appeal case file is not yet available online)	**DECISION** issued on 17.01.2024

one

UNITED PROPERTIES



ONE UNITED PROPERTIES SA
AND SUBSIDIARIES

Consolidated financial statements for the year ended 31 December 2023

Prepared in accordance with the Ministry of Finance Order no. 2844/2016 for the approval of accounting regulations compliant with the International Financial Reporting Standards

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
One United Properties S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of One United Properties S.A. and its subsidiaries ("the Group"), with registered office in Bucharest District 1, MAXIM GORKI 20, identified by unique tax registration code 22767862, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

2. The consolidated financial statements as at December 31, 2023 are identified as follows:

• Net assets / Equity	RON	2,862,928,546
• Net profit for the financial year	RON	449,618,530

3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the matter
Valuation of Investment Property As disclosed in Note 8 to the consolidated financial statements, investment property held by the Group is recorded at RON 2,710,669,855 as of December 31, 2023 (December 31, 2022: RON 2,251,984,947). Investment properties primarily represent office buildings, land plots and others. The Group applies the fair value model after initial recognition. Fair value of investment property is determined on the basis of a valuation performed by an independent appraiser, with experience in this industry. Any changes in fair value are recognized in profit or loss account. The valuation method used by the independent appraiser includes inputs and data from various sources, based on the type of the asset and a high degree of estimates. In the Romanian market actual transaction values for real estate deals are not publicly available and there is not a high volume of transactions in larger land plots or office buildings. The sales comparable method and income methods therefore have inherent limitations and a significant degree of judgement is required in its application. Because of the significance of estimates and judgements involved in assessing this area and considering the significant value of Investment Property, we consider that the valuation of investment property is a key audit matter.	Our procedures in relation to management's valuation of investment properties include: - Evaluation of the independent external valuers' competence, capabilities and objectivity; - Assessing the methodologies used by the independent appraiser and the appropriateness of the key assumptions based on our knowledge of the property industry and using our in-house valuation experts; - Performing sensitivity analysis by comparing the recorded values to market prices of similar assets in the same area; - Assessment of the appropriateness of the classification of investment properties by understanding the business models and management's judgements, corroborated with understanding of each asset subject to transfers, and - Assessing the disclosures of the key assumptions used in valuation and the approach accepted by management on the key inputs with the change from the prior year to the current year, together with its effect on the current year income statement including the disclosure of sensitivities as disclosed in Note 8.
Recognition of Revenues from sales of residential property As disclosed in Note 20 to the consolidated financial statements, revenues from sales of residential property recognized by the Group is recorded at RON 1,130,393,968 as of December 31, 2023 (December 31, 2022: RON 769,518,382). Revenue is an important indicator used to evaluate the performance of the Group. As there is a significant judgement involved in the process of revenue recognition, there is a potential risk that the revenue is presented at different amounts than what has been actually generated by the Group. The Group has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For contracts relating to the sale of property under development, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time. The Group has determined that the input method is method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.	Our procedures in relation to management's recognition of revenues from sales of residential property include: - We tested samples of bilateral sale-purchase promise for accuracy of value of salable area and price. - We tested key reconciliations used by the management to assess the completeness and accuracy of revenue. - We performed a review of a sample of projects, we challenged management where savings from the budget had been made or additional costs had not been recorded. - Obtaining an understanding of the accounting policies used in the preparation of the consolidated financial statements, with respect to revenue recognition. - Performing analytical procedures on all type of sales. - Assess the completeness and adequacy of disclosures related to revenue, including the key assumptions.

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Key Audit Matter	How our audit addressed the matter
For each development there is significant judgement in the following areas: - estimating the inputs included within a site budget in order to determine the level of profit that each project of the development is forecast to deliver. These inputs include the total estimated costs to complete and saleable area; - recording the variation when a deviation from the initial budget occurs and ensuring such variations are appropriately recognized. Considering that the recognition of revenues relating to the sale of property under development are mainly dependent on the inputs used to measure progress and involves judgements that significantly affect the determination of the amount and timing of revenue we have concluded that the recognition of revenue is a key audit matter that will be addressed in our audit.	

Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' Consolidated report and the Remuneration report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information – Administrators' consolidated report

With respect to the Administrators' consolidated report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

a) the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements;

b) the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the consolidated financial statements prepared at December 31, 2023, we are required to report if we have identified a material misstatement of this Administrators' consolidated report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. We were appointed by the General Meeting of Shareholders on April 25, 2023 to audit the consolidated financial statements of One United Properties S.A for the financial year ended December 31, 2023. The uninterrupted total duration of our commitment is including previous reappointments for statutory auditor, has lasted for 7 years, covering the financial years ended December 31, 2017 until December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Ioana Alina Mirea.

Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the consolidated financial statements included in the annual financial report of One United Properties S.A. ("the Company") as presented in the digital files which contain the unique LEI code 254900MLAOUEFANMAD8 ("Digital Files").

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

Management is responsible for preparing Digital Files that comply with the ESEF. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;

- the selection and application of appropriate iXBRL mark-ups;

- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for Audit of the Digital Files

Our responsibility is to express a conclusion on whether the consolidated financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

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Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;

- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Company to be submitted in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments;

- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format;

- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the consolidated financial statements for the year ended December 31, 2023 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Company for the year ended December 31, 2023 is set out in the "*Report on the audit of the consolidated financial statements*" section above.

Ioana Alina Mirea, Audit Partner

For signature, please refer to the original signed Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. AF 1504

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. FA 25

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
March 25, 2024

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill	**7**	19,256,076	19,256,076
Intangible assets	**7**	16,967,132	15,259,605
Property, plant and equipment	**6**	52,595,794	51,131,523
Right of use assets	**16**	1,868,857	2,687,154
Investment properties	**8**	2,710,669,855	2,251,984,947
Investments in associates	**17**	8,666,072	3,369,877
Other non-current assets	**11**	26,955,436	16,917,499
Total non-current assets		**2,836,979,222**	**2,360,606,681**
Current assets			
Inventories	**9**	1,002,664,774	662,994,340
Advance payments to suppliers	**10**	129,869,872	116,316,909
Trade receivables	**11**	489,466,746	392,002,622
Other receivables	**11**	92,833,787	112,944,944
Prepayments		14,650,932	24,924,944
Cash and cash equivalents	**12**	420,739,095	566,960,043
Total current assets		**2,150,225,206**	**1,876,143,802**
TOTAL ASSETS		**4,987,204,428**	**4,236,750,483**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	759,530,863	740,563,717
Share premium	**14**	91,530,821	27,981,399
Own shares		(3,468,115)	1,029
Other capital reserves	**14**	21,140,590	51,848,900
Legal reserves	**14**	25,713,307	17,452,635
Retained earnings		1,496,291,804	1,184,656,306
Equity attributable to owners of the Group		**2,390,739,270**	**2,022,503,986**
Non-controlling interests		472,189,276	508,822,702
Total equity		**2,862,928,546**	**2,531,326,688**
Non-current liabilities			
Loans and borrowings from bank and others	**15**	827,819,156	654,206,589
Loans and borrowings from minority shareholders	**15**	82,609,273	3,528,882
Trade and other payables	**18**	1,944,934	23,442,273
Lease liabilities	**16**	2,646,947	2,646,947
Deferred tax liabilities	**13**	321,771,977	272,828,037
Total non-current liabilities		**1,236,792,287**	**956,652,728**

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Current liabilities			
Loans and borrowings from bank and others	**15**	117,201,920	172,421,627
Loans and borrowings from minority shareholders	**15**	38,651	47,528
Lease liabilities	**16**	274,592	778,490
Trade and other payables	**18**	354,378,291	271,065,556
Accrued income		20,734,382	11,099,273
Current tax liabilities	**13**	5,247,540	717,144
Advance payments from customers	**19**	389,608,219	292,641,449
Total current liabilities		**887,483,595**	**748,771,067**
Total liabilities		**2,124,275,882**	**1,705,423,795**
TOTAL EQUITY AND LIABILITIES		**4,987,204,428**	**4,236,750,483**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 22 March 2024 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Revenues from sales of residential property	20	1,130,393,968	769,518,382
Cost of sales of residential property	20	(802,740,979)	(445,459,287)
Other property operating expenses - residential		(12,124,094)	(5,133,247)
Net income from residential property		**315,528,895**	**318,925,848**
Gains from investment property under development	8	20,444,086	54,883,687
Gains from completed investment property	8	180,211,310	88,485,173
Gains from investment property for further development	8	59,976,400	75,097,712
Gains from investment property		**260,631,796**	**218,466,572**
Gains on the bargain purchase	8	-	94,079,969
Rental income	21	98,073,783	62,377,460
Revenues from services to tenants		30,280,868	16,532,162
Expenses from services to tenants		(30,280,868)	(16,532,162)
Other property operating expenses		(11,452,425)	(8,171,409)
Net rental income		**86,621,358**	**54,206,051**
Commissions for brokerage real estate	22	(14,977,030)	(9,255,427)
Administrative expenses	23	(82,020,505)	(90,436,029)
Other operating expenses	24	(14,665,945)	(15,308,340)
Profit/(Loss) on disposal of investment property		5,888,494	304,746
Other operating income		4,686,698	5,141,316
Result from ordinary activities		**561,693,761**	**576,124,706**
Financial income	25	26,840,583	18,348,129
Financial expenses	25	(62,109,094)	(21,966,642)
Net financial result		**(35,268,511)**	**(3,618,513)**
Share of result of associates	17	5,296,195	402,719
Result before tax		**531,721,445**	**572,908,912**
Tax on profit	13	(82,102,915)	(70,431,447)
Net result of the period		**449,618,530**	**502,477,465**
Total comprehensive income for the period		**449,618,530**	**502,477,465**
Net result attributable to:			
Owners of the Group		415,960,172	442,014,509
Non-controlling interests		33,658,358	60,462,956
Total comprehensive income attributable to:			
Owners of the Group		415,960,172	442,014,509
Non-controlling interests		33,658,358	60,462,956
Basic earnings per share attributable to equity holders	33	0.12	0.18
Diluted earnings per share attributable to equity holders	33	0.12	0.17

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 22 March 2024 and signed on its behalf by:

Victor Capitanu	*Valentin-Cosmin Samoila*
Administrator	*Chief Financial Officer*

	Notes	Share capital	Share premiums	Legal reserves	Other capital reserves	Own shares	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2023		**740,563,717**	**27,981,399**	**17,452,635**	**51,848,900**	**1,029**	**1,184,656,306**	**508,822,702**	**2,531,326,688**
Profit of the year		-	-	-	-	-	415,960,172	33,658,358	**449,618,530**
Dividends allocated from the statutory profit	14	-	-	-	-	-	(73,130,616)	(1,936,085)	**(75,066,701)**
Issue of ordinary shares	14	18,967,146	63,549,422	-	-	-	-	-	**82,516,568**
Transfer of legal reserve in/from retained earnings	14	-	-	8,260,672	-	-	(8,260,672)	-	**-**
Transfer of other capital reserve in/from retained earnings		-	-	-	-	-	-	-	**-**
Transactions with non-controlling interests	27	-	-	-	-	-	3,750,754	(68,841,699)	**(65,090,945)**
Acquisition of own shares		-	-	-	-	(3,469,144)	-	-	**(3,469,144)**
Stock option plan	14	-	-	-	(30,708,310)	-	(26,684,140)	-	**(57,392,450)**
Non-controlling interest on acquisition of subsidiary or change in share capital of subsidiary	27	-	-	-	-	-	-	486,000	**486,000**
Balance as at 31 December 2023		**759,530,863**	**91,530,821**	**25,713,307**	**21,140,590**	**(3,468,115)**	**1,496,291,804**	**472,189,276**	**2,862,928,546**

(Amounts are expressed in RON, unless otherwise mentioned)

	Notes	Share capital	Share premiums	Legal reserves	Other capital reserves	Own shares	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2022		**514,828,059**	**4,307,781**	**11,437,359**	**1,390,179**	**0**	**791,788,303**	**323,205,535**	**1,646,957,216**
Profit of the year		-	-	-	-	-	442,014,509	60,462,956	**502,477,465**
Dividends allocated from the statutory profit	14	-	-	-	-	-	(42,473,315)	(882,000)	**(43,355,315)**
Issue of ordinary shares	14	40,594,729	213,122,328	-	-	-	-	-	**253,717,057**
Issue of ordinary shares- premium shares conversion	14	185,140,929	(185,140,929)	-	-	-	-	-	**-**
IPO costs	3	-	-	-	-	-	(1,514,709)	-	**(1,514,709)**
Transfer from share premiums in other reserves		-	(4,307,781)	-	4,307,781	-	-	-	**-**
Transfer of legal reserve in/from retained earnings	14	-	-	6,015,276	-	-	(6,015,276)	-	**-**
Transactions with non-controlling interests	27	-	-	-	-	-	856,794	(10,898,032)	**(10,041,238)**
Acquisition of own shares		-	-	-	-	1,029	-	-	**1,029**
Stock option plan	14	-	-	-	46,150,940	-	-	-	**46,150,940**
Non-controlling interest on acquisition of subsidiary or change in share capital of subsidiary	27	-	-	-	-	-	-	136,934,243	**136,934,243**
Balance as at 31 December 2022		**740,563,717**	**27,981,399**	**17,452,635**	**51,848,900**	**1,029**	**1,184,656,306**	**508,822,702**	**2,531,326,688**

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Cash flows from operating activities			
Result for the year		**449,618,530**	**502,477,465**
Adjustments for:			
Depreciation and amortization	**23**	4,124,133	2,519,971
Other financial income	**25**	(4,339,995)	(4,861,828)
Share of result of associates	**17**	(5,296,195)	(402,719)
Allowances for current assets – receivables and other provisions	**24**	(1,281,899)	5,258,735
Increase in fair value of investment property	**8**	(260,631,796)	(218,466,572)
Gain on the bargain purchase	**8**	-	(94,079,969)
Profit/(Loss) on disposal of investment property		(5,888,494)	(304,746)
Share-based payments	**23**	25,124,118	46,150,940
(Gain)/Loss on sale of property, plant and equipment		(22,521)	19,449
Unrealised foreign exchange loss/(gain)		5,242,140	1,363,740
Interest expenses	**25**	56,907,656	21,966,642
Interest income	**25**	(22,500,588)	(13,393,219)
Income tax expenses	**13**	82,102,915	70,431,447
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		(149,004,196)	(210,660,660)
(Increase)/Decrease in inventory property		(339,959,363)	(89,760,315)
Increase/(Decrease) in trade and other payables		(34,412,620)	60,888,357
Increase/(Decrease) in advance payments from customers		96,966,770	(113,623,117)
Income tax paid		(8,282,955)	(6,605,466)
Working capital from acquisition of new subsidiaries		-	11,656,689
Net cash from operating activities		**(111,534,360)**	**(29,425,176)**
Acquisition of property, plant and equipment		(5,210,921)	(7,759,799)
Acquisition of intangible assets		(2,145,841)	(422,438)
Acquisition of investment property		(183,402,166)	(285,031,660)
Expenditure on investment property under development		(14,389,524)	(111,294,812)
Expenditure on completed investment property		(60,851,707)	(78,333,026)
Proceeds from sale of property, plant and equipment		261,508	5,043
Proceeds from sale of investment property		86,278,938	8,436,741
Amounts paid for transactions with non-controlling interest	**27**	(14,884,945)	(10,041,238)
Advances received for transaction with non-controlling interests	**18**	44,513,870	-
Interest received		21,212,594	13,393,219
Net payments for loans granted		(2,206,147)	-
Other financial income	**23**	4,339,995	4,861,828
Net cash flows used in investing activities		**(126,484,346)**	**(466,186,142)**
Proceeds from loans and borrowings	**28**	406,344,378	438,871,492
Repayment of borrowings	**28**	(214,253,838)	(38,600,730)
Dividends paid		(39,378,782)	(77,771,559)
Proceeds from issue of share capital and share premium		-	253,717,057
Acquisition of treasury shares		(3,469,144)	-
Interest paid	**28**	(56,912,939)	(21,460,144)
Principal elements of lease payments	**28**	(531,917)	(531,916)
Net cash from financing activities		**91,797,758**	**554,224,200**
Net changes in cash and cash equivalents		(146,220,948)	58,612,882
Cash and cash equivalents at the beginning of the year		**566,960,043**	**508,347,161**
Cash and cash equivalents at the end of the year	**12**	**420,739,095**	**566,960,043**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION

The consolidated financial statements of One United Properties SA and its subsidiaries (collectively, the Group) for the year ended 31 December 2023 were approved by the board of directors and authorized for issue on 22 March 2024.

The parent company, **One United Properties SA (the "Company")**, was established in 2007 according to Law no. 31/1990, having as object of activity real estate development and sale. The Company has fiscal code RO22767862 and is registered with the Trade Registry under no. J40/21705/2007. The registered office of the Company is at Maxim Gorki street 20, Bucharest, district 1 and second office at Calea Floreasca no 159, Building One Tower, Bucharest, district 1.

The share capital of the Company is RON 759,530,863 divided into 3,797,654,315 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 27.7159% each and other shareholders holding 44.5682%. All shares are paid in full.

The Company shares floated on Bucharest Stock Exchange (BVB) on 12 July 2021, following an initial public offering that took place between 22 June 2021 and 02 July 2021, during which the company raised RON 259,112,477.28 for further developments and investments in both the residential and office segments. As of 20 September 2021, the Company shares are included in the BET index, which follows the evolution of the 19 most liquid companies listed on the Bucharest Stock Exchange. On 20 December 2021, the Company shares entered the FTSE Global All Cap index. The global index provider FTSE Russell announced, following the quarterly review, that the Company's shares are included, as of 20.06.2022, in the FTSE EPRA Nareit EMEA Emerging Index.

The object of activity of the Group consists in the development and sale/lease of residences, offices and retail in Bucharest, Romania.
The Company had the following subsidiaries undertakings as at 31 December 2023 and 31 December 2022:

Name of the subsidiary	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One Modrogan SRL	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Romania	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Romania	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Romania	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Romania	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Romania	85.22%	67.69%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION (CONTINUED)

Group companies	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One United Tower SA (former One United Tower SRL)	Real estate developer in Romania	71.46%	70.24%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SA	Real estate developer in Romania	67.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Romania	67.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 4 SA (former One Cotroceni Park Office Faza 3 SA)	Real estate developer in Romania	100.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 19 SRL (former One Mamaia SRL)	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One High District SRL (former One Proiect 1 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club SRL (former One Proiect 6 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City SRL (former One Proiect 7 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Carpathian Lodge Magura SRL (former Carpathian Estate SRL)	Real estate developer in Romania	66.72%	66.72%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 8 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One City Club SRL (former One Proiect 9 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Dowtown SRL (former of One Proiect 10 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 24 SRL (former One United Italia SRL)	Real estate developer in Romania	90.00%	90.00%	Maxim Gorki street 20, Bucharest, district 1
Bo Retail Invest SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Bucur Obor SA	Lease of retail space	54.44%	54.44%	Colentina street 2, Bucharest, district 2
One United Management Services SRL	Management services	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION (CONTINUED)

Group companies	Activity	% Ownership as at 31 December 2023	% Ownership as at 31 December 2022	Registered office
One Proiect 11 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 12 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 15 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Eliade Tower SRL	Renting office premises in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Park Line SRL (former of One Proiect 16 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Technology District SRL (former of One Proiect 17 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 18 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 2 SRL	Real estate developer in Romania	0.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 20 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 22 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 21 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Baneasa Airpark SRL (former of One Proiect 23 SRL)	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1

During 2023, four new subsidiaries were established within the One group: One Proiect 20 SRL, One Proiect 21 SRL, One Proiect 22 SRL and One Baneasa Airpark SRL (former of One Proiect 23 SRL).

The Company have increased its ownership in the share capital of the subsidiaries as follows:

- One North Gate SA from 67.69% to 85.22%, the total consideration price for the shares acquired is RON 9,112,073.
- One United Tower SA from 70.24% to 71.46%, the total consideration price for the shares acquired is RON 2,758,672.
- One Herastrau Plaza SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900.
- One Lake District SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900.
- One Cotroceni Park Office Faza 4 SA from 80.00% to 100.00%, the total consideration price for the shares acquired is RON 18,000.
- One Cotroceni Park Office SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 35,301,200;
- One Cotroceni Park Office Faza 2 SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 17,899,200;

The scope of the consolidation is summarized below:

Scope of consolidation	Subsidiaries full consolidation	Associates at equity	Total
Balance on 31 December 2022	**49**	**7**	**56**
Acquisitions	-	-	-
New foundations	4	-	4
Disposal	(1)	(1)	(2)
Balance on 31 December 2023	**52**	**6**	**58**

NOTE 2. GENERAL INFORMATION

2.a Basis of preparation

The Group has prepared financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2023, notes comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards ("OMFP nr. 2844/2016"). According to OMFP no. 2844/2016, International Financial Reporting Standards are the standards adopted according to the procedures of the European Commission Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (IFRS).

The accompanying consolidated financial statements are based on the statutory accounting records of the Group, adjusted and reclassified in order to obtain a fair presentation, according to IFRS. The consolidated financial statements provide comparative information in respect of the previous period.

The Group's financial statements have been prepared on a historical cost basis, except for investment property and financial assets and liabilities (where the case) at fair value through profit or loss which are measured at fair value. Assumptions underlying management's estimates of fair value are detailed in Note 8. The consolidated financial statements are presented in RON, except where otherwise indicated.

2.b Going concern

The Management have considered the appropriateness of adopting the going concern basis in preparing the consolidated financial statements. The Group's going concern assessment covers the period to 31 December 2024 (the "going concern period"), being at least 12 months from the date of authorisation of consolidated financial statements.

The Group has prepared forecasts, including certain sensitivities, considering the potential impact on the business considering current economic factors, such as inflation raise and the armed conflict between Russia and Ukraine. Having considered these forecasts and that the Group has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general. Accordingly, the consolidated financial statements have been prepared on a going concern basis, which means that the Group will continue its activity in the foreseeable future, the current results estimated by the management of the companies and shareholders being considered solid.

2.c Standards, amendments and new interpretations of the standards

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

New and amended standards and interpretations effective for the current reporting period

The following new standards, amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period and their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- **New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17"** issued by IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while applied. Amendments to IFRS 17 "Insurance Contracts" issued by IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments issued on 25 June 2020 introduce simplifications and clarifications of some requirements in the Standard and provide additional reliefs when applying IFRS 17 for the first time.

NOTE 2. GENERAL INFORMATION (continued)

2.c Standards, amendments and new interpretations of the standards (continued)

- **Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure of Accounting Policies** issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.
- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates** issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.
- **Amendments to IAS 12 "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction** issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.
- **Amendments to IAS 12 "Income Taxes" - International Tax Reform — Pillar Two Model Rules** issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued and adopted by the EU but are not yet effective:

- **Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
- **Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 "Presentation of Financial Statements" - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

New and revised IFRS Accounting Standards in issue but not adopted by the EU

- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - Supplier Finance Arrangements** issued by IASB on 25 May 2023. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability** issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- **IFRS 14 "Regulatory Deferral Accounts"** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

NOTE 2. GENERAL INFORMATION (continued)

2.c Standards, amendments and new interpretations of the standards (continued)

The Group do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

NOTE 3. ACCOUNTING POLICIES

The accounting policies presented below were consistently applied for all periods shown in these consolidated financial statements by the parent company and its subsidiaries.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December, each year. Control is achieved where the Company:
– has the power over the investee;
– is exposed, or has rights, to variable return from its involvement with the investee; and
– has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary. The subsidiaries' financial statements are prepared for the same reporting period as those of the parent company, using consistent accounting policies.
The global result of a subsidiary is attributed to the equity holders of the parent company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance.

Changes in the ownership of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control on a subsidiary, then it will derecognize the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Intra-group transactions

All intra-group assets and liabilities, allotments of dividends and intra-group transactions as well as any profit not realised as result of intra-group transactions are eliminated in full on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.

Non-controlling interest and others

The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the value of the assets and liabilities recognised. Subsequently, all comprehensive income is attributed to the owners and the non-controlling interests, which may result in the non-controlling interest having a debit balance.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where a subsidiary is disposed of which constituted a major line of business, it is disclosed as a discontinued operation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

If there is objective evidence that the Group's net investment in an associate is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9.

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee.

NOTE 3. ACCOUNTING POLICIES (continued)

3.2 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification, except residential, where the operating cycle is of three years. Refer to 3.b.3.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.3 Revenue

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Group.

The Group's key sources of income include:

- Revenue from contracts with customers:
    - Sale of residential property – completed property and property under development
    - Services to tenants including management charges and other expenses recoverable from tenants
- Rental income

3.3.1 Revenues from the sale of residential property

The Group enters into contracts with customers to sell property that are either completed or under development.

i) Completed inventory property

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied. Payments are usually received on the date when contracts are signed or with several days delay.

ii) Property under development related to residential

The Group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work.

NOTE 3. ACCOUNTING POLICIES (continued)

The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

Revenue arising on contracts which give the customer control over properties as they are constructed, and for which the Group has an enforceable right to payments for work performed to date, is recognised over time. For contracts that meet the overtime revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, costs incurred or labour hours expended) relative to the total expected inputs to the completion of the property.

The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation (such as uninstalled materials).
Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. When legal title to land is transferred at the start of a long-term contract, revenue is recognised at that point in time for the land.

Where the outcome of a long-term contract cannot be estimated reliably, contract revenue where recoverability is probable is recognised to the extent of contract costs incurred. The costs associated with fulfilling a contract are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from construction of residential properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, an input method that is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the group recognises a contract liability for the difference.

iii) Other consideration related to the sale of residential property

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract for the sale of property under development includes a variable amount in the form of delay penalties and, in limited cases, early completion bonuses, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur. At the end of each reporting period, an entity updates the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

In most of the contracts involving the sale of property, the Group is entitled to receive an initial deposit. The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

In addition, for contracts involving the sale of property under development, the Group requires customers to make progress payments of the selling price, as work goes on, that give rise to a significant financing component. For contracts where revenue is recognised over time, the Group uses the practical expedient for the significant financing component, as it generally expects, at contract inception, that the length of time between when the customers pay for the asset and when the Group transfers the asset to the customer will be short.

NOTE 3. ACCOUNTING POLICIES (continued)

3.3 Revenue (continued)

3.3.1 Revenues from the sale of residential property (continued)

Part exchange

In certain instances, property may be accepted in part consideration for a sale of a residential property. The fair value of the exchanged property is established by independent surveyors or by the parties, reduced for costs to sell. The original sale is recorded in the normal way, with the fair value of the exchanged property replacing cash receipts.

3.3.2 Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognised in the statement of profit or loss when the right to receive them arises.

3.3.3 Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16.

These agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, landscaping and snow removal of common areas), as well as other support services (e.g., reception services, catering and other event related services). These services are specified in the lease agreements and separately invoiced.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15.

The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

3.4 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer.

Contract assets are initially recognised for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables. Contract assets are subject to impairment assessment.

NOTE 3. ACCOUNTING POLICIES (continued)

3.4 Contract assets and contract liabilities (continued)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to the customer.

In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Trade receivables", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statement of financial position under "Advance payments from customers". Contract liabilities include non-refundable deposits received from customers on conditional exchange of contracts relating to sale of property under development.

3.5 Foreign currencies

The Group's consolidated financial statements are presented in RON, which is also the parent Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an investment property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is capitalised from the commencement of the development work until the date of practical completion, i.e., when substantially all the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs incurred in relation to property under development are expensed as incurred.

Group subsidiaries provide collateral for loans related to project financing. Financing is generally concluded at the individual project level, and each company or property is responsible for the related debt service. As security for the loan, the lending bank receives a package of collateral that can be used to satisfy the receivable in the event a loan is called. This package can include the following types of collateral:

– Mortgage on the land or the land and the building
– Pledge of receivables
– Pledge of bank accounts

NOTE 3. ACCOUNTING POLICIES (continued)

3.7 Investment property

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally offices, commercial and retail property that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If an inventory property or a property under development becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

The Group considers as evidence the receipt of the construction permit and the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party or change in the construction permit scope (for a transfer from inventories to investment property).

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

3.8 Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 3. ACCOUNTING POLICIES (continued)

3.8 Inventory property (continued)

When an inventory property is sold, the carrying amount of the property is recognized as an expense in the period in which the related revenue is recognized. The carrying amount of inventory property recognized in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

3.9 Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.
The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

NOTE 3. ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

As the Group's rent and other trade receivables do not contain a significant financing component, they are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
Since the Group's financial assets (rent and other trade receivables, cash and short-term deposits, loans issued) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all receivables and contract assets held by the Group. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTE 3. ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

For trade and other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Financial assets are written off when there is no reasonable expectation of recovery.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. For all the financial assets due more than 90 days, the Group performs cash collection procedures. The Group maintains close client relationships through its internal sales team, and clients' creditworthiness is monitored regularly by the Group's team.

Financial liabilities

Initial recognition and measurement

The Group's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on lease for the initial recognition and measurement of finance lease liabilities, as this is not in the scope of IFRS 9.

All financial liabilities are recognized initially at fair value and, in the case of all financial liabilities except derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Advance payments from customers

Advance payments from customers, measured at amortised cost, are recorded as a liability on receipt and released to the income statement as revenue upon legal completion or over time where the Group has a right to payments for work performed.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTE 3. ACCOUNTING POLICIES (continued)

3.11 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

NOTE 3. ACCOUNTING POLICIES (continued)

3.12 Leases (continued)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Refer to the accounting policies on rental income.

3.13 Rent receivables

Rent receivables are recognized at their original invoiced value except where the time value of money is material, in which case rent receivables are recognized at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets in this note.

3.14 Tenant deposits

Tenant deposits are initially recognized at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognized on a straight-line basis over the lease term. Refer also to accounting policies on financial liabilities in this note.

3.15 Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from property development activities, but not yet to be billed to customers, is initially recognized as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. Refer also to the accounting policies on financial assets in this note for more information.

3.16 Warranties

The sale of property contains certain warranties covering a period of up to 3 years after completion of the property, such as the property meeting specific operational performance requirements (e.g., insulation, energy efficiency, etc.). These conditions represent 'assurance-type' warranties that are legally required to be provided as quality guarantees. Minor repairs are expensed immediately and included in other property operating expenses.

A provision is recognized for expected warranty claims on property sold during the year, based on past experience of the level of major repairs and considering also the stipulations in the contracts with the suppliers (which offer in return warranty for the services provided and the equipment installed). Assurance-type warranty provisions for the year are charged to cost of sales. The estimate of such provision is revised annually.

3.17 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognized its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

NOTE 3. ACCOUNTING POLICIES (continued)

3.17 Investment in associates (continued)

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

3.18 Intangible assets

i) Goodwill

Goodwill is measured as described in note 4.1. Goodwill is not amortized but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Once impaired, goodwill can no longer be appreciated.

ii) Licences

Separately acquired licences are shown at historical cost. Licences acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

iii) Software

Separately acquired software is measured at cost. After initial recognition, the software is carried at cost less any accumulated amortization and any accumulated impairment losses, if any.

Costs associated with maintaining software programmes are recognized as an expense as incurred.

iv) Brand and client relationship (Intangible assets acquired in a business combination)

In accordance with IFRS 3 Business Combinations, if an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. The fair value of an intangible asset will reflect market participants' expectations at the acquisition date about the probability that the expected future economic benefits embodied in the asset will flow to the entity.
In other words, the entity expects there to be an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. If an asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure reliably the fair value of the asset.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses.

v) Amortisation method and period

Software is amortized on a straight-line basis for a period of maximum 3 years, licenses are amortized over their validity periods and the brand is amortized on a straight-line basis for a period of maximum 20 years. The amortization period and amortization method for an intangible asset with a determined useful life are reviewed at least at the end of each reporting period. Changes in expected useful lives or expected future economic benefits embodied in assets are accounted for by changes in the method or the amortization period as appropriate and are treated as changes in accounting estimates.

NOTE 3. ACCOUNTING POLICIES (continued)

3.18 Intangible assets (continued)

Gains or losses arising from the derecognition of an intangible asset are calculated as difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss when the asset is derecognized.

i) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.19 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance costs are recognized in profit or loss when incurred.

Depreciation

The economic useful life is the amount of time that the asset is expected to be used by the Group. Depreciation is calculated using the straight-line method over the life of the asset.

Type	**Useful life**
Light constructions (shacks, etc.)	3-10 years
Building	8-40 years
Technological equipment	1-5 years
Vehicles	3-5 years
Other fixed assets and IT equipment	1-5 years

The useful life and depreciation method are reviewed periodically and, if necessary, adjusted prospectively, so that there is a consistency with the expected economic benefits of those assets.

Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement when the asset is derecognized.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to accounting policies on impairment on non-financial assets in this note.

3.20 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTE 3. ACCOUNTING POLICIES (continued)

3.20 Taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if there is new information about changes in facts and circumstances. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.21 Share-based payments

Employees (senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

NOTE 3. ACCOUNTING POLICIES (continued)

3.21 Share-based payments (continued)

That cost is recognized in administrative expenses, together with a corresponding increase in other reserves in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in administrative expenses.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

3.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.23 Fair value measurements

The Group measures investment property at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group at the measurement date.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTE 3. ACCOUNTING POLICIES (continued)

3.23 Fair value measurements (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.24 Contingencies

Contingent liabilities represent possible or existing obligations arising from past events, in cases where it is not probable that an outflow of resources will be required to settle the obligation. The contingent liabilities that are not recognised on Group's balance sheet are evaluated with respect to the probability of their occurrence. If an outflow of resources embodying economic benefits is neither sufficiently probable to require the recognition of a provision nor improbable, the obligations are recognised as contingent liabilities. Please refer to Note 30.

3.25 Dividends and share capital increase

Dividends are distributed from the annual net distributable profit based on the audited individual annual financial statements, after their approval by the Company's Ordinary General Meeting ("OGMS") and after the approval of the dividend proposal by the OGMS. The distributable profit represents the part of the net profit of the financial year that can be distributed as dividends after legal and statutory distributions have been made, such as the distribution for the legal reserve and, where applicable, the use of the net profit for other purposes prescribed by law (for example, coverage of accounting losses from the previous year, if applicable).

Shareholders receive dividends in proportion to their share in the paid-up share capital of the Company, no right of priority or preference over the distribution of dividends in favour of any shareholder being applicable.
The proposal regarding the distribution of dividends made by the Board of Directors will be submitted to the vote of the OGMS, as a rule, in the same meeting in which the Company's audited financial statements are approved, respectively no later than within four (4) months from the end of the financial year, respectively during the third quarter of the year in respect of any interim dividend distributions (recognized as other receivable until the approval of final dividend) or distributions from retained earnings. The Company will be able to pay the dividends also in the form of shares of the same class as those giving the right to these dividends.

The Company is carrying out share capital increase operation to diversify the shareholders base, increase liquidity and raise capital for further expanding the pipeline. The decision of the Board of Directors, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders approve the increase of the share capital. The participants to the share capital increase are existing shareholders, local and international institutional investors, qualified investors, retail investors.

NOTE 3. ACCOUNTING POLICIES (continued)

3.26 Others

Expenses
Typically, the expenses are recognized and recorded in the same period as the revenues associated with those expenses (under accrual accounting). The Group classifies expenses by the nature of expenses.

Sales brokerage commissions

Sales brokerage commissions are recorded and paid for signing bilateral purchase undertakings of apartments. The brokerage commissions are recorded as advance payment when the pre sales are signed and expensed in the period when the final sale contract is concluded.

Segment reporting

Segment reporting highlight the information and measures that management believes are important and are used to make key decisions. Reporting segments are residential, office and landbank and corporate and the Group manages operations in accordance with this classification. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the group's accounting policies, which are described in note 3, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For preparing the consolidated financial statements according to IFRS adopted by the EU, the Group makes estimates and assumptions related to future developments that might have a significant effect on the recognition of the value of the reported assets and liabilities, presentation of contingent liabilities as at the preparation date of the consolidated financial statements and the revenue and expenses reported for the respective period.

4.a Judgements

In the process of applying the Group accounting policies, the management made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

4.a.1 Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determination of performance obligations

With respect to the sale of property, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property.
Generally, the Group is responsible for all these goods and services and the overall management of the project.

Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output i.e., the completed property for which the customer has contracted.

In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping, reception services, catering) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.a Judgements (continued)

4.a.1 Revenue from contracts with customers (continued)

Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

Principal versus agent considerations – services to tenants
The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and at the same time, consume the benefits from these services.

Determining the timing of revenue recognition on the sale of property

The Group has evaluated the timing of revenue recognition on the sale of property based on an analysis of the rights and obligations under the terms of the contract.
The Group has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

For contracts relating to the sale of property under development, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time. The Group's performance does not create an asset with alternative use to the Group. Furthermore, the Group has generally an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development.

In making this determination, the Group has considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

4.a.2 Transfers of assets both from and to investment property

IAS 40 Investment property requires that transfers from and to investment property are evidenced by a change in use. Conditions which are indications of a change in use are judgmental and the treatment can have a significant impact on the financial statements since investment property is recorded at fair value and inventory is recorded at cost.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development with the view to sale, inception of an operating lease to another party or other observable actions in this direction). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the receiving of the construction permit (for a transfer from investment property to inventories) or inception of an operating lease to another party or change in the construction permit scope (for a transfer from inventories to investment property).

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.b Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.b.1 Measurement of progress when revenue is recognised over time

For those contracts involving the sale of property under development that meet the overtime criteria of revenue recognition, the Group's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property.

The Group generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Group's performance.

Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. The Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation.

4.b.2 Valuation of investment property

Valuation and recoverable amounts of the property developed for sale and investment property.

The Company has obtained a report from an international valuation company, Colliers Romania, setting out the estimated market values for the Company's investment property. The most recent real estate investment assessment took place on 31 December 2023. Colliers Romania is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

For investment property assets are mainly valued using the market approach, income approach based on the discounted cash flow technique or direct capitalization and residual approach.

For market approach the key assumptions underlying the market value of the groups land assets are: the selection of comparable land plots resulting in order to determine the "offer price" which is taken as the basis to form an indicative price and the quantum of adjustments to apply against the offer price to reflect deal prices, and differences in location and condition.

For income approach based on the discounted cash flow technique the valuations are prepared by considering the aggregate of the net annual rents' receivable from the properties, and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation. The prospective period used in valuation is 10 years.

For income approach based on direct capitalization methodology in order to estimate fair value, the following elements will be analysed: gross potential income, gross effective income, net operating income, operational costs, capital expenditures, capitalization rate.

The estimated market value of the project through the residual method is the difference between the present value of the projected revenues, including the market value upon completion of the project, and the present value of the necessary costs for the development of the project, including the developer's profit and financing costs.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are summarized in note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation. The fair value measurement for all the investment properties has been categorized as a Level 3 fair value.

The Chief Financial Officer reports the valuation process findings to the board of directors of the parent company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.b Estimates and assumptions (continued)

4.b.2 Valuation of investment property (continued)

Climate change, and associated regulations, may affect property values in two main ways. Firstly, adverse weather conditions may cause damage, lost income, and/or reduced useful lives at affected properties. Risk factors for this include property location and whether the property has been designed to mitigate the impacts of adverse weather. Secondly, there is a growing trend amongst investors to pay premiums, and for regulators to require additional measures, for buildings which minimise their impact on the environment, both during construction and throughout their operating life. Properties which minimise their impact will usually attract premium rents which support higher valuations.

The management considers that the valuation of its property developed and investment property is currently subject to an increased degree of judgment and an increased likelihood that actual proceeds on a sale may differ from the carrying value.

4.b.3 Operating cycle

The normal operating cycle of the Group is of three years for inventories (residential projects). As a result, the current assets and liabilities contain elements whose realization is designed and/or anticipated to take place during the normal operating cycle of the Group.

NOTE 5. RISK MANAGEMENT

5.1. General objectives, policies and processes

The Group's activities may give rise to various risks. Management is aware of and monitors the effects of those risks and events that may have adverse effects on the Group's operations. The main risks to which the Group is exposed may be classified as follows:

Financial risks:

- Credit risk
- Liquidity risk
- Market risk, which includes interest rate risk, foreign exchange risk and price risk

Other risks:

- Operating risk
- Strategic risk

5.2. Financial risks

This note provides information on the Group's exposure to the risks mentioned above, the Group's objectives, policies and processes to manage the risks and the methods used to measure them. More quantitative information on these risks is presented in these consolidated financial statements. There were no material changes in the Group's exposure to the risks of a financial instrument, objectives, policies, and processes to manage those risks, or the methods used to measure them in prior periods, unless otherwise specified in this note.

The Group is primarily exposed to risks arising from the use of financial instruments. A summary of the financial instruments held by the Group, depending on the classification category, is presented below:

	Trade receivables, short-term deposits and cash and cash equivalents	
Description	**31 December 2023**	**31 December 2022**
Trade receivables	156,311,637	124,107,224
Other receivables	48,738,722	47,984,064
Cash and cash equivalents	420,739,095	566,960,043
Total	**625,789,454**	**739,051,331**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

	Financial liabilities at amortized cost	
Description	**31 December 2023**	**31 December 2022**
Trade and other payables	349,707,903	287,139,714
Short and long-term loans	1,027,669,000	830,204,626
Lease liabilities	2,921,539	3,425,437
Total	**1,380,298,442**	**1,120,769,777**

Management has the overall responsibility for determining risk management objectives, policies and processes while retaining ultimate responsibility in this respect.

The overall objective of management is to set policies that aim at mitigating risks as much as possible without unjustifiably affecting the Group's competitiveness and flexibility. Further details on these policies are provided below:

5.2.1. Credit risk

The carrying amounts of financial assets represent the Group's maximum exposure to credit risk for existing receivables.

Credit risk is the risk that the Group will incur a financial loss as a result of non-fulfilment of the contractual obligations by a client or counterparty to a financial instrument, and this risk arises mainly from the Group's trade receivables, cash and cash equivalents, and short-term deposits.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with its policies.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2023 and 31 December 2022, respectively, is the carrying amounts of each class of financial instruments.

In the course of its business, the Group is subject to credit risk, particularly due to trade receivables and bank deposits. The Group management constantly and closely monitors exposure to credit risk.

Credit risk is low due to the fact that the advance required from clients covers up a significant part of the contracts' value, and the transfer of ownership of the property is done only after the entire receivable has been collected. The customers' outstanding balances were also analysed individually for creditworthiness and after the assessment performed, management considers that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low. There is no significant concentration of risk.

As required by IFRS 9, the Group used the simplified approach in calculating ECL for trade receivables and contract assets that did not contain a significant financing component. The Group performed the allowance trade receivable analysis taking in consideration historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions Also the outstanding balances from customers at 31 December were analysed for collections in the subsequent period until the issue of these financial statements and minimal risk of non-collection was identified.

The ECLs relating to cash and short-term deposits of the Group is determined based on the net exposure of the cash balance held by the Group in each bank. Group policy is that surplus cash is placed on deposit with the Group's main relationship banks and with other banks. The arrangements in place result in a favourable mix between flexibility and interest earnings. The Group's cash and cash equivalents is held in eight stable financial institutions for investment and cash handling purposes.

5.2.2. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they become due. The Group's approach to liquidity management is to ensure, as far as possible, that it will have sufficient liquidity to meet its outstanding obligations under both normal and crisis conditions, without incurring major losses or risking affecting the Group's reputation.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.2. Liquidity risk (continued)

The Group prepares budgets, cash flow analyses and forecasts, which enable the Directors to assess the level of financing required for future periods. Budgets and projections are used to assess any future potential investments and are compared to existing funds held on deposit to evaluate the nature, and extent of any future funding requirements.

Currently the Group's liquidity enables it to meet the committed and due payments.
During 2023, the focus of the business was on operations, liquidity and capital allocation. The Group has access to a sufficient variety of sources of funding which enable it to meet its financial obligations when they become due.

The table below shows the remaining contractual maturities for financial liabilities:

As at 31 December 2023	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade and other payables	349,707,903	-	-	**349,707,903**
Short and long-term loans	117,240,571	686,151,732	224,276,697	**1,027,669,000**
Lease liabilities	274,592	2,646,947	-	**2,921,539**
Total	**467,223,066**	**688,798,679**	**224,276,697**	**1,380,298,442**

As at 31 December 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade and other payables	268,676,017	18,463,697	-	**287,139,714**
Short and long-term loans	172,469,155	314,063,980	343,671,491	**830,204,626**
Lease liabilities	778,490	2,646,947	-	**3,425,437**
Total	**441,923,662**	**335,174,624**	**343,671,491**	**1,120,769,777**

The following table details the due date for the Group's financial assets and contract assets. The table below was based on the remaining maturities of the financial assets and contract assets, including the interest earned on these assets, except for those in which the Group anticipates that the cash flow will take place in a different period.

As at 31 December 2023	Less than 1 year	1 to 5 years	More than 5 years	Total
Cash and cash equivalents	420,739,095	-	-	420,739,095
Trade and other receivables	205,050,359	-	-	205,050,359
Contract assets	333,155,109	-	-	333,155,109
Total	**958,944,563**	**-**	**-**	**958,944,563**

As at 31 December 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Cash and cash equivalents	566,960,043	-	-	566,960,043
Trade and other receivables	172,091,288	-	-	172,091,288
Contract assets	267,895,398	-	-	267,895,398
Total	**1,006,946,729**	**-**	**-**	**1,006,946,729**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk

Market risk is the possibility of recording losses or not realizing the estimated profits that result, directly or indirectly, from market price fluctuations, the interest rate or exchange rate related to the Group's assets and liabilities. Consequently, the main sub-categories of market risk are the following:

- ***(i)*** ***Interest rate risk:*** the risk that the fair value of future cash flows or future cash flows for financial instruments will fluctuate in line with interest rate variations;
- ***(ii)*** ***Foreign currency risk:*** the risk that the fair value of future cash flows or future cash flows associated with financial instruments will fluctuate in line with exchange rate fluctuations;

The financial instruments held by the Group that are affected by market risk are principally loans and borrowings.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

The interest rates on loans from related parties and minority shareholders are fixed. As far as bank loans are concerned, the variable interest is based on 6M or 3M Euribor, plus a margin of 2.00% to 3.50% pa.

31 December 2023	**Loans and borrowings – short-term and long term**	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans	-	910,657,996
Total	**-**	**910,657,996**

31 December 2022	**Loans and borrowings – short-term and long term**	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans	-	806,162,743
Loans from minority shareholders	11,734	-
Total	**11,734**	**806,162,743**

31 December 2023	**Loans granted**	
Description	**Interest rate fixed**	**Interest rate variable**
Loans granted to related parties	497,460	-
Loans granted to others	25,354,540	-
Total	**25,852,000**	**-**

31 December 2022	**Loans granted**	
Description	**Interest rate fixed**	**Interest rate variable**
Loans granted to related parties	6,621,986	-
Loans granted to others	16,858,658	-
Total	**23,480,644**	**-**

Bank deposits held by the Group are short-term deposits, which makes them sensitive to changes in interest rates on the market.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk (continued)

The Group's sensitivity analysis of interest rate risk was calculated below.
If interest rates had been +/-5 % higher/lower and all other variables were held constant, the Group's profit or loss would be:

Period	Interest rate variation	Change in Group's result
31 December 2023	+/-5%	-/+ 1,720,353
31 December 2022	+/-5%	-/+ 629,026

(ii) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows for financial instruments will fluctuate due to exchange rate fluctuations.
The Group is exposed to foreign exchange risk on loans that are denominated in a currency other than the functional currency of the Group. The currency used on the domestic market is the Romanian leu (RON). The currency that exposes the Group to this risk is mainly EUR.
The Group's exposure to the risk of changes in foreign exchange rates relates also to its operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of monetary assets and liabilities denominated in foreign currency at the reporting date are as follows:

31 December 2023	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	44,291,483	1,611	220,339,653
Other receivables	182,202	-	906,383
Non-current assets	5,418,614		26,955,436
Monetary liabilities			
Loans	(206,575,473)	-	(1,027,630,348)
Trade and other payables	-	-	-
Net excess/(exposure)	**(156,683,174)**	**1,611**	**(779,428,876)**

31 December 2022	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	51,373,158	552	254,166,119
Other receivables	1,517,690	-	7,508,621
Non-current assets	3,419,473		16,917,499
Monetary liabilities			
Loans	(167,726,814)	-	(829,811,639)
Trade and other payables	(331,421)	-	(1,639,672)
Net excess/(exposure)	**(111,747,914)**	**552**	**(552,859,072)**

Sensitivity analysis for foreign exchange risk

A 5% appreciation of the RON against the EUR on 31 December 2023 would increase the Group's profit by RON 38,971,806 (2022: RON 27,643,081), while a 5% depreciation of the RON against the EUR as of 31 December 2023 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.
Sensitivity analysis includes only monetary elements denominated in foreign currency and adjusts their translation at the end of the period for a 5% change in foreign exchange rates. This analysis assumes that all other variables, especially interest rates, remain constant.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks

Management cannot anticipate all the developments that could have an impact on the financial market liquidity, depreciation of financial assets and increased volatility on foreign exchange markets and the effect, if any, which it could have on the consolidated financial statements.

The management of the Group believes that it has taken all the necessary measures to support the sustainability and growth of the company's business in the current circumstances through:

- preparing a liquidity crisis strategy and laying down specific measures together with shareholders' support to address potential liquidity crises;
- constant monitoring of its liquidity position;
- short-term forecasting of its liquidity position.

(i) Operating risk

The process of risk assessment over the last few years on the international financial markets has affected the performance of these markets, including the Romanian financial and banking market, and raises an increased uncertainty about the future economic development.

Determining the compliance with the lending agreement and other contractual obligations, as well as assessing significant uncertainties, including uncertainties associated with the Group's ability to continue its activity for a reasonable amount of time, have their own challenges.

The Group's debtors could also be affected by the low liquidity level, which could also have an impact on their ability to pay their overdue loans.

(ii) Strategic risk

Strategic risk is the risk that one or more assumptions on which the Group's business strategy is based are no longer valid due to internal and / or external changes. Strategic risk is difficult to quantify because it refers to:

- the strategic decisions of the Group's management;
- uncertainties related to the external environment;
- the management's response level and time to changes in the internal and/or external environment;
- the quality of the IT systems etc.

(iii) Ownership title risk

In Romania, title to private property is guaranteed by the Constitution. However, under the Roman Civil Code, if the ownership title to an immovable property is cancelled, all subsequent acts of transfer of ownership may, under certain circumstances, also be cancelled.

Therefore, in theory, almost any ownership title in Romania could be exposed to a third-party risk through a litigation or claims for property restitution (either before or after the transfer of the ownership title). For the Group's management, the Group's title risk is low in the light of past history.

(iv) Legislative risk

The Group's economic environment is also influenced by the legislative environment.

In addition, obtaining building permits and other documents required to start residential projects can be affected by political instability as well as possible changes in the administrative organizational structure at the level of local governments where the Group intends to develop its projects.

(v) Taxation risk

The Romanian tax system is subject to many constant interpretations and changes. In Romania, the prescription for tax audits is 5 years. However due to state of emergency from 2020, the prescription period for financial years 2015-2019 was prolonged with 9 months and for the financial years staring 2016 the prescription period of 5 years starts at July 1 of the next financial year.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

The legislation and fiscal framework in Romania and their implementation are subject to frequent changes. Tax audits, by their nature, are similar to tax audits carried out by designated tax authorities in many countries, but may extend not only to tax issues, but also to other legislative or regulatory aspects in which the agency in question might be interested.

Moreover, tax returns are subject to verification and correction by the tax authorities for a period of five years after their registration (and following the general rules described above), and therefore the Group's tax returns from 2018 to 2023 are still subject to such verifications.

In accordance with the relevant tax laws, the tax assessment of a transaction conducted between affiliates is based on the concept of the market price pertaining to the respective transaction. Based on this concept, transfer pricing needs to be adjusted such as to reflect the market rates set between non-affiliates acting independently in an arm's length transaction.

It is likely that the tax authorities should conduct verifications of the transfer pricing to determine whether the respective prices are arm's length, and the taxable base of the Romanian taxpayer is not distorted.

In case of an audit, tax authorities may request a transfer pricing file also for taxpayers not classified as large taxpayers, but which carry out transactions with affiliates, in order to determine whether the arm's length principle has been complied with.

5.4. Capital management

The objectives of the Group's management regarding capital management are to protect the Group's ability to continue its activity in order to share profit to shareholders, provide benefits to other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group's management reviews the capital structure and considers the cost of capital and the risks associated with each class of capital. The Group has a gearing ratio of 21% at 31 December 2023 (11% at 31 December 2022) determined as the proportion of net debt to equity.

Debt is defined as long- and short-term borrowings and lease liabilities. The net debt is computed as debt less cash and cash equivalents. Equity includes all capital and reserves of the Group that are managed as capital.

In order to maintain or adjust the capital structure, the Group's management can adjust the shareholders' share of profitability or may issue new shares to reduce debts.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Technological equipment	Measurement apparatus and devices	Vehicles	Furniture and other non-current assets	Total
Cost						
As at 1 January 2023	**44,025,501**	**1,285,242**	**770,395**	**1,879,387**	**9,234,420**	**57,194,945**
Additions	250,391	216,864	237,870	275,049	4,168,221	5,148,395
Disposals	-	(24,091)	-	(149,966)	(272,356)	(446,413)
Reclass from PPE to inventories	(50,392)	-	-	-	-	(50,392)
Reclass from buildings to other assets	(319,059)	-	-	-	319,059	-
As at 31 December 2023	**43,906,441**	**1,478,015**	**1,008,265**	**2,004,470**	**13,449,344**	**61,846,535**
Depreciation and impairment						
As at 1 January 2023	**2,220,550**	**722,894**	**719,047**	**995,978**	**1,404,953**	**6,063,422**
Depreciation charge for the year	1,441,216	209,909	125,823	306,947	1,255,665	3,339,560
Disposals	-	-	-	(22,743)	(129,498)	(152,241)
As at 31 December 2023	**3,661,766**	**932,803**	**844,870**	**1,280,182**	**2,531,120**	**9,250,741**
Net book value						
As at 31 December 2022	**41,804,951**	**562,348**	**51,348**	**883,409**	**7,829,467**	**51,131,523**
As at 31 December 2023	**40,244,675**	**545,212**	**163,395**	**724,288**	**10,918,224**	**52,595,794**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (continued)

Under the "land, buildings and barracks" are presented the Group assets from which the main amount is related to the own office space occupied. At 31 December 2022, the Company has reclassified part of the land and building owned by the subsidiary One United Tower SA from investment property in property, plant and equipment for the fair value of RON 38,860,861, following the occupancy of the own office space. For assets pledged as security refer to Note 15.

No indication of impairment was identified for the property, plant and equipment in balance.

NOTE 7. INTANGIBLE ASSETS

Description	Goodwill	Concessions, patents, licenses	Other intangible assets	Total
Cost				
As at 1 January 2023	**19,256,076**	**14,699,660**	**1,159,376**	**35,115,112**
Additions	-	16,427	2,132,504	2,148,931
Disposals	-	-	(16,999)	(16,999)
As at 31 December 2023	**19,256,076**	**14,716,087**	**3,274,881**	**37,247,044**
Amortization and impairment				
As at 1 January 2023	**-**	**225,397**	**374,034**	**599,431**
Amortization	-	26,098	412,216	438,314
Disposals	-	-	(13,909)	(13,909)
As at 31 December 2023	**-**	**251,495**	**772,341**	**1,023,836**
Net book value				
As at 31 December 2022	**19,256,076**	**14,474,263**	**785,342**	**34,515,681**
As at 31 December 2023	**19,256,076**	**14,464,592**	**2,502,540**	**36,223,208**

As at 31 December 2023 and 31 December 2022 other intangible assets include mainly, costs of licenses and IT software.

The goodwill in balance refers to One Peninsula, a subsidiary of the Group that develop a residential project in district 1, Bucharest. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

As at 31 December 2023 and 31 December 2022, the Group performed the assessment of the recoverable amount of goodwill allocated to One Peninsula based on a value in use calculation taking in consideration the financial budget approved by the management which comprise forecasts of revenue, construction development costs and overheads based on current and anticipated market conditions and a discount rate of 3.30%.

As at 31 December 2023 and 31 December 2022, following the impairment test performed for One Peninsula, the Group assessed the recoverable amount of the identified CGU to which the goodwill, relates to be higher than its carrying amount, therefore no impairment loss is recognized.

An identifiable intangible asset acquired in a business combination, related to Bucur Obor Brand, was recognized at fair value of RON 14,4 million. The brand "Bucur Obor" has been officially registered by the Bucur Obor SA since 2011, its first appearance being in 1975 when the Bucur Obor store was opened. The phrase "Bucur Obor" is associated with the location of the Bucur Obor commercial store, which is a commercial landmark of Bucharest. Part of the revenues generated by renting commercial spaces in the complex are directly attributable to the "Bucur Obor" brand.

NOTE 7. INTANGIBLE ASSETS (continued)

Please refer to Note 8 for more details about business combination related to the acquisition of Bucur Obor.

As at 31 December 2023, the Group performed the assessment of the recoverable amount of the Bucur Obor brand considering a WACC rate of 12.42% and a risk premium of 2% No significant indicators of impairment were identified.

NOTE 8. INVESTMENT PROPERTY

The Group prepares arranges for the regular valuation of its properties by independent experts. These external appraisals are carried out each year as 31 December and also during the year when there are indicators that the fair value is substantially changed.
After internal assestment the fair value measurement of the investment properties was performed at 31 December 2023 using an independent appraiser. At 31 December 2023, the Group have performed the valuation of the assets transferred from inventories to investment properties, as described below.

The adopted valuations at 31 December 2023 for investment properties are a combination of the valuations determined using the discounted cash flow (DCF) method, the income capitalisation method, the market comparison method, residual approach and transaction prices where relevant. The internal valuation was performed only for the retail space owned by the subsidiary One Verdi Park SRL, determing the fair value amount at the transaction price of EUR 8,8 million related to sales contract signed in July 2023 and paid in full by the buyer and for One Victoriei Plaza building.

The Group holds mainly office and retail buildings, residential properties held to earn rentals and undeveloped land,:

Completed investment property (IPC):

- Land in surface area of 12,000 sqm and office building in surface area of 34,628 sqm located at Sos Pipera Tunari, 2III, owned by subsidiary One North Gate SA;
- 2 apartments and 2 parking spaces owned by subsidiary One Long Term Value SA;
- Land in surface area of 6,096 sqm and office buiding with a total GLA of 23,800 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SA;
- Land plot and one office building in total surface area of 46,814 sqm (including terraces) located at 44 Sergent Nutu Ion Street, owned by subsidiary One Cotroceni Park Office SA;
- Property located in Buzau County, owned by subsiadiary One Carpathian Lodge Magura SRL comprising of a boutique hotel together with a 56ha of forest and land. The Group targets further investments on short and medium-term;
- 28 apartments and 25 parking spaces owned by subsidiary One Mircea Eliade Properties SRL. During the year of 2023, the Group started the activities with the view to rental of 9 apartments owned by subsidiary One Mircea Eliade Properties SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 48,8 million;
- Retail building acquired through business combination with Bucur Obor SA in 2022. The subject property has a total leasable area of 24,325 sqm of retail and 2,452 sqm storages. The investment property was valued at fair value at the date of acqusition at RON 313,6 million; On November 19th, 2021, One United Properties announced the intention to acquire (indirectly, through BO Retail Invest S.R.L.) a controlling stake in Bucur Obor SA, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. On the same date, by means of the loan made available by the company One United Properties SA, BO Retail Invest S.R.L. acquired a 54.4351% of the share capital of Bucur Obor, against a sum of RON 65 million. The transaction was subject to Competition Council clearance, which the Company received on February 4th, 2022. On February 8th, 2022, One United Properties closed the transaction of the acquisition by the Company of direct sole control over BO Retail Invest S.R.L., and indirectly the control over Bucur Obor SA. Bucur Obor S.A. carries out its activity within the Bucur Commercial Complex Obor, located in Bucharest, Sos. Colentina no. 2, in the building from Sos. Mihai Bravu no. 2 and in the building from Sos. Colentina no. 6A. All these properties are owned by the company. Bucur Obor has as main activity the renting of commercial spaces, in which the clients retail goods. The shopping complex offers a multitude of stores, in a unique mix in Bucharest, a combination of family business such as haberdashery, fabrics, footage, windows & mirrors, leather goods, gold, jewelry and more, along with international brands consecrated;

NOTE 8. INVESTMENT PROPERTY (continued)

Completed investment property (IPC) (continued):

- Office building owned by the subsidiary, One Victoriei Plaza SRL with a total GLA of app. 12,000 square meters and 4 underground levels with 93 parking spaces, and it is fully leased to First Bank as a tenant;
- Office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania, owned by the subsisiary Eliade Tower SRL. The office building has a total GLA of over 8,000 square meters spread over 10 floors and also has a parking;
- 2 apartments and related parking spaces owned by subsidiary One Mamaia Nord SRL;
- The Group started the activities with the view to rental of 5 apartments owned by subsidiary One Herastrau Towers SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 26,6 million;
- The retail space of 1,974 sqm and 85 related parking spaces owned by the subsidiary One Verdi Park SRL has started to be leased to Lidl in 2023, therefore the Group reclassed from inventories to investment property and performed the valuation of the asset and recognized a gain from fair value adjustment of RON 29 million. The asset was sold during Q3 2023 at a price of RON 43,458,800 which was approximately its fair value;
- Land in surface area of 8,847 sqm and office building in surface area of 35,819 sqm (including terraces) located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park Office Faza 2 SA.

Investment property under development (IPUC):

- Land in surface area of 10,880 sqm located 159-165 Calea Floreasca, 1st district, Bucharest, owned by subsidiary One Proiect 15 SRL and related construction in progress. The transaction was concluded with Auchan Romania SA for the acquisition of the former Ford Factory, historical landmark which will be transformed by the Company in a commercial development, One Gallery. The building permit was obtained in Q4 2023.

Investment property for further development (landbank) (IPFD):

- Vacant land plot with a surface area of 5,245 sqm located at 44 Sergent Nutu Ion Street and 164C 13 Septembrie Road, District 5, Bucharest, Romania, owned by One Cotroceni Park SRL;
- Property acquired by subsidiary One Plaza Athenee SRL (former One Proiect 3 SRL) located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm, which fair value was determined at RON 50,2 million. The property is classified as a historical monument by local authorities. Building permit was issued in Q1 2023 and therefore the Group have changed the presentation from investment properties to inventories;
- Land in surface area of 801,028 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county. The total acqusition price is of EUR 9,330,000 from which the Group have paid until 31 December 2023 the amount of EUR 5,598,000, while the remaning amount will be paid in 2 equal instalments of EUR 1,866,000 each, according to the schedule established in the acquisition contract. The last instalment is due in 24 months from the signing date of the acquisition contract, 24 August 2022; On 04 April 2023, through addendum no 1 at the contract, the acquisition price was increased by RON 1,5 million (equivalent of EUR 300,000);
- An under development hotel project located at 8-10 Georges Clemenceau street, Bucharest, Romania owned by the subisidiary One Proiect 12 SRL;
- Three buildings located in Bucharest sector 1, at no. 19, 21 and 23 Academiei street, near the Odeon Theater and the Ion Mincu University of Architecture and Urbanism owned by the subsidiary One Downtown SRL (former One Proiect 10 SRL). Following the renovation, the three buildings will represent a new development of the Company - One Downtown. The total surface of the land is approximately 1,300 sqm and the gross buildable area is 7,100 sqm;
- Land in surface area of 12,318 sqm owned by subsidiary, One Cotroceni Park Office Faza 4, acquired in Q1 2023;
- Three land plots in surface area of 14,724 sqm and two buildings located 44 Ficusului Blvd, 1st district, Bucharest, owned by subsidiary One Baneasa Airpark SRL (former One Proiect 23 SRL).

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The changes in investment property values during 2023 and 2022 were as follows:

Completed investment property

	31 December 2023	31 December 2022
At 1 January	**1,688,891,360**	**549,398,406**
Capital expenditure on owned property	48,058,247	54,590,744
Acquisition	311,434	4,816,997
Fair value of investment property of Bucur Obor acquired	-	307,120,316
Fair value of investment property of Eliade Tower acquired	-	47,104,439
Investment property acquired (One Victoriei Plaza)	-	138,118,400
Transfer from inventories	37,705,329	27,507,442
Transfer to fixed assets	-	(38,860,861)
Transfer from fixed assets	-	11,382,107
Transfer from investment property under development	360,006,680	454,265,348
Disposals	(80,390,210)	(8,165,678)
Fair value adjustment during the year	180,211,310	88,485,173
Lease incentive	31,836,380	53,128,527
At 31 December	**2,266,630,530**	**1,688,891,360**

Investment Property under development

	31 December 2023	31 December 2022
At 1 January	**349,441,857**	**650,175,262**
Capital expenditure	18,170,411	95,644,331
Acquisition	86,658,128	
Interest capitalized	-	156,298
Transfer to completed investment property	(360,006,680)	(454,265,348)
Lease incentive	-	2,847,626
Reclass in prepayments	10,174,556	-
Fair value adjustment during the year	20,444,086	54,883,687
At 31 December	**124,882,358**	**349,441,856**

Investment Property for further development (landbank)

	31 December 2023	31 December 2022
At 1 January	**213,651,731**	**249,891,522**
Capital expenditure	4,534,391	12,945,058
Acquisition	87,991,883	131,919,218
Transfer from inventories	3,228,209	16,792,471
Transfer to inventories	(50,225,647)	(272,994,250)
Fair value adjustment during the year	59,976,400	75,097,712
At 31 December	**319,156,967**	**213,651,731**
Grand Total Investment Property at 31 December	**2,710,669,855**	**2,251,984,947**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties. Please refer also to Note 21 for details about the renting activity.
Investment properties with a carrying amount of RON 1,951 million (31 December 2022: RON 1,697 million) have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The investment property balance as at 31 December 2023 and 31 December 2022 is detailed below:

Developer	Type	Object	Valuation Method	31 December 2023
One United Tower	IPC	Office	Income approach-direct capitalization**	418,629,039
Eliade Tower	IPC	Office	DCF**	44,771,400
One Victoriei Plaza	IPC	Office	Market approach*	138,527,200
Bucur Obor	IPC	Office	DCF**	313,558,987
One North Gate	IPC	Office	DCF and Residual approach**	161,177,040
One Carpathian Lodge-Magura	IPC	Accommodation unit area and the land in excess and forest	Market approach, Income approach-direct capitalization **	8,004,131
One Long Term Value	IPC	Apartments and parking lots	Market approach**	16,177,399
One Mircea Eliade	IPC	Apartments and parking lots	Market approach**	114,703,290
One Mamaia Nord	IPC	Apartments and parking lots	Market approach**	10,504,357
One Cotroceni Park Office	IPC	Office	DCF**	598,601,258
One Cotroceni Park Office Faza 2	IPC	Office	DCF**	413,143,982
One Cotroceni Park	IPFD	Office	Market approach**	36,552,689
One Downtown (former Proiect 10)	IPFD	Hotel	Residual approach**	42,448,262
One Proiect 11	IPFD	Landbank	Market approach**	67,017,811
One Proiect 12	IPFD	Hotel	Residual approach**	71,509,875
One Herastrau Towers	IPC	Residential	Market approach**	28,832,447
One Proiect 15	IPUC	Commercial & office	Residual approach**	124,882,358
One Baneasa Airpark (former One Proiect 23)	IPFD	Landbank	Income approach-direct capitalization**	21,554,942
One Cotroceni Park Office Faza 4	IPFD	Office	Market approach**	80,073,388
				2,710,669,855

Internal assessment
***** External valuation by Colliers***

	Type	Object	Valuation Method	31 December 2022
One United Tower	IPC	Office	DCF**	387,165,700
Eliade Tower	IPC	Office	DCF**	45,021,340
One Victoriei Plaza	IPC	Office	Market approach*	138,527,200
Bucur Obor	IPC	Office	DCF**	307,459,982
One North Gate	IPC	Office	DCF and Residual approach**	131,419,899
One Carphatian Lodge-Magura	IPC	Accommodation unit area and the land in excess and forest	Market approach**	7,708,049
One Long Term Value	IPC	Apartments and parking lots	Market approach**	17,517,892
One Mircea Eliade	IPC	Apartments and parking lots	Market approach**	75,873,326
One Mamaia Nord (former Neo Mamaia SRL)	IPC	Apartments and parking lots	Market approach**	8,306,685
One Cotroceni Park Office	IPUC	Office	DCF**	569,891,286
One Cotroceni Park Office Faza 2	IPUC	Office	DCF**	349,441,859
One Plaza Athenee (former Proiect 3)	IPFD	Construction classified as a historical monument and associated land plot	Income and market approach**	50,196,612
One Cotroceni Park	IPFD	Office	Market approach**	28,991,764
One Downtown (former of One Proiect 10)	IPFD	Hotel	Market approach**	18,845,554
One Proiect 11	IPFD	Landbank	Market approach**	47,551,470
One Proiect 12	IPFD	Hotel	Income and Residual approach**	68,066,329
				2,251,984,947

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

At 31 December 2023, the Group has accounted for the business combination resulted from the acqusition of an interest of 54.4351% in Bucur Obor SA and in which control was obtained. Colliers, independent evaluator have performed the valuation of the net assets of the business acquired for the scope of purchase price allocation at 31 January 2022. The results of the valuation are presented below:

Description	**Amount in "RON"**
Net assets at Fair Value	293,013,115
% of Ownership	54.4351%
Consideration paid	65,422,013
Gain resulted from acquisition	227,591,102
From which:	
Non controlling interest recognized in retained earnings	*133,511,133*
Owner's gain related to % of ownership acquired – included in profit and loss account under "Gain on the bargain purchase" line	*94,079,969*

Valuation processes

The Company's investment properties were valued at 31 December 2023 and several of assets also at 31 March 2023 and 30 June 2023 by Colliers Romania, external, independent evaluator, authorized by ANEVAR, having recent experience regarding the location and nature of the properties evaluated. The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13.

The valuation techniques used in determination of the fair value of investment property are:

a) The fair values are determined through the application of the market comparison technique. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market;
b) Discounted cash-flows (DCF) method. The valuation model based on the DCF method estimates the present value of net cash flows to be generated by a rented building considering occupancy rate and costs to be paid by the tenants. The discount rate estimation considers, inter alia, the quality of a building and its location;
c) The Residual Approach of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.
d) The Income Approach-Direct Capitalization method provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorized as Level 3 fair value at 31 December 2023 and 31 December 2022. This assessment is deemed appropriate considering the adjustments of the date for comparable lands and of the construction assessments, including future level of net operating revenues of the investment properties. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year

Valuation techniques

The main inputs used in the valuation are:

a) capitalisation rate - the rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence and the prior external valuation;

b) terminal yield - the capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out the DCF method. The rate is determined with regards to market evidence and the prior external valuation;

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

c) discount rate - the rate of return used to convert a monetary sum, payable or receivable in the future, into present value. It reflects the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence and the prior external valuation;

d) 10 year average market rental growth - the expected annual rate of change in market rent over a 10 year forecast period in alignment with expected market movements;

e) net market rent - a net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.

The following table presents the valuation techniques used in the determination of the fair value of investment properties categorized as a Level 3 fair value:

31 December 2023

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined through the application of the **market comparison technique**. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market.	- Offer price per square meter for land in Bucharest (1,000 Euro /square meter up to 2,200 Euro per square meter) and for areas near Bucharest (6-22EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-20% discount for asking price, 5-20% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 (3,850 EUR/sqm up to 9,461 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, 0% discount for location, access and position	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, size were lower/ (higher)
Discounted cash-flows (DCF) method. This method involves the projection of a series of cash flows, to which an appropriate market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, redevelopment and refurbishment. Cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.	- Exit yield: 7% - 9.2% - Discount rate: 8.75% - 11.4% - Average rent office: 8.02-20.74 EUR/sqm/month - Average rent retail: 14.19-29.50 EUR/sqm/month - Future vacancy: 0%-20% - Capex of NOI: 0% - 5%	The estimated fair value would increase/(decrease) if: • Discount rates were lower/ (higher) • Costs with tenants were lower/(higher) • Annual rent per sqm was higher/(lower) • Future vacancy were lower/(higher) • Exit yield rates were lower/ (higher)

(Amounts are expressed in RON, unless otherwise mentioned)

The **Residual Approach** of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.	- Hard costs: 325-1,430 EUR/sqm (without underground) - Sales price for residential: 2,000 EUR/sqm/month - Sales price for under/above ground parking (office): 12,000 EUR/parking space - Reversionary Yield: 8% - Discount rate: 9.2%-11.2%	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher) • Discount rates were lower/ (higher) • Reversionary yield were lower/ (higher)
Income Approach - Direct Capitalization method The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. This approach can be applied when the income-producing ability of the property (either present or anticipated) is the critical element affecting value from the perspective of a typical market participant, and also reasonable projections regarding the future income streams can be made.	- Capitalization rate: 6.75%-10.00% - Capital expenditure: 1.5% - Vacancy and collection loss: 2%-5% - Average rent retail: 35.72 EUR/sq. m/month - Average rent office: 20.86 EUR/sq. m/month - Monthly rent (chalet – 4.37 EUR/sqm)	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

31 December 2022

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined through the application of the **market comparison technique**. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market.	- Offer price per square meter for land in Bucharest (325 Euro /square meter up to 4,616 Euro per square meter) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-25% discount for asking price, 5-20% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 (4,756 EUR/sqm up to 8,567 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, 0% discount for location, access and position	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, size were lower/ (higher)

(Amounts are expressed in RON, unless otherwise mentioned)

Discounted cash-flows (DCF) method. This method involves the projection of a series of cash flows, to which an appropriate market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, redevelopment and refurbishment. Cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.	- Exit yield: 6.5% - 8.5% - Discount rate: 8.25% - 10.5% - Average rent office: 9.44-19.8 EUR/sqm/month - Average rent retail: 13.5-37.87 EUR/sqm/month - Future vacancy: 1%-25% - Capex of NOI: 0% - 5%	The estimated fair value would increase/(decrease) if: • Discount rates were lower/ (higher) • Costs with tenants were lower/(higher) • Annual rent per sqm was higher/(lower)
The **Residual Approach** of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.	- Hard costs (office): 350-400 EUR/sqm (without underground) - Sales price for residential: 2,100 EUR/sqm/month - Sales price for under/above ground parking (office): 10,500 EUR/parking space	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher)
Income Approach - Direct Capitalization method The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. This approach can be applied when the income-producing ability of the property (either present or anticipated) is the critical element affecting value from the perspective of a typical market participant, and also reasonable projections regarding the future income streams can be made.	- Capitalization rate: 6.00%-10.00% - Capital expenditure: 2% - Vacancy and collection loss: 2%-3% - Average rent retail: 4.20-50 EUR/sq. m/month	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

Sensitivity analysis at 31 December 2023 and 31 December 2022

A quantitative sensitivity analysis for the properties where discounted cash-flows (DCF) method was used in the valuation report at 31 December 2023 and 31 December 2022, is presented below:

		Effect on fair value		
2023	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(72,106,036)	n/a	n/a
Increase in Discount Rate/yield	0.25%	(59,452,564)	n/a	n/a

		Effect on fair value		
2022	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(44,527,004)	(4,705,210)	n/a
Increase in Discount Rate/yield	0.25%	(49,465,479)	(15,519,771)	n/a

A quantitative sensitivity analysis for the properties where residual approach of valuation or market comparison techniques were used in the valuation report performed at 31 December 2023 and 31 December 2022, is presented below:

		Effect on fair value		
2023	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(3,013,016)	(1,248,824)	(3,165,985)

		Effect on fair value		
2022	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(2,112,391)	-	(4,546,288)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES

Most of the Company's subsidiaries have as object of activity the development of residential real estate projects that are sold in the normal course of business. Depending on the estimated completion and sales dates of each real estate project, considering the Group's operating cycle (a period of approximately three years), inventory is detailed as follows:

Developer	Project name	31 December 2023	31 December 2022
One Peninsula SRL (former One Herastrau Park Residence SRL)	One Peninsula	81,602,176	75,136,000
One Verdi Park SRL	One Verdi Park	57,375,597	72,017,173
One Mircea Eliade Properties SRL	One Floreasca City	20,307,116	15,861,977
One Herastrau Towers SRL	One Herastrau Towers	1,227,321	19,660,230
Neo Floreasca Lake SRL	Neo Floreasca Lake	10,161,473	14,603,243
One Timpuri Noi SRL (Former Neo Timpuri Noi SRL)	One Timpuri Noi	8,594,080	8,963,730
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	One Herastrau Vista	16,443,981	4,586,823
One Modrogran	One Modrogan	43,627,444	43,432,300
One Mamaia Nord SRL - phase 2	One Mamaia Nord 2	23,555,738	11,082,766
One Cotroceni Park	One Cotroceni Park	71,563,066	39,808,973
One High District (former One Proiect 1)	One High District	111,535,019	4,352,515
One Lake Club (former One Proiect 6)	One Lake Club	186,456,186	117,968,858
One Lake District	One Lake District	174,992,013	188,991,343
One Floreasca Towers	One Floreasca Towers	60,749,839	45,499,262
One Cotroceni Towers	One Cotroceni Towers	127,931,033	-
Other inventories		6,542,692	1,029,147
Total		**1,002,664,774**	**662,994,340**

In February 2023, the Group through its subsidiaries, One Cotroceni Towers and One Cotroceni Park Office Faza 4 have concluded the agreement for the acquisition of a plot of land of 44,863 sqm on Soseaua Progresului 56-80, in Bucharest district 5. The value of the transaction is EUR 35 million, from which related to One Cotroceni Towers, a plot of land of 32,555 sqm valued at EUR 25,4 million, out of which EUR 10,4 million is paid in cash and the rest of EUR 15 million is exchanged with future apartments and commercial spaces. The remaining amount of EUR 9,6 million related to One Cotroceni Park Office Faza 4 is included in investment property. The land was evaluated at acquisition date at fair value of RON 151,844,828 (One Cotroceni Towers) and 57,451,972 RON (One Cotroceni Park Office Faza 4). Please see Note 8 for further details.

A summary of movement in inventories is set out below:

	2023	2022
At 1 January	**662,994,340**	**343,977,627**
Development costs incurred	878,003,162	513,598,811
Transfer to investment property	(40,933,538)	(44,299,913)
Transfer from investment property	50,225,647	272,994,250
Acquisitions	255,116,142	22,182,852
Disposals (recognized in cost of sales)	(802,740,979)	(445,459,287)
At 31 December	**1,002,664,774**	**662,994,340**

The amounts recognised in cost of sales for the year are as follows:

	2023	2022
In respect of sale of completed inventory property	(66,825,775)	(16,464,849)
In respect of sale of residential property under development	(735,915,204)	(428,994,438)
Total	**(802,740,979)**	**(445,459,287)**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES (continued)

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for a building located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm. The property is classified as a historical monument by local authorities. The Group have reclassified the asset with a fair value of RON 50,2 million from investment property to inventories and started to recognize contract revenue according to IFRS 15. Please see Note 8 for further details.

The Group have also transferred several apartments from inventories to investment property as the destination was changed from sale to rental. Please see Note 8 for further details.

Inventories with a carrying amount of RON 210 million (2022: RON 156 million) have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

NOTE 10. ADVANCES TO SUPPLIERS

As at 31 December 2023 and 31 December 2022, advances to suppliers are detailed as follows:

Description	**31 December 2023**	**31 December 2022**
Advances to suppliers for acquisition of goods	40,786,464	31,083,375
Advances to suppliers for acquisition of services	89,083,408	85,233,534
Total	**129,869,872**	**116,316,909**

NOTE 11. TRADE AND OTHER RECEIVABLES

As at 31 December 2023 and 31 December 2022 trade and other receivables are detailed as follows:

Description	**31 December 2023**	**31 December 2022**
Trade receivables – customers	165,844,817	130,752,011
Accrued receivables	595,328	2,047,439
Contract assets	333,155,109	267,895,398
Loss allowances for receivables	(10,128,508)	(8,692,226)
Total trade receivables	**489,466,746**	**392,002,622**
VAT receivable	42,357,171	63,746,367
Various debtors	3,681,956	3,842,428
Loans granted to related parties	681,383	7,060,180
Loans granted to others	225,000	272,020
Prepaid interim dividends	43,003,322	36,102,481
Income tax receivables	1,737,894	1,214,513
Interest receivable	384,533	374,070
Other receivables	971,557	791,367
Loss allowances for other receivables	(209,029)	(458,482)
Total other receivables	**92,833,787**	**112,944,944**
Total	**582,300,533**	**504,947,566**

Contract assets represents the amounts estimated by the management of the Group based on the application of *IFRS 15 Revenue from Contracts with Customers*. For contracts relating to the sale of property under development, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time with reference to the stage of completion of the contract activity at the balance sheet date.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

Details on contract assets are presented below:

Developer	Project Name	31 December 2023	31 December 2022
One Modrogan SRL	One Modrogan	6,768,980	8,209,728
One Herastrau Towers SRL	One Herastrau Towers	23,586,344	20,952,941
One Peninsula SRL	One Peninsula	60,325,390	501,259
One Mircea Eliade Properties SRL	One Mircea Eliade	1,272,682	4,619,182
One Verdi Park SRL	One Verdi Park	62,140,095	170,880,505
Neo Floreasca Lake SRL	Neo Floreasca Lake	8,126,925	24,886,822
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	211,643	4,657,706
One Lake Club	One Lake Club	8,640,252	-
One Cotroceni Park	One Cotroceni Park	149,487,730	-
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	One Timpuri Noi	12,595,068	33,187,255
Total		**333,155,109**	**267,895,398**

Related parties' balances are disclosed in Note 26.

As at 31 December 2023 and 31 December 2022, for the VAT recoverable, the Group filed refund applications. Parent company One United Properties SA acts as the representative of the single tax VAT group. The tax authorities have approved the fund application and after the control performed, the Group collecting the amounts approved for reimbursement and also the vat recoverable amounts incurred after the period verified.

On 28 September 2022, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2022 in value of RON 36,102,481 (gross amount), from the distributable net profit of RON 46,075,910 for the first half of the financial year ending 31 December 2022. The proposed final dividend was subject to approval by shareholders at the annual general meeting that took place in 25 April 2023.

On 9 October 2023, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2023 in value of RON 37,976,491.71 (gross amount), from the distributable net profit of RON 64,960,806 for the first half of the financial year ending 31 December 2023. The proposed final dividend is subject to approval by shareholders at the annual general meeting that take place in 25 April 2024.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The Group have recorded loss allowance for trade receivables and contract assets as follow:

	Customers	Customers related to Bucur Obor	Doubtful customers	Contract assets	Total
Gross amount	159,332,706	4,973,760	1,538,351	333,155,109	**498,999,926**
Allowance for expected credit losses	(847,764)	(2,695,822)	(1,538,351)	(5,046,571)	**(10,128,508)**

The allowance for expected credit losses related to customers as at 31 December 2023 was determined as follows:

RON **31-Dec-23**	Current	< 90 days	91 - 365 days	> 365 days	Total
Expected loss rate	0%	0.25%	0.5%	2.0%	
Gross carrying amount - trade receivables	46,664,794	52,865,564	32,029,758	27,772,590	**159,332,706**
Allowance for doubtful receivables	-	132,164	160,148	555,452	**847,764**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

31-Dec-22 *RON*	Current	< 90 days	91 - 365 days	> 365 days	Total
Expected loss rate	0%	0.25%	0.5%	2.0%	
Gross carrying amount - trade receivables	39,387,136	27,423,889	49,803,133	9,212,617	**125,826,775**
Allowance for doubtful receivables	-	68,560	249,016	184,252	**501,828**

The expected loss rate for the trade receivable overdue over 90 days and contract assets as at 31 December 2023 and 31 December 2022 were established based on historical credit losses adjusted for any known factors that would influence the future amount to be received in relation to the receivable. The Group have also taken in consideration the subsequent collections procedures performed until the date of issue of these financial statements and creditworthiness analysis made by the Group's sales team at individual client level.

By using the simplified expected credit loss model, the Group assessed its receivables for allowance and concluded that a net amount of expected credit losses of RON 10,128,508 (31 December 2022: RON 8,692,226) are unlikely to be recovered.

At 31 December 2022, in loans granted to related parties were included mainly the loans granted to One Herastrau Office Properties SA with a maximum period of reimbursement of 5 years, depending on the cash flows availability of the borrower. During Q2 2023, the loan balance from 31 December 2022 in amount of RON 6,13 million was reimbursed by One Herastrau Office Properties SA.

Description	**31 December 2023**	**31 December 2022**
Other non-current assets	26,955,436	16,917,499
Total	**26,955,436**	**16,917,499**

In Other non-currents assets is included the loan granted by the subsidiary, One Long Term Investments SRL to Agro-Mixt Avero Prod SRL. The period of reimbursement is depending on the cash flows availability of the borrower. The loan outstanding balance as at 31 December 2023 is of RON 25,3 million (31 December 2022: RON 16,6 million) and related interest of RON 1,6 million (31 December 2022: RON 303,958). In prior year, the loan balance was included under *Other receivable* line, while in current year was reclassified under *Other non-current assets* line, according to the period of reimbursement.

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	**31 December 2023**	**31 December 2022**
Bank deposits in EUR	161,181,574	194,593,878
Bank deposits in RON	116,588,090	287,986,090
Bank accounts in EUR	59,150,838	59,569,684
Bank accounts in USD	7,241	2,557
Bank deposits in GBP	-	-
Bank accounts in RON	83,763,795	24,603,987
Petty cash – RON	22,692	203,709
Other cash items	24,865	138
Total	**420,739,095**	**566,960,043**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 12. CASH AND CASH EQUIVALENTS (continued)

Also, the maturity of bank deposits is as follows:

Description	31 December 2023	Maturity	31 December 2022	Maturity
Bank deposits in EUR	161,181,574	2024	194,593,878	2023
Bank deposits in RON	116,588,090	2024	287,986,090	2023
Total	**277,769,664**		**482,579,968**	

The Company have determined the ECLs relating to the net exposure for cash and short-term deposits of the Group at the amount of RON 1,2 million (31 December 2022: RON 3,5 million). The cash and cash equivalent amounts are deposited in banks from Romania that belong to banking Groups at European level or state-owned banks and in the recognizable past in Romania there were no cases of bank defaults.

The Group's exposure to credit risk associated cash and cash equivalents is limited using financial institutions of good standing for investment and cash handling purposes.

The Group have restricted cash in amount of EUR 10,7 mil in bank accounts in EUR and RON 3,5 mil in bank account in RON.

NOTE 13. PROFIT TAX

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer which include the following subsidiaries as at 31 December 2023: One Mamaia Nord SRL, One Timpuri Noi SRL (former Neo Timpuri Noi SRL), One Cotroceni Park SRL, One Floreasca Towers SRL, One Herastrau Towers SRL, One Lake District SRL, One Long Term Value SRL, One Mircea Eliade Properties SRL, One Modrogan SRL, One Peninsula SRL, One Verdi Park SRL, X Architecture Engineering Consult SRL, One Plaza Athenee SRL and One Lake Club SRL.

The other subsidiaries which are not included in the fiscal grup are profit tax payers as of 31 December 2023.

The Group’s current profit tax for the years 2023 and 2022 is determined at a statutory rate of 16% based on the statutory profit adjusted by non-deductible expenses and non-taxable revenues.

The deferred profit tax as at 31 December 2023 and 31 December 2022 is determined based on the 16% tax rate, which is expected to be effective when temporary differences are reversed.

The current and deferred tax assets and liabilities are detailed as follows:

Description	31 December 2023	31 December 2022
Current profit tax liabilities	(5,247,540)	(717,144)
Deferred tax liabilities	(321,771,977)	(272,828,037)
Total assets /(liabilities)	**(327,019,517)**	**(273,545,181)**

Income tax expense for the years ended 31 December 2023 and 31 December 2022 is detailed as follows:

Description	2023	2022
Current profit tax expenses	33,158,975	10,963,405
Deferred profit tax expenses	48,943,940	59,468,042
Total expenses /(revenues)	**82,102,915**	**70,431,447**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 13. PROFIT TAX (continued)

(i) Reconciliation of effective tax rate

The numerical reconciliation between profit tax expenses and the product of accounting result and applicable profit tax rate is as follows:

	2023	2022
Gross result	**531,721,445**	**572,908,912**
16% rate	**85,075,431**	**91,665,426**
Effect of non-deductible elements	7,261,179	1,624,626
Effect of tax losses	2,072,777	(22,294,743)
Legal reserve	(1,321,708)	(962,444)
Other tax effects	(6,695,071)	(1,706,997)
Profit tax decrease due to sponsorship expenses	(4,289,693)	2,105,579
Total profit tax expenses	**82,102,915**	**70,431,447**

(ii) Deferred tax balance movement

As at 31 December 2023 and 31 December 2022, the net deferred tax assets or liabilities relate to temporary differences attributable to:

	Consolidated statement of financial position		Consolidated profit or loss	
	31 December 2023	31 December 2022	2023	2022
Construction contracts – IFRS15 effect	(103,026,086)	(93,397,982)	9,628,104	38,705,563
Fair value increase of investment property and effect of amortization	(194,037,963)	(157,412,416)	36,625,547	35,037,641
Acquisition of Bucur Obor – recognized in retained earnings	(33,385,915)	(33,385,915)	-	-
Stock option plan	4,879,853	7,384,150	2,504,297	(7,384,150)
Inventories	(19,535,793)	(22,275,211)	(2,739,418)	886,558
Trade and other receivables	(838,653)	(838,653)	-	832,907
Fiscal losses	19,708,139	21,780,916	2,072,777	(9,585,135)
Sponsorship	4,662,732	5,049,609	386,877	1,066,350
Leases	79,256	28,755	(50,501)	(50,502)
Property, plant and equipment	(407,168)	109,089	516,257	(41,325)
Prepayments	129,621	129,621	-	135
Deferred tax expenses / (income)			**48,943,940**	**59,468,042**
Deferred tax assets / (liabilities) net	**(321,771,977)**	**(272,828,037)**		

NOTE 14. EQUITY

Management monitors capital, which includes all components of equity (i.e., share capital, retained earnings and reserves). The primary objective of the parent company is to protect its capital and ability to continue its business so that it can continue to provide benefits to its shareholders and other stakeholders. The parent company establishes the amount of capital that it imposes pro rata with risk. The parent company manages the capital structure and makes adjustments according to the evolution of the economic conditions and the risk characteristics of the underlying assets.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

(i) Share capital

As at 31 December 2023 the Group's share capital is RON 759,530,863 (31 December 2022: RON 740,563,717) divided into 3,797,654,315 shares (31 December 2022: 3,702,818,586 shares) at a nominal value of RON 0.2 each (31 December 2022: RON 0.2 each). All issued shares are fully paid.

Structure of share capital

	31 December 2023			31 December 2022		
Name of shareholder	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**
OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu)	1,052,553,846	210,510,769	27.7159%	1,021,349,895	204,269,979	27.5830%
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu)	1,052,553,846	210,510,769	27.7159%	1,021,349,895	204,269,979	27.5830%
Others	1,692,546,623	338,509,325	44.5682%	1,660,118,796	332,023,759	44.8340%
Total	**3,797,654,315**	**759,530,863**	**100.00%**	**3,702,818,586**	**740,563,717**	**100.00%**

On 19 April 2021, the extraordinary general meeting of the shareholders have approved to list the holding company One United Properties SA on the regulated market of the Bucharest Stock Exchange.

On April 26th, 2022, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of the second tranche of the dividends of RON 42.5 million (with first tranche paid in October 2021, full gross dividend for 2021 is RON 75 million). The gross dividend of RON 0.0165 per share was paid until September 30th, 2022. Company' dividend policy includes the payment of dividends on a semi-annual basis.

On 26 April 2022, the Extraordinary General Meeting of Shareholders and subsequent on 5 May 2022, the Board of Directors have approved the share capital increase in order to raise funds to finance the current activity of the Company and its group, respectively to finance developments and acquisitions, through one or more issues of ordinary, registered and dematerialized shares.

On August 3, 2022, the Board of Directors approved the results of the Share Capital Increase, respectively the subscription of a number of 202,973,646 new shares offered at a price of 1.25 RON / share representing a total gross capital raise of 253,717,057.50 RON divided into share capital nominal value of 40,594,729.2 RON respectively 0.2 RON per each share and share premium of 213,122,328.30 RON. The share capital of the Company is thus increased from the nominal value of 514,828,058.80 RON to the nominal value of 555,422,788 RON.

Decision of the Board of Directors no. 34/1 November 2022 have approved, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders no. 64/28 September 2022, the increase of the share capital with the amount of RON 185,140,929.20 by issuance of a number of 925,704,646 new ordinary, nominative and dematerialised shares with a nominal value of RON 0.2 per share, by incorporating approximately 87% of the share premiums resulted from the share capital increase operation conducted between 27 June 2022 – 3 August 2022. Following the Share Capital Increase, the share capital of the Company will be of RON 740,563,717.2, fully subscribed and paid up by the shareholders, divided into 3,702,818,586 nominative shares, dematerialised, with a nominal value of RON 0.2 /share.

On April 25th, 2023, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of dividends in value of RON 73,130,615.64 (gross dividend amount), corresponding to the financial year 2022, as follows: (i) the amount of RON 36,102,481.22 (gross dividend amount) has been distributed in advance as a result of the Resolution of the Company's Ordinary General Meeting of Shareholders no. 63 of 28 September 2022, respectively (ii) the amount of RON 37,028,134.42 gross dividend amount), representing a gross dividend per share of RON 0.01 which was distributed according to this resolution. Company' dividend policy includes the payment of dividends on a semi-annual basis.

NOTE 14. EQUITY (continued)

By Decision of the Board of Directors no. 43 dated 12 May 2023 the increase of the Company's share capital with the amount of RON 18,967,145.8 (nominal value) was approved, by issuance of 94,835,729 new shares having a nominal value of RON 0.2 per share, by converting certain, liquid and due receivables held against the Company by the beneficiaries of the stock option plan already approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended.

The Share Capital Increase was registered with the Bucharest Trade Registry pursuant to Resolution no. 70931 on 17 May 2023, the decision of the Board of Directors no. 43 dated 12 May 2023 being published in the Official Gazette Part IV no. 2378 dated 26 May 2023. The Romanian Financial Supervisory Authority has issued the certificate of registration for financial instruments (CIIF) no. AC-5334-5 on 03 August 2023. The registration of the new shares with the Central Depository was performed on 04 August 2023. The Company registered the share capital increase in August, after the all legal procedures were finalized. After this transaction, One United Properties S.A.'s share capital is of RON 759,530,863 divided into 3,797,654,315 nominative shares with a nominal value of 0.2 lei per share.

On 9 October 2023, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2023 in value of RON 37,976,491.71 (gross amount), from the distributable net profit of RON 64,960,806 for the first half of the financial year ending 31 December 2023. The interim dividends were paid subsequent to the end of reporting year 2023, in January 2024. The proposed final dividend is subject to approval by shareholders at the annual general meeting that took place in 25 April 2024.

(ii) Legal reserve

The legal reserve of RON 25,713,307 as at 31 December 2023 (2022: RON 17,452,635) is established in accordance with the Company Law, according to which 5% of the statutory annual accounting profit is transferred to legal reserves until their balance reaches 20% of the company's share capital. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Company Law), it becomes taxable.

The management of the Group does not expect to use the legal reserve in a way that it becomes taxable (except as provided by the Fiscal Code, where the reserve constituted by the legal entities providing utilities to the companies that are being restructured, reorganized or privatized can be used to cover the losses of value of the share package obtained as a result of the debt conversion procedure, and the amounts intended for its subsequent replenishment are deductible when calculating taxable profit).

The accounting profit remaining after the distribution of the legal reserve is transferred to retained earnings at the beginning of the financial year following the year for which the annual financial statements are prepared, from where it will be distributed.

(iii) Other capital reserves – share based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees, as part of their remuneration.

A share-based payment plan was set up during Q4 2020 by which a number of 941 shares of the holding company were granted to an employee. The vesting period is of minimum 12 months and the option can be exercised up to 15 months from the granting date. According to the resolution of the Board of Directors no 20/30 December 2021 and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 55/19 April 2021, the Company approved the "split" of shares, by decreasing the nominal value of a share from RON 260.60 to RON 0.2, and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 56/26 May 2021, the "split" of shares has been confirmed to apply to any share options granted prior to the "split" operation. Therefore, it was approved the amendment of the contract in order to reflect the "split", as well as to extend the term for exercising the share options granted to the beneficiary. The Group has estimated the reserve by taking into account the fair value of the instrument and the vesting period.
On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

In case of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met in order to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting.

Based on the conditions described above, the Group and the beneficiaries have confirmed that all terms and conditions have been established for the stock option plan described above, the grant date have occurred and therefore the Group have accounted for an expense of RON 25,1 million during 2023 and RON 46 million during 2022 and in correspondence the related capital reserve.

The shares resulted from the share capital increase which was registered on 04 August 2023 have been allotted to the beneficiaries of the stock options plans approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended. The Share Capital Increase was performed by converting certain, liquid and due receivables held against the Company in shares issued by the Company, in accordance with art. 210 para. (2) of the Companies' Law and art. 89 of Law no. 24/2017 on issuers of financial instruments and market operations. The SOP Receivables converted in the Share Capital Increase have a total value of RON 82,516,567.8 determined by multiplying the number of New Shares (i.e., 94,835,729) with RON 0,8701 per share (this represents the weighted average trading price for the 12 months period prior to the date of the BoD decision), such value per share being approved under item 1 letter c) of the Decision of the Board of Directors no. 43 dated 12 May 2023 and being determined in compliance with art. 174 of Regulation 5/2018. Out of the total amount of the SOP Receivables RON 18,967,145.8 represents the nominal value of the New Shares and RON 63,549,422 represents the share premium. Holders of SOP Receivables do not pay any price for the New Shares.
From the total SOP receivable amount of RON 82,5 million, the amount of RON 55,8 million was deducted from the capital reserve,while the difference of RON 26,7 million is covered from retained earnings. After this transaction, the stock option plan balance recorded in equity is RON 16,8 million, related to SOP 4 and 5 not exercised until 31 December 2023.

NOTE 15. BORROWINGS

The loans outstanding as at 31 December 2023 and 31 December 2022 are detailed as follows:

Description	**Original Currency**	**31 December 2023**	**31 December 2022**
Secured loans			
Bank loans due in one year	EUR	117,166,526	172,386,427
Bank loans due in more than one year	EUR	793,491,471	633,776,316
Unsecured loans			
Loans received from minority shareholders due in one year	EUR	-	22,652
Loans received from minority shareholders due in more than one year	EUR	82,609,273	3,528,882
Loans received from minority shareholders due in one year	RON	38,651	24,876
Loans received from minority shareholders due in more than one year	RON	-	-
Loans received from related parties due in one year	EUR	35,394	35,200
Loans received from related parties due in more than one year	EUR	34,327,685	20,062,162
Loans received from related parties due in more than one year	RON	-	368,111
Total		**1,027,669,000**	**830,204,626**
Of which:			
Long-term		**910,428,429**	**657,735,471**
Short-term		**117,240,571**	**172,469,155**

Detailed information about the balances and transactions with related parties are presented in Note 26.

Interest rates for bank loans are based on EURIBOR plus margins that vary from 2% to 3.5%.

NOTE 15. BORROWINGS (continued)

Some of the Group's borrowings have, among others, loan-to-value and debt service coverage ratio covenants. The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting period.

The bank loan contracts contain pledges on the real estate developments (land and construction in progress), as well as receivables from customers and bank accounts. Please refer to note 8, note 9 and note 12 for amounts pledged.

On 19 January 2021, the subsidiary One United Towers SA has signed the loan agreement with Black Sea Trade and Development Bank for an amount of maximum EUR 50,000,000. As at 31 December 2023, the subsidiary have withdrawn the amount of EUR 43,6 million. The loan agreement requires the observance of some financial indicators such as: financial debt less restricted cash to value ratio, forward-looking debt service coverage ratio, debt service coverage ratio, loan-to-value. The Group has complied with the financial covenants of its borrowing facilitiy as at 31 December 2023. The loan balance as of 31 December 2023 is RON 191,4 million (31 December 2022: RON 204,8 million) from which due on short term – RON 14,5 million.

In March 2021, the subsidiary One Verdi Park SRL has obtained the re-authorization for change in destination from a mixt development, including office to a residential development. As a consequence, the subsidiary has signed an addendum to the existing bank loan contract in order to accommodate the change in destination of the development. The credit facility period was reduced from 144 to 28 months. The subsidiary performed withdrawls from the credit line in order to finance the development of the residential project, the balance of the loan as of 31 December 2023 is of RON 0 million (31 December 2022: RON 98,36 million) as the credit was fully reimbursed in Q3 2023. The pledges attached to the loan contract was removed.

On 23 July 2021, the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG for an amount of maximum EUR 78,000,000. The loan agreement requires the observance of some financial indicators.
The bank loan contract contains pledges on land and construction in progress, as well as receivables from leasing contracts, insurance policies and shareholder loan, bank account and 100% of the share capital of the borrowers. The holding Company guarantees to each finance party the punctual performance which will cover costs differences or cash flows deficit related.
As of 31 December 2023, the loan balance related to the subsidiary One Cotroceni Park Office SA is RON 184,22 million (31 December 2022: RON 211,52 million) from which on short term the amount of RON 11,78 million.
As of 31 December 2023, the loan balance related to the subsidiary One Cotroceni Park Office SA Faza 2 is RON 139,84 million (31 December 2022: RON 49,25 million) from which on short term the amount of RON 8,54 million.

On 30 September 2021, the subsidiary One Peninsula SRL have signed the loan agreement with First Bank SA for a maximum amount of EUR 15,000,000. The loan period is for 36 months starting with 01 October 2021. The loan balance as at 31 December 2023 is of RON 59,69 million (31 December 2022: RON 59,37 million) and is due on short term. The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and bank accounts. Also, the loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7,47 million).

On September 2021, the subsidiary One Timpuri Noi SRL (former Neo Timpuri Noi SRL) have obtained a new credit facility for a maximum amount of EUR 4,049,314. The loan balance as at 31 December 2023 is of RON 0 million (31 December 2022: RON 18,55 million) as the credit was fully reimbursed in Q4 2023.

On 15 February 2022, the Company, through its subsidiary One Mircea Eliade Properties SRL contracted a bank loan from Garanti Bank in total value of RON 44,5 million (equivalent of EUR 9 million) and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains pledges over 21 apartments and 34 parking places, as well as bank accounts and a corporate guarantee issued by the holding Company. The loan balance as at 31 December 2023 is RON 37,27 million (31 December 2022: RON 41,16 million), from which on short term RON 4,20 million.

On 27 July 2022, the Company, through its subsidiary One Victoria Plaza SRL (former MAM Imob Business Center SRL) contracted a bank loan from Garanti Bank in total value of EUR 18,43 million and fully utilized this amount, therefore the loan balance and attached interest as at 31 December 2023 is RON 84,79 million (31 December 2022: RON 89,18 million), from which on short term RON 5,35 million. The loan will be fully repaid until June 2037. The bank loan contract contains pledges the Office building located in Sos. Nicolae Titulescu No.29-31.

The subsdiaries One United Tower SA, One Cotroceni Park Office SA, One Cotroceni Park Office Faza2 SA and One Cotroceni Park SRL have contracted loans from Element Invest Partners, related party. The loan is granted for undefined period of time, depending on the cash resources of the borrower. The group loan balance, including interest with Element Invest Partners is RON 34,36 million (31 December 2022: RON 20,46 million), from which short term RON 35,394.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. BORROWINGS (continued)

In Q1 2023, the Group, through its subsidiary, One Proiect 12 SRL, contracted a bank loan from First Bank in total value of EUR 6,8 million. The loan has a maturity of 6 years. The bank loan contract contains pledges over the building and land held by the company on Georges Clemenceau street, no 8-10 and also over the building and land held by One Downtown (former One Proiect 10 SRL) on Academiei street no 21, as well as bank accounts and a corporate guarantee issued by the holding Company. The loan balance and attached interest as of 31 December 2023 is RON 33,67 million from which on short term RON 5,13 million.

In Q1 2023, the Group, through its subsidiary Eliade Tower SRL contracted a bank loan from Garanti Bank in total value of EUR 5 million and fully utilized in January 2023. The loan has a maturity of 5 years. The bank loan contract contains pledges the Office building “Eliade Tower”located in Bd. Mircea Eliade No.18, Bucharest and receivables. The due date for reimbursement is 19 January 2028. The loan balance and attached interest as of 31 December 2023 is RON 20,82 million from which on short term RON 4,74 million.

On 2 March 2023, subsidiary One Cotroceni Park SRL contracted a bank loan from Transilvania Bank in total value of EUR 20 million for a period of 42 months. The loan due date for reimbursement is August 30th 2026. The bank loan contract contains pledges over land plot 239866 and construction, as well as bank accounts and future receivables from presales, 100% of the share capital and a corporate guarantee issued by the holding Company. As at 31 December 2023, the subsidiary have withdrawn the amount of RON 104,7 million. The loan balance as of 31 December 2023 is RON 78,2 million and is all amount on long term.

On 21 August 2023, subsidiary One Herastrau Towers SRL contracted a bank loan from Garanti Bank in total value of EUR 4,900,000 for a period of 3 years. The loan due date for reimbursement is 30 August 2026. The bank loan contract contains pledges over 5 apartments and 12 parking lots, as well as bank accounts and future receivables. The loan balance as of 31 December 2023 is RON 24,37 million and is all amount on long term.

On 12 September 2023, subsidiary One Verdi Park SRL have signed the loan agreement with Patria Bank for an amount of maximum EUR 9,500,000. The loan due date for reimbursement is 11 September 2026. The bank loan contract contains pledges over 15 residential units, as well as bank accounts and future receivables. As at 31 December 2023, the subsidiary have withdrawn the amount of RON 24,87 million. The loan balance and attached interest as of 31 December 2023 is RON 25 million, from which on short term the amount of RON 136,815.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 28.

NOTE 16. LEASES

Group as a lessor

The Group has entered into leases on its office property portfolio. Refer to Notes 21 for further information.

Group as a lessee

The Group leases various land, building and equipment. Rental contracts are typically made for fixed periods of 1 to 2 years but may have extension options. Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The Group has lease contracts with lease terms of 12 months or less and has certain leases of equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land	Buildings	Equipment	Total
At 1 January 2023	**(187,236)**	**2,899,197**	**(24,807)**	**2,687,154**
Additions	-		-	-
Depreciation expense	(218,159)	(527,665)	(72,473)	**(818,297)**
At 31 December 2023	**(405,395)**	**2,371,532**	**(97,280)**	**1,868,857**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 16. LEASES (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	2022
As at 1 January	**3,425,437**	**3,929,334**
Additions	-	-
Accretion of interest	16,231	16,231
Payments	(531,917)	(531,917)
Translation difference	11,788	11,789
As at 31 December	**2,921,539**	**3,425,437**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 28.

The following are the amounts recognised in profit or loss:

	2023	2022
Depreciation expense of right-of-use assets	(482,229)	(482,229)
Interest expense on lease liabilities	(14,666)	(14,666)
Currency translation gain / (loss)	(11,789)	(11,789)
Expense relating to leases of low-value assets	(7,899)	(10,031)
Expense relating to short-term leases	(49,303)	(62,607)
Total amount recognised in profit or loss	**(565,886)**	**(581,322)**

NOTE 17. INVESTMENTS IN ASSOCIATES

As at 31 December 2023 and 31 December 2022, the Group has interests in a number of individually immaterial associates that are accounted for using the equity method:

Name of the entity	Place of business/ country of incorporation	Object of activity	% of ownership interest		Carrying amount	
			31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Reinvent Energy SRL	Romania	Constructions	20%	20%	2,419,580	2,157,759
CCT & ONE AG	Switzerland	Investment	49.90%	49.90%	675,656	675,656
Glass Rom Invest SRL	Romania	Constructions	20%	20%	288,956	288,956
One Property Support Services SRL	Romania	Property management	20%	20%	424,020	245,006
One Herastrau Office Properties S.A.	Romania	Holding	30%	30%	4,855,360	-
Asociatia ASAR	Romania	Architecture	20%	20%	2,500	2,500
Total equity-accounted investments					**8,666,072**	**3,369,877**

	2023	2022
Aggregate amounts of the Group's share of:		
Profit from continuing operations	5,296,195	402,719
Total comprehensive income	**5,296,195**	**402,719**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 18. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

Description	31 December 2023	Short Term	Long term	31 December 2022	Short Term	Long term
Suppliers	135,127,264	*135,127,264*	-	163,841,716	*163,841,716*	-
Accrued payables	32,149,849	32,149,849	-	28,602,207	*28,602,207*	-
Performance guarantees retained from suppliers	61,064,176	61,064,176	-	48,722,743	*48,722,743*	-
Dividends	41,602,115	41,602,115	-	2,806,389	*2,806,389*	-
Other taxes and duties	2,490,901	2,490,901	-	1,326,580	*1,326,580*	-
Sundry creditors	35,250,629	35,250,629	-	43,166,659	*24,703,167*	*18,463,492*
Provisions	775,016	-	775,016	1,450,526	-	*1,450,526*
Employee benefits	2,179,487	2,179,487	-	1,062,754	*1,062,754*	-
Liabilities for acquisitions of investments	44,513,870	44,513,870	-	-	-	-
Other creditors	1,169,918	-	1,169,918	3,528,255	-	*3,528,255*
Total trade and other payables	**356,323,225**	***354,378,291***	***1,944,934***	**294,507,829**	***271,065,556***	***23,442,273***

The normal operating cycle of the Group is three years. As a result, current assets and liabilities include items whose realization is intended and / or anticipated to occur during the normal operating cycle of the Group.
Accrued payables represent the value of accepted services rendered by entrepreneurs and contractors for which invoices have not yet been received at the reporting date.

In Sundry creditors line is included the amount outstanding to be paid (RON 18,6 million) for the acquisition of land in surface area of 801,028.380 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county.

In Dividends line are mainly included the amount to be paid in relation to the interim dividends of the holding Company for the first six months of the financial year ended 31 December 2023 (RON 36,6 million). The payment was performed in January 2024.

In Liabilities for acquisition of investments are included the advance payments received in relation to a pre-agreements signed for sale of shares held in the subsidiary, One Proiect 12 SRL and One Downtown SRL (former One Proiect 10 SRL). Please refer to Note 29 for further details.

The management consider that the carrying amount of trade payables approximates to their fair value.

NOTE 19. ADVANCES RECEIVED FROM CLIENTS

At the moment of signing the bilateral sales undertakings between the promissory-seller and the promissory-purchaser, the promissory-seller undertakes not to sell, not to encumber, promise or offer for sale the apartments (with / without parking spaces) to a third party. The advances received from customers are decreasing over time in line with the increase in the percentage of completion of the residential developments.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. ADVANCES RECEIVED FROM CLIENTS (continued)

Developer	Project Name	Description	31-Dec-23	31-Dec-22
One Floreasca Towers SRL	One Floreasca Towers	Residential	10,784,731	15,530,020
One Herastrau Plaza SRL	One Herastrau Plaza	Residential	79,393	79,393
One North Gate SRL	One North Lofts	Investment property	20,463,797	8,165,132
One Cotroceni Park SRL	One Cotroceni Park	Residential	-	30,377,463
One Lake District SRL	One Lake District	Residential	65,784,889	88,640,773
One Plaza Athenee SRL (former One Proiect 3 SRL)	One Athenee	Residential	29,745,409	39,552,200
One Lake Club SRL (former One Proiect 6 SRL)	One Lake Club SRL	Residential	36,300,581	53,182,697
One Lake Club SRL (OP6 - Vlago)	One Lake Club (OP6 - Vlago)	Residential	-	5,226,929
One City Club SRL (former One Proiect 9 SRL)	One City Club	Investment property	5,088,155	5,088,154
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	Residential	6,726,810	6,992,261
One Herastrau Vista (former Neo Herastrau Park SRL)	One Herastrau Vista	Residential	21,346,165	26,634,795
One High District SRL	One High District	Residential	31,308,736	10,209,552
Eliade Tower SA	Eliade Tower	Investment property	22,186,760	2,961,080
One Cotroceni Towers SRL	One Cotroceni Towers	Residential	139,791,793	-
Bucur Obor SA	Bucur Obor	Investment property	1,000	1,000
Total			**389,608,219**	**292,641,449**

Description	2023	2022
Advances received from clients in relation to residential portfolio (contract liabilities)	341,868,507	236,873,883
Advances received from clients in relation to investment property	47,739,712	55,767,566
Total	**389,608,219**	**292,641,449**

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for the development. The Group have reclassified the asset from investment property to inventories and started to recognize contract revenue according to IFRS 15. Therefore the advances received from clients in relation to this developmet were included in *Advances received from clients in relation to investment property* at 31 December 2022, while at 31 December 2023, subsequent to obtaining the building permit were reclassified under *Advances received from clients in relation to residential portfolio (contract liabilities)* line. Please see Note 8 and Note 20 for further details.

The Company, through its subsidiary, One North Gate SA have signed an asset sale agreement for an office building owned by the subsidiary for a transaction value of EUR 6 million. The buyer is Element Investiții Imobiliare S.R.L. Following this transaction, One North Gate S.A. retains a second building within the development, which will be transformed into a residential development called One North Lofts. As of 31 December 2023, an advance payment of RON 7 million was performed by the buyer in relation to this agreement.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY

Contract revenue results from the development of apartments.
The revenues from sales of inventory property and residential property under development are detailed below:

Development	2023	2022
Sales of completed inventory property		
Sales – One Mircea Eliade Properties	*16,820,251*	*26,644,100*
Sales – One Mamaia Nord (former Neo Mamaia)	*(237,968)*	*(1,465,538)*
Sales – One Verdi Park	*49,209,423*	*252,997,195*
Sales - One Herastrau Towers	*29,255,471*	*13,616,206*
Sales - Neo Floreasca Lake	*10,136,353*	*39,190,885*
Sales - One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	*19,199,295*	*14,378,401*
Sales of residential property under development from which:		
Contract revenues - One Peninsula	*74,471,459*	*104,789,370*
Contract revenues - One Herastrau Vista	*35,377,346*	*7,919,636*
Contract revenues – One Modrogan	*963,533*	*49,269,158*
Contract revenues – One Cotroceni Park	*285,121,407*	*180,319,265*
Contract revenues - One Mamaia Nord - faza 2	*14,002,434*	*1,558,574*
Contract revenues - One High District	*175,608,284*	*13,751,963*
Contract revenues - One Floreasca Towers	*68,648,670*	*17,248,551*
Contract revenues - One Lake District	*113,000,708*	*26,719,555*
Contract revenues – One Cotroceni Towers	*26,781,758*	*-*
Contract revenues – One Plaza Athenee	*89,176,791*	*-*
Contract revenues - One Lake Club	*122,858,753*	*22,581,061*
Total revenues from contracts with customers	**1,130,393,968**	**769,518,382**

The cost of sales of residential property is detailed below:

	2023	2022
Cost of sales of completed inventory property		
Cost of sales – One Mircea Eliade	*1,864,757*	*10,170,810*
Cost of sales – One Mamaia Nord (former Neo Mamaia)	*66,721*	*(1,030,872)*
Cost of sales - One Verdi Park	*35,031,596*	*122,545,454*
Cost of sales - One Herastrau Towers	9,569,239	7,324,911
Cost of sales - Neo Floreasca Lake	*8,011,716*	*23,253,839*
Cost of sales - One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	*12,281,746*	*13,346,872*
Cost of sales of residential property under development from which:		
Contract cost - One Peninsula	*35,248,065*	*48,239,989*
Contract cost - One Herastrau Vista	*22,899,639*	*5,452,336*
Contract cost – One Modrogan	*2,508,641*	*17,958,788*
Contract cost – One Cotroceni Park	*211,786,361*	*121,021,892*
Contract cost - One Mamaia Nord - faza 2	*12,097,811*	*2,216,040*
Contract cost - One High District	*150,338,300*	*12,576,406*
Contract cost - One Floreasca Towers	*46,610,405*	*16,473,342*
Contract cost - One Lake District	*93,823,153*	*26,958,446*
Contract cost – One Cotroceni Towers	*26,784,444*	*-*
Contract cost – One Plaza Athenee	*57,628,796*	*-*
Contract cost - One Lake Club	*76,189,589*	*18,951,034*
Total cost of sales	**802,740,979**	**445,459,287**

The Group's revenue includes revenue from construction contracts that are recognised over time by reference to the stage of completion of the contract with the customer.

In prior period, the construction at One Mircea Eliade Properties, One Mamaia Nord (former Neo Mamaia), One Herastrau Towers were completed and therefore the residential property under development was transferred in completed inventory property.

During 2023, the construction of One Verdi Park, Neo Floreasca Lake, One Timpuri Noi was completed and therefore the residential property under development was transferred in completed inventory property.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY (continued)

At 31 December 2023, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was RON 1,301,925,291 (2022: RON 1,034,295,559), of which approximately 45% is expected to be recognised as revenues during 2024.

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for a building located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm. The property is classified as a historical monument by local authorities. The Group have reclassified the asset from investment property to inventories and started to recognize contract revenue according to IFRS 15.

On 8 July 2022, the Bucharest Court of Appeal suspended the building permit of the development One Modrogan, issued by the General Mayor of the Municipality of Bucharest. The litigation case in on-going.

NOTE 21. NET INCOME FROM RENTAL ACTIVITY

The Group has entered into leases on its office property portfolio. The office property leases typically have lease terms of between 5 and 10 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

	2023	**2022**
Rental income (excluding straight-lining of lease incentives)	116,171,421	71,210,714
Straight-lining of lease incentives	(18,097,638)	(8,833,254)
Rental income	**98,073,783**	**62,377,460**

Details about the net annual rent are presented below:

As at 31 December 2023	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	64,410,217	66%	23,534,206	87,944,423	68.52%
Retail	30,238,954	31%	6,573,554	36,812,508	28.68%
Other	3,424,612	3%	173,108	3,597,720	2.8%
Total	**98,073,783**	**100%**	**30,280,868**	**128,354,651**	**100.00%**

As at 31 December 2022	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	34,383,192	55%	11,147,256	45,530,448	57.7%
Retail	27,230,617	44%	5,313,802	32,544,419	41.24%
Other	763,651	1%	71,104	834,755	1.06%
Total	**62,377,460**	**100%**	**16,532,162**	**78,909,622**	**100.00%**

Under the office activity, are mainly included the revenues generated by One United Tower, One Cotroceni Park Office and One Victoriei Plaza with a share of 90% in total office rental revenues as of 31 December 2023 (31 December 2022: 94%).
The rental activity increased as One Tower and One Cotroceni Park Office buildings started to generated revenues as the development were finalized.

Under the retail activity, are included the revenues generated by Bucur Obor.

Details about the base annual rent and the amortization of lease incentive are presented below:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 21. NET INCOME FROM RENTAL ACTIVITY (continued)

As at 31 December 2023	Gross rental income	Straight-lining of lease incentives	Rental income
Office	82,507,855	(18,097,638)	64,410,217
Retail	30,238,954	-	30,238,954
Other	3,424,612	-	3,424,612
Total	**116,171,421**	**(18,097,638)**	**98,073,783**

As at 31 December 2022	Gross rental income	Straight-lining of lease incentives	Rental income
Office	43,216,446	(8,833,254)	34,383,192
Retail	27,230,617	-	27,230,617
Other	763,651	-	763,651
Total	**71,210,714**	**(8,833,254)**	**62,377,460**

The Group has granted incentives such as rent free and fit outs. The total unamortised portion of lease incentives is, as follows:

	2023	2022
Gross amount of lease incentives not fully amortised	175,919,235	121,123,808
Cumulative amount recognised in profit or loss	(29,250,066)	(9,992,841)
Net amount of lease incentives not fully amortised	**146,669,169**	**111,130,967**

The net amount of lease incentives not fully amortised are included in the statement of financial position under 'Investment property' at 31 December 2023 and 31 December 2022.

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between 3 to 15 years, with a extension option. The lessee does not have an option to purchase the property at the expiry of the lease period.

NOTE 22. SALES BROKERAGE EXPENSES AND OVERHEAD EXPENSES

Description	**2023**	**2022**
Sales brokerage commissions	14,977,030	9,255,427
Total	**14,977,030**	**9,255,427**

Sales brokerage commissions are recorded and paid for signing bilateral purchase undertakings of apartments or rental contracts.

NOTE 23. GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses in 2023 and 2022 are detailed as follows:

Description	**2023**	**2022**
Bank commissions and similar charges	2,534,032	1,862,959
Commissions, fees and legal consultancy	8,172,740	8,519,286
Repairs and maintenance	108,804	80,413
Fuel, office equipment and similar	994,239	1,113,344
Amortization of fixed assets	3,641,904	2,037,742
Protocol, advertising and publicity	14,398,055	11,002,963
Taxes and duties	561,608	154,783
Accounting, audit and consultancy services	2,149,774	1,611,150
Valuation services	365,058	435,153
Other consultancy services	4,441,898	3,239,021
Administration services	2,122,281	1,751,740
Other expenses with third party services	1,445,528	602,939
Salaries and similar contributions	11,703,064	8,311,553
Share based payment transactions	25,124,118	46,150,939
Postage and telecommunication expenses	163,459	115,584
Transport and travels	1,829,511	1,543,038
Sundry rentals	861,313	809,519
Recruitment	250,523	117,447
Insurance	670,367	494,227
Depreciation of right of use assets	482,229	482,229
Total	**82,020,505**	**90,436,029**

The average number of employees as of 31 December 2023 is 115 (31 December 2022: 89 employees).

The fees charged by Deloitte Audit SRL for services provided in 2023 to the company and subsidiaries within the group comprise audit fees amounting EUR thousand 217,6 (out of which statutory audit in amount of EUR thousand 157,3, other audit fees in amount of EUR thousand 27 and other non-audit services in amount of EUR thousand 33,4).

NOTE 24. OTHER OPERATING EXPENSES

Other operating expenses in 2023 and 2022 are detailed as follows:

Description	**2023**	**2022**
Donations and sponsorships	9,294,231	7,467,118
Bad debts written off	392,315	498,907
Expense with provisions and allowance for impairment	(1,281,899)	5,258,735
Contractual penalties	3,860,487	1,052,967
Other operating expenses	2,400,811	1,030,613
Total	**14,665,945**	**15,308,340**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 25. NET FINANCIAL RESULT

The financial income and expenses in 2023 and 2022 are detailed as follows:

Description	2023	2022
Interest income	22,500,588	13,393,219
Foreign exchange net gain	-	93,082
Other financial income	4,339,995	4,861,828
Total financial income	**26,840,583**	**18,348,129**
Interest expenses	(56,907,656)	(21,966,642)
Foreign exchange net loss	(5,201,438)	-
Total financial expenses	**(62,109,094)**	**(21,966,642)**
Total net financial result – gain/(loss)	**(35,268,511)**	**(3,618,513)**

NOTE 26. RELATED PARTIES

The Group's related parties with which have incurred transactions at 31 December 2023 and 31 December 2022 are:

Name	Country	Type of affiliation
Andrei Liviu Diaconescu	Romania	Shareholder and key management personnel
Victor Capitanu	Romania	Shareholder and key management personnel
Vinci Invest SRL	Romania	Other related party
Liviu Investments SRL	Romania	Other related party
Lemon Interior Design SRL	Romania	Other related party
Lemon Office Design SRL	Romania	Other related party
Ploiesti Logistics SRL	Romania	Other related party
Element Investments SRL	Romania	Other related party
Element Invest Partners SRL	Romania	Other related party
One Energy Division SRL	Romania	Other related party
One Holding Investments SRL	Romania	Other related party
AV Holding SRL (former One Holding Ver SRL)	Romania	Other related party
Park Lane Investments SRL (former One Holding OA SRL)	Romania	Other related party
One Proiect 2 SRL	Romania	Other related party
YR-WNT SRL (former Neo Downtown SRL)	Romania	Other related party
ACC Investments SRL	Romania	Other related party
Reinvent Energy SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office Properties SA	Romania	Associate
One Herastrau Office SA	Romania	Associate, the shares were sold
Glass Rom Invest SRL	Romania	Associate
CCT & ONE AG	Switzerland	Associate
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Luxembourg	Associate
Vinci Ver Holding SRL	Romania	Other related party
OA Liviu Holding SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Switzerland	Key management personnel, minority shareholder of the Group
Gabriel-Ionut Dumitrescu	Romania	Key management personnel, starting 2022 exit the Board
Adriana-Anca Anton	Romania	Key management personnel, starting 2022 exit the Board
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group

Name	Country	Type of affiliation
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel

In its normal course of business, the Group carries out transactions with the key management personnel (executive management and directors). The volume of such transactions is presented in the table below:

Key management personnel compensation	2023	2022
Short - term employee benefits	2,273,902	769,062
Share - based payments	81,449,718	-

Share - based payments represent the equivalent of 93,609,606 ordinary shares of the Company granted free of charge under the SOP Plan. Please refer to Note 14 for disclosure of share-based payments to key management personnel.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates/joint ventures are disclosed below.

The following tables provides the total amount of transactions that have been entered into with related parties during 2023 and 2022, as well as balances with related parties as at 31 December 2023 and 31 December 2022:

		Statement of financial position (Amounts owing (to)/from)	
Nature of balances	**Related party categories**	**31 December 2023**	**31 December 2022**
Receivables and other receivables related to goods and services sold	Key management personnel of the Group	2,482	2,482
	Associates	4,442,733	4,744,972
	Other related parties	19,309,734	12,050,587
Advances paid for purchases of goods and services	Key management personnel of the Group	-	-
	Associates	12,621,057	10,869,424
	Other related parties	21,117,942	21,883,513
Payables related to goods and services paid	Key management personnel of the Group	3,305	3,305
	Associates	21,961,612	10,270,577
	Other related parties	12,828,459	8,850,374
Dividends paid during the year, net of tax	Key management personnel of the Group	1,988,914	4,309,192
	Other related parties	22,439,070	48,473,059
Advance payments received	Other related parties	18,724,925	10,999,262
	Associates	57,345,740	102,004,454

		Income statement (Income/(expense))	
Nature of transactions	**Related party categories**	**2023**	**2022**
Sales of goods and services	Associates	32,283,671	29,405,151
	Other related parties	20,866,186	8,126,879
Dividends income	Associates	4,048,000	-
Purchases of various goods and services	Associates	72,523,670	80,244,759
	Other related parties	37,163,084	45,450,524

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. RELATED PARTIES (continued)

Loans from related parties		**Interest expenses**	**Amounts owed to related parties**
	2023	-	34,363,079
Companies – Other related parties	2022	-	20,465,473
Total loans from related parties	**2023**	**-**	**34,363,079**
	2022	**-**	**20,465,473**

Loans granted to related parties		**Interest income**	**Amounts granted to related parties**
	2023	32,548	681,383
Loans granted to associates	2022	178,566	7,060,180
Total loans from related parties	**2023**	**32,548**	**681,383**
	2022	**178,566**	**7,060,180**

At 31 December 2023 and 31 December 2022, the Group have entered into contractual commitments with related parties for the sale of property, development of investment property and residential property in relation to which the related parties perform constructions works such as: design, structure, site organization, installations, envelope, finishes and other services such as: property management, broker commissions.

The transactions with related parties are made on terms equivalent to those that prevail in arm's-length transactions.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized balance sheet	**One Cotroceni Park**		**One North Gate**		**One United Tower**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Current assets	301,846,990	157,538,289	6,146,107	7,348,484	34,524,244	42,499,887
Current liabilities	44,395,449	55,779,573	24,161,846	13,867,896	26,798,666	29,743,558
Current net assets	**257,451,541**	**101,758,716**	**(18,015,739)**	**(6,519,412)**	**7,725,578**	**12,756,329**
Non-current assets	123,394,798	117,248,486	161,344,783	131,443,936	457,700,752	426,205,696
Non-current liabilities	152,208,602	35,943,423	47,801,764	48,454,588	276,381,410	277,839,942
Non-current net assets	**(28,813,804)**	**81,305,063**	**113,543,019**	**82,989,348**	**181,319,342**	**148,365,754**
Net assets	**228,637,737**	**183,063,779**	**95,527,280**	**76,469,936**	**189,044,920**	**161,122,083**
NCI % at year end	*20.00%*	*20.00%*	*14.78%*	*32.32%*	*28.54%*	*29.76%*
Equity attributable to owners of the Company	**182,910,189**	**146,451,023**	**81,406,437**	**51,758,676**	**135,091,500**	**113,172,151**
Non-controlling interests	**45,727,547**	**36,612,756**	**14,120,842**	**24,711,260**	**53,953,420**	**47,949,932**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Summarized balance sheet	One Cotroceni Park Office		One Cotroceni Park Office Faza 2		Bucur Obor	
	2023	2022	2023	2022	2023	2022
Current assets	48,657,394	66,350,765	31,708,647	26,866,425	58,754,062	36,419,480
Current liabilities	28,423,072	28,433,311	23,617,345	23,238,706	7,573,752	7,907,617
Current net assets	**20,234,322**	**37,917,454**	**8,091,302**	**3,627,719**	**51,180,310**	**28,511,863**
Non-current assets	599,017,054	569,909,990	416,209,212	351,073,805	315,274,947	307,931,439
Non-current liabilities	253,668,845	261,996,147	244,521,760	170,746,951	35,422,061	33,167,754
Non-current net assets	**345,348,209**	**307,913,843**	**171,687,452**	**180,326,854**	**279,852,886**	**274,763,685**
Net assets	**365,582,530**	**345,831,297**	**179,778,755**	**183,954,573**	**331,033,196**	**303,275,548**
NCI % at year end	*32.75%*	*42.75%*	*32.75%*	*42.75%*	*45.56%*	*45.56%*
Equity attributable to owners of the Company	**245,854,251**	**197,988,418**	**120,901,213**	**105,313,993**	**180,214,472**	**165,103,208**
Non-controlling interests	**119,728,278**	**147,842,879**	**58,877,542**	**78,640,580**	**150,818,724**	**138,172,340**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park		One North Gate		One United Towers	
Summarized statement of comprehensive income	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue	285,121,407	180,319,265	3,439,149	2,530,265	32,300,021	23,398,082
Profit for the period	**45,573,957**	**60,339,644**	**(942,656)**	**(9,231,535)**	**27,922,837**	**19,268,434**
Total comprehensive income	**45,573,957**	**60,339,644**	**(942,656)**	**(9,231,535)**	**27,922,837**	**19,268,434**
NCI % at year end	*20.00%*	*20.00%*	*14.78%*	*32.32%*	*28.54%*	*29.76%*
Profit allocated to NCI	**9,114,791**	**12,067,929**	**(139,343)**	**(2,983,170)**	**7,969,178**	**5,734,286**
Dividends paid to NCI	-	-	-	-	-	-
Summarized statement of cash flow	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net cash from operating activities	(133,719,645)	(83,685,776)	7,027,556	6,772,580	7,210,399	2,370,480
Net cash flows from used in investing activities	1,414,613	(1,381,763)	(28,578,094)	(3,669,562)	1,859,037	(17,275,834)
Net cash from financing activities	110,380,650	(754,917)	19,771,496	(311,025)	(8,044,452)	24,511,454
Net changes in cash and cash equivalents	**(21,924,382)**	**(85,822,456)**	**(1,779,042)**	**2,791,993**	**1,024,984**	**9,606,100**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park Office		One Cotroceni Park Office Faza 2		Bucur Obor	
Summarized statement of comprehensive income	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue	39,047,743	18,625,662	3,174,192	-	35,983,037	32,544,419
Profit for the period	**19,751,233**	**31,009,325**	**(4,175,818)**	**44,233,436**	**27,757,649**	**14,753,225**
Total comprehensive income	**19,751,233**	**31,009,325**	**(4,175,818)**	**44,233,436**	**27,757,649**	**14,753,225**
NCI % at year end	*32.75%*	*42.75%*	*32.75%*	*42.75%*	*45.56%*	*45.56%*
Profit allocated to NCI	**6,468,529**	**13,256,486**	**(1,367,580)**	**18,909,794**	**12,646,385**	**6,721,569**
Dividends paid to NCI	-	-	-	-	-	
Summarized statement of cash flow	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net cash from operating activities	13,360,039	(13,769,883)	(13,110,962)	16,879,813	21,480,140	20,789,608
Net cash flows from used in investing activities	(10,291,298)	(79,712,444)	(53,521,671)	(100,044,052)	(1,244,503)	(830,000)
Net cash from financing activities	(1,011,321)	82,659,811	81,700,720	93,142,766	-	(17,355,955)
Net changes in cash and cash equivalents	**2,057,420**	**(10,822,516)**	**15,068,087**	**9,978,527**	**20,235,637**	**2,603,653**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Transactions with non-controlling interests

During 2023 and 2022, the Group had several transactions with non-controlling interests. The effect of the main transactions on the equity attributable to owners of the parent is summarised as follows:

31 December 2023	One North Gate	One United Tower	One Herastrau Plaza	One Lake District	One Cotroceni Park Office Faza 4	One Cotroceni Park Office	One Cotroceni Park Office Faza 2	Total
	17.53% acquired from NCI	*1.22% acquired from NCI -*	*2% acquired from NCI*	*2% acquired from NCI*	*20% acquired from NCI*	*10% acquired from NCI*	*10% acquired from NCI*	
Carrying amount of non-controlling interests acquired/sold	6,661,709	1,973,543	4,135	1,960,647	5,144,766	35,269,047	17,827,852	**68,841,699**
Consideration (paid)/received to/from non-controlling interests	(9,112,073)	(2,758,672)	(900)	(900)	(18,000)	(35,301,200)	(17,899,200)	**(65,090,945)**
Impact in retained earnings	**(2,450,364)**	**(785,129)**	**3,235**	**1,959,747**	**5,126,766**	**(32,153)**	**(71,348)**	**3,750,754**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)	**486,000**							**486,000**

31 December 2022	One Herastrau Vista	Neo Floreasca Lake	One Mamaia Nord (former Neo Mamaia SRL)	One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	One North Gate	One Carphatian Lodge Magura	One Proiect 24 SRL (Former One United Italia SRL)	Bucur Obor	Total
	13% change in NCI	*14.42% change in NCI*	*12.67% change in NCI*	*12.67% change in NCI*	*5.28% change in NCI*	*No change in control – incorporation of loans*	*90%*	*54.44%*	
Carrying amount of non-controlling interests acquired/sold	(32,463)	4,329,874	770,795	1,734,860	4,094,966	-	-		**10,898,032**
Consideration (paid)/received to/from non-controlling interests	(2,042,969)	(2,063,158)	(808,349)	(902,834)	(4,223,928)	-	-		**(10,041,238)**
Impact in retained earnings	**(2,075,432)**	**2,266,716**	**(37,554)**	**832,026**	**(128,962)**	**-**	**-**		**856,794**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)						**3,418,610**	**4,500**	**133,511,133**	**136,934,243**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	1-Jan-23	New leases	Interest charge	Interest charge capitalized in investment property	Cash flows payments	Foreign exchange movements	Conversion to equity	Other movements	31-Dec-23
Bank loans	806,162,743	306,654,246	56,580,845	-	(263,935,023)	5,195,186	-	-	910,657,997
Loans received from shareholders	3,576,410	82,555,500	312,145	-	(3,861,426)	62,790	-	2,505	82,647,924
Loans received from related parties	20,465,473	17,134,632	-	-	(3,370,328)	133,302	-	-	34,363,079
Lease liabilities	3,425,437	-	14,666	1,565	(531,917)	11,788	-	-	2,921,539
Total liabilities from financing activities	**833,630,063**	**406,344,378**	**56,907,656**	**1,565**	**(271,698,694)**	**5,403,066**	**-**	**2,505**	**1,030,590,539**

	1-Jan-22	New leases	Interest charge	Interest charge capitalized in investment property	Cash flows payments	Foreign exchange movements	Conversion to equity	Other movements	31-Dec-22
Bank loans	412,992,288	335,295,908	21,826,016	156,298	(56,617,994)	1,571,170	-	90,939,057	806,162,743
Loans received from shareholders	7,559,236	306,416	123,511	-	-	(27,929)	(3,418,614)	(966,210)	3,576,410
Loans received from related parties	11,610,788	12,220,170	-	-	(3,442,880)	77,395	-	-	20,465,473
Lease liabilities	3,929,334	-	14,666	1,565	(531,917)	11,789	-	-	3,425,437
Total liabilities from financing activities	**436,091,646**	**347,822,494**	**21,964,193**	**157,863**	**(60,592,791)**	**1,632,425**	**(3,418,614)**	**89,972,847**	**833,630,063**

NOTE 29. COMMITMENTS

Through the contracts concluded with the clients, the Group undertakes to deliver on time, state-of-the-art apartments forming the object of the concluded contracts. Other obligations resulting from the contracts concluded with clients: the apartments were not and are not removed from the civil circuit; are not the subject of any rental agreement; are not the subject of any litigation; are not subject to any form of forced execution; does not constitute contribution to the set-up of any commercial company; is not alienated or mortgaged; is free from any liens.

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Proiect 12 SRL. The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until February, 2025 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Downtown SRL (former One Proiect 10 SRL). The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until October, 2024 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

The Company, through its subsidiary, One Technology Division SRL (former One Proiect 17 SRL) have signed the contract with Infineon Technologies, german leader in designing and manufacturing semiconductors, which is intended for developing a sustainable prime office building to cover Infineon needs for a period of 15 years, starting with 2026. The starting value of the contract amounts to EUR 57 million (excluding VAT), indexed to the EU annual inflation. Under the contract, the Company will develop and further lease a building, ONE Technology District, with total office Gross Leasable Area of 20,595 sqm. The future development will be located in Bucharest, 5-7 Dimitrie Pompeiu Boulevard and is estimated to be delivered in Q2 2026. The subsidiary undertakes to complete the Landlord's Works in accordance with the schedule agreed by the contract and in accordance with Legislation and relevant building permit on or before the target date.

The Company through its subsidiary, One Proiect 16 SRL have concluded a sale and purchase pre-agreement for the acquisition of several plots of land located in Bucharest, for a total price of EUR 17 million. The transaction will be implemented in several steps and is subject to several conditions precedent, customary for similar transaction of this magnitude. The total price will be paid in installments.

The Company through its subsidiary, One Herastrau City SRL have concluded an agreement for the acquisition of a plot of land of 36,869 sqm on Poligrafiei Boulevard no. 50 and 52-54, in Bucharest Sector 1, together with 19 old buildings constructed thereon, which will be demolished. The value of the transaction is approximately EUR 60 million, of which 10% will be paid in cash (until 31 December 2023 an amount of EUR 1,7 million was paid), and the rest will be settled with a part of the apartments that will be built in this future development. The new development will have an estimated total Gross Buildable Area (GBA) of up to 150,000 sqm above ground. The ownership will be transferred only upon the completion of the agreed conditions established in the contract (obtaining the building permit in a maximum period of 5 years from the date of signing the contract).

The Company through its subsidiary, One City Club SRL have concluded an agreement for the acquisition of a plot of land on 3 Ramuri Tei Street, with an area of 10,710 sqm. The value of the transaction is of approximately EUR 7 million, from which was paid EUR 1.7 million and the remaining amount of EUR 5.3 million will be paid no later than July 15, 2024. The transaction is subject to several conditions and will be finalized only if the building permit for the development is obtained. The company intends to build on this land a predominantly residential development called One City Club. The new development will have approximately a total area of about 37,000 sqm.

NOTE 30. CONTINGENCIES

There are several lawsuits in which the Group entities are involved in the normal course of business, which in case of negative outcome, may have an effect on the Group's operations. However, the Group does not anticipate significant impact based on the status of these lawsuits at the issue date.

The Group in the normal course of business has given warranties for the quality of the apartments for 3 years and is obliged by the local legislation to guarantee the construction design on the entire lift time of the construction. Provision is made for the Directors' best estimate of all known legal claims and all legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 30. CONTINGENCIES (continued)

The Romanian tax system is under continuous development, being subject to constant interpretations and changes, sometimes retrospectively applied. The statute of limitation for tax periods is 5 years. The Group management consider that the tax liabilities of the Group have been calculated and recorded according to the legal provisions.

NOTE 31. FAIR VALUE HIERARCHY

The Group holds financial instruments that are not measured at fair value in the consolidated statement of financial position. For financial instruments such as cash and cash equivalents, trade and other receivables, the management of the Group has estimated that their carrying amount is an approximation of their fair value. The fair value of these types of instruments was determined as level 3 in the fair value hierarchy.

Financial liabilities that are not measured at fair value are debts to employees, trade payables and other debts and qualify for level 3 in the fair value hierarchy.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	1,027,660,000	830,204,626	836,365,760	734,965,433
Advances from customers	389,608,219	292,641,449	352,166,557	276,373,333

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as at 31 December 2023 and 31 December 2022:

31 December 2023	Level 1	Level 2	Level 3	Total
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	-	836,365,760	836,365,760
Advances from customers	-	-	352,166,557	352,166,557

31 December 2022	Level 1	Level 2	Level 3	Total
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	-	734,965,433	734,965,433
Advances from customers	-	-	276,373,333	276,373,333

There were no transfers between Level 1 and 2 during 2023 or 2022.

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables. As at 31 December 2023, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The fair value of advances from customers is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method, using a discount rate that reflects the issuer's borrowing rate including its own non-performance risk as at 31 December 2023.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING

Reporting segments are residential, office and landbank and corporate and the Group manages operations in accordance with this classification. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Segment revenue reported above represents revenue generated from external customers and related party. See note 26. There were no intersegment sales in the current year (2022: nil). No single customers contributed 10 per cent or more to the Group's revenue in either 2023 or 2022.

Segment results 31 December 2023	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Revenues from sales of residential property	1,130,393,968	-	-	1,130,393,968
Revenues from rentals, service charge and similar	-	128,354,651	-	128,354,651
Cost of sales of residential property	(802,740,979)	-	-	(802,740,979)
Other property operating expenses - residential	(12,124,094)	-	-	(12,124,094)
Cost of rental revenues, service charge and similar	-	(30,280,868)	-	(30,280,868)
Other property operating expenses	-	(11,452,425)	-	(11,452,425)
Net income	**315,528,895**	**86,621,358**	**-**	**402,150,253**

Segment results 31 December 2022	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Revenues from sales of residential property	769,518,382	-	-	769,518,382
Revenues from rentals, service charge and similar	-	78,909,622	-	78,909,622
Cost of sales of residential property	(445,459,287)	-	-	(445,459,287)
Other property operating expenses - residential	(5,133,247)	-	-	(5,133,247)
Cost of rental revenues, service charge and similar	-	(16,532,162)	-	(16,532,162)
Other property operating expenses	-	(8,171,409)	-	(8,171,409)
Net income	**318,925,848**	**54,206,051**	**-**	**373,131,899**

Segment results 31 December 2023	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Gains from investment property	110,495,935	150,135,861	-	**260,631,796**
Gain on the bargain purchase	-	-	-	**-**

Segment results 31 December 2022	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Gains from investment property	45,133,983	173,332,589	-	**218,466,572**
Gain on the bargain purchase	-	94,079,969	-	**94,079,969**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2023

RON	Residential	Office & landbank	Corporate	Total
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	345	15,110,948	1,855,839	16,967,132
Investment properties	154,040,093	2,556,629,762	-	2,710,669,855
Investments in associates	-	-	8,666,072	8,666,072
Right of use assets	1,478,072	390,785	-	1,868,857
Property, plant and equipment	3,169,923	5,152,555	44,273,316	52,595,794
Other non-current assets	-	-	26,955,436	26,955,436
Total non-current assets	**177,944,509**	**2,577,284,050**	**81,750,663**	**2,836,979,222**
Inventories	1,002,546,468	118,306	-	1,002,664,774
Advance payments to suppliers	96,707,880	25,072,637	8,089,355	129,869,872
Trade receivables	474,935,338	14,099,619	431,789	489,466,746
Other receivables	8,898,164	4,547,544	79,388,079	92,833,787
Prepayments	1,023,258	12,994,433	633,241	14,650,932
Cash and cash equivalents	215,510,870	159,969,093	45,259,132	420,739,095
Total current assets	**1,799,621,978**	**216,801,632**	**133,801,596**	**2,150,225,206**
Total assets	**1,977,566,487**	**2,794,085,682**	**215,552,259**	**4,987,204,428**
Loans and borrowings - long term	134,818,523	775,609,906	-	910,428,429
Trade and other payables	-	775,016	1,169,918	1,944,934
Lease liabilities - long term portion	2,646,947	-	-	2,646,947
Deferred tax liabilities	98,950,404	227,423,878	(4,602,305)	321,771,977
Total non-current liabilities	**236,415,874**	**1,003,808,800**	**(3,432,387)**	**1,236,792,287**
Loans and borrowings - short term	59,832,015	57,408,556	-	117,240,571
Trade and other payables	190,346,001	58,255,016	105,777,274	354,378,291
Accrued income	175,455	20,558,927	-	20,734,382
Lease liabilities	(112,295)	386,887	-	274,592
Current tax liabilities	4,125,003	740,823	381,714	5,247,540
Advance payments from customers	341,868,508	47,739,711	-	389,608,219
Total current liabilities	**596,234,687**	**185,089,920**	**106,158,988**	**887,483,595**
Total liabilities	**832,650,561**	**1,188,898,720**	**102,726,601**	**2,124,275,882**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2022

RON	Residential	Office & landbank	Corporate	Total
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	1,110	14,411,673	846,822	15,259,605
Investment properties	84,180,011	2,167,804,936	-	2,251,984,947
Investments in associates	-	-	3,369,877	3,369,877
Right of use assets	2,229,909	457,245	-	2,687,154
Property, plant and equipment	3,887,116	3,074,099	44,170,308	51,131,523
Other non-current assets	-	-	16,917,499	16,917,499
Total non-current assets	**109,554,222**	**2,185,747,953**	**65,304,506**	**2,360,606,681**
Inventories	662,896,020	98,320	-	662,994,340
Advance payments to suppliers	88,929,853	19,121,548	8,265,508	116,316,909
Trade receivables	371,814,135	19,758,362	430,125	392,002,622
Other receivables	6,144,058	36,400,719	70,400,167	112,944,944
Prepayments	11,399,818	13,148,513	376,613	24,924,944
Cash and cash equivalents	288,455,917	131,105,165	147,398,961	566,960,043
Total current assets	**1,429,639,801**	**219,632,627**	**226,871,374**	**1,876,143,802**
Total assets	**1,539,194,023**	**2,405,380,580**	**292,175,880**	**4,236,750,483**
Loans and borrowings - long term	61,946,481	595,788,990	-	657,735,471
Trade and other payables	564,912	885,614	21,991,747	23,442,273
Lease liabilities - long term portion	2,646,947	-	-	2,646,947
Deferred tax liabilities	89,652,566	190,798,332	(7,622,861)	272,828,037
Total non-current liabilities	**154,810,906**	**787,472,936**	**14,368,886**	**956,652,728**
Loans and borrowings - short term	116,929,233	55,539,922	-	172,469,155
Trade and other payables	111,210,483	135,630,710	24,224,363	271,065,556
Accrued income	370,523	10,692,119	36,631	11,099,273
Lease liabilities	332,990	445,500	-	778,490
Current tax liabilities	2,661	522,366	192,117	717,144
Advance payments from customers	236,873,883	55,767,566	-	292,641,449
Total current liabilities	**465,719,773**	**258,598,183**	**24,453,111**	**748,771,067**
Total liabilities	**620,530,679**	**1,046,071,119**	**38,821,997**	**1,705,423,795**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 33. EARNING PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2023 was based on the profit attributable to equity holders of RON 449,618,530 (31 December 2022: RON 502,296,355) and the weighted average ordinary shares in issue during the year.

RON	**31 December 2023**	**31 December 2022**
Profit for the year attributable to equity holders	449,618,530	502,477,465
Weighted average number of shares in issue	3,742,333,473	2,812,996,754
Basic earnings per share attributable to equity holders	0.120	0.179
Diluted earnings per share attributable to equity holders	0.119	0.171

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

Following the resolution of the Ordinary General Meeting of the Shareholders no. 67 dated 09.10.2023 the Company paid the dividends through the Central Depositary S.A. and the payment agent Banca Transilvania S.A. – payment agent, starting 31.01.2024, to Company's shareholders registered in the Shareholder's Registry held by the Central Depositary S.A. on the registration date 16.01.2024. The gross dividend is of RON 0.01 per share and the dividends tax was withheld at the statutory rates, were applicable.

On 22 March 2024, the Revenue & Expense Budget for 2024 is approved by the Board of Directors and will subsequently be subject to approval in the annual Ordinary General Meeting of the Shareholders that will take place on 25 April 2024.

ONE UNITED PROPERTIES SA

Separate financial statements for the year ended 31 December 2023

Prepared in accordance with the Ministry of Finance Order no. 2844/2016 for the approval of accounting regulations compliant with the International Financial Reporting Standards

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
One United Properties S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of One United Properties S.A. ("the Company"), with registered office in Bucharest District 1, MAXIM GORKI 20, identified by unique tax registration code 22767862, which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

2. The separate financial statements as at December 31, 2023 are identified as follows:

• Net assets / Equity	RON 1,052,765,827
• Net profit for the financial year	RON 149,509,955

3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards, as adopted by EU, with subsequent amendments.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the separate financial statements in Romania, including the Regulation and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the matter
Recoverability of investments and loans to subsidiaries and associates As disclosed in Note 7 to the separate financial statements, investments in subsidiaries and associates recognized by the Company is recorded at RON 426,552,763 as of December 31, 2023 (31 December 2022: RON 209,382,429). And as disclosed in Note 8 to the separate financial statements, Loans granted to subsidiaries, associates and others recognized by the Company is recorded at RON 708,952,208 as of December 31, 2023 (31 December 2022: RON 601,077,685). The company considered the impairment of investment and loan balances, including those held in subsidiaries that made capital injections, in accordance with IAS 36, IFRS 9 and its accounting policy. Given the inherent estimation and complexity in assessing both the carrying value of a subsidiary or associates, and the expected credit loss of intercompany loans, this was identified as a key audit matter.	The audit procedures adopted were substantive in nature and included the following: - We have obtained an understanding of the accounting policies used in the preparation of the separate financial statements, with respect to impairment of investments and loans. - We have verified that the methodology used by management in arriving at the carrying value of the investments in subsidiaries and associates is in line with IAS 36 Impairment of Assets, and for the loans to subsidiaries, the expected credit loss is in line with IFRS 9 Financial Instruments, including the related provision for impairment of investments and reversal of impairment of the loans. - We have identified the key estimate within the assessment of impairment of the investments and loans to subsidiaries to be the underlying valuation of investment property or other assets held by the subsidiaries. - We have tested samples of investments done during the period and loans contracts signed during the audited period for accuracy of value of investments and loans to subsidiaries. - We have assessed the completeness and adequacy of disclosures related to investments and loans to subsidiaries and associates, including the key assumptions.

Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration report, but does not include the separate financial statements and our auditor's report thereon.

   Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

   In connection with our audit of the separate financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   Other responsibilities of reporting with respect to other information – Administrators' report

   With respect to the Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

   On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

   a) the information included in the Administrators' report, for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these separate financial statements;

   b) the Administrators' report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

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Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2023, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

Other reporting responsibilities with respect to other information – Remuneration report

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards, as adopted by EU, with subsequent amendments and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. We were appointed by the General Meeting of Shareholders on April 25, 2023 to audit the separate financial statements of One United Properties S.A. for the financial year ended December 31, 2023. The uninterrupted total duration of our commitment is including previous reappointments for statutory auditor, has lasted for 7 years, covering the financial years ended December 31, 2017 till December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Ioana Alina Mirea.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the separate financial statements included in the annual financial report of One United Properties S.A. ("the Company") as presented in the digital files which contain the unique LEI code 254900MLAOUEFANMAD8 ("Digital Files").

(I) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;

- ensuring consistency between the Digital Files and the separate financial statements to be submitted in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) Auditor's Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the separate financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extend of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;

- reconciling the digital files with the audited separate financial statements of the Company to be submitted in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments;

- evaluating if the separate financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the separate financial statements for the year ended December 31, 2023 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the separate financial statements. Our audit opinion relating to the separate financial statements of the Company for the year ended December 31, 2023 is set out in the "Report on the audit of the separate financial statements" section above.

Ioana Alina Mirea, Audit Partner

For signature, please refer to the original signed Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. AF 1504

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. FA 25

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
March 25, 2024

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Intangible assets		73,436	59,668
Property, plant and equipment	6	245,783	2,291,888
Right of use assets	9	-	17,640,137
Investments in subsidiaries and associates	7	426,552,763	209,382,429
Loans granted to subsidiaries, associates and others	8	582,735,536	571,982,357
Deferred tax assets	13	2,020,616	1,167,931
Other non-current assets	10	25,192,154	39,937,664
Total non-current assets		**1,036,820,288**	**842,462,074**
Current assets			
Trade receivables	11	50,800,423	726,283
Other receivables	11	130,315,249	100,314,789
Prepayments		316,022	244,934
Loans granted to subsidiaries, associates and others	8	126,216,672	29,095,328
Cash and cash equivalents	12	36,741,303	137,504,656
Total current assets		**344,389,669**	**267,885,990**
TOTAL ASSETS		**1,381,209,957**	**1,110,348,064**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	759,530,863	740,563,717
Share premium	14	91,530,821	27,981,399
Own shares		(3,468,115)	1,029
Other capital reserves	14	21,140,590	51,848,900
Legal Reserves	14	25,028,088	17,452,635
Retained earnings		159,003,580	116,883,834
Total equity		**1,052,765,827**	**954,731,514**
Non-current liabilities			
Lease liabilities	15	-	17,864,412
Other payables	16	470,194	19,547,117
Total non-current liabilities		**470,194**	**37,411,529**
Current liabilities			
Lease liabilities	15	-	1,901,977
Trade payables	16	271,276	933,976
Other payables	16	327,612,848	115,104,814
Current tax liabilities	13	89,812	227,623
Deferred income		-	36,631
Total current liabilities		**327,973,936**	**118,205,021**
Total liabilities		**328,444,130**	**155,616,550**
TOTAL EQUITY AND LIABILITIES		**1,381,209,957**	**1,110,348,064**

The separate financial statements were approved by the Management of the Company, authorized for issue on 22 March 2024 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Note	31 December 2023	31 December 2022
Revenues from services rendered	17	-	15,905,553
Revenues from rentals, service charge and similar	17	649	169,485
Other revenues	17	12,477,662	10,235,197
Total operating revenues		**12,478,311**	**26,310,235**
Amortisation, depreciation and impairment of net reversals	18	(9,885,950)	(9,750,133)
Administrative expenses	18	(4,333,918)	(9,423,744)
Other operating expenses	18	(4,986,824)	(11,558,259)
Total operating expenses		**(19,206,692)**	**(30,732,136)**
Result from operating activity		**(6,728,381)**	**(4,421,901)**
Revenues from dividends	19	111,172,666	100,918,000
Revenues from interest	19	42,166,892	18,829,563
Other financial revenues	19	4,897,895	4,753,118
Total financial income		**158,237,453**	**124,500,681**
Interest expenses	20	-	(789,429)
Total financial expenses		**-**	**(789,429)**
Net financial result		**158,237,453**	**123,711,252**
Result before tax		**151,509,072**	**119,289,351**
Tax expenses	13	(1,999,117)	(2,473,355)
Net result of the period		**149,509,955**	**116,815,996**
Total comprehensive income for the period		**149,509,955**	**116,815,996**
Basic earnings per share attributable to equity holders	25	*0.040*	*0.042*
Diluted earnings per share attributable to equity holders	25	*0.040*	*0.040*

The separate financial statements were approved by the Management of the Company, authorized for issue on 22 March 2024 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Notes	Share Capital	Share premiums	Other capital reserves	Own shares	Legal Reserves	Retained earnings	Total equity
Balance as at 1 January 2023		**740,563,717**	**27,981,399**	**51,848,900**	**1,029**	**17,452,635**	**116,883,834**	**954,731,514**
Profit for the period		-	-	-	-	-	149,509,955	**149,509,955**
Dividends allocated from the statutory profit	**14**	-	-	-	-	-	(73,130,616)	**(73,130,616)**
Issue of ordinary shares	**14**	18,967,146	63,549,422	-	-	-	-	**82,516,568**
Issue of ordinary shares - premium shares conversion		-	-	-	-	-	-	**-**
Transfer of legal reserves in/to retained earnings	**14**	-	-	-	-	7,575,453	(7,575,453)	**-**
Acquisition of own shares		-	-	-	(3,469,144)	-	-	**(3,469,144)**
Stock option plan	**14**	-	-	(30,708,310)	-	-	(26,684,140)	**(57,392,450)**
Balance as at 31 December 2023		**759,530,863**	**91,530,821**	**21,140,590**	**(3,468,115)**	**25,028,088**	**159,003,580**	**1,052,765,827**

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Notes	Share Capital	Share premiums	Other capital reserves	Own shares	Legal Reserves	Retained earnings	Total equity
Balance as at 1 January 2022		**514,828,059**	**4,307,781**	**1,390,179**	**-**	**11,437,359**	**50,071,138**	**582,034,516**
Profit for the period		-	-	-	-	-	116,815,996	**116,815,996**
Dividends allocated from the statutory profit	**14**	-	-	-	-	-	(42,473,315)	**(42,473,315)**
Issue of ordinary shares	**14**	40,594,729	213,122,328	-	-	-	-	**253,717,057**
Issue of ordinary shares - premium shares conversion	**14**	185,140,929	(185,140,929)	-	-	-	-	**-**
Transfer of share premiums in other reserves		-	(4,307,781)	4,307,781	-	-	-	**-**
Transfer of legal reserves in/to retained earnings	**14**	-	-	-	-	6,015,276	(6,015,276)	**-**
Acquisition of own shares		-	-	-	1,029	-	-	**1,029**
Stock option plan	**14**	-	-	46,150,940	-	-	-	**46,150,940**
IPO costs	**3**	-	-	-	-	-	(1,514,709)	**(1,514,709)**
Balance as at 31 December 2022		**740,563,717**	**27,981,399**	**51,848,900**	**1,029**	**17,452,635**	**116,883,834**	**954,731,514**

(Amounts are expressed in RON, unless otherwise mentioned)

	31 December 2023	31 December 2022
Cash flows from operating activities		
Result for the year	**149,509,955**	**116,815,996**
Adjustments for:		
Amortization	242,078	3,258,932
Depreciation, impairment, provision net of reversals	9,643,872	6,491,200
Share-based payments	25,124,118	46,150,940
Unrealised foreign exchange loss/(gain)	(4,148,413)	(911,254)
Interest expenses	-	789,061
Interest income	(42,166,892)	(18,829,563)
Other financial revenues	(85,000)	(3,679,850)
Income tax expenses	1,999,117	2,473,355
Dividends income	(111,172,666)	(100,918,000)
Changes in working capital		
(Increase)/Decrease in trade and other receivables	(54,299,685)	72,971,722
Increase/(Decrease) in trade and other payables	92,056,214	15,323,525
(Increase)/Decrease in other non-current assets	(7,790,776)	(68,234,229)
Increase/(Decrease) in other non-current liabilities	(20,416,246)	37,822,485
Net cash from operating activities	**38,495,676**	**109,524,320**
Additional loans granted	(692,823,888)	(605,039,995)
Repayment of loans granted	462,281,558	365,159,542
Interest collected for loan	7,560,872	-
Acquisition of property, plant and equipment	(5,529)	(3,790,041)
Proceeds from sale of property, plant and equipment	-	2,961,115
Acquisition of intangible assets	(46,509)	(388,731)
Acquisition/Investment of/in subsidiaries and associates	(35,918,233)	(121,908,147)
Sale/Investment of/in subsidiaries and associates	44,513,870	-
Dividends received	111,172,666	100,918,000
Interest received	1,165,480	19,123,448
Other financial revenue	85,000	3,679,850
Net cash flows used in investing activities	**(102,014,713)**	**(239,284,959)**
Repayment of borrowings	-	(27,921,952)
Dividends paid	(37,244,316)	(76,933,659)
Proceeds from issue of share capital and share premium	-	253,717,057
Principal elements of lease payments	-	(3,278,533)
Net cash from financing activities	**(37,244,316)**	**145,582,913**
Net changes in cash and cash equivalents	(100,763,353)	15,822,274
Cash and cash equivalents at the beginning of the year	**137,504,656**	**121,682,382**
Cash and cash equivalents at the end of the year	**36,741,303**	**137,504,656**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION

The separate financial statements of One United Properties SA for the year ended 31 December 2023 were approved by the boad of directors and authorized for issue on 22 March 2024.

One United Properties SA (the "Company"), was established in 2007 according to Law no. 31/1990, having as object of activity real estate development and sale. The Company has fiscal code RO22767862 and is registered with the Trade Registry under no. J40/21705/2007. The registered office of the Company is at Maxim Gorki Street 20, Bucharest, district 1 and second office at Calea Floreasca no 159, Building One Tower, Bucharest, district 1.

The share capital of the Company is RON 759,530,863 divided into 3,797,654,215 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 27.7159% each and other shareholders holding 44.5682%. All shares are paid in full.

The Company shares floated on Bucharest Stock Exchange (BVB) on 12 July 2021, following an initial public offering that took place between 22 June 2021 and 02 July 2021, during which the company raised RON 259,112,477.28 for further developments and investments in both the residential and office segments. As of 20 September 2021, the Company shares are included in the BET index, which follows the evolution of the 19 most liquid companies listed on the Bucharest Stock Exchange. On 20 December 2021, the Company shares entered the FTSE Global All Cap index. The global index provider FTSE Russell announced, following the quarterly review, that the Company's shares are included, as of 20.06.2022, in the FTSE EPRA Nareit EMEA Emerging Index.

The Company is a holding having as main CAEN code according to the Romania law, 642 "Holding Activities". The revenues generated by the Company are mainly related to secondary activities such as administrative support offered to its subsidiaries and associates. These are regrouped under the CAEN code 7022 "Activities related to business and management advisory services".

The Company had the following subsidiaries and associates undertakings as at 31 December 2023 and 31 December 2022:

Name of the subsidiary and associates	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One Modrogan SRL	Real estate developer in Bucharest	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Bucharest	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Bucharest	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Bucharest	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Bucharest	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Bucharest	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Bucharest	85.218%	67.69%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

Name of the subsidiary and associates	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One United Tower SA (former One United Tower SRL)	Real estate developer in Bucharest	71.46%	70.24%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Timpuri Noi (former Neo Timpuri Noi SRL)	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Bucharest	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SA	Real estate developer in Bucharest	67.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	67.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 4 SA (former One Cotroceni Park Office Faza 3 SA)	Real estate developer in Bucharest	100.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 19 (former One Mamaia SRL)	Real estate developer in Bucharest	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City (former One Proiect 7 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One High District S.R.L. (former One Proiect 1 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club S.R.L. (former One Proiect 6 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Carphatian Lodge Magura SRL (former Carpathian Estate SRL)	Real estate developer in Bucharest	66.72% (indirect subsidiary)	66.72% (indirect subsidiary)	Maxim Gorki street 20, Bucharest, district 1
Reinvent Energy SRL	Electric and sanitary Installations for real estate	20.00%	20.00%	Baba Novac street no. 8A, Bucharest, district 3
One Herastrau Office Properties SA	Real estate developer	30.00%	30.00%	Maxim Gorki street 20, Bucharest, district 1
Glass Rom Impex SRL	Construction	20.00%	20.00%	Metalurgiei street no. 452, Bucharest, district 4
One Property Support Services SRL	Property management	20.00%	20.00%	Spl. Independentei street no. 202, Bucharest, district 6
CCT & ONE AG	Investment	49.90%	49.90%	Switzerland
One Proiect 8 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

Name of the subsidiary and associates	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One City Club (former One Proiect 9 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Downtown SRL (former One Proiect 10 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 24 (former One United Italia SRL)	Real estate developer in Bucharest	90%	90%	Maxim Gorki street 20, Bucharest, district 1
One United Management Services SRL	Management services	100%	100%	Maxim Gorki street 20, Bucharest, district 1
Bo Retail Invest SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 11 SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 12 SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 15 SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Park Line SRL (former One Proiect 16 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Technology Division SRL (former One Proiect 17 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 18 SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 2 SRL	Real estate developer in Bucharest	0%	100%	Maxim Gorki street 20, Bucharest, district 1
Bucur Obor SA	Lease of retail space	54.44% (indirect subsidiary)	54.44% (indirect subsidiary)	Colentina, street 2, Bucharest, district 2
Eliade Tower SRL	Renting office premises in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 20 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 22 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 21 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district 1
One Baneasa Airpark SRL (former One Proiect 23 SRL)	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district 1

The holding company are consolidated the subsidiaries, as per table below:

Scope of consolidation	Subsidiaries full consolidation	Associates at equity	Total
Balance on 31 December 2022	49	7	56
Acquisitions	-	-	-
New foundations	4	-	4
Disposal	(1)	(1)	(2)
Balance on 31 December 2023	**52**	**6**	**58**

NOTE 2. GENERAL INFORMATION

2.a Basis of preparation

The separate financial statements ("financial statements") of the Company have been prepared in accordance with the provisions of the Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, with all subsequent modifications and clarifications.

The Company also prepares consolidated financial statements in accordance with the Ministry of Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

The accompanying separate financial statements are based on the statutory accounting records of the Company, adjusted and reclassified in order to obtain a fair presentation, according to IFRS. The separate financial statements provide comparative information in respect of the previous period.

The Company's financial statements have been prepared on a historical cost basis, except for financial assets and liabilities (where the case) at fair value through profit or loss which are measured at fair value. The separate financial statements are presented in RON, except where otherwise indicated.

The Company has prepared IFRS financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2023, notes comprising a summary of significant accounting policies and other explanatory information.
The separate financial statements have been prepared on the basis of the valuation principles allowed by IFRS.

2.b Going concern

The Management have considered the appropriateness of adopting the going concern basis in preparing the separate financial statements. The Company's going concern assessment covers the period to 31 December 2024 (the "going concern period"), being at least 12 months from the date of authorisation of these separate financial statements.

In February 2022, an armed conflict has started between Russia and Ukraine, that affected the economies of the two countries and resulted, among others, in massive flows of refugees from Ukraine towards neighbouring countries (including Romania), as well as in a number of sanctions imposed by the international community against Russia, Belarus and some Russian companies. The medium- and long-term impact of this conflict and of the sanctions imposed against Russia cannot be currently anticipated sufficiently accurate. Considering that the Company has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, we consider that the Company's ability to continue as a going concern over the foreseeable future shall not be significantly affected, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general.

2.c Standards, amendments and new interpretations of the standards

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

New and amended standards and interpretations effective for the current reporting period

The following new standards, amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period and their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

NOTE 2. GENERAL INFORMATION (continued)

2.c Standards, amendments and new interpretations of the standards (continued)

- **New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17"** issued by IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while applied. Amendments to IFRS 17 "Insurance Contracts" issued by IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments issued on 25 June 2020 introduce simplifications and clarifications of some requirements in the Standard and provide additional reliefs when applying IFRS 17 for the first time.
- **Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure of Accounting Policies** issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.
- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates** issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.
- **Amendments to IAS 12 "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction** issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.
- **Amendments to IAS 12 "Income Taxes" - International Tax Reform — Pillar Two Model Rules** issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued and adopted by the EU but are not yet effective:

- **Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
- **Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 "Presentation of Financial Statements" - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

New and revised IFRS Accounting Standards in issue but not adopted by the EU

- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - Supplier Finance Arrangements** issued by IASB on 25 May 2023. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability** issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

NOTE 2. GENERAL INFORMATION (continued)

2.c Standards, amendments and new interpretations of the standards (continued)

New and revised IFRS Accounting Standards in issue but not adopted by the EU (continued)

- **IFRS 14 "Regulatory Deferral Accounts"** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The Company do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

NOTE 3. ACCOUNTING POLICIES

The accounting policies presented below were consistently applied for all periods shown in these separate financial statements by the Company.

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Revenue

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Company.
The Company's key sources of income include:

- Revenues from services delivered
- Revenues from rentals, service charge and similar
- Other revenues

NOTE 3. ACCOUNTING POLICIES (continued)

3.2 Revenue (continued)

3.2.1 Revenues from services delivered

Services delivered are related to management fees reinvoiced by the Company to related parties and were valued based on IFRS 15 as described in 3.a.1 “Revenue from contracts – management fees”.

3.2.2 Revenues from rentals, service charge and similar

The Company earned revenue from acting as a lessor by subletting to other subsidiaries and/or associates a part of the surfaces rented out directly from the subsidiary One North Gate SA until the Company has moved the office to One Tower building related to One United Tower SA (former One United Tower SRL), subsidiary. Starting 01 January 2023, the rental contract with One United Tower was transferred to the subsidiary One United Management Services.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

3.2.3 Other revenues

Other revenues are mainly related to invoicing of costs associated to consultancy and management services provided to its subsidiaries and related parties.

3.3 Foreign currencies

The Company’s separate financial statements are presented in RON, which is also the functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

3.4. Investment in subsidiaries and associates

A subsidiary is an entity over which the Company has control. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

Investments in subsidiaries and associates follow the principles and accounting treatment indicated in IAS 27 “Separate Financial Statements”. This standard applies when an entity prepares separate financial statements that comply with International Financial Reporting Standards.

NOTE 3. ACCOUNTING POLICIES (continued)

3.4 Investment in subsidiaries and associates (continued)

Initial recognition and measurement

Investments in subsidiaries and associates are booked at the purchase date, at their acquisition cost.

Subsequent measurement

For purposes of subsequent measurement, the Company measures investments in subsidiaries and associates at cost. The Company assess at the end of each reporting period whether there is any indication that the investment in subsidiaries and associates may be impaired. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiaries and associates. An annual impairment test is performed. For the impairment test, for each investment, the Company obtains the fair value, based on external valuation reports. For subsidiaries and associates for which there is no external valuation report, the Company uses the most reliable fair value proxy, such as its share in the IFRS net assets. An impairment loss is booked in the profit and loss and corresponds to the amount by which the carrying amount exceeds its recoverable amount.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Dividends from subsidiaries and associates

In line with IAS 27, dividends from a subsidiary or an associate are recognised in the separate financial statements of an entity when the entity's right to receive the dividend is established. The dividend is recognised in profit or loss.

3.5 Intangible assets

i) Licences

Separately acquired licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

ii) Software

Separately acquired software is measured at cost. After initial recognition, the software is carried at cost less any accumulated amortization and any accumulated impairment losses, if any.

Costs associated with maintaining software programmes are recognized as an expense as incurred.

iii) Amortisation method and period

Software is amortized on a straight-line basis for a period of maximum 3 years and licenses are amortized over their validity periods, which in general do not exceed 5 years.

The amortization period and amortization method for an intangible asset with a determined useful life are reviewed at least at the end of each reporting period. Changes in expected useful lives or expected future economic benefits embodied in assets are accounted for by changes in the method or the amortization period as appropriate and are treated as changes in accounting estimates.

Gains or losses arising from the derecognition of an intangible asset are calculated as difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss when the asset is derecognized.

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance costs are recognized in profit or loss when incurred.

NOTE 3. ACCOUNTING POLICIES (continued)

3.6 Property, plant and equipment (continued)

Depreciation

The economic useful life is the amount of time that the asset is expected to be used by the Company. Depreciation is calculated using the straight-line method over the life of the asset.

Type	Useful life
Light constructions (shacks, etc.)	8 years
Office set-up	5 years
Technological equipment	4 years
Vehicles	4 years
Other fixed assets and IT equipment	2-8 years

The useful life and depreciation method are reviewed periodically and, if necessary, adjusted prospectively, so that there is a consistency with the expected economic benefits of those assets.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement when the asset is derecognized.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to accounting policies on impairment on non-financial assets in this note.

3.7 Impairment of non-financial assets

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Company's trade and other receivables do not contain a significant financing component, they are measured at the transaction price determined under IFRS 15.

NOTE 3. ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level. This analysis was performed for all financial assets held by the Company and all financial assets have passed the SPPI test.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. This is the case of loans granted to subsidiaries or associates.

Subsequent measurement

For purposes of subsequent measurement, the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
Since the Company's financial assets (loans issued, trade and other receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- *Impairment of financial assets*

The impairment of financial assets is done in two steps: analysis of third party expected credit loss and analysis of financial assets related to intra-group entities, namely subsidiaries and associates.

- *Impairment of third-party related financial assets*

NOTE 3. ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

The Company recognises an allowance for expected credit losses (ECLs) for all third-party receivables held by the Company. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables related to third party customers, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Company has established a provision matrix that is based on its historical credit loss experience, specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Financial assets are written off when there is no reasonable expectation of recovery.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset related to third parties is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. For these financial assets related to third parties which are due more than 90 days, the Company performs cash collection procedures. Most part of the financial assets are represented by intra-group balances.

- *Impairment of intra-group financial assets*

Intra-group balances are mainly related to loans granted to subsidiaries and associates and trade & other receivables with companies from the group.

Exposures classified as Stage 1

In order to assess the expected credit losses (ECLs) for these balances the Company proceeds to an analysis line by line of the risk attached to each counterparty. All financial assets are systematically classified at the initial stage in “Stage 1”. In general, all amounts are settled in maximum one year after the finalization of the projects. Furthermore, historical data shows that no intra-group company has been in default.

Exposures classified as Stage 2

To identify Stage 2 exposures, the significant increase in credit risk compared to the date of initial recognition is assessed by the Company using all available past and forward-looking data (past track record in respect of payments, macroeconomic forecast scenarios, sector analyses, cash flow projections for some counterparties, etc.).
The Company uses one main criteria to assess the significant changes in the credit risk: the change of the classification of the counterparty in “sensitive” which will be the case when the Company identifies significant changes in its operating sector, in macroeconomic conditions and in the expected profitability of the project of the counterparty. This is an indication of a deterioration in the credit risk.

Once this criteria is met, the relevant outstanding exposure is transferred from Stage 1 to Stage 2 and related impairments or provisions are adjusted accordingly. Furthermore, the Company carries out an assessment of a significant increase in credit risk for all loans, at each reporting date.

Exposures classified as Stage 3

The Company considers a financial asset to be in default, and thus, in Stage 3, when internal or external information indicates that the counterparty is unlikely to receive the outstanding contractual amounts in full. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. In this case, the relevant outstanding exposure is transferred from Stage 1 or Stage 2 to Stage 3 and related impairments or provisions are adjusted accordingly.

For the year ended 31 December 2023 and 31 December 2022, an ECL provision has been booked for intra-group financial assets, as based on the analysis performed by the Company.

NOTE 3. ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

The Company's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on lease for the initial recognition and measurement of finance lease liabilities, as this is not in the scope of IFRS 9.

All financial liabilities are recognized initially at fair value and, in the case of all financial liabilities except derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the separate statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTE 3. ACCOUNTING POLICIES (continued)

3.9 Leases (continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Refer to the accounting policies on rental income.

3.10 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the separate statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

3.11 Trade receivables

A trade receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer also to the accounting policies on financial assets in this note for more information.

3.12 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

NOTE 3. ACCOUNTING POLICIES (continued)

3.12 Taxes (continued)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

NOTE 3. ACCOUNTING POLICIES (continued)

3.13 Provisions (continued)

The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.14 Share-based payments

Employees (senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in administrative expenses, together with a corresponding increase in other reserves in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in administrative expenses.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

3.15 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTE 3. ACCOUNTING POLICIES (continued)

3.15 Fair value measurements (continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.16 Expenses

Typically, the expenses are recognized and recorded in the same period as the revenues associated with those expenses (under accrual accounting). The Company classifies expenses by the nature of expenses.

3.17 Dividends and share capital increase

Dividends are distributed from the annual net distributable profit based on the audited individual annual financial statements, after their approval by the Company's Ordinary General Meeting ("OGMS") and after the approval of the dividend proposal by the OGMS. The distributable profit represents the part of the net profit of the financial year that can be distributed as dividends after legal and statutory distributions have been made, such as the distribution for the legal reserve and, where applicable, the use of the net profit for other purposes prescribed by law (for example, coverage of accounting losses from the previous year, if applicable).

Shareholders receive dividends in proportion to their share in the paid-up share capital of the Company, no right of priority or preference over the distribution of dividends in favour of any shareholder being applicable.
The proposal regarding the distribution of dividends made by the Board of Directors will be submitted to the vote of the OGMS, as a rule, in the same meeting in which the Company's audited financial statements are approved, respectively no later than within four (4) months from the end of the financial year, respectively during the third quarter of the year in respect of any interim dividend distributions or distributions from retained earnings. The Company will be able to pay the dividends also in the form of shares of the same class as those giving the right to these dividends.

The Company is carrying out share capital increase operation to diversify the shareholders base, increase liquidity and raise capital for further expanding the pipeline. The decision of the Board of Directors, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders approve the increase of the share capital. The participants to the share capital increase are existing shareholders, local and international institutional investors, qualified investors, retail investors.

3.18 Contingencies

Contingent liabilities represent possible or existing obligations arising from past events, in cases where it is not probable that an outflow of resources will be required to settle the obligation. The contingent liabilities that are not recognised on Company’s balance sheet are evaluated with respect to the probability of their occurrence. If an outflow of resources embodying economic benefits is neither sufficiently probable to require the recognition of a provision nor improbable, the obligations are recognised as contingent liabilities.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Company's accounting policies, which are described in note 3, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For preparing the separate financial statements according to IFRS adopted by the EU, the Company makes estimates and assumptions related to future developments that might have a significant effect on the recognition of the value of the reported assets and liabilities, presentation of contingent liabilities as at the preparation date of the separate financial statements and the revenue and expenses reported for the respective period.

4.a Judgements

In the process of applying the Company accounting policies, the management made the following judgments, which have the most significant effect on the amounts recognized in the separate financial statements:

4.a.1 Revenue from contracts – management fees

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with related parties which are mainly linked to the invoicing of management fees:

Determination of performance obligations

Management fees are invoiced by the Company to other legal entities which are related parties. Management fees are related to several type of services provided such as: the use of the brand, support offered for various administrative tasks in connection with the projects under development. Management fees are invoiced according to the contractual terms and conditions and are, in general, based on a percentage of the estimated value, at invoicing date, of the projects under development.

In line with the contractual terms and conditions, for all companies, the management fees invoiced include the following:

- Services related to support in respect of the implementation of the real estate projects of the subsidiaries or associates. These services are invoiced based on a percentage of the investment value booked by the legal entity in its ledger, at the moment the invoice is issued
- Success fees related to the sale or rental of the units built by subsidiaries or associates. These success fees are invoiced based on a percentage of the accounting profit generated by the legal entity at the moment the invoice is issued
- The right of use of the One United Properties brand by its subsidiaries or associates. This fee is invoiced based on a percentage of the turnover generated by the legal entity at the moment the invoice is issued

With respect to these management fees, based on the analysis performed the series of distinct services has the same pattern of transfer to the customer.

For each performance obligation identified the Company determined at contract inception that it satisfies the performance obligation over time.

Determining the timing of revenue recognition

The Company has evaluated the timing of revenue recognition of management fees based on a careful analysis of the rights and obligations under the terms of the contract.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time as the Company considers that the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.a Judgements (continued)

4.a.1 Revenue from contracts – management fees (continued)

The Company has determined that the output method is the best method for measuring progress for these contracts. Output methods include, in general, methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced, or units delivered. As described above, the Company has used several outputs when determining the amount to be invoiced, for services rendered to the legal entities. They are based on the performance completed to date based on results achieved by the legal entities such as the value of the current investment, accounting profits and turnover generated. Given the nature of services rendered, the Company considers that the output selected would faithfully depict the entity's performance towards complete satisfaction of the performance obligation.

Starting with November 2022, the management fee activity was transferred to a subsidiary, One United Management Services SRL.

NOTE 5. RISK MANAGEMENT

5.1. General objectives, policies and processes

The Company's activities may give rise to various risks. Management is aware of and monitors the effects of those risks and events that may have adverse effects on the entity's operations. The main risks to which the Company is exposed may be classified as follows:

Financial risks:

- Credit risk
- Liquidity risk
- Market risk, which includes interest rate risk, foreign exchange risk and price risk

Other risks:

- Operating risk
- Strategic risk

5.2. Financial risks

This note provides information on the Company's exposure to the risks mentioned above, the Company's objectives, policies and processes to manage the risks and the methods used to measure them. More quantitative information on these risks is presented in these separate financial statements.
There were no material changes in the entity's exposure to the risks of a financial instrument, objectives, policies, and processes to manage those risks, or the methods used to measure them in prior periods, unless otherwise specified in this note.

The Entity is primarily exposed to risks arising from the use of financial instruments. A summary of the financial instruments held by the entity, depending on the classification category, is presented below:

	Long term financial assets	
Description	**31 December 2023**	**31 December 2022**
Investments in subsidiaries and associates	426,552,763	209,382,429
Loans granted to subsidiaries, associates and others	582,735,536	571,982,357
Total	**1,009,288,299**	**781,364,786**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

Description	Trade receivables, short-term deposits and loans and cash and cash equivalents	
	31 December 2023	31 December 2022
Trade receivables	50,800,423	726,283
Other receivables	130,315,249	100,314,789
Loans granted to subsidiaries, associates and others	126,216,672	29,095,328
Cash and cash equivalents	36,741,303	137,504,656
Total	**344,073,647**	**267,641,056**

Description	Financial liabilities at amortised cost	
	31 December 2023	31 December 2022
Trade and other payables	328,354,318	135,585,907
Lease liabilities	-	19,766,389
Total	**328,354,318**	**155,352,296**

Management has the overall responsibility for determining risk management objectives, policies and processes while retaining ultimate responsibility in this respect.

The overall objective of management is to set policies that aim at mitigating risks as much as possible without unjustifiably affecting the Entity's competitiveness and flexibility. Further details on these policies are provided below:

5.2.1. Credit risk

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk for existing receivables.

Credit risk is the risk that the Company will incur a financial loss as a result of non-fulfilment of the contractual obligations by a client or counterparty to a financial instrument, and this risk arises mainly from the Company's trade receivables, cash and cash equivalents, and short-term deposits.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its policies.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2023 and 31 December 2022, respectively, is the carrying amounts of each class of financial instruments.

In the course of its business, the Company is subject to credit risk, particularly due to trade receivables and bank deposits. The Company management constantly and closely monitors exposure to credit risk.

The intra-group customers' outstanding balances were also analysed individually for creditworthiness and after the assessment performed, management considers that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low and therefore immaterial.

As required by IFRS 9, the Company used the simplified approach in calculating ECL for trade receivables related to third parties and that did not contain a significant financing component. The Company performed the allowance trade receivable analysis taking in consideration historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Also, the outstanding balances from customers at 31 December were analysed for collections in the subsequent period until the issue of these financial statements and minimal risk of non-collection was identified. There is no significant concentration of risk.

The Company policy is that surplus cash is placed on deposit with the Company's main relationship banks and with other banks. The arrangements in place result in a favourable mix between flexibility and interest earnings. The Company's exposure to credit risk associated cash and cash equivalents is limited using different financial institutions of good standing for investment and cash handling purposes.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to liquidity management is to ensure, as far as possible, that it will have sufficient liquidity to meet its outstanding obligations under both normal and crisis conditions, without incurring major losses or risking affecting the Company's reputation. The Company prepares budgets, cash flow analyses and forecasts, which enable the Directors to assess the level of financing required for future periods. Budgets and projections are used to assess any future potential investments and are compared to existing funds held on deposit to evaluate the nature, and extent of any future funding requirements.

Currently the Company's liquidity enables it to meet the committed and due payments. During 2023, the focus of the business was on operations, liquidity and capital allocation. The Company has access to a sufficient variety of sources of funding which enable it to meet its financial obligations when they become due. The table below shows the remaining contractual maturities for financial liabilities:

As at 31 December 2023	**Less than 1 year**	**1 to 5 years**
Trade and other payables	327,884,124	470,194
Total	**327,884,124**	**470,194**

As at 31 December 2022	**Less than 1 year**	**1 to 5 years**
Trade and other payables	116,038,790	19,547,117
Lease liabilities	1,901,977	17,864,412
Total	**117,940,767**	**37,411,529**

The following table details the due date for the Company's financial assets The table below was based on the remaining maturities of the financial assets, including the interest earned on these assets, except for those in which the Company anticipates that the cash flow will take place in a different period.

As at 31 December 2023	**Less than 1 year**	**1 to 5 years**
Cash and cash equivalents	36,741,303	-
Trade and other receivables	181,115,672	-
Loans granted to subsidiaries, associates and others (*)	126,216,672	582,735,536
Total	**344,073,647**	**582,735,536**

As at 31 December 2022	**Less than 1 year**	**1 to 5 years**
Cash and cash equivalents	137,504,656	-
Trade and other receivables	101,041,072	-
Loans granted to subsidiaries, associates and others (*)	29,095,328	571,982,357
Total	**267,641,056**	**571,982,357**

(*) Please note that loans granted to subsidiaries and associates have an undetermined reimbursement date. The classification above was made based on the completion date of the development projects.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk

Market risk is the possibility of recording losses or not realizing the estimated profits that result, directly or indirectly, from market price fluctuations, the interest rate or exchange rate related to the Company's assets and liabilities. Consequently, the main sub-categories of market risk are the following:

(i) ***Interest rate risk:*** the risk that the fair value of future cash flows or future cash flows for financial instruments will fluctuate in line with interest rate variations;

(ii) ***Foreign currency risk:*** the risk that the fair value of future cash flows or future cash flows associated with financial instruments will fluctuate in line with exchange rate fluctuations;

The financial instruments held by the Company that are affected by market risk are principally loans and borrowings

(i) Interest rate risk

Interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited by the fact that almost the entire exposures are bearing a fixed interest rate.

Financial assets – loans granted

The Company has granted several loans to subsidiaries, associates and others. The loans are bearing a fixed interest rate of:
- 2023: 6.00%
- 2022: 3.25%

Bank deposits held by the Company are short-term deposits, which makes them sensitive to changes in interest rates on the market. The Company's estimates that the interest rate risk is limited given the fact that almost the entire portfolio of financial assets and liabilities bearing interest are remunerated based on a fixed interest rate. Consequently, no sensitivity analysis has been performed.

(ii) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows for financial instruments will fluctuate due to exchange rate fluctuations.

The Company is exposed to foreign exchange risk on loans that are denominated in a currency other than the functional currency of the Company. The currency used on the domestic market is the Romanian leu (RON). The currency that exposes the Company to this risk is mainly EUR.
The Company's exposure to the risk of changes in foreign exchange rates relates also to its operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of monetary assets and liabilities denominated in foreign currency at the reporting date are as follows:

31 December 2023	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	3,022,708	1,183	15,042,079
Loans granted to subsidiaries, associates and others	142,541,293	-	705,208,795
Monetary liabilities			
Loans and borrowings	-	-	-
Trade and other payables	(34,748)	-	(172,859)
Lease liabilities	-	-	-
Net excess/(exposure)	**145,529,253**	**1,183**	**720,078,014**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk (continued)

31 December 2022	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	9,315,134	89	46,086,103
Loans granted to subsidiaries, associates and others	121,208,816	-	599,668,495
Monetary liabilities			
Loans and borrowings	-	-	-
Trade and other payables	(121,324)	-	(600,240)
Lease liabilities	(3,995,308)	-	(19,766,389)
Net excess/(exposure)	**126,407,316**	**89**	**625,387,969**

Sensitivity analysis for foreign exchange risk

- 31 December 2023: A 5% appreciation of the RON against the EUR would increase the Company's profit by RON 36,003,901, while a 5% depreciation of the RON against the EUR as of 31 December 2023 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.
- 31 December 2022: A 5% appreciation of the RON against the EUR would increase the Company's profit by RON 31,269,398, while a 5% depreciation of the RON against the EUR as of 31 December 2022 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.

Sensitivity analysis includes only monetary elements denominated in foreign currency and adjusts their translation at the end of the period for a 5% change in foreign exchange rates. This analysis assumes that all other variables, especially interest rates, remain constant.

5.3. Other risks

Management cannot anticipate all the developments that could have an impact on the financial market liquidity, depreciation of financial assets and increased volatility on foreign exchange markets and the effect, if any, which it could have on the separate financial statements.

The management of the Company believes that it has taken all the necessary measures to support the sustainability and growth of the company's business in the current circumstances through:

- preparing a liquidity crisis strategy and laying down specific measures together with shareholders' support to address potential liquidity crises;
- constant monitoring of its liquidity position;
- short-term forecasting of its liquidity position.

(i) Operating risk

The process of risk assessment over the last few years on the international financial markets has affected the performance of these markets, including the Romanian financial and banking market, and raises an increased uncertainty about the future economic development. Determining the compliance with the lending agreement and other contractual obligations, as well as assessing significant uncertainties, including uncertainties associated with the Company's ability to continue its activity for a reasonable amount of time, have their own challenges.

The Company's debtors could also be affected by the low liquidity level, which could also have an impact on their ability to pay their overdue loans.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

(ii) Strategic risk

Strategic risk is the risk that one or more assumptions on which the Company's business strategy is based are no longer valid due to internal and / or external changes. Strategic risk is difficult to quantify because it refers to:

- the strategic decisions of the Company's management;
- uncertainties related to the external environment;
- the management's response level and time to changes in the internal and/or external environment;
- the quality of the IT systems etc.

(iii) Ownership title risk

In Romania, title to private property is guaranteed by the Constitution. However, under the Roman Civil Code, if the ownership title to an immovable property is cancelled, all subsequent acts of transfer of ownership may, under certain circumstances, also be cancelled.

Therefore, in theory, almost any ownership title in Romania could be exposed to a third-party risk through a litigation or claims for property restitution (either before or after the transfer of the ownership title). For the Company's management, the Company's title risk is low in the light of past history.

(iv) Legislative risk

The Company's economic environment is also influenced by the legislative environment.

In addition, obtaining building permits and other documents required to start residential projects can be affected by political instability as well as possible changes in the administrative organizational structure at the level of local governments where the Company intends to develop its projects.

(v) Taxation risk

The Romanian tax system is subject to many constant interpretations and changes. In Romania, the prescription for tax audits is 5 years. However due to state of emergency from 2020, the prescription period for financial years 2015-2019 was prolonged with 9 months and for the financial years starting 2016 the prescription period of 5 years starts at July 1 of the next financial year.

The legislation and fiscal framework in Romania and their implementation are subject to frequent changes. Tax audits, by their nature, are similar to tax audits carried out by designated tax authorities in many countries, but may extend not only to tax issues, but also to other legislative or regulatory aspects in which the agency in question might be interested.

Moreover, tax returns are subject to verification and correction by the tax authorities for a period of five years after their registration (and following the general rules described above), and therefore the Company's tax returns from 2018 to 2023 are still subject to such verifications.

In accordance with the relevant tax laws, the tax assessment of a transaction conducted between affiliates is based on the concept of the market price pertaining to the respective transaction. Based on this concept, transfer pricing needs to be adjusted such as to reflect the market rates set between non-affiliates acting independently in an arm's length transaction.

It is likely that the tax authorities should conduct verifications of the transfer pricing to determine whether the respective prices are arm's length, and the taxable base of the Romanian taxpayer is not distorted. In case of an audit, tax authorities may request a transfer pricing file also for taxpayers not classified as large taxpayers, but which carry out transactions with affiliates, in order to determine whether the arm's length principle has been complied with.

5.4. Capital management

The objectives of the Company's management regarding capital management are to protect the Company's ability to continue its activity in order to share profit to shareholders, provide benefits to other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.4. Capital management (continued)

Debt is defined as long- and short-term borrowings and lease liabilities. The net debt is computed as debt less cash and cash equivalents. Equity includes all capital and reserves of the Company that are managed as capital.

In order to maintain or adjust the capital structure, the Company's management can adjust the shareholders' share of profitability or may issue new shares to reduce debts.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Furniture and other non-current assets	Tangible under development	Total
Cost				
As at 01 January 2023	**1,160,796**	**2,009,165**	**4,203**	**3,174,164**
Additions	-	5,529	-	5,529
Disposals	-	(2,005,946)	(4,203)	(2,010,149)
As at 31 December 2023	**1,160,796**	**8,748**	**-**	**1,169,544**
Depreciation and impairment				
As at 01 January 2023	**681,547**	**200,729**	**-**	**882,276**
Depreciation charge for the year	239,625	2,454	-	242,079
Disposals	-	(200,594)	-	(200,594)
As at 31 December 2023	**921,172**	**2,589**	**-**	**923,761**
Net book value				
As at 31 December 2022	**479,249**	**1,808,436**	**4,203**	**2,291,888**
As at 31 December 2023	**239,624**	**6,159**	**-**	**245,783**

During 2022 the company transferred to One United Management Services the management fee activity. As part of this transfer, tangible assets with a net book value of RON 2,099,207 were transferred.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiary / Associate	Ownership right 31.dec.22	Ownership right 31.dec.23	Investment value 31.dec.22	Investment value 31.dec.23
One Charles de Gaulle Residence SRL	99.99%	100.00%	165,938	165,949
One Modrogan SRL	99.99%	100.00%	89,990	90,000
One Mircea Eliade Properties SRL	100.00%	100.00%	45,000	45,000
One Floreasca Towers SRL (former One Herastrau IV SRL)	100.00%	100.00%	44,990	44,990
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	100.00%	100.00%	45,000	45,000
One Lake District SRL (former One District Properties SRL)	98.00%	100.00%	44,100	45,000
One Herastrau Plaza SRL	98.00%	100.00%	44,100	45,000
One Herastrau Towers SRL	100.00%	100.00%	45,900	45,900
One Long Term Value SRL	98.00%	98.00%	980	980
One United Tower SA (former One United Tower SRL)	70.24%	71.46%	3,176,548	5,935,220
One Peninsula SRL (former One Herastrau Park Residence SA)	100.00%	100.00%	26,740,826	26,740,826
One Verdi Park SRL	95.00%	95.00%	7,729,600	7,729,600
One Cotroceni Park SRL (former One Herastrau Properties SRL)	80.00%	80.00%	36,010	36,010
X Architecture Engineering Consult SRL	80.00%	80.00%	160	160
One North Gate SA	67.69%	85.22%	25,831,080	54,457,153
Skia Real Estate SRL	51.00%	51.00%	510	510
Neo Floreasca Lake SRL(control prin detinere indirecta)	95.00%	95.00%	5,262,506	5,262,506
One Cotroceni Park Office SA	57.25%	67.25%	17,657,519	52,958,719
One Cotroceni Park Office Faza 2 SA	57.25%	67.25%	6,394,657	24,293,857
One Proiect 19 SRL (former One Mamaia SRL)	99.98%	100.00%	44,990	45,000
One Cotroceni Park Office Faza 4 SA (former One Cotroceni Park Office Faza 3 SA)	80.00%	100.00%	72,000	39,459,311
Reinvent Energy SRL	20.00%	20.00%	240,000	240,000
Glass Rom Impex SRL	20.00%	20.00%	300	300
One Herastrau Office Properties SA	30.00%	30.00%	27,000	27,000
One Property Support Services SRL	20.00%	20.00%	40	40
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	95.00%	95.00%	2,714,754	2,714,754
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	95.00%	95.00%	1,208,762	1,208,762
One Mamaia Nord SRL (former Neo Mamaia SRL)	95.00%	95.00%	1,082,259	1,082,259
One Proiect 4 SRL	100.00%	100.00%	45,000	45,000
One Plaza Athenee SRL (former One Proiect 3 SRL)	100.00%	100.00%	45,000	45,000
One Proiect 5 SRL	100.00%	100.00%	45,000	45,000
One Herastrau City SRL (former One Proiect 7 SRL)	100.00%	100.00%	45,000	45,000
One High District S.R.L. (former One Proiect 1 SRL)	100.00%	100.00%	45,000	45,000
One Lake Club S.R.L. (former One Proiect 6 SRL)	100.00%	100.00%	45,000	45,000
One Proiect 8 SRL	100.00%	100.00%	45,000	45,000
One City Club (former One Proiect 9 SRL)	100.00%	100.00%	45,000	45,000
One Downtown SRL (former One Proiect 10 SRL)	100.00%	100.00%	45,000	19,915,000
One Proiect 24 SRL (former One United Italia SRL)	90.00%	90.00%	40,500	40,500
One United Management Services SRL	100.00%	100.00%	45,000	45,000
Bo Retail invest SRL	100.00%	100.00%	200	40,000,200
One Proiect 11 SRL	100.00%	100.00%	45,622,983	47,102,463
One Proiect 12 SRL	100.00%	100.00%	500,000	40,500,000
One Cotroceni Towers SRL (former One Proiect 14 SRL)	100.00%	100.00%	45,000	45,000
One Proiect 15 SRL	100.00%	100.00%	45,000	45,000
One Park Line SRL (former One Proiect 16 SRL)	100.00%	100.00%	45,000	45,000
One Technology Division (former One Proiect 17 SRL)	100.00%	100.00%	45,000	45,000
One Proiect 18 SRL	100.00%	100.00%	45,000	45,000
One Proiect 2 SRL	100.00%	0.00%	45,000	-
Eliade Tower SRL	100.00%	100.00%	22,344,994	22,344,994
One Victoriei Plaza (former Mam Imob Business Center SRL)	100.00%	100.00%	41,408,233	41,877,315
One Proiect 20 SRL	0.00%	100.00%	-	45,000
One Proiect 21 SRL	0.00%	100.00%	-	45,000
One Proiect 22 SRL	0.00%	100.00%	-	45,000
One Baneasa Airpark SRL (former One Proiect 23 SRL)	0.00%	100.00%	-	45,000
Impairment of financial assets			-	(8,757,515)
Financial assets – investments in subsidiaries and associates			**209,382,429**	**426,552,763**

NOTE 7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

During 2023, four new subsidiaries were established: One Proiect 20 SRL, One Proiect 21 SRL, One Proiect 22 SRL and One Baneasa Airpark SRL (former of One Proiect 23 SRL).

The Company have increased its ownership in the share capital of the subsidiaries and through loan converted into equity as follows:

- One Modrogan SRL from 99.99% to 100.00%, the total consideration price for the shares acquired is RON 10;
- One Lake District SRL (former One District Properties SRL) from 98% to 100.00%, the total consideration price for the shares acquired is RON 900;
- One Herastrau Plaza SRL from 98% to 100.00%, the total consideration price for the shares acquired is RON 900;
- One United Tower SA (former One United Tower SRL) from 70.24% to 71.46%, the total consideration price for the shares acquired is RON 2,758,672;
- One North Gate SA from 67.69% to 85.218%, the total consideration price for the shares acquired is RON 9,112,073 and the loan converted into equity - RON 19,514,000 ;
- One Charles de Gaulle Residence SRL from 99.99% to 100.00%, the total consideration price for the shares acquired is RON 10;
- One Cotroceni Park Office SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 35,301,200;
- One Cotroceni Park Office Faza 2 SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 17,899,200;
- One Proiect 19 SRL (former One Mamaia SRL) from 99.98% to 100.00%, the total consideration price for the shares acquired is RON 10;
- One Cotroceni Park Office Faza 4 SA (former One Cotroceni Park Office Faza 3 SA) from 80.00% to 100.00%, the total consideration price for the shares acquired is RON 18,000 and the loan converted into equity of RON 39,369,311;
- On 04 April 2023, through addendum no 1 at the contract, the consideration price for the shares acquired in One Proiect 11 SRL was increased by RON 1,5 million (equivalent of EUR 300,000);
- One Downtown SRL (former One Proiect 10 SRL) share capital have increased by RON 19,87 million through loan coversion into equity, no change in ownership, as being owned 100% by the holding Company;
- Bo Retail Invest SRL share capital have increased by RON 40 million through loan coversion into equity, no change in ownership, as being owned 100% by the holding Company;
- One Proiect 12 SRL share capital have increased by RON 40 million through loan coversion into equity, no change in ownership, as being owned 100% by the holding Company.

During 2023, the general meeting of shareholders has approved the sale of shares in share capital of a subsidiary One Proiect 2 SRL (the ownership decreased from 100.00% to 0%).

There are several subsidiaries in which the Company own investments which have in place bank loan contracts.

As at 31 December 2023, the Group performed the assessment for impairment test of investments in subsidiaries and associates taking in consideration the recoverable amount of net assets of these entities. As at 31 December 2023, following the impairment test performed the Company assessed the recoverable amount of the identified investments, relates to be lower than its carrying amount, therefore an impairment loss of RON 8,7 million) is recognized.

The bank loan contracts contain pledges on the real estate and office developments (land and construction in progress), as well as receivables from customers, insurance policies and bank accounts. In addition:

- the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG which have also additional pledges on shareholder loan and 100% of the share capital of the borrowers;
- One United Tower SA (former One United Tower SRL) bank loan have pledges on shareholder loans and over shares 100%;
- One Mircea Eliade Properties SRL have a bank loan signed with real estate mortgage over 21 apartments and 34 parking places;
- One Herastrau Towers SRL have a bank loan signed with real estate mortgage over 5 apartments and 12 parking places;
- One Cotroceni Park SRL (former One Herastrau Properties SRL) bank loan have pledges over shares 100%;
- One Verdi Park SRL have a bank loan signed with real estate mortgage over 12 apartments and 3 commercial spaces.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. LOANS GRANTED TO SUBSIDIARIES, ASSOCIATES AND OTHERS

As at 31 December 2022	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries and associates	29,352,204	573,917,031	603,269,235
Financial assets – loans granted to others	-	252,238	252,238
Allowance for expected credit losses	(256,876)	(2,186,912)	(2,443,788)
Financial assets – loans granted to subsidiaries and associates	**29,095,328**	**571,982,357**	**601,077,685**

As at 31 December 2023	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries and associates	126,769,073	585,839,378	712,608,451
Financial assets – loans granted to others	31,819	259,174	290,993
Allowance for expected credit losses	(584,220)	(3,363,016)	(3,947,236)
Financial assets – loans granted to subsidiaries and associates	**126,216,672**	**582,735,536**	**708,952,208**

We have presented below a decomposition of the loans granted at a project level:

Description	31 December 2023	31 December 2022
Loans granted for acquiring new subsidiaries or associates	88,274,226	149,081,665
Loans granted to subsidiaries for development of office buildings	181,848,971	159,721,129
Loans granted to subsidiaries for development of residential projects	391,499,678	264,426,959
Loans granted to subsidiaries for further development of real estate projects	37,183,628	24,291,279
Loans granted to subsidiary which deliver architecture services for group and non-group projects	1,515,031	-
Loans granted to subsidiaries for operational activity	11,637,353	5,101,759
Other loans	940,557	898,682
Total	**712,899,444**	**603,521,473**

	1-Jan-23	Additional loans granted	Interest revenue	Repayment of loans granted	Payment of interest	Foreign exchange	Loan converted into equity	31-Dec-23
Financial assets – loans granted to subsidiaries and associates	603,269,235	692,794,031	40,992,589	(462,281,558)	(7,560,496)	4,147,961	(158,753,311)	712,608,451
Financial assets – loans granted to others	252,237	29,857	8,823	-	(376)	452	-	290,993
Total assets from financing activities	**603,521,472**	**692,823,888**	**41,001,412**	**(462,281,558)**	**(7,560,872)**	**4,148,413**	**(158,753,311)**	**712,899,444**

	1-Jan-22	Additional loans granted	Interest revenue	Repayment of loans granted	Payment of interest	Foreign exchange	31-Dec-22
Financial assets – loans granted to subsidiaries and associates	362,779,315	605,039,995	13,641,041	(365,159,542)	(13,934,926)	903,352	603,269,235
Financial assets – loans granted to others	240,425	-	-	-	-	11,812	252,237
Total assets from financing activities	**363,019,740**	**605,039,995**	**13,641,041**	**(365,159,542)**	**(13,934,926)**	**915,164**	**603,521,472**

We have performed an analysis of each individual project in order to assess if an impairment would be needed. Based on our analysis, all projects are profitable. Nevertheless, the Company has booked an Expected Credit Loss provision in amount of RON 3,947,236 at 31 December 2023 (31 December 2022: RON 2,443,788).

NOTE 8. LOANS GRANTED TO SUBSIDIARIES, ASSOCIATES AND OTHERS (continued)

The following subsidiaries which have received loans from the holding company, One United Properties SA have also signed bank loans contracts: One Mircea Eliade Properties SRL (RON 37,3 million), One Peninsula SRL (RON 59,7 million), One Verdi Park SRL (RON 25 million), One United Tower SA (former One United Tower SRL) (RON 191,4 million), One North Gate SA (RON 31,4 million), One Cotroceni Park Office SA (RON 184,2 million) and One Cotroceni Park Office Faza 2 SA (RON 139,8 million), One Victoriei Plaza SRL (former Mam Imob Business Center SRL) (RON 84,8 million), One Proiect 12 SRL (RON 33,7 million), Eliade Tower SRL (RON 20,8 million).

NOTE 9. RIGHT OF USE ASSETS

The Company has entered into one operating lease agreement related to the rental of office surfaces with One United Tower SA (former One United Tower SRL) (lessor) started on 01 January 2022 and ended at the beginning of 2023, as the lease contract was transferred to other Group's subsidiary, One United Management Services SRL. The monthly rent is of kEUR 46. The table below presents the evolution of the right of use for the periods 1 January 2023 – 31 December 2023.

Refer to Notes 15 for further information.

Description	Right of use
Cost at 31 December 2022	**19,600,153**
Additions	-
Disposals	19,600,153
Cost at 31 December 2023	**-**
Amortisation at 31 December 2022	**1,960,016**
Additions	-
Disposals	1,960,016
Amortisation at 31 December 2023	**-**
NET VALUE	
At 31 December 2022	**17,640,137**
At 31 December 2023	**-**

NOTE 10. OTHER NON-CURRENT ASSETS

Description	31 December 2023	31 December 2022
Warranties for headquarter rental activity	270	1,086,291
Amounts to be collected from related parties / affiliates	25,191,884	38,851,373
Total	**25,192,154**	**39,937,664**

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee. In case of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met in order to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting. The variation in price per share of the holding Company is directly related to the performance of the Group, whether the scheme covers the financial results of number of subsidiaries within a group, therefore the stock option plan value is divided based on net assets of the group for each segment reporting, the amount of RON 29,6 million (31 December 2022: RON 38,8 million) (from which on short term RON 4,4 million) from the total SOP is allocated to subsidiaries.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES

As at 31 December 2023 and 31 December 2022 trade and other receivables are detailed as follows:

	31 December 2023	31 December 2022
Description		
Trade receivables – customers	99,138	100,230
Trade receivables – subsidiaries and related parties	50,690,573	625,712
Accrued receivables – subsidiaries	10,502	-
Accrued receivable – other third party customers	210	341
Total trade receivables	**50,800,423**	**726,283**
VAT receivable	38,466,376	25,563,900
Amounts to be collected from related parties / affiliates	53,666,884	35,639,533
Other receivables	205,497	210,445
Receivables representing dividends distributed during the financial year	37,976,492	36,102,481
Various debtors – related parties	-	2,798,430
Total other receivables	**130,315,249**	**100,314,789**
Total trade and other receivables	**181,115,672**	**101,041,072**

The amounts presented above as *Amounts to be collected from related parties/affiliates* are represented mainly by the amount of approx. 47,4 million RON (31 December 2022: RON 13,5 million) related to VAT and Income Tax receivables generated from the fiscal groups where One United Properties SA acts as the representative of the single tax group. Also, in prior year in this line was included the receivable from One United Management Services SRL resulted from the transfer of management fee activity (approx. 20,6 million Ron).

On 28 September 2022, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2022 in value of RON 36,102,481 (gross amount), from the distributable net profit of RON 46,075,910 for the first half of the financial year ending 31 December 2022. The proposed final dividend was subject to approval by shareholders at the annual general meeting that took place in 25 April 2023.

On 9 October 2023, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2023 in value of RON 37,976,491.71 (gross amount), from the distributable net profit of RON 64,960,806 for the first half of the financial year ending 31 December 2023. The proposed final dividend is subject to approval by shareholders at the annual general meeting that take place in 25 April 2024.

Description	31 December 2023	31 December 2022
Trade receivable - subsidiaries	50,568,312	492,950
Trade receivable - other related parties	132,763	132,762
Trade receivable - other third party customers	99,348	100,571
Total	**50,800,423**	**726,283**

Most of the balance of trade receivables are related to management services invoiced to subsidiaries as of 31 December 2023.

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	31 December 2023	31 December 2022
Cash and cash equivalents denominated in EUR	15,036,762	46,085,692
Cash and cash equivalents denominated in RON	21,694,053	91,413,157
Cash and cash equivalents denominated in USD	5,317	411
Petty Cash - RON	5,171	5,396
Total	**36,741,303**	**137,504,656**

The Company have determined the ECLs relating to the net exposure for cash and short-term deposits at the amount of RON 403,941 (31 December 2022: RON 1 million).
The cash and cash equivalent amounts are deposited in banks from Romania that belong to banking Groups at European level or state-owned banks and in the recognizable past in Romania there were no cases of bank defaults. The Company's exposure to credit risk associated cash and cash equivalents is limited using financial institutions of good standing for investment and cash handling purposes.

NOTE 13. PROFIT TAX

The Company's current profit tax for the years 2023 and 2022 is determined at a statutory rate of 16% based on the statutory profit adjusted by non-deductible expenses and non-taxable revenues. The deferred profit tax as at 31 December 2023 and 31 December 2022 is determined based on the 16% tax rate, which is expected to be effective when temporary differences are reversed.

The current and deferred tax assets and liabilities are detailed as follows:

Description	31 December 2023	31 December 2022
Deferred tax assets	2,020,616	1,167,931
Total assets /(liabilities)	**2,020,616**	**1,167,931**

The breakdown of tax expenses is detailed below:

Description	31 December 2023	31 December 2022
Current income tax expense	(2,851,802)	(3,641,284)
Deferred tax impact	852,685	1,167,929
Total assets /(liabilities)	**(1,999,117)**	**(2,473,355)**

(i) Reconciliation of effective tax rate

	2023	2022
Gross result	**151,509,072**	**119,289,351**
16% rate	**24,241,452**	**19,086,296**
Effect of taxable elements similar to revenues	(18,482,258)	(16,170,019)
Effect of non-deductible elements	2,156,483	2,398,473
Legal reserve	(1,212,072)	(962,444)
Other tax effects	(3,367,942)	3,218
Profit tax decrease due to sponsorship expenses	(95,017)	(121,473)
Profit tax decrease due to bonification OUG 153/2020	(388,844)	(592,767)
Total profit tax expenses	**2,851,802**	**3,641,284**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 13. PROFIT TAX (continued)

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer which include the following subsidiaries as at 31 December 2023: One Mamaia Nord SRL (former Neo Mamaia SRL), One Timpuri Noi (former Neo Timpuri Noi SRL), One Cotroceni Park SRL (former One Herastrau Properties SRL), One Floreasca Towers SRL (former One Herastrau IV SRL), One Herastrau Towers SRL, One Lake District SRL (former One District Properties SRL), One Long Term Value SRL, One Mircea Eliade Properties SRL, One Modrogan SRL, One Peninsula SRL (former One Herastrau Park Residence SA), One Verdi Park SRL, X Arhitecture Engineering Consult SRL, One Plaza Athenee SRL (former One Proiect 3 SRL) and One Lake Club SRL (former One Proiect 6 SRL).

NOTE 14. EQUITY

Management monitors capital, which includes all components of equity (i.e., share capital, retained earnings and reserves). The primary objective of the parent company is to protect its capital and ability to continue its business so that it can continue to provide benefits to its shareholders and other stakeholders.

(i) Share capital

As at 31 December 2023 the Company's share capital is RON 759,530,863 (31 December 2022: RON 740,563,717.2) divided into 3,797,654,315 shares (31 December 2022: 3,702,818,586 shares) at a nominal value of RON 0.2 each (31 December 2022: 0.2). All issued shares are fully paid.

Structure of share capital

	31 December 2023			31 December 2022		
Name of shareholder	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu	1,052,553,846	210,510,769	27.7159%	1,021,349,895	204,269,690	27.5830%
OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu)	1,052,553,846	210,510,769	27.7159%	1,021,349,895	204,269,690	27.5830%
Others	1,692,546,623	338,509,325	44.5682%	1,660,118,796	332,024,337	44.8340%
Total	**3,797,654,315**	**759,530,863**	**100.00%**	**3,702,818,586**	**740,563,717**	**100.00%**

On 19 April 2021, the extraordinary general meeting of the shareholders have approved to list the holding company One United Properties SA on the regulated market of the Bucharest Stock Exchange.

On April 26th, 2022, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of the second tranche of the dividends of RON 42.5 million (with first tranche paid in October 2021, full gross dividend for 2021 is RON 75 million). The gross dividend of RON 0.0165 per share was paid until September 30th, 2022. Company' dividend policy includes the payment of dividends on a semi-annual basis.

On 26 April 2022, the Extraordinary General Meeting of Shareholders and subsequent on 5 May 2022, the Board of Directors have approved the share capital increase in order to raise funds to finance the current activity of the Company and its group, respectively to finance developments and acquisitions, through one or more issues of ordinary, registered and dematerialized shares.

On August 3, 2022, the Board of Directors approved the results of the Share Capital Increase, respectively the subscription of a number of 202,973,646 new shares offered at a price of 1.25 RON/share representing a total gross capital raise of RON 253,717,057.50 divided into share capital nominal value of RON 40,594,729.2 respectively RON 0.2 per each share and share premium of RON 213,122,328.30. The share capital of the Company is thus increased from the nominal value of RON 514,828,058.80 to the nominal value of RON 555,422,788.

Decision of the Board of Directors no. 34/1 November 2022 have approved, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders no. 64/28 September 2022, the increase of the share capital with the amount of RON 185,140,929.20 by issuance of a number of 925,704,646 new ordinary, nominative and dematerialised shares with a nominal value of RON 0.2 per share, by incorporating approximately 87% of the share premiums resulted from the share capital increase operation conducted between 27 June 2022 – 3 August 2022. Following the Share Capital Increase, the share capital of the Company will be of RON 740,563,717.2, fully subscribed and paid up by the shareholders, divided into 3,702,818,586 nominative shares, dematerialised, with a nominal value of RON 0.2 /share.

NOTE 14. EQUITY (continued)

On April 25th, 2023, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of dividends in value of RON 73,130,615.64 (gross dividend amount), corresponding to the financial year 2022, as follows: (i) the amount of RON 36,102,481.22 (gross dividend amount) has been distributed in advance as a result of the Resolution of the Company's Ordinary General Meeting of Shareholders no. 63 of 28 September 2022, respectively (ii) the amount of RON 37,028,134.42 gross dividend amount), representing a gross dividend per share of RON 0.01 which was distributed according to this resolution. Company' dividend policy includes the payment of dividends on a semi-annual basis.

By Decision of the Board of Directors no. 43 dated 12 May 2023 the increase of the Company's share capital with the amount of RON 18,967,145.8 (nominal value) was approved, by issuance of 94,835,729 new shares having a nominal value of RON 0.2 per share, by converting certain, liquid and due receivables held against the Company by the beneficiaries of the stock option plan already approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended.

The Share Capital Increase was registered with the Bucharest Trade Registry pursuant to Resolution no. 70931 on 17 May 2023, the decision of the Board of Directors no. 43 dated 12 May 2023 being published in the Official Gazette Part IV no. 2378 dated 26 May 2023. The Romanian Financial Supervisory Authority has issued the certificate of registration for financial instruments (CIIF) no. AC-5334-5 on 03 August 2023. The registration of the new shares with the Central Depository was performed on 04 August 2023. The Company registered the share capital increase in August, after all legal procedures were finalized. After this transaction, One United Properties S.A.'s share capital is of RON 759,530,863 divided into 3,797,654,315 nominative shares with a nominal value of 0.2 lei per share.

On 9 October 2023, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2023 in value of RON 37,976,491.71 (gross amount), from the distributable net profit of RON 64,960,806 for the first half of the financial year ending 31 December 2023. The interim dividends were paid subsequent to the end of reporting year 2023, in January 2024. The proposed final dividend is subject to approval by shareholders at the annual general meeting that take place in 25 April 2024.

(ii) Legal reserve

The legal reserve amounts to RON 25,028,088 at 31 December 2023 and RON 17,452,635 at 31 December 2022.

The legal reserve is established in accordance with the Company Law, according to which minimum 5% of the statutory annual accounting profit is transferred to legal reserves until their balance reaches 20% of the company's share capital. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Company Law), it becomes taxable.

The management of the Company does not expect to use the legal reserve in a way that it becomes taxable (except as provided by the Fiscal Code, where the reserve constituted by the legal entities providing utilities to the companies that are being restructured, reorganized or privatized can be used to cover the losses of value of the share package obtained as a result of the debt conversion procedure, and the amounts intended for its subsequent replenishment are deductible when calculating taxable profit).

The accounting profit remaining after the distribution of the legal reserve is transferred to retained earnings at the beginning of the financial year following the year for which the annual financial statements are prepared, from where it will be distributed.

(iii) Other capital reserves – share based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees, as part of their remuneration.
A share-based payment plan was set up during Q4 2020 by which a number of 941 shares of the holding company were granted to an employee. The vesting period is of minimum 12 months and the option can be exercised up to 15 months from the granting date. According to the resolution of the Board of Directors no 20/30 December 2021 and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 55/19 April 2021, the Company approved the "split" of shares, by decreasing the nominal value of a share from RON 260.60 to RON 0.2, and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 56/26 May 2021, the "split" of shares has been confirmed to apply to any share options granted prior to the "split" operation. Therefore, it was approved the amendment of the contract in order to reflect the "split", as well as to extend the term for exercising the share options granted to the beneficiary. The Company has estimated the reserve by taking into account the fair value of the instrument and the vesting period.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee. In the event of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting.

Based on the conditions described above, the Company and the beneficiaries have confirmed that all terms and conditions have been established for the stock option plan described above, the grant date have occurred and therefore the Company have accounted in capital reserve for an amount of RON 25,1 million during 2023 and RON 46 million during 2022 and in correspondence the related capital reserve.

The shares resulted from the share capital increase which was registered on 04 August 2023 have been allotted to the beneficiaries of the stock options plans approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended. The Share Capital Increase was performed by converting certain, liquid and due receivables held against the Company in shares issued by the Company, in accordance with art. 210 para. (2) of the Companies' Law and art. 89 of Law no. 24/2017 on issuers of financial instruments and market operations. The SOP Receivables converted in the Share Capital Increase have a total value of RON 82,516,567.8 determined by multiplying the number of New Shares (i.e., 94,835,729) with RON 0,8701 per share (this represents the weighted average trading price for the 12 months period prior to the date of the BoD decision), such value per share being approved under item 1 letter c) of the Decision of the Board of Directors no. 43 dated 12 May 2023 and being determined in compliance with art. 174 of Regulation 5/2018. Out of the total amount of the SOP Receivables RON 18,967,145.8 represents the nominal value of the New Shares and RON 63,549,422 represents the share premium. Holders of SOP Receivables do not pay any price for the New Shares.
From the total SOP receivable amount of RON 82,5 million, the amount of RON 55,8 million was deducted from the capital reserve,while the difference of RON 26,7 million is covered from retained earnings. After this transaction, the stock option plan balance recorded in equity is RON 16,8 million, related to SOP 4 and 5 not exercised until 31 December 2023.

NOTE 15. LEASE LIABILITIES

The Company have leased the administrative office space from the subsidiary One United Tower SA (former One United Tower SRL) starting with January 2022 until January 2023. Refer to Note 9 for further information.

	2023	2022
As at 1 January	**19,766,389**	**3,764,387**
Additions	-	21,606,099
Accretion of interest	-	789,063
Payments	-	(3,278,473)
Translation difference	-	3,851
Disposals	(19,766,389)	(3,118,538)
As at 31 December	**0**	**19,766,389**
Long term	**-**	**17,864,412**
Short term	**-**	**1,901,977**

	2023	2022
Depreciation expense of right-of-use assets	-	2,531,696
Interest expense on lease liabilities	-	789,063
Currency translation gain / (loss)	-	3,851
Total amount recognised in profit or loss	**-**	**3,324,610**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 22.

NOTE 16. TRADE AND OTHER PAYABLES

Description	31 December 2023	*Below 1 year*	*1 to 5 years*	31 December 2022	*Below 1 year*	*1 to 5 years*
Trade payables - affiliated entities and other related parties	2,141	*2,141*	-	201,904	*201,904*	-
Trade payables - Other	269,135	*269,135*	-	732,072	*732,072*	-
Total Trade payables	**271,276**	***271,276***	**-**	**933,976**	***933,976***	**-**
Other taxes and duties	1,611,531	*1,611,531*	-	978,235	*978,235*	-
Settlements between affiliated entities	173,554,832	*173,554,832*	-	93,194,708	*93,194,708*	-
Liabilities for acquisitions of investments	18,565,207	*18,565,207*	-	36,927,394	*18,463,697*	*18,463,697*
Advance payments from sale of shares	44,513,870	*44,513,870*	-	-	-	-
Warranties	66,253	-	*66,253*	67,254	-	*67,254*
Dividends	36,666,297	*36,666,297*	-	1,547,160	*1,547,160*	-
Other creditors - affiliated entities and other related parties	52,558,401	*52,558,401*	-	592,741	*592,741*	-
Other creditors	546,651	*142,710*	*403,941*	1,344,439	*328,273*	*1,016,166*
Total Other payables	**328,083,042**	***327,612,848***	***470,194***	**134,651,931**	***115,104,814***	***19,547,117***
Total Trade and other payables	**328,354,318**	***327,884,124***	***470,194***	**135,585,907**	***116,038,790***	***19,547,117***

Detailed information about the balances and transactions with related parties are presented in Note 21.

The amounts presented above as *Settlements between affiliated entities* are represented mainly by VAT and Income Tax payables from the fiscal groups where One United Properties SA is the representative (RON 173,5 million at 31 December 2023 and RON 92,5 million Ron at 31 December 2022).

The amounts presented above as *Liabilities for acquisitions of investments* are related to the amount outstanding to be paid (RON 18,6 million at 31 December 2023 and RON 36,9 million at 31 December 2022) for the acquisition of shares in the subsidiary One Proiect 11 SRL which own a land in surface area of 801,028.380 sqm, located in Ilfov county.

Under the *Dividends* line are mainly included the amount to be paid in relation to the interim dividends of the holding Company for the first six months of the financial year ended 31 December 2023 (RON 36,6 mil). The payment was performed in January 2024.

The amounts presented above as *Advance payments from sale of shares* are related to:

- Pre agreement for sale the ownership right over a number of 2,025,000 shares with a nominal value of RON 10/share, representing 50% of the subsidiary One Proiect 12 SRL's share capital until 8 February 2025. The purchase price is EUR 5 million at 31 December 2023 and supplemented with KEUR 600 by addendum 1 signed in February 2024.
- Pre agreement for sale the ownership right over a number of 2,250 shares with a nominal value of RON 10/share, representing 50% of the subsidiary One Downtown SRL's (former One Proiect 10 SRL) share capital until 1 October 2025. The purchase price is EUR 4 million.

The management consider that the carrying amount of trade payables approximates to their fair value.

NOTE 17. OPERATING REVENUES

Description	2023	2022
Revenues from services rendered	-	15,905,553
Revenues from rentals, service charge and similar	649	169,485
Other Revenues	12,477,662	10,235,197
Total operating revenues	**12,478,311**	**26,310,235**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 17. OPERATING REVENUES (continued)

In prior period, the "Revenues from services rendered" and "Revenues from rentals, service charge and similar" are mainly in connection with management fees and rent invoiced to subsidiaries.

Starting with November 2022, the management fee activity was transferred to One United Management Services SRL, a new subsidiary owned 100% by the Company. The Company have recognized in Other revenues line a gain of RON 9,2 million from the transfer of the activity. An evaluation report was performed by an independent evaluator.

In 2023, the amount of RON 12,4 million is in relation to services invoiced to subsidiaries.

Detailed information about the balances and transactions with related parties are presented in Note 21.

NOTE 18. OPERATING EXPENSES

Description	2023	2022
Depreciation expenses	242,078	3,258,933
Provision and allowance adjustments	886,359	3,467,837
Impairment for financial assets	8,757,513	3,023,363
Amortisation, depreciation, provisions and impairment net of reversals	**9,885,950**	**9,750,133**
Staff expenses	360,106	2,124,177
Stock option plan	3,973,812	7,299,567
Administrative Expenses	**4,333,918**	**9,423,744**
Expenditures on raw materials and consumables	584	10,364
Other material expenses	2,571	230,202
Other external expenses	41,660	208,249
Other operating expenses	4,743,241	9,719,272
Tax expenses	97,994	147,493
Other expenses	100,774	1,242,679
Total Other operating expenses	**4,986,824**	**11,558,259**
Total operating expenses	**19,206,692**	**30,732,136**

Description	2023	2022
Expenses with royalties and insurance	65,155	981,264
Expenses with collaborators	869,994	769,062
Expenses regarding commissions and fees	448,372	1,305,463
Protocol, advertising and marketing expenses	193,120	2,175,557
Other expenses with services performed by third parties	3,132,350	4,253,820
Expenditures on raw materials and consumables	3,154	240,566
Other external expenses	75,911	442,355
Tax expenses	97,994	147,493
Other expenses	100,774	1,242,679
Total Other operating expenses	**4,986,824**	**11,558,259**

Description	2023	2022
Audit, valuation and other professional services, consultancy and accounting	2,932,331	3,606,296
Administration services	28,400	149,130
Other expenses (service fees, etc.)	91,055	123,275
Other services (IT, security, maintenance, recruitment etc.)	80,564	375,119
Total Other expenses with services performed by third parties	**3,132,350**	**4,253,820**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. FINANCIAL INCOME

Description	2023	2022
Revenues from dividends	111,172,666	100,918,000
Revenues from interest	42,166,892	18,829,563
Other financial revenues	4,897,895	4,753,118
Total financial revenues	**158,237,453**	**124,500,681**

Description	2023	2022
FX net gain	4,812,895	1,073,268
Other financial revenues	85,000	3,679,850
Total other financial revenues	**4,897,895**	**4,753,118**

NOTE 20. FINANCIAL EXPENSES

Description	2023	2022
Interest expenses	-	789,429
Total financial expenses	**-**	**789,429**

NOTE 21. RELATED PARTIES

The Entity's affiliates and other related parties with which have incurred transactions at 31 December 2023 and 31 December 2022 are:

Name of the subsidiary and other related party	Country	Relationship nature
One Modrogan SRL	Romania	Subsidiary - Affiliate
One Peninsula SRL (former One Herastrau Park Residence SA)	Romania	Subsidiary - Affiliate
One Charles de Gaulle Residence SRL	Romania	Subsidiary - Affiliate
One Herastrau Plaza SRL	Romania	Subsidiary - Affiliate
One Verdi Park SRL	Romania	Subsidiary - Affiliate
X Architecture & Engineering Consult SRL	Romania	Subsidiary - Affiliate
One Mircea Eliade Properties SRL	Romania	Subsidiary - Affiliate
One Long Term Value SRL	Romania	Subsidiary - Affiliate
One Herastrau Towers SRL	Romania	Subsidiary - Affiliate
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Romania	Subsidiary - Affiliate
Skia Real Estate SRL	Romania	Subsidiary - Affiliate
One Lake District SRL (former One District Properties SRL)	Romania	Subsidiary - Affiliate
One North Gate SA	Romania	Subsidiary - Affiliate
One United Tower SA (former One United Tower SRL)	Romania	Subsidiary - Affiliate
Neo Floreasca Lake SRL	Romania	Subsidiary - Affiliate
One Mamaia Nord SRL (former Neo Mamaia SRL)	Romania	Subsidiary - Affiliate
One Timpuri Noi (former Neo Timpuri Noi SRL)	Romania	Subsidiary - Affiliate
One Herastrau Vista (former Neo Herastrau Park SRL)	Romania	Subsidiary - Affiliate
One Floreasca Towers SRL (former One Herastrau IV SRL)	Romania	Subsidiary - Affiliate
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Romania	Subsidiary - Affiliate
One Cotroceni Park Office SA	Romania	Subsidiary - Affiliate
One Cotroceni Park Office Faza 2 SA	Romania	Subsidiary - Affiliate
One Cotroceni Park Office Faza 4 SA (former One Cotroceni Park Office Faza 3 SA)	Romania	Subsidiary - Affiliate

(Amounts are expressed in RON, unless otherwise mentioned)

Name of the subsidiary and other related party	Country	Relationship nature
One Proiect 19 (former One Mamaia SRL)	Romania	Subsidiary - Affiliate
Bucur Obor SA	Romania	Indirect Subsidiary
One Proiect 4 SRL	Romania	Subsidiary - Affiliate
One Plaza Athenee SRL (former One Proiect 3 SRL)	Romania	Subsidiary - Affiliate
One Proiect 5 SRL	Romania	Subsidiary - Affiliate
One Herastrau City SRL (former One Proiect 7 SRL)	Romania	Subsidiary - Affiliate
One High District SRL (former One Proiect 1 SRL)	Romania	Subsidiary - Affiliate
One Lake Club SRL (former One Proiect 6 SRL)	Romania	Subsidiary - Affiliate
One Proiect 8 SRL	Romania	Subsidiary - Affiliate
One City Club (former One Proiect 9 SRL)	Romania	Subsidiary - Affiliate
One Downtown SRL (former One Proiect 10 SRL)	Romania	Subsidiary - Affiliate
One Proiect 24 SRL (former One United Italia SRL)	Romania	Subsidiary - Affiliate
One United Management Services SRL	Romania	Subsidiary - Affiliate
Bo Retail invest SRL	Romania	Subsidiary - Affiliate
One Proiect 11 SRL	Romania	Subsidiary - Affiliate
One Proiect 12 SRL	Romania	Subsidiary - Affiliate
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Romania	Subsidiary - Affiliate
One Proiect 15 SRL	Romania	Subsidiary - Affiliate
One Park Line SRL (former One Proiect 16 SRL)	Romania	Subsidiary - Affiliate
One Technology Division SRL (former One Proiect 17 SRL)	Romania	Subsidiary - Affiliate
One Proiect 18 SRL	Romania	Subsidiary - Affiliate
One Proiect 2 SRL	Romania	Subsidiary – Affiliate, sold in H2 2023, subsequent the sale is related party
Eliade Tower SRL	Romania	Subsidiary - Affiliate
One Victoriei Plaza (former Mam Imob Business Center SRL)	Romania	Subsidiary - Affiliate
One Proiect 20 SRL	Romania	Subsidiary - Affiliate
One Proiect 22 SRL	Romania	Subsidiary - Affiliate
One Proiect 21 SRL	Romania	Subsidiary - Affiliate
One Baneasa Airpark SRL (former One Proiect 23 SRL)	Romania	Subsidiary - Affiliate
One Carpathian Lodge Magura SRL (former Carpathian Estate SRL)	Romania	Indirect Subsidiary
Reinvent Energy SRL	Romania	Associate
One Herastrau Office Properties SA	Romania	Associate
Glass Rom Impex SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office SA	Romania	Associate (sold as of 27 March 2023)
Andrei Liviu Diaconescu	Romania	Shareholder and key management personnel
Victor Capitanu	Romania	Shareholder and key management personnel
Vinci Invest SRL	Romania	Other related party
Liviu Investments SRL	Romania	Other related party
Lemon Interior Design SRL	Romania	Other related party
Lemon Office Design SRL	Romania	Other related party
Ploiesti Logistics SRL	Romania	Other related party
Element Investments SRL	Romania	Other related party
Element Invest Partners SRL	Romania	Other related party
One Energy Division SRL	Romania	Other related party
One Holding Investments SRL	Romania	Other related party
AV Holding SRL (former One Holding Ver SRL)	Romania	Other related party
Park Lane Investments SRL (former One Holding OA SRL)	Romania	Other related party
YR-WNT SRL (former Neo Downtown SRL)	Romania	Other related party
ACC Investments SRL	Romania	Other related party
CCT & ONE AG	Switzerland	Indirect associate
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Luxembourg	Other related party
Vinci Ver Holding SRL	Romania	Other related party
OA Liviu Holding SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Switzerland	Key management personnel, minority shareholder of the Group

Name of the subsidiary and other related party	Country	Relationship nature
Gabriel-Ionut Dumitrescu	Romania	Key management personnel, starting 2022 exit the Board
Adriana-Anca Anton	Romania	Key management personnel, starting 2022 exit the Board
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel

In its normal course of business, the entity carries out transactions with the key management personnel (executive management and directors). The volume of such transactions is presented in the table below:

Key management personnel compensation	2023	2022
Employee benefits	2,273,902	769,062
Share - based payments	81,449,718	-

Share - based payments represent the equivalent of 93,609,606 ordinary shares of the Company granted free of charge under the SOP Plan. Please refer to Note 14 for disclosure of share-based payments to key management personnel.

The following tables provides the total amount of transactions that have been entered into with affiliates and other related parties during 2023 and 2022 and as well as balances with related parties as at 31 December 2023 and 31 December 2022:

		Statement of financial position	
Nature of balances	**Affiliates and other related party categories**	**31 December 2023**	**31 December 2022**
Other non-current liabilities	Key management personnel	-	-
	Affiliates - Subsidiaries	12,301	-
	Other related parties and associates	-	-

		Statement of financial position	
Nature of balances	**Affiliates and other related party categories**	**31 December 2023**	**31 December 2022**
Receivables and other receivables related to goods and services sold	Key management personnel	-	-
	Affiliates - Subsidiaries	104,223,131	36,119,617
	Other related parties and associates	144,828	2,944,058

		Statement of financial position	
Nature of balances	**Affiliates and other related party categories**	**31 December 2023**	**31 December 2022**
Payables related to goods and services paid	Key management personnel	900	-
	Affiliates - Subsidiaries	226,089,487	93,948,785
	Other related parties and associates	24,987	40,566

		Statement of financial position	
Nature of balances	**Affiliates and other related party categories**	**31 December 2023**	**31 December 2022**
Prepayments and advance payments	Key management personnel	-	-
	Affiliates - Subsidiaries	-	56,325
	Other related parties and associates	-	-

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 21. RELATED PARTIES (continued)

Nature of transactions	Affiliates and other related party categories	Income statement (Income/(expense)) 2023	2022
Interest income and other financial income	Key management personnel	-	-
	Affiliates - Subsidiaries	39,282,256	13,475,382
	Other related parties and associates	32,548	160,260
Dividends income	Key management personnel	-	-
	Affiliates - Subsidiaries	107,124,666	100,918,000
	Other related parties and associates	4,048,000	-
Rent and royalties income	Affiliates - Subsidiaries	-	192,038
	Other related parties and associates	-	597
Management fee	Key management personnel	-	-
	Affiliates - Subsidiaries	-	15,871,578
	Other related parties and associates	-	-
Rent and utilities expenses	Affiliates - Subsidiaries	(258,271)	3,964,999
	Other related parties and associates	-	-
Management and administration expenses	Key management personnel	2,273,902	769,062
	Affiliates - Subsidiaries	-	-
	Other related parties and associates	30,116	157,747
Other income	Key management personnel	-	-
	Affiliates - Subsidiaries	12,113,493	9,252,998
	Other related parties and associates	359,655	307,706
Other capital reserves	Key management personnel	25,124,118	46,150,940
Dividends paid during the year, net of tax	Key management personnel	1,988,914	4,309,192
	Other related parties and associates	22,439,070	48,473,059

Loans granted to affiliates and other related parties		**Interest balance**	**Amounts granted to affiliates and other related parties**
Loans granted to affiliates- subsidiaries	2023	57,760,425	654,166,643
	2022	26,466,348	569,722,549
Loans granted to other related parties and associates	2023	183,923	497,460
	2022	438,235	6,642,103
Total loans granted to affiliates and other related parties	**2023**	**57,944,348**	**654,664,103**
	2022	**26,904,583**	**576,364,652**

NOTE 22. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 22. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	1-Jan-22	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-22
Lease liabilities	3,764,387	21,606,099	789,062	(3,278,473)	3,852	(3,118,538)	19,766,389
Total liabilities from financing activities	**3,764,387**	**21,606,099**	**789,062**	**(3,278,473)**	**3,852**	**(3,118,538)**	**19,766,389**

	1-Jan-23	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-23
Lease liabilities	19,766,389	-	-	-	-	(19,766,389)	-
Total liabilities from financing activities	**19,766,389**	**-**	**-**	**-**	**-**	**(19,766,389)**	**-**

NOTE 23. CONTINGENCIES

On 19 January 2021, the subsidiary One United Towers SA (former One United Tower SRL) has signed the loan agreement with Black Sea Trade and Development Bank for an amount of maximum EUR 50,000,000. As at 31 December 2023, the subsidiary have withdrawn the amount of EUR 43,6 million. The loan has attached a corporate guarantee issued by the holding Company which covers the time until maturity of underlying bank loan.

On 23 January 2018, the subsidiary One North Gate SA has signed the loan agreement with CEC Bank for an amount of maximum EUR 12,000,000. The loan has attached a corporate guarantee issued by the holding Company which covers the time until maturity of underlying bank loan.

On 23 July 2021, the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG for an amount of maximum EUR 78,000,000. The holding Company guarantees to each finance party the punctual performance which will cover costs differences or cash flows deficit related. The given guarantee covers the time until maturity of underlying bank loan.

On 30 September 2021, the subsidiary One Peninsula SRL (former One Herastrau Park Residence SA) have signed the loan agreement with First Bank SA for a maximum amount of EUR 15,000,000. The loan period is for 36 months starting with 01 October 2021. The loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7,47 million). The given guarantee covers the time until maturity of underlying bank loan.

On 15 February 2022, the subsidiary One Mircea Eliade Properties SRL contracted a bank loan from Garanti Bank in total value of EUR 9,000,000 and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains a corporate guarantee issued by the holding Company. The given guarantee covers the time until maturity of underlying bank loan.

On 8 July 2022, the Bucharest Court of Appeal suspended the building permit of the development One Modrogan, issued by the General Mayor of the Municipality of Bucharest. The litigation case in on-going.

On 27 July 2022, the Company, through its subsidiary One Victoria Plaza SRL (former MAM Imob Business Center SRL) contracted a bank loan from Garanti Bank in total value of EUR 18,43 million and fully utilized this amount. The loan has attached a corporate guarantee issued by the holding Company which covers the time until maturity of underlying bank loan.

In Q1 2023, the Group, through its subsidiary Eliade Tower SRL contracted a bank loan from Garanti Bank in total value of EUR 5 million and fully utilized in January 2023. The loan has attached a corporate guarantee issued by the holding Company which covers the time until maturity of underlying bank loan.

On 21 August 2023, subsidiary One Herastrau Towers SRL contracted a bank loan from Garanti Bank in total value of EUR 4,900,000 for a period of 3 years. The loan due date for reimbursement is 30 August 2026. The loan has attached a corporate guarantee issued by the holding Company which covers the time until maturity of underlying bank loan.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 23. CONTINGENCIES (continued)

In Q1 2023, the Group, through its subsidiary, One Proiect 12 SRL, contracted a bank loan from First Bank in total value of EUR 6,8 million. The loan has a maturity of 6 years. The bank loan contract contains a corporate guarantee issued by the holding Company.

On 2 March 2023, subsidiary One Cotroceni Park SRL (former One Herastrau Properties SRL) contracted a bank loan from Transilvania Bank in total value of EUR 20 million for a period of 42 months. The loan due date for reimbursement is August 30th, 2026. The bank loan contract contains pledges over 100% of the share capital and a corporate guarantee issued by the holding Company.

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Proiect 12 SRL. The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until February, 2025 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Downtown SRL (former One Proiect 10 SRL). The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until October, 2024 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

At the end of the reporting period, the directors of the Company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate and concluded that there has not been a significant increase in the credit risk since initial recognition of the financial guarantee contract.

The Romanian tax system is under continuous development, being subject to constant interpretations and changes, sometimes retrospectively applied. The statute of limitation for tax periods is 5 years. The Company management consider that the tax liabilities of the Company have been calculated and recorded according to the legal provisions.

NOTE 24. FAIR VALUE HIERARCHY

The Company holds financial instruments that are not measured at fair value in the separate statement of financial position. For financial instruments such as cash and cash equivalents, trade and other receivables, the management of the Company has estimated that their carrying amount is an approximation of their fair value. The fair value of these types of instruments was determined as level 3 in the fair value hierarchy.

Financial liabilities that are not measured at fair value are loans with a contractual maturity of less than one year, debts to employees, trade payables and other debts and qualify for level 3 in the fair value hierarchy.

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		**Fair value**	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	712,899,444	603,521,473	619,852,248	438,631,169

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	-	619,852,248	619,852,248

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	-	438,631,169	438,631,169

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 24. FAIR VALUE HIERARCHY (continued)

There were no transfers between Level 1 and 2 during 2023 or 2022.

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables. As at 31 December 2023, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

- Fair values of the Company's interest-bearing borrowings and loans are determined by using the DCF method, using a discount rate that reflects the issuer's borrowing rate including its own non-performance risk as at 31 December 2023.

NOTE 25. EARNING PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2023 was based on the profit attributable to equity holders of RON 149,509,955 (31 December 2022: RON 116,815,996) and the weighted average ordinary shares in issue during the year.

RON	**31 December 2023**	**31 December 2022**
Profit for the year attributable to equity holders	149,509,955	116,815,996
Weighted average number of shares in issue	3,742,333,473	2,812,996,754
Basic earnings per share attributable to equity holders	0.040	0.042
Diluted earnings per share attributable to equity holders	0.040	0.040

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

Following the resolution of the Ordinary General Meeting of the Shareholders no. 67 dated 09.10.2023 the Company paid the dividends through the Central Depositary S.A. and the payment agent Banca Transilvania S.A. – payment agent, starting 31.01.2024, to Company's shareholders registered in the Shareholder's Registry held by the Central Depositary S.A. on the registration date 16.01.2024. The gross dividend is of RON 0.01 per share and the dividends tax was withheld at the statutory rates, were applicable.

On 22 March 2024, the Revenue & Expense Budget for 2023 is approved by the Board of Directors and will subsequently be subject to approval in the annual Ordinary General Meeting of the Shareholders that will take place on 25 April 2024.