ANNUAL REPORT 2021

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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, 2021, **are audited.**

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

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2021 Annual Report of One United Properties S.A.

MESSAGE FROM THE FOUNDERS

Dear Stakeholders,

From the delivery of One Floreasca City and finalization of the first phase of One Cotroceni Park, the acquisition of landmark historical building for One Athénée, announcement of the new residential developments of One Lake Club and One High District, to our successful listing on the Bucharest Stock Exchange - 2021 was a year of milestones for One United Properties. We closed 2021 with historical annual turnover of RON 1.1 billion and a gross profit of RON 0.6 billion, with ambitious targets for 2022 to outperform these numbers.

We debuted on the stock exchange having a solid development plan based on the significant potential of the Bucharest residential and office market, with the intention to continue growing and seize a good part of this potential. The 2021 results validate the leading position that One United Properties holds in the market for premium residential and mixed-use developments. Bucharest continues to show extraordinary development potential. The excellent kick-off of One Cotroceni Park in the second half of 2021 proved the opportunity that One United Properties has in expanding its high-end brand into larger-scale medium to medium-high income developments. We will continue to invest in similar developments, such as One Lake District and One High District, where we will start construction in 2022.

In parallel, our office division continues growing strong as we have reached at the end of 2021 almost full occupancy of One Tower and 78% lease for the first office phase of One Cotroceni Park, which was completed in December 2021. Today, our office portfolio has a GLA of 101K square meters and we plan to reach by this yearend GLA of 136K sqm. We target RON 72 million in rental income in 2022, a significant increase compared to 2021, driven by our growing office portfolio and supported by the commercial component, represented by the majority stake we hold as of 2022 in Bucur Obor S.A.

One United Properties thrived last year, and the boost we got from our IPO is setting excellent premises for continued, strong performance in the years to come. The exceptional performance of our team is a confirmation to all our stakeholders that we are determined to maintain the leading position in the market for premium residential and mixed-use developments and to keep delivering consistent returns to our shareholders. In line with our dividend policy, the Board of Directors is proposing to the Annual General Meeting of Shareholders a distribution RON 75 million in gross dividends for 2021. In line with our dividend policy and considering the 36% net margin on residential developments in 2021, we will focus on the reinvestment of most of the profits to benefit from the market's growth opportunities and build additional value for all of you - our stakeholders.

We invite you to read our 2021 Annual Report, where you will find details about our activity last year. As a continuation to this report, in the first half of 2022, we will publish an additional report – the 2021 Sustainability Report, where you will get an insight on how One United Properties performed from the ESG-standpoint. Thank you for being **ONE** in 2021 and we look forward to an excellent 2022 on the Bucharest Stock Exchange!

Victor Capitanu

co-CEO

Andrei-Liviu Diaconescu

co-CEO

MESSAGE FROM THE CHAIRMAN

Dear shareholders, clients and colleagues,

2021 was an outstanding year for One United Properties, during which our company thrived in numerous regards, including its strategic and organizational development, business growth and profitability. While reporting four consecutive record-breaking quarters, we have succeeded in attracting both significant talents and direct investment at home and from abroad, while further reducing our group's leverage.

We have set ourselves the highest standards for sustainability, environmental impact and quality of both materials and architecture across all our projects. As a result of this commitment, our clients, investors, and staff look back on an exceptionally successful twelve-month period and the Board of Directors together with the group's management are ensuring that the periods ahead will be a continuation thereof.

Our confidence in the future of green, sustainable real estate has made ONE a frontrunner in this segment. While we are reaping the benefits thereof, we are equipping our business for the next growth chapter.

There were several important milestones in 2021, which have confirmed our confidence in our business model and showed the vast appreciation of our work by our clients and the financial markets. First, we have successfully completed an IPO and became the third largest Romanian entrepreneurial company listed on the Bucharest Stock Exchange. The IPO was oversubscribed in both institutional and retail tranches, with the guaranteed allocation retail tranche fully subscribed within less than one minute. Shortly thereafter, we were admitted to several indices of the Bucharest Stock Exchange, including the BET index, which follows the most liquid listed companies. Later in the year, the shares of One United Properties entered the FTSE Global All Cap and the FTSE Global Small Cap indices. Today, One United Properties is one of the most covered Romanian stocks.

Second, our business has reported an outstanding performance. Notably, we were able to increase our turnover by 109% year-on-year, reaching a historical milestone of RON 1.120 billion (EUR 228 million) in consolidated annual revenue. In both residential and office segments, revenue and profits grew significantly, enabling a nearly tripling of our consolidated gross profit to RON 604.4 million (EUR 122.9 million), while net profit reached RON 509.7 million (EUR 103.6 million). Importantly, our growth and performance were enabled by our exceptionally strong business and financial health. We have almost tripled our cash position to RON 508.4 million (EUR 102.7 million) and reduced our loan-to-value ratio by 6%, down to 24%.

Ultimately, an essential area that we have successfully addressed in 2021 was the enhancement of our internal corporate governance structures and processes. As a world-class corporation, we take the matters of corporate governance and investor relations with greatest responsibility. Accordingly, we have introduced a comprehensive framework to ensure that best-practice governance is thoroughly implemented and diligently managed across our group.

Looking ahead, our expertise in residential, mixed-use, and office real estate development and our focus and persistence in terms of both quality and sustainability of our developments, will continue to serve as our long-term foundation. These exceptional, invaluable assets will allow us to bring unique homes to families and sustainable spaces to businesses, while continuously delivering outstanding performance for our shareholders.

On behalf of the Board of Directors, we are proud to serve the ONE brand today and going forward, and we thank our clients, staff and investors for their continued support and dedication.

Claudio Cisullo

Chairman

COMPANY INFORMATION

One United Properties S.A. is the largest residential and mixed-use real estate developer in Romania listed on the Bucharest Stock Exchange since July 2021. The company has a track record of having developed sustainable residential, mixed-use and office real estate in Bucharest and in Constanta (Mamaia). With unparalleled reputation of a premium developer, ONE develops apartments for *medium, medium-high, high,* and *very high* income clients. ONE is a high-end brand and represents quality, design, community, sustainability, and last but not least, very desired locations. All ONE buildings have superior certifications of sustainability, energy efficiency and wellness, and the developer is awarded at numerous galas and conferences in the field, both internationally and locally.

RESIDENTIAL

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

OFFICE

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

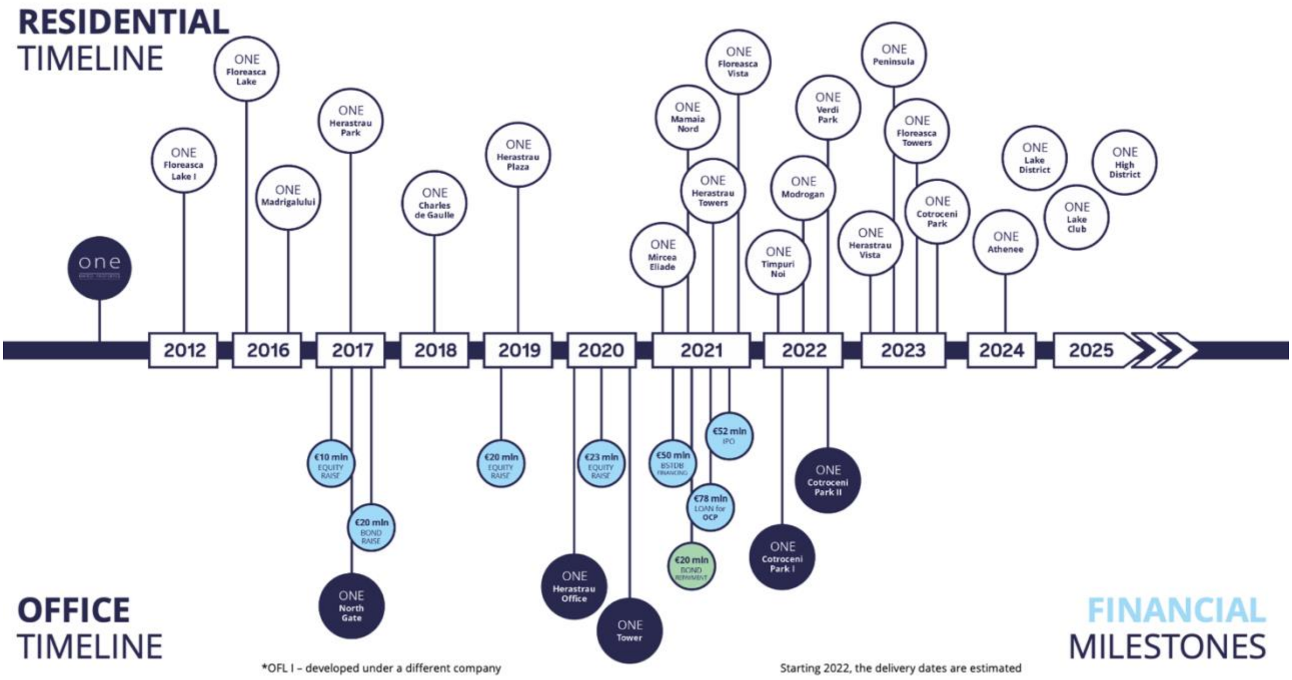
COMMERCIAL

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

Interior design is at the core of ONE's success. All of One United Properties developments are distinguishable by the exceptional design made possible by the partnership with Lemon Interior Design, probably the best interior design studio in Romania.

KEY MILESTONES

Victor Căpitanu and Andrei-Liviu Diaconescu started their real estate investment activity in 2000 and developed their first residential project in 2006. Starting with 2013, the Company started the real estate developments under the "One" brand.



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 residential, mixed-use and office real estate market in Romania;
- Leverage the strong high-end brand and reputation to expand 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 and, opportunistically, acquisition of premium office properties to benefit from the shift towards new, well located Class A offices;
- 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 issuers listed on the Bucharest Stock Exchange, having contribution to bringing liquidity to the local capital market and supporting its reclassification to the Emerging Market.

RESIDENTIAL MARKET IN 2021

According to SVN's Bucharest Residential Market Q4 2021 Snapshot, issued in January 2022, 2021 was the best year in the modern history for the local residential market, with an absolute record of completed transactions, a probable record in deliveries and the best moments for contracting a mortgage loan and buying a new home. The market registered a 40% y-o-y increase in the number of residential units sold in 2021 in Bucharest and Ilfov and a 49% increase in the number of residential units sold in Romania overall. The record-high sales are due to the best in history accessibility of mortgage loans, the high inflationary context as well as overall desire of the population following the COVID-19 pandemic to move into larger homes.

In terms of deliveries, SVN estimates that the number of units delivered is similar to that in 2020, as the activity of developers remained at the same intense level during last year compared to 2020, when a record of deliveries was registered. SVN estimates that in 2021, the average price of new residential units increased 15% compared to 2020 and is expected to grow at the same rate in 2020. SVN estimates that the increase will be less felt on the middle market segment, which held over 40% of the new offer in 2021, because of the increase of price ceiling for which 5% VAT is applied.

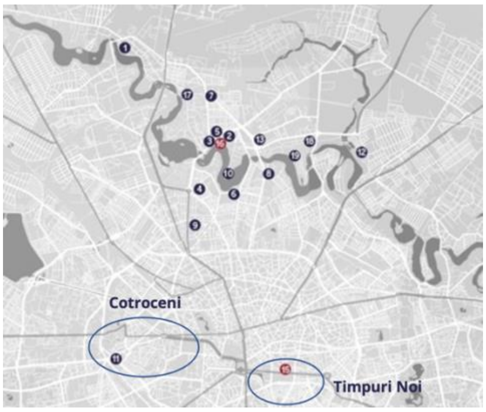
RESIDENTIAL DEVELOPMENTS

As of December 31st, 2021, One United Properties had in construction phase developments with a total of 1,766 residential units, with a total estimated Gross Development Value (GDV) of EUR 606 million, which are estimated to bring gross profit of EUR 285 million. In parallel, as of December 31st, 2021, One United Properties had in planning phase developments with a total of 4,087 residential units, with a total estimated GDV of EUR 759 million, which are estimated to bring gross profit of EUR 304 million.

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, Dorobanți, Kisseleff), 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, build 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. 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 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.

Superior interior design is at the core of ONE's business. All of One United Properties developments are distinguishable by the exceptional interior design, made by Lemon Interior Design. Lemon is a multi-award-winning interior design and fit-out company based in Bucharest. Lemon received awards such as: "Best Interior Design Private Residence Romania" and "Best Interior Design Apartment Romania" at European Property Awards 2019, "Visionary Design" at Casa de Lux Awards Gala, or "Best Design for Living Space" at 2014 ELLE Decoration Design Awards Gala. One United Properties has a strategic partnership with Lemon Interior Design through which all of ONE's clients, both on residential as well as office segment, benefit from complimentary interior design services offered by Lemon.

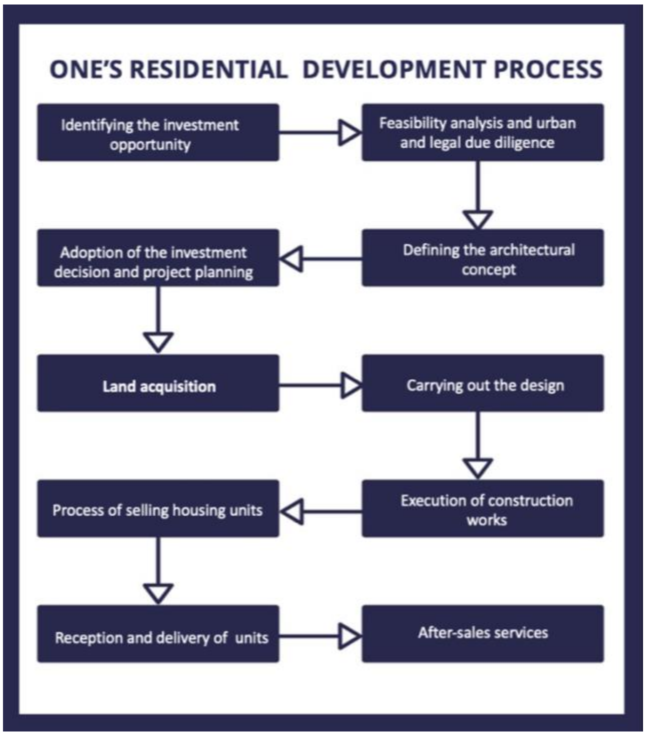
To serve all the market segments, One United Properties offers to clients three payment options for apartments that are under development at the time of signing the promise of sale – payment in full, equal instalments of 20% each, divided over the entire construction, or payment of 30% upon signing followed by 70% upon the completion of the development. The last option allows clients to access mortgages to finance the acquisitions, thus significantly widening the pool of potential clients.

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, with the latter resulting in almost full payment of the price after the signing of the sales contract for completed housing units. 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 price 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, a One United Properties subsidiary, known as an innovative architecture firm in Romania, which allows it 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 2021

According to Cushman & Wakefield Echinox Bucharest Office Q4 2021 Marketbeat, in Q4 2021, there have been two new office buildings delivered in Bucharest, one of the two being the first phase of the One Cotroceni Park mixed-use development (46,000 sq. m GLA). This brought the total new supply in 2021 at 244,300 sq. m, corresponding to an increase of 57% compared with 2020.
Therefore, the office stock in Bucharest reached 3.19 million sq. m (excluding owner-occupier buildings), as the vacancy rate has slightly increased to 14.9%. There is still a wide gap pertaining to A and B class office buildings, with vacancy rates of 12.5% and 23% for A and B-class offices respectively.

A total leasing activity of 85,400 sq. m has been recorded in Q4 2021, thus bringing the total demand for 2021 to 298,300 sq. m, up 26% compared with 2020. Net take-up (excluding renewals) had an yearly share of 57%, a higher level than in the previous year (54%). The most active tenants in 2021 came from the Transport & Telecoms (31% market share of the total take-up), Medical & Pharma (14%) and Manufacturing / Industrial (7%). Considering the existing pipeline and the absorption potential of the currently available office spaces, there is a strong indication that yearly take-up volumes in excess of 300,000 sq. m will be the norm during the next 4- 5 years.

New office buildings totaling around 224,000 sq. m are currently under construction and are expected to be delivered in 2022 and 2023, a slightly reduced pipeline when compared with the 2020 – 2021 period. One Cotroceni Park Phase II is one of the most important deliveries announced for the following two years.

Regarding the prime headline rents in Bucharest, Cushman & Wakefield estimates these remained stable in Q4, ranging between €18.00-18.50/ sq. m/month in the CBD area, while values of €17.50-18.00/ sq. m/month are recorded in the Center and Floreasca - Barbu Vacarescu submarkets, as a small increase for the CBD area is expected by the end of 2022.

OFFICE DEVELOPMENTS

Building on its residential success, One United Properties entered the office segment in November 2017 through the acquisition of One North Gate. ONE focuses on development of Grade A offices, targeting a GLA of 136K sqm by the end of 2022. Out of that, 101K sqm were finished as of December 31st, 2021, and is represented by the leasable office space at: One Cotroceni Park Phase 1, One Tower, One North Gate and One Herăstrău Office. The total market value of the office segment as of December 31st, 2021 is EUR 279 million. Another 35K sqm are scheduled for completion at the end of 2022, following the delivery of One Cotroceni Park Phase II. The company estimates that on completion, the consolidated portfolio will have an estimated total market value of over €374m and will generate approx. €25m of rental income.

The growth within the ONE office portfolio is generated by three 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 become fully carbon neutral by end of 2022, undergoing LEED ZERO CARBON certification for all new office assets.

ONE UNITED PROPERTIES DEVELOPMENTS

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, 2021, the Group consisted of 31 subsidiaries of full consolidation.

Name of the subsidiary	Activity	Ownership as of 31.12.2021
One Modrogan SRL	Real estate developer in Bucharest	99.99%
One Peninsula SRL	Real estate developer in Bucharest	100%
One Charles de Gaulle Residence SRL	Real estate developer in Bucharest	99.99%
One Herastrau Plaza SRL	Real estate developer in Bucharest	98.00%
One Verdi Park S.A.	Real estate developer in Bucharest	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 Bucharest	100%
One Long Term Value SRL	Real estate developer in Bucharest	98.00%
One Herastrau Towers SRL	Real estate developer in Bucharest	100.00%
One Cotroceni Park SRL	Real estate developer in Bucharest	80.00%
Skia Real Estate SRL	Operational services – project development	51.00%
One Lake District SRL	Real estate developer in Bucharest	98.00%
One North Gate SA	Real estate developer in Bucharest	62,405%
One United Tower SA	Real estate developer in Bucharest	70.24%
Neo[1] Floreasca Lake SRL	Real estate developer in Bucharest	80.59%
Neo Mamaia SRL	Real estate developer in Constanta	82.33%
Neo Timpuri Noi SRL	Real estate developer in Bucharest	82.33%
Neo Herastrau Park SRL	Real estate developer in Bucharest	82.00%
One Floreasca Towers SRL	Real estate developer in Bucharest	99.98%
One Long Term Investments SRL	Real estate developer in Bucharest	100.00%
One Carpathian Lodge – Magura SRL	Boutique Hotel	66.72%[2]
One Cotroceni Park Office SA	Real estate developer in Bucharest	57.25%
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	57.25%
One Cotroceni Park Office Faza 3 SA	Real estate developer in Bucharest	80.00%
One Mamaia SRL	Real estate developer in Constanta	99.98%
One Lake Club SRL	Real estate developer in Bucharest	100%
One High District SRL	Real estate developer in Bucharest	100%
One Proiect 3 SRL	Real estate developer in Bucharest	100%

[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. New names are as follows: One Mamaia Nord (former Neo Mamaia), One Floreasca Vista (former Neo Floreasca Lake), One Timpuri Noi (former Neo Timpuri Noi).
[2] Stake held by One Long Term Investments SRL.

One Proiect 4 SRL	Real estate developer in Bucharest	100%
One Proiect 5 SRL	Real estate developer in Bucharest	100%
One Proiect 7 SRL	Real estate developer in Bucharest	100%

There were seven subsidiaries established in 2021: One High District SRL, One Lake Club SRL, One Carparhian Lodge-Magura SRL, One Proiect 3 SRL (to be renamed to One Athenee SRL) as well as three shell companies for future projects One Proiect 4, One Proiect 5 and One Proiect 7. Neo Properties Development SA was dissolved and consequently, One United Properties holds directly shares in former NEO subsidiaries to simplify the holding structure. Neo Downtown Properties SRL, a shell company, was sold.

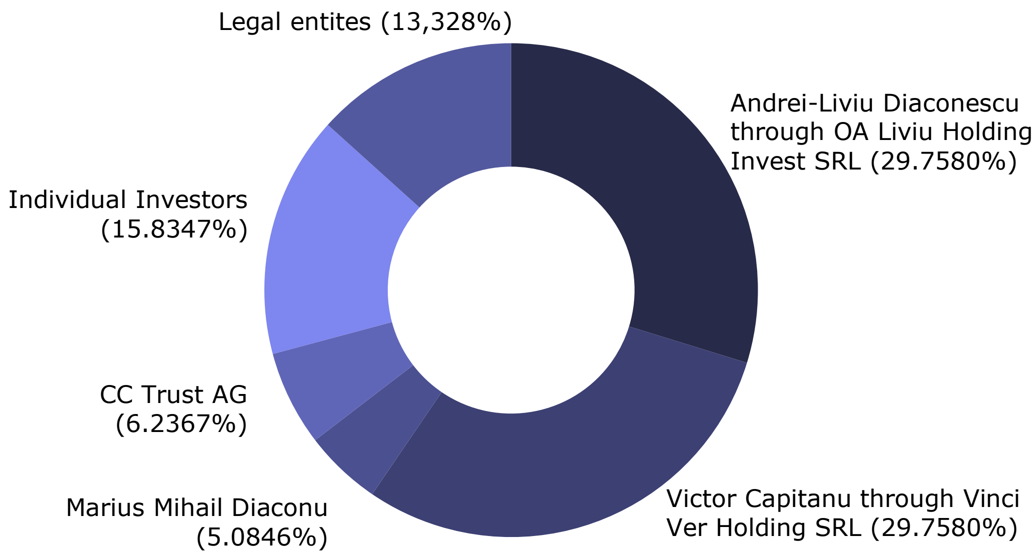
SHAREHOLDERS AND ISSUED CAPITAL

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 2021, the share capital of One United Properties was raised due to the IPO, which took place between June 22nd and July 2nd, 2021. Following the IPO, the share capital of One United Properties was increased with 130,007,085 ordinary shares, with a nominal value of RON 0.2 each, and a total nominal value of RON 26,001,417.

On December 20th, 2021, the bonus shares, distributed in proportion of 4 new shares allotted for every 5 ONE shares held, were loaded in the shareholders' accounts. Pursuant to this operation, the share capital of One United Properties is RON 514,828,058.80 divided into 2,574,140,294 ordinary shares with a nominal value of RON 0.2 per share.

Consequently, the share capital of One United Properties as of December 31st, 2021, was RON 514,828,058.80 divided into 2,574,140,294 shares with a nominal value of RON 0.2 per share. As of December 31st, 2021, One United Properties had 4,775 shareholders. The shareholding structure of the company was as follows:



Andrei-Liviu Diaconescu and Victor Capitanu, the founding shareholders of One United Properties are jointly the majority shareholders of One United Properties, each of them holding 29.7580% of the Company, with the free-float being 29.1627%. One United Properties held 791 shares, representing 0.00003% of share capital, as of December 31st, 2021.

This increase was due to the share capital increase operation and the payment of the bonus shares on December 20th, 2021. The 791 shares were attributed to One United Properties automatically by accumulating share fragments resulting from the algorithm used for the increase (5 to 4), which were paid in cash to shareholders. Therefore, One United Properties did not acquire these shares as they were loaded automatically because of the share capital increase operation. All shares were paid in full.

ONE ON THE BUCHAREST STOCK EXCHANGE

The Initial Public Offering for One United Properties shares took place between June 22nd and July 2nd, 2021. At the end of trading session on July 2nd, the final offer price per share was established, at RON 2.00 per share, thus setting the company's valuation post-IPO at RON 2.86 billion. During the IPO, One United Properties attracted RON 260 million from investors on the Bucharest Stock Exchange. The Company's shares floated on the Main Market of the stock exchange under symbol ONE on July 2nd, 2021.

Since the IPO on July 12th, 2021, ONE shares are consistently amongst the most traded financial instruments on the Bucharest Stock Exchange. The average daily traded value for ONE shares between July 12th and December 31st, 2021 was RON 1,858,448. As of December 31st, 2021, One United Properties had 4,775 shareholders, a 50% increase compared to the IPO.

The increase in the trading activity with ONE shares during 2021 was driven by multiple factors, such as inclusion of the shares in the local and the regional indices of reference, extensive research coverage of the company by local and international analysts and was further supported by Market Making services delivered by BRK Financial Group.

BET & FTSE indices inclusion

On September 20th, 2021, shares of One United Properties entered several indices of the Bucharest Stock Exchange: BET, BET-TR, BET-BK, BET-XT, BET-XT-TR and BET Plus. The most important of them, BET index, follows the evolution of most liquid companies listed on the Bucharest Stock Exchange (BVB), and it includes 20 blue-chip companies. The weight of One United Properties shares in the BET index is currently 1.68%. **More information HERE.**

On December 20th, 2021, the shares of One United Properties entered the FTSE Global All Cap index. The FTSE Global All Cap Index is a market capitalization-weighted index representing the performance of the large, mid, and small-cap stocks from global developed and emerging markets. Additionally, ONE shares were also added in the composition of FTSE Global Small Cap, the small-cap segment within the FTSE Global Equity Index universe, and FTSE Global Total Cap, which includes large, medium, small, and micro-companies. **More information HERE.**

Research Coverage

One United Properties is one of the most covered Romanian stocks, having 6 financial analysts: Dumitru Procopovici (BT Capital Partners), Camil Apostol (Goldring), Florin-Adrian Ciocoi, (Ipopema Securities), Adrian-Cosmin Patruti (Raiffeisen Bank), Alina David, (Swiss Capital) and Jakub Caithaml (Wood & Co).

Partnership with Raiffeisen Bank

As of January 3rd, 2022, One United Properties benefits from the market maker services Raiffeisen Bank International AG. The minimum volume corresponding to the firm bid-ask quotes provided by Raiffeisen Bank International is 100,000 shares, with the maximum spread between the bid and ask being 1.75%. Raiffeisen delivers the market making services during a minimum of 70% of a trading session. One United Properties continues to also benefit from MM services delivered by BRK Financial Group. **More information HERE.**

Moreover, under the agreement, Raiffeisen Bank International's affiliate Raiffeisen Centrobank AG also launched four structured products – two turbo certificates and two warrants with ONE shares acting as underlying. **More information HERE.**

In 2021, One United Properties did not buy back own shares. None of the subsidiaries of One United Properties held ONE shares as of December 31st, 2021.

One United Properties does not have any corporate bonds issued as of December 31st, 2021. In Q1 2021, One United properties repaid, 10 months before the maturity, unlisted corporate bonds in the amount of EUR 17 million to private debt fund CVI Dom Maklerski, along with Noble Funds TFI. The bonds had 4-year maturity and were repaid 10 months before reaching maturity. **More information HERE.**

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 of the Board of Directors 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. One United Properties' organizational structure is presented below:

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. Four members of the Board are independent, thus forming a majority.

The position of the Chairman of the Board of Directors was held by Mr. Dragos-Horia Manda until May 20th, 2021, when Mr. Claudio Cisullo was appointed the Chairman of the Board of Directors.

The Members of the Board of Directors as of December 31st, 2021, are presented below. The mandates of all the Members of the Board of Directors are set to expire on 31.05.2022.

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 and his current mandate is until 31.05.2022.

Number of ONE shares held on 31.12.2021: 160,541,694, 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, 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 31.12.2021: 766,012,422, held through Vinci Ver Holding 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 31.12.2021: 766,012,422, 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 31.12.2021: 130,885,047.

ADRIANA-ANCA DAMOUR

Non-executive Member of the Board of Directors, independent

Born in 1976, Ms. Damour is the CEO at DCraig Real Estate. A former Member of the Executive Board of Carrefour Romania, she coordinated the company's business expansion activities. Previously, she held various director positions at Carrefour Property Romania, leading the expansion & development teams in supporting one of the fastest expansions of Carrefour Group. Ms. Damour earned an MBA at IMD in 2012, after graduating Science PO (IEP Paris) in 2002, and a Summa cum Laude degree at French Romanian Institute of Business International Law in 2000.

Mrs. Damour was appointed as Member of the Board of Directors of One United Properties on 09.05.2016

Mrs. Damour did not hold any ONE shares on 31.12.2021.

GABRIEL-IONUT DUMITRESCU

Non-executive Member of the Board of Directors

Born in 1970, Mr. Dumitrescu is a pioneer in the Romanian real estate industry and one of the most experienced office RE specialists in the country. He founded Eurisko (1997), a local RE broker that grew in ten years to $14m in revenues, and BSS (2003), the largest RE management firm in Romania. After exiting these businesses, Mr. Dumitrescu set up Element Development (2008), one of the most active RE developers in Romania, and partnered with OUP to build the firm's office division.

Mr. Dumitrescu was appointed as Member of the Board of Directors of One United Properties on 09.05.2016.

Mr. Dumitrescu did not hold any ONE shares on 31.12.2021.

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 31.12.2021: 6,642,958.

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 has been involved in the context of their activity within the issuer, or regarding their ability to fulfil their duties within the issuer. There is no agreement, understanding or family connection between any of the Board Members and any other person due to whom he was appointed as the administrator 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.

Both the Remuneration & Compensation Committee and the Risk & Audit Committee comprise of three members of the Board of Directors, of which one is elected chairman.

The members of the Risk and Audit Committee as of December 31st, 2021, were:

- Dragos-Horia Manda, Chairman
- Marius-Mihail Diaconu, Member
- Adriana-Anca Damour, Member

The members of the Nomination and Remuneration Committee as of December 31st, 2021, were:

- Claudio Cisullo, Chairman
- Victor Capitanu, Member
- Marius-Mihail Diaconu, 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 31.12.2021: 275,535.

BEATRICE DUMITRASCU

CEO Residential Division

Beatrice joined One United Properties in 2013 as the 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 31.12.2021: 272,397.

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 500,000 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 31.12.2021: 126,000 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 31.12.2021: 277,920.

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 issuer.

EMPLOYEES

As of December 31st, 2021, the Group had 88 employees (out of that 83 FTE), all of whom are based in One United Properties' head office in Bucharest, Romania. Out of all employees, 95% had a university degree, with 5% holding as of end of 2021 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.

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

The Group also had 65 collaborators.

BUSINESS PARTNER RELATIONS

In its day-to-day activity, One United Properties collaborates with many contractors. In 2021, One United Properties collaborated with approximately 850 third-party suppliers, out of which approximately 11% were important 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 2021, there were no particular changes to the supply chain of One United Properties.

KEY EVENTS IN 2021

BUSINESS HIGHLIGHTS

Acquisition of land for One Lake Club

In June 2021, One United Properties acquired a land land with surface of 2.1 ha with direct opening to Lake Tei and close to Floreasca Quarter and One Verdi Park, where One Lake Club - a high-end gated residential compound - will be built. So far the Group made the down payment of EUR 3 million. The remaining sum will be paid in maximum 2 years, but not later then after the issuance of the building permit. **More information HERE.**

Conclusion of a pre-SPA for land for One High District

In June 2021, One United Properties concluded pre-SPA for land plot of 2.5 ha, where will be built One High District a new high-rise compound in the heart of Bucharest's 2nd District, with easy access to the Floreasca quarter, situated on the newly enlarged Fabrica de Glucoza road. The land will be paid partially in cash and mostly in exchange for apartments, upon the completion of the development. **More information HERE.**

Completion and start of delivery to final clients of One Mircea Eliade

In the second quarter of 2021, One Mircea Eliade, the residential component of the mixed-use development One Floreasca City, together with the office component, One Tower were delivered. One Mircea Eliade comprises 244 apartments, over 1,000 sqm of commercial spaces and over 540 parking spaces, located in 3 towers with a height regime of 15 floors (2 towers) and 20 floors (1 tower), with a total built area of approximately 61,000 sqm.

Tenants started to move into their new offices at One Tower

In H1 2021, One Tower was delivered. Located in the center of the Floreasca Quarter of Bucharest and in the immediate vicinity of Floreasca Park, One Tower is one of the 4 towers that form the One Floreasca City development. All 4 buildings have underground parking, green areas and common pedestrian spaces, high-end restaurants and bistros. Each of the buildings is designed to operate independently. As of December 31st, 2021, One Tower was 85% leased.

One Tower is included in the category of Class AAA office buildings and has GF+16 floors, with an innovative post-tensioned structure (without interior pillars and beams), and also it is pre-certified LEED Platinum v4, the highest Green and Sustainability certification level in the world.

Completion of the construction of One Mamaia Nord – Phase I

In H1 2021, the construction of One Mamaia Nord, one of the most exclusive residential developments on the Black Sea, located in the Northern part of Mamaia (Constanța), the most sought-after holiday resort on the Romanian coast, was completed. The residences include 50 apartments with direct opening to the beach, underground parking and a signature lobby. Land plots for the next 5 phases were secured in H1 2021, and we are in process of permitting the second phase.

Building permit for the residential development issued for One Cotroceni Park

In April 2021, One United Properties received the construction permit for the residential component of One Cotroceni Park, a mixed-use real estate development that includes residences, commercial spaces, and offices. Developed on a part of the total land area of 5.8 hectares, One Cotroceni Park will have over 800 apartments and approx. 16,000 sqm of commercial spaces on their ground and first floors. Currently this is the largest development under construction in Romania. **More information HERE.**

Acquisition of One Athénée historical monument

On September 2nd, 2021, One United Properties announced the acquisition of a building located at 2 Georges Clemenceau Street, District 1, Bucharest, near the Romanian Athenaeum for EUR 4.9 million plus VAT. The building will be used for a new development of the Company - One Athénée, with estimated gross development value of EUR 24 million. Classified as a historical monument, the building will be entirely renovated by the Group. One Athénée is the first development of One United Properties where the company purchased a cultural monument with a goal to protect and rehabilitate the cultural heritage of the center of Bucharest. **More information HERE.**

Acquisition of One Carpathian Lodge

On October 1st, 2021, One United Properties announced the acquisition of a majority stake in a boutique hotel located in Buzau country, One Carpathian Lodge. The lodge has a unique location surrounded 360 degrees only by forest for as far as the eyes can see. One Carpathian Lodge, together with a 49ha of forest and 7ha of land for development, will be operated on a 10-year lease by Le Manoir, a fine gastronomy business group. The medium-term target is to transform it into the first Relais & Châteaux lodge in Romania, after new investments will be made. The value of the transaction amounted to EUR 2.27 million euro. The lodge is expected to be operational for guests before the end of 2023. The Group targets further investments to increase the room capacity of the lodge. **More information HERE.**

Financing agreement for OCP

On July 26th, 2021, the Group announced the conclusion of a financing agreement up to EUR 78 million for the office component at One Cotroceni Park project. The financing banks are BCR, BRD Group Société Générale and Erste Bank A.G., and the loan maturity is 7 years. The loan has been granted to One Cotroceni Park Office S.A. (c. EUR 40 million) and One Cotroceni Park Office Phase 2 S.A. (c. EUR 28 million) as borrowers. A VAT facility of EUR 9 million was also part of the agreement. **More information HERE.**

Indirect acquisition of a controlling stake in Bucur Obor S.A.

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, 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, BO Retail Invest S.R.L. acquired a 54.4351% of the share capital of Bucur Obor, against a sum of RON 64,935,000 (price per share: RON 8.918). 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. The acquisition of a majority stake in Bucur Obor is in line with One United Properties' strategy to increase the share of the profits from rental activity in the total profits of the Company. **More information HERE.**

Handover One Cotroceni Park Office Phase 1

On January 17th, 2022, the Group informed the market about the handover of One Cotroceni Park Office Phase I, a commercial and office development located in Bucharest. The development has a total Gross Leasable Area (GLA) of 46,000 sqm. At the time of publishing this report, 78% of the office and commercial spaces have been leased. **More information HERE.**

The Company's current portfolio includes 101,000 sqm of office space, and it includes One Tower, One Cotroceni Park Office Phase 1, One Herastrau Office and One North Gate, and will reach GLA of 136,000 sqm after delivery of One Cotroceni Park Office Phase 2.

GOVERNANCE HIGHLIGHTS

OGSM & EGSM from April 19th, 2021

The key items voted in the OGSM included (a) the approval individual statutory financial statements for the financial year concluded on 31.12.2020, the consolidated financial statements at group level for the year concluded on December 31, 2020 as well as of the related administrators' reports, (b) the approval distribution of dividends of RON 49,243,000 for fiscal year 2020, (c) the approval of the algorithm proposed by the Board of Directors with respect to awarding of certain bonifications to the executive members of the Board of Directors materialized in granting a package of shares of maximum 5 % of the share capital, which will be vested in the following 5 years.

The key items voted in the EGSM included (a) the approval of the listing of the company on the regulated market of the Bucharest Stock Exchange, initially as a secondary offering of shares and (b) conclusion by One Peninsula S.R.L., a subsidiary of the company, of the credit facility amounting to EUR 15,000,000.

OGSM & EGSM from May 26th, 2021

The key item voted in the OGSM included the approval of the consolidated financial statements at group level for the year concluded on December 31, 2020, adjusted to the requirements and auditor's standards of in relation to the listing.

The key items voted in the EGSM included the (a) approval of the creation of two classes of shares within the company, Class A and Class B (which was meant to offer 5 votes per share for a package of shares representing 25 % of the share capital of the company) [this operation was retracted by the EGMS held on 8 June 2021] and (b) approval of contracting a loan facility amounting to EUR 78 million by One Cotroceni Park Office S.A. and One Cotroceni Park Office Faza 2 S.A. two subsidiaries of the company.

Appointment on Mr Claudio Cisullo as Chairman of the Board of Directors

In May 2021, the Company announced the election of Claudio Cisullo as Chairman of the Board of Directors starting with May 20th, 2021. **More information HERE.**

EGSM from June 8th, 2021

The key item voted in the EGSM was the approval of the share capital increase of the Company in the context of the listing on the regulated market of the Bucharest Stock Exchange.

OGSM & EGSM from September 10th, 2021

On September 10th, 2021, One United Properties held the Ordinary and Extraordinary Meetings of the Shareholders. The key items approved in the OGMS included the distribution of dividends in the aggregate amount of RON 32.5 million to the Company's shareholders, from the profit undistributed for the previous financial years, and the appointment of Mr. Daniel Dines or a suitable representative as a permanent invitee to the Board of Directors Meetings.

In the EGMS, the shareholders approved the share capital increase operation with the amount up to RON 228.8 million and issuance of up to 1,144,062,353 new shares with a nominal value of RON 0.2 per share through the incorporation of approximately 80% of the share premiums from the IPO that took place between June 22nd and July 2nd, 2021. The new shares were distributed in a proportion of 4 new shares for every 5 shares held, to shareholders who held ONE shares on the registration date of December 17th, 2021. **More information HERE.**

Dividend payment

On October 11th, 2021, the Company paid to its shareholders dividend for H1 2021 in the total amount of RON 32.5 million (gross dividend of RON 0.022726034 per share, annualized dividend yield of 2.3%), from the profit undistributed for the previous financial years. One United Properties has a dividend policy of distribution of up to 35% of gross consolidated profit to the shareholders. The company has paid out dividend to the shareholders in the last 5 years and intends to continue to pay dividends, semi-annually.

Maintenance of the single class share structure

On November 4th, Victor Capitanu and Andrei-Liviu Diaconescu informed the Board of Directors of the Company that they decided to waive their right to be awarded the B class shares. The Board of Directors acknowledged this decision, and, on the same day, informed the market that the Company will maintain the existing, single class-share structure, which confers all shareholders one voting right per each share held. **More information HERE.**

Joining UN Global Compact

On December 6th, 2021, One United Properties informed the market about joining United Nations Global Compact, the largest corporate sustainability initiative in the world. By joining the UN Global Compact, One United Properties pledged to support the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption, as well as committed to regular reporting on progress. **More information HERE.**

One of the first initiatives signed taking into consideration the UN Global Compact, was the partnership signed by One United Properties with Veolia Romania Solutii Integrate S.A. to implement sustainable energy solutions in One United Properties' residential developments. The first two developments to benefit from this partnership are One Lake District and One Peninsula. **More information HERE.**

Publishing of the first Sustainability Report

Joining UN Global Compact is part of a larger sustainability strategy of One United Properties, Romania's leading green developer. In this context, at the end of December 2021, One United Properties issued its first Sustainability Report, for 2020. The Report aims to provide all the Company's stakeholders with an insight and a reference point on the Environmental, Social and Governance aspects in the year preceding the IPO on the Bucharest Stock Exchange. One United Properties will publish Sustainability Report on an annual basis. **Read the 2020 report HERE.**

SALES ACTIVITY IN 2021

RESIDENTIAL SALES

699 apartments with a total surface of 62,514 sqm, 926 parking spaces and 69 commercial spaces and other units were sold and pre-sold for a total of EUR 202.2 million in 2021. In the same period of 2020, the Group pre-sold 184 apartments, with a total surface of 28,915 sqm, 249 parking spaces and 7 commercial spaces and other units for a total of EUR 94 million.

In 2021, the most sought-after apartments were 2 rooms apartments, which registered a 630% surge in demand, followed by 3 rooms flats, for which the demand increased 137%. The increase for these two types of apartment flats was driven by the excellent sales in One Cotroceni Park. The sales per apartment type is presented below:

Apartment type	31.12.2020	31.12.2021	Δ %
Studio	0	11	100%
2 rooms	64	467	630%
3 rooms	57	135	137%
4 rooms	49	74	51%
5+ rooms / villas	14	12	-14%
TOTAL UNITS SOLD[4]	**184**	**699**	**280%**

The sales have taken off in 2021 primarily due to the kick-off of sales in the second half of year for One Cotroceni Park. In H2 2021, the Group sold[4] 479 out of 868 residential units available, significant majority of the units being two-room flats. The development has estimated completion date in Q4 2023, and it is the largest development to date of One United Properties and currently the most important one in the promising medium- to medium-high client segment.

Moreover, in 2021 the Group registered an almost 10-fold increase in sales[4] of apartments at One Verdi Park, a project with 334 residential units, estimated to be delivered in Q4 2022. A significant uptake in sales was also registered for other developments set to be delivered in 2022: 69% increase in sales at One Modrogan and 44% at One Floreasca Vista (former Neo Floreasca Lake[3]) as well as 43% increase for One Peninsula, which is due in Q2 2023. These increases were offset by the slowdown in sales of already delivered or soon-to-be delivered developments that are in majority already sold, namely One Mircea Eliade, One Mamaia Nord (former Neo Mamaia[1]), One Herastrau Towers and One Timpuri Noi[1].

Development	Delivery	31.12.2020	31.12.2021	Δ %
One Mircea Eliade	Q4 2020	28	22	-21%
One Mamaia Nord	Q1 2021	15	1	-93%
One Herastrau Towers	Q4 2021	11	4	-64%
One Timpuri Noi	Q1 2022	49	12	-76%
One Floreasca Vista	Q2 2022	16	23	44%
One Verdi Park	Q4 2022	11	103	836%
One Modrogan	Q4 2022	13	22	69%
One Peninsula	Q2 2023	23	33	43%
One Cotroceni Park	Q4 2023	18	479	2561%
TOTAL UNITS SOLD[4]		**184**	**699**	**280%**

Residential sales presented above do not include the pre-sales to early clients (lower margin sales that help finance land acquisition). Those are units (apartments, parking spaces and commercial spaces) that the Group pre-sold to early clients on developments that still need to receive building permits. The total value of these sales in 2021 was EUR 53.6 million, vs. EUR

[3] 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. New names are as follows: One Mamaia Nord (former Neo Mamaia), One Floreasca Vista (former Neo Floreasca Lake), One Timpuri Noi (former Neo Timpuri Noi).
[4] Sales and sold units contain both sold and pre-sold units

8.6 million in 2020, a 522% increase.

LANDBANK

As of December 31st, 2021, One United Properties had 159,000 sqm of land plots for further residential development under permitting and in the planning phase (the latter with an estimated start of construction in 2022), in Bucharest and in Constanta (Mamaia). The Group estimates construction of more than 4,000 apartments on these land plots.

Besides the owned landbank, the company has a strong pipeline of new plots of land for further development.

CONSOLIDATED FINANCIAL RESULTS

KEY FINANCIAL HIGHLIGHTS

- **A 109% increase in consolidated turnover**[4] of One United Properties compared to 2020, as the Group reached historical milestone of annual **RON 1.120 billion** in revenues.
- Annual revenues from **residential segment** reached **RON 703.3 million** in 2021, a 61% increase. **Net margin** of residential segment reached **36%,** a 1pp increase vs 2020.
- Revenue and profits from the development of **office buildings** increased 412% in 2021, reaching **RON 298.6 million** due to advanced development of office buildings and increase in lease and prelease of office spaces. The income from the office division reached RON 11.8 million, a 608% increase.
- **Net G&A expenses** grew 21%, from RON 33.4 to RON 40.5 million, driven by operating costs of finalized residential buildings and by increase in CSR activities (sponsorships, fully deductible from taxes). **Administrative expenses** grew only 8%, reaching RON 32.4 million, despite a significantly larger scale of business and operations. **EBITDA** surged 182%, reaching **RON 612.7 million** in 2021.
- **Gross result** reached **RON 604.4 million** in 2021, 192% increase compared to 2020 while bottom line increased 188%, reaching **RON 509.7 million.**
- **Cash position** increased 197% 2021, to **RON 508.4 million** as of the end 2021.
- **Loan to value** ratio amounted to 24% at the end of 2021, a 6pp decrease compared to December 31st, 2020, proving solid financials and low leverage of the Group compared to European peers.

EARNINGS ANALYSIS

Consolidated annual turnover of One United Properties reached the historical milestone of RON 1.120 billion, a 109% increase compared to 2020. The doubling of the turnover was driven primarily by a 61% increase in the revenues from the sale of residential properties, which reached RON 703.3 million in 2021. The net income from residential sales amounted to RON 251.7 million in 2021, a 64% increase compared to 2020, generating a net margin for the residential segment of 36%, a 1pp increase compared to 2020.

Revenue and profits from the development of office buildings increased 412% in 2021, reaching RON 298.6 million due to the advanced development of office buildings, with the main impact being generated by the reception of One Cotroceni Park Office Phase 1, finalization of structural works for OCP Office Phase 2, One Tower starting to bring significant rental income as well as increase in leased and preleased surfaces. The value is appraised by the independent evaluator Colliers.

The income from the office division reached RON 11.8 million, a 608% increase. Most of the revenue was generated in H2 2021 alone due to the tenants moving to the One Tower office building. As of 31.12.2021, One Tower had 85% occupancy. The rental income will continue to grow in 2022 following the reception in December 2021 of One Cotroceni Park Phase 1 (at the time of publishing this report, leased at 78%), almost full lease of One Tower (at the time of publishing this report, leased at 94%) as well as the consolidation of the results of Bucur Obor.

Net G&A expenses grew 21%, from RON 33.4 to RON 40.5 million, driven by operating costs of finalized buildings and the increase in CSR activities. Administrative expenses increased only 8%, reaching RON 32.4 million, despite a significantly larger scale of business and operations, while other operating expenses increased 185%, amounting to RON 10.7 million, increase driven

[4] Turnover includes revenues from sales of residential property, rental income, revenues from services to tenants, gains from investment property and other operating income.

primarily by the property costs of the finalized residential buildings and the donations and sponsorships that are fully deductible from income tax. The inclusion of running costs of residential developments in other operating expenses is caused by the fact that One Mircea Eliade has not yet been fully sold.

EBITDA grew 182%, from RON 217.3 to RON 612.7 million. The gross result reached RON 604.4 million, a 192% increase compared to 2020 while the bottom line increased 188%, reaching RON 509.7 million. The income tax for 2021 amounted to RON 94.7 million, of which RON 15.7 million is the actual expenditure and the remaining amount represents the deferred tax on profit, generated primarily by earnings from the valuation of the real estate, which will become taxable only upon sale of these properties, if the case may be.

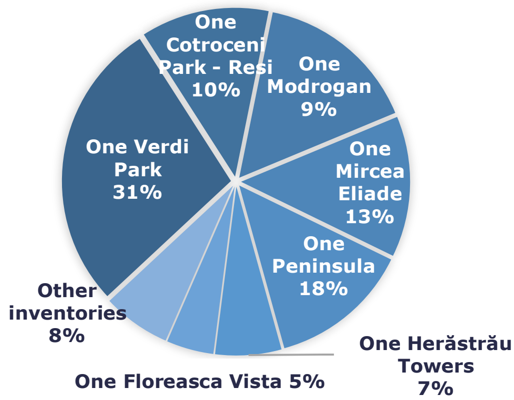
Selected P&L positions (RON)	2020	2021	Δ %
Revenues from sales of inventory property	437,503,724	703,317,672	61%
Gains from development of office buildings	58,349,105	298,636,043	412%
Rental income	1,313,724	6,544,367	398%
Revenues from services to tenants	355,719	5,277,520	1384%
Other operating income	1,377,287	5,688,365	313%
Gains from increase of value of office buildings	3,739,093	44,364,366	1087%
Gains from increase of value of landbank	34,165,272	56,187,770	64%
Cost of sales of residential property	(284,286,135)	(451,583,531)	59%
G&A Expenses	33,406,620	40,497,150	21%
EBITDA	217,325,786	612.655.241	182%
EBT	206,658,661	604,418,805	192%
Net profit	**176,936,343**	**509,687,153**	**188%**

ASSETS

Total assets increased 64% in 2021, reaching RON 2.797 billion. The non-current assets increased 42%, reaching RON 1.493 billion, driven by a 43% increase in investment properties which reached RON 1.449 billion as of 31.12.2021 due to the reception of One Cotroceni Park Office Phase 1, finalization of the structure on OCP Office Phase 2 as well as reaching almost 90% occupancy in One Tower (all these items also impacting the gains from the development of the office buildings in the financial statements). The current assets almost doubled, reaching RON 1.304 billion, driven primarily by tripling of the cash and cash equivalents (RON 508.3 million as of 31.12.2021), 92% increase in trade receivables (RON 201.4 million) and 34% increase in residential properties.

The increase in the residential properties, from RON 257.3 million, to RON 344 million was generated by construction of residential developments and the partial reclassification from investment properties of One Cotroceni Park and the reclassification of the office component of One Verdi Park, where the second of the two towers was authorized for residential development.

Residential Property in '000 RON	31.12.2020	31.12.2021
One Verdi Park	10.459	105.693
One Cotroceni Park - Residential	-	35.007
One Modrogan	57.636	29.866
One Mircea Eliade	58.825	45.598
One Peninsula	52.067	60.217
One Herăstrău Towers	36.271	23.738
One Floreasca Vista	13.457	17.041
One Timpuri Noi	11.277	10.949
One Mamaia Nord 2	7.401	2.793
One Herastrau Vista	5.519	4.818
One Mamaia Nord 1	3.303	7.152
Other inventories	1.131	1.107
TOTAL	**257.348**	**343.978**



The cash position surged 197% in 2021, reaching RON 508.3 million at the end of 2021, driven by the net cash proceeds from the IPO, in the amount of RON 252 million and positive cash flows generated from sales and rental activity. QoQ, the cash position decreased 16% driven by the continuous investments in the developments as well as in the landbank, as well as the indirect acquisition of a controlling stake in Bucur Obor for RON 64.9 million.

EQUITY AND LIABILITIES

Equity doubled in 2021, reaching RON 1.647 billion. The increase was driven mainly by the profits generated by the company (the retained earnings and reserves that reached RON 803.2 million at the end of 2021), and by the RON 252 million proceeds from the IPO which took place in Q3 2021.

The liabilities increased 31% in 2021, amounting to RON 1.150 billion at the end of 2021 driven primarily by a 99% increase in long-term liabilities (RON 581 million as of 31.12.2021) and marginally offset by a 3% decrease in short-term liabilities (RON 569.2 million as of 31.12.2021). This evolution was primarily driven by the replacement of the selected short-term liabilities as of H1 2021 with a long-term investment loan from the Black Sea Trade and Development Bank, as reported in the H1 2021 report. Moreover, in Q3 2021, the Group converted long-term debt from minority shareholders in the total amount of RON 114.5 million into equity in One Cotroceni Park. This decrease was however offset by a long-term bank loan amounting to approx. RON 80 million, which mainly represents the amounts drawn from bank loans in One Cotroceni Park Office Phase 1 and One Peninsula in Q4 2021.

KEY FINANCIAL RATIOS

The main financial ratios of One United Properties, consolidated result, as of December 31st, 2021, are presented below.

Financial data in RON '000	**31st December 2021**	
Liquidity ratio		
Current assets / Current liabilities	1,304,327,994 / 569,201,804	**= 2.3**
Gearing ratio		
Interest-bearing debt / Equity x100	432,162,310 / 1,646,957,217	**= 26.2%**
Trade receivables turnover		
Average receivables / Turnover	153,006,753 / 1,120,016,103	**= 0.14**
Fixed asset turnover		
Turnover / Net fixed assets	1,120,016,103 / 1,492,831,494	**= 0.75**

Loan to value

	31st December 2021		**31st December 2020**	
Financial debt / Real estate assets	432,162,310 / 1,793,442,817	**= 24%**	384,367,927 / 1,267,764,133	**= 30%**

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 2020, 2019 and 2018 gross dividends worth RON 49,243,000, RON 41,016,046, and RON 43,753,912.

For 2021, One United Properties proposes to pay a total gross dividend of RON 74,973,314.85. A first tranche of gross dividends in amount of RON 32,500,000 was approved in AGA in September 2021 and paid in October 2021, and the Board of Directors proposed to the shareholders the approval of a second tranche in amount of RON 42,473,314.85 in the AGA from April 26th, 2022. The distribution is subject to the approval of the shareholders in the annual GSM, which will take place on 26.04.2022.

At the same GSM from April 26th, 2022, the Board of Directors proposed to the shareholders to approve the buyback of shares for treasury purposes with a total limit of RON 10 million, at maximum acquisition price of RON 1.75 per share.

ESG MATTERS

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, One United Properties maintains its dedication to developing projects that obtain prestigious certifications in the field of sustainability and environmental protection.

One United Properties' sustainability strategy is cored at the following principles that have the most material environmental, social and governance impact on people, communities and the environment:

- **Good health and well-being:** One United Properties develops healthy residential and office buildings where customers and tenants can live a healthy life.
- **Gender quality:** One United Properties ensures equal opportunities for all our employees, regardless of their gender, and promotes women advancement in a workplace.
- **Affordable and clean energy:** One United Properties invests in innovative energy solutions, such as geothermal pumps, to build sustainable buildings. Aligning to the new applicable regulations, the Company makes sure that all our developments have minimum 30% of energy coming from renewable sources.
- **Decent work and economic growth:** One United Properties carefully selects contractors and suppliers, in order to work with partners that adhere to Company's values. To all employees, One United Properties offer full and productive employment under equal pay.
- **Industry, Innovation, and Infrastructure:** One United Properties builds modern and accessible developments. Where the infrastructure is lacking, the Company develops it on its own – One United Properties ensures that the road infrastructure benefits the whole neighborhood, but also promotes pedestrian, bike, and scooter travel. Bucharest, Romania's capital, is consistently included in world's most congested capital, with Bucharest citizens loosing on average 98 hours per year in traffic. The Company believes in building well-connected communities where our customers can give up on cars for the benefit of healthier alternatives, such as bikes, scooters, but also walking. One United Properties ensure the use of innovative green energy and technology solutions in our developments.
- **Reduce inequalities:** One United Properties promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or any other status.
- **Sustainable cities and communities:** One United Properties builds buildings with limited environmental impact, located in safe, green communities. The management believes that our developments are the landmarks of urban regeneration, sustainability, and positive environmental impact. One United Properties invest in regeneration of cities' landmarks, protecting Romania's cultural heritage.
- **Responsible consumption and production:** One United Properties builds buildings that last, using quality materials that are made to withstand the test of time. The Company invests in innovative energy, water and sewage management solutions that help our customers cut future costs, while ensuring responsible management of waste – at the stage of construction as well as after delivery to the customer.

- **Climate action:** One United Properties realizes the impact that real estate sector has on the climate, therefore it make sure that all our developments implement solutions that limit the CO2 emissions and optimize water management. The Company invests in the education of employees, customers, and business partners so they build knowledge and capacity to meet the challenges and opportunities brought by climate change.

Key areas of sustainability strategy at One United Properties, organized per Environmental, Social and Governance criteria, include:

Environmental Activities

- Reducing CO2 emissions at development stage, and after delivery;
- Using the best materials for environment;
- Lowering waste production;
- Protecting trees and green spaces;
- Optimizing water and energy usage;
- Using modern technologies;
- Preventing uncontrolled urban sprawl;
- Delivering mixed-use developments that lower the traffic congestion within the districts;
- Receiving top certifications for all the developments as part of our mission to educate current and prospective tenants and residents about the buildings' environmental impact.

Social Activities

- Ensuring employee health and safety;
- Promoting equality and diversity;
- Ensuring tenants' and clients health and safety by proving the best indoor & outdoor environment;
- Delivering good community relations for our clients, tenants, and local communities, offering safe and healthy surroundings;
- Regenerating and revitalizing urban areas, delivering landmark developments that are incorporated into the cityscape;
- Engaging environmentally responsible behaviors within the communities;
- Promoting concept of mixed-use developments;
- Providing charitable support to those in need.

Corporate Governance

- Ensuring ethical business conduct;
- Implementing strong anti-corruption rules;
- Setting high standards in business for subcontractors;
- Educating and enabling our employees, partners & customers about how we can work together to achieve our sustainability goals;
- Measuring and transparently disclosing our sustainability performance.

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 a large number of 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, as the case may be, to send a prior notification to the competent authorities.

As of December 31st, 2021, there were no major lawsuits related to breaches of environmental laws or regulations.

In 2022, One United Properties will pay particular attention to sustainability, continuing an ESG strategy implemented following adherence to UN Global Compact in December 2021. The **2021 Sustainability Report** will be published in H1 2022.

2022 PROSPECTS

On January 11th, 2022, One United Properties published the Revenue & Expense Budget for 2022, which was adopted by the Board of Directors on January 10th, 2022 and which is subject to approval by the shareholders in the General Meeting of Shareholders, which will take place on April 26th, 2022.

The budget for 2022 is presented in the table below and includes the results expected to be generated by the Company at the consolidated level.

2022 Budget One United Properties	RON	Δ% vs. 2021
Turnover	1,523,119,444	36%
Revenues from sales of residential property	1,217,899,669	73%
Rental income from commercial segment	71,778,670	997%
Profit from operating activity	663,366,162	8%
Net Profit	548,709,933	8%
Investments	1,162,506,607	

For 2022, One United Properties targets turnover of RON 1.523 billion, net profit of RON 548.7 million and investments of RON 1.163 billion.

In 2022, One United Properties estimates the completion of the following residential developments: One Verdi Park, One Modrogan, One Timpuri Noi, and One Floreasca Vista, which will contribute significantly to the net income. The rental income is estimated to reach RON 71.78 million in 2022, driven by a full occupancy of One Tower, the reception of One Cotroceni Park Phase 1 and its lease, as well as includes the rental income of Bucur Obor, where One United Properties holds a majority stake. Moreover, the company estimates the completion of Phase 2 of One Cotroceni Park before the yearend, which will further drive recurring revenues in the coming years. **More information HERE as well as HERE.**

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 2022. There may be other risk factors and uncertainties of which the Group or the 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,** 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 2022 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 lead to deeply unfavorable economic conditions, social unrest or, in the worst case, military confrontations in the region. The effects are 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.

LITIGATIONS – On November 18th, 2021, One United Properties published a current report 33/2021 in which the management included an overview of the status of all the material litigation in which the Company and the Company's subsidiaries are involved. The status of these respective litigations remains viable as of December 31st, 2021 and the shareholders are invited to **consult the full list of lawsuits HERE.**

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 is unprecedented and could have significant negative consequences on the Company's activity.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

PROFIT & LOSS STATEMENT (RON)	2020	2021	Δ %
Revenues from sales of residential property	**437,503,724**	**703,317,672**	**61%**
Cost of sales of residential property	(284,286,135)	(451,583,531)	59%
Net income from residential property	153,217,589	251,734,141	64%
Gains from office buildings under development	**58,349,105**	**298,636,043**	**412%**
Rental income	**1,313,724**	**6,544,367**	**398%**
Revenues from services to tenants	**355,719**	**5,277,520**	**1384%**
Expenses from services to tenants	(355,719)	(5,277,521)	1384%
Other property operating expenses	(684,749)	(4,850,821)	608%
Net rental income	628,975	1,693,545	169%
Commissions for brokerage real estate	(1,093,357)	(3,142,561)	187%
Administrative expenses	(29,952,793)	(32,387,474)	8%
Other operating expenses	(3,737,757)	(10,655,480)	185%
Profit on disposal of investment property	632,372	536,526	-15%
Other operating income	**1,377,287**	**5,688,365**	**313%**
Gains from completed investment properties	**3,739,093**	**44,364,366**	**1087%**
Gains from investment property for further development (landbank)	**34,165,272**	**56,187,770**	**64%**
Result from operating activity (EBITDA)	**217,325,786**	**612,655,241**	**182%**
Financial income	3,797,874	12,139,089	220%
Financial expenses	(15,198,802)	(21,903,343)	44%
Share of result of associates	733,803	1,527,818	108%
Gross profit	**206,658,661**	**604,418,805**	**192%**
Income tax	(29,722,318)	(94,731,652)	219%
Net profit	**176,936,343**	**509,687,153**	**188%**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS– IN EURO

PROFIT & LOSS STATEMENT (EUR)	2020	2021	Δ %
Revenues from sales of residential property	**90,447,525**	**142,939,125**	**58%**
Cost of sales of residential property	(58,772,019)	(91,777,809)	56%
Net income from residential property	31,675,506	51,161,316	62%
Gains from office buildings under development	**12,062,828**	**60,693,448**	**403%**
Rental income	**271,593**	**1,330,048**	**389%**
Revenues from services to tenants	**73,540**	**1,072,579**	**1350%**
Expenses from services to tenants	(73,540)	(1,072,580)	1350%
Other property operating expenses	(141,562)	(985,859)	594%
Net rental income	130,031	344,188	165%
Commissions for brokerage real estate	(226,036)	(638,680)	183%
Administrative expenses	(6,192,304)	(6,582,285)	6%
Other operating expenses	(772,727)	(2,165,572)	166%
Profit on disposal of investment property	130,734	109,041	-20%
Other operating income	**284,734**	**1,156,078**	**179%**
Gains from completed investment properties	**773,003**	**9,016,415**	**1066%**
Gains from investment property for further development (landbank)	**7,063,173**	**11,419,350**	**62%**
Result from operating activity (EBITDA)	**44,928,942**	**124,513,299**	**177%**
Financial income	785,155	2,467,094	214%
Financial expenses	(3,142,131)	(4,451,537)	42%
Share of result of associates	151,703	310,507	105%
Gross profit	**42,723,669**	**122,839,364**	**188%**
Income tax	(6,144,657)	(19,252,836)	213%
Net profit	**36,579,012**	**103,586,528**	**183%**

The Consolidated Statement of Profit or Loss was translated to EURO from the audited consolidated financial statements in RON using the average exchange rate in the year as published by the National Bank of Romania, 4.9204 RON / EUR for 2021 and 4.8371 RON / EUR for 2020.

CONSOLIDATED BALANCE SHEET

BALANCE SHEET (RON)	31.12.2020	31.12.2021	Δ %
NON-CURRENT ASSETS	**1,048,574,408**	**1492,831,494**	**44%**
Goodwill	19,256,076	19,256,076	0%
Intangible assets	164,707	597,608	263%
Investment properties	1,010,415,976	1449,465,190	44%
Right of use assets	1,221,167	3,505,452	-63%
Investments in associates	1,439,340	2,967,158	106%
Property, plant, and equipment	16,077,142	17,040,010	6%
CURRENT ASSETS	**655,180,191**	**1,304,327,994**	**96%**
Inventories	257,348,157	343,977,627	34%
Advance payments to suppliers	50,890,026	93,266,448	83%
Trade receivables	104,643,962	201,369,543	83%
Other receivables	70,781,030	128,441,029	81%
Other financial assets	-	9,408,917	100%
Prepayments	545,370	19,517,269	3479%
Cash and cash equivalents	170,971,646	508,347,161	197%
TOTAL ASSETS	**1,703,754,599**	**2,797,159,488**	**64%**
EQUITY	**824,031,402**	**1,646,957,217**	**99%**
Share capital	259,824,598	514,828,059	98%
Share premium	9,192	4,307,782	46764%
Treasury shares	(26,765,560)	0	-100%
Other capital reserves	463,393	1,390,179	200%
Retained earnings	498,235,187	803,225,661	60%
Non-controlling interests	92,264,592	323,205,536	253%
LIABILITIES	**879,723,197**	**1,150,202,271**	**31%**
NON-CURRENT LIABILITIES	**292,376,274**	**581,000,467**	**98%**
Loans and borrowings from bank and others	120,076,805	390,342,321	225%
Loans and borrowings from minority shareholders	70,659,819	7,472,207	-89%
Provisions	734,913	564,912	-23%
Lease liabilities - long term portion	-	2,646,947	-
Deferred tax liabilities	100,904,737	179,974,080	80%
CURRENT LIABILITIES	**587,346,923**	**569,201,804**	**-3%**
Employee benefits	444,628	553,841	25%
Loans and Borrowings from bank and others	37,547,728	34,260,754	-9%
Loans and borrowings from minority shareholders	156,083,575	87,028	-100%
Lease liabilities	-	1,282,387	100%
Trade and other payables	96,243,622	123,584,928	28%
Accrued income	1,208,149	1,145,855	-5%
Current tax liabilities	1,964,019	2,023,447	54%
Advance payments from customers	293,855,202	406,263,564	38%
TOTAL EQUITY AND LIABILITIES	**1,703,754,599**	**2,797,159,488**	**64%**

CONSOLIDATED BALANCE SHEET – IN EURO

BALANCE SHEET (EUR)	31.12.2020	31.12.2021	Δ %
NON-CURRENT ASSETS	**215,339,551**	**301,697,923**	**40%**
Goodwill	3,954,507	3,891,610	-2%
Intangible assets	33,825	120,775	257%
Investment properties	207,503,178	292,933,690	41%
Right of use assets	250,784	708,444	182%
Investments in associates	295,589	599,656	103%
Property, plant, and equipment	3,301,668	3,443,748	4%
CURRENT ASSETS	**134,550,497**	**263,601,786**	**96%**
Inventories	52,850,075	69,517,113	32%
Advance payments to suppliers	10,450,985	18,848,942	80%
Trade receivables	21,490,114	40,696,337	89%
Other receivables	14,535,884	25,957,646	79%
Other financial assets	111,999	3,944,397	3421%
Prepayments	-	1,901,521	-
Cash and cash equivalents	35,111,440	102,735,830	193%
TOTAL ASSETS	**349,890,048**	**565,299,709**	**62%**
EQUITY	**169,226,476**	**332,846,389**	**97%**
Share capital	53,358,647	104,045,605	95%
Share premium	1,888	870,593	46012%
Legal reserves	-	2,311,465	-
Other capital reserves	(5,401,521)	280,952	-105%
Retained earnings	102,319,626	160,018,654	56%
Non-controlling interests	18,947,836	65,319,120	245%
LIABILITIES	**180,663,572**	**232,453,320**	**29%**
NON-CURRENT LIABILITIES	**60,043,594**	**117,418,901**	**96%**
Loans and borrowings	39,170,457	80,397,431	105%
Provisions	150,925	114,167	-24%
Lease liabilities	-	534,942	-
Deferred tax liabilities	20,722,212	36,372,361	76%
CURRENT LIABILITIES	**120,619,978**	**115,034,419**	**-5%**
Employee benefits	91,311	111,930	23%
Loans and Borrowings	39,764,920	6,941,610	-83%
Lease liabilities	248,110	259,168	4%
Trade and other payables	19,764,986	24,976,240	26%
Accrued income	-	231,575	-
Current tax liabilities	403,339	408,934	1%
Advance payments from customers	60,347,312	82,104,962	36%
TOTAL EQUITY AND LIABILITIES	**349,890,048**	**565,299,709**	**62%**

The Consolidated Statement of Profit or Loss was translated to EURO from the audited consolidated financial statements in RON using the year end exchange rate as published by the National Bank of Romania, 4.9481 RON / EUR for year ended 31.12.2021 and 4.8694 RON / EUR for year ended 31.12.2020.

INDIVIDUAL STATEMENT OF PROFIT OR LOSS

PROFIT & LOSS STATEMENT (RON)	2020	2021	Δ %
Revenues from services delivered	31,975,434	44,837,975	40%
Revenues from rentals, service charge and similar	565,537	630,559	11%
Other Revenues	533,598	784,769	47%
Total operating revenues	**33,074,569**	**46,253,303**	**40%**
Amortization, depreciation and impairment net	(1,522,151)	(1,628,096)	7%
Administrative Expenses	(3,301,303)	(3,645,630)	10%
Other operating expenses	(4,278,706)	(7,814,775)	83%
Adjustments related to provisions	(19,140)	84,255	-
Total operating expenses	**(9,121,300)**	**(13,004,245)**	**43%**
Result from operating activity	**23,953,268**	**33,249,058**	**39%**
Revenues from dividends	20,567,563	1,881,012	-91%
Revenues from interest	10,240,258	7,436,521	-27%
Other financial revenues	48,072,196	6,780,726	-86%
Total financial income	**78,880,017**	**16,098,259**	**-80%**
Interest expenses	(5,272,556)	(786,291)	-85%
Other financial expenses	(1,521,125)	-	-
Total financial expenses	**(6,793,682)**	**(786,291)**	**-88%**
Gross profit	**96,039,603**	**48,561,025**	**-49%**
Tax expenses	(3,339,840)	(7,846,508)	135%
Net profit	**92,699,763**	**40,714,517**	**-56%**

INDIVIDUAL BALANCE SHEET

BALANCE SHEET (RON)	31.12.2020	31.12.2021	Δ %
NON-CURRENT ASSETS	**308,951,503**	**435,069,008**	**41%**
Property, plant and equipment	1,489,634	1,293,679	-13%
Intangible assets	91,377	567,455	521%
Financial assets - investments	55,545,123	90,497,644	63%
Financial assets - loans granted	246,315,351	338,295,046	37%
Right of use asset	4,536,566	3,393,204	-25%
Deferred tax assets	64,480	59,389	-8%
Other non-current assets	908,973	962,592	6%
CURRENT ASSETS	**170,698,008**	**277,357,390**	**62%**
Cash and cash equivalents	55,816,083	121,682,382	118%
Financial assets - loans granted	-	24,724,694	100%
Trade receivables	61,102,515	102,053,110	67%
Other receivables	53,620,999	28,753,389	-46%
Prepayments	158,411	143,815	-9%
TOTAL ASSETS	**479,649,511**	**712,426,398**	**49%**
EQUITY	**333,084,882**	**582,034,517**	**75%**
Share capital	259,824,598	514,828,059	98%
Own shares	(26,765,560)	-	-100%
Share premium	9,192	4,307,782	46765%
Legal reserve	9,009,562	11,437,359	27%
Retained earnings	90,543,697	50,071,138	-45%
Other capital reserves	463,393	1,390,179	200%
LIABILITIES	**146,564,629**	**130,391,881**	**-11%**
NON-CURRENT LIABILITIES	**3,857,784**	**30,494,160**	**690%**
Financial liabilities - loans and borrowings	-	27,921,952	100%
Lease liability	3,704,514	2,464,740	-33%
Provisions	84,255	-	-100%
Other non-current liabilities	69,015	107,468	56%
CURRENT LIABILITIES	**142,706,844**	**99,897,721**	**-30%**
Financial liabilities - loans and borrowings	82,980,346	-	-100%
Lease liability	1,235,049	1,299,647	5%
Trade payables	915,955	1,880,800	105%
Other payables	57,504,434	96,575,919	68%
Deffered income	71,060	141,356	99%
TOTAL EQUITY AND LIABILITIES	**479,649,511**	**712,426,398**	**49%**

BVB CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

PROVISION OF THE BUCHAREST STOCK EXCHANGE CORPORATE GOVERNANCE CODE[5]	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 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.	X			Five out of seven Board members are non-executive, and four 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 essentially similar to those laid down in the Companies Act), consisting of an individual assessment conducted by the relevant Board member, followed by an external assessment.

[5] 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.

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.
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 2021 policy nor guide on the Board assessment. There was no formal Board self-assessment made for 2021.
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 2021, 12 Board meetings took place (8 meetings held with full attendance and 4 meetings held with 6 out of 7 members), 2 meetings for Audit Committee (full attendance) and 1 meeting for Nomination and Remuneration Committee (full attendance).
A.10. The Corporate Governance Statement shall include information on the exact number of independent members of the Board.	x			In 2021, four (4) 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, 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.		x		One United Properties has established in 2021, ahead of the IPO, the Nomination and Remuneration Committee. The Committee consists of three members, out of whom one member is executive Board Member.
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	x			One United Properties has established in 2021, ahead of the IPO, the Risk & Audit Committee. The Committee consists of three members, out of

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.				whom all 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 reports to the Board.	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.
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 structurally separate division (the Internal Audit Department) within the Company or by hiring an independent third party.	x			The company had in 2021 the Internal Audit function.
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		Considering that the Company listed in July 2021, the Company will adopt the Remuneration Policy in the annual GSM which will take place in April 2022. After the approval, the Policy will be published on the Company's website.
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	x			All the information as specified by the D1 provision is provided on the Company's website.

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 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,			X	The Company does not have adopted a formal forecast policy.

the forecasts may only be included in the annual, half-yearly or quarterly reports. The Forecast Policy shall be published on the Company website.				
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, starting with the next Shareholders' Meeting.	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.
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 on the basis of 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 on the basis of a prior invitation from the Chairperson 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. The recording of each of the teleconferences is published on BVB website as well as on the Company's website.
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 27th, 2022

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, 2021, 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, 2021, 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

ONE UNITED PROPERTIES SA
AND SUBSIDIARIES

Consolidated financial statements for the year ended 31 December 2021

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

CONTENTS **Page**

Deloitte.

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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, 2021, 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 a summary of significant accounting policies and notes to the consolidated financial statements.

2. The financial statements as at December 31, 2021 are identified as follows:

• Net assets / Equity	RON	1,646,957,216
• Net profit for the financial year	RON	509,687,153

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, 2021, 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, with subsequent amendments for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EUs.

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 (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 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.

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 1,449,465,190 as of December 31, 2021 (31 December 2020: RON 1,010,415,976). Investment properties primarily represent office buildings or land plots. 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; 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 703,317,672 as of December 31, 2021 (31 December 2020: RON 437,503,724). Revenue is an important measure used to evaluate the performance of the Group. There is a risk that the revenue is presented for amounts higher 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 3recognized; 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 , but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the 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, 2021, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   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, with subsequent amendments, 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 financial statements have been prepared, is consistent, in all material respects, with these 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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU, with subsequent amendments.

   c) With respect to the Remuneration report under Law 24/2017, article no. 107, as of the date of this audit report we were not provided with the Company's Remuneration report. The Company presented its position in the Administrator Report page 53 – section C.

   Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared as at December 31, 2021, 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.

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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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU 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.

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.

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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, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 have been appointed by the General Assembly of Shareholders on 14th April 2018 to audit the financial statements of One United Properties S.A. for the financial year ended December 31, 2021. The uninterrupted total duration of our commitment, including previous reappointments for statutory auditor, has lasted for 5 years, covering the financial periods end December 31, 2017 till December 31, 2021.

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 Alina Mirea.

Report on compliance with the 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 Commission Delegated Regulation (EU) 2019/815 applicable to the 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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

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.

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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU;
- 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 31 December 2021 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 31 December 2021 is set out in the "*Report on the audit of the consolidated financial statements*" section above.

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
April 22, 2022

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Goodwill	**7**	19,256,076	19,256,076
Intangible assets	**7**	597,608	164,707
Investment properties	**8**	1,449,465,190	1,010,415,976
Right of use assets	**16**	3,505,452	1,221,167
Investments in associates	**17**	2,967,158	1,439,340
Property, plant and equipment	**6**	17,040,010	16,077,142
Total non-current assets		**1,492,831,494**	**1,048,574,408**
Current assets			
Inventories	**9**	343,977,627	257,348,157
Advance payments to suppliers	**10**	93,266,448	50,890,026
Trade receivables	**11**	201,369,543	104,643,962
Other receivables	**11**	128,441,029	70,781,030
Prepayments		19,517,269	545,370
Other financial assets	**5**	9,408,917	-
Cash and cash equivalents	**12**	508,347,161	170,971,646
Total current assets		**1,304,327,994**	**655,180,191**
TOTAL ASSETS		**2,797,159,488**	**1,703,754,599**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	514,828,059	259,824,598
Share premium	**14**	4,307,781	9,192
Own shares	**14**	-	(26,765,560)
Other capital reserves	**14**	1,390,179	463,393
Legal reserve	**14**	11,437,359	-
Retained earnings		791,788,303	498,235,187
Equity attributable to owners of the Group		**1,323,751,681**	**731,766,810**
Non-controlling interests		323,205,535	92,264,592
Total equity		**1,646,957,216**	**824,031,402**
Non-current liabilities			
Loans and borrowings from bank and others	**15**	390,342,321	70,659,819
Loans and borrowings from minority shareholders	**15**	7,472,207	120,076,805
Provisions		564,912	734,913
Lease liabilities - long term portion	**16**	2,646,947	-
Deferred tax liabilities	**13**	179,974,080	100,904,737
Total non-current liabilities		**581,000,467**	**292,376,274**

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
Current liabilities			
Employee benefits		553,841	444,628
Loans and borrowings from bank and others	**15**	34,260,754	156,083,575
Loans and borrowings from minority shareholders	**15**	87,028	37,547,728
Lease liabilities	**16**	1,282,387	1,208,149
Trade and other payables	**18**	123,584,927	96,243,622
Accrued income		1,145,855	-
Current tax liabilities	**13**	2,023,447	1,964,019
Advance payments from customers	**19**	406,263,566	293,855,202
Total current liabilities		**569,201,805**	**587,346,923**
Total liabilities		**1,150,202,272**	**879,723,197**
TOTAL EQUITY AND LIABILITIES		**2,797,159,488**	**1,703,754,599**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 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 2021	31 December 2020
Revenues from sales of residential property	20	703,317,672	437,503,724
Cost of sales of residential property	20	(451,583,531)	(284,286,135)
Net income from residential property		**251,734,141**	**153,217,589**
Gains from investment property under development	8	298,636,043	58,349,105
Gains from completed investment property	8	44,364,366	3,739,093
Gains from investment property for further development (landbank)	8	56,187,770	34,165,272
Gains from investment property		**399,188,179**	**96,253,470**
Rental income	20	6,544,367	1,313,724
Revenues from services to tenants		5,277,520	355,719
Expenses from services to tenants		(5,277,520)	(355,719)
Other property operating expenses		(4,850,822)	(684,749)
Net rental income		**1,693,545**	**628,975**
Commissions for brokerage real estate	21	(3,142,561)	(1,093,357)
Administrative expenses	22	(32,387,474)	(29,952,793)
Other operating expenses	23	(10,655,480)	(3,737,757)
Profit on disposal of investment property		536,526	632,372
Other operating income		5,688,365	1,377,287
Result from operating activity		**612,655,241**	**217,325,786**
Financial income	24	12,139,089	3,797,874
Financial expenses	24	(21,903,343)	(15,198,802)
Net financial result		**(9,764,254)**	**(11,400,928)**
Share of result of associates	17	1,527,818	733,803
Result before tax		**604,418,805**	**206,658,661**
Tax on profit	13	(94,731,652)	(29,722,318)
Net result of the period		**509,687,153**	**176,936,343**
Total comprehensive income for the period		**509,687,153**	**176,936,343**
Net result attributable to:			
Owners of the Group		391,330,530	168,679,112
Non-controlling interests		118,356,623	8,257,231
Total comprehensive income attributable to:			
Owners of the Group		391,330,530	168,679,112
Non-controlling interests		118,356,623	8,257,231
Basic/diluted earnings per share attributable to equity holders	32	0.79	188

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(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 2021		**259,824,598**	**9,192**	**-**	**463,393**	**(26,765,560)**	**498,235,187**	**92,264,592**	**824,031,402**
Profit of the year		-	-	-	-	-	391,330,530	118,356,623	**509,687,153**
Other comprehensive income		-	-	-	-	-	-	-	**-**
Dividends allocated from the statutory profit		-	-	-	-	-	(81,743,000)	(328,836)	**(82,071,836)**
Issue of ordinary shares	14	26,001,417	233,111,060	-	-	-	-	-	**259,112,477**
Issue of ordinary shares- premium shares conversion	14	228,812,471	(228,812,471)	-	-	-	-	-	**-**
Issue of ordinary shares - other reserves conversion	14	189,573	-	-	-	-	(189,573)	-	**-**
Employee share scheme	14	-	-	-	926,786	-	-	-	**926,786**
IPO costs	14	-	-	-	-	-	(6,096,360)	-	**(6,096,360)**
Transfer of legal reserve in/from retained earnings	14	-	-	11,437,359	-	-	(11,437,359)	-	**-**
Transactions with non-controlling interests	26	-	-	-	-	-	(2,603,992)	(7,175,084)	**(9,779,076)**
Acquisition of own shares	14	-	-	-	-	-	-	-	**-**
Sale of own shares		-	-	-	-	26,765,560	9,269,654	-	**36,035,214**
Non-controlling interest without change in control	26	-	-	-	-	-	(4,976,784)	120,088,240	**115,111,456**
Balance as at 31 December 2021		**514,828,059**	**4,307,781**	**11,437,359**	**1,390,179**	**0**	**791,788,303**	**323,205,535**	**1,646,957,216**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(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 2020		**146,964,903**	**5,658**	**4,250,630**	**-**	**-**	**377,494,034**	**24,913,216**	**553,628,441**
Profit of the year		-	-	-	-	-	168,679,112	8,257,231	176,936,343
Other comprehensive income		-	-	-	-	-	-	-	-
Dividends allocated from the statutory profit		-	-	-	-	-	(41,016,046)	(666,581)	(41,682,627)
Issue of ordinary shares	14	8,953,802	103,909,427	-	-	-	-	-	112,863,229
Issue of ordinary shares- premium shares conversion	14	103,905,893	(103,905,893)	-	-	-	-	-	-
Employee share scheme	14	-	-	-	463,393	-	-	-	463,393
Transfer of legal reserve in retained earnings	14	-	-	(4,250,630)	-		4,250,630	-	-
Transactions with non-controlling interests	26	-	-	-	-	-	(11,172,543)	47,327,306	36,154,763
Acquisition of own shares	14	-	-	-	-	(26,765,560)	-	-	(26,765,560)
Non-controlling interest without change in control	26	-	-	-	-	-	-	12,433,420	12,433,420
Balance as at 31 December 2020		**259,824,598**	**9,192**	**-**	**463,393**	**(26,765,560)**	**498,235,187**	**92,264,592**	**824,031,402**

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(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2021	31 December 2020
Cash flows from operating activities			
Result for the year		**509,687,153**	**176,936,343**
Adjustments for:			
Depreciation and amortization	**22**	2,223,680	1,577,459
Other financial income		(24,585)	-
Share of result of associates	**17**	(1,527,818)	(733,803)
Allowances for current assets - receivables	**23**	167,369	26,413
Increase/(decrease) in provisions	**23**	(272,989)	600,899
Increase in fair value of investment property	**8**	(399,188,179)	(96,253,470)
Profit on disposal of investment property		(536,526)	(632,372)
Share-based payments	**22**	926,786	463,393
(Gain)/Loss on sale of property, plant and equipment		(204,091)	131,512
Unrealised foreign exchange loss/(gain)		5,725,044	4,147,142
Interest expenses	**24**	9,639,353	8,602,102
Interest income	**24**	(2,356,646)	(1,029,602)
Income tax expenses	**13**	94,731,652	29,722,318
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(240,334,281)	14,702,812
(Increase)/Decrease in inventories		148,434,095	(8,988,944)
Increase/(Decrease) in trade and other payables		(7,401,109)	18,554,399
Increase/(Decrease) in advance payments from customers		112,408,364	(132,706,452)
Income tax paid		(15,602,881)	(5,167,915)
Net cash from operating activities		**216,494,391**	**9,952,234**
Acquisition of property, plant and equipment		(3,033,324)	(706,563)
Acquisition of intangible assets		(692,838)	(124,792)
Acquisition of investment property		(49,965,795)	(34,364,756)
Expenditure on investment property under development		(184,200,745)	(148,584,177)
Expenditure on completed investment property		(25,770,292)	(870,671)
Proceeds from sale of property, plant and equipment		338,050	104,716
Proceeds from sale of investment property		9,824,041	4,720,275
Amounts paid for transactions with non-controlling interests	**26**	(9,779,075)	(22,350,036)
Consideration received for transaction with non-controlling interests	**26**	-	48,088,931
Acquisition of associates		-	(702,987)
Acquisition of subsidiaries		(11,200,555)	-
Interest received		2,356,646	1,029,602
Net cash flows used in investing activities		**(272,123,887)**	**(153,760,458)**
Proceeds from loans and borrowings	**27**	373,217,603	290,059,196
Repayment of borrowings	**27**	(207,964,880)	(89,748,396)
Dividends paid		(54,762,517)	(62,050,137)
Proceeds from issue of share capital and share premium		259,112,478	112,863,229
Acquisition of own shares		-	(19,328,247)
Cash proceeds from sale of own shares		36,035,213	-
Interest paid	**27**	(11,693,437)	(7,849,774)
Principal elements of lease payments	**27**	(939,449)	(913,957)
Net cash from financing activities		**393,005,011**	**223,031,914**
Net changes in cash and cash equivalents		337,375,515	79,223,690
Cash and cash equivalents at the beginning of the year		**170,971,646**	**91,747,956**
Cash and cash equivalents at the end of the year	**12**	**508,347,161**	**170,971,646**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

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(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 2021 were authorized for issue on 26 April 2022.

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 514,828,058.8 divided into 2,574,140,294 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 29.7580% each and other shareholders holding 40.4840%. 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 object of activity of the Group consists in the development and sale/lease of residences and offices in Bucharest, Romania. The Company had the following subsidiaries undertakings as at 31 December 2021 and 31 December 2020:

Name of the subsidiary	Activity	% ownership as at 31 December 2021	% ownership as at 31 December 2020	Registered office
One Modrogan SRL	Real estate developer in Bucharest	99.99%	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%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Bucharest	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Bucharest	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Bucharest	95.00%	90.00%	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%	99.99%	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%	98.00%	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	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Bucharest	62.41%	56.74%	Maxim Gorki street 20, Bucharest, district 1
One United Tower SA (former One United Tower SRL)	Real estate developer in Bucharest	70.24%	70.24%	Maxim Gorki street 20, Bucharest, district 1
Neo Properties Development SA	Real estate developer in Bucharest	0.00%	82.35%	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 2021	% ownership as at 31 December 2020	Registered office
Neo Floreasca Lake SRL	Real estate developer in Bucharest	80.58%	80.58%	Maxim Gorki street 20, Bucharest, district 1
Neo Mamaia SRL	Real estate developer in Bucharest	82.33%	82.33%	Maxim Gorki street 20, Bucharest, district 1
Neo Timpuri Noi SRL	Real estate developer in Bucharest	82.33%	82.33%	Maxim Gorki street 20, Bucharest, district 1
Neo Herastrau Park SRL (former Neo Dorobanti SRL)	Real estate developer in Bucharest	82.00%	81.53%	Maxim Gorki street 20, Bucharest, district 1
Neo Downtown SRL	Real estate developer in Bucharest	0.00%	81.53%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Bucharest	99.99%	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	57.25%	72.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	57.25%	72.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 3 SA (former One Verdi Park Office SA)	Real estate developer in Bucharest	80.00%	70.00%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia SRL	Real estate developer in Bucharest	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One High District SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 3 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Lake Club SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 7 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
Carpathian Estate S.R.L.	Real estate developer in Bucharest	66.72%	-	Maxim Gorki street 20, Bucharest, district 1

During 2021, six new subisidiaries were established within the One group: One High District SRL, One Proiect 3 SRL, One Proiect 4 SRL, One Proiect 5 SRL, One Lake Club SRL and One Proiect 7 SRL which are 100% owned by the Company.

On 26 January 2021, the general meeting of shareholders have approved the sale of shares held in the share capital of a subsidiary with no activity, Neo Downtown SRL with a nominal value of RON/shares 10, therefore the entity exit the Group.

The Company have increased its ownership in the share capital of the subsidiary One North Gate SA from 56.74% as at 31 December 2020 to 62.41% as at 31 December 2021. The total consideration price for the shares acquired is RON 5,560,575.

The Group have acquired during September a new Company, Carphatian Estate SRL from Lethron Investments Limited for a total amount of EUR 383,710, representing the consideration of the acquisition of the shares. The total transaction consideration was in amount of EUR 2,265,000, comprising the purchase price for the acquisition of shares and the value of the loan repaid.

During December 2021, the subsidiary Neo Properties Development have been liquidated, therefore all the shares indirectly owned in Neo subsidiaries are now directly owned.

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 2021, 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. The consolidated financial statements are presented in RON, except where otherwise indicated.

2.b Going concern

The Group has prepared forecasts, including certain sensitivities, considering the potential impact on the business of the COVID-19 virus. Having considered these forecasts, 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. 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.

Subsequent to the year-end, 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 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, we consider that the Group'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. The accompanying IFRS Consolidated Financial Statements of the Company as of 31 December 2021 have not been adjusted as a consequence of this subsequent event.

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 2021. 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:

- **Amendments to IFRS 3: Definition of a Business** – The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

NOTE 2. GENERAL INFORMATION (CONTINUED)

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform** – The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

- **Amendments to IAS 1 and IAS 8 Definition of Material** – The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

- **Conceptual Framework for Financial Reporting issued on 29 March 2018** – The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions** - On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make professional judgments, estimates and assumptions that affect the application of accounting policies, as well as the recognized value of assets, liabilities, revenue and expenses, and the accompanying disclosures. The actual results may vary from the estimated values. The estimates and assumptions are based on the historical experience and other elements, including the expectations regarding the future events considered reasonable in the existing circumstances. The underlying estimates and assumptions are periodically revised. The revision of accounting estimates is recognized starting with the period in which the estimates are revised.

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.

3.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:

3.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:

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.a Judgements (continued)

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

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.

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 a careful 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 addition, in most contracts, the Group is at all times entitled to an amount that at least compensates it for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the Group has carefully considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.a Judgements (continued)

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

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.

3.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 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 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).

3.a.3 Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases with shorter non-cancellable period (i.e., six months to 1 year). Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.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.

3.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.

3.b.2 Valuation of investment property

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

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.b Estimates and assumptions (continued)

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

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 2021. 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 or income approach based on the discounted cash flow technique.

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 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 management considers that the valuation of its property developed for sale 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.

3.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.

3.b.4 Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. 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).

3.b.5 IPO associated costs

The costs of an IPO that involves both issuing new shares and a stock market listing are accounted for as follows:
• Incremental costs that are directly attributable to issuing new shares are deducted from equity (net of any income tax benefit) in line with, IAS 32.37
• Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the statement of comprehensive income
• Costs that relate to both share issuance and listing are allocated between those functions on a rational and consistent basis in line with IAS 32.38. In the absence of a more specific basis for apportionment, an allocation of common costs based on the proportion of new shares issued to the total number of (new and existing) shares represent an acceptable approach.
The Company has performed this analysis and has booked, in Equity, incremental costs directly attributable to issuing new shares, gross of tax, of RON 7,257,571. The current income tax associated to these costs amounts to RON 1,161,211. From a tax perspective, these costs are entirely deductible the year they are incurred.

NOTE 4. SUMMARY OF SIGNIFICANT 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.

4.1 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 and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. In case the business combination is realized in stages, the previous ownership is restated at the fair value of the acquisition date and any gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

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.

4.2 Current versus non-current classification

The Group 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Current versus non-current classification (continued)

The Group classifies all other liabilities as non-current.

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

4.3 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

4.3.1 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

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. 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Revenue (continued)

4.3.1 Revenues from the sale of residential property (continued)

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.

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.

4.3.2 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.

4.3.3 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Revenue (continued)

4.3.3 Revenue from services to tenants (continued)

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.

4.4 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.

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.

4.5 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 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.

4.7 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.

4.8 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Inventory property (continued)

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.

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.

4.9 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.

4.10 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

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. 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

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.

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.

The Group has purchased a package of bonds with an interest rate of 7.6% per annum and maturing in 2026 in a private placement. The investment was booked at the purchase date, at their acquisition cost. For purposes of subsequent measurement, the Company measures the investment in bonds at cost. The Group assess at the end of each reporting period whether there is any indication that the investment in bonds may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment in bonds. The bonds are public and tradable on Bucharest Stock Exchange.

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

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.

4.11 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.

4.12 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Leases (continued)

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 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 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.

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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Investment in associates (continued)

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.

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.

4.18 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) 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. 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 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.

4.20 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.

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;

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Taxes (continued)

- 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.

4.21 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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Share-based payments (continued)

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.

The administrative expenses booked in the profit and loss as an administrative expense amount to RON 463,393 at 31 December 2020 and RON 926,786 at 31 December 2021.

4.22 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.
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.

(Amounts are expressed in RON, unless otherwise mentioned)

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 2021**	**31 December 2020**
Trade receivables	65,099,039	33,509,766
Other receivables	83,059,458	38,938,572
Other financial assets	9,408,917	-
Cash and cash equivalents	508,347,161	170,971,646
Total	**665,914,575**	**243,419,984**

	Financial liabilities at amortized cost	
Description	**31 December 2021**	**31 December 2020**
Trade and other payables	123,568,138	94,754,577
Short and long-term loans	432,162,310	384,367,927
Lease liabilities	3,929,334	1,208,149
Total	**559,659,782**	**480,330,653**

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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.1. Credit risk (continued)

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 2021 and 31 December 2020, 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 to 80% 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 not significant. 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. 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 2021, 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 2021	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Trade and other payables	123,568,138	-	-
Short and long-term loans	34,347,782	397,814,528	-
Lease liabilities	1,282,387	2,646,947	-
Total	**159,198,307**	**400,461,475**	**-**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.2. Liquidity risk (continued)

As at 31 December 2020	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	94,754,577	-	-
Short and long-term loans	193,631,303	166,681,974	24,054,650
Lease liabilities	1,208,149	-	-
Total	**289,594,029**	**166,681,974**	**24,054,650**

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 2021	Less than 1 year	1 to 5 years	More than 5 years
Cash and cash equivalents	508,347,161	-	-
Trade and other receivables	148,158,497	-	-
Other financial assets	-	9,408,917	
Contract assets	136,270,504	-	-
Total	**792,776,162**	**9,408,917**	**-**

As at 31 December 2020	Less than 1 year	1 to 5 years	More than 5 years
Cash and cash equivalents	170,971,646	-	-
Trade and other receivables	72,448,338	-	-
Contract assets	71,134,196		
Total	**314,554,180**	**-**	**-**

As at 31 December 2021, the Group own a number of 94,089 bonds with an interest rate of 7.6% per annum and maturing in 2026 in a private placement. The investment was booked at the purchase date, at their acquisition cost. For purposes of subsequent measurement, the Company measures the investment in bonds at cost. As at 31 December 2021, the Group assessed whether there is any indication that the investment in bonds may be impaired. No indicators of impairment were identified. The bonds are public and tradable on Bucharest Stock Exchange and the fair value is greater than book value.

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.

(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 interest rates on loans from related parties and minority shareholders are fixed. The annual fixed interest rate of the debenture loan was 5.25% at 31 December 2020. The loan was fully reimbursed until the end of Q1 2021. As far as bank loans are concerned, the variable interest is based on 6M or 3M Euribor, plus a margin of 2.00% to 4.00% pa.

31 December 2021	**Loans and borrowings – short-term and long term**	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans	-	412,992,288
Loans from related parties	-	-
Loans from minority shareholders	2,267,577	-
Total	**2,267,577**	**412,992,288**

31 December 2020	**Loans and borrowings – short-term and long term**	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans and bond issued	82,779,800	117,480,524
Loans from related parties	17,920,339	-
Loans from minority shareholders	38,241,153	-
Total	**138,941,292**	**117,480,524**

31 December 2021	**Loans granted**	
Description	**Interest rate fixed**	**Interest rate variable**
Loans granted to related parties	68,534,108	-
Loans granted to others	10,966,323	-
Total	**79,500,431**	**-**

31 December 2020	**Loans granted**	
Description	**Interest rate fixed**	**Interest rate variable**
Loans granted to related parties	6,646,525	
Total	**6,646,525**	

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

The Group's sensitivity analysis of interest rate risk was calculated below, taking into account the interest expense and the interest income recognized in the profit or loss for that year.

Period	**Interest rate variation**	**Change in Group's result**
31 December 2021	+/-5%	-/+ 364,135
31 December 2020	+/-5%	-/+ 378,625

(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.

(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 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 2021	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	88,986,710	148,259	440,963,136
Other receivables	16,270,598	-	80,508,545
Monetary liabilities			
Loans	(87,253,779)	-	(431,740,423)
Trade and other payables	(1,273,874)	-	(6,303,258)
Net excess/(exposure)	**16,729,654**	**148,259**	**83,428,000**
31 December 2020	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	15,494,403	14,715	75,506,806
Other receivables	-	-	-
Monetary liabilities			
Loans	(62,414,690)	(1,085,000)	(308,225,203)
Trade and other payables	(1,633,534)	-	(7,954,330)
Net excess/(exposure)	**(48,553,821)**	**(1,070,285)**	**(240,672,727)**

Sensitivity analysis for foreign exchange risk

A 5% appreciation of the RON against the EUR on 31 December 2021 would increase the Group's profit by RON 4,139,000 (2020: RON 11,821,399), while a 5% depreciation of the RON against the EUR as of 31 December 2021 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 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:

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

- 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.

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 2015 to 2020 are still subject to such verifications.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

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 -4% at 31 December 2021 (26% at 31 December 2020) determined as the proportion of net debt to equity. The Company is in net asset position at 31 December 2021, therefore it was recorded a negative gearing ratio.

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						
At 1 January 2020	**15,193,435**	**241,223**	**456,927**	**1,774,228**	**1,544,816**	**19,210,629**
Additions	257,125	115,239	102,874		278,755	753,993
Disposals	(16,821)	(77,854)	(13,511)	(331,057)	(109,392)	(548,635)
As at 31 December 2020	**15,433,739**	**278,608**	**546,290**	**1,443,171**	**1,714,179**	**19,415,987**
Additions	389,839	503,590	276,120	152,824	1,738,995	3,061,368
Disposals	(32,119)	(23,566)	(12,833)	(420,278)	(287,251)	(776,047)
As at 31 December 2021	**15,791,459**	**758,632**	**809,577**	**1,175,717**	**3,165,923**	**21,701,308**
Depreciation and impairment						
At 1 January 2020	**1,032,740**	**29,826**	**338,069**	**552,125**	**207,921**	**2,160,681**
Additions	615,775	75,403	125,236	402,376	224,351	1,443,141
Disposals	(4,731)	(29,766)	(13,511)	(200,014)	(16,955)	(264,977)
As at 31 December 2020	**1,643,784**	**75,463**	**449,794**	**754,487**	**415,317**	**3,338,845**
Depreciation charge for the year	670,535	369,207	217,957	257,410	278,195	1,793,304
Disposals	(4,889)	(19,354)	(12,833)	(326,042)	(107,733)	(470,851)
As at 31 December 2021	**2,309,430**	**425,316**	**654,918**	**685,855**	**585,779**	**4,661,298**
Net book value						
As at 31 December 2020	**13,789,955**	**203,145**	**96,496**	**688,684**	**1,298,862**	**16,077,142**
As at 31 December 2021	**13,482,029**	**333,316**	**154,659**	**489,862**	**2,580,144**	**17,040,010**

Under the "land, buildings and barracks" are presented the Group assets from which the main amount is related to One North Gate SA. At 31 December 2019, the Company has reclassified part of the land and building owned by the subsidiary One North Gate SA from investment property in property, plant and equipment for the value of RON 12,156,938, following the occupancy of the own office space. During 2020, there were no other similar transfers. As at 31 December 2021, the recoverable amount of One North Gate land and building of RON 12,787,589 (2020: RON 12,584,201), based on fair value less costs of disposal, indicates there is no impairment in value registered. Furthermore, no indication of impairment was identified for the rest of property, plant and equipment in balance.

NOTE 7. INTANGIBLE ASSETS

Description	Goodwill	Concessions, patents, licenses	Other intangible assets	Total
Cost				
As at 1 January 2020	**22,436,396**	**182,138**	**543,439**	**23,161,973**
Additions	-	23,358	103,413	126,771
Disposals	(3,180,320)	-	(4,834)	(3,185,154)
As at 31 December 2020	**19,256,076**	**205,496**	**642,018**	**20,103,590**
Additions	-	130,006	562,832	692,838
Disposals	-	-	-	-
As at 31 December 2021	**19,256,076**	**335,502**	**1,204,850**	**20,796,428**
Amortization and impairment				
As at 1 January 2020	**3,180,320**	**62,525**	**422,316**	**3,665,161**
Amortization	-	53,437	147,384	200,821
Impairment	-	-	-	-
Disposals	(3,180,320)	-	(2,855)	(3,183,175)
As at 31 December 2020	**-**	**115,962**	**566,845**	**682,807**
Amortization	-	77,744	182,193	259,937
Impairment	-	-	-	-
Disposals	-	-	-	-
As at 31 December 2021	**-**	**193,706**	**749,038**	**942,744**
Net book value				
As at 31 December 2020	**19,256,076**	**89,534**	**75,173**	**19,420,783**
As at 31 December 2021	**19,256,076**	**141,796**	**455,812**	**19,853,684**

As at 31 December 2021 and 31 December 2020 other intangible assets include mainly, costs of licenses and IT software.

As at 31 December 2019, the Company recorded impairment for the goodwill value of RON 3,180,320 related to One Charles de Gaulle Residence SRL following the impairment test performed. This goodwill was written off during 2020. The goodwill which remains in balance refers to One Peninsula. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

As at 31 December 2021 and 31 December 2020, 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 2021 and 31 December 2020, 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.

NOTE 8. INVESTMENT PROPERTY

The Group investment properties are measured at fair value by professionaly qualified valuers at annual reporting dates. The fair value measurement of the investment properties is done at year end reporting dates. The Group holds mainly undeveloped land, office buildings and residential properties held to earn rentals:

Completed investment property (IPC):

- Land in surface area of 12,000 sq m located at Sos Pipera Tunari, 2III, owned by subsidiary One North Gate SA;
- Office building in surface area of 34,628 sq m located at Sos Pipera Tunari, 2III, owned by subsidiary One North Gate SA; -
- 4 apartments and 6 parking spaces owned by subsidiary One Long Term Value SA;
- Land in surface area of 6,096 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SA;
- Office buiding with a total GLA of 23,800 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SA;
- Property located in Buzau County acquired during September, owned by subsiadiary Carphatian Estate SRL comprising of a boutique hotel together with a 56ha of forest and land . The Group targets further investments on short and medium-term.

Investment property under development (IPUC):

- Land in surface area of 5,563 sqm owned by subsidiary One Verdi Park SRL and related construction in progress which were transferred to inventories as of 30 June 2021 following the issue of the new building permit for the change in destination from office to residential development;
- Land in surface area of 12,081 sqm located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park Office SA and related construction in progress;
- Land in surface area of 8,847 sqm located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park Office Faza 2 SA and related construction in progress;
- Land in surface area of 37,796 sqm located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park SRL and related construction in progress which were transferred to inventories as of 30 June 2021 following the issue of the building permit for a residential development;

Investment property for further development (landbank) (IPFD):

- Land in surface area of 82,734 sqm owned by subsidiary One Lake District SRL;
- Land in surface area of 5,627 sqm owned by subsidiary One Floreasca Towers SRL;
- Property acquired by subsidiary 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; The property is classified as a historical monument by local authorities.

The changes in investment property values during 2021 and 2020 were as follows:

Completed investment property

	31 December 2021	31 December 2020
At 1 January	**144,581,151**	**145,509,235**
Capital expenditure on owned property	8,144,441	522,561
Acquisition	12,442,650	-
Transfer from investment property under development	331,527,462	-
Disposals	(9,287,515)	(5,537,848)
Fair value adjustment during the year	44,364,366	3,739,093
Lease incentive	17,625,851	348,110
At 31 December	**549,398,406**	**144,581,151**

NOTE 8. INVESTMENT PROPERTY (continued)

Investment Property under development

	31 December 2021	31 December 2020
At 1 January	**720,733,992**	**503,555,477**
Capital expenditure	190,927,581	157,093,336
Interest capitalized	491,773	625,364
Transfer (to)/from inventories	(234,275,661)	-
Transfer to completed investment property	(331,527,462)	-
Lease incentive	5,188,996	1,110,710
Fair value adjustment during the year	298,636,043	58,349,105
At 31 December	**650,175,262**	**720,733,992**

Investment Property for further development (landbank)

	31 December 2021	31 December 2020
At 1 January	**145,100,833**	**141,791,167**
Capital expenditure	11,079,774	3,955,274
Acquisition	37,523,145	37,144,686
Transfer (to)/from inventories	-	(71,955,566)
Fair value adjustment during the year	56,187,770	34,165,272
At 31 December	**249,891,522**	**145,100,833**
Grand Total Investment Property at 31 December	**1,449,465,190**	**1,010,415,976**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties.

The investment property balance as at 31 December 2021 is detailed below:

Developer	Type	Object	Valuation Method	31 December 2021
One United Tower	IPC	Office	DCF	396,115,356
One Long Term Value	IPC	Apartments and parking lots	Market approach	19,781,595
One North Gate	IPC	Office	DCF	126,352,983
One Carphatian Lodge-Magura	IPC	Accommodation unit area and the land in excess and forest	Market approach	7,148,471
One Cotroceni Park Office	IPUC	Office	DCF	454,265,348
One Cotroceni Park Office Faza 2	IPUC	Office	Residual approach	195,909,915
One Lake District	IPFD	Residential	Market approach	168,730,400
One Proiect 3	IPFD	Construction classified as a historical monument and associated land plot	Income and market approach	33,571,875
One Floreasca Towers	IPFD	Residential	Market approach	47,589,247
Total				**1,449,465,190**

Valuation processes

The Company's investment properties were valued at 31 December 2021 by Colliers Romania and 31 December 2020 by Cushman & Wakefield, external, independent evaluators, 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.

For all investment properties, their current use equates to the highest and best use. Below there is description of the valuation technique used in determination of the fair value of investment property.

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 2021 and 31 December 2020. 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 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 2021

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 (293 Euro /square meter up to 4,220 Euro per square meter) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-15% discount for asking price, 5-20% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 (4,885 EUR/sqm up to 6,945 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-20% 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	- Exit yield: 6.25% - 7.75% - Discount rate: 7.50% - 9.25% - Average rent office: 10.08-18.26 EUR/sqm/month - Average rent retail: 15-40 EUR/sqm/month - Future vacancy: 2%-10% - Capex of NOI: 1.5% - 2%	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)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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.		
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): 800-1200 EUR/sqm (without underground) - Obtainable rent for the retail space: 25 EUR/sqm/month - Obtainable rent for office space: 14.25-15 EUR/sqm/month - Rent for under/above ground parking (office): 100 EUR/parking space	
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% - Capital expenditure: 2% - Vacancy and collection loss: 2% - Average rent retail: 50 EUR/sq. m/month	

31 December 2020

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 (239 Euro /square meter up to 2,422 Euro per square meter) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, 5-25% discount for location, access and position) - Offer price per square meter for apartments in Bucharest (2,307 EUR/sqm up to 6,393 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (2-3% discount for asking price, 0-15% 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. 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.	- Exit yield: 7.00% - 8.5% - Discount rate: 8.23% - 9.83% - Average rent office: 10.62-18.5 EUR/sqm/month - Average rent retail: 13.50-36 EUR/sqm/month - Service charge: 3.5 EUR/sqm/month - Future vacancy: 2.5-8.5% - Capex of NOI: 2% - ERV growth: 1.5% - Hard costs (office): 535-750 EUR/sqm - Hard costs for underground: 450-500 EUR/sqm - Obtainable rent for the retail space: 14.5-20 EUR/sqm/month - Obtainable rent for office space: 14-14.50 EUR/sqm/month - Rent for underground parking (office): 95-100 EUR/parking space - Rent for above ground parking: 80 EUR/parking space - Profit on Cost: ca.40%	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)

NOTE 8. INVESTMENT PROPERTY (continued)

Sensitivity analysis at 31 December 2021 and 31 December 2020

A quantitative sensitivity analysis for the properties where discounted cash-flows (DCF) method was used in the valuation report at 31 December 2021 and 31 December 2020, is presented below:

		Effect on fair value		
2021	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(17,590,327)	(15,833,920)	n/a
Increase in Discount Rate/yield	0.25%	(10,224,645)	(9,647,152)	n/a

		Effect on fair value		
2020	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(7,791,040)	(12,076,112)	n/a
Increase in Discount Rate/yield	0.25%	(4,723,318)	(16,215,102)	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 2021 and 31 December 2010, is presented below:

		Effect on fair value		
2021	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(193,817)	(1,959,099)	(2,375,525)

		Effect on fair value		
2020	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(198,379)	(3,931,067)	(2,120,672)

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 2021	31 December 2020
One Peninsula SRL (former One Herastrau Park Residence SRL)	One Peninsula	60,216,695	52,067,436
One Herastrau Plaza SRL	One Herastrau Plaza	-	48,694
One Verdi Park SRL	One Verdi Park	105,692,534	10,459,270
One Mircea Eliade Properties SRL	One Floreasca City	45,598,156	58,824,703
One Herastrau Towers SRL	One Herastrau Towers	23,737,633	36,271,271
Neo Floreasca Lake SRL	Neo Floreasca Lake	17,041,339	13,457,443
Neo Mamaia SRL	Neo Mamaia	2,793,126	3,303,496
Neo Timpuri Noi SRL	Neo Timpuri Noi	10,948,885	11,277,012
Neo Herastrau Park SRL (former Neo Herastrau Towers SRL)	Neo Herastrau Park	4,817,770	5,519,261
One Modrogran	One Modrogan	29,865,921	57,635,787
Neo Mamaia - faza 2		7,151,736	7,401,254
One Cotroceni Park	One Cotroceni Park	35,007,147	-
Other inventories		1,106,685	1,082,530
Total		**343,977,627**	**257,348,157**

A summary of movement in inventories is set out below:

	2021	2020
At 1 January	**257,348,157**	**173,210,870**
Development costs incurred	304,496,893	302,422,623
Transfer to investment property	(559,553)	(5,954,767)
Transfer from investment property	234,275,661	71,955,566
Disposals (recognized in cost of sales)	(451,583,531)	(284,286,135)
At 31 December	**343,977,627**	**257,348,157**

The amounts recognised in cost of sales for the year are as follows:

	2021	2020
In respect of sale of completed inventory property	(47,625,788)	(5,127,160)
In respect of sale of residential property under development	(403,957,743)	(279,158,975)
Total	**(451,583,531)**	**(284,286,135)**

NOTE 10. ADVANCES TO SUPPLIERS

As at 31 December 2021 and 31 December 2020, advances to suppliers are detailed as follows:

Description	31 December 2021	31 December 2020
Advances to suppliers for acquisition of goods	35,921,773	11,538,794
Advances to suppliers for acquisition of services	57,344,675	39,351,232
Total	**93,266,448**	**50,890,026**

NOTE 11. TRADE AND OTHER RECEIVABLES

As at 31 December 2021 and 31 December 2020 trade and other receivables are detailed as follows:

Description	31 December 2021	31 December 2020
Trade receivables – customers	65,072,007	33,513,129
Loss allowances for trade receivables	(220,608)	(53,239)
Accrued receivables	247,640	49,876
Contract assets	136,270,504	71,134,196
Total trade receivables	**201,369,543**	**104,643,962**
VAT receivable	44,446,223	29,807,365
Various debtors	2,542,296	1,451,059
Loans granted to related parties	11,453,361	9,501,359
Loans granted to others	68,811,377	225,000
Prepaid interim dividends	-	23,865,864
Income tax receivables	935,348	2,035,093
Interest receivable	-	85,121
Other receivables	459,032	3,810,169
Loss allowances for other receivables	(206,608)	-
Total other receivables	**128,441,029**	**70,781,030**
Total	**329,810,572**	**175,424,992**

Contract assets represents the amounts estimated by the management of the Group based on the application of *IFRS 15 Revenue from Contracts with Customers* provisions. 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.
Details on contract assets are presented below:

Developer	Project Name	31 December 2021	31 December 2020
One Herastrau Plaza SRL	One Herastrau Plaza	-	45,841
One Modrogan SRL	One Modrogan	17,968,612	-
One Herastrau Towers SRL	One Herastrau Towers	36,770,981	9,422,031
One Peninsula SRL	One Peninsula	-	-
One Mircea Eliade Properties SRL	One Mircea Eliade	27,696,205	47,975,972
One Verdi Park SRL	One Verdi Park	18,634,073	-
Neo Floreasca Lake SRL	Neo Floreasca Lake	2,034,029	-
Neo Mamaia SRL	Neo Mamaia	10,176,583	6,269,417
Neo Timpuri Noi SRL	Neo Timpuri Noi	22,990,020	7,420,935
Total		**136,270,504**	**71,134,196**

Related parties' balances are disclosed in Note 25.

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

As at 31 December 2021 and 31 December 2020, 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.

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.
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The allowance for expected credit losses of trade receivables as at 31 December 2021 was determined as follows:

31-Dec-21					
RON	**Current**	**< 90 days**	**91 - 365 days**	**> 365 days**	**Total**
Expected loss rate	0%	0%	0.5%	2.0%	
Gross carrying amount - trade receivables	12,232,903	24,370,496	23,250,954	5,217,654	**65,072,007**
Allowance for doubtful receivables	-	-	116,255	104,353	**220,608**

31-Dec-20					
RON	**Current**	**< 90 days**	**91 - 365 days**	**> 365 days**	**Total**
Expected loss rate	0%	0%	0.5%	2.0%	
Gross carrying amount - trade receivables	25,229,088	2,116,902	4,711,295	1,455,844	**33,513,129**
Allowance for doubtful receivables	-	-	24,122	29,117	**53,239**

The expected loss rate for the trade receivable overdue over 90 days as at 31 December 2021 and 31 December 2020 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 220,608 (31 December 2020: RON 53,239) are unlikely to be recovered.

On 16 November 2021, the Company have granted a loan in total amount 13,5 million EUR to Bo Retail Invest SRL in order to indirectly acquire a package of shares in Bucur Obor, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange. 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, where BO Retail Invest S.R.L. acquired a 54.4351% of the share capital of Bucur Obor. The closing balance of the loan as at 31 December 2021 is RON 66,8 million RON and related interest of RON 262,221.

In loans granted to related parties are 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. The interest loan is 3.25%. The loan outstanding balance as at 31 December 2021 is of RON 10.97 million RON and related interest of RON 106,867 RON.

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	31 December 2021	31 December 2020
Bank deposits in EUR	235,613,850	44,743,006
Bank deposits in RON	51,138,976	88,100,448
Bank accounts in EUR	204,701,288	30,705,439
Bank accounts in USD	647,998	58,361
Bank deposits in GBP	-	-
Bank accounts in RON	16,061,810	7,193,063
Petty cash – RON	183,239	171,329
Total	**508,347,161**	**170,971,646**

Also, the maturity of bank deposits is as follows:

Description	31 December 2021	Maturity	31 December 2020	Maturity
Bank deposits in EUR	235,613,850	2022	44,743,006	2021
Bank deposits in RON	51,138,976	2022	88,100,448	2021
Total	**286,752,826**		**132,843,454**	

The ECLs relating to cash and short-term deposits of the Group is determined as not material. 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.

NOTE 13. PROFIT TAX

Parent company One United Properties SA and its subsidiaries: One Peninsula SRL, One Mircea Eliade Properties SRL, One United Tower SA, X Architecture & Engineering SRL, One North Gate SA, One Herastrau Towers SRL, One Charles de Gaulle Residence SRL, One Herastrau Plaza SRL, One Long Term Value SRL, One Cotroceni Park SRL, One Verdi Park SRL, Neo Mamaia SRL, Neo Timpuri Noi SRL, One Modrogan SRL, One Cotroceni Park Office SA, One Cotroceni Park Office Faza 2, One Lake District SRL, One Floreasca Towers SRL and One Proiect 6 SRL - are profit tax payers as of 31 December 2021, the other subsidiaries being micro-entities paying income tax, according to the provisions of Law no. 571/2003 regarding the Fiscal Code and the application rules.
The tax rates for 2021 and 2010 are 16% for taxable profit and between 1% and 3% of total revenues for micro entities.

The Group's current profit tax for the years 2021 and 2020 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 2021 and 31 December 2020 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 2021	31 December 2020
Current profit tax liabilities	(2,023,447)	(1,964,019)
Deferred tax liabilities	(179,974,080)	(100,904,737)
Total assets /(liabilities)	**(181,997,527)**	**(102,868,756)**

NOTE 13. PROFIT TAX (continued)

Income tax expense for the years ended 31 December 2021 and 31 December 2020 is detailed as follows:

Description	**2021**	**2020**
Current profit tax expenses	15,662,309	4,559,177
Deferred profit tax expenses	79,069,343	25,163,141
Total expenses /(revenues)	**94,731,652**	**29,722,318**

(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:

	2021	**2020**
Gross result	**604,418,805**	**206,658,661**
16% rate	**96,707,009**	**33,065,386**
Effect of non-deductible elements	5,452,133	9,936,108
Effect of tax losses	(2,468,218)	(9,727,563)
Legal reserve	(377,487)	(771,191)
Other tax effects	(1,347,237)	100,989
Profit tax decrease due to sponsorship expenses	(3,234,548)	(2,881,411)
Total profit tax expenses	**94,731,652**	**29,722,318**

(ii) Deferred tax balance movements

As at 31 December 2021 and 31 December 2010, the net deferred tax assets or liabilities relate to temporary differences attributable to:

	Consolidated statement of financial position		**Consolidated profit or loss**	
	31 December 2021	**31 December 2020**	**2021**	**2020**
Construction contracts – IFRS15 effect	(54,692,419)	(33,683,701)	21,008,718	23,519,810
Fair value increase of investment property and effect of amortization	(122,374,775)	(72,455,846)	49,918,929	6,878,141
Inventories	(21,388,653)	(7,410,930)	13,977,723	7,410,930
Trade and other receivables	(5,746)	(5,746)	-	5,746
Fiscal losses	12,195,781	9,727,563	(2,468,218)	(9,727,563)
Sponsorship	6,115,959	2,881,411	(3,234,548)	(2,881,411)
Leases	(21,747)	1,188	22,935	(1,188)
Property, plant and equipment	67,764	41,324	(26,440)	(41,324)
Prepayments	129,756	-	(129,756)	
Deferred tax expenses / (income)			**79,069,343**	**25,163,141**
Deferred tax assets / (liabilities) net	**(179,974,080)**	**(100,904,737)**		

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.

(i) Share capital

As at 31 December 2021 the Group's share capital is RON 514,828,058.8 (31 December 2020: RON 259,824,598) divided into 2,574,140,294 shares (31 December 2020: 997,752 shares) at a nominal value of RON 0.2 each (31 December 2020: RON 260.41 each). All issued shares are fully paid.

Structure of share capital

	31 December 2021			31 December 2020		
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)	766,012,669	153,202,534	29.7580%	376,182	97,961,555	37.7030%
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu)	766,012,669	153,202,534	29.7580%	376,182	97,961,555	37.7030%
Others	1,042,114,956	208,422,991	40.4840%	245,388	63,901,488	24.5940%
Total	**2,574,140,294**	**514,828,059**	**100.00%**	**997,752**	**259,824,598**	**100.00%**

During 2020, according to the decision of the extraordinary general meeting of shareholders number 52/28.09.2020 and Board of Directors approval, the share capital increased by RON 112,859,695 (2019: RON 137,891,182.85) due to incorporation of the share premiums RON 103,905,893 (RON 137,560,353) and share issue RON 8,953,802 (RON 330,830).

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 19 April 2021, the extraordinary general meeting of the shareholders have approved to increase the Company share capital from the amount of RON 259,824,598 to the amount of RON 260,014,171, by increasing the nominal value of the shares from the amount of RON 260.41/share to the amount of RON 260.60/share, by incorporating the reserves of RON 189,573. Also have approved to amend the nominal value of one share from the amount of RON 260.60/share to RON 0.2/share. The total number of shares following this change is of 1,300,070,856 shares.

On 16 July 2021, the Board of Directors have approved to increase the share capital of the Company up to the amount of RON 286,015,588 by issuing of a number of 130,007,085 new ordinary, nominative, dematerialized shares at a nominal value of 0.2/share. The share capital increase took place in the context of listing the Company on the regulated market operated by the Bucharest Stock Exchange, as approved by the EGMS Resolution no 55/19 April 2021.

The amount of RON 233,111,060 representing the difference between the total amount of the subscription price paid for all new shares and the total nominal value of all new shares subscribed in the share capital increase was recognized as share premium.

On 6 December 2021, the Board of Directors have approved to increase the Company's share capital with the amount of up to RON 228,812,471 by issuance of a number of 1,144,062,353 new ordinary shares with a nominal value of RON 0.2 per share by incorporating approximately 80% of the share premiums resulted from the public offering conducted between 22 June and 2 July 2021.

NOTE 14. EQUITY (continued)

(ii) Legal reserve

The legal reserve of RON 11,437,359 as at 31 December 2021 (2020: RON 9,070,575) 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) Own shares

During Q4 2020, the Company has repurchased a number of 18,243 own shares in amount of RON 26,765,560 which were resold during Q1 2021 for a total price value of RON 36,035,214, the equivalent of EUR 7,371,267.

(iv) Other 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.

NOTE 15. BORROWINGS

The loans outstanding as at 31 December 2021 and 31 December 2020 are detailed as follows:

Description	Original Currency	31 December 2021	31 December 2020
Secured loans			
Bonds issued due in one year	EUR	-	82,779,800
Interest related to bonds issued due in one year	EUR	-	200,546
Bank loans due in one year	EUR	34,225,549	52,260,413
Bank loans due in more than one year	EUR	378,766,739	65,220,111
Unsecured loans			
Loans received from minority shareholders due in one year	EUR	103,812	14,977,322
Loans received from minority shareholders due in more than one year	EUR	7,228,487	70,107,873
Loans received from minority shareholders due in one year	USD	-	1,844,190
Loans received from minority shareholders due in one year	RON	(16,784)	20,726,216
Loans received from minority shareholders due in more than one year	RON	243,720	49,968,932
Loans received from related parties due in one year	EUR	35,205	18,376,029
Loans received from related parties due in one year	USD	-	2,458,920
Loans received from related parties due in one year	RON	-	7,867
Loans received from related parties due in more than one year	EUR	11,380,630	-
Loans received from related parties due in more than one year	RON	194,952	5,439,708
Total		**432,162,310**	**384,367,927**
Of which:			
Long-term		**397,814,528**	**190,736,624**
Short-term		**34,347,782**	**193,631,303**

Detailed information about the balances and transactions with related parties are presented in Note 25.

On October 2017, the Company issued a number of 20 bonds in the nominal value of EUR 1,000,000 each, collecting their equivalent value, respectively EUR 20,000,000 on November 2017. The loan maturity is 48 months from the date of issue. The annual interest rate of the debenture loan is 5.25%. For this bond loan, the Company has set up a mortgage on the shares held in the following subsidiaries companies: One Herastrau Towers SRL, One Herastrau Plaza SRL and One Verdi Park SRL. The Company has repurchased in advance a number of 3 bonds during Q4 2020 and the remaining number of 17 bonds during Q1 2021 for EUR 1,000,000 each and therefore all pledges were removed

Interest rates for bank loans are based on EURIBOR plus margins that vary from 2% to 4%.

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 2021 and 2020 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. In addition, in the subsidiary One Verdi Park bank loan there is a pledge on the holding company’s shares in the subsidiary One North Gate SA for a number of 5,104 shares before the issuing of new shares in One North Gate SA.

NOTE 15. BORROWINGS (continued)

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 2021, 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 2021.

During February 2021, the subsidiary One United Tower SA has reimbursed in full the loans received from minority shareholders (RON 34,744,661) and related parties (RON 17,920,339) that were outstanding on 31 December 2020 and paid related interest balance of RON 1,338,848.

During March and April 2021, the subsidiary One Mircea Eliade SRL reimbursed in full (prepaid) the remaining bank loan balance (balance at 31 December 2020: RON 28,394,767), therefore the pledges attached to land (RON 35,397,537), construction under development (RON 23,427,165), trade receivables (RON 3,848,360) and contract assets (RON 47,975,972) were removed.

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.

Until May 2021, the subsidiary One Herastrau Towers SRL have reimbursed in full the remaining balance of the bank loan in amount of RON 21,659,072.

The subsidiary One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have converted in share capital the loans received from minority shareholders in total amount of RON 120,088,240.

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.

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 2021 is of RON 19,297,590. 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 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 2021 is of RON 8,480,498. The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and insurance policies and bank accounts.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 27.

NOTE 16. LEASES

Group as a lessor

The Group has entered into leases on its office property portfolio. Refer to Notes 20 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 2021	**499,527**	**459,460**	**262,180**	**1,221,167**
Additions	-	3,566,471	-	**3,566,471**
Depreciation expense	(468,604)	(599,069)	(214,513)	**(1,282,186)**
At 31 December 20201	**30,923**	**3,426,862**	**47,667**	**3,505,452**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021	**2020**
As at 1 January	**1,208,149**	**998,598**
Additions	3,566,471	1,061,009
Accretion of interest	82,799	40,906
Payments	(939,449)	(913,957)
Translation difference	11,364	21,593
As at 31 December	**3,929,334**	**1,208,149**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 27.

The following are the amounts recognised in profit or loss:

	2021	**2020**
Depreciation expense of right-of-use assets	(662,680)	(191,390)
Interest expense on lease liabilities	(79,669)	(21,807)
Currency translation gain / (loss)	(11,364)	(21,594)
Expense relating to leases of low-value assets	(10,031)	(21,577)
Expense relating to short-term leases	(62,607)	(43,776)
Total amount recognised in profit or loss	**(826,351)**	**(300,144)**

NOTE 17. INVESTMENTS IN ASSOCIATES

As at 31 December 2021 and 31 December 2020, 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	% of ownership interest		Carrying amount	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Reinvent Energy SRL	Romania	20%	20%	1,937,759	535,840
CTT & ONT AG	Switzerland	49.90%	49.9%	675,656	675,656
Glass Rom Invest SRL	Romania	20%	20%	269,621	143,793
One Property Support Services SRL	Romania	20%	20%	81,622	81,551
One Herastrau Office Properties S.A.	Romania	30%	30%	-	-
One Herastrau Office S.A.	Romania	20%	20%	-	-
Asociatia ASAR	Romania	20%	20%	2,500	2,500
Total equity-accounted investments				**2,967,158**	**1,439,340**

	2021	2020
Aggregate amounts of the Group's share of:		
Profit from continuing operations	1,527,818	733,803
Total comprehensive income	**1,527,818**	**733,803**

NOTE 18. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

Description	31 December 2021	31 December 2020
Suppliers	58,659,711	37,714,480
Accrued payables	16,565,766	17,621,651
Performance guarantees retained from suppliers	41,852,148	22,953,965
Capital recharges with shareholders	-	-
Dividends	679,899	16,701
Other taxes and duties	16,789	1,489,045
Other creditors	5,810,614	16,412,996
Interest payable	-	34,784
Total trade and other payables	**123,584,927**	**96,243,622**

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.

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.

Developer	Project Name	31-Dec-21	31-Dec-20
One Floreasca Towers	One Floreasca Towers	29,711,635	29,263,190
One Modrogan SRL	One Modrogan	-	1,333,568
One Herastrau Plaza SRL	One Herastrau Plaza	79,393	79,025
One Peninsula SRL	One Peninsula	61,126,149	74,129,060
One Mircea Eliade Properties SRL	One Mircea Eliade	-	42,037
One Verdi Park SRL	One Verdi Park	-	27,260,311
One Cotroceni Park SRL	One Cotroceni Park	158,125,865	105,733,111
One Lake District SRL	One District Properties	115,360,327	31,702,025
One Proiect 3	One Proiect 3	9,896,600	-
One Proiect 6	One Proiect 6	16,841,955	-
Neo Floreasca Lake SRL	Neo Floreasca Lake	-	12,972,613
Neo Mamaia SRL	Neo Mamaia	7,251,338	7,352,187
Neo Timpuri Noi SRL	Neo Timpuri Noi	876	266,119
Neo Herastrau Park SRL	Neo Herastrau Park	7,869,428	3,721,956
Total		**406,263,566**	**293,855,202**

Description	2021	2020
Advances received from clients in relation to residential portfolio (contract liabilities)	234,453,049	127,156,877
Advances received from clients in relation to investment property	171,810,517	166,698,325
Total	**406,263,566**	**293,855,202**

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY AND RENTAL INCOME

Contract revenue results from the development of apartments.
The revenues from sales of inventory property and residential property under development are detailed below:

Development	2021	2020
Sales of completed inventory property		
Sales – One Mircea Eliade Properties	*79,925,036*	*-*
Sales – Neo Mamaia	*9,604,778*	*-*
Sales - One Charles de Gaulle	*-*	*5,791,902*
Sales – One Herastrau Plaza	*-*	*1,044,271*
Sales of residential property under development from which:		
Contract revenues – One Herastrau Towers	*50,309,898*	*81,476,817*
Contract revenues - One Peninsula	*115,142,190*	*24,986,806*
Contract revenues - One Verdi Park	*138,467,976*	*16,048,216*
Contract revenues - One Mircea Eliade Properties	*-*	*189,410,355*
Contract revenues - Neo Floreasca Lake	*57,748,530*	*12,587,810*
Contract revenues - Neo Timpuri Noi	*27,312,857*	*38,840,099*
Contract revenues - Neo Mamaia	*-*	*44,384,164*
Contract revenues - Neo Herastrau Park	*1,905,122*	*1,346,479*
Contract revenues – One Modrogan	*94,972,128*	*19,119,721*
Contract revenues – One Cotroceni Park	*127,828,308*	*-*
Contract revenues - Neo Mamaia - faza 2	*100,849*	*2,467,084*
Total revenues from contracts with customers	**703,317,672**	**437,503,724**

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY AND RENTAL INCOME (CONTINUED)

The cost of sales of residential property is detailed below:

	2021	2020
Cost of sales of completed inventory property		
Cost of sales – One Mircea Eliade	*37,282,377*	-
Cost of sales – Neo Mamaia	*10,343,412*	-
Cost of sales - One Charles de Gaulle	-	*4,323,229*
Cost of sales – One Herastrau Plaza	-	*803,931*
Cost of sales of residential property under development from which:		
Contract cost - One Herastrau Towers	*25,362,963*	*50,168,031*
Contract cost - One Peninsula	*60,521,152*	*21,068,578*
Contract cost - One Verdi Park	*86,256,068*	*10,679,592*
Contract cost - One Mircea Eliade Properties	*0*	*103,861,747*
Contract cost - Neo Floreasca Lake	*29,827,081*	*8,048,099*
Contract cost - Neo Timpuri Noi	*20,326,240*	*26,581,051*
Contract cost - Neo Mamaia	*0*	*38,077,182*
Contract cost - Neo Herastrau Park	*1,551,932*	*1,587,472*
Contract cost – One Modrogan	*55,517,629*	*16,620,139*
Contract cost – One Cotroceni Park	*124,345,159*	-
Contract cost - Neo Mama - faza 2	*249,518*	*2,467,084*
Total cost of sales	**451,583,531**	**284,286,135**

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.

At 31 December 2021, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was RON 817,205,020 (2020: RON 384,847,664), of which approximately 65% is expected to be recognised as revenues during 2022.

	2021	2020
Rental income (excluding straight-lining of lease incentives)	7,587,766	1,429,912
Straight-lining of lease incentives	(1,043,399)	(116,188)
Rental income	**6,544,367**	**1,313,724**

The Group has granted incentives such as rent free and fit outs. The total unamortised portion of lease incentives is, as follows:

	2021	2020
Gross amount of lease incentives not fully amortised	25,026,596	1,575,010
Cumulative amount recognised in profit or loss	(1,159,587)	(116,188)
Net amount of lease incentives not fully amortised	**23,867,009**	**1,458,822**

The net amount of lease incentives not fully amortised are included in the statement of financial position under 'Investment property' at 31 December 2021 and 31 December 2020.

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.

NOTE 21. SALES BROKERAGE EXPENSES AND OVERHEAD EXPENSES

Description	2021	2020
Sales brokerage commissions	3,142,561	1,093,357
Total	**3,142,561**	**1,093,357**

Sales brokerage commissions are recorded and paid for signing bilateral purchase undertakings of apartments.

NOTE 22. GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses in 2021 and 2020 are detailed as follows:

Description	2021	2020
Bank commissions and similar charges	836,912	432,808
Commissions, fees and legal consultancy	4,130,770	3,194,990
Contractors	582,391	2,156,620
Fuel, office equipment and similar	1,980,735	1,153,185
Amortization of fixed assets	1,561,000	1,386,070
Owner expenses related to properties which are available for lease	-	1,902,945
Fit out expenses not included in cost of sales	-	244,328
Power and water	-	186,918
Protocol, advertising and publicity	6,377,195	3,621,261
Taxes and duties	1,593,722	806,395
Accounting, audit and consultancy services	1,142,258	1,369,770
Valuation services	309,384	460,323
Consultancy in intermediation of purchase and rent of investment property	1,499,033	1,001,527
Other consultancy services	2,054,600	828,524
Administration services	1,921,007	3,451,683
Other expenses with third party services	432,027	466,187
Salaries and similar contributions	4,949,213	5,937,380
Share based payment transactions	926,786	463,393
Postage and telecommunication expenses	125,484	123,183
Transport and travels	966,708	186,215
Sundry rentals	104,458	164,504
Recruitment	64,722	96,035
Insurance	166,389	127,159
Depreciation RoU	662,680	191,390
Total	**32,387,474**	**29,952,793**

The fees charged by Deloitte Audit for services provided in 2021 to the company and subsidiaries within the group comprise audit fees amounting 164.3 thousand EUR (out of which statutory audit in amount of 68 thousand EUR, other audit fees in amount of 38.3 thousand EUR and other non-audit services in amount of 58 thousand EUR).

NOTE 23. OTHER OPERATING EXPENSES

Other operating expenses in 2021 and 2020 are detailed as follows:

Description	2021	2020
Donations granted	6,653,601	2,736,795
Expense with provisions and allowance for impairment	194,505	647,015
Contractual penalties	165,500	74,011
Power and water	877,444	-
Fit out expenses not included in cost of sales	977,450	-
Other operating expenses	1,786,980	279,936
Total	**10,655,480**	**3,737,757**

NOTE 24. NET FINANCIAL RESULT

The financial income and expenses in 2021 and 2020 are detailed as follows:

Description	2021	2020
Interest income	2,356,646	1,029,602
Foreign exchange income	9,757,858	2,768,272
Other financial income	24,585	-
Total financial income	**12,139,089**	**3,797,874**
Interest expenses	9,639,353	8,602,102
Foreign exchange expenses	12,263,990	6,596,700
Total financial expenses	**21,903,343**	**15,198,802**
Total net financial result	**(9,764,254)**	**(11,400,928)**

NOTE 25. RELATED PARTIES

The Group's related parties with which have incurred transactions at 31 December 2021 and 31 December 2020 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
Smart Capital Investments SA	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
DR Consulting & Other Services SRL	Romania	Other related party
Samoila Valentin-Cosmin PFA	Romania	Other related party
One Energy Division SRL	Romania	Other related party
One Holding Investments SRL	Romania	Other related party
One Holding Ver SRL	Romania	Other related party
One Holding OA SRL	Romania	Other related party
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 S.A.	Romania	Associate
One Herastrau Office S.A.	Romania	Associate
Glass Rom Invest SRL	Romania	Associate
CTT & ONE AG	Switzerland	Associate
CC Trust Group AG	Switzerland	Associate
CCT & One Properties SA	Switzerland	Associate
Vinci Ver Holding SRL	Romania	Other related party
One Liviu Holding Invest SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Romania	Key management personnel, minority shareholder of the Group
Gabriel-Ionut Dumitrescu	Romania	Key management personnel
Adriana-Anca Anton	Romania	Key management personnel
Raluca-Elena Dragan	Romania	Key management personnel
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group

NOTE 25. RELATED PARTIES (continued)

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	2021	2020
Short - term employee benefits	552,179	593,593

The following tables provides the total amount of transactions that have been entered into with related parties during 2021 and 2020, as well as balances with related parties as at 31 December 2021 and 31 December 2020:

		Statement of financial position (Amounts owing (to)/from)	
Nature of balances	**Related party categories**	**31 December 2021**	**31 December 2020**
Receivables and other receivables related to goods and services sold	Key management personnel of the Group	2,482	14,471
	Associates	4,135,900	3,040,023
	Other related parties	11,171,879	11,061,376
Advances paid for purchases of goods and services	Key management personnel of the Group	-	-
	Associates	12,266,422	14,764,439
	Other related parties	24,677,386	12,918,302
Payables related to goods and services paid	Key management personnel of the Group	3,305	3,055
	Associates	6,681,849	24,379,051
	Other related parties	4,042,747	1,242,836
Dividends paid during the year, net of tax	Key management personnel of the Group	35,064,786	50,979,993
	Other related parties	2,841,692	-
Advance payments received	Other related parties	15,950,589	920,311
	Associates	161,854,758	-

		Income statement (Income/(expense))	
Nature of transactions	**Related party categories**	**2021**	**2020**
Sales of goods and services	Key management personnel of the Group	-	-
	Associates	27,702,217	3,003,737
	Other related parties	45,374,992	9,754,600
Purchases of various goods and services	Key management personnel of the Group	-	44,640
	Associates	65,098,966	20,792,641
	Other related parties	8,719,948	6,532,461

NOTE 25. RELATED PARTIES (continued)

Loans from related parties		**Interest expenses**	**Amounts owed to related parties**
	2021	99,014	11,610,787
Companies – Other related parties	2020	503,636	23,823,603
	2021	-	-
Key management personnel of the Group:	2020	-	2,458,920
Total loans from related parties	**2021**	**99,014**	**11,610,787**
	2020	**503,636**	**26,282,523**

Loans granted to related parties		**Interest income**	**Amounts granted to related parties**
	2021	177,124	11,453,361
Loans granted to associates	2020	50,909	9,501,076
	2021	-	-
Loans granted to other related parties	2020	22,170	284
	2021	-	-
Key management personnel of the Group:	2020	-	-
Total loans from related parties	**2021**	**177,124**	**11,453,361**
	2020	**73,079**	**9,501,360**

At 31 December 2021 and 31 December 2020, 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.

NOTE 26. 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**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Current assets	220,132,921	43,276,907	4,138,035	5,060,242	22,538,497	5,433,552
Current liabilities	286,783,207	108,479,901	3,168,518	3,234,045	18,607,852	174,736,510
Current net assets	**(66,650,286)**	**(65,202,994)**	**969,517**	**1,826,197**	**3,930,645**	**(169,302,958)**
Non-current assets	86,874,959	323,280,609	138,063,486	135,930,555	392,077,656	316,435,258
Non-current liabilities	4,876,317	156,702,999	53,331,532	50,348,424	256,668,012	26,000,739
Non-current net assets	**81,998,642**	**166,577,610**	**84,731,954**	**85,582,131**	**135,409,644**	**290,434,519**
Net assets	**15,348,356**	**101,374,616**	**85,701,471**	**87,408,328**	**139,340,289**	**121,131,561**

NOTE 26. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park		One North Gate		One United Towers	
Summarized statement of comprehensive income	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue	-	9,148	2,962,315	2,726,095	8,889,353	-
Profit for the period	**(86,022,540)**	**50,318,143**	**(1,715,260)**	**(3,587,110)**	**18,599,616**	**(13,920,474)**
Total comprehensive income	**(86,022,540)**	**50,318,143**	**(1,715,260)**	**(3,587,110)**	**18,599,616**	**(13,920,474)**
NCI % at year end	*20.00%*	*20.00%*	*37.60%*	*43.26%*	*29.76%*	*29.76%*
Profit allocated to NCI	**(17,204,508)**	**10,063,629**	**(644,852)**	**(1,519,500)**	**5,535,246**	**(4,142,733)**
Dividends paid to NCI	-	-	-	-	-	-
Summarized statement of cash flow	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Net cash from operating activities	94,670,446	(7,242,087)	(2,043,495)	(4,206,735)	(33,735,204)	(2,176,702)
Net cash flows from used in investing activities	(43,735)	(65,041,333)	(685,509)	(278,666)	(36,262,560)	(64,892,012)
Net cash from financing activities	21,598	105,435,280	2,332,226	2,294,214	85,133,646	67,942,562
Net changes in cash and cash equivalents	**94,648,309**	**33,151,860**	**(396,778)**	**(2,191,187)**	**15,135,882**	**873,848**

NOTE 26. NON-CONTROLLING INTERESTS (continued)

Transactions with non-controlling interests

During 2021 and 2020, 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 2021	**One Verdi Park**	**One North Gate**	**One Herastrau Towers**	**Carphatian**	**One Cotroceni Park Office**	**One Cotroceni Park Office Faza 2**	**Others**	**Total**
	5% change in NCI	***2.86% change in NCI***	***2% change in NCI***	***33.28% change in NCI***				
Carrying amount of non-controlling interests acquired/sold	1,715,463	4,554,504	(148,448)	1,046,980			6,585	**7,175,084**
Consideration (paid)/received to/from non-controlling interests	(4,948,600)	(5,560,575)	(900)	631,898			99,101	**(9,779,076)**
Impact in retained earnings	**(3,233,137)**	**(1,006,071)**	**(149,348)**	**1,678,878**			**105,686**	**(2,603,992)**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)				**(4,976,784)**	**88,365,220**	**31,723,020**		**115,111,456**

31 December 2020	**One Peninsula**	**Neo Floreasca Lake**	**One United Towers**	**One United Towers**	**One North Gate**	**Neo Properties Development**	**One Verdi Park**	**Others**	**Total**
	10% change in NCI	***10% change in NCI***	***30% change in NCI***	***0.25% change in NCI***	***15.39% change in NCI***	***12.35% change in NCI***	***No change in NCI***		
Carrying amount of non-controlling interests acquired/sold	39,329	(172,739)	(39,880,710)	307,465	(9,735,379)	2,130,876	-	(16,148)	(47,327,306)
Consideration (paid)/received to/from non-controlling interests	(7,219,050)	(2,672,450)	39,321,257	(327,136)	8,749,674	(1,715,521)	-	17,989	36,154,763
Impact in retained earnings	**(7,179,721)**	**(2,845,189)**	**(559,453)**	**(19,671)**	**(985,705)**	**415,355**	**-**	**1,841**	**(11,172,543)**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)	**-**	**-**	**12,074,020**	**-**	**-**	**-**	**300,000**	**59,400**	**12,433,420**

NOTE 27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1-Jan-21	New leases	Interest charge	Interest charge capitalized in investment property	Cash flows payments	Foreign exchange movements	Conversion to equity	Other movements	31-Dec-21
Bonds	82,980,346	-	631,711		(83,702,405)	90,348	-	-	-
Bank loans	117,480,524	356,091,563	8,768,842	491,773	(77,403,014)	4,684,917	-	2,877,683	412,992,288
Loans received from shareholders	157,624,533	4,308,626	98,238	-	(38,636,684)	861,833	(114,843,220)	(1,854,090)	7,559,236
Loans received from related parties	26,282,524	12,815,250	99,014	-	(19,916,214)	47,828	(5,245,019)	(2,472,595)	11,610,788
Lease liabilities	1,208,149	3,566,471	81,234	1,565	(939,449)	11,364	-	-	3,929,334
Total liabilities from financing activities	**385,576,076**	**376,781,910**	**9,679,039**	**493,338**	**(220,597,766)**	**5,696,290**	**(120,088,239)**	**(1,449,002)**	**436,091,646**

	1-Jan-20	New leases	Interest charge	Interest charge capitalized in investment property	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-20
Bonds	95,819,727	-	5,079,334	-	(19,726,481)	1,807,766	-	82,980,346
Bank loans	55,685,648	109,283,594	2,472,487	135,779	(51,274,997)	1,178,013	-	117,480,524
Loans received from shareholders	23,428,476	155,259,572	935,714	59,610	(5,953,955)	951,551	(17,056,435)	157,624,533
Loans received from related parties	33,416,737	25,516,029	92,760	410,876	(20,642,736)	205,980	(12,717,122)	26,282,524
Lease liabilities	-	2,059,607	21,807	19,099	(913,957)	21,593	-	1,208,149
Total liabilities from financing activities	**208,350,588**	**292,118,802**	**8,602,102**	**625,364**	**(98,512,126)**	**4,164,903**	**(29,773,557)**	**385,576,076**

NOTE 28. 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 Group has no significant capital commitments at 31 December 2021 (2020: none).

NOTE 29. 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.

Starting with October 2019, the Romanian tax authorities carried out a control for the VAT refund that covers the amounts requested for refund until 31 May 2019 inclusive. This control was completed in April 2020 and the Company is in process of collecting the amounts approved for reimbursement. The amounts declined are insignificant for the Group, representing approximately 1% from the total amount requested for refund, however the Company intends to challenge them in front of the authorities.

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 bases 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.
During the year 2021 and as of year-end 2021, the Group and the beneficiaries have confirmed that not all terms and conditions have been established for the stock option plan described above, so currently the grant date have not yet occurred.

As of 31 December 2021, the structure of the Company share capital was changed compared with the inception date for the stock option plan, therefore the algorithm is not directly applicable and will be modified according to the new Company structure. The approval of the modification have been submitted to the the GSM from 26 April 2022.

NOTE 30. 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 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.

NOTE 30. FAIR VALUE HIERARCHY (continued)

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 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	432,162,310	384,367,927	378,908,650	345,486,467
Advances from customers	406,263,567	293,855,202	381,888,811	275,054,242

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as at 31 December 2021 and 31 December 2020:

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	378,908,650	-	378,908,650
Advances from customers	-	381,888,811	-	381,888,811

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	345,486,467	-	345,486,467
Advances from customers	-	275,054,242	-	275,054,242

There were no transfers between Level 1 and 2 during 2021 or 2020.

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 2020, 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 2020.

NOTE 31. 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 results 31 December 2021	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Revenues from sales of residential property	703,317,672	-	-	703,317,672
Revenues from rentals, service charge and similar	-	11,821,887	-	11,821,887
Cost of sales of residential property	(451,583,531)	-	-	(451,583,531)
Cost of rental revenues, service charge and similar	-	(5,277,520)	-	(5,277,520)
Other property operating expenses	-	(4,850,822)	-	(4,850,822)
Net income	**251,734,141**	**1,693,545**	**-**	**253,427,686**
Gains from investment property	23,905,756	375,282,423	-	399,188,179
Commissions for brokerage real estate	(3,142,561)	-	-	(3,142,561)
Administrative expenses	(13,239,730)	(6,645,647)	(12,502,097)	(32,387,474)
Other operating expenses	(8,406,989)	(676,292)	(1,572,199)	(10,655,480)
Profit on disposal of investment property	-	536,526	-	536,526
Other operating income	3,771,410	26,958	1,889,997	5,688,365
Result from operating activity	**254,622,027**	**370,217,513**	**(12,184,299)**	**612,655,241**
Financial income	3,993,049	1,911,540	6,234,500	12,139,089
Financial expenses	(4,431,007)	(16,042,096)	(1,430,240)	(21,903,343)
Share of result of associates	-	-	1,527,818	1,527,818
Result before tax	**254,184,069**	**356,086,957**	**(5,852,221)**	**604,418,805**

Segment results 31 December 2020	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Revenues from sales of residential property	437,503,724	-	-	437,503,724
Revenues from rentals, service charge and similar	-	1,669,443	-	1,669,443
Cost of sales of residential property	(284,286,135)	-	-	(284,286,135)
Cost of rental revenues, service charge and similar	-	(355,719)	-	(355,719)
Other property operating expenses	-	(684,749)	-	(684,749)
Net income	**153,217,589**	**628,975**	**-**	**153,846,564**
Gains from investment property	-	96,253,470	-	96,253,470
Commissions for brokerage real estate	(1,093,357)	-	-	(1,093,357)
Administrative expenses	(9,947,164)	(9,936,997)	(10,068,631)	(29,952,792)
Other operating expenses	(3,293,328)	(60,822)	(383,606)	(3,737,757)
Profit on disposal of investment property	-	632,372	-	632,372
Other operating income	734,857	608,076	34,352	1,377,286
Result from operating activity	**139,618,597**	**88,125,074**	**(10,417,885)**	**217,325,786**
Financial income	1,140,237	1,271,314	1,386,322	3,797,873
Financial expenses	(1,717,627)	(5,882,199)	(7,598,976)	(15,198,801)
Share of result of associates	-	-	733,803	733,803
Result before tax	**139,041,207**	**83,514,190**	**(15,896,736)**	**206,658,661**

NOTE 31. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2021	Residential	Office & landbank	Corporate	Total
RON				
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	1,698	1,568	594,342	597,608
Investment properties	-	1,449,465,190	-	1,449,465,190
Investments in associates	-	-	2,967,158	2,967,158
Right of use assets	3,048,207	457,245	-	3,505,452
Property, plant and equipment	2,738,225	1,107,589	13,194,196	17,040,010
Total non-current assets	**25,044,206**	**1,451,031,592**	**16,755,696**	**1,492,831,494**
Inventories	343,439,523	-	538,104	343,977,627
Advance payments to suppliers	60,958,349	25,040,780	7,267,319	93,266,448
Trade receivables	195,777,677	4,377,652	1,214,214	201,369,543
Other receivables	2,846,770	25,292,932	100,301,327	128,441,029
Prepayments	779,589	18,737,680	-	19,517,269
Other financial assets	-	-	9,408,917	9,408,917
Cash and cash equivalents	257,181,313	123,684,667	127,481,181	508,347,161
Total current assets	**860,983,221**	**197,133,711**	**246,211,062**	**1,304,327,994**
Total assets	**886,027,426**	**1,648,165,304**	**262,966,758**	**2,797,159,488**
Loans and borrowings - long term	74,637,587	323,176,941	-	397,814,528
Provisions	564,912	-	-	564,912
Lease liabilities - long term portion	2,646,947	-	-	2,646,947
Deferred tax liabilities	51,166,157	129,669,782	(861,859)	179,974,080
Total non-current liabilities	**129,015,603**	**452,846,723**	**(861,859)**	**581,000,467**
Employee benefits	77,392	83,077	393,372	553,841
Loans and borrowings - short term	8,526,478	25,821,304	-	34,347,782
Trade and other payables	69,521,266	50,383,601	3,680,060	123,584,927
Accrued income	263,449	882,406	-	1,145,855
Lease liabilities	836,887	445,500	-	1,282,387
Current tax liabilities	2,760,093	2,839	(739,485)	2,023,447
Advance payments from customers	234,453,049	171,810,517	-	406,263,566
Total current liabilities	**316,438,614**	**249,429,245**	**3,333,947**	**569,201,805**
Total liabilities	**445,454,217**	**702,275,967**	**2,472,088**	**1,150,202,272**

NOTE 31. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2020	Residential	Office & landbank	Corporate	Total
RON				
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	3,661	3,316	157,730	164,707
Investment properties	-	1,010,415,976	-	1,010,415,976
Investments in associates	-	-	1,439,340	1,439,340
Right of use assets	763,922	457,245	-	1,221,167
Property, plant and equipment	1,652,523	1,021,637	13,402,983	16,077,142
Total non-current assets	**21,676,182**	**1,011,898,173**	**15,000,053**	**1,048,574,408**
Inventories	257,348,157	-	-	257,348,157
Advance payments to suppliers	29,156,837	21,207,572	525,617	50,890,026
Trade receivables	99,154,890	5,415,842	73,229	104,643,962
Other receivables	5,402,760	2,338,820	63,039,450	70,781,030
Prepayments	224,180	263,905	57,284	545,370
Cash and cash equivalents	67,046,373	46,609,896	57,315,377	170,971,646
Total current assets	**458,333,197**	**75,836,035**	**121,010,958**	**655,180,191**
Total assets	**480,009,379**	**1,087,734,209**	**136,011,011**	**1,703,754,599**
Loans and borrowings - long term	9,555,953	181,180,670	-	190,736,623
Provisions	642,043	6,310	86,560	734,913
Deferred tax liabilities	21,136,500	79,880,609	(112,372)	100,904,738
Total non-current liabilities	**31,334,496**	**261,067,590**	**(25,812)**	**292,376,274**
Employee benefits	81,576	29,144	333,908	444,628
Loans and borrowings - short term	48,716,743	57,607,528	87,307,031	193,631,302
Trade and other payables	59,989,717	26,605,392	9,648,513	96,243,622
Accrued income	-	-	-	-
Lease liabilities	762,650	445,500	-	1,208,149
Current tax liabilities	10,139	82,471	1,871,409	1,964,019
Advance payments from customers	127,156,877	166,698,326	-	293,855,202
Total current liabilities	**236,717,701**	**251,468,361**	**99,160,861**	**587,346,923**
Total liabilities	**268,052,198**	**512,535,951**	**99,135,048**	**879,723,197**

NOTE 32. EARNING PER SHARE

The calculation of earnings per share for the year ended 31 December 2021 was based on the profit attributable to equity holders of RON 509,687,153 (31 December 2020: RON 176,936,343) and the weighted average ordinary shares in issue during the year.

The Group have no diluted shares as at 31 December 2021 and 31 December 2020.

RON	**31 December 2021**	**31 December 2020**
Profit for the year attributable to equity holders	509,687,153	176,936,343
Weighted average number of shares in issue	647,837,366	941,868
Basic earnings per share attributable to equity holders	0.79	188

NOTE 33. EVENTS AFTER THE REPORTING PERIOD

On 11 January 2022, the Company published the Revenue & Expense Budget for 2022, which was adopted by the Board of Directors on 10 January 2022 and which is subject to approval by the shareholders in the General Meeting of Shareholders, which will take place on 26 April 2022.

During Q1-2022, the Company started the activities with the view to rental of 29 apartments and related parking spaces owned by subsidiary One Mircea Eliade Properties SRL and therefore changes the presentation from apartments available for sale to apartments available for rental.

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 EUR 9,000,000 and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains pledges over 29 apartments and 35 parking places, as well as bank accounts and a corporate guarantee issued by the holding Company.

In February 2022, the Company has established new subsidiaries One Proiect 8 SRL, One Proiect 9 SRL, One Proiect 10 SRL and One United Italia SRL in order to support the growth of the business and operations.

On 8 February 2022, the Company directly acquired 100% of the shares of BO Retail Invest SRL a subsidiary which has previously acquired a controlling stake of 54.4351% in Bucur Obor, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. The transaction was subject to Competition Council clearance, which the Company received on 4 February 2022.

In February 2022 the Company has acquired from a minority shareholder, Mr. Octavian Avramoiu, following participations in subsidiaries 14.41% in Neo Floreasca Lake, 12.67% in Neo Timpuri Noi, 12.67% in Neo Mamaia and 13.00% in Neo Herastrau Park.

On 21 March 2022 the Company, through its subsidiary One Mircea Eliade Properties SRL signed a presale purchase agreement for acquiring 10,880 sqm of land and construction erected on it, located in Bucharest, 159-165 Calea Floreasca, adjacent to the existing development One Floreasca City. The subsidiary paid for securing the transaction an advance of 11.5% from the total price, the rest of the amount being payable the latest on 15 December 2023.

ONE UNITED PROPERTIES SA

Separate financial statements for the year ended 31 December 2021

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, 2021, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, including a summary of significant accounting policies and notes to the separate financial statements.

2. The financial statements as at December 31, 2021 are identified as follows:

• Net assets / Equity	RON	582,034,516
• Net profit for the financial year	RON	40,714,517

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, 2021, and its financial performance and its cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

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 (forth named "the Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How our audit addressed the matter
Recognition of Revenues from services rendered As disclosed in Note 19 to the separate financial statements, revenues from services rendered recognized by the Company is recorded at RON 44,837,975 as of December 31, 2021 (31 December 2020: RON 31,975,434). Revenue is an important measure used to evaluate the performance of the company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the Company. For contracts relating to the services rendered, the Company has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time. 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. Considering that the recognition of revenues relating to services rendered are mainly dependent on the outputs 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.	The audit procedures adopted were substantive in nature and included the following: - Obtaining an understanding of the accounting policies used in the preparation of the separate financial statements, with respect to revenue recognition. - We tested samples of service agreements for accuracy of value of price and scope. - We tested key reconciliations used by the management to assess the completeness and accuracy of revenue. - We also tested the occurrence of revenues by agreeing a sample of revenues to supporting invoices. - Testing the revenues to all customers on by means of independent re-computation of the revenues, using the inputs in the service agreements signed between the parties. - Performing analytical procedures on all services rendered. - Assess the completeness and adequacy of disclosures related to revenue, 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, 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, 2021, 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.

   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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

   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 separate 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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU;

c) With respect to the Remuneration report under Law 24/2017, article no. 107, as of the date of this audit report we were not provided with the Company's Remuneration report. The Company presented its position in the Administrator Report page 53 – section C.

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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU 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 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 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.

    - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the 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, related safeguards.

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 have been appointed by the General Assembly of Shareholders on 14th April 2018 to audit the financial statements of One United Properties S.A. for the financial year ended December 31, 2021. The uninterrupted total duration of our commitment, including previous reappointments for statutory auditor, has lasted for 5 years, covering the financial periods end December 31, 2017, till December 31, 2021.

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 Alina Mirea.

Report on compliance with the 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 Commission Delegated Regulation (EU) 2019/815 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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU.

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.

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, with subsequent amendments, for the approval of accounting regulations conforming with International Financial Reporting Standards as adopted by EU;
- evaluating if the 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 financial statements for the year ended 31 December 2021 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 financial statements. Our audit opinion relating to the financial statements of the Company for the year ended 31 December 2021 is set out in the "Report on the audit of the separate financial statements" section above.

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
April 22, 2022

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Note	31 December 2021	31 December 2020	01 January 2020
ASSETS				
Non-current assets				
Intangible assets	**8**	567,455	91,377	148,811
investments in subsidiaries and associates	**9**	90,497,644	55,545,123	24,853,446
Loans granted to subsidiaries, associates and others	**10**	338,295,046	246,315,351	201,940,386
Right of use assets	**11**	3,393,204	4,536,566	5,679,928
Deferred tax assets	**14**	59,389	64,480	6,993
Property, plant and equipment	**7**	1,293,679	1,489,634	1,424,157
Other non-current assets		962,591	908,972	185,166
Total non-current assets		**435,069,008**	**308,951,503**	**234,238,887**
Current assets				
Trade receivables	**12**	102,053,110	61,102,515	33,551,093
Other receivables	**12**	28,753,389	53,620,999	57,044,805
Prepayments		143,815	158,411	11,589
Loans granted to subsidiaries, associates and others	**10**	24,724,694	-	-
Cash and cash equivalents	**13**	121,682,382	55,816,083	28,037,763
Total current assets		**277,357,390**	**170,698,008**	**118,645,250**
TOTAL ASSETS		**712,426,398**	**479,649,511**	**352,884,137**
EQUITY AND LIABILITIES				
Equity				
Share capital	**15**	514,828,059	259,824,598	146,964,903
Share premium	**15**	4,307,781	9,192	5,658
Own shares	**15**	-	26,765,560	-
Other capital reserves	**15**	1,390,179	463,393	-
Legal Reserves	**15**	11,437,359	9,009,562	4,189,617
Retained earnings		50,071,138	90,543,697	43,679,925
Total equity		**582,034,516**	**333,084,882**	**194,840,103**
Non-current liabilities				
Loans and borrowings	**16**	27,921,952	-	95,819,727
Lease liabilities	**17**	2,464,740	3,704,514	4,848,165
Provisions		-	84,255	65,115
Other non-current liabilities		107,468	69,015	52,122
Total non-current liabilities		**30,494,160**	**3,857,784**	**100,785,129**
Current liabilities				
Loans and borrowings	**16**	-	82,980,346	-
Lease liabilities	**17**	1,299,647	1,235,049	875,472
Trade payables	**18**	1,880,800	915,955	3,122,185
Other payables	**18**	96,575,919	57,504,434	53,261,248
Deferred income		141,356	71,061	-
Total current liabilities		**99,897,722**	**142,706,845**	**57,258,905**
Total liabilities		**130,391,882**	**146,564,629**	**158,044,034**
TOTAL EQUITY AND LIABILITIES		**712,426,398**	**479,649,511**	**352,884,137**

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 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 2021	31 December 2020
Revenues from services rendered	**19**	44,837,975	31,975,434
Revenues from rentals, service charge and similar	**19**	630,559	565,537
Other revenues	**19**	784,769	533,597
Total operating revenues		**46,253,303**	**33,074,568**
Amortisation, depreciation and impairment of net reversals	**20**	(1,628,096)	(1,522,151)
Administrative expenses	**20**	(3,645,630)	(3,301,303)
Other operating expenses	**20**	(7,814,774)	(4,278,706)
Adjustments related to provisions	**20**	84,255	(19,140)
Total operating expenses		**(13,004,245)**	**(9,121,300)**
Result from operating activity		**33,249,058**	**23,953,268**
Net Gain on disposal of investments in subsidiaries and associates		**-**	**48,022,408**
Revenues from dividends	**21**	1,881,012	20,567,563
Revenues from interest	**21**	7,436,521	10,240,258
Other financial revenues	**21**	6,780,725	-
Total financial income		**16,098,258**	**30,807,821**
Interest expenses	**22**	(786,291)	(5,272,556)
Other financial expenses	**22**	-	(1,471,338)
Total financial expenses		**(786,291)**	**(6,743,894)**
Net financial result		**15,311,967**	**24,063,927**
Result before tax		**48,561,025**	**96,039,603**
Tax expenses	**14**	(7,846,508)	(3,339,840)
Net result of the period		**40,714,517**	**92,699,763**
Total comprehensive income for the period		**40,714,517**	**92,699,763**
Basic/diluted earnings per share attributable to equity holders		*0.063*	*98.421*

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 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 2021		**259,824,598**	**9,192**	**463,393**	**(26,765,560)**	**9,009,562**	**90,543,697**	**333,084,882**
Profit for the period							40,714,517	**40,714,517**
Dividends allocated from the statutory profit							(81,743,000)	**(81,743,000)**
Legal Reserves	**15**					2,427,797	(2,427,797)	**-**
Issue of ordinary shares	**15**	26,001,417	233,111,060				-	**259,112,477**
Issue of ordinary shares - premium shares conversion	**15**	228,812,471	(228,812,471)				-	-
Issue of ordinary shares - other reserves conversion	**15**	189,573					(189,573)	-
Employee share scheme	**15**			926,786				**926,786**
Sale of own shares	**15**				26,765,560		9,269,654	**36,035,214**
IPO costs	**3**						(6,096,360)	**(6,096,360)**
Balance as at 31 December 2021		**514,828,059**	**4,307,781**	**1,390,179**	**-**	**11,437,359**	**50,071,138**	**582,034,516**

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 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 2020		**146,964,903**	**5,658**	**-**	**-**	**4,189,617**	**43,679,925**	**194,840,103**
Profit for the period							92,699,763	**92,699,763**
Dividends allocated from the statutory profit							(41,016,046)	**(41,016,046)**
Legal Reserves	**15**					4,819,945	(4,819,945)	-
Issue of ordinary shares	**15**	8,953,802	103,909,427					**112,863,229**
Issue of ordinary shares - premium shares conversion	**15**	103,905,893	(103,905,893)					-
Employee share scheme	**15**			463,393				**463,393**
Acquisition of own shares	**15**				(26,765,560)			**(26,765,560)**
Balance as at 31 December 2020		**259,824,598**	**9,192**	**463,393**	**(26,765,560)**	**9,009,562**	**90,543,697**	**333,084,882**

The separate financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 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 2021	31 December 2020
Cash flows from operating activities			
Result for the year		40,714,517	92,699,763
Adjustments for:			
Depreciation and amortization		1,628,096	1,522,151
Net gains on disposal of investments in subsidiaries and associates		-	(48,022,408)
Provisions for untaken holidays		(84,255)	19,140
Share-based payments		926,786	463,393
Unrealised foreign exchange loss/(gain)		(4,996,476)	2,110,308
Interest expenses		786,291	5,272,556
Interest income		(7,436,521)	(10,240,258)
Income tax expenses		7,846,508	3,339,840
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(40,235,863)	(3,906,871)
Increase/(Decrease) in trade and other payables		28,487,136	(3,223,627)
(Increase)/Decrease in other non-current assets		(53,618)	(723,807)
Increase/(Decrease) in other non-current liabilities		38,453	16,893
Income tax paid		(5,323,487)	(5,502,996)
Net cash from operating activities		**22,297,567**	**33,824,077**
Additional loans granted		(111,012,148)	(35,442,493)
Acquisition of property, plant and equipment		(207,302)	(383,786)
Acquisition of intangible assets		(557,555)	(3,045)
Acquisition/Investment of/in subsidiaries and associates		(34,952,521)	(30,741,464)
Interest received		7,261,353	1,109,613
Proceeds from the sale of subsidiaries and associates		-	48,072,196
Net cash flows used in investing activities		**(139,468,173)**	**(17,388,979)**
Proceeds from loans and borrowings		27,921,952	-
Repayment of borrowings		(83,424,447)	(9,295,459)
Dividends paid		(54,762,517)	(61,383,614)
Proceeds from issue of share capital and share premium		259,302,050	112,863,230
Interest paid		(631,839)	(10,431,023)
Acquisition of own shares		-	(19,328,247)
Cash proceeds from sale of own shares		36,035,214	-
Principal elements of lease payments		(1,403,507)	(1,081,665)
Net cash from financing activities		**183,036,905**	**11,343,222**
Net changes in cash and cash equivalents		65,866,299	27,778,320
Cash and cash equivalents at the beginning of the year		**55,816,083**	**28,037,763**
Cash and cash equivalents at the end of the year		**121,682,382**	**55,816,083**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 26 April 2022 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(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 2021 were authorized for issue on 26 April 2022.

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 514,828,059 divided into 2,574,140,294 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 29.758% each and other shareholders holding 40.484%. 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 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 2021, 31 December 2020 and 1 January 2020:

Name of the subsidiary and associates	Activity	% ownership as at 31 December 2021	% ownership as at 31 December 2020	% ownership as at 1 January 2020	Registered office
One Modrogan SRL	Real estate developer in Bucharest	99.99%	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Bucharest	100%	99.99%	90.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Bucharest	99.99%	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Bucharest	98.00%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Bucharest	95.00%	90.00%	90.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Bucharest	100%	99.99%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Bucharest	98.00%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Bucharest	100%	98.00%	98.00%	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%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	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	98.00%	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Bucharest	62.41%	56.74%	72.13%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

One United Tower SA (former One United Tower SRL)	Real estate developer in Bucharest	70.24%	70.24%	99.99%	Maxim Gorki street 20, Bucharest, district 1
Neo Properties Development SA	Real estate developer in Bucharest	0%	82.35%	70.00%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Bucharest	80.59%	80.58%	60.00%	Maxim Gorki street 20, Bucharest, district 1
Neo Mamaia SRL	Real estate developer in Bucharest	82.33%	82.33%	69.99%	Maxim Gorki street 20, Bucharest, district 1
Neo Timpuri Noi SRL	Real estate developer in Bucharest	82.33%	82.33%	69.99%	Maxim Gorki street 20, Bucharest, district 1
Neo Herastrau Park SRL (former Neo Dorobanti SRL)	Real estate developer in Bucharest	82.00%	81.53%	69.30%	Maxim Gorki street 20, Bucharest, district 1
Neo Downtown SRL	Real estate developer in Bucharest	0%	81.53%	69.30%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Bucharest	99.98%	99.99%	99.98%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Real estate developer in Bucharest	100%	100.00%	99.98%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SA	Real estate developer in Bucharest	57.25%	72.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	57.25%	72.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 3 SA (former One Verdi Park Office SA)	Real estate developer in Bucharest	80.00%	70.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Mamaia SRL	Real estate developer in Bucharest	99.98%	99.99%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 3 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 7 SRL	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One High District S.R.L.	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
One Lake Club S.R.L.	Real estate developer in Bucharest	100%	-	-	Maxim Gorki street 20, Bucharest, district 1
Carpathian Estate S.R.L.	Real estate developer in Bucharest	66.72% (indirect subisdiary)	-	-	Maxim Gorki street 20, Bucharest, district
Reinvent Energy SRL	Electric and sanitary Installations for real estate	20.00%	20.00%	20.00%	Str. Baba Novac, nr.8A, Bucureşti, sector 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%	-	BUCURESTI sect. 4 str. Metalurgiei nr. 452
One Property Support Services SRL	Property management	20.00%	20.00%	20.00%	Bucuresti Sectorul 6, Spl. Independentei, Nr. 202

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.

For all periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with Romanian generally accepted accounting principles. These separate financial statements for the year ended 31 December 2021 are the first the Company has prepared in accordance with IFRS. Refer to Note 5 for information on how the Company adopted IFRS.

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 2021, 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 Company has prepared forecasts, including certain sensitivities, considering the potential impact on the business of the COVID-19 virus. Having considered these forecasts, the Directors remain of the view that the Company’s financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Company to conduct its business for at least the next 12 months. Accordingly, the separate financial statements have been prepared on a going concern basis, which means that the Company will continue its activity in the foreseeable future, the current results estimated by the management of the Company and shareholders being considered solid.

Subsequent to the year-end, 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. The accompanying IFRS Separate Financial Statements of the Company as of 31 December 2021 have not been adjusted as a consequence of this subsequent event.

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

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by IASB and adopted by the EU and which are not yet effective:

NOTE 2. GENERAL INFORMATION (continued)

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

- **Amendments to IAS 16 "Property, Plant and Equipment" -** Proceeds before Intended Use adopted by the EU on 28 June 2021, effective for annual periods beginning on or after 1 January 2022. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** - Onerous Contracts - Cost of Fulfilling a Contract adopted by the EU on 28 June 2021, effective for annual periods beginning on or after 1 January 2022. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.
- **Amendments to IFRS 3 "Business Combinations" -** effective for annual periods beginning on or after 1 January 2022. Reference to the Conceptual Framework with amendments to IFRS 3 issued by IASB on 14 May 2020. The amendments: (a) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; (b) add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and (c) add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- **Amendments to various standards due to "Improvements to IFRSs (cycle 2018 -2020)"** issued by IASB on 14 May 2020. Amendments to various standards resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording. The amendments: (a) clarify that subsidiary which applies paragraph D16(a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs (IFRS 1); (b) clarify which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9); (c) removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example (Illustrative Example 13 accompanying IFRS 16); and (d) removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IAS 41).

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at [date of publication of financial statements] (the effective dates stated below is for IFRS as issued by IASB):

- **IFRS 14 "Regulatory Deferral Accounts"** - effective for annual periods beginning on or after 1 January 2016, the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard. 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 IAS 1 "Presentation of Financial Statements" -** Classification of Liabilities as Current or Non-Current issued by IASB on 23 January 2020. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by IASB on 15 July 2020 defer the effective date by one year to annual periods beginning on or after 1 January 2023.
- **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, effective for annual periods beginning on or after 1 January 2023. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

NOTE 2. GENERAL INFORMATION (continued)

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

- **Amendments to IAS 12 "Income Taxes" -** Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective for annual periods beginning on or after 1 January 2023. 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.

The Company 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.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's separate financial statements requires management to make professional judgments, estimates and assumptions that affect the application of accounting policies, as well as the recognized value of assets, liabilities, revenue and expenses, and the accompanying disclosures. The actual results may vary from the estimated values. The estimates and assumptions are based on the historical experience and other elements, including the expectations regarding the future events considered reasonable in the existing circumstances. The underlying estimates and assumptions are periodically revised. The revision of accounting estimates is recognized starting with the period in which the estimates are revised.

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.

3.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:

3.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.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.a Judgements (continued)

3.a.1 Revenue from contracts – management fees (continued)

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.

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.

3.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 Company based its assumptions and estimates on parameters available when the separate 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 Company. Such changes are reflected in the assumptions when they occur.

3.b.1 Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company 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 Company 'would have to pay', which requires estimation when no observable rates are available 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 Company 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 Company's stand-alone credit rating).

3.b.2 IPO associated costs

The costs of an IPO that involves both issuing new shares and a stock market listing are accounted for as follows:

- Incremental costs that are directly attributable to issuing new shares are deducted from equity (net of any income tax benefit) in line with, IAS 32.37
- Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the statement of comprehensive income
- Costs that relate to both share issuance and listing are allocated between those functions on a rational and consistent basis in line with IAS 32.38. In the absence of a more specific basis for apportionment, an allocation of common costs based on the proportion of new shares issued to the total number of (new and existing) shares represent an acceptable approach.

The Company has performed this analysis and has booked, in Equity, incremental costs directly attributable to issuing new shares, gross of tax, of RON 7,257,571. The current income tax associated to these costs amounts to RON 1,161,211. From a tax perspective, these costs are entirely deductible the year they are incurred.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies presented below were consistently applied for all periods shown in these separate financial statements by the Company

4.1 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.

4.2 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

4.2.1 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".

4.2.2 Revenues from rentals, service charge and similar

The Company earns 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. In line with IFRS 16, the Company has booked separate contracts:

- one related to the rental contract between the Company (lessee) and One North Gate SA (lessor) for which a right of use asset and a lease liability has been booked in the Statement of Financial Position of the Company
- for surfaces which are subletted by the Company (lessor) to other subsidiaries and/or associates (lessees) the contracts have been qualified as operating leases

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Revenue (continued)

4.2.2 Revenues from rentals, service charge and similar (continued)

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 Company 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.

The Company enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements might 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 Company 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 Company allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

The Company arranges for third parties to provide certain of these services to its tenants. The Company 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 Company records revenue on a gross basis.

4.2.3 Other revenues

Other revenues are mainly related to invoicing of costs associated to rental contracts in which the Company is a lessor. These costs invoices are considered as a services component and follow the IFRS 15 accounting principles.

4.3 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.

4.4. 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4. Investment in subsidiaries and associates (continued)

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.

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, the Company measures and recognizes any retained investment at its fair value through profit and loss, in line with IFRS 9 requirements.

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.

4.5 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.

4.6 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 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 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.

4.7 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.

4.8 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 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 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 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 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 31 December 2021, 31 December 2020 and 1 January 2020, no ECL has been booked for intra-group financial assets, as based on the analysis performed by the Company, no material credit risk has been identified.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 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.

4.9 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 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 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 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.

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.

4.10 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.

4.11 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.

4.12 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 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 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.

4.13 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 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 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.

4.14 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.

The administrative expenses booked in the profit and loss as an administrative expense amount to RON 463,393 at 31 December 2020 and RON 926,786 at 31 December 2021.

4.15 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 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 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.

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1

These financial statements, for the year ended 31 December 2021, are the first separate statements the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with Romanian generally accepted accounting principles.

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data for the year ended 31 December 2020, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2020, the Company's date of transition to IFRS.
This note explains the principal adjustments made by the Company in restating its Romanian GAAP financial statements, including the statement of financial position as at 1 January 2020 and the financial statements as of, and for, the year ended 31 December 2020.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has not applied any exemptions. The Company assessed all contracts existing at 1 January 2020 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2020. For other restatements, the Company has used a full retrospective approach.

The estimates at 1 January 2020 and at 31 December 2020 are consistent with those made for the same dates in accordance with Romanian GAAP (after adjustments to reflect any differences in accounting policies) apart from items where application of Romanian GAAP did not require estimation.
The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2020, the date of transition to IFRS and as at 31 December 2020.

Company reconciliation of equity as at 1 January 2020 (date of transition to IFRS)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

	01 January 2020 Romanian GAAP	Reclassifications	Remeasurements	01 January 2020 IFRS
ASSETS				
Non-current assets				
Intangible assets	148,811	0	0	148,811
Investments in subsidiaries and associates	24,853,446	0	0	24,853,446
Loans granted to subsidiaries, associates and others	201,940,386	0	0	201,940,386
Right of use assets	0	0	5,679,928	5,679,928
Deferred tax assets	0	0	6,993	6,993
Property, plant and equipment	1,424,157	0	0	1,424,157
Other non-current assets	0	185,166	0	185,166
Total non-current assets	**228,366,800**	**185,166**	**5,686,921**	**234,238,887**
Current assets				
Inventories	560	(560)	0	0
Trade receivables	32,542,058	(185,166)	1,194,201	33,551,093
Other receivables	37,785,757	19,259,048	0	57,044,805
Prepayments	11,589	0	0	11,589
Receivables representing dividends distributed during the year	19,258,488	(19,258,488)	0	0
Cash and cash equivalents	28,037,763	0	0	28,037,763
Total current assets	**117,636,215**	**(185,166)**	**1,194,201**	**118,645,250**
TOTAL ASSETS	**346,003,015**	**0**	**6,881,122**	**352,884,137**
EQUITY AND LIABILITIES				
Equity				
Share capital	146,964,903	0	0	146,964,903
Share premium	5,658	0	0	5,658
Legal reserves	4,189,617	0	0	4,189,617
Own shares	0	0	0	0
Other capital reserves	0	0	0	0
Retained earnings	-2,374,873	45,079,861	966,634	43,679,925
Profit or loss of the year	43,537,969	(43,537,969)	0	0
Net gain from sales of own shares	1,541,892	(1,541,892)	0	0
Total equity	**193,873,469**	**0**	**966,634**	**194,840,103**
Non-current liabilities				
Loans and borrowings	95,871,849	(52,122)	0	95,819,727
Lease liabilities	0	0	4,848,165	4,848,165
Provisions	65,115	0	0	65,115
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	0	52,122	0	52,122
Total non-current liabilities	**95,936,964**	**0**	**4,848,165**	**100,785,129**
Current liabilities				
Loans and borrowings	0	0	0	0
Lease liabilities	0	0	875,472	875,472
Trade payables	3,122,185	0	0	3,122,185
Other payables	53,070,396	0	190,852	53,261,248
Deferred income	0	0	0	0
Total current liabilities	**56,192,581**	**0**	**1,066,324**	**57,258,905**
Total liabilities	**152,129,545**	**0**	**5,914,489**	**158,044,034**
TOTAL EQUITY AND LIABILITIES	**346,003,014**	**0**	**6,881,123**	**352,884,137**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

Company reconciliation of equity as at 31 December 2020

	31 December 2020	Reclassifications	Remeasurements	31 December 2020
	Romanian GAAP			IFRS
ASSETS				
Non-current assets				
Intangible assets	91,377	0	0	91,377
Investments in subsidiaries and associates	55,545,123	0	0	55,545,123
Loans granted to subsidiaries, associates and others	246,315,351	0	0	246,315,351
Right of use assets	0	0	4,536,566	4,536,566
Deferred tax assets	0	0	64,480	64,480
Property, plant and equipment	1,489,634	0	0	1,489,634
Other non-current assets	908,972	0	0	908,972
Total non-current assets	**304,350,457**	**0**	**4,601,046**	**308,951,503**
Current assets				
Inventories	560	(560)	0	0
Trade receivables	61,102,948	(433)	0	61,102,515
Other receivables	29,120,006	24,500,993	0	53,620,999
Prepayments	158,411	0	0	158,411
Receivables representing dividends distributed during the year	24,500,000	(24,500,000)	0	0
Cash and cash equivalents	55,816,083	0	0	55,816,083
Total current assets	**170,698,008**	**0**	**0**	**170,698,008**
TOTAL ASSETS	**475,048,465**	**0**	**4,601,046**	**479,649,511**
EQUITY AND LIABILITIES				
Equity				
Share capital	259,824,598	0	0	259,824,598
Share premium	9,192	0	0	9,192
Legal reserves	9,009,562	0	0	9,009,562
Own shares	(26,765,560)	0	0	(26,765,560)
Other capital reserves	463,393	0	0	463,393
Retained earnings	(3,661,243)	94,543,458	(338,518)	90,543,697
Profit or loss of the year	93,001,566	(93,001,566)	0	0
Net gain from sales of own shares	1,541,892	(1,541,892)	0	0
Total equity	**333,423,400**	**0**	**(338,518)**	**333,084,882**
Non-current liabilities				
Loans and borrowings	69,015	(69,015)	0	0
Lease liabilities	0	0	3,704,514	3,704,514
Provisions	84,255	0	0	84,255
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	0	69,015	0	69,015
Total non-current liabilities	**153,270**	**0**	**3,704,514**	**3,857,784**
Current liabilities				
Loans and borrowings	82,980,346	0	0	82,980,346
Lease liabilities	0	0	1,235,049	1,235,049
Trade payables	915,955	0	0	915,955
Other payables	57,504,434	0	0	57,504,434
Deferred income	71,061	0	0	71,061
Total current liabilities	**141,471,796**	**0**	**1,235,049**	**142,706,845**
Total liabilities	**141,625,066**	**0**	**4,939,563**	**146,564,629**
Total equity and liabilities	**475,048,466**	**0**	**4,601,045**	**479,649,511**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

Company reconciliation of total comprehensive income for the year ended 31 December 2020

	31 December 2020	Reclassifications	Remeasurements	31 December 2020
	Romanian GAAP			IFRS
Turnover	33,074,410	(33,074,410)	0	0
Other operating revenue	158	(158)	0	0
Revenues from services rendered	0	31,975,434	0	31,975,434
Revenues from rentals, service charge and similar	0	565,537	0	565,537
Other revenues	0	533,597	0	533,597
Total operating revenues	**33,074,568**	**0**	**0**	**33,074,568**
Raw materials and consumables expenses	(6,609)	6,609	0	0
Other material expenses	(133,621)	133,621	0	0
Other external expenses	(82,514)	82,514	0	0
Wages and indemnities	(3,228,983)	3,228,983	0	0
Social security expenses	(72,320)	72,320	0	0
Amortisation, depreciation and impairment of net reversals	(378,789)	0	(1,143,362)	(1,522,151)
Administrative expenses	-	(3,301,303)	0	(3,301,303)
External services expenses	(4,721,876)	4,721,876	0	0
Taxes, fees and expenses representing transfers and contributions due	(51,285)	51,285	0	0
Other expenses	(364,466)	364,466	0	0
Other operating expenses	-	(5,360,371)	1,081,665	(4,278,706)
Adjustments related to provisions	(19,140)	0	0	(19,140)
Total operating expenses	**(9,059,603)**	**0**	**(61,697)**	**(9,121,300)**
Result from operating activity	**24,014,965**	**0**	**(61,697)**	**23,953,268**
Net Gain on disposal of investments in subsidiaries and associates	**0**	**48,022,408**	**0**	**48,022,408**
Revenues from dividends	20,567,563	0	0	20,567,563
Revenues from interest	10,240,258	-	0	10,240,258
Other financial revenues	49,219,487	(49,219,487)	0	-
Total financial income	**80,027,308**	**(49,219,487)**	**0**	**30,807,821**
Interest expenses	(5,079,334)	0	(193,222)	(5,272,556)
Other financial expenses	(2,564,047)	1,197,079	(104,370)	(1,471,338)
Total financial expenses	**(7,643,381)**	**1,197,079**	**(297,592)**	**(6,743,894)**
Net financial result	**72,383,927**	**(48,022,408)**	**(297,592)**	**24,063,927**
Result before tax	**96,398,892**	**0**	**(359,289)**	**96,039,603**
Tax on profit	(3,397,326)	0	57,486	(3,339,840)
Net result of the period	**93,001,566**	**0**	**(301,803)**	**92,699,763**
Total comprehensive income for the period	**93,001,566**	**0**	**(301,803)**	**92,699,763**

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

Notes to the reconciliation of equity as at 1 January 2020 and 31 December 2020 and total comprehensive income for the year ended 31 December 2020

5.1 Analysis of reclassifications from Romanian GAAP to IFRS financial statements

To prepare separate IFRS financial statements the Company has performed several reclassifications compared to the published and audited statutory financial statements as of 31 December 2019 (opening 1st January 2020) and 31 December 2020 prepared in accordance with Romanian GAAP. These were done to be compliant with IFRS. Please note that according to Romanian GAAP, there is an imposed template of financial statements for companies not applying IFRS. The main reclassifications are:

Statement of Financial Position:
- Guarantees given by the Company for rental contracts were reclassified, at 1st January 2020, from "Trade Receivables" to "Other non-current assets"
- Inventories presented according to Romanian GAAP under the caption "Inventories", as they represent advance payments and are considered immaterial, have been reclassified to "Other receivables"
- "Receivables representing dividends distributed during the year" which is a mandatory caption under the Romanian GAAP have been reclassified to "Other receivables"
- Concerning "Equity" items, "Profit or loss of the year" and "Net gain from sales of own shares" presented individually in Romanian GAAP have been reclassified to "Retained Earnings"
- Guarantees received by the Company were reclassified from "Financial liabilities - loans and borrowings" to "Other non-current liabilities"

Statement of profit or loss and other comprehensive income
- The turnover breakdown has been analyzed from an IFRS perspective and components have been presented in consequence. The same breakdown as the one presented in IFRS has also been disclosed in the notes to Romanian GAAP financial statements for the periods analyzed
- The Company has performed an analysis of the allocation of expenses presented according to Romanian GAAP in the IFRS financial statements. There are two main types of expenses presented in IFRS: "Administrative expenses" and "Other operating expenses". Several reclassifications were performed for IFRS presentation purposes
- In line with IAS 1, gains and losses from FX have been netted and presented in the line "Other financial revenues" or "Other financial expenses" depending on the net position
- In line with IAS 1, gains and losses related to the disposal of investments in subsidiaries and associates were presented on a separate line given the materiality.

5.2 Analysis of remeasurements from Romanian GAAP to IFRS financial statements

To prepare separate IFRS financial statements the Company has also performed several remeasurements compared to the published and audited financial statements as of 31 December 2019 (opening 1st January 2020) and 31 December 2020 prepared according to Romanian GAAP. The main remeasurements are:

IFRS 16 – the Company as a lessee

Under Romanian GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense (rental expense in our case) in the statement of profit or loss over the lease term.

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

At the date of transition to IFRS, the Company applied the measured lease liabilities at the present value of the lease payments since inception, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS.

Right-of-use assets were measured at the amount equal to the lease liabilities. As a result, the Company recognised an increase, at inception, of RON 5,716,810 of lease liabilities and right-of-use assets.

In respect of the impact booked in the profit & loss we note the following:
- The cancellation of the "Rental expense" booked according to Romanian GAAP amounting to nil at 31 December 2019 and RON 1,081,665 at 31 December 2020

NOTE 5. FIRST TIME ADOPTION OF IFRS – APPLICATION OF IFRS 1 (continued)

5.2 Analysis of remeasurements from Romanian GAAP to IFRS financial statements (continued)

- Recording of the depreciation of the right of use booked according to IFRS amounting to RON 36,883 at 31 December 2019 and RON 1,143,362 at 31 December 2020
- Recording of the interest expense related to the amortization of the lease liability booked according to IFRS amounting to nil at 31 December 2019 and RON 193,222 at 31 December 2020
- Recording, in the IFRS profit and loss account, of the remeasurement at closing FX rate, of the lease liability. Impacts amount to RON 6,826 at 31 December 2019 and RON 104,370 at 31 December 2020

IAS 8 – correction of errors

In the financial statements, as of 31 December 2020, presented under Romanian GAAP, the Company has booked a correction of error related to adjustments done on revenues invoiced to related parties for 2017, 2018 and 2019. This correction of error was booked, in IFRS, in the opening Statement of Financial Position, meaning 1st January 2020. The amounts are not deemed material.

There is no accounting difference between IAS 8 and Romanian GAAP in respect of the corrections of error as impacts are booked in Retained earnings in both cases.

IAS 12 – Deferred taxes

We have proceeded, for all assets and liabilities for which we have identified a taxable temporary difference to the computation of the impact related to deferred taxes, based on the Romanian tax rate of 16%. This resulted in a net DTA booked of RON 6,993 at 1 January 2020 and RON 64,480 at 31 December 2020.

The Company estimated that future taxable profits should be sufficient to absorb this DTA.

NOTE 6. RISK MANAGEMENT

6.1. 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

6.2. 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:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

Description	Long term financial assets 31 December 2021	31 December 2020	01 January 2020
Investments in subsidiaries and associates	90,497,644	55,545,123	24,853,446
Loans granted to subsidiaries, associates and others	338,295,046	246,315,351	201,940,386
Total	**428,792,690**	**301,860,474**	**226,793,832**

Description	Trade receivables, short-term deposits and loans and cash and cash equivalents 31 December 2021	31 December 2020	01 January 2020
Trade receivables	102,053,110	61,102,515	33,551,093
Other receivables	28,753,389	53,620,999	57,044,805
Loans granted to subsidiaries, associates and others	24,724,694	-	-
Cash and cash equivalents	121,682,382	55,816,083	28,037,763
Total	**277,213,575**	**170,539,597**	**118,633,661**

Description	Financial liabilities at amortised cost 31 December 2021	31 December 2020	01 January 2020
Trade and other payables	98,456,719	58,420,389	56,383,433
Short and long-term loans and borrowings	27,921,952	82,980,346	95,819,727
Lease liabilities	3,764,387	4,939,563	5,723,637
Total	**130,143,058**	**146,340,298**	**157,926,797**

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:

6.2.1. 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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.1. Credit risk (continued)

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021, 31 December 2021 and 1 January 2020, 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 ECLs relating to cash and short-term deposits of the Company rounds to zero. 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 five different financial institutions of good standing for investment and cash handling purposes. For instance, 60% of the cash (RON 74,2m) is held in a bank with A+ (based on S&P) rating.

6.2.2. 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 2021, 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 2021	**Less than 1 year**	**1 to 5 years**
Trade and other payables	98,456,719	-
Short and long-term loans and borrowings	-	27,921,952
Lease liabilities	1,299,647	2,464,740
Total	**99,756,366**	**30,386,692**

As at 31 December 2020	**Less than 1 year**	**1 to 5 years**
Trade and other payables	58,420,389	-
Short and long-term loans and borrowings	82,980,346	-
Lease liabilities	1,235,049	3,704,514
Total	**142,635,784**	**3,705,514**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.2. Liquidity risk (continued)

As at 01 January 2020	Less than 1 year	1 to 5 years
Trade and other payables	56,383,433	-
Short and long-term loans and borrowings	233,727	95,586,000
Lease liabilities	875,472	4,848,165
Total	**57,492,632**	**100,434,165**

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 2021	Less than 1 year	1 to 5 years
Cash and cash equivalents	121,682,382	-
Trade and other receivables	130,806,499	-
Loans granted to subsidiaries, associates and others (*)	24,724,694	338,295,046
Total	**277,213,575**	**338,295,046**

As at 31 December 2020	Less than 1 year	1 to 5 years
Cash and cash equivalents	55,816,083	-
Trade and other receivables	114,723,514	-
Loans granted to subsidiaries, associates and others (*)	-	246,315,351
Total	**170,539,597**	**246,315,351**

As at 01 January 2020	Less than 1 year	1 to 5 years
Cash and cash equivalents	28,037,763	-
Trade and other receivables	90,595,898	-
Loans granted to subsidiaries, associates and others (*)	-	201,940,386
Total	**118,633,661**	**201,940,386**

(*) Please note that loans granted to subsidiaries and associates have an undetermined reimbursement date. The classification above was made on Managements best estimate scenario.

6.2.3. 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:

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.3. Market risk (continued)

(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.

Bonds issued

The annual fixed rate of interest of debenture loans is 7.35% and is adjustable to 5.25% in function of the Company's performance, according to the bond contract. The interest rate was revised in 2019 to 5.25% p.a. (and was applied also in 2020) as the financial covenants agreed in the contract for interest rate reduction were met.
The exposure on the bond was the following:

- 1st January 2020: RON 95,819,727 remaining principal and interest to be reimbursed
- 31 December 2020: RON 82,980,346remaining principal and interest to be reimbursed

The bond was fully repaid during 2021.

Financial liabilities – loans received

The Company has only one loan amounting to RON 27,921,952 classified as a non-current liability.

Financial assets – loans granted

The Company has granted several loans to subsidiaries, associates and others. The loans are bearing a fixed interest rate of:
- 2019: 5,25%
- 2020: 5,25%
- 2021: 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).

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.3. Market risk (continued)

The carrying amounts of monetary assets and liabilities denominated in foreign currency at the reporting date are as follows:

31 December 2021	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	23,336,374	93	115,471,120
Loans granted to subsidiaries, associates and others	72,328,339	-	357,887,854
Monetary liabilities			
Loans and borrowings	(5,642,964)	-	(27,921,952)
Trade and other payables	(33,242)	-	(164,484)
Lease liabilities	(760,774)	-	(3,764,387)
Net excess/(exposure)	**89,227,733**	**93**	**441,508,151**

31 December 2020	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	7,817,530	-	38,066,680
Loans granted to subsidiaries, associates and others	2,052,048	-	9,992,241
Monetary liabilities			
Loans and borrowings	(17,041,185)	-	(82,980,346)
Trade and other payables	-	-	-
Lease liabilities	(1,014,409)	-	(4,939,563)
Net excess/(exposure)	**(8,186,016)**	**-**	**(39,860,988)**

1st January 2020	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	4,862,340	-	23,238,580
Loans granted to subsidiaries, associates and others	2,804,775	-	13,404,860
Monetary liabilities			
Loans and borrowings	(20,048,904)	-	(95,819,727)
Trade and other payables	(1,219)	-	(5,828)
Lease liabilities	(1,197,589)	-	(5,723,637)
Net excess/(exposure)	**(13,580,597)**	**-**	**(64,905,752)**

Sensitivity analysis for foreign exchange risk

- 1st January 2020: A 5% appreciation of the RON against the EUR on 1st January 2020 would increase the Company's profit by RON 3,245,288, while a 5% depreciation of the RON against the EUR as of 31 December 2019 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 2020: A 5% appreciation of the RON against the EUR on 1st January 2020 would increase the Company's profit by RON 1,993,049, while a 5% depreciation of the RON against the EUR as of 31 December 2020 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.

NOTE 6. RISK MANAGEMENT (continued)

6.2. Financial risks (continued)

6.2.3. Market risk (continued)

- 31 December 2021: A 5% appreciation of the RON against the EUR on 1st January 2020 would decrease the Company's profit by RON 22,075,387, while a 5% depreciation of the RON against the EUR as of 31 December 2021 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.

6.3. 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.

(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.

NOTE 6. RISK MANAGEMENT (continued)

6.3. Other risks (continued)

(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 staring 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 2015 to 2021 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.

6.4. 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.

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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Equipment measurement apparatus and vehicles	Furniture and other non-current assets	Tangible under development	Total
Cost					
At 1 January 2019	**36,753**	**346,874**	**23,702**	**9,997**	**417,326**
Additions	949,273	115,858	341,596	6,303	1,413,030
Disposals	0	284,331	0	9,997	294,328
As at 31 December 2019	**986,026**	**178,401**	**365,298**	**6,303**	**1,536,028**
Additions	211,523	67,458	64,389	40,416	383,786
Disposals	0	0	0	0	0
As at 31 December 2020	**1,197,549**	**245,859**	**429,687**	**46,719**	**1,919,814**
Additions	0	129,962	125,067	0	255,029
Disposals	**0**	2,815	3,376	46,719	52,910
As at 31 December 2021	**1,197,549**	**373,006**	**551,378**	**0**	**2,121,933**
Depreciation and impairment					
At 1 January 2019	**13,783**	**309,936**	**11,656**	**0**	**335,375**
Additions	4,594	47,015	5,796	0	57,405
Disposals	0	280,909	0	0	280,909
As at 31 December 2019	**18,377**	**76,042**	**17,452**	**0**	**111,871**
Depreciation charge for the year	206,891	63,962	47,456	0	318,309
Disposals	0	0	0	0	0
As at 31 December 2020	**225,268**	**140,004**	**64,908**	**0**	**430,180**
Depreciation charge for the year	244,219	79,058	79,980	0	403,257
Disposals	0	2,463	2,720	0	5,183
As at 31 December 2021	**469,487**	**216,599**	**142,168**	**0**	**828,254**
Net book value					0
As at 31 December 2019	**967,649**	**102,359**	**347,846**	**6,303**	**1,424,157**
As at 31 December 2020	**972,281**	**105,855**	**364,779**	**46,719**	**1,489,634**
As at 31 December 2021	**728,062**	**156,407**	**409,210**	**0**	**1,293,679**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INTANGIBLE ASSETS

Description	Development costs	Concessions, patents, licenses	Other intangible assets	Total
Cost				
As at 01 January 2019	**-**	**156,781**	**9,698**	**166,479**
Additions	-	-	39,361	39,361
Disposals	-	-	-	-
As at 31 December 2019	**-**	**156,781**	**49,059**	**205,840**
Additions	-	3,046	-	3,046
Disposals	-	-	-	-
As at 31 December 2020	**-**	**159,827**	**49,059**	**208,886**
Additions	355,010	110,132	164,712	629,854
Disposals	-	-	72,299	72,299
As at 31 December 2021	**355,010**	**269,959**	**141,472**	**766,441**
Amortization and impairment				
As at 01 January 2019	**-**	**2,683**	**4,356**	**7,039**
Amortization	-	38,598	11,392	49,990
Disposals	-	-	-	-
As at 31 December 2019	**-**	**41,281**	**15,748**	**57,029**
Amortization	-	38,649	21,831	60,480
Disposals	-	-	-	-
As at 31 December 2020	**-**	**79,930**	**37,579**	**117,509**
Amortization	-	45,389	36,088	81,477
Disposals	-	-	-	-
As at 31 December 2021	**-**	**125,319**	**73,667**	**198,986**
Net value				
As at 31 December 2019	**-**	**115,500**	**33,311**	**148,811**
As at 31 December 2020	**-**	**79,897**	**11,480**	**91,376**
As at 31 December 2021	**355,010**	**144,640**	**67,805**	**567,455**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiary / Associate	Ownership right 01.jan.20	Ownership right 31.dec.20	Ownership right 31.dec.21	Investment value 01.jan.20	Investment value 31.dec.20	Investment value 31.dec.21
One Charles de Gaulle Residence SRL	99.99%	99.99%	99.99%	3,189,302	3,189,302	3,189,302
One Modrogan SRL	99.99%	99.99%	99.99%	89,990	89,990	89,990
One Mircea Eliade Properties SRL	99.98%	99.98%	100.00%	44,990	44,990	45,000
One Floreasca Towers SRL	99.98%	99.98%	99.98%	44,990	44,990	44,990
One Long Term Investments SRL	99.98%	100.00%	100.00%	44,990	45,000	45,000
One Lake District SRL	98.00%	98.00%	98.00%	44,100	44,100	44,100
One Herastrau Plaza SRL	98.00%	98.00%	98.00%	44,100	44,100	44,100
One Herastrau Towers SRL	98.00%	98.00%	100.00%	44,100	44,100	45,900
One Long Term Value SRL	98.00%	98.00%	98.00%	980	980	980
One United Tower SA	99.99%	70.24%	70.24%	2,876,402	3,176,548	3,176,548
One Peninsula SRL	90.00%	99.99%	100.00%	18,029,778	25,240,816	25,240,826
One Verdi Park SRL	90.00%	90.00%	95.00%	81,000	2,781,000	7,729,600
One Cotroceni Park SRL	80.00%	80.00%	80.00%	36,010	36,010	36,010
X Architecture Engineering Consult SRL	80.00%	80.00%	80.00%	160	160	160
One North Gate SA	72.13%	56.74%	62.41%	218,994	16,046,576	21,607,152
Neo Properties Development SA	70.00%	82.35%	0.00%	63,000	1,778,521	-
Skia Real Estate SRL	51.00%	51.00%	51.00%	510	510	510
Neo Floreasca Lake SRL(control prin detinere indirecta)	-	10.00%	80.59%	-	2,672,450	3,199,348
One Cotroceni Park Office SA	-	72.00%	57.25%	-	64,800	17,657,519
One Cotroceni Park Office Faza 2 SA	-	72.00%	57.25%	-	64,800	6,394,657
One Mamaia SRL	-	99.98%	99.98%	-	44,990	44,990
One Cotroceni Park Office Faza 3 SA	-	70.00%	80.00%	-	63,000	72,000
Reinvent Energy SRL	20%	20.00%	20.00%	50	50	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%	20.00%	-	40	40
Neo Herastrau Park SRL	-	-	82.00%	-	-	671,784
Neo Timpuri Noi SRL	-	-	82.33%	-	-	305,928
Neo Mamaia SRL	-	-	82.33%	-	-	273,910
One Proiect 4 SRL	-	-	100.00%	-	-	45,000
One Proiect 3 SRL	-	-	100.00%	-	-	45,000
One Proiect 5 SRL	-	-	100.00%	-	-	45,000
One Proiect 7 SRL	-	-	100.00%	-	-	45,000
One High District S.R.L.	-	-	100.00%	-	-	45,000
One Lake Club S.R.L	-	-	100.00%	-	-	45,000
Financial assets – investments in subsidiaries and associates				**24,853,446**	**55,545,123**	**90,497,644**

There were four new subsidiaries established during 2020: One Cotroceni Park Office SA, One Cotroceni Park Office Faza 2 SA, One Cotroceni Park Office Faza 3 SA and One Mamaia SRL. During 2019, there were two new subsidiaries established: One Long Term Investments SRL (former One Herastrau Real Estate SRL) and One Floreasca Towers SRL (former One Herastrau IV SRL).

On 26 January 2021, the general meeting of shareholders has approved the sale of shares held in share capital of a subsidiary with no activity, Neo Downtown SRL with a nominal value of RON/shares 10, therefore the entity exits the Group.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

In 2021, new subsidiaries were established: One Proiect 1 SRL (One High District), One Proiect 3 SRL, One Proiect 4 SRL, One Proiect 5 SRL, One Proiect 6 SRL (One Lake Club) and One Proiect 7 SRL which are 100% owned by the Company.

During 2021, the Company changed its ownership in the share capital of the subsidiary One Herastrau Towers SRL from 98% at 31 December 2020 to 100%, as well as ownership in the share capital of the subsidiaries One Mircea Eliade Properties from 99.98% to 100%.

The Company have increased its ownership in the share capital of the subsidiary One North Gate SA from 56.74% as at 31 December 2020 to 62.41% as at 31 December 2021. The total consideration price for the shares acquired is RON 5,560,575.

During December 2021, the subsidiary Neo Properties Development have been liquidated, therefore all the shares indirectly owned in Neo subsidiaries are now directly owned.

NOTE 10. LOANS GRANTED TO SUBSIDIARIES,ASSOCIATES AND OTHERS

As at 31 December 2021	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries, associates and others	24,724,694	338,295,046	363,019,740

As at 31 December 2020	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries,associates and others	-	246,315,351	246,315,351

As at 1st January 2020	Less than 1 year	1 to 5 years	Total
Financial assets – loans granted to subsidiaries,associates and others	-	201,940,386	201,940,386

We have presented below a decomposition of the loans granted at a project level:

Description	31 December 2021	31 December 2020	01 January 2020
Loans granted for acquiring new subsidiaries or associates	106,373,824	20,058,169	10,296,556
Loans granted to subsidiaries for development of office buildings	135,045,054	100,998,442	97,899,182
Loans granted to subsidiaries for development of residential projects	82,472,332	99,291,303	75,036,622
Loans granted to subsidiaries for further development of real estate projects	35,086,759	20,499,829	13,469,751
Loans granted to subsidiary which deliver architecture services for group and non-group projects	3,421,175	3,937,389	2,213,033
Other loans	620,596	1,530,219	3,025,242
Total	**363,019,740**	**246,315,351**	**201,940,386**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 10. LOANS GRANTED TO SUBSIDIARIES, ASSOCIATES AND OTHERS (continued)

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, and we have not identified any material default risk. The Company collects the amounts subsequent to the date of completion of the development of the real estate project and based on past history for the finalized projects and fair value assessment performed for investment properties at the group level as at 31 December 2021, 31 December 2020 and 1 January 2020, no indicators of impairment were identified.

NOTE 11. RIGHT OF USE ASSETS

The Company has entered into one operating lease agreement related to the rental of office surfaces with One North Gate SA (lessor). The contract has entered into force on 20 December 2019 and is signed for 60 months. Rental costs are invoiced on a monthly basis. The table bellow presents the evolution of the right of use for the periods 1 January 2020 – 31 December 2021.

Refer to Notes 17 and Note 20 for further information.

Description	**Right of use**
Cost at 01 January 2019	**0**
Additions	**5,716,810**
Disposals	**0**
Cost at 1 January 2020	**5,716,810**
Additions	0
Disposals	0
Cost at 31 December 2020	**5,716,810**
Additions	**0**
Disposals	**0**
Cost at 31 December 2021	**5,716,810**
Amortisation at 01 January 2019	**0**
Additions	36,882
Disposals	0
Amortisation at 1 January 2020	**36,882**
Additions	1,143,362
Disposals	-
Amortisation at 31 December 2020	**1,180,244**
Additions	1,143,362
Disposals	0
Amortisation at 31 December 2021	**2,323,606**
NET VALUE	
At 1 January 2020	**5,679,928**
At 31 December 2020	**4,536,566**
At 31 December 2021	**3,393,204**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 12. TRADE AND OTHER RECEIVABLES

As at 31 December 2021, 31 December 2020 and 1 January 2020 trade and other receivables are detailed as follows:

Description	31 December 2021	31 December 2020	01 January 2020
Trade receivables – customers	396,153	52,921	14,083
Trade receivables – subsidiaries and related parties	101,656,957	61,049,594	33,537,010
Total trade receivables	**102,053,110**	**61,102,515**	**33,551,093**
VAT receivable	19,353,518	27,788,835	37,463,115
Amounts to be collected from related parties / affiliates	2,949,570	1,206,935	270,384
Other receivables	112,653	104,117	3,141
Receivables representing dividends	-	24,500,000	19,258,488
Various debtors	5,673,276	4,289	11,747
Other tax receivables	664,372	16,823	37,930
Total other receivables	**28,753,389**	**53,620,999**	**57,044,805**
Total	**130,806,499**	**114,723,514**	**90,595,898**

Description	31 December 2021	31 December 2020	01 January 2020
Trade receivable - from management fee provided to subsidiaries	101,239,216	60,804,446	33,504,274
Trade receivable - subsidiaries	264,250	213,027	-
Trade receivable - other related parties	153,491	32,121	32,736
Trade receivable - other third party customers	396,153	52,921	14,083
Total	**102,053,110**	**61,102,515**	**33,551,093**
% of Trade receivable - from management fee provided to subsidiaries in total trade receivables	**99%**	**100%**	**100%**

Most of the balance of trade receivables are related to management fees invoiced to subsidiaries. The balances related to management fees are collected in general subsequent to the completion of the real estate project for which these services are rendered. The normal operating cycle of the subsidiaries is three years, but may be longer depending on the size of the project. As a result, current assets include items whose realization is intended and / or anticipated to occur during the normal operating cycle of the development of real estate projects by the Group.

We have performed an analysis of each individual counterparty and project attached in order to assess if an impairment would be needed. Based on our analysis, all projects are profitable, and we have not identified any default risk related to the counterparties.

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	31 December 2021	31 December 2020	01 January 2020
Cash and cash equivalents denominated in EUR	115,471,120	38,066,680	23,238,575
Cash and cash equivalents denominated in RON	6,205,367	17,747,945	4,793,845
Petty Cash - RON	5,895	1,458	5,343
Total	**121,682,382**	**55,816,083**	**28,037,763**

The ECLs relating to cash and short-term deposits of the Company is determined as not material. 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 14. PROFIT TAX

The Company's current profit tax for the years 2021, 2020 and 2019 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 2021, 31 December 2020 and 1 January 2020 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 2021	31 December 2020	01 January 2020
Deferred tax assets related to leasing liabilities	602,302	790,330	915,782
Deferred tax liabilities related to Right of Use – leases	(542,913)	(725,850)	(908,787)
Total assets /(liabilities)	**59,389**	**64,480**	**6,993**

The breakdown of tax expenses is detailed below:

Description	31 December 2021	31 December 2020
Current income tax expense	(7,841,418)	(3,397,326)
Deferred tax impact	(5,090)	57,486
Total assets /(liabilities)	**(7,846,508)**	**(3,339,840)**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. PROFIT TAX (continued)

(i) Reconciliation of effective tax rate

	2021
Gross result	**48,561,025**
16% rate	**7,769,764**
Effect of taxable elements similar to revenues	1,483,144
Effect of taxable elements similar to expenses	(142,851)
Legal reserve	(388,447)
Other tax effects	380,215
Profit tax decrease due to sponsorship expenses	(349,470)
Profit tax decrease due to bonification OUG 33/200	(910,937)
Total profit tax expenses	**7,841,418**

The main elements presented in the ETR reconciliation correspond to:

- Effect of taxable elements similar to revenues are related to the gains booked in equity related to the sale of treasury shares
- Other tax effects are related to non-deductible expenses and non-taxable income according to the Romanian tax code

NOTE 15. 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 2021 the Company's share capital is RON 514,828,059 (31 December 2020: RON 259,824,598, 31 December 2019: RON 146,964,903) divided into 2,574,140,294 shares (31 December 2020: 997,752 shares 31 December 2019: 940,455 shares) at a nominal value of RON 0.2 each (31 December 2020: 269.41, 31 December 2019: RON 156.27 each). All issued shares are fully paid.

Structure of share capital

	31 December 2021			31 December 2020			01 January 2020		
Name of shareholder	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**
Victor Capitanu	766,012,422	153,202,534	29.7580%	376,182	97,961,555	37.7030%	395,297	61,773,062	42.0326%
Andrei Diaconescu	766,012,422	153,202,534	29.7580%	376,182	97,961,555	37.7030%	395,297	61,773,062	42.0326%
Others	1,042,115,450	208,422,991	40.4840%	245,388	63,901,488	24.5940%	149,861	23,418,779	15.9348%
Total	**2,574,140,294**	**514,828,059**	**100.00%**	**997,752**	**259,824,598**	**100.00%**	**940,455**	**146,964,903**	**100.00%**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. EQUITY (continued)

(ii) Legal reserve

The legal reserve amounts to RON 4,189,617 at 1 January 2020, RON 9,009,562 as at 31 December 2020 and RON 11,437,359 at 31 December 2021.

The legal reserve 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 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) Own shares

During Q4 2020, the Company has repurchased a number of 18,243 own shares in amount of RON 26,765,560. The parties have agreed, along with the transfer of shares, to transfer any right over or in relation thereto, including, but not limited to the dividends of the Company related to the shares for the financial year 2020. All own shares were sold during 2021.

(iv) Other 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.

NOTE 16. LOANS AND BORROWINGS

Description	31 December 2021	31 December 2020	01 January 2020
Bonds	-	(82,980,346)	(95,819,727)
Other loans received from subsidiaries	(27,921,952)	-	-
Total assets /(liabilities)	**(27,921,952)**	**(82,980,346)**	**(95,819,727)**

Detailed information about the balances and transactions with related parties are presented in Note 23.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 16. LOANS AND BORROWINGS (continued)

On October 2017, the Company issued a number of 20 bonds in the nominal value of EUR 1,000,000 each, collecting their equivalent value, respectively EUR 20,000,000 on November 2017. The loan maturity is 48 months from the date of issue. For this bond loan, the Company has set up a mortgage on the shares held in the following subsidiaries companies: One Herastrau Towers SRL, One Herastrau Plaza SRL and One Verdi Park SRL. The Company has reimbursed in advance a number of 3 bonds during Q4 2020 and the remaining number of 17 bonds during Q1 2021 for EUR 1,000,000 each and therefore all pledges were removed.

The other long-term loans amounting to RON 27,921,951 at 31 December 2021 are related to a loan in EUR received from One Cotroceni Park SRL.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 25.

NOTE 17. LEASE LIABILITIES

The Company lease the administrative office space from the subsidiary One North Gate starting with December 2019.

Refer to Notes 11 and 20 for further information.

	2021	2020	2019
As at 1 January	4,939,563	5,723,637	0
Additions	0	0	5,716,810
Accretion of interest	154,452	193,222	0
Payments	(1,403,507)	(1,081,665)	0
Translation difference	73,879	104,369	6,827
As at 31 December	**3,764,387**	**4,939,563**	**5,723,637**
Long term	**2,464,740**	**3,704,514**	**4,848,165**
Short term	**1,299,647**	**1,235,049**	**875,472**

	2021	2020	2019
Depreciation expense of right-of-use assets	1,143,362	1,143,362	36,883
Interest expense on lease liabilities	154,452	193,222	-
Currency translation gain / (loss)	69,990	104,370	6,826
Rent expenses	1,403,507	1,081,665	-
Other expenses - indexation difference	3,888	-	-
Total amount recognised in profit or loss	**2,775,199**	**2,522,619**	**43,709**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 25.

NOTE 18. TRADE AND OTHER PAYABLES

Description	**31 December 2021**	**31 December 2020**	**1st January 2020**
Trade payables - affiliated entities and other related parties	910,305	456,503	1,843,762
Trade payables - Other	970,495	459,452	1,278,423
Total Trade payables	**1,880,800**	**915,955**	**3,122,185**
Other taxes and duties	370,504	6,417,136	5,350,052
Settlements between affiliated entities	88,933,711	41,957,563	27,763,391
Capital recharges with shareholders	-	634,136	15,760,188
Dividends	679,899	16,701	15,284
Other creditors	6,591,805	8,478,898	4,372,333
Total Other payables	**96,575,919**	**57,504,434**	**53,261,248**
Total Trade and other payables	**98,456,719**	**58,420,389**	**56,383,433**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. OPERATING REVENUES

Description	**2021**	**2020**
Revenues from services rendered	44,837,975	31,975,434
Revenues from rentals, service charge and similar	630,559	565,537
Other Revenues	784,769	533,598
Total operating revenues	**46,253,303**	**33,074,569**

Description	**2021**	**2020**
One Herastrau Towers SRL	1,934,399	5,737,022
One Mircea Eliade Properties SRL	6,317,834	11,598,236
One United Tower SRL	871,240	3,217,603
Neo Mamaia SRL	675,184	5,242,310
One Verdi Park SRL	10,031,492	6,180,263
Neo Timpuri Noi SRL	5,787,528	-
One Peninsula SRL	18,972,884	-
Third party customers	247,414	-
Total revenues from services rendered	**44,837,975**	**31,975,434**

The “Revenues from services rendered” and “Revenues from rentals, service charge and similar” are mainly in connection with management fees and rent (in connection with the utilized surfaces) invoiced to related parties. Detailed information about the balances and transactions with related parties are presented in Note 23.

NOTE 20. OPERATING EXPENSES

Description	**2021**	**2020**
Expenditures on raw materials and consumables	-	6,609
Other material expenses	36,400	133,621
Other external expenses	137,115	82,514
Other operating expenses	6,565,289	3,640,211
Tax expenses	-	51,285
Staff expenses	3,645,630	3,301,303
Other expenses	1,075,970	364,466
Depreciation expenses	1,628,096	1,522,151
Provision adjustments	(84,255)	19,140
Adjustments related to inventories	-	-
Total operating expenses	**13,004,245**	**9,121,300**

Description	**2021**	**2020**
Expenses with maintenance and repair	3,882	22,158
Expenses with royalties and rents	358,651	182,966
Insurance premiums expenses	46,951	2,377
Training expenses	253,958	700
Expenses with collaborators	449,449	281,892
Expenses regarding commissions and fees	761,929	545,307
Protocol, advertising and marketing expenses	1,621,866	453,093
Transport expenses	2,302	2,542
Travel expenses	-	-
Postal and telecommunications expenses	57,855	66,093
Banking and similar fees expenses	21,224	10,916
Other expenses with services performed by third parties	2,987,222	2,072,167
Total Other operating expenses	**6,565,289**	**3,640,211**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. OPERATING EXPENSES (continued)

Description	2021	2020
Audit, limited review and valuation expenses	559,103	495,705
Other professional services, consultancy and accounting	1,666,292	731,192
Administration services	103,795	35,789
Other expenses (service fees, etc.)	234,543	429,645
Other services (IT, security, maintenance, recruitment etc.)	423,489	379,836
Total Other expenses with services performed by third parties	**2,987,222**	**2,072,167**

The fees charged by Deloitte Audit for services provided in 2021 to the company and subsidiaries within the group comprise audit fees amounting 164.3 thousand EUR (out of which statutory audit in amount of 68 thousand EUR, other audit fees in amount of 38.3 thousand EUR and other non-audit services in amount of 58 thousand EUR).

NOTE 21. NET GAIN ON DISPOSAL OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Description	2021	2020
Revenues from disposal of investments in subsidiaries and associates	-	48,072,196
Expenses from disposal of investments in subsidiaries and associates	-	(49,788)
Net Gain on disposal of investments in subsidiaries and associates	**-**	**48,022,408**

NOTE 22. FINANCIAL INCOME

Description	2021	2020
Revenues from dividends	1,881,012	20,567,563
Revenues from interest	7,436,521	10,240,258
Other financial revenues	6,780,726	-
Total financial revenues	**16,098,259**	**30,807,821**

Description	2021	2020
FX net gain	6,540,776	-
Other financial revenues	239,950	-
Total other financial revenues	**6,780,726**	**-**

NOTE 23. FINANCIAL EXPENSES

Description	2021	2020
Interest expenses	786,291	5,272,556
Other financial expenses – FX net loss	-	1,471,338
Total financial expenses	**786,291**	**6,743,894**

NOTE 24. RELATED PARTIES

The Entity's affiliates and other related parties with which have incurred transactions at 31 December 2021, 31 December 2020 and 1 January 2020 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 Properties Development SA	Romania	Subsidiaries, but dissolved at 31 December 2021
Neo Floreasca Lake SRL	Romania	Subsidiary - Affiliate
Neo Mamaia SRL	Romania	Subsidiary - Affiliate
Neo Timpuri Noi SRL	Romania	Subsidiary - Affiliate
Neo Herastrau Park SRL (former Neo Dorobanti SRL)	Romania	Subsidiary - Affiliate
Neo Downtown SRL	Romania	Other related party
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 3 SA (former One Verdi Park Office SA)	Romania	Subsidiary - Affiliate
One Mamaia SRL	Romania	Subsidiary - Affiliate
Reinvent Energy SRL	Romania	Associate
One Proiect 4 SRL	Romania	Subsidiary - Affiliate
One Proiect 3 SRL	Romania	Subsidiary - Affiliate
One Proiect 5 SRL	Romania	Subsidiary - Affiliate
One Proiect 7 SRL	Romania	Subsidiary - Affiliate
One High District S.R.L.	Romania	Subsidiary - Affiliate
One Lake Club S.R.L.	Romania	Subsidiary - Affiliate
Carpathian Estate S.R.L.	Romania	Indirect Subsidiary
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	Other related party
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
Smart Capital Investments SA	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
DR Consulting & Other Services SRL	Romania	Other related party
Samoila Valentin-Cosmin PFA	Romania	Other related party
One Energy Division SRL	Romania	Other related party

(Amounts are expressed in RON, unless otherwise mentioned)

One Holding Investments SRL	Romania	Other related party
One Holding Ver SRL	Romania	Other related party
One Holding OA SRL	Romania	Other related party
ACC Investments SRL	Romania	Other related party
CTT & ONE AG	Switzerland	Other related party
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Switzerland	Other related party
Dragos-Horia Manda	Romania	Key management personnel, Minority shareholder
Claudio Cisullo	Romania	Key management personnel, Minority shareholder
Gabriel-Ionut Dumitrescu	Romania	Key management personnel
Adriana-Anca Anton	Romania	Key management personnel
Raluca-Elena Dragan	Romania	Key management personnel
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, Minority shareholder

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	**2021**	**2020**	**2019**
Employee benefits	552,179	453,393	0

The following tables provides the total amount of transactions that have been entered into with affiliates and other related parties during 2021 and 2020 and as well as balances with related parties as at 31 December 2021, 31 December 2020 and 01 January 2020:

		Statement of financial position		
Nature of balances	**Affiliates and other related party categories**	**31 December 2021**	**31 December 2020**	**01 January 2020**
Receivables and other receivables related to goods and services sold	Key management personnel	-	6,096	7,333
	Affiliates - Subsidiaries	103,567,267	61,826,577	33,940,477
	Other related parties and associates	153,491	32,121	32,736

		Statement of financial position		
Nature of balances	**Affiliates and other related party categories**	**31 December 2021**	**31 December 2020**	**01 January 2020**
Payables related to goods and services paid	Key management personnel	-	-	-
	Affiliates - Subsidiaries	97,345,816	47,353,629	36,334,057
	Other related parties and associates	22,767	1,027	1,815

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 24. RELATED PARTIES (continued)

Nature of transactions	Affiliates and other related party categories	Income statement (Income/(expense)) 2021	2020
Interest income and other financial income	Key management personnel	-	-
	Affiliates - Subsidiaries	6,492,147	10,002,195
	Other related parties and associates	238,068	54,033
Dividends income	Key management personnel	-	-
	Affiliates - Subsidiaries	1,881,012	20,567,563
	Other related parties and associates	0	0
Rent and royalties income	Key management personnel	0	0
	Affiliates - Subsidiaries	376,685	521,056
	Other related parties and associates	3,984	2,518
Management and administration income	Key management personnel	0	0
	Affiliates - Subsidiaries	44,590,545	31,975,434
	Other related parties and associates	0	0
Rent and utilities expenses	Key management personnel	0	0
	Affiliates - Subsidiaries	1,290,609	1,345,741
	Other related parties and associates	0	1,031
Management and administration expenses	Key management personnel	449,449	281,892
	Affiliates - Subsidiaries	0	0
	Other related parties and associates	103,795	35,792

Loans granted to affiliates and other related parties		**Interest balance**	**Amounts granted to affiliates and other related parties**
	2021	13,895,502	270,358,882
	2020	23,452,157	213,137,118
Loans granted to affiliates- subsidiaries	2019	13,860,086	185,178,154
	2021	487,038	10,966,323
	2020	454,551	9,046,809
Loans granted to other related parties and associates	2019	287,497	2,389,934
	2021	-	-
	2020	-	-
Key management personnel of the Group:	2019	-	-
Total loans granted to affiliates and other related parties	**2021**	**13,895,502**	**270,358,882**
	2020	**23,906,708**	**222,183,927**
	2019	**13,866,945**	**185,178,438**

Loans received from affiliates and other related parties		**Interest balance**	**Amounts due to affiliates**
Loans received from affiliates- subsidiaries	2021	0	27,921,952

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 25. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1-Jan-19	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-19
Bonds	93,597,315	-	4,801,163	(4,896,300)	2,317,549	-	95,819,727
Lease liabilities	-	5,716,810	-	-	6,827	-	5,723,637
Total liabilities from financing activities	**93,597,315**	**5,716,810**	**4,801,163**	**(4,896,300)**	**2,324,376**	**-**	**101,543,364**

	1-Jan-20	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-20
Bonds	95,819,727	-	5,079,334	(19,726,481)	1,807,766	-	82,980,346
Lease liabilities	5,723,637	-	193,222	(1,081,665)	104,369	-	4,939,563
Total liabilities from financing activities	**101,543,364**	**-**	**5,272,556**	**(20,808,146)**	**1,912,135**	**-**	**87,919,909**

	1-Jan-21	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-21
Bonds	82,980,346	-	-	(82,980,346)	-	-	-
Lease liabilities	4,939,563	-	154,452	(1,403,507)	73,879	-	3,764,387
Total liabilities from financing activities	**87,199,909**	**-**	**154,452**	**(84,383,853)**	**73,879**	**-**	**3,764,387**

NOTE 26. CONTINGENCIES

Starting with October 2019, the Romanian tax authorities carried out a control for the VAT refund that covers the amounts requested for refund until 31 May 2019 inclusive. This control was completed in April 2020 and the Company is in process of collecting the amounts approved for reimbursement. The amounts declined are insignificant, representing approximately 1% from the total amount requested for refund, however the Company intends to challenge them in front of the authorities.

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.

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 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 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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. CONTINGENCIES (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 bases 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.
During the year 2021 and as of year-end 2021, the Group and the beneficiaries have confirmed that not all terms and conditions have been established for the stock option plan described above, so currently the grant date have not yet occurred.

As of 31 December 2021, the structure of the Company share capital was changed compared with the inception date for the stock option plan, therefore the algorithm is not directly applicable and will be modified according to the new Company structure. The approval of the modification have been submitted to the the GSM from 26 April 2022.

NOTE 27. 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 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
Financial assets for which fair values are disclosed:						
Loans granted to subsidiaries, associates and others	363,019,740	246,315,351	201,940,386	326,960,848	237,926,047	192,969,957

	Carrying amount		Fair value	
	31 December 2020	1 January 2020	31 December 2020	1 January 2020
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	82,980,346	95,819,727	82,620,512	92,429,942

As at 31 December 2021, the Company has no bank loan liabilities.

Quantitative disclosures of the Company's financial instruments in the fair value measurement hierarchy for the 3 periods are:

31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	82,620,512	-	82,620,512

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. FAIR VALUE HIERARCHY (continued)

1 January 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	92,429,942	-	92,429,942

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	326,960,848	-	326,960,848

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	237,926,047	-	237,926,047

1 January 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	192,969,957	-	192,969,957

There were no transfers between Level 1 and 2 during 2021 or 2020.

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 2021, 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 2020.

NOTE 28. EVENTS AFTER THE REPORTING PERIOD

On 8 February 2022, the Company directly acquired 100% of the shares of BO Retail Invest SRL a subsidiary which has previously acquired a controlling stake of 54.4351% in Bucur Obor, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. The transaction was subject to Competition Council clearance, which the Company received on 4 February 2022

In February 2022 the Company has acquired from a minority shareholder, Mr. Octavian Avramoiu, following participations in subsidiaries 14.41% in Neo Floreasca Lake, 12.67% in Neo Timpuri Noi, 12.67% in Neo Mamaia and 13.00% in Neo Herastrau Park.