2022

ANNUAL REPORT

one

UNITED PROPERTIES

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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, 2022, **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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MESSAGE FROM THE FOUNDERS

Dear Shareholders,

As we reflect on the past year, we are proud to report that 2022 was a year of growth for One United Properties. We achieved a 4% increase in consolidated turnover, amounting to 1.2 billion lei, driven by continued activity in the residential segment and growing income from the rental division. We are particularly pleased with the 9% YoY increase in revenues from the residential segment, which reached 769.5 million lei and a net margin of 41% (+6pp versus 2021). Additionally, rental income registered a significant growth, reaching 62.4 million lei, which is more than 9-fold higher than the previous year.

Despite the challenges we faced, such as delays in building permits, we continued to execute on our strategy of expanding our pipeline with high-quality landbank that meets the evolving needs of our clients. We are excited to share that our recent acquisitions of plots of land for One Cotroceni Towers, One City Club, One Herastrau City, as well as One Downtown, One Plaza Athénée, and Eliade Tower, are part of our ongoing commitment to continue the urban regeneration of the center of Bucharest.

Our strong financial position is a testament to our prudent approach to financial management. We ended the year with a cash position of 567 million lei despite continuous investments and dividend payouts of 78.6 million lei in the course of 2022. We will continue to apply this prudent approach in 2023, while also dedicating ourselves to investing in the capital city of Bucharest, with our CAPEX budget estimated at 1.2 billion lei, a 15% increase compared to 2022.

We are optimistic about the prospects for the real estate sector, particularly in Bucharest, which continued its positive evolution in 2022. The number of units sold in the Bucharest region increased by 8.75% compared to 2021, while sales at the national level decreased by 4.1%. These numbers confirm One United Properties' strategy of focusing on the capital city, which contributes a third to Romania's GDP and houses approximately 3 million people.

Looking ahead, we remain committed to delivering value to our shareholders and clients through our focus on quality, innovation, and sustainability. In 2023, our focus is to maintain our year-on-year increase in apartment sales while also growing revenues generated by the commercial segment. With the recent delivery of the second phase of One Cotroceni Park, the office division has increased its GLA by 34.5K sqm. Although we will not yet reach the full potential of our current office portfolio in 2023, the revenues generated by this segment will continue to grow quarter-on-quarter in the following years, in line with our IPO strategy.

We are confident that our strong financial position, coupled with our experienced team and strong pipeline of projects, will enable us to continue to grow and create value for all our stakeholders.

We invite you to read our 2022 Annual Report for more details about our activity last year. As a continuation to this report, in July 2023 we will publish an additional report – the 2022 Sustainability Report, which will provide insight into how One United Properties performed from an ESG standpoint.

Thank you for sharing the **ONE** journey with us in 2022, and we look forward to yet another exceptional year on the Bucharest Stock Exchange!

Andrei Diaconescu

co-CEO

Victor Capitanu

co-CEO

MESSAGE FROM THE CHAIRMAN

Dear Shareholders, Clients and Colleagues,

Looking back on a turbulent and in many regards challenging 2022, I am proud to conclude another highly successful business year for One United Properties and our **ONE** brand. Against the backdrop of geopolitical tensions in Europe and beyond, rapidly growing inflationary pressures and continued tightening monetary policy conditions across most major economies, we have succeeded in achieving excellent results across our group's activity portfolio.

In a demanding environment, again in 2022 we have delivered and managed homes, offices, and retail spaces with dedication to highest quality in product and service, and a green environmental footprint. Combined with our diligent financial management and a sustainable approach to growth, we are proud to present to our stakeholders in this Annual Report the details of our activities during the past 12 months, alongside the excellent financial results.

Looking back on the 15th year of our corporate history, we have kept our focus on growth in the premium residential and sustainable office development sectors, we have further diversified our income streams by increasing rental income, and we have retained a strong cash position, while simultaneously keeping low debt and leverage levels. With these strategic cornerstones in mind and despite the globally challenging environment, we have increased our consolidated turnover by 4% year-on-year to RON 1.2 bn (EUR 235.4 mn) and report an annual net profit of RON 502.5 million (EUR 101.9mn).

Having invested a considerable amount of more than RON 1 bn (EUR 204.9 mn) into our company's growth and having paid a total of RON 78.6 million (EUR 15.6 mn) in dividends to our shareholders, we were able to close the financial year 2022 with a strong cash position of RON 567 million (EUR 114.6 mn), which represents a 12% increase since the beginning of the year. With earnings per share of RON 0,14 (EUR 0,03), we have delivered our shareholders an annual yield of 15%. Our leverage ratio of 28% remains very low compared to our European peers and our net debt of RON 263.2 million (EUR 53.2 mn) corresponds to only 6% of our total assets, which amount to RON 4.2 billion (EUR 856.4 mn) and further underpin our group's financial strength.

From a business development perspective, among the key highlights of the past year have been the acquisitions of One Downtown and One Plaza Athénée, which will become part of our flagship urban regeneration portfolio. Equally importantly, following the vast demand for our properties in 2022, which considerably outweighed unit availability, we were able to finalize the necessary permitting steps in order to kick-start 2023 with a portfolio of nearly twelve hundred newly permitted residential units available for sale.

Looking ahead, we will keep our commitment to building beautiful, sustainable, high-quality homes and offices and will continue to implement our vision to transform neglected urban areas into thriving communities. As a green developer with a track-record spanning one and a half decades, we will go on with delivering to the highest standards of quality of both materials and architecture across all our projects.

Our acknowledgement and appreciation go to our clients, whose demand for the **ONE** brand grows stronger each year, as well as to the **ONE** teams, who ensure client satisfaction every single day.

Importantly, I want to thank on behalf of the Board of Directors to our shareholders for their confidence in our strategy, in our continued strength and capability for its meticulous execution as well as its further development.

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

Claudio Cisullo

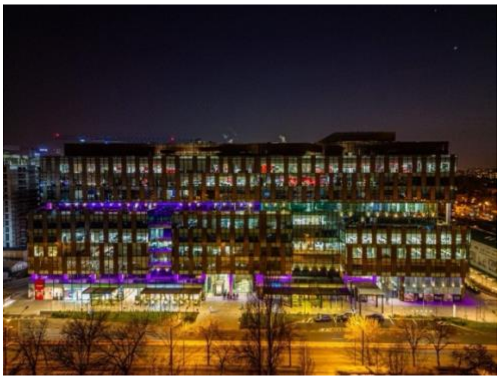
Chairman

COMPANY INFORMATION

One United Properties is the largest residential and mixed-use real estate developer and investor 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 finally, 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, safety and sustainability are at the core of ONE's residential developments.



OFFICE

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

RETAIL

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

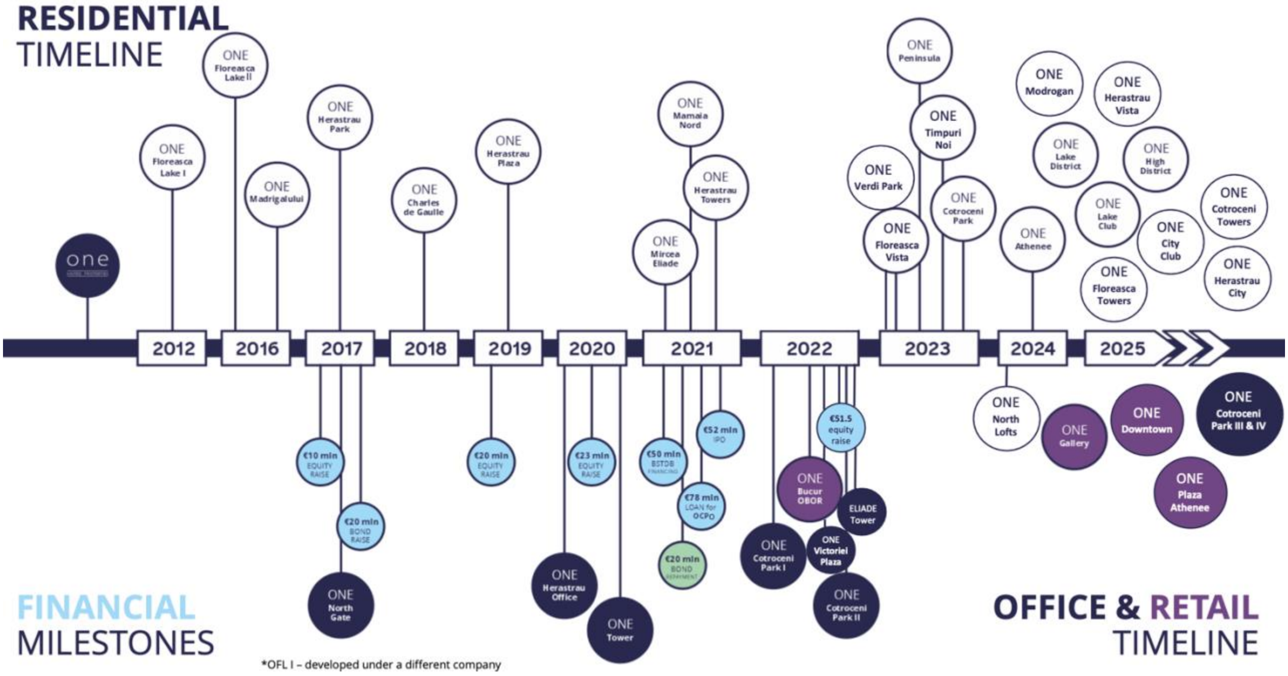
Interior design is at the core of ONE's business. All of One United Properties developments are distinguishable by the exceptional design made possible by the partnership with Lemon Interior Design, probably the best interior design studio in Romania.

KEY MILESTONES

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

Between 2019 and 2021, the transformative years, One United Properties built its first large-scale high-rise developments as well as entered the office development segment, by developing landmark One Floreasca City, which combines the residential development One Mircea Eliade and the office building, One Tower. In that period the company also announced the first developments on the mid-income market segment – One Timpuri Noi and One Cotroceni Park. This period was also dedicated to increasing the focus on sustainability and launching the company's first urban regeneration developments.

As of 2022, One United Properties focuses on large to very large developments, such as One Lake District or One High District, just to mention two. The Group has consolidated its position on the office market following the delivery of One Cotroceni Park Office Phase 1 and 2 as well as entered the retail market, under built-to-rent versus built-to-sell, following the acquisition and consolidation of Bucur Obor.



As of 2023, the delivery dates are estimated.

SCOPE OF BUSINESS

STRATEGY OF PROFITABLE GROWTH

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

The main directions of action to achieve this are:

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

RESIDENTIAL MARKET IN 2022 & 2023 PROSPECTS

According to SVN's Bucharest Residential Market Q4 2022 Snapshot, issued in January 2023, year 2022 brought new records on Bucharest's regional residential market, despite the war started in Ukraine at the beginning of last year, the record inflation rates, explosive interest rates increases and the uncertainty regarding macroeconomic evolutions in a general context marked by negative speeches and forecasts. SVN estimates that 2022 ended with a new sales record in Bucharest and its surroundings.

The number of units sold last year in Bucharest's region increased by 8.75% compared to 2021, according to official data published by the National Agency for Cadastre and Land Registration, thus continuing the positive evolution also registered in 2021, when the increase was 37% over 2020 result. It is important to underline that at the national level, the number of residential units sold in 2022 registered a 4.1% decrease, therefore validating the Group's strategy to focus on Bucharest and surrounding areas. The decrease in the number of transactions concluded at national level in 2022 was not felt in the Bucharest - Ilfov region despite the difficult general macroeconomic context and the uncertainties regarding the developments of the market and of the local economy in general.

An interesting aspect related to 2022 evolution of the residential sales was noted by SVN, namely the fact that one of four quarters of 2022, namely Q3 2022, brought an annual decrease in home sales, as the market recorded a seasonality trend, in a context of a high number of holidays. At the same time, Q4 2022 was the best quarter in the modern history of the local market in terms of home sales recorded in Bucharest and its surroundings, this evolution also being reflected in One United Properties' performance.

In terms of residential deliveries in Bucharest, SVN estimates that the number of units delivered was slightly smaller in 2022 compared to 2021 (2022: 21,328 versus 2021: 22,010). The number of units delivered is expected to continue the downward trend, with 19,000 units being estimated for delivery in 2023. Out of these deliveries estimated for 2023 in Bucharest, 54.3% units are in the mass-market (prices up to EUR 1,500 per sqm), 41.3% in the middle market (prices from EUR 1,500 up to 2,300 per sqm) and 4.4% in the premium market (prices above EUR 2,300 per sqm)

SVN estimates that in 2022, the Bucharest market saw a 10.5% increase in the prices on the new residential units' segment. In parallel, the national average net monthly wage increased by 13.4% in December 2022. Mortgage loans with a total value of almost EUR 5 billion were granted in 2022, up by approximately 15% compared to the results of 2021 (figures include the refinanced loans, 2022 being a prolific year from this point of view). Over 50% of housing transactions concluded last year in Bucharest-Ilfov region were cash only, without resorting to a bank financing, according to the official data compiled by SVN Romania.

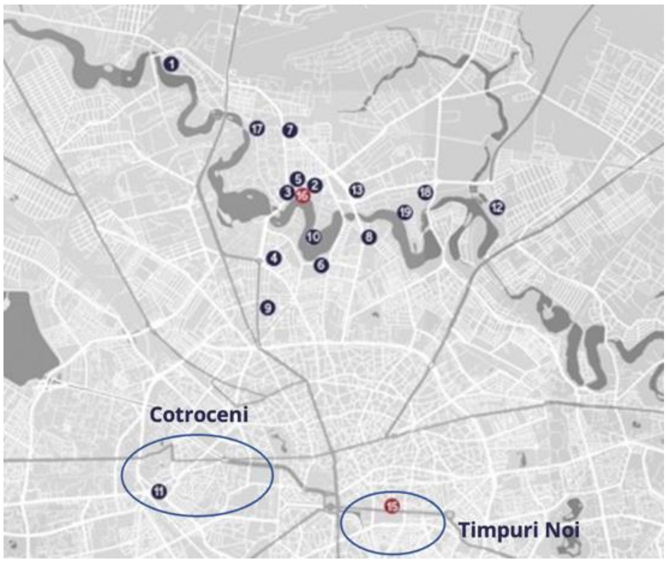
RESIDENTIAL DEVELOPMENTS

As of December 31st, 2022, One United Properties had in construction phase developments with a total of 5,692 residential units, with a total estimated Gross Development Value (GDV) of EUR 1,479 billion. In parallel, as of December 31st, 2022, One United Properties had in planning phase developments with a total of 3,056 residential units, with a total estimated GDV of EUR 859 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, Tei Lake), built by developers with excellent reputation, significant expertise on the residential market, offering unique architecture and design and a superior quality of the product. These clients have monthly incomes of €5,000-10,000 per family, or more.
- clients looking for premium developments, located in central and semi-central areas of Bucharest, built by developers with excellent reputation, ideally a well-known brand, a consistent experience on the residential market, and offering very good quality of the product. These clients have monthly incomes between €2,000 -5,000 per family.

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

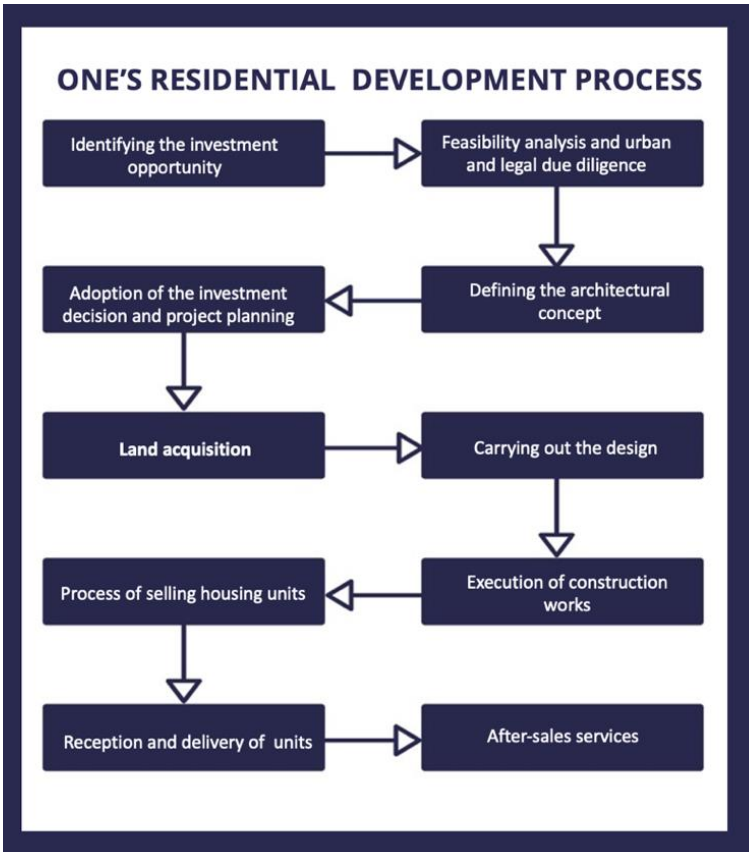


To diversify the client structure, One United Properties decided to develop in other sought-after districts, such as Cotroceni or Timpuri Noi. In these areas, the units are sold at lower prices per sqm compared to the Northern area of Bucharest, however still offering to clients the landmark design and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

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 possible through the partnership with Lemon Interior Design. Lemon Interior Design is a multi-award-winning interior design and fit-out company based in Bucharest, with clients across Europe and Middle East. 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 Interior Design, and a low margin on furniture purchases.

RESIDENTIAL DEVELOPMENT PROCESS

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



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

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

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

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

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

SUSTAINABILITY OF THE RESIDENTIAL DEVELOPMENTS

One United Properties' priority is the constant improvement of ONE's developments' parameters to better serve the environment and consequently the communities. Each year the Company invests in reducing the negative environmental impact of its developments and to optimize environmental compliance. One United Properties innovates by using refined materials, improving its processes and always striving to educate its partners and inhabitants.

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

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

OFFICE MARKET IN 2022

According to Cushman & Wakefield Echinox Bucharest Office Q4 2022 Marketbeat, in Q4 2022, there was only one new office building delivered in Bucharest, with appox. 20K of GLA. Thus, the total new supply in Bucharest in 2022 was 124K sqm of GLA, the lowest such total since 2015. Therefore, the office stock in Bucharest was of 3.32 million sqm at the end of the year. Q4 has been a very robust quarter in terms of demand (101K sqm being transacted, the highest quarterly amount since Q4 2019), with the total for the year reaching 324K sqm (+8.6% compared with 2021), as the net take-up (excluding renegotiations) had a share of 57% (vs. 56% in 2021). In 2022, One United Properties leased 35.7K sqm of GLA (+59% versus 2021 leasing activity) and had the highest net share of the office relocations market in 2022. The overall vacancy rate increased to 15.2%, a level consistent with the last 18 months.

According to Cushman & Wakefield Echinox, the prime headline rent in Bucharest continued upward trend in Q4 2022, reaching a level of around €20.00/ sq. m/month in the CBD area, with further increases expected in other submarkets in the following 12 months due to the low office pipeline. There are currently under construction office projects totaling 109K sqm GLA, a low pipeline, of which 34K are located within One Cotroceni Park Phase 2.

OFFICE DEVELOPMENTS

Building on its residential success, One United Properties entered the office segment in November 2017 through the acquisition of One North Gate. As of December 31st, 2022, the company's office portfolio counts GLA of 138K sqm of office space, and it includes One Tower (GLA of 24K sqm, leased out 100%), One Cotroceni Park Phase 1 (GLA of 46K sqm, leased out 87%), One Cotroceni Park Phase 2 (GLA of 35K sqm, leased out 55%), One Victoriei Plaza (GLA of 12K sqm, leased out 100%), One North Gate (GLA of 4.5K sqm, leased out 73%), One Herastrau Office (GLA of 8K sqm, leased out 100%) and Eliade Tower (GLA of 8K sqm). Together with the retail portfolio (including mainly, Bucur Obor and One Gallery), the total commercial rental portfolio of One United Properties has a GLA of over 180K sqm.

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.

HISTORICAL LANDMARKS PORTFOLIO

As part of its long-term strategy to develop Bucharest, One United Properties is committed to restoring the city's cultural heritage, including its downtown area. This initiative aligns with ONE’s broader sustainability strategy, which the Company began implementing in 2021 after joining the UN Global Compact, the world's largest sustainability initiative. In line with this commitment, One United Properties has acquired several important historical landmarks in the center of Bucharest, which it plans to restore to its former glory: One Athénée, One Gallery, One Plaza Athénée, One Downtown. The map presents the three downtown location, with One Gallery being a part of One Floreasca City development.

ONE UNITED PROPERTIES DEVELOPMENTS IN BUCHAREST

GROUP STRUCTURE

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

The main subsidiaries of One United Properties S.A. are presented below. These companies were established or acquired with the purpose of performing certain tasks – either implementing specific developments, or assisting in the process of developing, leasing and/or selling apartments or office properties. As of December 31st, 2022, the Group consisted of 48 subsidiaries of full consolidation.

Name of the subsidiary	Activity	Ownership as of 31.12.2022
One Modrogan SRL	Real estate developer in Bucharest	99.99%
One Peninsula SRL	Real estate developer in Bucharest	100.00%
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 SRL	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	100.00%
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 - real estate brokerage	51.00%
One Lake District SRL	Real estate developer in Bucharest	98.00%
One North Gate SA	Real estate developer in Bucharest	67.69%
One United Tower SA	Real estate developer in Bucharest	70.24%
Neo[1] Floreasca Lake SRL	Real estate developer in Bucharest	95.00%
One Mamaia Nord SRL	Real estate developer in Bucharest	95.00%
Neo Timpuri Noi SRL	Real estate developer in Bucharest	95.00%
One Herastrau Vista SRL	Real estate developer in Bucharest	95.00%
One Floreasca Towers SRL	Real estate developer in Bucharest	99.99%
One Long Term Investments SRL	Real estate developer in Bucharest	100.00%
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 Bucharest	99.99%

[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) and One Herastrau Vista (former Neo Herastrau Park).

One High District S.R.L.	Real estate developer in Bucharest	100.00%
One Plaza Athenee SRL	Real estate developer in Bucharest	100.00%
One Proiect 4 SRL	Real estate developer in Bucharest	100.00%
One Proiect 5 SRL	Real estate developer in Bucharest	100.00%
One Lake Club SRL	Real estate developer in Bucharest	100.00%
One Herastrau City SRL	Real estate developer in Bucharest	100.00%
One Carpathian Lodge Magura SRL	Real estate developer in Bucharest	66.72%
One Proiect 8 SRL	Real estate developer in Bucharest	100.00%
One City Club SRL	Real estate developer in Bucharest	100.00%
One Proiect 10 SRL	Real estate developer in Bucharest	100.00%
One United Italia SRL	Real estate developer in Bucharest	90.00%
Bo Retail Invest SRL	Real estate developer in Bucharest	100.00%
Bucur Obor SA	Lease of retail space	54.44%
One United Management Services SRL	Management services	100.00%
One Proiect 11 SRL	Real estate developer in Bucharest	100.00%
One Proiect 12 SRL	Real estate developer in Bucharest	100.00%
One Proiect 14 SRL	Real estate developer in Bucharest	100.00%
One Proiect 15 SRL	Real estate developer in Bucharest	100.00%
One Victoriei Plaza SRL	Renting office premises in Bucharest	100.00%
Eliade Tower SRL	Renting office premises in Bucharest	100.00%
One Proiect 16 SRL	Real estate developer in Bucharest	100.00%
One Proiect 17 SRL	Real estate developer in Bucharest	100.00%
One Proiect 18 SRL	Real estate developer in Bucharest	100.00%
One Proiect 2 SRL	Real estate developer in Bucharest	100.00%

There were 17 subsidiaries established or acquired in 2022: One City Club SRL, One United Management Services SRL, BO Retail Invest SRL, Bucur Obor SA, One Victoriei Plaza SRL, Eliade Tower SRL as well as multiple shell companies for future projects: One Proiect 8 SRL, One Proiect 10 SRL, One Proiect 11 SRL, One Proiect 12 SRL, One Proiect 14 SRL, One Proiect 15 SRL, One Proiect 16 SRL, One Proiect 17 SRL, One Proiect 18 SRL, One Proiect 2 SRL and One United Italia SRL.

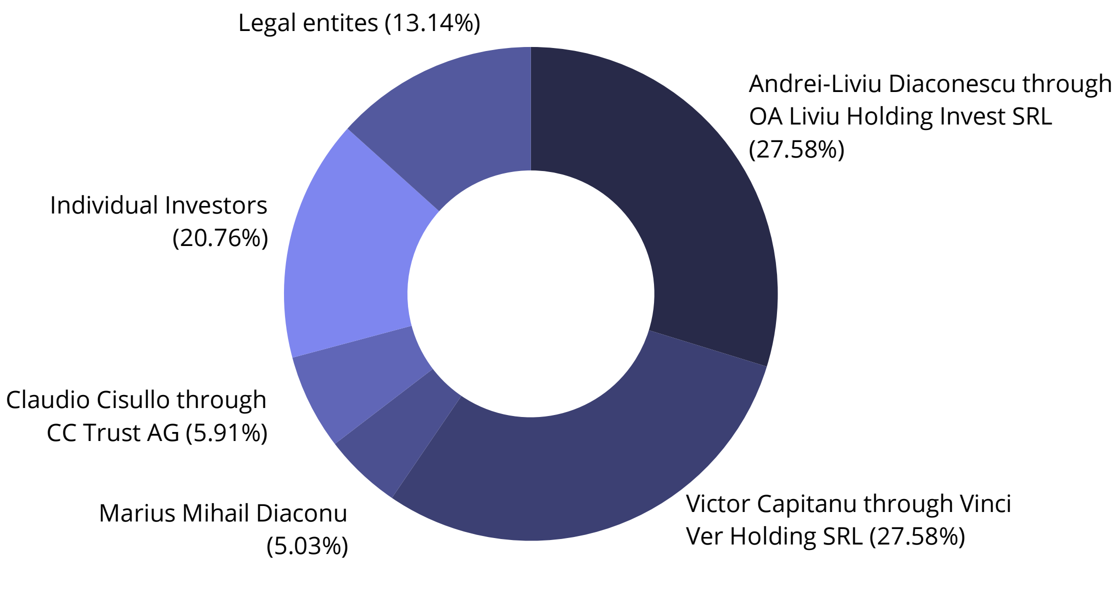
SHAREHOLDERS AND ISSUED CAPITAL

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

In 2022, the share capital of One United Properties was raised due to a new capital increase, which took place between June 27th and August 3rd, 2022. The process consisted of two stages – first, within which existing shareholders subscribed new shares based on their preference rights, and second, within which the new investors participated in a private placement. The final price per share for both stages was established at RON 1.25 and the Company raised a total of RON 253.7 million in the process. The operation was finalized on August 19th, 2022, when the ONE shares that were subscribed in the operation were transferred into the investors' accounts. Pursuant to this operation, the share capital of One United Properties reached RON 555,422,788 divided into 2,777,113,940 ordinary shares with a nominal value of RON 0.2 per share.

On November 9th, 2022, the bonus shares, distributed in proportion of 1 new share allotted for every 3 ONE shares held, were loaded in the shareholders' accounts. Pursuant to this operation, the share capital of One United Properties reached RON 740,563,717.20 divided into 3,702,818,586 ordinary shares with a nominal value of RON 0.2 per share.

Consequently, the share capital of One United Properties as of December 31st, 2022, was RON 740,563,717.20 divided into 3,702,818,586 shares with a nominal value of RON 0.2 per share. As of December 31st, 2022, One United Properties had 6,373 shareholders (+101% compared to the situation post-IPO). The shareholding structure of the company as of December 31st, 2022, was as follows:



Andrei-Liviu Diaconescu and Victor Capitanu, the founding shareholders of One United Properties are each holding 27.58% of the Company though their investment vehicles, OA Liviu Holding Invest SRL and, respectively, Vinci Ver Holding SRL. Moreover, Andrei-Liviu Diaconescu holds directly 23,926,462 ONE shares, and Victor Capitanu holds directly 23,926,462 ONE shares. Excluding all the shares held by the co-founders and stakes held by CC Trust and Mr. Marius Mihail Diaconu, the effective free float of the company as of December 31st, 2022 is 32.6%.

One United Properties S.A. held 5,144 own shares, representing 0.0001% of share capital, as of December 31st, 2022. The increase was due to the payment of the bonus shares on November 9th, 2022. The 4.353 shares were attributed to One United Properties automatically by accumulating share fragments resulting from the algorithm used for the distribution of bonus shares (1 to 3), which were paid in cash to shareholders. Therefore, One United Properties did not directly purchase these share, but they have been acquired automatically within the share capital increase operation. All shares were paid in full.

ONE ON THE BUCHAREST STOCK EXCHANGE

In 2022, ONE was the **9th most traded stock on BVB** in terms of absolute liquidity and **11th most traded by liquidity to free float**. The average daily traded value for ONE shares between January 1st and December 31st, 2022 was RON 1 million.

In a volatile 2022, ONE shares performed in line with the benchmark index BET, registering a decline of -11,9%, versus BET index which recorded a -10.7% drop, and significantly better performance than the key real estate indices FTSE EPRA Nareit Developed Europe index -36.5%, FTSE EPRA Nareit UK (ELUK) index -31.9%, STOXX Europe 600 Real Estate (SX86P) index -42.1%. The market capitalization as of December 31st, 2022, was RON 3.2 billion; the company had 6,373 shareholders (+101% compared to the situation post-IPO).

Partnership with Raiffeisen Bank

As of January 3rd, 2022, One United Properties benefits from the market maker services provided by 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 structured products – turbo certificates and warrants with ONE shares acting as underlying. **More information HERE.**

Inclusion in the FTSE EPRA Nareit EMEA Emerging index

As of June 20th, 2022, the shares of ONE were included in the FTSE EPRA Nareit EMEA Emerging Index, designed to track the performance of listed real estate companies and REITS in emerging markets. By making the index constituents free-float adjusted, liquidity, size and revenue screened, the series is suitable for use as the basis for investment products, such as derivatives and Exchange Traded Funds (ETFs). **More information HERE.**

Capital increase

In August 2022, One United Properties announced the closing of the share capital increase during which the Company raised RON 253.7 million. The process consisted of two stages – first, within which existing shareholders subscribed shares based on their preference rights, and second, within which the new investors participated in a private placement. The final price per share for both stages was established at RON 1.25. The operation was finalized on August 19th, 2022, when the ONE shares that were subscribed in the operation were transferred to the investors' accounts.

The capital raised strengthened the growth strategy of One United Properties, allowing the company to seize additional opportunities in the market. The new equity was invested with priority in new residential developments located primarily in Bucharest. Six locations out of the ten announced at the time of the capital increase in August 2022 were already acquired and made public: One City Club, One Herastrau City, One Cotroceni Towers, One Plaza Athénée, One Downtown and Eliade Tower.

Upgrade within the FTSE Global Equity Index

As of September 19th, 2022, One United Properties shares were upgraded within the FTSE Global Equity Index Series for Emerging Europe, moving from the small cap to mid-cap category, reflecting the increased market capitalization as well as the solid liquidity of ONE stock. In February 2023, this position was reconfirmed by FTSE Russell. **More information HERE.**

Research Coverage

One United Properties is one of the most covered Romanian stocks, having 7 financial analysts: Alexandru Stroila (BT Capital Partners), Ionut Gravis (BRK Financial Group), Camil Apostol (Goldring), Florin-Adrian Ciocoi (Ipopema Securities), Adrian-Cosmin Patruti (Raiffeisen Bank), Alina David (Swiss Capital) and Jakub Caithaml (Wood & Co). Two new international analysts will start covering One United Properties as of 2023.

In 2022, One United Properties did not buy back own shares. None of the subsidiaries of One United Properties held ONE shares as of December 31st, 2022. One United Properties does not have any corporate bonds issued as of December 31st, 2022.

ORGANIZATIONAL STRUCTURE

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

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

BOARD OF DIRECTORS

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

In the annual General Meeting of the Shareholders from April 26th, 2022, the shareholders elected a new Board of Directors of One United Properties, comprising of seven Members: Claudio Cisullo (elected by the Board as the Chairman of the Board of Directors), Victor Capitanu, Andrei-Liviu Diaconescu, Marius-Mihail Diaconu, Augusta-Valeria Dragic, Dragos-Horia Manda, and Magdalena Souckova. The mandate of the Board Members is of 1 year. **More information HERE.**

In 2022, the position of the Chairman of the Board of Directors was held by Mr. Claudio Cisullo.

The Members of the Board of Directors as of December 31st, 2022, are presented below. The mandates of all the Members of the Board of Directors are set to expire on April 26th, 2023, and consequently, in the General Meeting of Shareholders from April 25th, 2023, the shareholders will elect a new Board of Directors.

CLAUDIO CISULLO

Chairman of the Board of Directors, independent

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

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

Number of ONE shares held on 31.12.2022: 218,703,478 shares held through CC Trust Group AG.

VICTOR CAPITANU

Executive Member of the Board of Directors

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

Victor is a CFA charterholder, 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 31.12.2022: 23,926,462 shares held directly and 1,021,349,895, 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 31.12.2022: 23,926,462 shares held directly and 1,021,349,895 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 31.12.2022: 186,246,728 shares held directly and 9,122,582 through Altius SA.

AUGUSTA-VALERIA DRAGIC

Non-executive Member of the Board of Directors, independent

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

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

Number of ONE shares held on 31.12.2022: 2,490,666 through D Craig Investment SA.

DRAGOS-HORIA MANDA

Non-executive Member of the Board of Directors, independent

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

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

Number of ONE shares held on 31.12.2022: 28,487,047.

MAGDALENA SOUCKOVA

Non-executive Member of the Board of Directors, independent

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

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

Mrs. Souckova did not hold any ONE shares on 31.12.2022.

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

CONSULTATIVE COMMITTEES

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

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

The members of the Risk and Audit Committee as of December 31st, 2022, were:

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

The members of the Nomination and Remuneration Committee as of December 31st, 2022, were:

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

The members of the Environmental, Social, and Governance Committee as of December 31st, 2022, were:

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

EXECUTIVE MANAGEMENT

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

COSMIN SAMOILA

Chief Financial Officer

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

Number of ONE shares held on 31.12.2022: 367,379.

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 31.12.2022: 409,758.

MIHAI PADUROIU

CEO Office Division

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

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

Number of ONE shares held on 31.12.2022: 2,827,927 held through PMA PRIME PROPERTY CONSULTING SRL.

VICTOR SAVI-NIMS

Chief Legal Officer

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

Number of ONE shares held on 31.12.2022: 370,559.

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

EMPLOYEES

As of December 31st, 2022, the Group had 98 employees (out of that 92 FTE), all of whom are based in One United Properties' head office in Bucharest, Romania. Out of all employees, 91% had a university degree, with 9% holding as of end of 2022 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 87 collaborators as of December 31st, 2022.

BUSINESS PARTNER RELATIONS

In its day-to-day activity, One United Properties collaborates with many contractors. In 2022, One United Properties collaborated with approximately 1,100 third-party suppliers, out of which approximately 4% 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 2022, there were no particular changes to the supply chain of One United Properties.

KEY EVENTS IN 2022

BUSINESS HIGHLIGHTS

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 GLA of 46K sqm. **More information HERE.**

Acquisition of Bucur Obor

Following the Competition Council clearance, on February 8th, 2022, One United Properties closed the transaction of the acquisition of direct sole control over BO Retail Invest S.R.L., and indirectly the control over **Bucur Obor**, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. Bucur Obor is a shopping centre in Bucharest that opened its doors in 1975. Today, the centre is an emblematic location in Bucharest and accommodates stores of all sizes, from family businesses to well-known international brands, with a total GLA of 26K sqm. 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.**

Acquisition of One Gallery

On March 24th, 2022, One United Properties announced the acquisition of the former **Ford Factory**, located within the One Floreasca City development, named **One Gallery**. The estimated GDV upon completion is estimated at EUR 90 million. The construction works at Ford Factory begun in July 2022. Upon completion of the construction, the restored building will have a GLA of approx. 13.5K sqm, and two floors of underground parking, connected to the rest of One Floreasca City development. The space will host a mix of shops, food markets and restaurants on the ground floor and exclusive office spaces on the first floor. The access to One Gallery will be from three streets – Calea Floreasca, Banu Antonache as well as Mircea Eliade, restoring the usability of this historical landmark and bringing glory to the formerly abandoned building. **More information HERE.**

Acquisition of a plot of land for One City Club

On June 30th, 2022, One United Properties expanded the landbank through acquisition of a plot of land on 3 Ramuri Tei Street in Bucharest, with an area of 10.7K sqm, where the company intends to build a predominantly residential development called **One City Club**. The new development will have approximately 200 apartments with an estimated GBA of 37K sqm, of which 27K sqm above ground and 10K sqm underground. **More information HERE.**

Sales kickoff at One Lake Club Phase 2

On July 18th, 2022, One United Properties kicked off the sales for a new residential development, **One Lake Club (Phase 2),** having GDV of EUR 35.3 million. Phase 2 will host two buildings with 119 residential units. One Lake Club Phase 2 is part of a One Lake Club development, with total GDV of EUR 214.9 million. The clients can purchase apartments at One Lake Club using either of the three payment options (30% upon signing and 70% at delivery, 5 equal tranches or full prepayment). **More information HERE.**

100% occupancy at One Tower

On July 25th, 2022, One United Properties informed the market that **One Tower,** an office building that is part of One Floreasca City development, with a GLA of 23.8K sqm, has reached 100% occupancy. **More information HERE.**

Acquisition of a plot of land for One Herastrau City

On July 26th, 2022, the Company acquired a 36.9K sqm plot of land on Poligrafiei Boulevard no. 50-52-54, in Bucharest, where it will build a predominantly residential development called **One Herastrau City.** The new development will have an estimated 900 apartments organized in seven high-rise towers, with an estimated GBA of 220K sqm, of which 150K sqm above ground and 70K sqm underground. **More information HERE.**

Acquisition of One Victoriei Plaza

On July 27th, 2022, the Group informed the market about a takeover of a 100% stake in a company that owns and operates an office building located at 29-31 Nicolae Titulescu Boulevard in Bucharest, called **One Victoriei Plaza**. The office building has a total GLA of app. 12K sqm and it is fully leased to First Bank as a tenant for a remaining period of app. 12 years, with a break option after 7 years. The annual rental income generated by the building is approximately EUR 1.9 million and it is indexed with the yearly rate of inflation. **More information HERE.**

Sales kickoff at One Herastrau Vista

In August 2022, together with the construction kick-off, One United Properties started sales for **One Herastrau Vista**, a residential development which will host 117 units, with a GDV of EUR 38.1 million. The clients can purchase apartments at One Herastrau Vista using either of the three payment options (30% upon signing and 70% at delivery, 5 equal tranches or full prepayment). **More information HERE.**

Acquisition of Eliade Tower

On October 6th, 2022, One United Properties informed the market about the acquisition of **Eliade Tower**, an office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania. The total value of the transaction was EUR 9.5 million. The office building has a total GLA of over 8K sqm spread over 10 floors and is currently approx. 50% leased; it sits on a land plot of 4.2K sqm. The future potential of this property is still under internal analysis of the Company, considering that the plot is adjacent to One Floreasca City. **More information HERE.**

Sales kickoff at One Mamaia Nord

On October 12th, 2022, One United Properties announced it received the building permit and kicked off the sales for Phase 2 of **One Mamaia Nord,** the most exclusive development on the Romanian seaside. The new development will have an estimated GBA of approximately 17K sqm and is estimated to be finalized in Q1 2025. **More information HERE.**

One North Lofts reconversion

On October 25th, 2022, One United Properties announced it will reconvert one of the two office buildings within the One North Gate complex (18K sqm GLA) into a new residential development, **One North Lofts.** The new development will have GDV of EUR 30 million and will host 137 residential units. It is estimated to be completed in Q4 2023. **More information HERE.**

Receiving building permit for One High District

On October 27th, 2022, One United Properties announced it obtained the building permit for **One High District**, a large-scale premium development located in the Floreasca-Barbu Vacarescu area. The development will host three high-rise towers, with 786 apartments and a GDV of EUR 154.2 million. One High District is estimated to be completed in Q4 2025. **More information HERE.**

Receiving building permit for One Floreasca Towers

On November 1st, 2022, One United Properties announced it obtained the building permit for **One Floreasca Towers**, a new development located on the Gara Herastrau Street, in the Promenada Mall business district. The development will include two towers of 14-floors, hosting 208 residential units, with a total GDV of EUR 61.8 million. One Floreasca Towers is estimated to be completed in Q1 2025. **More information HERE.**

Receiving building permit for One Lake Club Phase 1

On November 8th, 2022, One United Properties announced it received the permit for the first phase of **One Lake Club**, which will host 544 residential units with GDV of EUR 179.6 million. Together with Phase 2, where the sales kicked off in July 2022, One Lake Club will host a total of 663 apartments with GDV of EUR 214.9 million. **More information HERE.**

Acquisition of One Downtown

On December 16th, 2022, One United Properties announced the conclusion of the SPA for the acquisition of three buildings located in Bucharest sector 1, at no. 19, 21 and 23 Academiei street. Following the total, full renovation, the three buildings will represent a new development of the company, **One Downtown**. The final use of the buildings will be decided later, with residential and hotel options currently being considered. The GDV is estimated at EUR 35 million. **More information HERE**.

Acquisition of One Plaza Athénée

On December 21st, 2022, the company announced signing of the SPA for a building located in Bucharest, District 1, at no. 8-10 Georges Clemenceau Street, near the Romanian Athenaeum – a unique location in the heart of the city. Following the reauthorization and completion, the building will represent a new development of the company – **One Plaza Athénée,** with GDV estimated at EUR 48 million. The final use of the building will be a five-star lifestyle hotel with 100 rooms and related services of the highest quality, such as swimming pool, spa, restaurants, and other facilities on the ground floor. The inauguration is estimated to take place in 2025. **More information HERE**.

GOVERNANCE & ESG HIGHLIGHTS

Favorable court decisions related to One Floreasca City

On April 1st, 2022, One United Properties informed the market about the favorable decision by Bucharest Court of Appeal related to One Floreasca City, which confirms the validity of the acts and actions that constituted the basis for the development and rejected the plaintiff's appeal. The court's ruling is final. **More information HERE.**

On April 15th, 2022, the Company informed the market about another favorable decision by Bucharest Court of Appeal related to One Floreasca City, which rejected plaintiff's appeal related to invalidation of environmental agreement. The court's ruling is final. **More information HERE.**

ESG Committee appointment

On April 12th, 2022, One United Properties announced the creation of the **Environmental, Social and Governance Committee** that will assist the Board of Directors in defining the sustainability strategy. It is the first-ever ESG Committee appointed by the Board of Directors of a Romanian blue-chip company. **More information HERE.**

OGSM & EGSM from April 26th, 2022

On April 26th, 2022, the Ordinary and Extraordinary General Meetings of Shareholders took place. During the GMS, the shareholders approved, among other items, the distribution of the second tranche of dividends of RON 42.5 million (with first tranche paid in October 2021, full gross dividend for 2021 is RON 75 million). The gross dividend of RON 0.0165 per share was paid on May 30th, 2022. The GMS approved the buyback of shares for treasury purposes with a total limit of RON 10 million, at a maximum acquisition price of RON 1.75 per share, a share capital increase operation with cash contributions or through the issuance of convertible bonds. The GSM also approved the framework for the implementation of the SOP for the benefit of the executive members of the Board of Directors.

The GMS also elected, as of April 26th, 2022, a new Board of Directors of One United Properties, comprising seven Members: Claudio Cisullo (elected by the Board as the Chairman of the Board of Directors), Victor Capitanu, Andrei-Liviu Diaconescu, Marius Diaconu, Augusta Dragic, Dragos Manda, and Magdalena Souckova. **More information HERE.**

Favorable court decisions related to One Peninsula

On May 25th, 2022, One United Properties informed the market about the favorable decision by Bucharest Court of Appeal related to One Peninsula, which confirms the validity of the acts and actions that constituted the basis for the development and rejected the plaintiff's appeals. The court's ruling is final. **More information HERE.**

Publication of the 2021 Sustainability Report

On July 7th, 2022, One United Properties published the **2021 Sustainability Report**, prepared using the GRI standards. The 2021 Sustainability Report builds on the Company's ESG strategy, and the information provided in the Company's Sustainability Report for 2020, published in December 2021. Following the publishing of the report, the Company kicked off the ESG rating process with one of the major specialized rating agencies. **The 2021 Sustainability Report is available HERE.**

Decision of the Bucharest Court of Appeal regarding One Modrogan

On July 8th, 2022, One United Properties informed the market about the decision of the Bucharest Court of Appeal regarding One Modrogan, suspending the construction on site temporarily, until the first ruling in the main case regarding this development. **More information HERE.**

Capital increase operation

On August 3rd, 2022, One United Properties announced the closing of the share capital increase operation during which the Company raised RON 253.7 million. The process consisted of two stages – first, within which the existing shareholders subscribed shares based on their preference rights, and second, within which new investors participated in a private placement. The final price per share for both stages was established at RON 1.25. The operation was finalized on August 19th, 2022, when the ONE shares that were subscribed in the operation were transferred to the investors' accounts. The capital raised strengthens the growth strategy of One United Properties, allowing the company to seize additional opportunities in the market. The new equity will be or already was invested with priority in new residential developments located primarily in Bucharest. Six locations out of the ten announced at the time of the capital increase in August 2022 were already acquired and made public: One City Club, One Herastrau City, One Cotroceni Towers, One Plaza Athénée, One Downtown and Eliade Tower.

OGSM & EGSM from September 28th, 2022

On September 28th, 2022, One United Properties held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the audited financial statements for H1 2022, the distribution of the first tranche of the 2022 dividend amounting to RON 36.1 million (RON 0.013 per share) as well as the distribution of bonus shares in proportion of one bonus share for every three shares. Other points on the agenda concerned the changes to the Articles of Associations, particularly related to the functioning as well as the prerogatives of the Board of Directors of One United Properties. Most notably, the shareholders approved that the mandates granted to the members of the Board of Directors will be for one year, with the possibility to be reelected. **More information HERE.**

Obtaining ESG Rating from Sustainalytics

On October 11th, 2022, One United Properties published its Environmental Social and Governance (ESG) Risk Rating issued by Morningstar Sustainalytics. Sustainalytics assessed, in September 2022, a rating of 20.0 for One United Properties, which was assessed as medium risk, exactly at the border of low risk. The ESG Risk Ratings by Sustainalytics are categorized across five risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). **More information HERE** and the **2022 ESG Rating is available HERE**.

Dividend payment

On November 3rd, 2022, One United Properties paid the half-year dividend amounting to RON 0.013 per share and on November 9th the Company allotted the shareholders bonus shares in proportion of one bonus share for every three shares held. One United Properties' dividend policy includes the payment of dividends on a semi-annual basis, with the first tranche being approved in the General Meeting of Shareholders held in September of each year based on half-year audited results and the second tranche approved in April of the following year, together with the audited annual report.

ESG Materiality Assessment

On December 30th, 2022, One United Properties published the 2022 ESG materiality survey, inviting stakeholders to join it to outline the economic, environmental, social and governance issues that could influence the company's ability to create value in the short, medium, and long term and its impact on the community. The survey is available **HERE** and the results thereof will be used to outline the structure of the 2022 Sustainability Report of One United Properties.

SALES ACTIVITY IN 2022

RESIDENTIAL SALES

599 apartments with a total surface of 52,724 sqm, 978 parking spaces and other unit types, as well as early-stage apartments were sold and pre-sold for a total of EUR 169.2 million in 2022. For comparison, in 2021, the Group sold and pre-sold 699 apartments, with a total surface of 62,514 sqm, 995 parking spaces, and other unit types, as well as early-stage apartments for a total of EUR 255.8 million. The total value of the residential sales includes the early-stage sales, which are lower margin sales that help finance land acquisition. These are the units that the Group pre-sold to early clients in developments that still need to receive building permits. The total value of these sales in 2022 was EUR 18.1 million, vs EUR 53.6 million in 2021.

The decrease in the number of units sold in 2022 compared to 2021 was the result of the lack of available stock throughout most of the year, due to significant delays from authorities in approving the building permits. The situation however got resolved in the last quarter of the year, as One United Properties received building permits for all the developments that were pending the authorities. Out of the developments permitted in Q4 2022, One United Properties started sales at One Mamaia Nord 2 in October 2022, One High District in November 2022, and One Floreasca Towers also in November 2022. Consequently, 1,080 residential units were added to sales' team portfolio in Q4 2022, of which 28% were already sold in less than a quarter. Particularly exceptional sales were registered at One High District, where 35% of units were sold within first two months since the launch. It is important to mention that the sales that were not realized in 2022 due to the delayed permitting process, for developments such as One Lake District or One Lake Club (Phase 1) will be made in 2023, therefore transferring the unrealized revenue from 2022, to 2023.

As of December 31st, 2022, 62% of apartments under development were sold out; excluding the newly added 1,080 residential units from OMN2, OFT and OHD, the contracted apartments amounted to 82% of units. Out of developments already delivered, there are only 21 units of finalized stock available for purchase. Amounts due under contracts concluded with customers as of December 31st, 2022, are EUR 231 million in additional cash by 2025 (EUR 170 million in 2023, EUR 47 million in 2024 and EUR 14 million in 2025).

In Q1 2023, One United Properties received permit for One Lake District, a residential development which will host a total of 2,076 residential units. The sales at One Lake District are expected to start within the end of this quarter, therefore resolving the permitting issue at least for the remainder of 2023.

More than half of the apartments sold by One United Properties in 2022 were two-room apartments, with a total sellable area of 22,486 sqm. This demand was particularly visible in 2022 at One High District. The significant demand was also registered for 3-room apartments, particularly at One High District, One Verdi Park, One Cotroceni Park, and One Herastrau Vista. In addition, it is important to mention that in 2022, the company also sold two high-value penthouses at One Verdi Park. The sales per apartment type in 2022, including the total saleable area of the sold units, are presented below:

Apartment type	Units sold	Saleable area (sqm)
Studio	41	2,152
2 rooms	343	22,486
3 rooms	112	10,677
4 rooms	82	11,549
5+ rooms & villas	21	5,860
TOTAL UNITS SOLD	**599**	**52,724**

The permitting of and subsequent sales kick-off at One High District resulted in excellent pre-sales of residential units at that development, where within two months, One United Properties sold 274 residential units, which amounts to 46% of all units sold in 2022. At One Cotroceni Park, in 2022 the Group pre-sold 101 residential units. Given the high demand for this development, on October 4th, 2022, One United Properties agreed with CCT&ONE Properties S.A. the buy-back of 67 residential units and 67 parking spaces that were previously sold on May 19th, 2021 (more information **HERE**). Following this transaction, in Q4 2022, One United Properties had additional 67 apartments, of which 64 were already sold during that quarter. This operation generated an additional profit of approximately EUR 1.6 million for these re-sold units. Please note that these 64 resold units were not included in the sales from 2022.

Another remarkable performance was registered at One Verdi Park, a development due in Q1 2023, where 92 units were sold during 2022, as well as One Herastrau Vista where within 6 months since starting sales, 64% of residential units are already sold. The developments that were already delivered or are currently in advanced stages of delivery registered a varying degree of a year-on-year slowdown in sales due to the low availability of the stock as developments such as One Timpuri Noi, One Floreasca Vista or One Modrogan are close to being fully sold out. The sales per development in 2022, together with the total number of units sold from the launch of the sales until December 31st, 2022, are presented below:

Development	Delivery	Units sold in 2022	Total units sold from project start	Total units developed
One Mircea Eliade	Q4 2020	4	235*	244
One Mamaia Nord 1	Q1 2021	-1	48	50
One Herastrau Towers	Q4 2021	3	137	147
One Verdi Park	H1 2023	92	288	324
One Timpuri Noi	2023	0	132	147
One Floreasca Vista	2023	4	54	63
One Cotroceni Park	Q4 2023	101**	829	900
One Peninsula	Q4 2023	3	104	167
One Modrogan	2024	-1	36	48
One Lake Club (Phase 2)	Q3 2024	47	47	137
One Herastrau Vista	Q3 2024	50	78	121
One Mamaia Nord 2	Q1 2025	4	4	86
One Floreasca Towers	Q2 2025	19	71	208
One High District	Q4 2025	274	274	786
TOTAL UNITS SOLD		**599**	**2,337**	**3,428**

NOTE: There were 43 out of 137 residential units at One North Lofts that were pre-sold in 2022. These units will only be recognized following the obtaining of the building permit, estimated for 2023.

* Units sold includes the 31 residential units at One Mircea Eliade that were reclassified to investment property and are currently rented out by One United Properties.

** The units that were bought back from CC&ONE Properties in Q4 2022 and subsequently sold within that quarter are **not** included in this number.

COMMERCIAL PORTFOLIO

As of December 31st, 2022, the company's office portfolio counts GLA of 138K sqm of office space, and it includes One Tower (GLA of 24K sqm, leased out 100%), One Cotroceni Park Phase 1 (GLA of 46K sqm, leased out 87%), One Cotroceni Park Phase 2 (GLA of 35K sqm, leased out 55%), One Victoriei Plaza (GLA of 12K sqm, leased out 100%), One North Gate (GLA of 4.5K sqm, leased out 73%), One Herastrau Office (GLA of 8K sqm, leased out 100%) and Eliade Tower (GLA of 8K sqm). Together with the retail portfolio (including mainly, Bucur Obor and One Gallery), the total commercial rental portfolio of One United Properties has a GLA of over 180K sqm.

LANDBANK

As of December 31st, 2022, One United Properties had 61,108 sqm of land plots for further residential development in Bucharest, with total above-ground gross building rights (GBA) of 248,950 sqm (105,971 sqm of land plots with above-ground GBA of 434,939 sqm as of the date of publishing this report). All these plots are currently in planning phase. The Group estimates construction of around 1,500 apartments and commercial spaces on these plots (2,800 apartments and commercial spaces as of the date of publishing this report). Additionally, One United Properties has approximately 40,000 sqm of buildings for restauration and further development.

In February 2023, the company informed the market about the conclusion of an agreement for the acquisition of a plot of land of 44,863 sqm on Soseaua Progresului 56-80, in Bucharest district 5, where the company intends to build a mixed-use development, **One Cotroceni Towers.** With estimated GDV in the range of EUR 400 million, One Cotroceni Towers will be an important mixed-use development and a landmark example of urban regeneration that will increase the attractivity of living, working, and spending leisure time in Bucharest. It will accommodate 1,296 residential units spread over five towers. Additionally, the mixed-use development will also include a standalone AAA-class, environmentally friendly office building with a Gross Leasable Area (GLA) of approximately 48,000 sqm, which will be named One Cotroceni Park Offices Phase III, continuing the success story of the first two phases that have a joint GLA of 81,000 sqm. **More information HERE.**

Besides the owned landbank, the company has a strong pipeline of new plots of land for further development. One United Properties is currently in advanced negotiations for four future developments as well as it is in early discussion or negotiation stages for more than 20 other developments. Six locations out of the ten announced at the time of the capital increase in August 2022 were already acquired and made public: One City Club, One Herastrau City, One Cotroceni Towers, One Plaza Athénée, One Downtown and Eliade Tower.

CONSOLIDATED FINANCIAL RESULTS

KEY FINANCIAL HIGHLIGHTS

- **A 4% increase in the consolidated turnover** of One United Properties in 2022 vs 2021, as the Group reached a turnover of RON 1.2 billion.
- **EBITDA** decreased 6% YoY, reaching **RON 576.1 million** in 2022, while **gross result** amounted to **RON 572.9 million** in 2022, **a 5% YoY decline.** The bottom line reached **RON 502.5 million. EPS corresponding to number of shares as yearend** 2022 of **0,14,** representing 15% earnings yield for 2022.
- Revenues from the **residential segment** reached **RON 769.5 million** in 2022, a 9% YoY increase. **Net margin** of the residential segment reached **41%,** a 6pp increase vs 2021.
- **Rental income** registered over a 9-fold increase, reaching **RON 62.4 million,** driven by revenues from tenants at One Tower, One Cotroceni Park Office Phase 1, Bucur Obor (Q1'22 acquisition) and One Victoriei Plaza (Q3'22 acquisition).
- **G&A expenses** grew 206% to **RON 99.7 million,** due to the larger scale of operations and the non-cash SOP allocation for the executive BoD members following the meeting of the performance criteria related to the growth of the value of the company in 2021, as previously reported.
- Strong **cash position** of **RON 567 million,** +12% since the beginning of the year, due to capital increase contribution which brought RON 253.7 million in Q3'22 and despite continuous investments and dividend payout of RON 78.6 million in the course of 2022.
- **Gross loan to value** ratio of **28%** as of the end of 2022, increased with the acquisition loan for One Victoriei Plaza (EUR 19 million) and other drawdowns for various developments, proving solid financials and low leverage of the Group compared with the European peers.
- **Net debt** is **RON 263.2 million**, only 6% from the total assets of RON 4.2 billion.

EARNINGS ANALYSIS

The consolidated turnover of One United Properties grew 4% in 2022 compared to 2021, reaching RON 1.2 billion. The increase in the turnover was supported by a 9% increase in revenues from sales of residential property, which reached RON 769.5 million in 2022 vs RON 703.3 million in 2021. The net income from residential property increased by 29% YoY, reaching RON 318.9 million due to the major developments getting closer to the completion, however the relative percentual margin decreased compared to result for 9 months due to the sales of developments where the construction begun in Q4 2022. This generated a 41% net margin for 2022, a 6pp increase compared to the 2021 result.

The rental income, which includes the income generated by the office as well as retail divisions, registered more than a 9-fold increase, reaching RON 62.4 million. The effect has been driven by the revenues coming from tenants at One Tower (leased out 100% as of December 31st, 2022), One Cotroceni Park Phase 1 (leased out at 87% as of December 31st, 2022 however not yet generating full income since some tenants are still in the fit-out phase), One Victoriei Plaza (acquisition finalized in Q3 2022, 100% leased out), as well as the impact of the results generated by Bucur Obor, consolidated under the retail division. The management estimates that the revenues from rental income will continue to grow QoQ, bringing even more significant weight in 2023 due to delivery of One Cotroceni Park Phase 2 as well as larger overall commercial portfolio, including One Victoriei Plaza and Bucur Obor.

In 2022, the Group recorded a decline of 82% in the gains from office building under development, due to the reclassification of One Cotroceni Park (Phase 1) to the completed investment property category. As of the end of 2022 the gain was RON 54.9 million, representing in principle the only development in progress in the office segment, One Cotroceni Park (Phase 2). On the other hand, the Group recorded gains from bargain purchase in amount of RON 94.1 million, which represent the gain from the transaction of purchasing a majority stake in Bucur Obor, at a deeply discounted price versus the value of the buildings, as they were appraised by Colliers. In addition, in 2022, the Group recorded RON 88.5 million in gains from completed investment property, representing the development of rental residential investment properties, corresponding to rental apartments at One Mircea Eliade, in line with the strategy of the company to generate more long-term profit from rental income, as well as One Tower and OCP Phase 1 gains. The Group also recorded gains from investment property for further development, which amounted to RON 75.1 million, representing adjustment on fair value mostly due to obtaining construction permits in 2022.

G&A expenses increased 206%, to RON 99.7 million, driven by the larger scale of operations and the extraordinary event of recognizing the expense related to the Stock Option Plan in Q2 2022 to be granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program for the 2021 performance. The expense was recognized in Q2, Q3 and Q4 2022 in a total non-cash value of RON 46 million (RON 42 million in Q2 2022, RON 2 million in Q3 2022 and RON 2 million in Q4 2022), in line with the IFRS reporting standards. In terms of other operating expenses, these amounted to RON 15.3 million in 2022, a 90% increase from RON 8.1 million registered in 2021. Out of the amount registered under this category in 2022, RON 7.5 million are sponsorships related to CSR activities, which are expected to be generally deducted from the profit tax, while other items include expense with provisions and allowance for impairment.

Other property operating expenses for commercial segment increased 53%, reaching RON 8.2 million in 2022. Other property operating expenses for residential segment, which includes the property expenses for residential developments completed and not yet fully delivered to clients, reached RON 5.1 million in 2022, a 2% increase. Please note that this category was introduced with Q3 2022 report, and thus the company reclassified this category of costs for 2021 and restated them in this report for comparability.

EBITDA decreased 6%, amounting to RON 576.1 million, primarily due to a decrease in the overall gains as well as the non-cash SOP implementation as described above. The gross result reached RON 572.9 million, a 5% decrease compared to 2021, while the bottom-line amounted RON 502.5 million, a 1% decline YoY. The income tax for 2022 amounted to RON 70.4 million, of which RON 10.9 million is the actual expenditure and the remaining RON 59.5 million represents the deferred tax on profit, generated by gains from fair value adjustment, which will become taxable only upon the sale of respective assets.

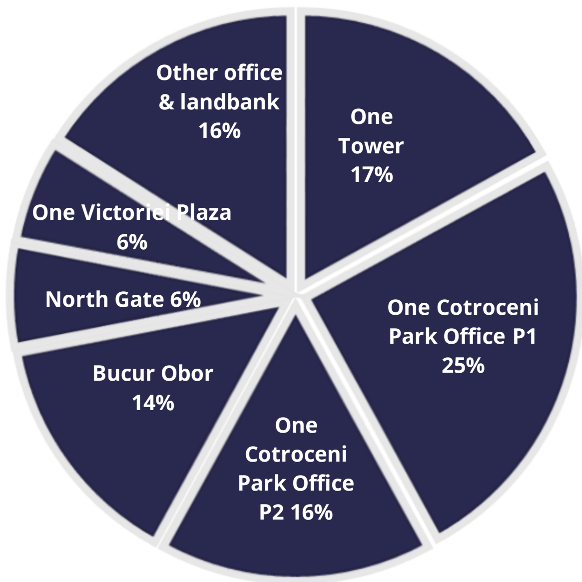
Selected P&L positions (RON)	**2022**	**2021**	**Δ %**
Revenues from sales of residential property	769,518,382	703,317,672	9%
Cost of sales of residential property	*(445,459,287)*	*(451,583,531)*	*-1%*
Other property operating expenses - residential	*(5,133,247)*	*(5,046,897)*	*2%*
Net income from residential property	***318,925,848***	***246,687,244***	***29%***
Rental income incl. revenues from tenant services	78,909,622	11,821,887	567%
Other property operating expenses - commercial	*(8,171,409)*	*(5,345,444)*	*53%*
Gains from office buildings under development	54,883,687	298,636,043	-82%
Gains from bargain purchase	94,079,969	-	100%
Gains from completed investment property	88,485,173	44,364,366	99%
Gains from investment property for further development	75,097,712	56,187,770	34%
G&A Expenses, incl. commission for brokerage	*(99,691,456)*	*(32,578,454)*	*206%*
Other operating expenses	*(15,308,340)*	*(8,065,542)*	*90%*
EBITDA	576,124,706	612,655,241	-6%
EBT	572,908,912	604,418,805	-5%
Net profit	**502,477,465**	**509,687,153**	**-1%**

ASSETS

Total assets grew 51% in 2022, reaching RON 4.2 billion.

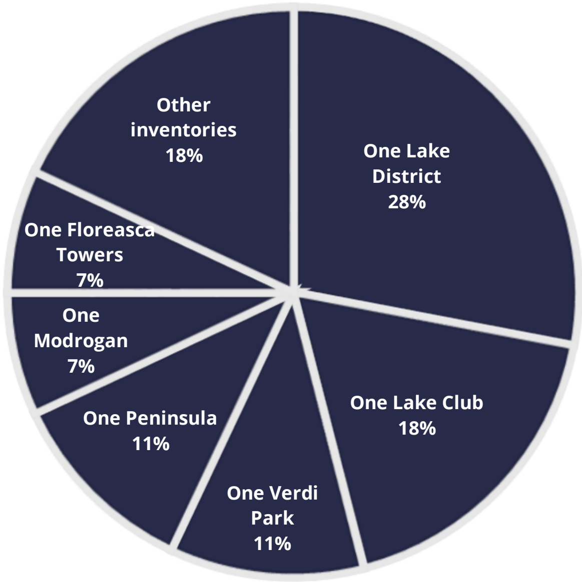
The non-current assets increased 57%, reaching RON 2.3 billion, increase driven primarily by a 55% increase in investment properties (RON 2.2 billion in 2022 vs. RON 1.4 billion in 2021), representing the commercial segment and the landbank. Almost all developments under investment properties increased their value, most notably One Cotroceni Park Office 2 (+92%), One Athénée (+50%), One Cotroceni Park Office 1 (+29%). Moreover, multiple new commercial developments (Bucur Obor, One Victoriei Plaza, One Plaza Athénée, One Downtown, Eliade Tower) as well as 31 apartments plus parking spaces at One Mircea Eliade and two units at One Mamaia Nord were also included in this category. Property, plant and equipment tripled in 2022, representing the offices occupied by the company at One Tower as of the end of 2022, difference reflecting the lower value of the property in 2021, when ONE offices were located in One North Gate. There was also an increase in the intangible assets, which reached RON 15.3 million, representing the Bucur Obor brand, as per the Purchase Price Allocation report following the finalization of the acquisition.

Office & landbank '000 RON	31.12.2022	31.12.2021
One Tower	387,166	396,116
One Cotroceni Park Office P1	569,891	440,589
One Cotroceni Park Office P2	349,442	182,234
One North Gate	131,420	126,353
One Lake District	-	168,730
One Floreasca Towers	-	47,589
One Cotroceni Park Office P3	28,992	27,353
One Athenee	50,197	33,572
One Carpathian	7,708	7,148
Bucur Obor	307,460	-
One Project 11	47,551	-
One Victoriei Plaza	138,527	-
Eliade Tower	45,021	-
One Downtown	18,846	-
One Athenee Plaza	68,066	-
Apartments for rental	101,698	19,781
TOTAL	**2,251,984**	**1,449,465**



Current assets grew 45%, reaching RON 1.9 billion due to 95% increase in trade receivables due to larger scale of business, up to RON 392 million, and a 93% increase in inventories (residential properties), which reached RON 663 million. The significant increase in the inventory represents the reclassification of One Lake District, One Lake Club, One High District and One Floreasca Towers following the obtaining of the building permits. Due to the successful closing of the share capital increase during which the company raised RON 253.7 million, and despite the continuous investments as well as dividend payout in two tranches in the course of 2022 in the total amount of RON 78.6 million, the cash position increased 12% since the beginning of the year, up to RON 567 million.

Residential Property in '000 RON	31.12.2022	31.12.2021
One Verdi Park	72,017	105,693
One Cotroceni Park - Residential	39,809	35,007
One Modrogan	43,432	29,866
One Mircea Eliade	15,862	45,598
One Peninsula	75,136	60,217
One Herastrau Towers	19,660	23,738
One Floreasca Vista	14,603	17,041
One Timpuri Noi	8,964	10,949
One Mamaia Nord 2	11,083	2,793
One Herastrau Vista	4,587	4,818
One Mamaia Nord 1	-	7,152
One High District	4,353	-
One Lake Club	117,969	-
One Lake District	188,991	-
One Floreasca Towers	45,499	-
Other inventories	1,029	1,107
TOTAL	**662,994**	**343,978**



EQUITY AND LIABILITIES

Equity grew 54% in 2022, reaching RON 2.5 billion. The increase was driven by the increase with 50% in retained earnings, which amounted to RON 1.2 billion as of the end of 2022, as well as increase in the share capital (+44%) and share premiums (+550%) due to the capital increase carried out in Q3 2022 as well as the distribution of the bonus shares in Q4 2022, resulting in transfer of a part of share premiums to share capital.

The liabilities increased 48% in 2022, amounting to RON 1.7 billion as of December 31st, 2022, as long-term liabilities grew 65%, up to RON 956.7 million, while current liabilities increased 32% up to RON 748.8 million. The increase in the non-current liabilities was driven by a 68% growth of the loans and borrowings, representing a major part of long-term bank loan amounting to approx. RON 806.2 million, which mainly represents the amounts drawn from bank loans in subsidiaries One Victoriei Plaza, One Cotroceni Park Office (Phase I and II), One Tower and One Verdi Park. This is driven, on one hand, by the office and commercial buildings which require more debt than residential developments and are finalized using long-term loans. The net impact of these loans on the cash-flow is low, since they are primarily paid with rents, and they are amortizing each year. On the other hand, the developments targeting mid- and mid-high income, where the clients have opportunity to contract apartments using 30% advance and 70% payment upon delivery, require more debt than high and very high-income developments where clients pay the full amount over the construction period (100% prepayment or 5 equal installments of 20%). Nonetheless, even with the growing office portfolio as well as decision to expand to new client segment, One United Properties maintained loan-to-value of 28%, and a net debt of RON 263.2 million, only 6% from the total assets of RON 4.2 billion.

The increase in the current liabilities was, on the other hand, driven by a 403% increase in short-term loans, which amounted to RON 172.4 million as well as 118% increase in trade and other payables, which reached RON 271.1 million, both increases being driven by larger scale of the business, developments approaching completion stage and related financing loans becoming repayable on short term.

CASH INFLOWS

Contractual cash-flows, meaning amounts to be received under pre-sales agreements concluded with customers as of 31.12.2022, amount to EUR 231m in additional cash by 2025. Please note that these are the amounts due only for the units that were pre-sold and are to be delivered in the future, excluding any sale done after 31.12.2022.

As of 01.01.2023, 2,285 units at ONE developments that are delivered or are under construction were already sold, meaning that on 01.01.2023, the sales team had a portfolio of 1,143 residential units available for sale and pre-sale. Moreover, the pre-sales for additional 1,167 units located at the first phases of One Lake District and One Lake Club will start in H1 2023. The potential cash-flows generated by these pre-sales are not included in the below graph. The actual cash inflow from residential properties for years 2020-2022 is presented for comparative purposes.

KEY FINANCIAL RATIOS

The main financial ratios of One United Properties, based on the consolidated results as of December 31st, 2022, are presented below.

Financial data in RON	31 December 2022	
Liquidity ratio		
Current assets / Current liabilities	1,893,061,301 / 748,771,067	**= 2.53**
Gearing ratio		
Interest-bearing debt / Equity x100	830,204,626 / 2,531,326,688	**= 32.8%**
Trade receivables turnover		
Average receivables :2 / Turnover	296,686,083 / 1,166,115,861	**= 0.25**
Fixed asset turnover		
Turnover / Net fixed assets	1,166,115,861 / 2,343,689,182	**= 0.50**

Loan to value

	31 December 2022	
Financial debt / Real estate assets	830,204,626 / 2,914,979,287	**= 28%**

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 2021, 2020, and 2019 gross dividends worth RON 74,973,314.85, RON 49,243,000, and RON 41,016,045.88, respectively. For 2022, One United Properties proposes to pay a total gross dividend of RON 73,130,615.64. A first tranche of gross dividends in amount of RON 36,102,481.22 was approved in OGSM in September 2022 and distributed in November 2022, and the Board of Directors proposed to the shareholders in the OGSM from April 2023 the approval of a second tranche in amount of RON 37,028,134.42. The distribution is subject to the approval of the shareholders in the annual GSM, which will take place on 25.04.2023.

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 anchored to the United Nations Sustainable Development Goals (SDGs), the collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. The Group's sustainability strategy is cored at the following principles that have the most material environmental, social and governance impact on people, communities, and the environment:

ENVIRONMENTAL STRATEGY

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

We invest in innovative energy solutions, such as geothermal pumps, to build energetically independent buildings. Aligning to the applicable regulations, we make sure that all our developments have a minimum of 30% energy coming from renewable sources.

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

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

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

Our E-targets:

- Build 100% Green Homes certified residential developments;
- Develop 100% LEED and WELL certified offices;
- Build all new office developments LEED Zero Carbon;
- Reduce CO2 emissions at the development stage, and after delivery;
- Use the best materials for the environment;
- Lower the waste production at construction level
- Protect trees and green spaces;
- Optimize water and energy usage;
- Prevent uncontrolled urban sprawl;
- Develop according to the “15-minute city concept”, lowering traffic congestion

SOCIAL STRATEGY

The ONE community is what distinguishes One United Properties from other developers. One United Properties has pioneered the mixed-use development concept in Romania, being the most important player in this segment in Romania. Mixed-use developments work against the trends of building sprawling cities and instead, they help create inclusive, connected communities. In mixed-use areas, inhabitants can find housing, restaurants, services, schools, green spaces, cultural and entertainment facilities, and more. The main vision for One United Properties developments has always been the focus on customer proximity, community building, urban regeneration, sustainability, and environmental protection. In the plot-purchasing strategy, One United Properties always focuses on identifying the large plots of land where urban scale, multi-functional projects can be designed. We always aim to deliver developments with complete social infrastructure, that includes green areas, shops and restaurants, roads, sidewalks, city furniture.

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

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

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

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

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

Our S-targets:

- 100% commitment to respect the Code of Conduct for Suppliers as of 2022;
- Ensure employee health and safety;
- Promote equality and diversity;
- Ensure tenants' and clients' health and safety by proving the best indoor & outdoor environment;
- Deliver good community relations for our clients, tenants, and local communities, offering safe and healthy surroundings;
- Regenerate and revitalize urban areas, delivering landmark developments that are incorporated into the cityscape;
- Invest 70 million euros over the next 2 years in restoring historical landmarks;
- Engage environmentally responsible behaviors within the communities;
- Provide charitable support to those in need.

GOVERNANCE STRATEGY

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

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

Our G-targets:

- Ensuring ethical business conduct;
- Setting high standards in business for subcontractors;
- Implementing strong anti-corruption rules;
- Educating and enabling our stakeholders to achieve our sustainability goals;
- Allowing all shareholders to participate remotely in GSMs;
- Medium-risk assessment to be provided by ESG-rating agency;
- 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 many laws and regulations in the field of environmental protection. These laws and regulations largely concern the management and disposal of hazardous materials, emissions into the atmosphere, accidental discharges, clean-up of contaminated areas and, in general, health and safety issues. Also, depending on the specifics of each project that the Group develops, there is an obligation to obtain opinions on agreements and / or environmental permits or to send a prior notification to the competent authorities.

As of December 31st, 2022, there were no major lawsuits related to breaches of environmental laws or regulations.

In 2023, One United Properties will pay particular attention to sustainability, continuing an ESG strategy implemented following adherence to UN Global Compact in December 2021. The **2022 Sustainability Report** will be published in July 2023.

Our purpose is to build new and improve existing communities, by developing quality, energy-efficient buildings.

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

ONE UNITED PROPERTIES'
PURPOSE STATEMENT

2023 PROSPECTS

On March 14th, 2023, One United Properties published the Revenue & Expense Budget for 2023, which was adopted by the Board of Directors on March 9th, 2023, subject to its approval in General Meeting of Shareholders on April 25th, 2023.

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

Values in RON	2023 Budgeted	2022	Δ%
Turnover	1,433,376,083	1,166,115,861	23%
Revenues from sales of residential property	1,011,304,781	769,518,382	31%
Rental income and revenues from services to tenants	164,236,483	78,909,622	108%
Result from operating activity	643,849,185	576,124,706	12%
Net Profit	529,999,290	502,477,465	5%
Investments & CAPEX	1,163,839,418	1,010,441,161	15%

For 2023, One United Properties consolidated gross turnover of RON 1.4 billion, a 23% increase compared to the 2022 result, and a consolidated gross profit of RON 622.1 million, 9% higher than the result for 2022. The net profit is estimated to reach RON 530 million in 2023, a 5% increase versus 2022, with the net margin expected at 37%. The total investments and CAPEX costs for 2023, including land acquisitions and development costs, are estimated at RON 1.2 billion.

The revenues from residential property sales are targeted to reach RON 1 billion in 2023, a 31% increase compared to the 2022 result. For 2023, the One United Properties sales team has a portfolio of 1,143 residential units available for sale and pre-sale. Additionally, pre-sales for other 1,167 units located within the first phases of One Lake District and One Lake Club will begin in the first half of 2023, bolstering the company's product pipeline and catering to the medium, medium-high, and high-end segments. Based on the high demand already recorded, the following developments are estimated to generate the most sales in 2023: One Lake District, One Lake Club, One High District, One Floreasca Towers, and One North Lofts.

The rental revenues, including rental income and revenues from services to tenants, are estimated to amount RON 164.2 million in 2023, a 108% increase compared to 2022 result. Revenues from One Cotroceni Park Phase 1, delivered in December 2021 and estimated to be fully leased out this year, will significantly increase the rental income in 2023. One Cotroceni Park Phase 2, delivered in Q1 2023, is expected to start generating revenues this year. Additionally, the rental income in 2023 will include the results generated by the assets acquired in 2022: One Victoriei Plaza and Bucur Obor.

As of January 1st, 2023, One United Properties' office portfolio has a gross leasable area (GLA) of 138K sqm. Together with the retail portfolio, including mainly Bucur Obor and One Gallery, the total commercial rental portfolio of One United Properties has a GLA of over 180K sqm.

KEY FACTORS AFFECTING GROUP RESULTS

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

GENERAL ECONOMIC ENVIRONMENT - The results of the Group can be directly affected by economic conditions, especially employment levels, inflation, real disposable income, access to mortgage loans, consumer confidence, and applicable taxes. In an unfavorable or volatile economic environment with a decrease in disposable income, the interest in purchasing apartments might decrease. This risk continues to be significant for 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 further lead to deeply unfavorable economic conditions, social unrest or, in the worst case, military confrontations in the region. The effects continue to be largely unpredictable but may include a decrease in investment, significant currency fluctuations, increases in interest rates, reduced credit availability, trade and capital flows, and increases in energy prices. These effects and other unforeseen adverse effects of the crises in the region could have a significant negative effect on the Group's business, prospects, results of operations and financial position.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LITIGATIONS – For an update on the lawsuits as of December 31st, 2022, please consult the dedicated Annex to this report.

Also there can be other risks such as:

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

CONSOLIDATED PROFIT&LOSS STATEMENT (RON)

PROFIT & LOSS STATEMENT (RON)	2022	2021	Δ %
Revenues from sales of residential property	**769,518,382**	**703,317,672**	**9%**
Cost of sales of residential property	(445,459,287)	(451,583,531)	-1%
Other property operating expenses - residential	(5,133,247)	(5,046,897)	2%
Net income from residential property	*318,925,848*	*246,687,244*	*29%*
Gains from office buildings under development	**54,883,687**	**298,636,043**	**-82%**
Gains from bargain purchase	**94,079,969**	**0**	**100%**
Rental income	**62,377,460**	**6,544,367**	**853%**
Revenues from services to tenants	**16,532,162**	**5,277,520**	**213%**
Expenses from services to tenants	(16,532,162)	(5,277,520)	213%
Other property operating expenses - commercial	(8,171,409)	(5,345,444)	53%
Net rental income	*54,206,051*	*1,198,923*	*4421%*
Commissions for brokerage real estate	(9,255,427)	(4,641,595)	99%
Administrative expenses	(90,436,029)	(27,936,859)	224%
Other operating expenses	(15,308,340)	(8,065,542)	90%
Profit on disposal of investment property	304,746	536,526	-43%
Other operating income	**5,141,316**	**5,688,365**	**-10%**
Gains from completed investment property	**88,485,173**	**44,364,366**	**99%**
Gains from investment property for further development	**75,097,712**	**56,187,770**	**34%**
Result from operating activity (EBITDA)	**576,124,706**	**612,655,241**	**-6%**
Financial income	18,348,129	2,381,231	671%
Financial expenses	(21,966,642)	(12,145,485)	81%
Share of result of associates	402,719	1,527,818	-74%
Gross profit	**572,908,912**	**604,418,805**	**-5%**
Income tax	(70,431,447)	(94,731,652)	-26%
Net profit	**502,477,465**	**509,687,153**	**-1%**

CONSOLIDATED PROFIT&LOSS STATEMENT (EUR)

PROFIT & LOSS STATEMENT (EUR)	2022	2021	Δ %
Revenues from sales of residential property	**156,041,444**	**142,939,123**	**9%**
Cost of sales of residential property	(90,329,370)	(91,777,809)	-2%
Other property operating expenses - residential	(1,040,910)	(1,025,709)	1%
Net income from residential property	*64,671,164*	*50,135,605*	*29%*
Gains from office buildings under development	**11,129,208**	**60,693,448**	**-82%**
Gains from bargain purchase	**19,077,354**	**0**	**100%**
Rental income	**12,648,780**	**1,330,048**	**851%**
Revenues from services to tenants	**3,352,360**	**1,072,579**	**213%**
Expenses from services to tenants	(3,352,360)	(1,072,579)	213%
Other property operating expenses - commercial	(1,656,982)	(1,086,384)	53%
Net rental income	*10,991,798*	*243,664*	*4411%*
Commissions for brokerage real estate	(1,876,798)	(943,337)	99%
Administrative expenses	(18,338,442)	(5,677,762)	223%
Other operating expenses	(3,104,195)	(1,639,205)	89%
Profit on disposal of investment property	61,796	109,041	-43%
Other operating income	**1,042,543**	**1,156,080**	**-10%**
Gains from completed investment property	**17,942,852**	**9,016,415**	**99%**
Gains from investment property for further development	**15,228,168**	**11,419,350**	**33%**
Result from operating activity (EBITDA)	**116,825,448**	**124,513,299**	**-6%**
Financial income	3,720,598	483,951	669%
Financial expenses	(4,454,353)	(2,468,394)	80%
Share of result of associates	81,663	310,507	-74%
Gross profit	**116,173,356**	**122,839,363**	**-5%**
Income tax	(14,281,951)	(19,252,835)	-26%
Net profit	**101,891,405**	**103,586,528**	**-2%**

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 4.9315 RON / EUR for 2022 and 4.9204 RON / EUR for 2021.

CONSOLIDATED BALANCE SHEET (RON)

BALANCE SHEET (RON)	31.12.2022	31.12.2021	Δ %
NON-CURRENT ASSETS	**2,343,689,182**	**1,492,831,494**	**57%**
Goodwill	19,256,076	19,256,076	0%
Intangible assets	15,259,605	597,608	2453%
Investment properties	2,251,984,947	1,449,465,190	55%
Right of use assets	2,687,154	3,505,452	-23%
Investments in associates	3,369,877	2,967,158	14%
Property, plant, and equipment	51,131,523	17,040,010	200%
CURRENT ASSETS	**1,893,061,301**	**1,304,327,994**	**45%**
Inventories	662,994,340	343,977,627	93%
Advance payments to suppliers	116,316,909	93,266,448	25%
Trade receivables	392,002,622	201,369,543	95%
Other receivables	129,862,443	128,441,029	1%
Prepayments	24,924,944	19,517,269	28%
Other financial assets	0	9,408,917	-100%
Cash and cash equivalents	566,960,043	508,347,161	12%
TOTAL ASSETS	**4,236,750,483**	**2,797,159,488**	**51%**
EQUITY	**2,531,326,688**	**1,646,957,218**	**54%**
Share capital	740,563,717	514,828,059	44%
Share premium	27,981,399	4,307,782	550%
Legal reserves	17,452,635	11,437,359	53%
Treasury shares	1,029	0	100%
Other capital reserves	51,848,900	1,390,179	3630%
Retained earnings	1,184,656,306	791,788,303	50%
Non-controlling interests	508,822,702	323,205,536	57%
LIABILITIES	**1,705,423,795**	**1,150,202,270**	**48%**
NON-CURRENT LIABILITIES	**956,652,728**	**581,000,467**	**65%**
Loans and borrowings	654,206,589	390,342,321	68%
Loans and borrowings from minority shareholders	3,528,882	7,472,207	-53%
Trade and other payables	23,442,273	564,912	4050%
Lease liabilities	2,646,947	2,646,947	0%
Deferred tax liabilities	272,828,037	179,974,080	52%
CURRENT LIABILITIES	**748,771,067**	**569,201,803**	**32%**
Loans and borrowings	172,421,627	34,260,754	403%
Loans and borrowings from minority shareholders	47,528	87,028	-45%
Lease liabilities	778,490	1,282,387	-39%
Trade and other payables	271,065,556	124,138,768	118%
Accrued income	11,099,273	1,145,855	869%
Current tax liabilities	717,144	2,023,447	-65%
Advance payments from customers	292,641,449	406,263,564	-28%
TOTAL EQUITY AND LIABILITIES	**4,236,750,483**	**2,797,159,488**	**51%**

CONSOLIDATED BALANCE SHEET (EUR)

BALANCE SHEET (EUR)	31.12.2022	31.12.2021	Δ %
NON-CURRENT ASSETS	**473,721,386**	**301,697,923**	**57%**
Goodwill	3,892,161	3,891,610	0%
Intangible assets	3,084,369	120,775	2454%
Investment properties	455,185,541	292,933,690	55%
Right of use assets	543,145	708,444	-23%
Investments in associates	681,141	599,656	14%
Property, plant, and equipment	10,335,029	3,443,748	200%
CURRENT ASSETS	**382,637,608**	**263,601,786**	**45%**
Inventories	134,008,639	69,517,113	93%
Advance payments to suppliers	23,510,715	18,848,942	25%
Trade receivables	79,234,067	40,696,337	95%
Other receivables	26,248,624	25,957,646	1%
Prepayments	5,037,988	3,944,397	28%
Other financial assets	0	1,901,521	-100%
Cash and cash equivalents	114,597,575	102,735,830	12%
TOTAL ASSETS	**856,358,994**	**565,299,709**	**51%**
EQUITY	**511,647,873**	**332,846,389**	**54%**
Share capital	149,687,455	104,045,605	44%
Share premium	5,655,779	870,593	550%
Legal reserves	3,527,638	2,311,465	53%
Treasury shares	208	0	100%
Other capital reserves	10,480,030	280,952	3630%
Retained earnings	239,450,278	160,018,654	50%
Non-controlling interests	102,846,485	65,319,120	57%
LIABILITIES	**344,711,121**	**232,453,320**	**48%**
NON-CURRENT LIABILITIES	**193,364,744**	**117,418,901**	**65%**
Loans and borrowings	132,232,403	78,887,315	68%
Loans and borrowings from minority shareholders	713,280	1,510,116	-53%
Trade and other payables	4,738,302	114,167	4050%
Lease liabilities	535,018	534,942	0%
Deferred tax liabilities	55,145,741	36,372,361	52%
CURRENT LIABILITIES	**151,346,377**	**115,034,419**	**32%**
Loans and borrowings	34,850,957	6,924,022	403%
Loans and borrowings from minority shareholders	9,607	17,588	-45%
Lease liabilities	157,353	259,168	-39%
Trade and other payables	54,789,497	25,088,169	118%
Accrued income	2,243,456	231,575	869%
Current tax liabilities	144,954	408,934	-65%
Advance payments from customers	59,150,553	82,104,963	-28%
TOTAL EQUITY AND LIABILITIES	**856,358,994**	**565,299,709**	**51%**

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, 4.9474 RON / EUR for 2022 and 4.9481 RON / EUR for 2021.

INDIVIDUAL PROFIT&LOSS STATEMENT (RON)

PROFIT & LOSS STATEMENT (RON)	2022	2021	Δ %
Revenues from services delivered	15,905,553	44,837,975	-65%
Revenues from rentals, service charge and similar	169,485	630,559	-73%
Other Revenues	10,235,197	784,769	1204%
Total operating revenues	**26,310,235**	**46,253,303**	**-43%**
Amortization, depreciation, and impairment net	(9,750,133)	(1,628,096)	499%
Administrative Expenses	(9,423,744)	(3,645,630)	158%
Other operating expenses	(11,558,259)	(7,814,775)	48%
Adjustments related to provisions	-	84,255	-100%
Total operating expenses	**(30,732,136)**	**(13,004,246)**	**136%**
Result from operating activity	**(4,421,901)**	**33,249,057**	**-113%**
Revenues from dividends	100,918,000	1,881,012	5265%
Revenues from interest	18,829,563	7,436,521	153%
Other financial revenues	4,753,118	6,780,726	-30%
Total financial income	**124,500,681**	**16,098,259**	**673%**
Interest expenses	(789,429)	(786,291)	0%
Total financial expenses	**(789,429)**	**(786,291)**	**0%**
Gross profit	**119,289,351**	**48,561,025**	**146%**
Tax expenses	(2,473,355)	(7,846,508)	-68%
Net profit	**116,815,996**	**40,714,517**	**187%**

INDIVIDUAL BALANCE SHEET (RON)

BALANCE SHEET (RON)	31.12.2022	31.12.2021	Δ %
NON-CURRENT ASSETS	**842,462,074**	**435,069,009**	**94%**
Property, plant and equipment	2,291,888	1,293,679	77%
Intangible assets	59,668	567,455	-89%
Financial assets - investments	209,382,429	90,497,644	131%
Financial assets - loans granted	571,982,357	338,295,046	69%
Right of use asset	17,640,137	3,393,204	420%
Deferred tax assets	1,167,931	59,389	1867%
Other non-current assets	39,937,664	962,592	4049%
CURRENT ASSETS	**267,885,990**	**277,357,389**	**-3%**
Cash and cash equivalents	137,504,656	121,682,382	13%
Financial assets - loans granted	29,095,328	24,724,694	18%
Trade receivables	726,283	102,053,110	-99%
Other receivables	100,314,789	28,753,389	249%
Prepayments	244,934	143,814	70%
TOTAL ASSETS	**1,110,348,064**	**712,426,398**	**56%**
EQUITY	**954,731,514**	**582,034,517**	**64%**
Share capital	740,563,717	514,828,059	44%
Own shares	1,029	-	N/A
Share premium	27,981,399	4,307,782	550%
Legal reserve	17,452,635	11,437,359	53%
Retained earnings	116,883,834	50,071,138	133%
Other capital reserves	51,848,900	1,390,179	3630%
LIABILITIES	**155,616,550**	**130,391,881**	**19%**
NON-CURRENT LIABILITIES	**37,411,529**	**30,494,160**	**23%**
Financial liabilities - loans and borrowings	0	27,921,952	-100%
Lease liability	17,864,412	2,464,740	625%
Other non-current liabilities	19,547,117	107,468	18089%
CURRENT LIABILITIES	**118,205,021**	**99,897,721**	**18%**
Lease liability	1,901,977	1,299,647	46%
Trade payables	933,976	1,880,800	-50%
Other payables	115,104,814	96,575,918	19%
Current tax liability	227,623	0	N/A
Deferred income	36,631	141,356	-74%
TOTAL EQUITY AND LIABILITIES	**1,110,348,064**	**712,426,398**	**56%**

BVB CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

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

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

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.				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.
A.5. Any other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions in the Board of companies and non-profit institutions, shall be disclosed to the shareholders and prospective investors prior to nomination and during the term of office thereof.	X			Information on the permanent professional commitments and obligations of the Board members, including executive and non-executive positions within companies and non-profit institutions, can be found in the CVs of the Board members, available at the Company headquarters and published of the Company's website.
A.6. Any member of the Board shall present the Board with information on any relation with a shareholder holding, either directly or indirectly, shares representing more than 5% of all voting rights.	X			The information is included in the annual reports issued by the Company.
A.7. The Company shall appoint a Secretary of the Board to be in charge of supporting the activity of the Board.	X			The Company has a General Secretary who supports the Board activities.
A.8. The Corporate Governance Statement shall stipulate whether a Board assessment has taken place under the direction of either the Chairperson or the Nomination Committee and, if so, shall summarize the key measures and the resulting changes. The Company shall have a policy/guide regarding Board assessment, including the purpose, criteria and frequency of the assessment process.			X	The Company did not have in 2022 policy nor guide on the Board assessment. There was no formal Board self-assessment made for 2022. However, the objective pursued by this provision of the BVB Corporate Governance Code is ensured by the fact that the mandates of the members of the Board of Directors are granted for limited periods of one year, an indirect assessment being therefore performed yearly by the OGMS.
A.9. The Corporate Governance Statement shall contain information on the number of Board and Committee meetings over the past year, the participation of the directors (in person and in default) and a Report by the Board and Committees on their activities.	X			The Board of Directors of One United Properties shall meet whenever necessary, but at least once every three months. During 2022, 18 Board meetings took place (17 meetings held with full attendance and 1 meetings held with 6 out of 7 members), 6 meetings for Risk and Audit Committee (all in full attendance), 1 meeting for Nomination and Remuneration Committee (full attendance), and 1 meeting for the ESG Committee (full attendance).
A.10. The Corporate Governance Statement shall include information on the exact number of independent members of the Board.	X			In 2022, five (5) Board members met all the criteria of independence provided for by the Corporate Governance Code of One United Properties.

A.11. The Board of companies in the Premium Category shall set up a Nomination Committee, 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 established in 2021 the Nomination and Remuneration Committee. The Committee consists of three members, out of whom one member is executive Board Member, Mr. Victor Capitanu. Two members of the Committee are independent. The good corporate governance pursued by the BVB Corporate Governance Code is achieved by the fact that Mr. Victor Capitanu, in his capacity as the founder of the Issuer, proved that his involvement is essential in the recruitment process of any members of the Board of Directors and Directors, but also regarding their remuneration regime for their functions, in relation to the financial situation and strategy of the Issuer. The benefits brought by his presence in the Nomination and Remuneration Committee are, therefore, compatible with the Committee's mission.
Section B – The risk management and internal control system				
B.1. The Board shall set up an Audit Committee, in which at least one member shall be independent and non-executive. Most members, including the Chair, shall have proven appropriate qualification relevant to the functions and responsibilities of the Committee. At least one member of the Audit Committee shall have proven adequate experience in auditing or accounting. In the case of companies in the Premium Category, the Audit Committee shall consist of at least three members and most members of the Audit Committee shall be independent.	X			One United Properties established in 2021 the Risk & Audit Committee. The Committee consists of four members, out of whom three members are non-executive and independent. All members of the Risk & Audit Committee, including the Chairman, have proven appropriate qualifications, as per internal rules established by the Company.
B.2. The Chair of the Audit Committee shall be an independent non-executive member.	X			The Chair of the Risk & Audit Committee is an independent non-executive member.
B.3. As part of its responsibilities, the Audit Committee shall carry out an annual assessment of the internal control system.	X			The Risk and Audit Committee conducts an annual evaluation of the Company's internal control system.
B.4. The assessment shall take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board Audit Committee, the promptness and effectiveness	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

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.				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 2022 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			The Remuneration Policy of the Company is published on the Company's website and the Remuneration Report for 2022 is part of the Annual GSM documentation, subject to shareholder's approval.
Section D – Adding value by way of the investor relations				
D.1. The Company shall organize an Investor Relations Service - indicating to the general public the officer(s) in charge or the relevant organizational unit. In addition to the information required by law, the Company shall include on its website a section dedicated to Investor Relations, in both Romanian and English, with all the relevant information of interest to investors, including: • The main corporate regulations: Articles of Association, the procedures regarding the General Shareholders' Meetings (GSM); • The professional CVs for the members of the	X			All the information as specified by the D1 provision is provided on the Company's website.

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, the forecasts may only be included in the annual,half- yearly or quarterly reports. The Forecast			X	The Company did not adopt a formal forecast policy. The Company prepares annual budgets only and does not provide any financial forecast other than the mandatory annual budgets approved by the Company's shareholders.

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 based on a prior invitation from the Chairperson of the Board. Accredited journalists may also attend General Shareholders' Meetings, unless otherwise decided by the Chairperson of the Board.	X			There is a possibility for any specialist, consultant, expert, financial analyst, or accredited journalist to participate in the GSM based on a prior invitation from the Chairman of the Board.
D.8. The quarterly and half-yearly financial reports shall include information in both Romanian and English on the key factors that influence change in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.	X			The quarterly and half-yearly financial reports include information in both Romanian and English on the key factors that cause changes in terms of sales levels, operating profit, net profit, and other relevant financial indicators, from one quarter to the next, and from one year to the next.
D.9. A Company shall hold at least two meetings/teleconferences with analysts and investors each year. The information presented on these occasions shall be published in the Investor Relations section of the Company website at the time of the meetings/teleconferences.	X			One United Properties holds two teleconferences – one in English, and another one in Romanian, each quarter thus adding up to a total of 8 teleconferences a year. The recording of each of the teleconferences is published on BVB website as well as on the Company's website. Additionally, the company hosts annually ONE Investor Day as well as engages on a continuous basis with its shareholders and analysts via dedicated events, conferences, and roadshows.
D.10. If a Company supports various forms of artistic and cultural expression, sporting, educational or scientific activities and deems their impact on the	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.

Company innovation and competitiveness to be part of its mission and development strategy, it will publish its policy on its activity in this field.				

DECLARATION OF THE MANAGEMENT

Bucharest, April 26th, 2023

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, 2022, 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, 2022, comprises accurate and real information regarding the development and performance of the company One United Properties S.A., as well as of the group to which it belongs.

Chairman of the Board of Directors

Claudio Cisullo

Executive Member of the Board of Directors

Victor Capitanu

Executive Member of the Board of Directors

Andrei-Liviu Diaconescu

ANNEXES

LIST OF RELEVANT LITIGATION FILES OF ONE GROUP COMPANIES

NOTE: **CLICK on the name of the company from the General Table will send you to the Litigation Table of the respective company.**

In the Litigation Tables of each company the pending court files, in which the ONE companies have active procedural capacity (where they are plaintiffs/ litigations that have been initiated by them) are marked with GREEN color and the pending court files, in which the ONE companies have passive procedural capacity (where they are defendants/ litigations initiated by third parties) are marked with RED color.

CLICK on the court dates indicated in the last column of the Litigation Table will send you to the afferent link from the Courts' File Portal.

CLICK on the name of the company that appears in the Litigation Table will send you back to the General Table.

NO.	CURRENT NAME AND LEGAL FORM	TRADE REGISTER NUMBER	TAX CODE	ADDRESS	FORMER NAMES/LEGAL FORMS
1.	**ONE UNITED PROPERTIES SA**	J40/21705/2007	RO 22767862	Bucharest, District 1, 20 Maxim Gorki Street	MUNIFIN SRL (16.11.2007) MUNICIPALITY FINANCE SRL (18.12.2007) ONE UNITED PROPERTIES SRL (08.04.2013)
2.	**ONE COTROCENI PARK SRL**	J40/16080/2017	RO 38236441	Bucharest, District 1, 20 Maxim Gorki Street	ONE HERASTRAU PROPERTIES SRL (15.09.2017)
3.	**ONE MIRCEA ELIADE PROPERTIES SRL**	J40/7492/2016	RO 36134550	Bucharest, District 1, 20 Maxim Gorki Street	ONE PRIMAVERII PROPERTIES SRL (19.05.2016)
	ONE UNITED TOWER SA	J40/20317/2017	RO 38586064	Bucharest, District 1, 20 Maxim Gorki Street	ONE UNITED TOWER SRL (28.02.2020)
4.	**ONE MODROGAN SRL**	J40/3313/2014	RO 32941698	Bucharest, District 1, 20 Maxim Gorki Street	ONE DOWNTOWN PROPERTIES SA (14.03.2014)
5.	**ONE PENINSULA SRL**	J40/5520/2014	RO 33142150	Bucharest, District 1, 20 Maxim Gorki Street	ONE HERASTRAU PARK RESIDENCE SA (07.05.2014) ONE HERASTRAU PARK RESIDENCE SRL (23.03.2018)
6.	**ONE MAMAIA NORD SRL**	J40/15882/2017	RO 38224218	Bucharest, District 1, 20 Maxim Gorki Street	NEO MAMAIA SRL (01.02.2022)

ONE UNITED PROPERTIES S.A.

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**27632/3/2021**	Marian Cristian Mocanu	Bucharest Tribunal	Intervention in the petition for registering the GMS decision of September 10th 2021 with the Trade Register (**classes of shares**)	On the 01.11.2021 court hearing the intervention was rejected and the Trade Register petition for GMS decision of September 10th 2021 (on classes of shares) was approved. (**2023 update**: this decision was never appealed. This case file is closed.)	-
2	**27634/3/2021**	Marian Cristian Mocanu	Bucharest Tribunal	Intervention in the petition for registering the GMS decision of September 10th 2021 with the Trade Register (**free shares**)	On the 09.11.2021 court hearing the intervention was rejected and the Trade Register petition for GMS decision of September 10th 2021 (on free shares) was approved. (**2023 update**: this decision was never appealed. This case file is closed.)	-
3	**27636/3/2021**	Marian Cristian Mocanu	Bucharest Tribunal	Intervention in the petition for registering the GMS decision of September 10th 2021 with the Trade Register (**dividends/ guest**)	On the 09.11.2021 court hearing the intervention was rejected and the Trade Register petition for GMS decision of September 10th 2021 (on dividend distribution and permanent guest) was approved. (**2023 update**: this decision was never appealed. This case file is closed.)	-
4	**29646/3/2021**	Marian Cristian Mocanu	Bucharest Appeal Court	Request for the annulment of GMS decision of September 10th 2021 (on **classes of shares and permanent guest)**	In 1st Court, on 25.05.2022, the Bucharest Tribunal has annulled the GMS decision concerning the classes of shares and has confirmed the GMS decision concerning the permanent guest. (**2023 update**: In the	-

					appeal court, on 27.02.2023, the Bucharest Appeal Court maintained the decision of the 1st Court. Although the decision of the Appeal Court is not yet communicated to the parties, it is final and binding. It can be challenged by means of extraordinary appeals, but these are very rarely approved by the courts.)	

ONE COTROCENI PARK S.R.L.

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**74586/3/2011***	CALOR S.R.L.	Bucharest Appeal Court	The subject of this litigation is a complex dispute over the validity of several Theda Mar property title documents over lots in the real estate project area, including lots purchased by One Cotroceni Park. These titles resulted from several dismantling operations, the legality of which is challenged by Calor S.R.L. The National Company for Railway Passenger Transport „CFR Călători" S.A. (SNCFR) was introduced in this litigation, also considering the existence of unused (non-functional) railway lines on the ground.	This case has already gone through a procedural cycle (first court, appeal court, second appeal court) being sent back to the first court for a retrial, when it received the file no. 74586/3/2011*. One Cotroceni Park (OCP) was introduced in the case on the **25.05.2020** court hearing. In the retrial of the case, on 13.12.2021, the Bucharest Tribunal has again rejected the claim in full. (**2023 update**: The case is now again in the Appeal stage in front of the Bucharest Appeal Court. The next hearing is scheduled for 02.05.2023. On **15.02.2023** a settlement agreement was signed with the plaintiff (CALOR). This settlement agreement includes CALOR's obligation to withdraw their claim in this litigation. Proceedings are underway for the Court to acknowledge this withdrawal.)	02.05.2023
2	**7453/3/2016**	CALOR S.R.L.	Bucharest Tribunal	Cancellation of the first sale-purchase agreement from the series of agreements through which the lots adjacent to the project area were transferred. Calor S.R.L. disputes the validity of this first sale-purchase agreement and other subsequent acts, also requesting land book rectifications.	On the **15.09.2016** court hearing, the litigation was suspended until a final and binding court decision will be issued in file 11328/3/2015. After this court file was finalized with the court dismissing the requests of the plaintiff, Calor requested that the 7453/3/2016 court file is resumed and the court introduces SNCFR and One Cotroceni Park in the case. On the **14.10.2020**, **10.02.2021** and **24.03.2021**	**SUSPENDED** on 09.06.2021

					court hearings, documents were communicated between the parties. On the **09.06.2021** court hearing, the litigation was again suspended until a final and binding solution will be issued in case files 74586/3/2011* and 6021/302/2018. (**2023 update**: On **15.02.2023** a settlement agreement was signed with the plaintiff (CALOR). This settlement agreement includes CALOR's obligation to withdraw their claim in this litigation. Proceedings are underway for the trial to be reactivated and the Court to acknowledge this withdrawal.)	
3	**11906/302/2018**	CALOR S.R.L.	District 5 Court	The purpose of this litigation is to establish the existence of constructions on the land in dispute with Theda Mar, which is also the subject of previous litigations. The alleged constructions targeted by the plaintiff consist of an alleged concrete access alleyway and a gas pipeline, apparently located on the defendants' land. The lack of certainty of the constructions actually targeted by the applicant and their actual position is confirmed even by the court which agreed to an on-spot investigation to clarify these issues, but which was postponed due to the suspension of the case.	This litigation is in the second procedural cycle (the first time, the petition was dismissed, in first court and in appeal court, as inadmissible, and in the second appeal phase the court ordered the retrial of the case). OCP was introduced in the case on **27.03.2019**, during the retrial of the case in first court. On **07.06.2019**, the trial of the case was suspended until a final and binding court solution will be issued in case files 74586/3/2011 * and 11328/3/2015. (**2023 update**: On **15.02.2023** a settlement agreement was signed with the plaintiff (CALOR). This settlement agreement includes CALOR's obligation to withdraw their claim in this litigation. Proceedings are underway for the trial to be reactivated and the Court to acknowledge this withdrawal. The next hearing is scheduled for **25.05.2023**)	25.05.2023

4	**25837/3/2020**	CALOR S.R.L.	Bucharest Tribunal	The annulment of the sale agreement between Theda Mar and OCP, regarding a plot of land adjacent to the project, purchased in order to provide additional accesses to the project, from Progresului Street. Plaintiff Calor S.R.L. uses the same arguments as in the other litigations, regarding land dismantling process, as well as the public property right of the National Company for Railway Passenger Transport „CFR Călători" S.A. on the lots. The National Company for Railway Passenger Transport „CFR Călători" S.A. was forcibly introduced as a party in this litigation.	At the first court hearing of **14.05.2021**, the court ruled on the exceptions of unconstitutionality invoked in the case by the plaintiff and postponed the case until **17.09.2021**. At the **17.09.2021** court hearing, in order to take note of the newly registered documents and to clarify the court claim, the case was again postponed until **12.11.2021** when the request for forced intervention was admitted in principle. On 25.02.2022, the case was suspended until a final settlement of the file 74586/3/2011*will be reached**.** (**2023 update**: On **15.02.2023** a settlement agreement was signed with the plaintiff (CALOR). This settlement agreement includes CALOR's obligation to withdraw their claim in this litigation. Proceedings are underway for the trial to be reactivated and the Court to acknowledge this withdrawal.)	**SUSPENDED** on 25.02.2022

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

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**31254/3/2019**	Bucharest Municipality, General Mayor of Bucharest and the Bucharest General Council	Bucharest Tribunal	The object of the litigation is represented by a guarantee claim formulated by OMEP against the Bucharest Municipality, General Mayor of Bucharest and the Bucharest General Council for the amount of 613.285.982 lei which was split from case file 4858/3/2019. The requested amount represents the damage (assessed when the petition was formulated) which would have been generated to OMEP by the annulment of the documents on the basis of which the project was built (PUZ - Zonal Urban Plan and building permit), subject to legality control in case file 4858/3/2019.	On **17.10.2019**, the case was suspended until the final settlement of court file 4858/3/2019. Case file 4858/3/2019 was won on the 1st of April 2022. As such, this litigation remained without an object, and was closed on **21.04.2022**.	-

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**25248/3/2018**	”Miscarea Civica Miliția Spirituala” Association and ”Salvați Bucureștiul” Association	Bucharest Appeal Court	In this case, the plaintiffs requested the annulment of the environmental agreement related to the first building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	In first court, on **25.08.2020** the plaintiffs' court claim was rejected in full, and they were ordered to pay over EUR 30.000 to the defendant companies, as legal expenses. The plaintiffs' appeals were rejected on **14.04.2022**. (**2023 update**: Although the decision of the Appeal Court is not yet	-

					communicated to the parties, it is final and binding. It can be challenged by means of extraordinary appeals, but these are very rarely approved by the courts.)	
2	**31627/3/2018**	”Miscarea Civica Miliția Spirituala” Association	Bucharest Tribunal	In this case, the plaintiffs requested the annulment of the first building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	On the **18.06.2019** hearing, the case file was suspended until a final and binding court decisions will be issued in case files 25248/3/2018 (concerning the environmental permit) and 4858/3/2019 (concerning the PUZ and first building permit). The case file was reinstated after final and binding decisions were issued in case files 25248/3/2018 and 4858/3/2019. On **28.06.2022**, the Court has acknowledged the withdrawal of the plaintiff's claim. (**2023 update**: this was never appealed. This case file is closed.)	-
3	**4858/3/2019**	”Salvați Bucureștiul” Association and ”SOS Orașul” Association	Bucharest Appeal Court	In this case, the plaintiffs requested the annulment of the PUZ the first building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	In first court, on **30.12.2019** court hearing, the plaintiffs' court claim was rejected in full, with the court also ordering them to pay the legal expenses to the defendant companies. On **01.04.2022** the plaintiffs' appeals were rejected. (**2023 update**: Although the decision of the Appeal Court is not yet communicated to the parties, it is final and binding. It can be challenged by means of extraordinary appeals, but these are very rarely approved by the courts.)	-
4	**32311/3/2019**	”Salvați	Bucharest Tribunal	In this case, the plaintiffs requested the annulment of the second	On the **02.06.2020** hearing, the court annulled the plaintiffs' petition to complete	-

		Bucureștiul" Association and "SOS Orașul" Association		building permit obtained for the ONE FLOREASCA CITY project in Bucharest, District 1, Calea Floreasca 159 - 165.	the main claim for not paying the relevant legal fees. The plaintiffs formulated a reexamination request on this matter (court file 32311/3/2019/a1) whish was finally dismissed on **14.07.2020**. On the **12.01.2020** court hearing, the litigation was suspended until a final and binding court decision will be issued in case file 4858/3/2019. The case was reinstated after a final and binding decision was issued in case file 4858/3/2019. In 1st Court the plaintiffs' claim was rejected in full on 16.06.2022. (**2023 update**: The decision of the Bucharest Tribunal is not yet communicated to the parties. It can be challenged by an appeal)	

ONE MODROGAN S.R.L.

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**28412/3/2022**	Bucharest Municipality, General Mayor of Bucharest and the Bucharest General Council	Bucharest Tribunal	The object of the litigation is represented by a guarantee claim formulated by One Modrogan against the Bucharest Municipality, General Mayor of Bucharest and the Bucharest General Council for the amount of 354.660.026 lei which was split from case file 11527/3/2022. The requested amount represents the damage (assessed when the petition was formulated) which would have been generated to ONE MODROGAN by the annulment of the documents on the basis of which the project was built (PUZ and building permit), subject to legality control in case file 11527/3/2022.	On **19.10.2022**, the case was suspended until the final settlement of court file 11527/3/2022. (**2023 update**: A final and binding decision has not yet been issued in case file 11527/3/2022. As such this case file remains suspended.)	**SUSPENDED** on 19.10.2022

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

					case file was suspended for the Supreme Court of Justice to decide whether or not a political party is entitled to file this type of claim. (**2023 update**: The Supreme Court of Justice refused to decide on the specified matter. The case file should be reinstated soon.)	
2	**32458/3/2021**	"Conservarea Integrată a Patrimoniului Natural și Cultural" Association	Bucharest Tribunal	In this litigation, the plaintiff requested the suspension of the PUZ and the building permit related to the project in Aleea Modrogan no. 1A until a decision will be issued concerning the legality of these documents.	In 1st Court, the plaintiff's request was rejected in full on **01.03.2022**. In the Appeal Court the plaintiff's appeal was approved and the PUZ and the building permit were suspended on **08.07.2022**. (**2023 update**: Our extraordinary appeal has also been rejected by the court. The decision is final and binding. The PUZ and the building permit will remain suspended until a 1st Court decision will be issued in case file 11527/3/2022.)	-
3	**11527/3/2022**	"Conservarea Integrată a Patrimoniului Natural și Cultural" Association	Bucharest Tribunal	In this litigation, the plaintiff requested the annulment of the PUZ and the building permit related to the project in Aleea Modrogan no. 1A, and also the demolition of the already constructed buildings.	This case file is still in 1st Court. The next hearing is scheduled for the **02.05.2023**.	02.05.2023

ONE PENINSULA S.R.L.

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**34643/3/2020**	Ciorbea Victor, Ciorbea Lacrima and others	Bucharest Tribunal	The plaintiffs have requested the annulment of the building permit, town planning certificates and deforestation permit issued for the One Peninsula project. Subsequently, as per an additional request the plaintiffs request the annulment of the urban planning documents and the document issued by the Bucharest Environmental Protection Agency, which are the basis for issuing the building permit for the One Peninsula project.	The litigation is still in 1st Court. On the **24.09.2021** court hearing, the case was postponed for the new parties to be subpoenaed in the case following the modification of the court claim. The next hearing is set for **24.03.2023**.	24.03.2023
2	**10372/3/2021**	Ciorbea Victor Ciorbea Lacrima and others	Bucharest Appeal Court	The plaintiffs requested the suspension of the building permit, town planning certificates and deforestation permit issued for the One Peninsula project.	In 1st Court, on **07.06.2021**, the court claim was rejected in full. The plaintiffs' appeals were also rejected on **20.05.2022**. This decision is final and binding and the case is closed.	-

ONE MAMAIA NORD S.R.L.

No.	Procedural court file no.	Name of opponent	Competent Court	Litigation object	Litigation status	Next court hearing
1	**3028/118/2019**	"Constanța Altfel" Association	Constanta Tribunal	The litigation refers to the cancellation of the building permit issued by the Mayor of Constanta for the Neo Mamaia project, invoking mainly aspects of nullity that would result from the alleged illegality of urban planning documents (PUZ) studying the land related to the project.	In 1st Court the plaintiff's claim was rejected on **26.04.2022**. The plaintiff did not file an appeal against this decision. As such, the decision is final and binding and the case is closed. (**2023 update**: the litigation was also cleared from the relevant land book).	-

ONE UNITED PROPERTIES SA
AND SUBSIDIARIES

Consolidated financial statements for the year ended 31 December 2022

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
One United Properties S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the consolidated financial statements of One United Properties S.A. and its subsidiaries (the Group), with registered office in Bucharest District 1, MAXIM GORKI 20, identified by unique tax registration code 22767862, which comprise the consolidated statement of financial position as at December 31, 2022, 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 consolidated financial statements as at December 31, 2022 are identified as follows:

• Net assets / Equity	RON	2,531,326,688
• Net profit for the financial year	RON	502,477,465

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, 2022, 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 2,251,984,947 as of December 31, 2022 (31 December 2021: RON 1,449,465,190). 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 769,518,382 as of December 31, 2022 (31 December 2021: RON 703,317,672). 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.

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

Other information

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

   Our opinion on the 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, 2022, 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.

   With respect to the Remuneration report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, article no. 107.

   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 and the Remuneration 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) the Remuneration report has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, article no. 107.

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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, 2022, we are required to report if we have identified a material misstatement of this Administrators' consolidated report and the Remuneration report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Ministry of Public Finance Order no. 2844/2016, 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.

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 28th September 2022 to audit the consolidated financial statements of One United Properties S.A. for the financial year ended December 31, 2022. 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, 2022.

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 Order 2844/2016.

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.

Deloitte.

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 2022 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 2022 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
March 24, 2023

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Goodwill	**7**	19,256,076	19,256,076
Intangible assets	**7**	15,259,605	597,608
Property, plant and equipment	**6**	51,131,523	17,040,010
Right of use assets	**16**	2,687,154	3,505,452
Investment properties	**8**	2,251,984,947	1,449,465,190
Investments in associates	**17**	3,369,877	2,967,158
Total non-current assets		**2,343,689,182**	**1,492,831,494**
Current assets			
Inventories	**9**	662,994,340	343,977,627
Advance payments to suppliers	**10**	116,316,909	93,266,448
Trade receivables	**11**	392,002,622	201,369,543
Other receivables	**11**	129,862,443	128,441,029
Prepayments		24,924,944	19,517,269
Other financial assets		-	9,408,917
Cash and cash equivalents	**12**	566,960,043	508,347,161
Total current assets		**1,893,061,301**	**1,304,327,994**
TOTAL ASSETS		**4,236,750,483**	**2,797,159,488**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	740,563,717	514,828,059
Share premium	**14**	27,981,399	4,307,781
Own shares	**14**	1,029	-
Other capital reserves	**14**	51,848,900	1,390,179
Legal reserve	**14**	17,452,635	11,437,359
Retained earnings		1,184,656,306	791,788,303
Equity attributable to owners of the Group		**2,022,503,986**	**1,323,751,681**
Non-controlling interests		508,822,702	323,205,535
Total equity		**2,531,326,688**	**1,646,957,216**
Non-current liabilities			
Loans and borrowings from bank and others	**15**	654,206,589	390,342,321
Loans and borrowings from minority shareholders	**15**	3,528,882	7,472,207
Trade and other payables	**18**	23,442,273	564,912
Lease liabilities	**16**	2,646,947	2,646,947
Deferred tax liabilities	**13**	272,828,037	179,974,080
Total non-current liabilities		**956,652,728**	**581,000,467**

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2022	31 December 2021
Current liabilities			
Loans and borrowings from bank and others	**15**	172,421,627	34,260,754
Loans and borrowings from minority shareholders	**15**	47,528	87,028
Lease liabilities	**16**	778,490	1,282,387
Trade and other payables	**18**	271,065,556	124,138,768
Accrued income		11,099,273	1,145,855
Current tax liabilities	**13**	717,144	2,023,447
Advance payments from customers	**19**	292,641,449	406,263,566
Total current liabilities		**748,771,067**	**569,201,805**
Total liabilities		**1,705,423,795**	**1,150,202,272**
TOTAL EQUITY AND LIABILITIES		**4,236,750,483**	**2,797,159,488**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 22 March 2023 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 2022	31 December 2021
Revenues from sales of residential property	**20**	769,518,382	703,317,672
Cost of sales of residential property	**20**	(445,459,287)	(451,583,531)
Other property operating expenses - residential		(5,133,247)	(5,046,897)
Net income from residential property		**318,925,848**	**246,687,244**
Gains from investment property under development	**8**	54,883,687	298,636,043
Gains from completed investment property	**8**	88,485,173	44,364,366
Gains from investment property for further development (landbank)	**8**	75,097,712	56,187,770
Gains from investment property		**218,466,572**	**399,188,179**
Gains on the bargain purchase	**8**	94,079,969	-
Rental income	**21**	62,377,460	6,544,367
Revenues from services to tenants		16,532,162	5,277,520
Expenses from services to tenants		(16,532,162)	(5,277,520)
Other property operating expenses		(8,171,409)	(5,345,444)
Net rental income		**54,206,051**	**1,198,923**
Commissions for brokerage real estate	**22**	(9,255,427)	(4,641,595)
Administrative expenses	**23**	(90,436,029)	(27,936,859)
Other operating expenses	**24**	(15,308,340)	(8,065,542)
Profit on disposal of investment property		304,746	536,526
Other operating income		5,141,316	5,688,365
Result from ordinary activities		**576,124,706**	**612,655,241**
Financial income	**25**	18,348,129	2,381,231
Financial expenses	**25**	(21,966,642)	(12,145,485)
Net financial result		**(3,618,513)**	**(9,764,254)**
Share of result of associates	**17**	402,719	1,527,818
Result before tax		**572,908,912**	**604,418,805**
Tax on profit	**13**	(70,431,447)	(94,731,652)
Net result of the period		**502,477,465**	**509,687,153**
Total comprehensive income for the period		**502,477,465**	**509,687,153**
Net result attributable to:			
Owners of the Group		442,014,509	391,330,530
Non-controlling interests		60,462,956	118,356,623
Total comprehensive income attributable to:			
Owners of the Group		442,014,509	391,330,530
Non-controlling interests		60,462,956	118,356,623
Basic/diluted earnings per share attributable to equity holders	**33**	0.18	0.79

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 22 March 2023 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 2022		**514,828,059**	**4,307,781**	**11,437,359**	**1,390,179**	**0**	**791,788,303**	**323,205,535**	**1,646,957,216**
Profit of the year		-	-	-	-	-	442,014,509	60,462,956	**502,477,465**
Dividends allocated from the statutory profit	14	-	-	-	-	-	(42,473,315)	(882,000)	**(43,355,315)**
Issue of ordinary shares	14	40,594,729	213,122,328	-	-	-	-	-	**253,717,057**
Issue of ordinary shares- premium shares conversion	14	185,140,929	(185,140,929)	-	-	-	-	-	**-**
IPO costs	3	-	-	-	-	-	(1,514,709)	-	**(1,514,709)**
Transfer from share premiums in other reserves		-	(4,307,781)	-	4,307,781	-	-	-	**-**
Transfer of legal reserve in/from retained earnings	14	-	-	6,015,276	-	-	(6,015,276)	-	**-**
Transactions with non-controlling interests	27	-	-	-	-	-	856,794	(10,898,032)	**(10,041,238)**
Acquisition of own shares	14	-	-	-	-	1,029	-	-	**1,029**
Stock option plan	14	-	-	-	46,150,940	-	-	-	**46,150,940**
Non-controlling interest on acquisition of subsidiary or change in share capital of subsidiary	27	-	-	-	-	-	-	136,934,243	**136,934,243**
Balance as at 31 December 2022		**740,563,717**	**27,981,399**	**17,452,635**	**51,848,900**	**1,029**	**1,184,656,306**	**508,822,702**	**2,531,326,688**

(Amounts are expressed in RON, unless otherwise mentioned)

	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**
Dividends allocated from the statutory profit	14	-	-	-	-	-	(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	3	-	-	-	-	-	(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	27	-	-	-	-	-	(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	27	-	-	-	-	-	(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**

Notes attached are an integrant part of these consolidated financial statements.

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2022	31 December 2021
Cash flows from operating activities			
Result for the year		**502,477,465**	**509,687,153**
Adjustments for:			
Depreciation and amortization	**23**	2,519,971	2,223,680
Other financial income		(4,861,828)	(24,585)
Share of result of associates	**17**	(402,719)	(1,527,818)
Allowances for current assets – receivables and other provisions	**24**	5,258,735	(105,620)
Increase in fair value of investment property	**8**	(218,466,572)	(399,188,179)
Gains on the bargain purchase	**8**	(94,079,969)	-
Profit on disposal of investment property		(304,746)	(536,526)
Share-based payments	**23**	46,150,940	926,786
(Gain)/Loss on sale of property, plant and equipment		19,449	(204,091)
Unrealised foreign exchange loss/(gain)		1,363,740	5,725,044
Interest expenses	**25**	21,966,642	9,639,353
Interest income	**25**	(13,393,219)	(2,356,646)
Income tax expenses	**13**	70,431,447	94,731,652
Changes in working capital			
(Increase)/Decrease in trade and other receivables		(210,660,660)	(240,334,281)
(Increase)/Decrease in inventories		(89,760,315)	148,434,095
Increase/(Decrease) in trade and other payables		60,888,357	(7,401,109)
Increase/(Decrease) in advance payments from customers		(113,623,117)	112,408,364
Income tax paid		(6,605,466)	(15,602,881)
Working capital from acquisition of new subsidiaries		11,656,689	-
Net cash from operating activities		**(29,425,176)**	**216,494,391**
Acquisition of property, plant and equipment		(7,759,799)	(3,033,324)
Acquisition of intangible assets		(422,438)	(692,838)
Acquisition of investment property		(285,031,660)	(49,965,795)
Expenditure on investment property under development		(111,294,812)	(184,200,745)
Expenditure on completed investment property		(78,333,026)	(25,770,292)
Proceeds from sale of property, plant and equipment		5,043	338,050
Proceeds from sale of investment property		8,436,741	9,824,041
Amounts paid for transactions with non-controlling interests	**27**	(10,041,238)	(9,779,075)
Acquisition of subsidiaries		-	(11,200,555)
Interest received		13,393,219	2,356,646
Other financial income		4,861,828	-
Net cash flows used in investing activities		**(466,186,142)**	**(272,123,887)**
Proceeds from loans and borrowings	**28**	438,871,492	373,217,603
Repayment of borrowings	**28**	(38,600,730)	(207,964,880)
Dividends paid		(77,771,559)	(54,762,517)
Proceeds from issue of share capital and share premium		253,717,057	259,112,478
Acquisition of own shares		-	-
Cash proceeds from sale of own shares		-	36,035,213
Interest paid	**28**	(21,460,144)	(11,693,437)
Principal elements of lease payments	**28**	(531,916)	(939,449)
Net cash from financing activities		**554,224,200**	**393,005,011**
Net changes in cash and cash equivalents		58,612,882	337,375,515
Cash and cash equivalents at the beginning of the year		**508,347,161**	**170,971,646**
Cash and cash equivalents at the end of the year	**12**	**566,960,043**	**508,347,161**

(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 2022 were authorized for issue on 22 March 2023.

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 740,563,717.2 divided into 3,702,818,586 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 27.5830% each and other shareholders holding 44.8340%. All shares are paid in full.

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

The object of activity of the Group consists in the development and sale/lease of residences, offices and retail in Bucharest, Romania.
The Company had the following subsidiaries undertakings as at 31 December 2022 and 31 December 2021:

Name of the subsidiary	Activity	% ownership as at 31 December 2022	% ownership as at 31 December 2021	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%	100.00%	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%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Bucharest	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Bucharest	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Bucharest	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Bucharest	67.69%	62.41%	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 2022	% ownership as at 31 December 2021	Registered office
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 Floreasca Lake SRL	Real estate developer in Bucharest	95.00%	80.58%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Bucharest	95.00%	82.33%	Maxim Gorki street 20, Bucharest, district 1
Neo Timpuri Noi SRL	Real estate developer in Bucharest	95.00%	82.33%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Bucharest	95.00%	82.00%	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%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	57.25%	57.25%	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%	80.00%	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 S.R.L. (former One Proiect 1 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club SRL (former One Proiect 6 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City SRL (former One Proiect 7 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Carphatian Lodge Magura SRL (former Carpathian Estate SRL)	Real estate developer in Bucharest	66.72%	66.72%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 8 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One City Club SRL (former One Proiect 9 SRL)	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 10 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One United Italia SRL	Real estate developer in Bucharest	90.00%	-	Maxim Gorki street 20, Bucharest, district 1
Bo Retail Invest SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
Bucur Obor SA	Lease of retail space	54.44%	-	Colentina street 2, Bucharest, district 2

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION (CONTINUED)

Group companies	Activity	% Ownership as at 31 December 2022	% Ownership as at 31 December 2021	Registered office
One United Management Services SRL	Management services	100.00%		Maxim Gorki street 20, Bucharest, district 1
One Proiect 11 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 12 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 14 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 15 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
Eliade Tower SA	Renting office premises in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 16 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 17 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 18 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1
One Proiect 2 SRL	Real estate developer in Bucharest	100.00%	-	Maxim Gorki street 20, Bucharest, district 1

During 2022, thirteen new subsidiaries were established within the One group: One Proiect 8 SRL, One City Club SRL (former One Proiect 9 SRL), One Proiect 10 SRL, One Proiect 11 SRL, One Proiect 12 SRL, One Proiect 14 SRL, One Proiect 15 SRL, One Proiect 16 SRL, One Proiect 17 SRL, One Proiect 18 SRL, One Proiect 2 SRL, One United Management Services SRL and One United Italia SRL which are 100% owned by the Company.

The Company have increased its ownership in the share capital of the below subsidiaries, as follows:
- One Mamaia Nord SRL (former Neo Mamaia SRL) from 82.33% to 95.00%, the total consideration price for the shares acqcuired is RON 808,349.
- Neo Floreasca Lake SRL from 80.58% to 95.00%, the total consideration price for the shares acqcuired is RON 2,063,158.
- Neo Timpuri Noi SRL from 82.33% to 95.00%, the total consideration price for the shares acqcuired is RON 902,834.
- One Herastrau Vista SRL (former Neo Herastrau Park SRL) from 82.00% to 95.00%, the total consideration price for the shares acqcuired is RON 2,042,970.
- One North Gate SA from 62.41% to 67.69%, the total consideration price for the shares acqcuired is RON 4,2 million.

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 SA, 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. The total amount paid for the transaction was of RON 65,4 million, representing the consideration of the acquisition of the shares. Please refer for further details to Note 8.

On 27 July 2022 the Company acquired 100% shares in a new subsidiary One Victoriei Plaza SRL (former Mam Imob Business Center SRL) that owns and operates the office building located at 29-31 Nicolae Titulescu Boulevard, Bucharest, Romania (One Victoriei Plaza). The total value of the transaction is approximately EUR 28 million. The office building is fully leased to First Bank as a tenant. Please refer for further details to Note 8.

On 05 October 2022, the Company have completed the acquisition of Eliade Tower, office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania. The total value of the transaction is approximately EUR 9.8 million. Please refer for further details to Note 8.

NOTE 1. CORPORATE INFORMATION (CONTINUED)

The scope of the consolidation is summarized below:

Scope of consolidation	Subsidiaries full consolidation	Associates at equity	Total
Balance on 31 December 2021	33	7	40
Acquisitions	3	-	3
New foundations	14	-	14
Disposal	(1)	-	(1)
Balance on 31 December 2022	49	7	56

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 2022, notes comprising a summary of significant accounting policies and other explanatory information.

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

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

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

In contrast to the consolidated financial statements as of 31 December 2021, the Group has presented in more granularity some of the information in the current period to increase the level of relevance. Where applicable, the Group has reclassified the comparative information for consistency purposes. The following captions from the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position were changed due to such reclassifications: the expenses related to properties which are available for lease were included in other operating expenses line as of 31 December 2021, while in current period were reclassified under the rental activity, the costs related to fit out, power and water which were not included in cost of sales were included under other operating expenses line in prior period, while in current period were reclassified in "Other property operating expenses – residential" line, the broker commissions for rental activity were reclassified from administrative expenses to "Commissions for brokerage real estate", the employee benefits and provisions were included under trade and other payables line as of 31 December 2022.

2.b Going concern

The Group has prepared forecasts, including certain sensitivities, considering the potential impact on the business considering current economic factors, such as inflation raise, post covid-19 influence and the armed conflict between Russia and Ukraine. Having considered these forecasts and that the Group has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general. Accordingly, the consolidated financial statements have been prepared on a going concern basis, which means that the Group will continue its activity in the foreseeable future, the current results estimated by the management of the companies and shareholders being considered solid.

NOTE 2. GENERAL INFORMATION (CONTINUED)

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 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

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

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

- **Amendments to IFRS 3: Definition of a Business** – 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 IAS 16 "Property, Plant and Equipment"** - Proceeds before Intended Use issued by IASB on 14 May 2020. 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 issued by IASB on 14 May 2020. 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 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 and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

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

- **Amendments to IFRS 17 "Insurance contracts**" - Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued by IASB on 9 December 2021. It is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

- **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.

NOTE 2. GENERAL INFORMATION (continued)

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

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. 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. Non-current Liabilities with Covenants issued by IASB on 31 October 2022. Amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - Definition of Accounting Estimates issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

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

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

- **Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current (IASB effective date: 1 January 2023)"**
- **Amendments to IAS 1 "Non-current Liabilities with Covenants (IASB effective date: 1 January 2024)"**
- **Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback (IASB effective date: 1 January 2024)"**
- **IFRS 14 "Regulatory Deferral Accounts"** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

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

NOTE 3. 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.

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

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:

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

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

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

3.a Judgements (continued)

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

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

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

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.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.

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 2022. 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.

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

3.b Estimates and assumptions (continued)

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

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

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

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 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 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 1,5 million (Dec 2021: RON 7,3 million).

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

Subsidiaries

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

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

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

Intra-group transactions

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

Business combinations

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

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

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

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

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

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

Business combination (continued)

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

Goodwill

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

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

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

Non-controlling interest and others

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

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

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

Investments in associates

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

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

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

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

Investments in associates (continued)

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

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

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

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

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

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

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

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

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

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, except residential, where the operating cycle is of three years. Refer to 3.b.3.

An asset is current when it is:

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

Or

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

All other assets are classified as non-current.

A liability is current when:

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Current versus non-current classification (continued)

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

Or

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

The Group classifies all other liabilities as non-current.

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

4.3 Revenue

4.3.1 Revenues from the sale of residential property

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

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

i) Completed inventory property

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

ii) Property under development related to residential

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Revenue (continued)

4.3.1 Revenues from the sale of residential property (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Revenue (continued)

4.3.3 Revenue from services to tenants (continued)

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

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

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

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

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

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Foreign currencies (continued)

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.

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.

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

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

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Investment property (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Derecognition

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

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

Or

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

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

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

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

Impairment of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

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

Subsequent measurement

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

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

Derecognition

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

Advance payments from customers

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

Offsetting of financial instruments

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

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Leases (continued)

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

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

ii) Lease liabilities

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

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

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

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

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

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Intangible assets (continued)

ii) Licences

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

iii) Software

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

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

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

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

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

v) Amortisation method and period

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

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

i) Derecognition of intangible assets

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

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Property, plant and equipment (continued)

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;
- 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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Taxes (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Provisions

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

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

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

4.23 Fair value measurements

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

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

- In the principal market for the asset or liability

Or

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

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

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.

4.24 Contingencies

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 Dividends and share capital increase

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

Shareholders receive dividends in proportion to their share in the paid-up share capital of the Company, no right of priority or preference over the distribution of dividends in favour of any shareholder being applicable.

The proposal regarding the distribution of dividends made by the Board of Directors will be submitted to the vote of the OGMS, as a rule, in the same meeting in which the Company's audited financial statements are approved, respectively no later than within four (4) months from the end of the financial year, respectively during the third quarter of the year in respect of any interim dividend distributions or distributions from retained earnings. The Company will be able to pay the dividends also in the form of shares of the same class as those giving the right to these dividends.

The Company is carrying out share capital increase operation to diversify the shareholders base, increase liquidity and raise capital for further expanding the pipeline. The newly raised capital will be invested with priority in new developments, according to the existing solid pipeline of the company, while the current cash position will be used to accelerate the delivery of the ongoing developments. The decision of the Board of Directors, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders approve the increase of the share capital. The participants to the share capital increase are existing shareholders, local and international institutional investors, qualified investors, retail investors.

4.26 Others

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

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

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

(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 2022**	**31 December 2021**
Trade receivables	124,107,224	65,099,039
Other receivables	64,901,563	83,059,458
Other financial assets	-	9,408,917
Cash and cash equivalents	566,960,043	508,347,161
Total	**755,968,830**	**665,914,575**

	Financial liabilities at amortized cost	
Description	**31 December 2022**	**31 December 2021**
Trade and other payables	287,139,920	123,568,138
Short and long-term loans	830,204,626	432,162,310
Lease liabilities	3,425,437	3,929,334
Total	**1,120,769,983**	**559,659,782**

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)

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 2022 and 31 December 2021, respectively, is the carrying amounts of each class of financial instruments.

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

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

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

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

5.2.2. Liquidity risk

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

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 2022, 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 2022	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Trade and other payables	268,676,223	18,463,697	-	**287,139,920**
Short and long-term loans	172,469,155	314,063,980	343,671,491	**830,204,626**
Lease liabilities	778,490	2,646,947	-	**3,425,437**
Total	**441,923,868**	**335,174,624**	**343,671,491**	**1,120,769,983**

(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 2021	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Trade and other payables	123,568,138	-	-	**123,568,138**
Short and long-term loans	34,347,782	248,372,822	149,441,706	**432,162,310**
Lease liabilities	1,282,387	2,646,947	-	**3,929,334**
Total	**159,198,307**	**251,019,769**	**149,441,706**	**559,659,782**

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 2022	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Cash and cash equivalents	566,960,043	-	-
Trade and other receivables	188,704,829	303,958	-
Contract assets	267,895,398		
Total	**1,023,560,270**	**303,958**	**-**

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**	**-**

5.2.3. Market risk

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

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

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

(i) Interest rate risk

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

The interest rates on loans from related parties and minority shareholders are fixed. As far as bank loans are concerned, the variable interest is based on 6M or 3M Euribor, plus a margin of 2.00% to 4.00% pa.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk (continued)

31 December 2022	Loans and borrowings – short-term and long term	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans	-	806,162,742
Loans from related parties	-	-
Loans from minority shareholders	11,734	-
Total	**11,734**	**806,162,742**

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

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

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

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 2022	+/-5%	-/+ 629,026
31 December 2021	+/-5%	-/+ 364,135

(ii) Foreign exchange risk

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

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

31 December 2022	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	51,373,158	552	254,166,120
Other receivables	4,937,163	-	24,426,120
Monetary liabilities			
Loans	(167,726,814)	-	(829,811,638)
Trade and other payables	(331,421)	-	(1,639,672)
Net excess/(exposure)	**(111,747,914)**	**552**	**(552,859,070)**

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)	**16,729,655**	**148,259**	**83,428,000**

Sensitivity analysis for foreign exchange risk

A 5% appreciation of the RON against the EUR on 31 December 2022 would increase the Group's profit by RON 27,643,081 (2021: RON 4,139,000), 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:

- 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.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

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 2017 to 2022 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.

NOTE 5. RISK MANAGEMENT (continued)

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 11% at 31 December 2022 (-4% at 31 December 2021) determined as the proportion of net debt to equity.

Debt is defined as long- and short-term borrowings and lease liabilities. The net debt is computed as debt less cash and cash equivalents. Equity includes all capital and reserves of the Group that are managed as capital.

In order to maintain or adjust the capital structure, the Group's management can adjust the shareholders' share of profitability or may issue new shares to reduce debts.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Technological equipment	Measurement apparatus and devices	Vehicles	Furniture and other non-current assets	Total
Cost						
At 1 January 2021	**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**
Additions	1,530,119	526,610	160,324	722,420	6,105,348	9,044,821
Disposals	-	-	(199,506)	(18,750)	(36,851)	(255,107)
Transfer from property, plant and equipment to investment property	(12,156,938)	-	-	-	-	(12,156,938)
Transfer from investment property to property, plant and equipment	38,860,861	-	-	-	-	38,860,861
As at 31 December 2022	**44,025,501**	**1,285,242**	**770,395**	**1,879,387**	**9,234,420**	**57,194,945**
Depreciation and impairment						
At 1 January 2021	**1,643,784**	**75,463**	**449,794**	**754,487**	**415,317**	**3,338,845**
Additions	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**
Depreciation charge for the year	685,952	297,578	242,747	325,331	856,025	2,407,633
Disposals	-	-	(178,618)	(15,208)	(36,851)	(230,677)
Transfer from property, plant and equipment to investment property	(774,832)	-	-			(774,832)
As at 31 December 2022	**2,220,550**	**722,894**	**719,047**	**995,978**	**1,404,953**	**6,063,422**
Net book value						
As at 31 December 2021	**13,482,029**	**333,316**	**154,659**	**489,862**	**2,580,144**	**17,040,010**
As at 31 December 2022	**41,804,951**	**562,348**	**51,348**	**883,409**	**7,829,467**	**51,131,523**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (continued)

Under the "land, buildings and barracks" are presented the Group assets from which the main amount is related to the own office space occupied. At 31 December 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. In 2022, the Group have moved the office from the building owned by the subsidiary, One North Gate SA to the building One Tower, developed by the subsidiary One United Tower SA, therefore have transferred from property, plant and equipment to investment property the office space occupied in North Gate and in the same time transferred from investment property to property, plant and equipment the new office space located in One Tower building for the fair value of RON 38,860,861. For assets pledged as security refer to Note 15.

No indication of impairment was identified for the property, plant and equipment in balance.

NOTE 7. INTANGIBLE ASSETS

Description	Goodwill	Concessions, patents, licenses	Other intangible assets	Total
Cost				
As at 1 January 2021	**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**
Additions	-	14,383,714	429,694	14,813,408
Disposals	-	(19,556)	(475,168)	(494,724)
As at 31 December 2022	**19,256,076**	**14,699,660**	**1,159,376**	**35,115,112**
Amortization and impairment				
As at 1 January 2021	**-**	**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**
Amortization	-	51,247	100,164	151,411
Impairment	-	-	-	-
Disposals	-	(19,556)	(475,168)	(494,724)
As at 31 December 2022	**-**	**225,397**	**374,034**	**599,431**
Net book value				
As at 31 December 2021	**19,256,076**	**141,796**	**455,812**	**19,853,684**
As at 31 December 2022	**19,256,076**	**14,474,263**	**785,342**	**34,515,681**

As at 31 December 2022 and 31 December 2021 other intangible assets include mainly, costs of licenses and IT software.

The goodwill in balance refers to One Peninsula, a subsidiary of the Group that develop a residential project in district 1, Bucharest. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

NOTE 7. INTANGIBLE ASSETS (continued)

As at 31 December 2022 and 31 December 2021, 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 2022 and 31 December 2021, following the impairment test performed for One Peninsula, the Group assessed the recoverable amount of the identified CGU to which the goodwill, relates to be higher than its carrying amount, therefore no impairment loss is recognized.

An identifiable intangible asset acquired in a business combination, related to Bucur Obor Brand, was recognized at fair value of RON 14,4 million. The brand "Bucur Obor" has been officially registered by the Bucur Obor SA since 2011, its first appearance being in 1975 when the Bucur Obor store was opened. The phrase "Bucur Obor" is associated with the location of the Bucur Obor commercial store, which is a commercial landmark of Bucharest. Part of the revenues generated by renting commercial spaces in the complex are directly attributable to the "Bucur Obor" brand. Please refer to Note 8 for more details about business combination related to the acquisition of Bucur Obor.

As at 31 December 2022, the Group performed the assessment of the recoverable amount of the Bucur Obor Brand, considering a WACC rate of 13.77% and a risk premium of 2%. No indicators of impairment were identified.

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 and also during the year when there are indicators that the fair value is substantially changed. 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 sqm and office building in surface area of 34,628 sqm located at Sos Pipera Tunari, 2III, owned by subsidiary One North Gate SA;
- 3 apartments and 4 parking spaces owned by subsidiary One Long Term Value SA;
- Land in surface area of 6,096 sqm and office buiding with a total GLA of 23,800 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SA;
- Land plot and one office building in total surface area of 46,253 sqm located at 44 Sergent Nutu Ion Street, owned by subsidiary One Cotroceni Park Office SA;
- Property located in Buzau County acquired during September, owned by subsiadiary One Carphatian Lodge Magura SRL comprising of a boutique hotel together with a 56ha of forest and land. The Group targets further investments on short and medium-term;
- 30 apartments and 35 parking spaces owned by subsidiary One Mircea Eliade Properties SRL. During Q1-2022, the Group started the activities with the view to rental of several 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. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 45,2 million;
- Retail building acquired through business combination with Bucur Obor SA. The subject property has a total leasable area of 24,325 sqm of retail and 2,452 sqm storages. The investment property was valued at fair value at the date of acqusition at RON 307,1 million; On November 19th, 2021, One United Properties announced the intention to acquire (indirectly, through BO Retail Invest S.R.L.) a controlling stake in Bucur Obor SA, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. On the same date, by means of the loan made available by the company One United Properties SA, BO Retail Invest S.R.L. acquired a 54.4351% of the share capital of Bucur Obor, against a sum of RON 65 million. The transaction was subject to Competition Council clearance, which the Company received on February 4th, 2022. On February 8th, 2022, One United Properties closed the transaction of the acquisition by the Company of direct sole control over BO Retail Invest S.R.L., and indirectly the control over Bucur Obor SA. Bucur Obor S.A. carries out its activity within the Bucur Commercial Complex Obor, located in Bucharest, Sos. Colentina no. 2, in the building from Sos. Mihai Bravu no. 2 and in the building from Sos. Colentina no. 6A. All these properties are owned by the company.

NOTE 8. INVESTMENT PROPERTY (continued)

Completed investment property (IPC) (continued):

Bucur Obor has as main activity the renting of commercial spaces, in which the clients retail goods. The shopping complex offers a multitude of stores, in a unique mix in Bucharest, a combination of family business such as haberdashery, fabrics, footage, windows & mirrors, leather goods, gold, jewelry and more, along with international brands consecrated;

- At the end of July 2022, the Group have concluded the transaction for the takeover of a 100% stake in Mam Imob Business Center SRL the company that owns and operates the office building located at 29-31 Nicolae Titulescu Boulevard, Bucharest, Romania (after the acquisition date the entity name was changed in “One Victoriei Plaza SRL”). The office building has a total GLA of app. 12,000 square meters and 4 underground levels with 93 parking spaces, and it is fully leased to First Bank as a tenant for a remaining period of app. 12 years with a break option after 7 years. The total value of the transaction was in amount of EUR 28 million;
- During October 2022, the Group have acquired Eliade Tower SA, office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania for 100% ownwership. The total value of the transaction was approximately EUR 9.8 million. The office building has a total GLA of over 8,000 square meters spread over 10 floors, has a parking and is currently 50% leased;
- The Group started the activities with the view to rental of 2 apartments and related parking spaces owned by subsidiary One Mamaia Nord SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 1,7 million.

Investment property under development (IPUC):

- 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 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 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 which were transferred to inventories as of 31 December 2022 following the issue of the building permit; At the date of obtaining the building permit, the Group have performed the valuation of the assets with an independent evaluator and recognized a fair value of RON 206,6 million;
- Land in surface area of 5,627 sqm owned by subsidiary One Floreasca Towers SRL which fair value was determined at RON 53,2 million and transferred to inventories as of 31 December 2022 following the issue of the building permit for a residential development;
- Vacant land plot with a surface area of 4,688 sqm located at 44 Sergent Nutu Ion Street and 164C 13 Septembrie Road, District 5, Bucharest, Romania, owned by One Cotroceni Park SRL;
- Property acquired by subsidiary One Plaza Athenee SRL (former One Proiect 3 SRL) located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm; The property is classified as a historical monument by local authorities. Building permit was issued in Q1 2023;
- Land in surface area of 801,028.380 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county. The total acqusition price is of EUR 9,330,000 from which the Group have paid until 31 December 2022 the amount of EUR 1,866,000, while the remaning amount will be paid in 4 equal instalments of EUR 1,866,000 each, according to the schedule established in the acquisition contract. The last instalment is due in 24 months from the signing date of the acquisition contract, 24 August 2022;
- An under development hotel project located at 8-10 Georges Clemenceau street, Bucharest, Romania owned by the subisidiary One Proiect 12 SRL;
- Three buildings located in Bucharest sector 1, at no. 19, 21 and 23 Academiei street, near the Odeon Theater and the Ion Mincu University of Architecture and Urbanism owned by the subsidiary One Proiect 10. Following the renovation, the three buildings will represent a new development of the Company - One Downtown. The total surface of the land is approximately 1,300 sqm and the gross buildable area is 7,100 sqm. The final use of the buildings will be decided later, with residential and hotel options currently being considered.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The changes in investment property values during 2022 and 2021 were as follows:

Completed investment property

	31 December 2022	31 December 2021
At 1 January	**549,398,406**	**144,581,151**
Capital expenditure on owned property	54,590,744	8,144,441
Acquisition	4,816,997	12,442,650
Fair value of investment property of Bucur Obor acquired	307,120,316	-
Fair value of investment property of Eliade Tower acquired	47,104,439	-
Investment property acquired (One Victoriei Plaza)	138,118,400	-
Transfer from inventories	27,507,442	-
Transfer to fixed assets	(38,860,861)	-
Transfer from fixed assets	11,382,107	-
Transfer from investment property under development	454,265,348	331,527,462
Disposals	(8,165,678)	(9,287,515)
Fair value adjustment during the year	88,485,173	44,364,366
Lease incentive	53,128,527	17,625,851
At 31 December	**1,688,891,360**	**549,398,406**

Investment Property under development

	31 December 2022	31 December 2021
At 1 January	**650,175,262**	**720,733,992**
Capital expenditure	95,644,331	190,927,581
Interest capitalized	156,298	491,773
Transfer (to)/from inventories	-	(234,275,661)
Transfer to completed investment property	(454,265,348)	(331,527,462)
Lease incentive	2,847,626	5,188,996
Fair value adjustment during the year	54,883,687	298,636,043
At 31 December	**349,441,856**	**650,175,262**

Investment Property for further development (landbank)

	31 December 2022	31 December 2021
At 1 January	**249,891,522**	**145,100,833**
Capital expenditure	12,945,058	11,079,774
Acquisition	131,919,218	37,523,145
Transfer from inventories	16,792,471	-
Transfer to inventories	(272,994,250)	-
Fair value adjustment during the year	75,097,712	56,187,770
At 31 December	**213,651,731**	**249,891,522**
Grand Total Investment Property at 31 December	**2,251,984,947**	**1,449,465,190**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties. Please refer also to Note 21 for details about the renting activity.

The investment property balance as at 31 December 2022 and 31 December 2021 is detailed below:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

	Type	Object	Valuation Method	31 December 2022
One United Tower	IPC	Office	DCF	387,165,700
Eliade Tower	IPC	Office	DCF	45,021,340
One Victoriei Plaza	IPC	Office	DCF	138,527,200
Bucur Obor	IPC	Office	DCF	307,459,982
One North Gate	IPC	Office	DCF and Residual approach	131,419,899
One Carphatian Lodge-Magura	IPC	Accommodation unit area and the land in excess and forest	Market approach	7,708,049
One Long Term Value	IPC	Apartments and parking lots	Market approach	17,517,892
One Mircea Eliade	IPC	Apartments and parking lots	Market approach	75,873,326
One Mamaia Nord	IPC	Apartments and parking lots	Market approach	8,306,685
One Cotroceni Park Office	IPUC	Office	DCF	569,891,286
One Cotroceni Park Office Faza 2	IPUC	Office	DCF	349,441,859
One Plaza Athenee (former Proiect 3)	IPFD	Construction classified as a historical monument and associated land plot	Income and market approach	50,196,612
One Cotroceni Park	IPFD	Office	Market approach	28,991,764
One Proiect 10	IPFD	Hotel	Market approach	18,845,554
One Proiect 11	IPFD	Residential	Market approach	47,551,470
One Proiect 12	IPFD	Hotel	Income and Residual approach	68,066,329
				2,251,984,947

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**

The Group has accounted for the business combination resulted from the acqusition of an interest of 54.4351% in Bucur Obor SA and in which control was obtained. Colliers, independent evaluator have performed the valuation of the net assets of the business acquired for the scope of purchase price allocation at 31 January 2022. The results of the valuation are presented below:

Description	Amount in "RON"
Net assets at Fair Value	293,013,115
% of Ownership	54.4351%
Consideration paid	65,422,013
Gain resulted from acquisition	227,591,102
From which:	
Non controlling interest recognized in retained earnings	*133,511,133*
Owner's gain related to % of ownership acquired – included in profit and loss account under "Gain on the bargain purchase" line	*94,079,969*

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The net assets at Fair Value are detailed below:

Description	Amount in "RON"
Intangible assets	14,397,936
Tangible assets	308,125,159
Current assets	2,203,943
Cash and cash equivalents	11,656,689
Liabilities	(43,370,612)
Net assets at fair value	**293,013,115**

Bucur Obor SA contributed RON 33,4 million revenue between the date of acquisition and the reporting date. If the acquisition of Bucur Obor had been completed on the first day of the financial year, Bucur Obor would have contributed RON 36,3 million to Group revenues for the year.
Investment properties in amount of RON 1,697 million (2021: RON 963 million) have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

Valuation processes

The Company's investment properties were valued at 31 December 2022 by Colliers Romania and 31 December 2021 by Colliers Romania, 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 2022 and 31 December 2021.

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.

Based on the purchase price allocation report performed by an independent evaluator, the Group have recognized all identifiable assets acquired and liabilities assumed in the business combination at fair value.

Valuation techniques

The main inputs used in the valuation are:

a) capitalisation rate - the rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence and the prior external valuation;

b) terminal yield - the capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out the DCF method. The rate is determined with regards to market evidence and the prior external valuation;

c) discount rate - the rate of return used to convert a monetary sum, payable or receivable in the future, into present value. It reflects the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence and the prior external valuation;

d) 10 year average market rental growth - the expected annual rate of change in market rent over a 10 year forecast period in alignment with expected market movements;

e) net market rent - a net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.

The following table presents the valuation techniques used in the determination of the fair value of investment properties categorized as a Level 3 fair value:

(Amounts are expressed in RON, unless otherwise mentioned)

31 December 2022

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
The fair values are determined through the application of the **market comparison technique**. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market.	- Offer price per square meter for land in Bucharest (325 Euro /square meter up to 4,616 Euro per square meter) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-25% discount for asking price, 5-20% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 (4,756 EUR/sqm up to 8,567 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, 0% discount for location, access and position	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, size were lower/ (higher)
Discounted cash-flows (DCF) method. This method involves the projection of a series of cash flows, to which an appropriate market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, redevelopment and refurbishment. Cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.	- Exit yield: 6.5% - 8.5% - Discount rate: 8.25% - 10.5% - Average rent office: 9.44-19.8 EUR/sqm/month - Average rent retail: 13.5-37.87 EUR/sqm/month - Future vacancy: 1%-25% - Capex of NOI: 0% - 5%	The estimated fair value would increase/(decrease) if: • Discount rates were lower/ (higher) • Costs with tenants were lower/(higher) • Annual rent per sqm was higher/(lower)
The **Residual Approach** of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.	- Hard costs (office): 350-400 EUR/sqm (without underground) - Sales price for residential: 2,100 EUR/sqm/month - Sales price for under/above ground parking (office): 10,500 EUR/parking space	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher)

(Amounts are expressed in RON, unless otherwise mentioned)

Income Approach - Direct Capitalization method The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. This approach can be applied when the income-producing ability of the property (either present or anticipated) is the critical element affecting value from the perspective of a typical market participant, and also reasonable projections regarding the future income streams can be made.	- Capitalization rate: 6.00%-10.00% - Capital expenditure: 2% - Vacancy and collection loss: 2%-3% - Average rent retail: 4.20-50 EUR/sq. m/month	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

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 and refurbishment. Cash flows are typically estimated as gross	- 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)

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	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher)
Income Approach - Direct Capitalization method The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. This approach can be applied when the income-producing ability of the property (either present or anticipated) is the critical element affecting value from the perspective of a typical market participant, and also reasonable projections regarding the future income streams can be made.	- Capitalization rate: 6.00% - Capital expenditure: 2% - Vacancy and collection loss: 2% - Average rent retail: 50 EUR/sq. m/month	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

Sensitivity analysis at 31 December 2022 and 31 December 2021

A quantitative sensitivity analysis for the properties where discounted cash-flows (DCF) method was used in the valuation report at 31 December 2022 and 31 December 2021, is presented below:

		Effect on fair value		
2022	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(44,527,004)	(4,705,210)	n/a
Increase in Discount Rate/yield	0.25%	(49,465,479)	(15,519,771)	n/a

		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

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 2022 and 31 December 2021, is presented below:

		Effect on fair value		
2022	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(2,112,391)	-	(4,546,288)

		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)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES

Most of the Company's subsidiaries have as object of activity the development of residential real estate projects that are sold in the normal course of business. Depending on the estimated completion and sales dates of each real estate project, considering the Group's operating cycle (a period of approximately three years), inventory is detailed as follows:

Developer	Project name	31 December 2022	31 December 2021
One Peninsula SRL (former One Herastrau Park Residence SRL)	One Peninsula	75,136,000	60,216,695
One Verdi Park SRL	One Verdi Park	72,017,173	105,692,534
One Mircea Eliade Properties SRL	One Floreasca City	15,861,977	45,598,156
One Herastrau Towers SRL	One Herastrau Towers	19,660,230	23,737,633
Neo Floreasca Lake SRL	Neo Floreasca Lake	14,603,243	17,041,339
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	-	2,793,126
Neo Timpuri Noi SRL	Neo Timpuri Noi	8,963,730	10,948,885
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	One Herastrau Vista	4,586,823	4,817,770
One Modrogran	One Modrogan	43,432,300	29,865,921
One Mamaia Nord SRL - phase 2	One Mamaia Nord 2	11,082,766	7,151,736
One Cotroceni Park	One Cotroceni Park	39,808,973	35,007,147
One High District (former One Proiect 1)	One High District	4,352,515	-
One Lake Club (former One Proiect 6)	One Lake Club	117,968,858	-
One Lake District	One Lake District	188,991,343	-
One Floreasca Towers	One Floreasca Towers	45,499,262	-
Other inventories		1,029,147	1,106,685
Total		**662,994,340**	**343,977,627**

During 2022, the Group obtained the building permits for One High District, One Floreasca Towers, One Lake Club, One Lake District and One Herastrau Vista.

The land owned by One Lake District and One Floreasca Towers were included in previous periods under investment property line as the building permit was not yet received and were measured at fair value by professionaly qualified valuers at annual reporting dates. In 2022, at the date of obtaing the buidling permit the land was transferred from investment propety to inventories at the fair value established by the evaluator. Please see Note 8 for further details.

A summary of movement in inventories is set out below:

	2022	2021
At 1 January	**343,977,627**	**257,348,157**
Development costs incurred	535,781,663	304,496,893
Transfer to investment property	(44,299,913)	(559,553)
Transfer from investment property	272,994,250	234,275,661
Disposals (recognized in cost of sales)	(445,459,287)	(451,583,531)
At 31 December	**662,994,340**	**343,977,627**

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

	2022	2021
In respect of sale of completed inventory property	(16,464,849)	(47,625,788)
In respect of sale of residential property under development	(428,994,438)	(403,957,743)
Total	**(445,459,287)**	**(451,583,531)**

Inventories with a carrying amount of RON 156 million (2021: RON 177 million) have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 10. ADVANCES TO SUPPLIERS

As at 31 December 2022 and 31 December 2021, advances to suppliers are detailed as follows:

Description	31 December 2022	31 December 2021
Advances to suppliers for acquisition of goods	31,083,375	35,921,773
Advances to suppliers for acquisition of services	85,233,534	57,344,675
Total	**116,316,909**	**93,266,448**

NOTE 11. TRADE AND OTHER RECEIVABLES

As at 31 December 2022 and 31 December 2021 trade and other receivables are detailed as follows:

Description	31 December 2022	31 December 2021
Trade receivables – customers	130,752,011	65,072,007
Loss allowances for trade receivables	(8,692,226)	(220,608)
Accrued receivables	2,047,439	247,640
Contract assets	267,895,398	136,270,504
Total trade receivables	**392,002,622**	**201,369,543**
VAT receivable	63,746,367	44,446,223
Various debtors	3,842,428	2,542,296
Loans granted to related parties	7,060,180	11,453,361
Loans granted to others	17,189,519	68,811,377
Prepaid interim dividends	36,102,481	-
Income tax receivables	1,214,513	935,348
Interest receivable	374,070	-
Other receivables	791,367	459,032
Loss allowances for other receivables	(458,482)	(206,608)
Total other receivables	**129,862,443**	**128,441,029**
Total	**521,865,065**	**329,810,572**

Contract assets represents the amounts estimated by the management of the Group based on the application of *IFRS 15 Revenue from Contracts with Customers*. For contracts relating to the sale of property under development, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time with reference to the stage of completion of the contract activity at the balance sheet date.
Details on contract assets are presented below:

Developer	Project Name	31 December 2022	31 December 2021
One Herastrau Plaza SRL	One Herastrau Plaza	-	-
One Modrogan SRL	One Modrogan	8,209,728	17,968,612
One Herastrau Vista SRL (former Neo Herastrau Park)	One Herastrau Vista	20,952,941	36,770,981
One Peninsula SRL	One Peninsula	501,259	-
One Mircea Eliade Properties SRL	One Mircea Eliade	4,619,182	27,696,205
One Verdi Park SRL	One Verdi Park	170,880,505	18,634,073
Neo Floreasca Lake SRL	Neo Floreasca Lake	24,886,822	2,034,029
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	4,657,706	10,176,584
Neo Timpuri Noi SRL	Neo Timpuri Noi	33,187,255	22,990,020
Total		**267,895,398**	**136,270,504**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

Related parties' balances are disclosed in Note 26.

As at 31 December 2022 and 31 December 2021, 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.

On 28 September 2022, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2022 in value of RON 36,102,481 (gross amount), from the distributable net profit of RON 46,075,910 for the first half of the financial year ending 31 December 2022. The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The Group have recorded loss allowance for trade receivables and contract assets as follow:

	Customers	Customers related to Bucur Obor – resulted from business combination	Doubtful customers	Contract assets	Total
Gross amount	125,826,775	3,334,924	1,590,312	267,895,398	**398,647,409**
Allowance for expected credit losses	(501,828)	(1,553,514)	(1,590,312)	(5,046,572)	**(8,692,226)**

The allowance for expected credit losses related to customers as at 31 December 2022 was determined as follows:

31-Dec-22 *RON*	**Current**	**< 90 days**	**91 - 365 days**	**> 365 days**	**Total**
Expected loss rate	0%	2%	0.5%	2.0%	
Gross carrying amount - trade receivables	39,387,136	27,423,889	49,803,133	9,212,617	**125,826,775**
Allowance for doubtful receivables	-	68,560	249,016	184,252	**501,828**

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**

The expected loss rate for the trade receivable overdue over 90 days and contract assets as at 31 December 2022 and 31 December 2021 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 8,692,225 (31 December 2021: RON 220,608) are unlikely to be recovered.

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% p.a.

The loan outstanding balance as at 31 December 2022 is of RON 6,13 million (31 December 2021: RON 10,97 million) and related interest of RON 286,113 (31 December 2021: 106,867 RON).

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

In the loans granted to others is included the loan granted by the subsidiary, One Long Term Investments SRL to Agro-Mixt Avero Prod SRL with a maximum credit facility of EUR 2 million and an interest loan of 3.25% p.a. The period of reimbursement is depending on the cash flows availability of the borrower. The loan outstanding balance as at 31 December 2022 is of RON 16,6 million (31 December 2021: RON 1,5 million) and related interest of RON 303,958.

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, therefore the balance of the loan included under "Loans granted to others" at 31 December 2021 of RON 66,8 million RON and related interest of RON 262,221 were eliminated in consolidation in 2022, as Bo Retail was included under One Group after the completion of the acquisition of Bucur Obor.

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	**31 December 2022**	**31 December 2021**
Bank deposits in EUR	194,593,878	235,613,850
Bank deposits in RON	287,986,090	51,138,976
Bank accounts in EUR	59,569,684	204,701,288
Bank accounts in USD	2,557	647,998
Bank deposits in GBP	-	-
Bank accounts in RON	24,603,987	16,061,810
Petty cash – RON	203,709	183,239
Other cash items	138	-
Total	**566,960,043**	**508,347,161**

Also, the maturity of bank deposits is as follows:

Description	**31 December 2022**	**Maturity**	**31 December 2021**	**Maturity**
Bank deposits in EUR	194,593,878	2023	235,613,850	2022
Bank deposits in RON	287,986,090	2023	51,138,976	2022
Total	**482,579,968**		**286,752,826**	

The Company have determined the ECLs relating to the net exposure for cash and short-term deposits of the Group at the amount of RON 3,5 million. The cash and cash equivalent amounts are deposited in banks from Romania that belong to banking Groups at European level or state-owned banks and in the recognizable past in Romania there were no cases of bank defaults. Out of total cash and cash equivalent amounts held at 31 December 2022, 49% are held in banks with BB- Fitch rate, 10% are held in banks with BBB Fitch rate, and 13% are held in banks with BB+ Fitch rate.

The Group's exposure to credit risk associated cash and cash equivalents is limited using financial institutions of good standing for investment and cash handling purposes.

The Group have restricted cash in amount of EUR 8,2 mil in bank accounts in EUR and RON 3,5 mil in bank account in RON.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 13. PROFIT TAX

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer which include the following subsidiaries as at 31 December 2022: One Mamaia Nord SRL, Neo Timpuri Noi SRL, One Cotroceni Park SRL, One Floreasca Towers SRL, One Herastrau Towers SRL, One Lake District SRL, One Long Term Value SRL, One Mircea Eliade Properties SRL, One Modrogan SRL, One Peninsula SRL and One Verdi Park SRL.

The other subsidiaries which are not micro-entities are profit tax payers as of 31 December 2022, while the other subsidiaries are 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 2022 and 2021 are 16% for taxable profit and 1% for micro entities of total revenues (in prior period the % was between 1-3% for micro).

The Group's current profit tax for the years 2022 and 2021 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 2022 and 31 December 2021 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 2022**	**31 December 2021**
Current tax liabilities	(717,144)	(2,023,447)
Deferred tax liabilities	(272,828,037)	(179,974,080)
Total assets /(liabilities)	**(273,545,181)**	**(181,997,527)**

Income tax expense for the years ended 31 December 2022 and 31 December 2021 is detailed as follows:

Description	**2022**	**2021**
Current tax expenses	10,963,405	15,662,309
Deferred tax expenses	59,468,042	79,069,343
Total expenses /(revenues)	**70,431,447**	**94,731,652**

(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:

	2022	**2021**
Gross result	**572,908,912**	**604,418,805**
16% rate	**91,665,426**	**96,707,009**
Effect of non-deductible elements	1,624,626	5,452,133
Effect of tax losses	(22,294,743)	(2,468,218)
Legal reserve	(962,444)	(377,487)
Other tax effects	(1,706,997)	(1,347,237)
Profit tax decrease due to sponsorship expenses	2,105,579	(3,234,548)
Total profit tax expenses	**70,431,447**	**94,731,652**

(ii) Deferred tax balance movement

As at 31 December 2022 and 31 December 2021, the net deferred tax assets or liabilities relate to temporary differences attributable to:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 13. PROFIT TAX (continued)

	Consolidated statement of financial position		Consolidated profit or loss	
	31 December 2022	31 December 2021	2022	2021
Construction contracts – IFRS15 effect	(93,397,982)	(54,692,419)	38,705,563	21,008,718
Fair value increase of investment property and effect of amortization	(157,412,416)	(122,374,775)	35,037,641	49,918,929
Acquisition of Bucur Obor – recognized in retained earnings	(33,385,915)	-	-	-
Investment property for Bucur Obor - effect of amortization				
Stock option plan	7,384,150	-	(7,384,150)	-
Inventories	(22,275,211)	(21,388,653)	886,558	13,977,723
Trade and other receivables	(838,653)	(5,746)	832,907	-
Fiscal losses	21,780,916	12,195,781	(9,585,135)	(2,468,218)
Sponsorship	5,049,609	6,115,959	1,066,350	(3,234,548)
Leases	28,755	(21,747)	(50,502)	22,935
Property, plant and equipment	109,089	67,764	(41,325)	(26,440)
Prepayments	129,621	129,756	135	(129,756)
Deferred tax expenses / (income)			**59,468,042**	**79,069,343**
Deferred tax assets / (liabilities) net	**(272,828,037)**	**(179,974,080)**		

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 2022 the Group's share capital is RON 740,563,717.20 (31 December 2021: RON 514,828,058.8) divided into 3,702,818,586 shares (31 December 2021: 2,574,140,294 shares) at a nominal value of RON 0.2 each (31 December 2021: RON 0.2 each). All issued shares are fully paid.

Structure of share capital

	31 December 2022			31 December 2021		
Name of shareholder	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**
OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu)	1,021,349,895	204,269,979	27.5830%	766,012,669	153,202,534	29.7580%
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu)	1,021,349,895	204,269,979	27.5830%	766,012,669	153,202,534	29.7580%
Others	1,660,118,796	332,023,759	44.8340%	1,042,114,956	208,422,991	40.4840%
Total	**3,702,818,586**	**740,563,717**	**100.00%**	**2,574,140,294**	**514,828,059**	**100.00%**

NOTE 14. EQUITY (continued)

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.

On April 26th, 2022, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of the second tranche of the dividends of RON 42.5 million (with first tranche paid in October 2021, full gross dividend for 2021 is RON 75 million). The gross dividend of RON 0.0165 per share was paid until September 30th, 2022. Company' dividend policy includes the payment of dividends on a semi-annual basis.

On 26 April 2022, the Extraordinary General Meeting of Shareholders and subsequent on 5 May 2022, the Board of Directors have approved the share capital increase in order to raise funds to finance the current activity of the Company and its group, respectively to finance developments and acquisitions, through one or more issues of ordinary, registered and dematerialized shares.

On August 3, 2022, the Board of Directors approved the results of the Share Capital Increase, respectively the subscription of a number of 202,973,646 new shares offered at a price of 1.25 RON / share representing a total gross capital raise of 253,717,057.50 RON divided into share capital nominal value of 40,594,729.2 RON respectively 0.2 RON per each share and share premium of 213,122,328.30 RON. The share capital of the Company is thus increased from the nominal value of 514,828,058.80 RON to the nominal value of 555,422,788 RON.

Decision of the Board of Directors no. 34/1 November 2022 have approved, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders no. 64/28 September 2022, the increase of the share capital with the amount of RON 185,140,929.20 by issuance of a number of 925,704,646 new ordinary, nominative and dematerialised shares with a nominal value of RON 0.2 per share, by incorporating approximately 87% of the share premiums resulted from the share capital increase operation conducted between 27 June 2022 – 3 August 2022. Following the Share Capital Increase, the share capital of the Company will be of RON 740,563,717.2, fully subscribed and paid up by the shareholders, divided into 3,702,818,586 nominative shares, dematerialised, with a nominal value of RON 0.2 /share.

(ii) Legal reserve

The legal reserve of RON 17,452,635 as at 31 December 2022 (2021: RON 11,437,359) 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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

(iii) Other capital reserves – share based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees, as part of their remuneration.

A share-based payment plan was set up during Q4 2020 by which a number of 941 shares of the holding company were granted to an employee. The vesting period is of minimum 12 months and the option can be exercised up to 15 months from the granting date. According to the resolution of the Board of Directors no 20/30 December 2021 and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 55/19 April 2021, the Company approved the "split" of shares, by decreasing the nominal value of a share from RON 260.60 to RON 0.2, and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 56/26 May 2021, the "split" of shares has been confirmed to apply to any share options granted prior to the "split" operation. Therefore, it was approved the amendment of the contract in order to reflect the "split", as well as to extend the term for exercising the share options granted to the beneficiary. The Group has estimated the reserve by taking into account the fair value of the instrument and the vesting period.
On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee.
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 2022, the Group and the beneficiaries have confirmed that all terms and conditions have been established for the stock option plan described above, the grant date have occurred and therefore the Group have accounted for an expense of RON 46 million and in correspondence the related capital reserve.

NOTE 15. BORROWINGS

The loans outstanding as at 31 December 2022 and 31 December 2021 are detailed as follows:

Description	**Original Currency**	**31 December 2022**	**31 December 2021**
Secured loans			
Bank loans due in one year	EUR	172,386,427	34,225,549
Bank loans due in more than one year	EUR	633,776,316	378,766,739
Unsecured loans			
Loans received from minority shareholders due in one year	EUR	22,652	103,812
Loans received from minority shareholders due in more than one year	EUR	3,528,882	7,228,487
Loans received from minority shareholders due in one year	RON	24,876	(16,784)
Loans received from minority shareholders due in more than one year	RON	-	243,720
Loans received from related parties due in one year	EUR	35,200	35,205
Loans received from related parties due in more than one year	EUR	20,062,162	11,380,630
Loans received from related parties due in more than one year	RON	368,111	194,952
Total		**830,204,626**	**432,162,310**
Of which:			
Long-term		**657,735,471**	**397,814,528**
Short-term		**172,469,155**	**34,347,782**

NOTE 15. BORROWINGS (continued)

Detailed information about the balances and transactions with related parties are presented in Note 26.

Interest rates for bank loans are based on EURIBOR plus margins that vary from 2% to 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 2022 and 2021 reporting period.

The bank loan contracts contain pledges on the real estate developments (land and construction in progress), as well as receivables from customers and bank accounts. Please refer to note 8, note 9 and note 12 for amounts pledged. 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.

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 2022, 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 2022. The loan balance as of 31 December 2022 is RON 204,8 million (31 December 2021: RON 217,1 million) from which due on short term – RON 14,5 million.

In March 2021, the subsidiary One Verdi Park SRL has obtained the re-authorization for change in destination from a mixt development, including office to a residential development. As a consequence, the subsidiary has signed an addendum to the existing bank loan contract in order to accommodate the change in destination of the development. The credit facility period was reduced from 144 to 28 months. The subsidiary performs withdrawls from the credit line in order to finance the development of the residential project which construction is in progress, the balance of the loan as of 31 December 2022 is of RON 98,36 million (31 December 2021: RON 53,07 million) and is in full due on short term.

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. During 2022, the subsidiary One Cotroceni Park Office SA have withdrawn the amount of RON 146,1 million, therefore the loan balance as of 31 December 2022 is RON 211,52 million (31 December 2021: RON 78,91 million) from which on short term the amount of RON 28,3 million. During 2022, the subsidiary One Cotroceni Park Office SA Faza 2 have withdrawn the amount of RON 48,98 million, therefore the loan balance as of 31 December 2022 is RON 49,25 million (31 December 2021: RON 0 million) from which on short term the amount of RON 0.7 million.

On 30 September 2021, the subsidiary One Peninsula SRL have signed the loan agreement with First Bank SA for a maximum amount of EUR 15,000,000. The loan period is for 36 months starting with 01 October 2021. The loan balance as at 31 December 2022 is of RON 59,37 million (31 December 2021: RON 19,30 million). 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 2022 is of RON 18,55 million (31 December 2021: RON 8,48 million) and is due on short term. The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and insurance policies and bank accounts.

On 15 February 2022, the Company, through its subsidiary One Mircea Eliade Properties SRL contracted a bank loan from Garanti Bank in total value of RON 44,5 million (equivalent of EUR 9 million) and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains pledges over 29 apartments and 35 parking places, as well as bank accounts and a corporate guarantee issued by the holding Company. The subsidiary have reimbursed until 31 December 2022 the amount of RON 3,35 million, therefore the loan balance as at 31 December 2022 is RON 41,16 million, from which on short term 4,09 million.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. BORROWINGS (continued)

On 27 July 2022, the Company, through its subsidiary One Victoria Plaza SRL (former MAM Imob Business Center SRL) contracted a bank loan from Garanti Bank in total value of EUR 18,43 million and fully utilized this amount, therefore the loan balance as at 31 December 2022 is RON 89,18 million, from which on short term 5,08 million. The loan will be fully repaid until June 2037.

The subsdiaries One United Tower SA and One Cotroceni Park Office Faza2 SA have withdraw during 2022 RON 3,7 million, respectively 8,37 million RON from Element Invest Partners, related party. The group loan balance, including interest with Element Invest Partners is RON 20,46 million at 31 December 2022.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 28.

NOTE 16. LEASES

Group as a lessor

The Group has entered into leases on its office property portfolio. Refer to Notes 21 for further information.

Group as a lessee

The Group leases various land, building and equipment. Rental contracts are typically made for fixed periods of 1 to 2 years but may have extension options. Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The Group has lease contracts with lease terms of 12 months or less and has certain leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land	Buildings	Equipment	Total
At 1 January 2022	**30,923**	**3,426,862**	**47,667**	**3,505,452**
Additions	-		-	-
Depreciation expense	(218,159)	(527,665)	(72,474)	**(818,298)**
At 31 December 2022	**(187,236)**	**2,899,197**	**(24,807)**	**2,687,154**

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

	2022	2021
As at 1 January	**3,929,334**	**1,208,149**
Additions	-	3,566,471
Accretion of interest	16,231	82,799
Payments	(531,917)	(939,449)
Translation difference	11,789	11,364
As at 31 December	**3,425,437**	**3,929,334**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 28.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 16. LEASES (continued)

The following are the amounts recognised in profit or loss:

	2022	2021
Depreciation expense of right-of-use assets	(482,229)	(662,680)
Interest expense on lease liabilities	(14,666)	(79,669)
Currency translation gain / (loss)	(11,789)	(11,364)
Expense relating to leases of low-value assets	(10,031)	(10,031)
Expense relating to short-term leases	(62,607)	(62,607)
Total amount recognised in profit or loss	**(581,322)**	**(826,351)**

NOTE 17. INVESTMENTS IN ASSOCIATES

As at 31 December 2022 and 31 December 2021, the Group has interests in a number of individually immaterial associates that are accounted for using the equity method:

Name of the entity	Place of business/ country of incorporation	Object of activity	% of ownership interest		Carrying amount	
			31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Reinvent Energy SRL	Romania	Constructions	20%	20%	2,157,759	1,937,759
CTT & ONT AG	Switzerland	Investment	49.90%	49.9%	675,656	675,656
Glass Rom Invest SRL	Romania	Constructions	20%	20%	288,956	269,621
One Property Support Services SRL	Romania	Property management	20%	20%	245,006	81,622
One Herastrau Office Properties S.A.	Romania	Holding	30%	30%	-	-
One Herastrau Office S.A.	Romania	Rental of office space	20%	20%	-	-
Asociatia ASAR	Romania	Architecture	20%	20%	2,500	2,500
Total equity-accounted investments					**3,369,877**	**2,967,158**

	2022	2021
Aggregate amounts of the Group's share of:		
Profit from continuing operations	402,719	1,527,818
Total comprehensive income	**402,719**	**1,527,818**

NOTE 18. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 18. TRADE AND OTHER PAYABLES (continued)

Description	31 December 2022	Short Term	Long term	31 December 2021	Short Term	Long term
Suppliers	163,841,716	*163,841,716*	-	58,659,711	*58,659,711*	-
Accrued payables	28,602,207	*28,602,207*	-	16,565,766	*16,565,766*	-
Performance guarantees retained from suppliers	48,722,743	*48,722,743*	-	41,852,148	*41,852,148*	-
Dividends	2,806,389	*2,806,389*	-	679,899	*679,899*	-
Other taxes and duties	1,326,580	*1,326,580*	-	16,789	*16,789*	-
Sundry creditors	43,166,659	*24,703,167*	*18,463,492*	5,810,614	*5,810,614*	-
Provisions	1,450,526	-	*1,450,526*	564,912	-	*564,912*
Employee benefits	1,062,754	*1,062,754*	-	553,841	*553,841*	-
Other creditors	3,528,255	-	*3,528,255*	-	-	-
Total trade and other payables	**294,507,829**	***271,065,556***	***23,442,273***	**124,703,680**	**124,138,768**	**564,912**

The normal operating cycle of the Group is three years. As a result, current assets and liabilities include items whose realization is intended and / or anticipated to occur during the normal operating cycle of the Group.
Accrued payables represent the value of accepted services rendered by entrepreneurs and contractors for which invoices have not yet been received at the reporting date.

In Sundry creditors line is included the amount outstanding to be paid (RON 36,9 million) for the acquisition of land in surface area of 801,028.380 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county.

The management consider that the carrying amount of trade payables approximates to their fair value.

NOTE 19. ADVANCES RECEIVED FROM CLIENTS

At the moment of signing the bilateral sales undertakings between the promissory-seller and the promissory-purchaser, the promissory-seller undertakes not to sell, not to encumber, promise or offer for sale the apartments (with / without parking spaces) to a third party.

Developer	Project Name	Description	31-Dec-22	31-Dec-21
One Floreasca Towers	One Floreasca Towers	Residential	15,530,020	29,711,635
One Herastrau Plaza SRL	One Herastrau Plaza	Residential	79,393	79,393
One Peninsula SRL	One Peninsula	Residential	-	61,126,149
One North Gate SRL	One North Lofts	Investment property	8,165,132	-
One Cotroceni Park SRL	One Cotroceni Park	Residential	30,377,463	158,125,865
One Lake District SRL	One District Properties	Residential	88,640,773	115,360,327
One Plaza Athenee SRL (former One Proiect 3 SRL)	One Plaza Athenee	Investment property	39,552,200	9,896,600
One Lake Club SRL (former One Proiect 6 SRL)	One Lake Club SRL	Residential	53,182,697	16,841,955
One Lake Club (OP6 - Vlago)	One Lake Club (OP6 - Vlago)	Residential	5,226,929	-
One City Club SRL (former One Proiect 9 SRL)	One City Club	Investment property	5,088,154	-
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	Residential	6,992,261	7,251,338
Neo Timpuri Noi SRL	Neo Timpuri Noi	Residential	-	876
One Herastrau Vista (former Neo Herastrau Park SRL)	One Herastrau Vista	Residential	26,634,795	7,869,428
One High District SRL	One High District	Residential	10,209,552	-
Eliade Tower SA	Eliade Tower	Investment property	2,961,080	-
Bucur Obor SA	Bucur Obor	Investment property	1,000	-
Total			**292,641,449**	**406,263,566**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. ADVANCES RECEIVED FROM CLIENTS (continued)

Description	2022	2021
Advances received from clients in relation to residential portfolio (contract liabilities)	236,873,883	234,453,049
Advances received from clients in relation to investment property	55,767,566	171,810,517
Total	**292,641,449**	**406,263,566**

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY

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

Development	2022	2021
Sales of completed inventory property		
Sales – One Mircea Eliade Properties	*26,644,100*	*79,925,036*
Sales – One Mamaia Nord	*(1,465,538)*	*9,604,778*
Sales - One Herastrau Towers	*13,616,206*	*-*
Sales of residential property under development from which:		
Contract revenues – One Herastrau Towers	*-*	*50,309,898*
Contract revenues - One Peninsula	*104,789,370*	*115,142,190*
Contract revenues - One Verdi Park	*252,997,195*	*138,467,976*
Contract revenues - One Mircea Eliade Properties	*-*	*-*
Contract revenues - Neo Floreasca Lake	*39,190,885*	*57,748,530*
Contract revenues - Neo Timpuri Noi	*14,378,401*	*27,312,857*
Contract revenues - One Herastrau Vista	*7,919,636*	*1,905,122*
Contract revenues – One Modrogan	*49,269,158*	*94,972,128*
Contract revenues – One Cotroceni Park	*180,319,265*	*127,828,308*
Contract revenues - One Mamaia Nord - faza 2	*1,558,574*	*100,849*
Contract revenues - One High District	*13,751,963*	*-*
Contract revenues - One Floreasca Towers	*17,248,551*	*-*
Contract revenues - One Lake District	*26,719,555*	*-*
Contract revenues - One Lake Club	*22,581,061*	*-*
Total revenues from contracts with customers	**769,518,382**	**703,317,672**

The cost of sales of residential property is detailed below:

	2022	2021
Cost of sales of completed inventory property		
Cost of sales – One Mircea Eliade	*10,170,810*	*37,282,377*
Cost of sales – One Mamaia Nord	*(1,030,872)*	*10,343,412*
Cost of sales - One Herastrau Towers	7,324,911	*-*
Cost of sales of residential property under development from which:		
Contract cost - One Herastrau Towers	*-*	*25,362,963*
Contract cost - One Peninsula	*48,239,989*	*60,521,152*
Contract cost - One Verdi Park	*122,545,454*	*86,256,068*
Contract cost - Neo Floreasca Lake	*23,253,839*	*29,827,081*
Contract cost - Neo Timpuri Noi	*13,346,872*	*20,326,240*
Contract cost - One Herastrau Vista	*5,452,336*	*1,551,932*
Contract cost – One Modrogan	*17,958,788*	*55,517,629*
Contract cost – One Cotroceni Park	*121,021,892*	*124,345,159*
Contract cost - One Mamaia Nord - faza 2	*2,216,040*	*249,518*
Contract cost - One High District	*12,576,406*	*-*
Contract cost - One Floreasca Towers	*16,473,342*	*-*
Contract cost - One Lake District	*26,958,446*	*-*
Contract cost - One Lake Club	*18,951,034*	*-*
Total cost of sales	**445,459,287**	**451,583,531**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY (continued)

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.

As at 31 December 2022, the construction at One Mircea Eliade Properties, One Mamaia Nord (former Neo Mamaia), One Herastrau Towers were completed and therefore the residential property under development was transferred in completed inventory property.

On 8 July 2022, the Bucharest Court of Appeal suspended the building permit of the development One Modrogan, issued by the General Mayor of the Municipality of Bucharest. The litigation case in on-going.

At 31 December 2022, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was RON 1,034,295,559 (2021: RON 817,205,020), of which approximately 45% is expected to be recognised as revenues during 2023.

NOTE 21. NET INCOME FROM RENTAL ACTIVITY

The Group has entered into leases on its office property portfolio. The office property leases typically have lease terms of between 5 and 10 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

	2022	**2021**
Rental income (excluding straight-lining of lease incentives)	71,210,714	7,587,766
Straight-lining of lease incentives	(8,833,254)	(1,043,399)
Rental income	**62,377,460**	**6,544,367**

Under the office activity, are mainly included the revenues generated by One United Tower, One Cotroceni Park Office and One Victoriei Plaza with a share of 94% in total office rental revenues.

The rental activity increase during 2022 as One Tower and One Cotroceni Park Office buildings started to generated revenues as the development were finalized. The occupancy rate at 31 December 2022 for One Tower was 100%, One Cotroceni Park Office – 83% and One Victoriei Plaza – 100%.

Under the retail activity, are included the revenues generated by Bucur Obor.

Details about the base annual rent and the amortization of lease incentive are presented below:

As at 31 December 2022	**Gross rental income**	**Straight-lining of lease incentives**	**Rental income**
Office	43,216,446	(8,833,254)	34,383,192
Retail	27,230,617	-	27,230,617
Other	763,651	-	763,651
Total	**71,210,714**	**(8,833,254)**	**62,377,460**

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

	2022	**2021**
Gross amount of lease incentives not fully amortised	121,123,808	25,026,596
Cumulative amount recognised in profit or loss	(9,992,841)	(1,159,587)
Net amount of lease incentives not fully amortised	**111,130,967**	**23,867,009**

The net amount of lease incentives not fully amortised are included in the statement of financial position under 'Investment property' at 31 December 2022 and 31 December 2021.

NOTE 22. SALES BROKERAGE EXPENSES AND OVERHEAD EXPENSES

Description	2022	2021
Sales brokerage commissions	9,255,427	4,641,595
Total	**9,255,427**	**4,641,595**

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

NOTE 23. GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses in 2022 and 2021 are detailed as follows:

Description	2022	2021
Bank commissions and similar charges	1,862,959	836,912
Commissions, fees and legal consultancy	8,519,286	4,130,770
Repairs and maintenance	80,413	280,016
Fuel, office equipment and similar	1,113,344	843,727
Amortization of fixed assets	2,037,742	1,561,000
Protocol, advertising and publicity	11,002,963	6,377,195
Taxes and duties	154,783	166,692
Accounting, audit and consultancy services	1,611,150	1,142,258
Valuation services	435,153	309,384
Other consultancy services	3,239,021	2,054,600
Administration services	1,751,740	1,921,007
Other expenses with third party services	602,939	366,728
Salaries and similar contributions	8,311,553	4,949,213
Share based payment transactions	46,150,939	926,786
Postage and telecommunication expenses	115,584	116,874
Transport and travels	1,543,038	966,708
Sundry rentals	809,519	104,458
Recruitment	117,447	64,722
Insurance	494,227	155,129
Depreciation of right of use assets	482,229	662,680
Total	**90,436,029**	**27,936,859**

The average number of employees as of 31 December 2022 is 89 (31 December 2021: 77 employees).

The fees charged by Deloitte Audit for services provided in 2022 to the company and subsidiaries within the group comprise audit fees amounting EUR thousand 218.7 (out of which statutory audit in amount of EUR thousand 140, other audit fees in amount of EUR thousand 46.7 and other non-audit services in amount of EUR thousand 32).

NOTE 24. OTHER OPERATING EXPENSES

Other operating expenses in 2022 and 2021 are detailed as follows:

Description	2022	2021
Donations granted	7,467,118	6,653,601
Bad debts written off	498,907	-
Expense with provisions and allowance for impairment	5,258,735	194,505
Contractual penalties	1,052,967	165,500
Other operating expenses	1,030,613	1,051,936
Total	**15,308,340**	**8,065,542**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 25. NET FINANCIAL RESULT

The financial income and expenses in 2022 and 2021 are detailed as follows:

Description	2022	2021
Interest income	13,393,219	2,356,646
FX net gain	93,082	-
Other financial income	4,861,828	24,585
Total financial income	**18,348,129**	**2,381,231**
Interest expenses	(21,966,642)	(9,639,353)
FX net gain	-	(2,506,132)
Total financial expenses	**(21,966,642)**	**(12,145,485)**
Total net financial result	**(3,618,513)**	**(9,764,254)**

NOTE 26. RELATED PARTIES

The Group's related parties with which have incurred transactions at 31 December 2022 and 31 December 2021 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
Blue Capital SA (former 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
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
YR-WNT SRL (former Neo Downtown SRL)	Romania	Other related party
ACC Investments SRL	Romania	Other related party
Reinvent Energy SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office Properties SA	Romania	Associate
One Herastrau Office SA	Romania	Associate
Glass Rom Invest SRL	Romania	Associate
CTT & ONE AG	Switzerland	Associate
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Luxembourg	Associate
Vinci Ver Holding SRL	Romania	Other related party
OA Liviu Holding SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Switzerland	Key management personnel, minority shareholder of the Group
Gabriel-Ionut Dumitrescu	Romania	Key management personnel, starting 2022 exit the Board
Adriana-Anca Anton	Romania	Key management personnel, starting 2022 exit the Board
Valentin-Cosmin Samoila	Romania	Key management personnel

Name	Country	Type of affiliation
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel

In its normal course of business, the 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	**2022**	**2021**
Short - term employee benefits	769,062	552,179

Please refer to Note 14 for disclosure of share-based payments to key management personnel.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates/joint ventures are disclosed below.

The following tables provides the total amount of transactions that have been entered into with related parties during 2022 and 2021, as well as balances with related parties as at 31 December 2022 and 31 December 2021:

		Statement of financial position (Amounts owing (to)/from)	
Nature of balances	**Related party categories**	**31 December 2022**	**31 December 2021**
Receivables and other receivables related to goods and services sold	Key management personnel of the Group	2,482	2,482
	Associates	4,744,972	4,135,900
	Other related parties	12,050,587	11,171,879
Advances paid for purchases of goods and services	Key management personnel of the Group	-	-
	Associates	10,869,424	12,266,422
	Other related parties	21,883,513	24,677,386
Payables related to goods and services paid	Key management personnel of the Group	3,305	3,305
	Associates	10,270,577	6,681,849
	Other related parties	8,850,374	4,042,747
Dividends paid during the year, net of tax	Key management personnel of the Group	4,309,192	35,064,786
	Other related parties	48,473,059	2,841,692
Advance payments received	Other related parties	10,999,262	15,950,589
	Associates	102,004,454	161,854,758

		Income statement (Income/(expense))	
Nature of transactions	**Related party categories**	**2022**	**2021**
Sales of goods and services	Key management personnel of the Group	-	-
	Associates	29,405,151	27,702,217
	Other related parties	8,126,879	45,374,992
Purchases of various goods and services	Key management personnel of the Group	-	-
	Associates	80,244,759	65,098,966
	Other related parties	45,450,524	8,719,948

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. RELATED PARTIES (continued)

Loans from related parties		**Interest expenses**	**Amounts owed to related parties**
	2022	-	20,465,473
Companies – Other related parties	2021	99,014	11,610,787
Total loans from related parties	**2022**	**-**	**20,465,473**
	2021	**99,014**	**11,610,787**

Loans granted to related parties		**Interest income**	**Amounts granted to related parties**
	2022	178,566	7,060,180
Loans granted to associates	2021	177,124	11,453,361
Total loans from related parties	**2022**	**178,566**	**7,060,180**
	2021	**177,124**	**11,453,361**

At 31 December 2022 and 31 December 2021, the Group have entered into contractual commitments with related parties for the sale of property, development of investment property and residential property in relation to which the related parties perform constructions works such as: design, structure, site organization, installations, envelope, finishes and other services such as: property management, broker commissions.

The transactions with related parties are made on terms equivalent to those that prevail in arm's-length transactions.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized balance sheet	One Cotroceni Park		One North Gate		One United Tower	
	2022	2021	2022	2021	2022	2021
Current assets	157,538,289	230,118,519	7,348,484	4,138,035	42,499,887	22,538,497
Current liabilities	55,779,573	168,940,497	13,867,896	3,168,518	29,743,558	19,539,644
Current net assets	**101,758,716**	**61,178,022**	**(6,519,412)**	**969,517**	**12,756,329**	**2,998,853**
Non-current assets	117,248,486	86,874,959	131,443,936	138,063,485	426,205,696	396,174,211
Non-current liabilities	35,943,423	25,328,846	48,454,588	53,331,531	277,839,942	257,319,415
Non-current net assets	**81,305,063**	**61,546,113**	**82,989,348**	**84,731,954**	**148,365,754**	**138,854,796**
Net assets	**183,063,779**	**122,724,135**	**76,469,936**	**85,701,471**	**161,122,083**	**141,853,649**
NCI % at year end	*20.00%*	*20.00%*	*32.32%*	*37.60%*	*29.76%*	*29.76%*
Equity attributable to owners of the Company	**146,451,023**	**98,179,308**	**51,758,676**	**53,482,003**	**113,172,151**	**99,638,003**
Non-controlling interests	**36,612,756**	**24,544,827**	**24,711,260**	**32,219,468**	**47,949,932**	**42,215,646**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Summarized balance sheet	One Cotroceni Park Office		One Cotroceni Park Office Faza 2		
	2022	2021	2022	2021	Bucur Obor (acquired in 2022)
Current assets	66,350,765	70,019,055	26,866,425	17,937,891	36,419,480
Current liabilities	28,433,311	46,915,517	23,238,706	5,063,405	7,907,617
Current net assets	**37,917,454**	**23,103,538**	**3,627,719**	**12,874,486**	**28,511,863**
Non-current assets	569,909,990	454,316,335	351,073,805	196,146,066	307,931,439
Non-current liabilities	261,996,147	162,597,901	170,746,951	69,299,415	33,167,754
Non-current net assets	**307,913,843**	**291,718,434**	**180,326,854**	**126,846,651**	**274,763,685**
Net assets	**345,831,297**	**314,821,972**	**183,954,573**	**139,721,137**	**303,275,548**
NCI % at year end	*42.75%*	*42.75%*	*42.75%*	*42.75%*	*45.56%*
Equity attributable to owners of the Company	**197,988,418**	**180,235,579**	**105,313,993**	**79,990,351**	**165,103,208**
Non-controlling interests	**147,842,879**	**134,586,393**	**78,640,580**	**59,730,786**	**138,172,340**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park		One North Gate		One United Towers	
Summarized statement of comprehensive income	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue	180,319,265	127,828,308	2,530,265	2,962,315	23,398,082	8,889,353
Profit for the period	**60,339,644**	**21,353,239**	**(9,231,535)**	**(1,715,260)**	**19,268,434**	**23,772,981**
Total comprehensive income	**60,339,644**	**21,353,239**	**(9,231,535)**	**(1,715,260)**	**19,268,434**	**23,772,981**
NCI % at year end	*20.00%*	*20.00%*	*32.32%*	*37.60%*	*29.76%*	*29.76%*
Profit allocated to NCI	**12,067,929**	**4,270,648**	**(2,983,170)**	**(644,852)**	**5,734,286**	**7,074,839**
Dividends paid to NCI	-	-	-	-	-	-
Summarized statement of cash flow	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Net cash from operating activities	(83,685,776)	94,670,446	6,772,580	(2,043,495)	2,370,480	(33,735,204)
Net cash flows from used in investing activities	(1,381,763)	(43,735)	(3,669,562)	(685,509)	(17,275,834)	(36,262,560)
Net cash from financing activities	(754,917)	21,598	(311,025)	2,332,226	24,511,454	85,133,646
Net changes in cash and cash equivalents	**(85,822,456)**	**94,648,309**	**2,791,993**	**(396,778)**	**9,606,100**	**15,135,882**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park Office		One Cotroceni Park Office Faza 2		Bucur Obor
Summarized statement of comprehensive income	**2022**	**2021**	**2022**	**2021**	**2022**
Revenue	18,625,662	-	-	-	32,544,419
Profit for the period	**31,009,325**	**147,856,804**	**44,233,436**	**78,454,968**	**14,753,225**
Total comprehensive income	**31,009,325**	**147,856,804**	**44,233,436**	**78,454,968**	**14,753,225**
NCI % at year end	*42.75%*	*42.75%*	*42.75%*	*42.75%*	*42.75%*
Profit allocated to NCI	**13,256,486**	**63,208,784**	**18,909,794**	**33,539,499**	**6,307,004**
Dividends paid to NCI	**-**	**-**	**-**	**-**	**-**
Summarized statement of cash flow	**2022**	**2021**	**2022**	**2021**	**2022**
Net cash from operating activities	(13,769,883)	(9,004,457)	16,879,813	(14,506,651)	20,789,608
Net cash flows from used in investing activities	(79,712,444)	(63,341,744)	(100,044,052)	(31,017,427)	(830,000)
Net cash from financing activities	82,659,811	121,532,012	93,142,766	45,679,990	(17,355,955)
Net changes in cash and cash equivalents	**(10,822,516)**	**49,185,811**	**9,978,527**	**155,912**	**2,603,653**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Transactions with non-controlling interests

During 2022 and 2021, 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 2022	One Herastrau Vista	Neo Floreasca Lake	One Mamaia Nord	Neo Timpuri Noi	One North Gate	One Carphatian Lodge Magura	One United Italia	Bucur Obor	Total
	13% change in NCI	*14.42% change in NCI*	*12.67% change in NCI*	*12.67% change in NCI*	*5.28% change in NCI*	*No change in control – incorporation of loans*	*90%*	*54.44%*	
Carrying amount of non-controlling interests acquired/sold	(32,463)	4,329,874	770,795	1,734,860	4,094,966	-	-		**10,898,032**
Consideration (paid)/received to/from non-controlling interests	(2,042,969)	(2,063,158)	(808,349)	(902,834)	-4,223,928	-	-		**(10,041,238)**
Impact in retained earnings	**(2,075,432)**	**2,266,716**	**(37,554)**	**832,026**	**-128,962**	**-**	**-**		**856,794**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)						**3,418,610**	**4,500**	**133,511,133**	**136,934,243**

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**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	1-Jan-22	New leases	Interest charge	Interest charge capitalized in investment property	Cash flows payments	Foreign exchange movements	Conversion to equity	Other movements	31-Dec-22
Bank loans	412,992,288	335,295,908	21,826,016	156,298	(56,617,994)	1,571,170	-	90,939,057	806,162,743
Loans received from shareholders	7,559,236	306,416	123,511	-	-	(27,929)	(3,418,614)	(966,210)	3,576,410
Loans received from related parties	11,610,788	12,220,170	-	-	(3,442,880)	77,395	-	-	20,465,473
Lease liabilities	3,929,334	-	14,666	1,565	(531,917)	11,789	-	-	3,425,437
Total liabilities from financing activities	**436,091,646**	**347,822,494**	**21,964,193**	**157,863**	**(60,592,791)**	**1,632,425**	**(3,418,614)**	**89,972,847**	**833,630,063**

	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**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 29. COMMITMENTS

Through the contracts concluded with the clients, the Group undertakes to deliver on time, state-of-the-art apartments forming the object of the concluded contracts. Other obligations resulting from the contracts concluded with clients: the apartments were not and are not removed from the civil circuit; are not the subject of any rental agreement; are not the subject of any litigation; are not subject to any form of forced execution; does not constitute contribution to the set-up of any commercial company; is not alienated or mortgaged; is free from any liens.

The Group has no significant capital commitments at 31 December 2022 and 31 December 2021.

NOTE 30. CONTINGENCIES

There are several lawsuits in which the Group entities are involved in the normal course of business, which in case of negative outcome, may have an effect on the Group's operations. However, the Group does not anticipate significant impact based on the status of these lawsuits at the issue date.

The Group in the normal course of business has given warranties for the quality of the apartments for 3 years and is obliged by the local legislation to guarantee the construction design on the entire lift time of the construction. Provision is made for the Directors' best estimate of all known legal claims and all legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed.

The Romanian tax system is under continuous development, being subject to constant interpretations and changes, sometimes retrospectively applied. The statute of limitation for tax periods is 5 years. The Group management consider that the tax liabilities of the Group have been calculated and recorded according to the legal provisions.

NOTE 31. FAIR VALUE HIERARCHY

The Group holds financial instruments that are not measured at fair value in the consolidated statement of financial position. For financial instruments such as cash and cash equivalents, trade and other receivables, the management of the Group has estimated that their carrying amount is an approximation of their fair value. The fair value of these types of instruments was determined as level 3 in the fair value hierarchy.

Financial liabilities that are not measured at fair value are 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 Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	830,204,626	432,162,310	734,965,433	378,908,650
Advances from customers	292,641,449	406,263,566	276,373,333	381,888,811

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as at 31 December 2022 and 31 December 2021:

31 December 2022	Level 1	Level 2	Level 3	Total
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	-	734,965,433	734,965,433
Advances from customers	-	-	276,373,333	276,373,333

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 31. FAIR VALUE HIERARCHY (continued)

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

There were no transfers between Level 1 and 2 during 2022 or 2021.

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 2022, 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 2022.

NOTE 32. SEGMENT REPORTING

Reporting segments are residential, office and landbank and corporate and the Group manages operations in accordance with this classification. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.
Segment revenue reported above represents revenue generated from external customers and related party. See note 26. There were no intersegment sales in the current year (2021: nil). No single customers contributed 10 per cent or more to the Group's revenue in either 2022 or 2021.

Segment results 31 December 2022	Residential	Office & landbank	Corporate	Total
RON				
Revenues from sales of residential property	769,518,382	-	-	769,518,382
Revenues from rentals, service charge and similar	-	78,909,622	-	78,909,622
Cost of sales of residential property	(445,459,287)	-	-	(445,459,287)
Other property operating expenses - residential	(5,133,247)	-	-	(5,133,247)
Cost of rental revenues, service charge and similar	-	(16,532,162)	-	(16,532,162)
Other property operating expenses	-	(8,171,409)	-	(8,171,409)
Net income	**318,925,848**	**54,206,051**	**-**	**373,131,899**

Segment results 31 December 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)
Other property operating expenses - residential	(5,046,897)	-	-	(5,046,897)
Cost of rental revenues, service charge and similar	-	(5,277,520)	-	(5,277,520)
Other property operating expenses	-	(5,345,444)	-	(5,345,444)
Net income	**246,687,244**	**1,198,923**	**-**	**247,886,167**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment results 31 December 2022	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Gains from investment property	45,133,983	173,332,589	-	**218,466,572**
Gain on the bargain purchase	-	94,079,969	-	**94,079,969**

Segment results 31 December 2021	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Gains from investment property	23,905,756	375,282,423	-	**399,188,179**

Segment assets and liabilities 31 December 2022

	Residential	**Office & landbank**	**Corporate**	**Total**
RON				
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	1,110	14,411,673	846,822	15,259,605
Investment properties	84,180,011	2,167,804,936	-	2,251,984,947
Investments in associates	-	-	3,369,877	3,369,877
Right of use assets	2,229,909	457,245	-	2,687,154
Property, plant and equipment	3,887,116	3,074,099	44,170,308	51,131,523
Total non-current assets	**109,554,222**	**2,185,747,953**	**48,387,007**	**2,343,689,182**
Inventories	662,896,020	98,320	-	662,994,340
Advance payments to suppliers	88,929,853	19,121,548	8,265,508	116,316,909
Trade receivables	371,814,135	19,758,362	430,125	392,002,622
Other receivables	6,144,058	36,400,719	87,317,666	129,862,443
Prepayments	11,399,818	13,148,513	376,613	24,924,944
Cash and cash equivalents	288,455,917	131,105,165	147,398,961	566,960,043
Total current assets	**1,429,639,801**	**219,632,627**	**243,788,873**	**1,893,061,301**
Total assets	**1,539,194,023**	**2,405,380,580**	**292,175,880**	**4,236,750,483**
Loans and borrowings - long term	61,946,481	595,788,990	-	657,735,471
Trade and other payables	564,912	885,614	21,991,747	23,442,273
Lease liabilities - long term portion	2,646,947	-	-	2,646,947
Deferred tax liabilities	89,652,566	190,798,332	(7,622,861)	272,828,037
Total non-current liabilities	**154,810,906**	**787,472,936**	**14,368,886**	**956,652,728**
Loans and borrowings - short term	116,929,233	55,539,922	-	172,469,155
Trade and other payables	111,210,483	135,630,710	24,224,363	271,065,556
Accrued income	370,523	10,692,119	36,631	11,099,273
Lease liabilities	332,990	445,500	-	778,490
Current tax liabilities	2,661	522,366	192,117	717,144
Advance payments from customers	236,873,883	55,767,566	-	292,641,449
Total current liabilities	**465,719,773**	**258,598,183**	**24,453,111**	**748,771,067**
Total liabilities	**620,530,679**	**1,046,071,119**	**38,821,997**	**1,705,423,795**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2021

RON	Residential	Office & landbank	Corporate	Total
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	**886,027,427**	**1,648,165,303**	**262,966,758**	**2,797,159,488**
Loans and borrowings - long term	74,637,587	323,176,941	-	397,814,528
Trade and other payables	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**
Loans and borrowings - short term	8,526,478	25,821,304	-	34,347,782
Trade and other payables	69,598,658	50,466,678	4,073,432	124,138,768
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**	**249,429,244**	**3,333,947**	**569,201,805**
Total liabilities	**445,454,217**	**702,275,967**	**2,472,088**	**1,150,202,272**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 33. EARNING PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2022 was based on the profit attributable to equity holders of RON 502,296,355 (31 December 2021: RON 509,687,153) and the weighted average ordinary shares in issue during the year.

RON	**31 December 2022**	**31 December 2021**
Profit for the year attributable to equity holders	502,477,465	509,687,153
Weighted average number of shares in issue	2,812,996,754	647,837,366
Basic earnings per share attributable to equity holders	0.18	0.79

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

In February 2023, the Company have concluded the agreement for the acquisition of a plot of land of 44,863 sqm on Soseaua Progresului 56-80, in Bucharest district 5. The value of the transaction is EUR 35 million, out of which EUR 20 million will be paid in cash and the rest of EUR 15 million will be exchanged with future apartments and commercial spaces.

On 09 March 2023, the Revenue & Expense Budget for 2023 was approved by the Board of Directors on 9 March 2023 and will subsequently be subject to approval in the annual Ordinary General Meeting of the Shareholders that will take place on 25 April 2023.

On 10 March 2023, the management of the Company informed the market that Wiener Borse (Vienna Stock Exchange) announced the Company's shares will be included, as of 20.03.2023, in the ROTX Index. The ROTX is a capitalization-weighted price index and is made up of 15 Romanian blue-chip stocks traded at Bucharest Stock Exchange. Calculated in EUR, USD and RON and disseminated in real-time by Wiener Borse, the ROTX is designed as tradable index and is used as underlying for structured products. The inclusion in the ROTX was part of the Company's strategy to improve the visibility of Romanian capital market on the international arena as well as contribute to the further appreciation of the Company's liquidity.

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for a building located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm. The property is classified as a historical monument by local authorities.

ONE UNITED PROPERTIES SA

Separate financial statements for the year ended 31 December 2022

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, 2022, 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 separate financial statements as at December 31, 2022 are identified as follows:

• Net assets / Equity	RON	954,731,514
• Net profit for the financial year	RON	116,815,996

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, 2022, 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 separate 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.

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 15,905,553 as of December 31, 2022 (31 December 2021: RON 44,837,975). 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 and the Remuneration Report, but does not include the separate financial statements and our auditor's report thereon.

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

   In connection with our audit of the separate financial statements for the year ended December 31, 2022, 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.

   With respect to the Remuneration report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, article no. 107.

   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 and the Remuneration 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' 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) the Remuneration report has been prepared, in all material respects, in accordance with the provisions of Law 24/2017, article no. 107.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at December 31, 2022, we are required to report if we have identified a material misstatement of this Administrator’s report and the Remuneration report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Ministry of Public Finance Order no. 2844/2016, 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.

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

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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, 2022. 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, 2022.

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 separate financial statements for the year ended 31 December 2022 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the separate financial statements. Our audit opinion relating to the financial statements of the Company for the year ended 31 December 2022 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
March 24, 2023

(Amounts are expressed in RON, unless otherwise mentioned)

Separate financial statements	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Intangible assets	**7**	59,668	567,455
Property, plant and equipment	**6**	2,291,888	1,293,679
Right of use assets	**10**	17,640,137	3,393,204
Investments in subsidiaries and associates	**8**	209,382,429	90,497,644
Loans granted to subsidiaries, associates and others	**9**	571,982,357	338,295,046
Deferred tax assets	**14**	1,167,931	59,389
Other non-current assets	**11**	39,937,664	962,591
Total non-current assets		**842,462,074**	**435,069,008**
Current assets			
Trade receivables	**12**	726,283	102,053,110
Other receivables	**12**	100,314,789	28,753,389
Prepayments		244,934	143,815
Loans granted to subsidiaries, associates and others	**9**	29,095,328	24,724,694
Cash and cash equivalents	**13**	137,504,656	121,682,382
Total current assets		**267,885,990**	**277,357,390**
TOTAL ASSETS		**1,110,348,064**	**712,426,398**
EQUITY AND LIABILITIES			
Equity			
Share capital	**15**	740,563,717	514,828,059
Share premium	**15**	27,981,399	4,307,781
Own shares		1,029	-
Other capital reserves	**15**	51,848,900	1,390,179
Legal Reserves	**15**	17,452,635	11,437,359
Retained earnings		116,883,834	50,071,138
Total equity		**954,731,514**	**582,034,516**
Non-current liabilities			
Loans and borrowings	**16**	-	27,921,952
Lease liabilities	**17**	17,864,412	2,464,740
Other payables	**18**	19,547,117	107,468
Total non-current liabilities		**37,411,529**	**30,494,160**
Current liabilities			
Lease liabilities	**17**	1,901,977	1,299,647
Trade payables	**18**	933,976	1,880,800
Other payables	**18**	115,104,814	96,575,919
Current tax liabilities	**14**	227,623	-
Deferred income		36,631	141,356
Total current liabilities		**118,205,021**	**99,897,722**
Total liabilities		**155,616,550**	**130,391,882**
TOTAL EQUITY AND LIABILITIES		**1,110,348,064**	**712,426,398**

The separate financial statements were approved by the Management of the Company, authorized for issue on 22 March 2023 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 2022**	**31 December 2021**
Revenues from services rendered	**19**	15,905,553	44,837,975
Revenues from rentals, service charge and similar	**19**	169,485	630,559
Other revenues	**19**	10,235,197	784,769
Total operating revenues		**26,310,235**	**46,253,303**
Amortisation, depreciation and impairment of net reversals	**20**	(9,750,133)	(1,628,096)
Administrative expenses	**20**	(9,423,744)	(3,645,630)
Other operating expenses	**20**	(11,558,259)	(7,814,774)
Adjustments related to provisions	**20**	-	84,255
Total operating expenses		**(30,732,136)**	**(13,004,245)**
Result from operating activity		**(4,421,901)**	**33,249,058**
Revenues from dividends	**21**	100,918,000	1,881,012
Revenues from interest	**21**	18,829,563	7,436,521
Other financial revenues	**21**	4,753,118	6,780,725
Total financial income		**124,500,681**	**16,098,258**
Interest expenses	**22**	(789,429)	(786,291)
Total financial expenses		**(789,429)**	**(786,291)**
Net financial result		**123,711,252**	**15,311,967**
Result before tax		**119,289,351**	**48,561,025**
Tax expenses	**14**	(2,473,355)	(7,846,508)
Net result of the period		**116,815,996**	**40,714,517**
Total comprehensive income for the period		**116,815,996**	**40,714,517**
Basic/diluted earnings per share attributable to equity holders		*0.042*	*0.063*

The separate financial statements were approved by the Management of the Company, authorized for issue on 22 March 2023 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 2022		**514,828,059**	**4,307,781**	**1,390,179**	**-**	**11,437,359**	**50,071,138**	**582,034,516**
Profit for the period		-	-	-	-	-	116,815,996	**116,815,996**
Dividends allocated from the statutory profit	**15**	-	-	-	-	-	(42,473,315)	**(42,473,315)**
Issue of ordinary shares	**15**	40,594,729	213,122,328	-	-	-	-	**253,717,057**
Issue of ordinary shares - premium shares conversion	**15**	185,140,929	(185,140,929)	-	-	-	-	**-**
Transfer of share premiums in other reserves		-	(4,307,781)	4,307,781	-	-	-	**-**
Transfer of legal reserves in/to retained earnings	**15**	-	-	-	-	6,015,276	(6,015,276)	**-**
Acquisition of own shares		-	-	-	1,029	-	-	**1,029**
Stock option plan	**15**	-	-	46,150,940	-	-	-	**46,150,940**
IPO costs	**3**						(1,514,709)	**(1,514,709)**
Balance as at 31 December 2022		**740,563,717**	**27,981,399**	**51,848,900**	**1,029**	**17,452,635**	**116,883,834**	**954,731,514**

(Amounts are expressed in RON, unless otherwise mentioned)

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	**15**						(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					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**

(Amounts are expressed in RON, unless otherwise mentioned)

	31 December 2022	31 December 2021
Cash flows from operating activities		
Result for the year	116,815,996	40,714,517
Adjustments for:		
Amortization	3,258,932	1,628,096
Depreciation, impairment, provision net of reversals	6,491,200	(84,255)
Share-based payments	46,150,940	926,786
Unrealised foreign exchange loss/(gain)	(911,254)	(4,996,477)
Interest expenses	789,061	786,291
Interest income	(18,829,563)	(7,436,521)
Other financial revenues	(3,679,850)	-
Income tax expenses	2,473,355	7,846,508
Dividends income	(100,918,000)	(1,881,012)
Changes in working capital		
(Increase)/Decrease in trade and other receivables	72,971,722	(40,235,863)
Increase/(Decrease) in trade and other payables	15,323,525	28,487,136
(Increase)/Decrease in other non-current assets	(68,234,229)	(53,618)
Increase/(Decrease) in other non-current liabilities	37,822,485	38,453
Income tax paid	-	(5,323,487)
Net cash from operating activities	**109,524,320**	**20,416,554**
Additional loans granted	(605,039,995)	(111,012,148)
Repayment of loans granted	365,159,542	-
Acquisition of property, plant and equipment	(3,790,041)	(207,302)
Proceeds from sale of property, plant and equipment	2,961,115	-
Acquisition of intangible assets	(388,731)	(557,555)
Acquisition/Investment of/in subsidiaries and associates	(121,908,147)	(34,952,521)
Dividends received	100,918,000	1,881,012
Interest received	19,123,448	7,261,353
Other financial revenue	3,679,850	-
Net cash flows used in investing activities	**(239,284,959)**	**(137,587,161)**
Proceeds from loans and borrowings	-	27,921,952
Repayment of borrowings	(27,921,952)	(83,424,447)
Dividends paid	(76,933,659)	(54,762,517)
Proceeds from issue of share capital and share premium	253,717,057	259,302,050
Interest paid	-	(631,839)
Cash proceeds from sale of own shares	-	36,035,214
Principal elements of lease payments	(3,278,533)	(1,403,507)
Net cash from financing activities	**145,582,913**	**183,036,906**
Net changes in cash and cash equivalents	15,822,274	65,866,299
Cash and cash equivalents at the beginning of the year	**121,682,382**	**55,816,083**
Cash and cash equivalents at the end of the year	**137,504,656**	**121,682,382**

(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 2022 were authorized for issue on 22 March 2023.

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 740,563,717.2 divided into 3,702,818,586 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 27.5830% each and other shareholders holding 44.8340%. All shares are paid in full.

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

The Company is a holding having as main CAEN code according to the Romania law, 642 "Holding Activities". The revenues generated by the Company are mainly related to secondary activities such as administrative support offered to its subsidiaries and associates. These are regrouped under the CAEN code 7022 "Activities related to business and management advisory services".
The Company had the following subsidiaries and associates undertakings as at 31 December 2022 and 31 December 2021:

Name of the subsidiary and associates	Activity	% ownership as at 31 December 2022	% ownership as at 31 December 2021	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%	100%	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%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Bucharest	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Bucharest	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Bucharest	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Bucharest	67.69%	62.41%	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%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Bucharest	95.00%	80.58%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Bucharest	95.00%	82.33%	Maxim Gorki street 20, Bucharest, district 1
Neo Timpuri Noi SRL	Real estate developer in Bucharest	95.00%	82.33%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Bucharest	95.00%	82.00%	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%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Bucharest	57.25%	57.25%	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%	80.00%	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 Proiect 4 SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City (former One Proiect 7 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One High District S.R.L. (former One Proiect 1 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club S.R.L. (former One Proiect 6 SRL)	Real estate developer in Bucharest	100%	100%	Maxim Gorki street 20, Bucharest, district 1
One Carphatian Lodge Magura SRL (former Carpathian Estate SRL)	Real estate developer in Bucharest	66.72% (indirect subsidiary)	66.72% (indirect subisdiary)	Maxim Gorki street 20, Bucharest, district
Reinvent Energy SRL	Electric and sanitary Installations for real estate	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%	Bucuresti Sectorul 6, Spl. Independentei, Nr. 202
One Proiect 8 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One City Club (former One Proiect 9 SRL)	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 10 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One United Italia SRL	Real estate developer in Bucharest	90%	0%	Maxim Gorki street 20, Bucharest, district

(Amounts are expressed in RON, unless otherwise mentioned)

One United Management Services SRL	Management services	100%	0%	Maxim Gorki street 20, Bucharest, district
Bo Retail Invest SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 11 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 12 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 14 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 15 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 16 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 17 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 18 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Proiect 2 SRL	Real estate developer in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
Bucur Obor SA	Lease of retail space	54.44% (indirect subsidiary)	0%	Colentina, street 2, Bucharest, district 2
Eliade Tower SA	Renting office premises in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Bucharest	100%	0%	Maxim Gorki street 20, Bucharest, district

The holding company are consolidated the subsidiaries, as per table below:

Scope of consolidation	Subsidiaries full consolidation	Associates at equity	Total
Balance on 31 December 2021	33	7	40
Acquisitions	3	-	3
New foundations	14	-	14
Disposal	(1)	-	(1)
Balance on 31 December 2022	49	7	56

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. Starting 31 December 2021, the Company has prepared separate financial statements in accordance with 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 2022, 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

In February 2022, an armed conflict has started between Russia and Ukraine, that affected the economies of the two countries and resulted, among others, in massive flows of refugees from Ukraine towards neighbouring countries (including Romania), as well as in a number of sanctions imposed by the international community against Russia, Belarus and some Russian companies. The medium- and long-term impact of this conflict and of the sanctions imposed against Russia cannot be currently anticipated sufficiently accurate. Considering that the Company has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, we consider that the Company's ability to continue as a going concern over the foreseeable future shall not be significantly affected, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general.

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

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

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

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

- **Amendments to IFRS 3: Definition of a Business** – 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.

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 issued by IASB on 14 May 2020. 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 issued by IASB on 14 May 2020. 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 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 and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

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

- **Amendments to IFRS 17 "Insurance contracts**" - Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued by IASB on 9 December 2021. It is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

- **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. 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. Non-current Liabilities with Covenants issued by IASB on 31 October 2022. Amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - Definition of Accounting Estimates issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

NOTE 2. GENERAL INFORMATION (continued)

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

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

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

- **Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current (IASB effective date: 1 January 2023)"**
- **Amendments to IAS 1 "Non-current Liabilities with Covenants (IASB effective date: 1 January 2024)"**
- **Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback (IASB effective date: 1 January 2024)"**
- **IFRS 14 "Regulatory Deferral Accounts"** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

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

NOTE 3. 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:

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

3.a Judgements (continued)

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

- Services related to support in respect of the implementation of the real estate projects of the subsidiaries or associates. These services are invoiced based on a percentage of the investment value booked by the legal entity in its ledger, at the moment the invoice is issued
- Success fees related to the sale or rental of the units built by subsidiaries or associates. These success fees are invoiced based on a percentage of the accounting profit generated by the legal entity at the moment the invoice is issued
- The right of use of the One United Properties brand by its subsidiaries or associates. This fee is invoiced based on a percentage of the turnover generated by the legal entity at the moment the invoice is issued

With respect to these management fees, based on the analysis performed the series of distinct services has the same pattern of transfer to the customer.

For each performance obligation identified the Company determined at contract inception that it satisfies the performance obligation over time.

Determining the timing of revenue recognition

The Company has evaluated the timing of revenue recognition of management fees based on a careful analysis of the rights and obligations under the terms of the contract.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time as the Company considers that the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs.

The Company has determined that the output method is the best method for measuring progress for these contracts. Output methods include, in general, methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced, or units delivered. As described above, the Company has used several outputs when determining the amount to be invoiced, for services rendered to the legal entities. They are based on the performance completed to date based on results achieved by the legal entities such as the value of the current investment, accounting profits and turnover generated. Given the nature of services rendered, the Company considers that the output selected would faithfully depict the entity's performance towards complete satisfaction of the performance obligation.

Starting with November 2022, the management fee activity was transferred to One United Management Services SRL.

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).

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

3.b Estimates and assumptions (continued)

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 1.5 million (Dec 2021: RON 7.3 million).

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Revenues (continued)

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 until the Company has moved the office to One Tower building related to One United Tower SA, subsidiary. 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
- one related to the rental contract between the Company (lessee) and One United Tower 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

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Foreign currencies (continued)

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 over those policies.

Investments in subsidiaries and associates follow the principles and accounting treatment indicated in IAS 27 “Separate Financial Statements”. This standard applies when an entity prepares separate financial statements that comply with International Financial Reporting Standards.

Initial recognition and measurement

Investments in subsidiaries and associates are booked at the purchase date, at their acquisition cost.

Subsequent measurement
For purposes of subsequent measurement, the Company measures investments in subsidiaries and associates at cost. The Company assess at the end of each reporting period whether there is any indication that the investment in subsidiaries and associates may be impaired. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiaries and associates. An annual impairment test is performed. For the impairment test, for each investment, the Company obtains the fair value, based on external valuation reports. For subsidiaries and associates for which there is no external valuation report, the Company uses the most reliable fair value proxy, such as its share in the IFRS net assets. An impairment loss is booked in the profit and loss and corresponds to the amount by which the carrying amount exceeds its recoverable amount.

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

Dividends from subsidiaries and associates

In line with IAS 27, dividends from a subsidiary or an associate are recognised in the separate financial statements of an entity when the entity’s right to receive the dividend is established. The dividend is recognised in profit or loss.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Intangible assets (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

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*

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.).

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

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 2022, an ECL provision has been booked for intra-group financial assets, as based on the analysis performed by the Company.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

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

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

Company as a lessor

Refer to the accounting policies on rental income.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Cash and short-term deposits (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Taxes (continued)

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.

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.

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

4.16 Expenses

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

4.17 Dividends and share capital increase

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Dividends and share capital increase (continued)

The Company is carrying out share capital increase operation to diversify the shareholders base, increase liquidity and raise capital for further expanding the pipeline. The newly raised capital will be invested with priority in new developments, according to the existing solid pipeline of the company, while the current cash position will be used to accelerate the delivery of the ongoing developments. The decision of the Board of Directors, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders approve the increase of the share capital. The participants to the share capital increase are existing shareholders, local and international institutional investors, qualified investors, retail investors.

4.18 Contingencies

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

NOTE 5. RISK MANAGEMENT

5.1. General objectives, policies and processes

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

Financial risks:

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

Other risks:

- Operating risk
- Strategic risk

5.2. Financial risks

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

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

	Long term financial assets	
Description	**31 December 2022**	**31 December 2021**
Investments in subsidiaries and associates	209,382,429	90,497,644
Loans granted to subsidiaries, associates and others	571,982,357	338,295,046
Total	**781,364,786**	**428,792,690**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

Description	Trade receivables, short-term deposits and loans and cash and cash equivalents 31 December 2022	31 December 2021
Trade receivables	726,283	102,053,110
Other receivables	100,314,789	28,753,389
Loans granted to subsidiaries, associates and others	601,077,685	363,019,740
Cash and cash equivalents	137,504,656	121,682,382
Total	**839,623,413**	**615,508,621**

Description	Financial liabilities at amortised cost 31 December 2022	31 December 2021
Trade and other payables	135,585,907	98,564,187
Short and long-term loans and borrowings	-	27,921,952
Lease liabilities	19,766,389	3,764,387
Total	**155,352,296**	**130,250,526**

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

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

5.2.1. Credit risk

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

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

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

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2022 and 31 December 2021, respectively, is the carrying amounts of each class of financial instruments.

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

The intra-group customers' outstanding balances were also analysed individually for creditworthiness and after the assessment performed, management considers that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low and therefore immaterial.

As required by IFRS 9, the Company used the simplified approach in calculating ECL for trade receivables related to third parties and that did not contain a significant financing component. The Company performed the allowance trade receivable analysis taking in consideration historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Also, the outstanding balances from customers at 31 December were analysed for collections in the subsequent period until the issue of these financial statements and minimal risk of non-collection was identified. There is no significant concentration of risk.

The Company policy is that surplus cash is placed on deposit with the Company's main relationship banks and with other banks. The arrangements in place result in a favourable mix between flexibility and interest earnings. The Company's exposure to credit risk associated cash and cash equivalents is limited using different financial institutions of good standing for investment and cash handling purposes.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to liquidity management is to ensure, as far as possible, that it will have sufficient liquidity to meet its outstanding obligations under both normal and crisis conditions, without incurring major losses or risking affecting the Company's reputation. The Company prepares budgets, cash flow analyses and forecasts, which enable the Directors to assess the level of financing required for future periods. Budgets and projections are used to assess any future potential investments and are compared to existing funds held on deposit to evaluate the nature, and extent of any future funding requirements.

Currently the Company's liquidity enables it to meet the committed and due payments. During 2022, 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 2022	Less than 1 year	1 to 5 years
Trade and other payables	116,038,790	19,547,117
Short and long-term loans and borrowings	-	-
Lease liabilities	1,901,977	17,864,412
Total	**117,940,767**	**37,411,529**

As at 31 December 2021	Less than 1 year	1 to 5 years
Trade and other payables	98,456,719	107,468
Short and long-term loans and borrowings	-	27,921,952
Lease liabilities	1,299,647	2,464,740
Total	**99,756,366**	**30,494,160**

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 2022	Less than 1 year	1 to 5 years
Cash and cash equivalents	137,504,656	-
Trade and other receivables	101,041,072	-
Loans granted to subsidiaries, associates and others (*)	29,095,328	571,982,357
Total	**267,641,056**	**571,982,357**

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**

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk

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

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

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

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

(i) Interest rate risk

Interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited by the fact that almost the entire exposures are bearing a fixed interest rate.

Financial assets – loans granted

The Company has granted several loans to subsidiaries, associates and others. The loans are bearing a fixed interest rate of:
- 2021: 3.25%
- 2022: 3.25%

Bank deposits held by the Company are short-term deposits, which makes them sensitive to changes in interest rates on the market. The Company's estimates that the interest rate risk is limited given the fact that almost the entire portfolio of financial assets and liabilities bearing interest are remunerated based on a fixed interest rate. Consequently, no sensitivity analysis has been performed.

(ii) Foreign exchange risk

Currency risk is the risk that the fair value or future cash flows for financial instruments will fluctuate due to exchange rate fluctuations.

The Company is exposed to foreign exchange risk on loans that are denominated in a currency other than the functional currency of the Company. The currency used on the domestic market is the Romanian leu (RON). The currency that exposes the Company to this risk is mainly EUR.
The Company's exposure to the risk of changes in foreign exchange rates relates also to its operating activities (when revenue or expense is denominated in a foreign currency).

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

31 December 2022	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	9,315,134	89	46,086,103
Loans granted to subsidiaries, associates and others	121,208,816	-	599,668,495
Monetary liabilities			
Loans and borrowings	-	-	-
Trade and other payables	(121,324)	-	(600,240)
Lease liabilities	(3,995,308)	-	19,766,389
Net excess/(exposure)	**126,407,316**	**89**	**625,387,969**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk (continued)

31 December 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**

Sensitivity analysis for foreign exchange risk

- 31 December 2022: A 5% appreciation of the RON against the EUR would decrease the Company's profit by RON 31,269,398, while a 5% depreciation of the RON against the EUR as of 31 December 2022 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.
- 31 December 2021: A 5% appreciation of the RON against the EUR 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.

5.3. Other risks

Management cannot anticipate all the developments that could have an impact on the financial market liquidity, depreciation of financial assets and increased volatility on foreign exchange markets and the effect, if any, which it could have on the separate financial statements.

The management of the Company believes that it has taken all the necessary measures to support the sustainability and growth of the company's business in the current circumstances through:

- preparing a liquidity crisis strategy and laying down specific measures together with shareholders' support to address potential liquidity crises;
- constant monitoring of its liquidity position;
- short-term forecasting of its liquidity position.

(i) Operating risk

The process of risk assessment over the last few years on the international financial markets has affected the performance of these markets, including the Romanian financial and banking market, and raises an increased uncertainty about the future economic development. Determining the compliance with the lending agreement and other contractual obligations, as well as assessing significant uncertainties, including uncertainties associated with the Company's ability to continue its activity for a reasonable amount of time, have their own challenges.

The Company's debtors could also be affected by the low liquidity level, which could also have an impact on their ability to pay their overdue loans.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

(ii) Strategic risk

Strategic risk is the risk that one or more assumptions on which the Company's business strategy is based are no longer valid due to internal and / or external changes. Strategic risk is difficult to quantify because it refers to:

- the strategic decisions of the Company's management;
- uncertainties related to the external environment;
- the management's response level and time to changes in the internal and/or external environment;
- the quality of the IT systems etc.

(iii) Ownership title risk

In Romania, title to private property is guaranteed by the Constitution. However, under the Roman Civil Code, if the ownership title to an immovable property is cancelled, all subsequent acts of transfer of ownership may, under certain circumstances, also be cancelled.

Therefore, in theory, almost any ownership title in Romania could be exposed to a third-party risk through a litigation or claims for property restitution (either before or after the transfer of the ownership title). For the Company's management, the Company's title risk is low in the light of past history.

(iv) Legislative risk

The Company's economic environment is also influenced by the legislative environment.

In addition, obtaining building permits and other documents required to start residential projects can be affected by political instability as well as possible changes in the administrative organizational structure at the level of local governments where the Company intends to develop its projects.

(v) Taxation risk

The Romanian tax system is subject to many constant interpretations and changes. In Romania, the prescription for tax audits is 5 years. However due to state of emergency from 2020, the prescription period for financial years 2015-2019 was prolonged with 9 months and for the financial years 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 2018 to 2022 are still subject to such verifications.

In accordance with the relevant tax laws, the tax assessment of a transaction conducted between affiliates is based on the concept of the market price pertaining to the respective transaction. Based on this concept, transfer pricing needs to be adjusted such as to reflect the market rates set between non-affiliates acting independently in an arm's length transaction.

It is likely that the tax authorities should conduct verifications of the transfer pricing to determine whether the respective prices are arm's length, and the taxable base of the Romanian taxpayer is not distorted. In case of an audit, tax authorities may request a transfer pricing file also for taxpayers not classified as large taxpayers, but which carry out transactions with affiliates, in order to determine whether the arm's length principle has been complied with.

5.4. Capital management

The objectives of the Company's management regarding capital management are to protect the Company's ability to continue its activity in order to share profit to shareholders, provide benefits to other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

NOTE 5. RISK MANAGEMENT (continued)

5.4. Capital management (continued)

Debt is defined as long- and short-term borrowings and lease liabilities. The net debt is computed as debt less cash and cash equivalents. Equity includes all capital and reserves of the Company that are managed as capital.

In order to maintain or adjust the capital structure, the Company's management can adjust the shareholders' share of profitability or may issue new shares to reduce debts.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Equipment measurement apparatus and vehicles	Furniture and other non-current assets	Tangible under development	Total
Cost					
As at 31 December 2020	**1,197,549**	**245,859**	**429,687**	**46,719**	**1,919,814**
Additions	-	129,962	125,067	-	255,029
Disposals	-	2,815	3,376	46,719	52,910
As at 31 December 2021	**1,197,549**	**373,006**	**551,378**	**-**	**2,121,933**
Additions	-	65,090	2,527,782	1,197,169	3,790,041
Disposals	36,753	438,096	1,069,995	1,192,966	2,737,810
As at 31 December 2022	**1,160,796**	**-**	**2,009,165**	**4,203**	**3,174,164**
Depreciation and impairment					
As at 31 December 2020	**225,268**	**140,004**	**64,908**	**-**	**430,180**
Depreciation charge for the year	244,219	79,058	79,980	-	403,257
Disposals	0	2,463	2,720	-	5,183
As at 31 December 2021	**469,487**	**216,599**	**142,168**	**-**	**828,254**
Depreciation charge for the year	243,453	74,784	336,872	-	655,109
Disposals	31,393	291,383	278,311	-	601,087
As at 31 December 2022	**681,547**	**-**	**200,729**	**-**	**882,276**
Net book value					
As at 31 December 2021	**728,062**	**156,407**	**409,210**	**-**	**1,293,679**
As at 31 December 2022	**479,249**	**-**	**1,808,436**	**4,203**	**2,291,888**

During 2022 the company transferred to One United Management Services the management fee activity. As part of this transfer, tangible assets with a net book value of RON 2,099,207 were transferred.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 7. INTANGIBLE ASSETS

Description	Development costs	Concessions, patents, licenses	Other intangible assets	Total
Cost				
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**
Additions	386,408	-	2,324	388,732
Disposals	726,872	269,959	98,674	1,095,505
As at 31 December 2022	**14,546**	**-**	**45,122**	**59,668**
Amortization and impairment				
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**
Amortization	-	47,370	24,757	72,127
Disposals	-	172,689	98,424	271,113
As at 31 December 2022	**-**	**-**	**-**	**-**
Net value				
As at 31 December 2021	**355,010**	**144,640**	**67,805**	**567,455**
As at 31 December 2022	**14,546**	**-**	**45,122**	**59,668**

During 2022 the company transferred to One United Management Services the management fee activity. As part of this transfer, intangible assets with a net book value of RON 824,392 were transferred.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiary / Associate	Ownership right 31.dec.21	Ownership right 31.dec.22	Investment value 31.dec.21	Investment value 31.dec.22
One Charles de Gaulle Residence SRL	99.99%	99.99%	3,189,302	165,938
One Modrogan SRL	99.99%	99.99%	89,990	89,990
One Mircea Eliade Properties SRL	100.00%	100.00%	45,000	45,000
One Floreasca Towers SRL	100.00%	100.00%	44,990	44,990
One Long Term Investments SRL	100.00%	100.00%	45,000	45,000
One Lake District SRL	98.00%	98.00%	44,100	44,100
One Herastrau Plaza SRL	98.00%	98.00%	44,100	44,100
One Herastrau Towers SRL	100.00%	100.00%	45,900	45,900
One Long Term Value SRL	98.00%	98.00%	980	980
One United Tower SA	70.24%	70.24%	3,176,548	3,176,548
One Peninsula SRL	100.00%	100.00%	25,240,826	26,740,826
One Verdi Park SRL	95.00%	95.00%	7,729,600	7,729,600
One Cotroceni Park SRL	80.00%	80.00%	36,010	36,010
X Architecture Engineering Consult SRL	80.00%	80.00%	160	160
One North Gate SA	62.41%	67.69%	21,607,152	25,831,080
Skia Real Estate SRL	51.00%	51.00%	510	510
Neo Floreasca Lake SRL(control prin detinere indirecta)	80.58%	95.00%	3,199,348	5,262,506
One Cotroceni Park Office SA	57.25%	57.25%	17,657,519	17,657,519
One Cotroceni Park Office Faza 2 SA	57.25%	57.25%	6,394,657	6,394,657
One Mamaia SRL	99.98%	99.98%	44,990	44,990
One Cotroceni Park Office Faza 3 SA	80.00%	80.00%	72,000	72,000
Reinvent Energy SRL	20.00%	20.00%	240,000	240,000
Glass Rom Impex SRL	20.00%	20.00%	300	300
One Herastrau Office Properties SA	30.00%	30.00%	27,000	27,000
One Property Support Services SRL	20.00%	20.00%	40	40
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	82.00%	95.00%	671,784	2,714,754
Neo Timpuri Noi SRL	82.33%	95.00%	305,928	1,208,762
One Mamaia Nord SRL (former Neo Mamaia SRL)	82.33%	95.00%	273,910	1,082,259
One Proiect 4 SRL	100.00%	100.00%	45,000	45,000
One Plaza Athenee SRL (former One Proiect 3 SRL)	100.00%	100.00%	45,000	45,000
One Proiect 5 SRL	100.00%	100.00%	45,000	45,000
One Herastrau City SRL (former One Proiect 7 SRL)	100.00%	100.00%	45,000	45,000
One High District S.R.L. (former One Proiect 1 SRL)	100.00%	100.00%	45,000	45,000
One Lake Club S.R.L. (former One Proiect 6 SRL)	100.00%	100.00%	45,000	45,000
One Proiect 8 SRL	0%	100.00%	-	45,000
One City Club (former One Proiect 9 SRL)	0%	100.00%	-	45,000
One Proiect 10 SRL	0%	100.00%	-	45,000
One United Italia SRL	0%	90.00%	-	40,500
One United Management Services SRL	0%	100.00%	-	45,000
Bo Retail invest SRL	0%	100.00%	-	200
One Proiect 11 SRL	0%	100.00%	-	45,622,983
One Proiect 12 SRL	0%	100.00%	-	500,000
One Proiect 14 SRL	0%	100.00%	-	45,000
One Proiect 15 SRL	0%	100.00%	-	45,000
One Proiect 16 SRL	0%	100.00%	-	45,000
One Proiect 17 SRL	0%	100.00%	-	45,000

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

Subsidiary / Associate	Ownership right 31.dec.21	Ownership right 31.dec.22	Investment value 31.dec.21	Investment value 31.dec.22
One Proiect 18 SRL	0%	100.00%	-	45,000
One Proiect 2 SRL	0%	100.00%		45,000
Eliade Tower SRL	0%	100.00%	-	22,344,994
One Victoriei Plaza (former Mam Imob Business Center SRL)	0%	100.00%	-	41,408,233
Financial assets – investments in subsidiaries and associates			**90,497,644**	**209,382,429**

During 2022, thirteen new subsidiaries were established within the One group: One Proiect 8 SRL, One City Club SRL (former One Proiect 9 SRL), One Proiect 10 SRL, One Proiect 11 SRL, One Proiect 12 SRL, One Proiect 14 SRL, One Proiect 15 SRL, One Proiect 16 SRL, One Proiect 17 SRL, One Proiect 18 SRL, One Proiect 2 SRL, One United Management Services SRL and One United Italia SRL which are 100% owned by the Company.

The Company have increased its ownership in the share capital of the below subsidiaries, as follows:
- One Mamaia Nord SRL (former Neo Mamaia SRL) from 82.33% to 95.00%, the total consideration price for the shares acqcuired is RON 808,349.
- Neo Floreasca Lake SRL from 80.58% to 95.00%, the total consideration price for the shares acqcuired is RON 2,063,158.
- Neo Timpuri Noi SRL from 82.33% to 95.00%, the total consideration price for the shares acqcuired is RON 902,834.
- One Herastrau Vista SRL (former Neo Herastrau Park SRL) from 82.00% to 95.00%, the total consideration price for the shares acqcuired is RON 2,042,970.
- One North Gate SA from 62.41% to 67.69%, the total consideration price for the shares acqcuired is RON 4,2 million.

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 SA, 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. The total amount paid for the transaction was of RON 65,4 million, representing the consideration of the acquisition of the shares.

On 27 July 2022 the Company acquired 100% shares in a new subsidiary One Victoriei Plaza SRL (former Mam Imob Business Center SRL) that owns and operates the office building located at 29-31 Nicolae Titulescu Boulevard, Bucharest, Romania (One Victoriei Plaza). The total value of the transaction is approximately EUR 28 million. The office building is fully leased to First Bank as a tenant.

On 05 October 2022, the Company have completed the acquisition of Eliade Tower, office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania. The total value of the transaction is approximately EUR 9.8 million.

There are several subsidiaries in which the Company own investments which have in place bank loan contracts.

The bank loan contracts contain pledges on the real estate and office developments (land and construction in progress), as well as receivables from customers, insurance policies and bank accounts. In addition:

- 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;
- the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG which have also additional pledges on shareholder loan and 100% of the share capital of the borrowers;
- One United Tower SA bank loan have pledges on shareholder loans and over shares 100%;
- One Mircea Eliade Properties SRL have a bank loan signed with real estate mortgage over 29 apartments and 35 parking places.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. 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 and associates	24,724,694	338,054,621	362,779,315
Financial assets – loans granted to others	-	240,425	240,425
Total	**24,724,694**	**338,295,046**	**363,019,740**

As at 31 December 2022	**Less than 1 year**	**1 to 5 years**	**Total**
Financial assets – loans granted to subsidiaries and associates	29,352,204	573,917,031	603,269,235
Financial assets – loans granted to others	-	252,238	252,238
Allowance for expected credit losses	(256,876)	(2,186,912)	(2,443,788)
Financial assets – loans granted to subsidiaries and associates	**29,095,328**	**571,982,357**	**601,077,685**

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

Description	**31 December 2022**	**31 December 2021**
Loans granted for acquiring new subsidiaries or associates	149,081,665	106,373,824
Loans granted to subsidiaries for development of office buildings	159,721,129	135,045,054
Loans granted to subsidiaries for development of residential projects	264,426,959	82,472,332
Loans granted to subsidiaries for further development of real estate projects	24,291,279	35,086,759
Loans granted to subsidiary which deliver architecture services for group and non-group projects	-	3,421,175
Loans granted to subsidiaries for operational activity	5,101,759	-
Other loans	898,682	620,596
Total	**603,521,473**	**363,019,740**

	1-Jan-22	**Additional loans granted**	**Interest revenue**	**Repayment of loans granted**	**Payment of interest**	**Foreign exchange**	**31-Dec-22**
Financial assets – loans granted to subsidiaries and associates	362,779,315	605,039,995	13,641,041	(365,159,542)	(13,934,926)	903,352	603,269,235
Financial assets – loans granted to others	240,425	-	-	-	-	11,812	252,237
Total assets from financing activities	**363,019,740**	**605,039,995**	**13,641,041**	**(365,159,542)**	**(13,934,926)**	**915,164**	**603,521,472**

We have performed an analysis of each individual project in order to assess if an impairment would be needed. Based on our analysis, all projects are profitable. Nevertheless, the Company has booked an Expected Credit Loss provision in amount of RON 2,443,788.

The following subsidiaries which have received loans from the holding company, One United Properties SA have also signed bank loans contracts: One Mircea Eliade Properties SRL (RON 41.2 million), One Peninsula SRL (RON 59.4 million), One Verdi Park SRL (RON 98.36 million), Neo Timpuri Noi SRL (RON 18.55 million), One United Tower SA (RON 204.82 million), One North Gate SA (RON 33.84 million), One Cotroceni Park Office SA (RON 211.52 million) and One Cotroceni Park Office Faza 2 SA (RON 49.25 million), One Victoriei Plaza SRL (RON 89.18 million).

NOTE 10. 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) started on 20 December 2019 and ended in 2022, and with the subsidiary One United Tower SA. The lease contract with One United Tower SA has started as of 01 January 2022 for a lease period of 10 years and for which the Company have received 10 months of lease incentives. The monthly rent is of kEUR 46. The table below presents the evolution of the right of use for the periods 1 January 2022 – 31 December 2022.

Refer to Notes 17 for further information.

Description	**Right of use**
Cost at 01 January 2021	**5,716,810**
Additions	-
Disposals	-
Cost at 31 December 2021	**5,716,810**
Additions	19,600,153
Disposals	5,716,810
Cost at 31 December 2022	**19,600,153**
Amortisation at 1 January 2021	**1,180,245**
Additions	1,143,361
Disposals	-
Amortisation at 31 December 2021	**2,323,606**
Additions	2,531,696
Disposals	2,895,286
Amortisation at 31 December 2022	**1,960,016**
NET VALUE	
At 31 December 2021	**3,393,204**
At 31 December 2022	**17,640,137**

NOTE 11. OTHER NON-CURRENT ASSETS

Description	**31 December 2022**	**31 December 2021**
Warranties for headquarter rental activity	1,086,291	962,591
Amounts to be collected from related parties / affiliates	38,851,373	-
Total	**39,937,664**	**962,591**

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee. In case of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met in order to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting. The variation in price per share of the holding Company is directly related to the performance of the Group, whether the scheme covers the financial results of number of subsidiaries within a group, therefore the stock option plan value is divided based on net assets of the group for each segment reporting, the amount of RON 38,8 million from the total SOP expense of RON 46 million is allocated to subsidiaries.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 12. TRADE AND OTHER RECEIVABLES

As at 31 December 2022 and 31 December 2021 trade and other receivables are detailed as follows:

	31 December 2022	31 December 2021
Description		
Trade receivables – customers	100,230	396,153
Trade receivables – subsidiaries and related parties	625,712	93,672,592
Accrued receivables – subsidiaries	-	7,984,365
Accrued receivable – other third party customers	341	-
Total trade receivables	**726,283**	**102,053,110**
VAT receivable	25,563,900	19,353,518
Amounts to be collected from related parties / affiliates	35,639,533	2,949,570
Other receivables	203,507	112,653
Receivables representing dividends distributed during the financial year	36,102,481	-
Various debtors – related parties	2,798,430	-
Various debtors	6,938	5,673,276
Other tax receivables	-	664,372
Total other receivables	**100,314,789**	**28,753,389**
Total trade and other receivables	**101,041,072**	**130,806,499**

The amounts presented above as *Amounts to be collected from related parties/affiliates* are represented mainly by the receivable from One United Management Services SRL resulted from the transfer of management fee activity (approx. 20,6 million Ron). Also, an amount of approx. 13,5 million RON is related to VAT and Income Tax receivables generated from the fiscal groups where One United Properties SA acts as the representative of the single tax group.

On 28 September 2022, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2022 in value of RON 36,102,481 (gross amount), from the distributable net profit of RON 46,075,910 for the first half of the financial year ending 31 December 2022. The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements.

Description	31 December 2022	31 December 2021
Trade receivable - from management fee provided to subsidiaries	-	101,239,216
Trade receivable - subsidiaries	492,950	264,250
Trade receivable - other related parties	132,762	153,491
Trade receivable - other third party customers	100,571	396,153
Total	**726,283**	**102,053,110**
% of Trade receivable - from management fee provided to subsidiaries in total trade receivables	**0.00%**	**99.20%**

Most of the balance of trade receivables are related to management fees invoiced to subsidiaries as of 31 December 2021. 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.

Starting with November 2022, the management fee activity was transferred to One United Management Services SRL, a new subsidiary owned 100% by the Company.

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	31 December 2022	31 December 2021
Cash and cash equivalents denominated in EUR	46,085,692	115,470,713
Cash and cash equivalents denominated in RON	91,413,157	6,205,367
Cash and cash equivalents denominated in USD	411	407
Petty Cash - RON	5,396	5,895
Total	**137,504,656**	**121,682,382**

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. Out of total cash and cash equivalent amounts held at 31 December 2022, 39% are held in banks with BBB Fitch rate, 27% are held in banks with BB- Fitch rate, and 8% are held in banks with BB+ Fitch rate. As a consequence, a provision of approximately RON 1 million was booked as of 31 December 2022.

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 2022 and 2021 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 2022 and 31 December 2021 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 2022	31 December 2021
Deferred tax assets	1,167,931	59,389
Total assets /(liabilities)	**1,167,931**	**59,389**

The breakdown of tax expenses is detailed below:

Description	31 December 2022	31 December 2021
Current income tax expense	(3,641,284)	(7,841,418)
Deferred tax impact	1,167,931	(5,090)
Total assets /(liabilities)	**(2,473,353)**	**(7,846,508)**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. PROFIT TAX (continued)

(i) Reconciliation of effective tax rate

	2022	2021
Gross result	**119,289,351**	**48,561,025**
16% rate	**19,086,296**	**7,769,764**
Effect of taxable elements similar to revenues	(16,170,019)	1,483,144
Effect of taxable elements similar to expenses	2,398,473	(142,851)
Legal reserve	(962,444)	(388,447)
Other tax effects	3,218	380,215
Profit tax decrease due to sponsorship expenses	(121,473)	(349,470)
Profit tax decrease due to bonification OUG 33/200	(592,767)	(910,937)
Total profit tax expenses	**3,641,284**	**7,841,418**

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer which include the following subsidiaries as at 31 December 2022: One Mamaia Nord SRL, Neo Timpuri Noi SRL, One Cotroceni Park SRL, One Floreasca Towers SRL, One Herastrau Towers SRL, One Lake District SRL, One Long Term Value SRL, One Mircea Eliade Properties SRL, One Modrogan SRL, One Peninsula SRL and One Verdi Park SRL.

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 2022 the Company's share capital is RON 740,563,717.2 (31 December 2021: RON 514,828,059) divided into 3,702,818,586 shares (31 December 2021: 2,574,140,294 shares) at a nominal value of RON 0.2 each (31 December 2021: 0.2). All issued shares are fully paid.

Structure of share capital

	31 December 2022			31 December 2021		
Name of shareholder	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu	1,021,349,895	204,269,690	27.5830%	766,012,422	153,202,534	29.7580%
OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu)	1,021,349,895	204,269,690	27.5830%	766,012,422	153,202,534	29.7580%
Others	1,660,118,796	332,024,337	44.8340%	1,042,115,450	208,422,991	40.4840%
Total	**3,702,818,586**	**740,563,717**	**100.00%**	**2,574,140,294**	**514,828,059**	**100.00%**

On 19 April 2021, the extraordinary general meeting of the shareholders have approved to list the holding company One United Properties SA on the regulated market of the Bucharest Stock Exchange.

NOTE 15. EQUITY (continued)

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.

On April 26th, 2022, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of the second tranche of the dividends of RON 42.5 million (with first tranche paid in October 2021, full gross dividend for 2021 is RON 75 million). The gross dividend of RON 0.0165 per share was paid until September 30th, 2022. Company' dividend policy includes the payment of dividends on a semi-annual basis.

On 26 April 2022, the Extraordinary General Meeting of Shareholders and subsequent on 5 May 2022, the Board of Directors have approved the share capital increase in order to raise funds to finance the current activity of the Company and its group, respectively to finance developments and acquisitions, through one or more issues of ordinary, registered and dematerialized shares.

On August 3, 2022, the Board of Directors approved the results of the Share Capital Increase, respectively the subscription of a number of 202,973,646 new shares offered at a price of 1.25 RON/share representing a total gross capital raise of RON 253,717,057.50 divided into share capital nominal value of RON 40,594,729.2 respectively RON 0.2 per each share and share premium of RON 213,122,328.30. The share capital of the Company is thus increased from the nominal value of RON 514,828,058.80 to the nominal value of RON 555,422,788.

Decision of the Board of Directors no. 34/1 November 2022 have approved, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders no. 64/28 September 2022, the increase of the share capital with the amount of RON 185,140,929.20 by issuance of a number of 925,704,646 new ordinary, nominative and dematerialised shares with a nominal value of RON 0.2 per share, by incorporating approximately 87% of the share premiums resulted from the share capital increase operation conducted between 27 June 2022 – 3 August 2022. Following the Share Capital Increase, the share capital of the Company will be of RON 740,563,717.2, fully subscribed and paid up by the shareholders, divided into 3,702,818,586 nominative shares, dematerialised, with a nominal value of RON 0.2 /share.

(ii) Legal reserve

The legal reserve amounts to RON 11,437,359 at 31 December 2021 and RON 17,452,635 at 31 December 2022.

The legal reserve is established in accordance with the Company Law, according to which minimum 5% of the statutory annual accounting profit is transferred to legal reserves until their balance reaches 20% of the company's share capital. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Company Law), it becomes taxable.

The management of the Company does not expect to use the legal reserve in a way that it becomes taxable (except as provided by the Fiscal Code, where the reserve constituted by the legal entities providing utilities to the companies that are being restructured, reorganized or privatized can be used to cover the losses of value of the share package obtained as a result of the debt conversion procedure, and the amounts intended for its subsequent replenishment are deductible when calculating taxable profit).

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. EQUITY (continued)

ii) Legal reserve (continued)

The accounting profit remaining after the distribution of the legal reserve is transferred to retained earnings at the beginning of the financial year following the year for which the annual financial statements are prepared, from where it will be distributed.

(iii) Other capital reserves – share based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to senior employees, as part of their remuneration.

A share-based payment plan was set up during Q4 2020 by which a number of 941 shares of the holding company were granted to an employee. The vesting period is of minimum 12 months and the option can be exercised up to 15 months from the granting date. According to the resolution of the Board of Directors no 20/30 December 2021 and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 55/19 April 2021, the Company approved the "split" of shares, by decreasing the nominal value of a share from RON 260.60 to RON 0.2, and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 56/26 May 2021, the "split" of shares has been confirmed to apply to any share options granted prior to the "split" operation. Therefore, it was approved the amendment of the contract in order to reflect the "split", as well as to extend the term for exercising the share options granted to the beneficiary. The Company has estimated the reserve by taking into account the fair value of the instrument and the vesting period.

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee.

In case of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met in order to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting.

During the year 2022, the Company and the beneficiaries have confirmed that all terms and conditions have been established for the stock option plan described above, the grant date have occurred and therefore the Company have accounted for an amount of RON 46 million in the capital reserve.

Balance at 1 January 2021	**463,393**
Credit to equity for equity-settled share-based payments	926,786
Balance at 1 January 2022	**1,390,179**
Credit to equity for equity-settled share-based payments	46,150,940
Balance at 31 December 2022	**47,541,119**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 16. LOANS AND BORROWINGS

Description	31 December 2022	31 December 2021
Other loans received from subsidiaries	-	(27,921,952)
Total assets /(liabilities)	**-**	**(27,921,952)**

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

The other long-term loans amounting to RON 27,921,952 at 31 December 2021 are related to a loan in EUR received from One Cotroceni Park SRL and was fully reimbursed in financial year 2022.

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 24.

NOTE 17. LEASE LIABILITIES

The Company lease the administrative office space from the subsidiary One North Gate starting with December 2019, contract that ended in 2022. The company lease the administrative office space from the subsidiary One United Tower starting with January 2022.

Refer to Notes 10 for further information.

	2022	2021
As at 1 January	**3,764,387**	**4,939,563**
Additions	21,606,099	-
Accretion of interest	789,063	154,452
Payments	(3,278,473)	(1,403,507)
Translation difference	3,851	73,879
Disposals	(3,118,538)	-
As at 31 December	**19,766,389**	**3,764,387**
Long term	**17,864,412**	**2,464,740**
Short term	**1,901,977**	**1,299,647**

	2022	2021
Depreciation expense of right-of-use assets	2,531,696	1,143,362
Interest expense on lease liabilities	789,063	154,452
Currency translation gain / (loss)	3,851	69,990
Rent expenses	-	1,403,507
Other expenses - indexation difference		3,888
Total amount recognised in profit or loss	**3,324,610**	**2,775,199**

The reconciliation of the changes in liabilities arising from financing activities is provided in Note 24.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 18. TRADE AND OTHER PAYABLES

Description	31 December 2022	*Below 1 year*	*1 to 5 years*	31 December 2021	*Below 1 year*	*1 to 5 years*
Trade payables - affiliated entities and other related parties	201,904	*201,904*	-	910,305	*910,305*	-
Trade payables - Other	732,072	*732,072*	-	970,495	*970,495*	-
Total Trade payables	**933,976**	***933,976***	**-**	**1,880,800**	***1,880,800***	**-**
Other taxes and duties	978,235	*978,235*	-	370,504	*370,504*	-
Settlements between affiliated entities	93,194,708	*93,194,708*	-	88,933,711	*88,933,711*	-
Capital recharges with shareholders	36,927,394	*18,463,697*	*18,463,697*	-	-	-
Warranties	67,254	-	*67,254*	107,468	-	*107,468*
Dividends	1,547,160	*1,547,160*	-	679,899	*679,899*	-
Other creditors - affiliated entities and other related parties	592,741	*592,741*	-	-	-	-
Other creditors	1,344,439	*328,273*	*1,016,166*	6,591,805	*6,591,805*	-
Total Other payables	**134,651,931**	***115,104,814***	***19,547,117***	**96,683,387**	***96,575,919***	***107,468***
Total Trade and other payables	**135,585,907**	***116,038,790***	***19,547,117***	**98,564,187**	***98,456,719***	***107,468***

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

The amounts presented above as *Settlements between affiliated entities* are represented mainly by VAT and Income Tax payables from the fiscal groups where One United Properties SA is the representative. (approx. 92.5 million Ron).

The amounts presented above as *Capital recharges with shareholders* are related to the amount outstanding to be paid (RON 36,9 million) for the acquisition of land in surface area of 801,028.380 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county.

The management consider that the carrying amount of trade payables approximates to their fair value.

NOTE 19. OPERATING REVENUES

Description	2022	2021
Revenues from services rendered	15,905,553	44,837,975
Revenues from rentals, service charge and similar	169,485	630,559
Other Revenues	10,235,197	784,769
Total operating revenues	**26,310,235**	**46,253,303**

Description	2022	2021
One Herastrau Towers SRL	1,558,707	1,934,399
One Mircea Eliade Properties SRL	3,307,415	6,317,834
One United Tower SRL	703,316	871,240
Neo Mamaia SRL	66,050	675,184
One Verdi Park SRL	6,205,662	10,031,492
Neo Timpuri Noi SRL	707,016	5,787,528
One Peninsula SRL	3,357,387	18,972,884
Third party customers	-	247,414
Total revenues from services rendered	**15,905,553**	**44,837,975**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. OPERATING REVENUES (continued)

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.

Starting with November 2022, the management fee activity was transferred to One United Management Services SRL, a new subsidiary owned 100% by the Company. The Company have recognized in Other revenues line a gain of RON 9.2 million from the transfer of the activity. An evaluation report was performed by an independent evaluator.

NOTE 20. OPERATING EXPENSES

Description	2022	2021
Depreciation expenses	3,258,933	1,628,096
Provision and allowance adjustments	3,467,837	(84,255)
Impairment for financial assets	3,023,363	-
Amortisation, depreciation, provisions and impairment net of reversals	**9,750,133**	**1,543,841**
Staff expenses	2,124,177	3,645,630
Stock option plan	7,299,567	-
Administrative Expenses	**9,423,744**	**3,645,630**
Expenditures on raw materials and consumables	10,364	-
Other material expenses	230,202	36,400
Other external expenses	208,249	137,115
Other operating expenses	9,719,272	6,565,289
Tax expenses	147,493	-
Other expenses	1,242,679	1,075,970
Total Other operating expenses	**11,558,259**	**7,814,774**
Total operating expenses	**30,732,136**	**13,004,245**

Description	2022	2021
Expenses with maintenance and repair	6,659	3,882
Expenses with royalties and rents	734,621	358,651
Insurance premiums expenses	246,643	46,951
Training expenses	33,987	253,958
Expenses with collaborators	769,062	449,449
Expenses regarding commissions and fees	1,305,463	761,929
Protocol, advertising and marketing expenses	2,175,557	1,621,866
Transport expenses	127,167	2,302
Postal and telecommunications expenses	39,420	57,855
Banking and similar fees expenses	26,873	21,224
Other expenses with services performed by third parties	4,253,820	2,987,222
Expenditures on raw materials and consumables	10,364	-
Other material expenses	230,202	36,400
Other external expenses	208,249	137,115
Tax expenses	147,493	-
Other expenses	1,242,679	1,075,970
Total Other operating expenses	**11,558,259**	**7,814,775**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. OPERATING EXPENSES (continued)

Description	2022	2021
Audit, limited review and valuation expenses	316,411	559,103
Other professional services, consultancy and accounting	3,289,885	1,666,292
Administration services	149,130	103,795
Other expenses (service fees, etc.)	123,275	234,543
Other services (IT, security, maintenance, recruitment etc.)	375,119	423,489
Total Other expenses with services performed by third parties	**4,253,820**	**2,987,222**

NOTE 21. FINANCIAL INCOME

Description	2022	2021
Revenues from dividends	100,918,000	1,881,012
Revenues from interest	18,829,563	7,436,521
Other financial revenues	4,753,118	6,780,726
Total financial revenues	**124,500,681**	**16,098,259**

Description	2022	2021
FX net gain	1,073,268	6,540,776
Other financial revenues	3,679,850	239,950
Total other financial revenues	**4,753,118**	**6,780,726**

NOTE 22. FINANCIAL EXPENSES

Description	2022	2021
Interest expenses	789,429	786,291
Other financial expenses – FX net loss	-	-
Total financial expenses	**789,429**	**786,291**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 23. RELATED PARTIES

The Entity's affiliates and other related parties with which have incurred transactions at 31 December 2022 and 31 December 2021 are:

Name of the subsidiary and other related party	Country	Relationship nature
One Modrogan SRL	Romania	Subsidiary - Affiliate
One Peninsula SRL (former One Herastrau Park Residence SA)	Romania	Subsidiary - Affiliate
One Charles de Gaulle Residence SRL	Romania	Subsidiary - Affiliate
One Herastrau Plaza SRL	Romania	Subsidiary - Affiliate
One Verdi Park SRL	Romania	Subsidiary - Affiliate
X Architecture & Engineering Consult SRL	Romania	Subsidiary - Affiliate
One Mircea Eliade Properties SRL	Romania	Subsidiary - Affiliate
One Long Term Value SRL	Romania	Subsidiary - Affiliate
One Herastrau Towers SRL	Romania	Subsidiary - Affiliate
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Romania	Subsidiary - Affiliate
Skia Real Estate SRL	Romania	Subsidiary - Affiliate
One Lake District SRL (former One District Properties SRL)	Romania	Subsidiary - Affiliate
One North Gate SA	Romania	Subsidiary - Affiliate
One United Tower SA (former One United Tower SRL)	Romania	Subsidiary - Affiliate
Neo Floreasca Lake SRL	Romania	Subsidiary - Affiliate
One Mamaia Nord SRL (former Neo Mamaia SRL)	Romania	Subsidiary - Affiliate
Neo Timpuri Noi SRL	Romania	Subsidiary - Affiliate
One Herastrau Vista (former Neo Herastrau Park SRL)	Romania	Subsidiary - Affiliate
One Floreasca Towers SRL (former One Herastrau IV SRL)	Romania	Subsidiary - Affiliate
One Long Term Investments SRL	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
Bucur Obor SA	Romania	Indirect Subsidiary
One Proiect 4 SRL	Romania	Subsidiary - Affiliate
One Plaza Athenee SRL (former One Proiect 3 SRL)	Romania	Subsidiary - Affiliate
One Proiect 5 SRL	Romania	Subsidiary - Affiliate
One Herastrau City SRL (former One Proiect 7 SRL)	Romania	Subsidiary - Affiliate
One High District S.R.L. (former One Proiect 1 SRL)	Romania	Subsidiary - Affiliate
One Lake Club S.R.L. (former One Proiect 6 SRL)	Romania	Subsidiary - Affiliate
One Proiect 8 SRL	Romania	Subsidiary - Affiliate
One City Club (One Proiect 9 SRL)	Romania	Subsidiary - Affiliate
One Proiect 10 SRL	Romania	Subsidiary - Affiliate
One United Italia SRL	Romania	Subsidiary - Affiliate
One United Management Services SRL	Romania	Subsidiary - Affiliate
Bo Retail invest SRL	Romania	Subsidiary - Affiliate
One Proiect 11 SRL	Romania	Subsidiary - Affiliate
One Proiect 12 SRL	Romania	Subsidiary - Affiliate
One Proiect 14 SRL	Romania	Subsidiary - Affiliate
One Proiect 15 SRL	Romania	Subsidiary - Affiliate
One Proiect 16 SRL	Romania	Subsidiary - Affiliate
One Proiect 17 SRL	Romania	Subsidiary - Affiliate
One Proiect 18 SRL	Romania	Subsidiary - Affiliate
One Proiect 2 SRL	Romania	Subsidiary - Affiliate
Eliade Tower SRL	Romania	Subsidiary - Affiliate
One Victoriei Plaza (former Mam Imob Business Center SRL)	Romania	Subsidiary - Affiliate
One Carpathian Lodge Magura S.R.L.	Romania	Indirect Subsidiary
Reinvent Energy SRL	Romania	Associate
One Herastrau Office Properties SA	Romania	Associate
Glass Rom Impex SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office SA	Romania	Other related party

Name of the subsidiary and other related party	**Country**	**Relationship nature**
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
Blue Capital SA (former 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
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
YR-WNT SRL (former Neo Downtown SRL)	Romania	Other related party
ACC Investments SRL	Romania	Other related party
CCT & ONE AG	Switzerland	Other related party
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Luxembourg	Other related party
Vinci Ver Holding SRL	Romania	Other related party
OA Liviu Holding SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Switzerland	Key management personnel, minority shareholder of the Group
Gabriel-Ionut Dumitrescu	Romania	Key management personnel, starting 2022 exit the Board
Adriana-Anca Anton	Romania	Key management personnel, starting 2022 exit the Board
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel

In its normal course of business, the entity carries out transactions with the key management personnel (executive management and directors). The volume of such transactions is presented in the table below:

Key management personnel compensation	**2022**	**2021**
Employee benefits	769,062	552,179

The following tables provides the total amount of transactions that have been entered into with affiliates and other related parties during 2022 and 2021 and as well as balances with related parties as at 31 December 2022 and 31 December 2021:

		Statement of financial position	
Nature of balances	**Affiliates and other related party categories**	**31 December 2022**	**31 December 2021**
Receivables and other receivables related to goods and services sold	Key management personnel	-	-
	Affiliates - Subsidiaries	36,119,617	103,567,267
	Other related parties and associates	2,944,058	153,491

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 23. RELATED PARTIES (CONTINUED)

Nature of balances	Affiliates and other related party categories	Statement of financial position 31 December 2022	Statement of financial position 31 December 2021
Payables related to goods and services paid	Key management personnel	-	-
	Affiliates - Subsidiaries	93,948,785	97,345,816
	Other related parties and associates	40,566	22,767

Nature of balances	Affiliates and other related party categories	Statement of financial position 31 December 2022	Statement of financial position 31 December 2021
Prepayments and advance payments	Key management personnel	-	-
	Affiliates - Subsidiaries	56,325	-
	Other related parties and associates	-	-

Nature of transactions	Affiliates and other related party categories	Income statement (Income/(expense)) 2022	Income statement (Income/(expense)) 2021
Interest income and other financial income	Key management personnel	-	-
	Affiliates - Subsidiaries	13,475,382	6,492,147
	Other related parties and associates	160,260	238,068
Dividends income	Key management personnel	-	-
	Affiliates - Subsidiaries	100,918,000	1,881,012
	Other related parties and associates	-	-
Rent and royalties income	Affiliates - Subsidiaries	192,038	376,685
	Other related parties and associates	597	3,984
Management and administration income	Key management personnel	-	-
	Affiliates - Subsidiaries	15,871,578	44,590,545
	Other related parties and associates	307,706	-
Rent and utilities expenses	Affiliates - Subsidiaries	3,964,999	1,290,609
	Other related parties and associates	-	-
Management and administration expenses	Key management personnel	769,062	449,449
	Affiliates - Subsidiaries	-	-
	Other related parties and associates	157,747	103,795
Other income	Key management personnel	-	-
	Affiliates - Subsidiaries	9,252,998	-
	Other related parties and associates	-	-
Other capital reserves	Key management personnel	46,150,940	-
Dividends paid during the year, net of tax	Other related parties associates and Key management personnel	52,782,251	37,906,478

Loans granted to affiliates and other related parties		Interest balance	Amounts granted to affiliates and other related parties
Loans granted to affiliates- subsidiaries	2022	26,466,348	569,722,549
	2021	13,895,502	270,358,882
Loans granted to other related parties and associates	2022	438,235	6,642,103
	2021	487,038	10,966,323
Total loans granted to affiliates and other related parties	**2022**	**26,904,583**	**576,364,652**
	2021	**14,382,540**	**281,325,205**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 23. RELATED PARTIES (continued)

Loans received from affiliates and other related parties		Interest balance	Amounts due to affiliates
Loans received from affiliates- subsidiaries	2022	-	-
	2021	-	27,921,952

NOTE 24. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

	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	**87,919,909**	**-**	**154,452**	**(84,383,853)**	**73,879**	**-**	**3,764,387**

	1-Jan-22	New leases	Interest charge	Cash flows payments	Foreign exchange movements	Other movements	31-Dec-22
Bonds	-	-	-	-	-	-	-
Lease liabilities	3,764,387	21,606,099	789,063	(3,278,473)	3,852	(3,118,538)	19,766,389
Total liabilities from financing activities	**3,764,387**	**21,606,099**	**789,063**	**(3,278,473)**	**3,852**	**(3,118,538)**	**19,766,389**

NOTE 25. CONTINGENCIES

On 23 July 2021, the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG for an amount of maximum EUR 78,000,000. The holding Company guarantees to each finance party the punctual performance which will cover costs differences or cash flows deficit related. The given guarantee covers the time until maturity of underlying bank loan.

On 30 September 2021, the subsidiary One Peninsula SRL have signed the loan agreement with First Bank SA for a maximum amount of EUR 15,000,000. The loan period is for 36 months starting with 01 October 2021. The loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7.47 million). The given guarantee covers the time until maturity of underlying bank loan.

On 15 February 2022, the subsidiary One Mircea Eliade Properties SRL contracted a bank loan from Garanti Bank in total value of EUR 9,000,000 and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains a corporate guarantee issued by the holding Company. The given guarantee covers the time until maturity of underlying bank loan.

On 8 July 2022, the Bucharest Court of Appeal suspended the building permit of the development One Modrogan, issued by the General Mayor of the Municipality of Bucharest. The litigation case in on-going.

At the end of the reporting period, the directors of the Company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate and concluded that there has not been a significant increase in the credit risk since initial recognition of the financial guarantee contract.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 25. CONTINGENCIES (continued)

The Romanian tax system is under continuous development, being subject to constant interpretations and changes, sometimes retrospectively applied. The statute of limitation for tax periods is 5 years. The Company management consider that the tax liabilities of the Company have been calculated and recorded according to the legal provisions.

NOTE 26. 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 2022	31 December 2021	31 December 2022	31 December 2021
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	603,521,473	363,019,740	438,631,169	326,960,848

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets for which fair values are disclosed:				
Loans granted to subsidiaries, associates and others	-	-	438,631,169	438,631,169

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

There were no transfers between Level 1 and 2 during 2022 or 2021.

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 2022, 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 2022.

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

In February 2023, the Company, through its subsidiaries have concluded the agreement for the acquisition of a plot of land of 44,863 sqm on Soseaua Progresului 56-80, in Bucharest district 5. The value of the transaction is EUR 35 million, out of which EUR 20 million will be paid in cash and the rest of EUR 15 million will be exchanged with future apartments and commercial spaces.

On 09 March 2023, the Revenue & Expense Consolidated Budget for 2023 was approved by the Board of Directors on 9 March 2023 and will subsequently be subject to approval in the annual Ordinary General Meeting of the Shareholders that will take place on 25 April 2023.

On 10 March 2023, the management of the Company informed the market that Wiener Borse (Vienna Stock Exchange) announced the Company’s shares will be included, as of 20.03.2023, in the ROTX Index. The ROTX is a capitalization-weighted price index and is made up of 15 Romanian blue-chip stocks traded at Bucharest Stock Exchange. Calculated in EUR, USD and RON and disseminated in real-time by Wiener Borse, the ROTX is designed as tradable index and is used as underlying for structured products. The inclusion in the ROTX was part of the Company’s strategy to improve the visibility of Romanian capital market on the international arena as well as contribute to the further appreciation of the Company’s liquidity.

The Company, through its subsidiary, One Plaza Athenee have obtained the building permit for a building located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm. The property is classified as a historical monument by local authorities.