

one

UNITED PROPERTIES

2023

PRELIMINARY FINANCIAL RESULTS



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Preliminary financial results as of December 31st, 2023

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The preliminary condensed consolidated financial statements presented on the following pages are prepared in accordance with International Financial Reporting Standards applicable to interim reporting, as applied in the European Union ("IFRS"). The preliminary consolidated financial statements as of December 31st, 2023, **are not 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.



FINANCIAL RESULTS HIGHLIGHTS

Key preliminary financial figures for 2023

- **A 30% increase in the consolidated turnover** of One United Properties in 2023 vs 2022, as the Group registered a turnover of **RON 1,516.4 million**, a record for the Group.
- **Gross result** reached **RON 524 million** in 2023, a 9% YoY decline (a **9%** increase excluding the one-off gain from Bucur Obor's bargain purchase recognized in 2022), while the bottom line reached **RON 443.2 million** (12% YoY decline; **9%** increase excluding the one-off gain).
- Revenues from the **residential segment** reached **RON 1,122.3 million** in 2023, a **46% YoY increase** driven by a diverse residential offering. The value of residential sales is an absolute record for the Group, overpassing for the first time RON 1 billion mark within a single year.
- The **net margin** of the residential segment reached **27.4%** for 2023, a decrease vs 41.4% registered in 2022 due to the revenue recognition applied by the Group (see [Revenue Recognition of Residential Sales](#) for details), as 3 new large-scale developments in the early stages of construction were added to the sales portfolio between Q4'22 and Q3'23. Company maintains target of minimum 35% margin per development.
- **Rental income** including revenues from services to tenants increased 63% to **RON 128.4 million** in 2023, driven by revenues from tenants at One Tower, One Cotroceni Park Office 1, One Victoriei Plaza, as well as Bucur Obor. Revenues from rental will continue to grow as tenants continue to move into OCP Office 2.
- **Administrative expenses** decreased 9% to **RON 82 million** due to the most significant part of the non-cash SOP allocation being recognized in 2022.
- Annualized **EPS of RON 0.12**, representing an **Earnings Yield of 12%** at RON 0.988 share price.
- **Total assets** reach the historic value of **RON 5 billion**.
- Strong **cash position** of **RON 420.7 million**, down 26% YoY due to significant development activity carried out in 2023, with developments under construction amounting to **more than EUR 1.2 billion in GDV** as of yearend.
- **Gross loan-to-value** ratio of **28%** as of the end of 2023, stable since 2022, proving solid financials and low leverage of the Group compared with the European peers. **Net debt** is **RON 606.9 million**, 12% of the total assets of RON 5 billion.

Key events in 2023

- **953 apartments** with a total surface of 80,757 sqm and 1,584 parking spaces and other unit types were sold and pre-sold for a total of **EUR 274.9 million**.
- Despite a 16% decrease in residential sales in Bucharest in 2023, One United Properties defied market trends by **increasing residential unit sales by 59%** YoY in 2023.
- Finalization of 1,430 residential units at **One Cotroceni Park, One Verdi Park, One Floreasca Vista** and **One Timpuri Noi**, with a total GBA of 235,200 sqm, surpassing total output from all the prior years.
- Out of our bestselling developments, 430 units were sold in 2023 at **One Lake District**, One United Properties' largest development under construction, followed by **One High District** (251) and **One Lake Club** (145).
- As of December 31st, 2023, **71% of available apartments** under development and recently delivered were sold out. Amounts to be received under contracts concluded with customers as of December 31st, 2023, are **EUR 295 million in additional cash by 2025** (EUR 150 million in 2024 and EUR 145 million in 2025).
- One United Properties leased and pre-leased **34,200 sqm of office and retail spaces** in 2023, +8% YoY.
- One United Properties exited several rental properties in 2023, in total amount of **EUR 41.7 million**.
- In 2023, One United Properties completed 4 developments with GDV of **EUR 350.4 million**, while managing 9 construction sites with future developments of 4,241 units and over 15,000 sqm of commercial spaces, bringing the total delivered and under construction GDV in 2023 to over **EUR 1.5 billion**.
- In 2023, **21,413 people** worked for One United Properties' construction sites, contributing to the company's significant impact on the dynamic evolution of Bucharest.



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2023 Preliminary Results Call

04.03.2024 | 11:00 AM

Join the 2023 preliminary results call with One United Properties top management to discuss the 2023 performance and the prospects for 2024. The call will be hosted by Victor Capitanu (co-CEO), Cosmin Samoila (CFO) and Zuzanna Kurek (IR Manager).

The call in English will take place at 11:00 AM (10:00 AM CET | 09:00 AM UK). Register to receive ZOOM log-in details [HERE](#).



KEY EVENTS

BUSINESS HIGHLIGHTS

Residential sales

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

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

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

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

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

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



November 2023. The 2023 sales for key developments, together with the total number of units sold from the launch of the sales until December 31st, 2023, are as follows:

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

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

In 2023, One United Properties finalized 1,430 residential units at One Verdi Park, One Floreasca Vista, One Timpuri Noi and One Cotroceni Park, surpassing the total number of finalized units from all prior years within one single year.

Landbank

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

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

Commercial segment

In 2023, One United Properties leased and pre-leased 34,200 sqm of office and retail spaces versus 31,700 sqm in 2022. As of December 31st, 2023, the Company's standing office portfolio totaled 117K sqm GLA, and it includes One Tower (GLA of 24K sqm, leased 100%), One Cotroceni Park 1 (GLA of 46K sqm, leased 88%), One Cotroceni Park 2 (GLA of 35K sqm, leased 75%), and One Victoriei Plaza (GLA of 12K sqm, leased 100%). Together with the retail component, One United Properties' commercial portfolio, which also includes Bucur Obor, has a GLA of over 142K sqm.

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



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

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

NOTE: All amounts in EUR unless otherwise stated.

On November 14th, 2023, One United Properties announced conclusion of a memorandum of understanding with Ennismore, a world's leading lifestyle hotel operator, partially owned by Accor, for the opening of the Mondrian Hotel in Bucharest. Mondrian Bucharest will be located on 8-10 Georges Clemenceau Street, near the Romanian Athenée. The acquisition of the building that will house the Mondrian Hotel is part of the Company's commitment for the regeneration of the downtown of the city and for the protection of Bucharest's cultural heritage. Bringing Mondrian to Bucharest marks One United Properties debut on the hospitality market. In this context, in February 2024, Mr. Riad Abi Haidar, a seasoned international hospitality leader, joined One United Properties as Partner & CEO of the Hotel Division. [More information HERE.](#)

On December 15th, 2023, One United Properties announced the closing of the acquisition of the former Ford Factory, a historical landmark which will be transformed by the Company in a commercial development, One Gallery, transaction concluded with Auchan Romania S.A. Upon completion, One Gallery will have GLA of approximately 14,333 sqm and 314 parking spaces built on 2 underground floors. The estimated GDV upon completion is EUR 90 million. On December 18th, 2023, One United Properties concluded a credit facility agreement with Alpha Bank Group, with a total value of up to EUR 30.5 million for the purpose of financing/ refinancing in part of the development costs of One Gallery, as well as a VAT credit facility of up to EUR 4.6 million. [More information HERE and HERE.](#)

GOVERNANCE HIGHLIGHTS

OGSM & EGSM from October 9th, 2023

On October 9th, 2023, 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 the first six months of 2023, the distribution of the 2023 half-year dividend of RON 38 million, the share buyback, as well as contracting various credit facilities for developments currently under construction. [The GSM resolutions are available HERE.](#)



Claims files regarding multiple developments

Between September and December 2023, One United Properties informed the market regarding multiple claims filed with the Bucharest Tribunal regarding several of its developments. The claims concerned One Lake Club ([more information available HERE](#)), One Floreasca Towers and One Peninsula ([more information HERE](#), [HERE](#), [HERE](#) and [HERE](#)), and One Lake District ([more information HERE](#)).

On January 17th, 2024, the Bucharest Tribunal dismissed the claim filed by the Bucharest Municipality and the Mayor of Bucharest seeking the annulment and suspension of the building permit pertaining to One Lake Club ([more information available HERE](#)). On February 7th, 2024, the Bucharest Tribunal dismissed the claim filed by the Bucharest Municipality and the Mayor of Bucharest seeking the annulment and suspension of the building permit pertaining to the One Floreasca Towers ([more information HERE](#)).

The Company is not aware of any validity issues with regards to the building permits mentioned for any of the above developments and intends to vigorously defend any such claims. The works on all the construction sites of the Company located in District 2, where One Lake Club, One Floreasca Towers and One Lake District are located, are currently carried out without any interruptions, according to their respective schedules.

In case of the claim filed with the Bucharest Court of Appeals regarding One Mircea Eliade ([more information HERE](#)), a development that was completed in May 2021, and was fully delivered to the clients, the Company considers this action to be unfounded in light of all the decisions rendered to date by more than 10 judges regarding the matters adjudicated in Case No. 4858/3/2019. Consequently, the Company is confident in the soundness of the favorable decision issued on second appeal by the Bucharest Court of Appeal in Case No. 4858/3/2019.

SUSTAINABILITY HIGHLIGHTS

Low risk ESG rating

On November 2nd, 2023, One United Properties announced that Morningstar Sustainalytics assessed One United Properties with an ESG risk rating of 18.4, which qualifies as low risk. Previously, in the September 2022 assessment, One United Properties received an ESG risk rating of 20.0. According to Sustainalytics, between 2022 and 2023, One United Properties ESG risk management improved by 29.4%, showcasing a substantial improvement in the robustness of the Company's ESG programs, practices, and policies. This rating is the **3rd lowest rating** out of the BET index companies. [More information HERE.](#)

CAPITAL MARKETS HIGHLIGHTS

Liquidity

Liquidity of ONE shares decreased 36% in Q4 2023 vs Q3 2023, registering trades of RON 37.3 million (RON 87.9 million including DEALS transactions, a 49.5% increase). The average daily traded value for ONE shares in Q4 2023 was RON 0.61 million (RON 1.4 million including the DEALS transactions), as ONE shares grew 2% within the quarter. The market capitalization as of December 31st, 2023, was RON 3.8 billion, while the Company had 9,113 shareholders (+145% since IPO). In 2023, the share price increased 15.4%, as ONE was the 13th most traded stock on BVB in terms of absolute liquidity and the 19th most traded by liquidity to free float.



Dividend payment

On January 31st, 2024, One United Properties paid the half-year dividend amounting to RON 0.01 per share. 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.

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One United Properties will be exhibiting at MIPIM 2024, the world's leading property market event, taking place between March 12th and 15th in Cannes, France.

Visit our stand, **P-1.H74**, to discuss with One United Properties leadership team about the prospects of the Romanian real estate market and the dynamics shaping Bucharest's residential and office market.

To set up a meeting, email us directly at investors@one.ro.



ANALYSIS OF THE FINANCIAL RESULTS

EARNINGS ANALYSIS

The consolidated turnover of One United Properties grew 30% in 2023 compared to 2022, reaching RON 1,516.4 million. The increase in the turnover was supported by a 46% increase in revenues from sales of residential property, which reached RON 1,122.3 million in 2023 vs RON 769.5 million in 2022. The net income from residential property decreased 4% YoY, reaching RON 307.4 million in 2023 vs 318.9 million in 2022 due to the revenue recognition of the new developments where construction began as of 2023. According to the IFRS 15 recognition methodology, developments in initial stages generate lower margins. Moreover, the sales prices increase as the construction progresses. Consequently, the net margin decreased from 41.4%, as recorded for 2022, to 27.4% for 2023. It is important to mention that this value does not correctly reflect the overall margin that One United Properties generates from the sale of residential units. As a principle, the Company targets, with each development, a net margin of minimum 35%. ***For more information about the revenue recognition of residential sales at One United Properties, consult the dedicated chapter of this report, available [HERE](#).***

The rental income, which includes the income generated by the commercial division together with the revenues from the tenant services, saw a 63% increase, reaching RON 128.4 million in 2023 vs RON 78.9 million in 2022. The effect has been driven by the revenues coming from the entire portfolio, but particularly the largest developments: One Tower (leased 100%), One Cotroceni Park 1 (leased 88% as of December 31st, 2023), One Victoriei Plaza (100% leased), as well as the impact of the results generated by Bucur Obor (94% leased), consolidated under the retail division. The revenues from rental income will continue to grow in the coming quarters due to the impact of One Cotroceni Park 2, leased at 75% however with only 55% of tenants moved in as of December 31st, 2023.

It is important to mention that in 2022, One United Properties recorded a one-off gain from a bargain purchase in the amount of RON 94.1 million, representing the gain from the transaction of purchasing a majority stake in Bucur Obor at a deeply discounted price vs the market value of the acquired company, as appraised by Colliers. Moreover, in 2022, the Group also saw a RON 54.9 million gain from office buildings under development, representing the development progress at One Cotroceni Park Office 2, which was delivered in Q1 2023. In contrast, in 2023, the Group did not record gains from office buildings under development since it currently does not have any office developments under construction.

However, in 2023, the Group recorded RON 180.2 million in gains from completed investment property (vs RON 88.5 million in 2022), representing the reclassification of the apartments for rental purposes, corresponding to rental apartments at One Mircea Eliade and One Herastrau Towers, as well as the start of operations of the commercial space of 2,000 sqm located within One Verdi Park, rented to Lidl for 9+9 years. The commercial space was sold in Q3 2023 for EUR 8.8 million. Gains from investment property for further development, as appraised by Colliers, saw an 8% increase to RON 80.9 million, representing the Group's landbank.

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



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

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

The result from operating activity (EBITDA) amounted to RON 554 million in 2023, registering a 4% decline due to the one-off gains' recognition in 2022, attributable to the bargain purchase of Bucur Obor. Excluding the extraordinary event of the bargain purchase of Bucur Obor, the EBITDA increased 15% in 2023 vs 2022. The gross result reached RON 524 million in 2023, a 9% decrease compared to 2022 (+9% excluding Bucur Obor impact from 2022), while the bottom-line amounted to RON 443.2 million, a 12% decline YoY (+9% increase excluding Bucur Obor). The income tax for 2023 amounted to RON 80.8 million, of which RON 33.1 million is the actual expenditure, and the remaining RON 47.7 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.

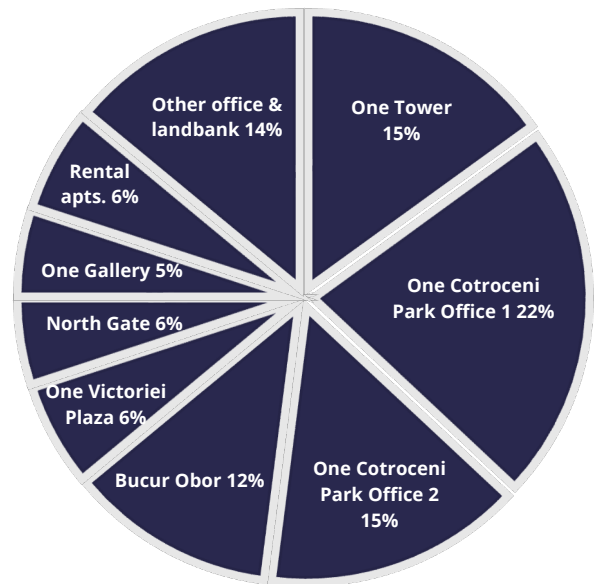
Selected P&L positions (RON)	2023 Preliminary	2022 Audited	Δ %
Revenues from sales of residential property	1,122,261,493	769,518,382	46%
<i>Cost of sales of residential property</i>	<i>(802,740,979)</i>	<i>(445,459,287)</i>	80%
<i>Other property operating expenses - residential</i>	<i>(12,124,094)</i>	<i>(5,133,247)</i>	136%
Net income from residential property	307,396,420	318,925,848	-4%
Rental income incl. revenues from tenant services	128,354,651	78,909,622	63%
<i>Other property operating expenses - commercial</i>	<i>(11,452,425)</i>	<i>(8,171,409)</i>	40%
Net rental income	86,621,358	54,206,051	60%
Gains from investment property fair value adjustment	261,084,485	218,466,572	20%
Gains from bargain purchase	0	94,079,969	-100%
<i>Administrative expenses incl. SOP</i>	<i>(82,020,504)</i>	<i>(90,436,029)</i>	-9%
<i>Other operating expenses</i>	<i>(14,665,945)</i>	<i>(15,308,340)</i>	-4%
Result from operating activity (EBITDA)	554,013,976	576,124,706	-4%
Gross profit	524,041,659	572,908,912	-9%
Net profit	443,229,442	502,477,465	-12%

ASSETS

Total assets grew 18% in 2023, reaching landmark threshold of RON 5 billion. The non-current assets increased 20%, reaching RON 2.8 billion, growth driven primarily by a 20% increase in investment properties to 2.7 billion as of the end of 2023, representing the commercial segment and the landbank. The appreciation is due to the inclusion of One Cotroceni Office 4, One Gallery as well as One Baneasa Airpark in the landbank following their respective acquisitions in 2023. In terms of appreciation of standing assets, the largest increase was seen for One Downtown (+128%), followed by the rental apartments (+67%), and One Cotroceni Park Office 3 (+26%).

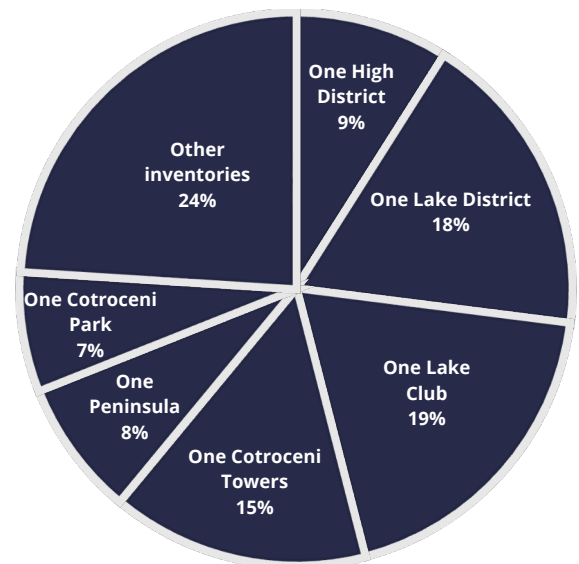


Office & landbank '000 RON	31.12.2023	31.12.2022
One Tower	418,629	387,166
One Cotroceni Park Office 1	598,601	569,891
One Cotroceni Park Office 2	413,144	349,442
One Cotroceni Park Office 3	36,553	28,992
One Cotroceni Park Office 4	80,073	-
One Victoriei Plaza	138,527	138,527
One North Gate	161,177	131,420
Eliade Tower	44,771	45,021
Bucur Obor	313,559	307,460
One Athénée	-	50,197
One Downtown	42,901	18,846
One Plaza Athénée	71,510	68,066
One Carpathian	8,004	7,708
One Gallery	124,882	-
One Baneasa Airpark	21,555	-
Other	67,018	47,551
Apartments for rental	170,217	101,698
TOTAL	2,711,122	2,251,985



Current assets grew 15% in 2023, reaching RON 2.2 billion due to a 50% increase in inventories (residential properties), which reached RON 994.5 million. The significant increase in the inventory represents the addition of One Cotroceni Towers, following the acquisition of the already permitted land plot for the development, as well as a substantial increase in the value of One High District and One Lake Club. Due to the delivery of One Verdi Park to customers in 2023, the inventory for this development decreased by 20%. The rest of the developments saw a varying degree of appreciation or depreciation, aligned with the residential sales evolution in 2023, as presented in the business updates section.

Residential Property in '000 RON	31.12.2023	31.12.2022
One Verdi Park	57,376	72,017
One Cotroceni Park - Residential	71,563	39,809
One Cotroceni Towers	146,614	-
One Modrogan	43,627	43,432
One Mircea Eliade	12,175	15,862
One Peninsula	81,602	75,136
One Herastrau Towers	1,227	19,660
One Floreasca Vista	10,161	14,603
One Timpuri Noi	8,594	8,964
One Mamaia Nord 2	23,556	11,083
One Herastrau Vista	16,444	4,587
One High District	92,852	4,353
One Lake Club (P1 & P2)	186,456	117,969
One Lake District	174,992	188,991
One Floreasca Towers	60,750	45,499
Other inventories	6,543	1,029
TOTAL	994,532	662,994



The trade receivables saw an increase of 25% up to RON 489.5 million due to the finalization and the beginning of the deliveries to final clients of units at One Cotroceni Park, One United Properties largest development to date. Due to significant development activity in 2023 as well as payment of the second tranche of the 2022 dividend in the amount of RON 37.5 million on May 30th, 2023, the cash position declined 26%, down to RON 420.7 million.



EQUITY AND LIABILITIES

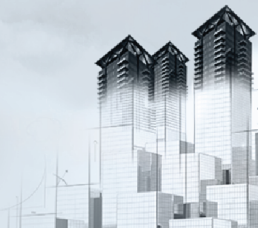
Equity grew 13% in 2023, reaching RON 2.9 billion. The increase was driven by a 27% growth in retained earnings, which amounted to RON 1.5 billion as of the end of 2023. The share capital increased by 3%, to RON 759.5 million, while the share premiums grew 227% to RON 91.5 million, reflecting the share capital increase carried out to implement the Stock Option Plan (SOP) granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program for the 2021 performance. Own shares amounted to negative RON 3.5 million, representing the shares bought back from the market in the second half of 2023, in line with the share buyback program initiated in Q3 2023 ([more details HERE](#)).

The total liabilities increased 24% in 2023, amounting to RON 2.1 billion as of December 31st, 2023, as the long-term liabilities grew 29%, up to RON 1.2 billion, while current liabilities increased 19% to RON 887.4 million. The increase in the non-current liabilities was driven by a 38% growth of the loans and borrowings, representing a major part of long-term bank loan amounting to RON 793.5 million, the increase being driven by the new loan for One Plaza Athénée, and drawings for financing of One Cotroceni Park Office 2, Eliade Tower and One Cotroceni Park Residential.

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

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

Nonetheless, even with the growing office portfolio and the decision to expand to a new client segment, One United Properties maintained the loan-to-value indicator at 28% as of the end of 2023, same value as of the end of 2022. The net debt amounted to RON 606.9 million, 12% of the total assets of RON 5 billion. The increase in the current liabilities was, on one hand, driven by a 33% increase in advance payments from customers, which amounted to RON 389.6 million as of the end of 2023, representing the advance payments from customers on pre-sold apartments. On the other hand, trade and other payables increased 31%, amounting to RON 354.4 million, representing a significantly larger business scale than the prior year.



REVENUE RECOGNITION OF RESIDENTIAL SALES

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

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

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

PRINCIPLE OF REVENUE RECOGNITION ACCORDING TO IFRS 15

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

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

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

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



REVENUE AND PROFIT RECOGNITION EXAMPLE

Total Contract Value: EUR 1,000,000

Land cost: EUR 100,000

Development costs: EUR 500,000

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

Year 0 (Start of Contract):

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

Year 1 (End of First Year):

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

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

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

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

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

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



REVENUE RECOGNITION OF INVESTMENT PROPERTIES

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

PRINCIPLE OF REVENUE RECOGNITION ACCORDING TO IAS 40

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

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

Fair Value Measurement Techniques are:

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

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

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

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



CONSOLIDATED PROFIT&LOSS STATEMENT (RON)

PROFIT & LOSS STATEMENT (RON)	2023 Preliminary, not audited	2022 Audited	Δ %
Revenues from sales of residential property	1,122,261,493	769,518,382	46%
Cost of sales of residential property	(802,740,979)	(445,459,287)	80%
Other property operating expenses - residential	(12,124,094)	(5,133,247)	136%
<i>Net income from residential property</i>	<i>307,396,420</i>	<i>318,925,848</i>	<i>-4%</i>
Gains from investment property fair value adjustment	261,084,485	218,466,572	20%
Gains from bargain purchase	0	94,079,969	-100%
Rental income	98,073,783	62,377,460	57%
Revenues from services to tenants	30,280,868	16,532,162	83%
Expenses from services to tenants	(30,280,868)	(16,532,162)	83%
Other property operating expenses - commercial	(11,452,425)	(8,171,409)	40%
<i>Net rental income</i>	<i>86,621,358</i>	<i>54,206,051</i>	<i>60%</i>
Commissions for brokerage real estate	(14,977,030)	(9,255,427)	62%
Administrative expenses	(82,020,504)	(90,436,029)	-9%
Other operating expenses	(14,665,945)	(15,308,340)	-4%
Profit on disposal of investment property	5,888,494	304,746	1832%
Other operating income	4,686,698	5,141,316	-9%
Result from operating activity (EBITDA)	554,013,976	576,124,706	-4%
Financial income	26,840,583	18,348,129	46%
Financial expenses	(62,109,094)	(21,966,642)	183%
Share of result of associates	5,296,194	402,719	1215%
Gross profit	524,041,659	572,908,912	-9%
Income tax	(80,812,217)	(70,431,447)	15%
Net profit	443,229,442	502,477,465	-12%



CONSOLIDATED PROFIT&LOSS STATEMENT (EUR)

PROFIT & LOSS STATEMENT (EUR)	2023 Preliminary, not audited	2022 Audited	Δ %
Revenues from sales of residential property	226,879,914	156,041,442	45%
Cost of sales of residential property	(162,284,641)	(90,329,370)	80%
Other property operating expenses - residential	(2,451,045)	(1,040,910)	135%
<i>Net income from residential property</i>	<i>62,144,228</i>	<i>64,671,162</i>	<i>-4%</i>
Gains from investment property fair value adjustment	52,781,661	44,300,228	19%
Gains from bargain purchase	0	19,077,354	-100%
Rental income	19,826,904	12,648,780	57%
Revenues from services to tenants	6,121,676	3,352,360	83%
Expenses from services to tenants	(6,121,676)	(3,352,360)	83%
Other property operating expenses - commercial	(2,315,258)	(1,656,982)	40%
<i>Net rental income</i>	<i>17,511,646</i>	<i>10,991,798</i>	<i>59%</i>
Commissions for brokerage real estate	(3,027,803)	(1,876,798)	61%
Administrative expenses	(16,581,523)	(18,338,442)	-10%
Other operating expenses	(2,964,914)	(3,104,195)	-4%
Profit on disposal of investment property	1,190,436	61,796	1826%
Other operating income	947,475	1,042,548	-9%
Result from operating activity (EBITDA)	112,001,205	116,825,451	-4%
Financial income	5,426,177	3,720,598	46%
Financial expenses	(12,556,170)	(4,454,353)	182%
Share of result of associates	1,070,695	81,663	1211%
Gross profit	105,941,907	116,173,359	-9%
Income tax	(16,337,251)	(14,281,951)	14%
Net profit	89,604,656	101,891,408	-12%

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



CONSOLIDATED BALANCE SHEET (RON)

BALANCE SHEET (RON)	31.12.2023, Preliminary not audited	31.12.2022A	Δ %
NON-CURRENT ASSETS	2,810,476,475	2,343,689,182	20%
Goodwill	19,256,076	19,256,076	0%
Intangible assets	16,967,132	15,259,605	11%
Investment properties	2,711,122,544	2,251,984,947	20%
Right of use assets	1,868,857	2,687,154	-30%
Investments in associates	8,666,072	3,369,877	157%
Property, plant, and equipment	52,595,794	51,131,523	3%
CURRENT ASSETS	2,169,048,166	1,893,061,301	15%
Inventories	994,532,298	662,994,340	50%
Advance payments to suppliers	129,869,872	116,316,909	12%
Trade receivables	489,466,746	392,002,622	25%
Other receivables	119,789,223	129,862,443	-8%
Prepayments	14,650,932	24,924,944	-41%
Cash and cash equivalents	420,739,095	566,960,043	-26%
TOTAL ASSETS	4,979,524,641	4,236,750,483	18%
EQUITY	2,856,539,457	2,531,326,688	13%
Share capital	759,530,863	740,563,717	3%
Share premium	91,530,821	27,981,399	227%
Legal reserves	26,151,183	17,452,635	50%
Own shares	(3,468,115)	1,029	-
Other capital reserves	12,562,059	51,848,900	-76%
Retained earnings	1,502,225,265	1,184,656,306	27%
Non-controlling interests	468,007,381	508,822,702	-8%
LIABILITIES	2,122,985,184	1,705,423,795	24%
NON-CURRENT LIABILITIES	1,235,563,521	956,652,728	29%
Loans and borrowings from bank and others	827,819,156	654,206,589	27%
Loans and borrowings from minority shareholders	82,609,273	3,528,882	2241%
Trade and other payables	1,944,934	23,442,273	-92%
Lease liabilities	2,646,947	2,646,947	0%
Deferred tax liabilities	320,543,211	272,828,037	17%
CURRENT LIABILITIES	887,421,663	748,771,067	19%
Loans and borrowings from bank and others	117,201,920	172,421,627	-32%
Loans and borrowings from minority shareholders	38,651	47,528	-19%
Lease liabilities	274,592	778,490	-65%
Trade and other payables	354,378,291	271,065,556	31%
Accrued income	20,734,382	11,099,273	87%
Current tax liabilities	5,185,608	717,144	623%
Advance payments from customers	389,608,219	292,641,449	33%
TOTAL EQUITY AND LIABILITIES	4,979,524,641	4,236,750,483	18%



CONSOLIDATED BALANCE SHEET (EUR)

BALANCE SHEET (EUR)	31.12.2023 Preliminary, not audited	31.12.2022 Audited	Δ %
NON-CURRENT ASSETS	564,965,319	473,721,386	19%
Goodwill	3,870,879	3,892,161	-1%
Intangible assets	3,410,753	3,084,369	11%
Investment properties	544,993,074	455,185,541	20%
Right of use assets	375,680	543,145	-31%
Investments in associates	1,742,064	681,141	156%
Property, plant, and equipment	10,572,869	10,335,029	2%
CURRENT ASSETS	436,024,640	382,637,608	14%
Inventories	199,922,064	134,008,639	49%
Advance payments to suppliers	26,106,596	23,510,715	11%
Trade receivables	98,393,187	79,234,067	24%
Other receivables	24,080,172	26,248,624	-8%
Prepayments	2,945,148	5,037,988	-42%
Cash and cash equivalents	84,577,473	114,597,575	-26%
TOTAL ASSETS	1,000,989,959	856,358,994	17%
EQUITY	574,224,954	511,647,873	12%
Share capital	152,681,796	149,687,455	2%
Share premium	18,399,634	5,655,779	225%
Legal reserves	5,256,942	3,527,638	49%
Own shares	(697,165)	208	-
Other capital reserves	2,525,240	10,480,030	-76%
Retained earnings	301,979,107	239,450,278	26%
Non-controlling interests	94,079,400	102,846,485	-9%
LIABILITIES	426,765,005	344,711,121	24%
NON-CURRENT LIABILITIES	248,374,446	193,364,744	28%
Loans and borrowings from bank and others	166,409,190	132,232,403	26%
Loans and borrowings from minority shareholders	16,606,214	713,280	2228%
Trade and other payables	390,973	4,738,302	-92%
Lease liabilities	532,092	535,018	-1%
Deferred tax liabilities	64,435,977	55,145,741	17%
CURRENT LIABILITIES	178,390,559	151,346,377	18%
Loans and borrowings from bank and others	23,560,069	34,850,957	-32%
Loans and borrowings from minority shareholders	7,770	9,607	-19%
Lease liabilities	55,199	157,353	-65%
Trade and other payables	71,237,547	54,789,497	30%
Accrued income	4,168,050	2,243,456	86%
Current tax liabilities	1,042,417	144,954	619%
Advance payments from customers	78,319,507	59,150,553	32%
TOTAL EQUITY AND LIABILITIES	1,000,989,959	856,358,994	17%

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



KEY FINANCIAL RATIOS

The main financial ratios of One United Properties, consolidated preliminary result, as of December 31st, 2023, are presented below.

**Financial data in
RON '000**

31 December 2023

Liquidity ratio

<u>Current assets</u>	<u>2,169,048,166</u>	= 2.44
Current liabilities	887,421,663	

Gearing ratio

<u>Interest-bearing debt</u> x100	<u>1,027,669,000</u>	= 36%
Equity	2,856,539,457	

Trade receivables turnover

<u>Average receivables</u>	<u>440,734,684</u>	= 0.29
Turnover	1,516,387,327	

Fixed asset turnover

<u>Turnover</u>	<u>1,516,387,327</u>	= 0.54
Non-current assets	2,810,476,475	

Loan to value

	31 December 2023	31 December 2022
<u>Financial debt</u>	<u>1,027,669,000</u>	<u>830,204,626</u>
Real estate assets	3,705,654,842	2,914,979,287
	= 28%	= 28%



ABOUT ONE UNITED PROPERTIES

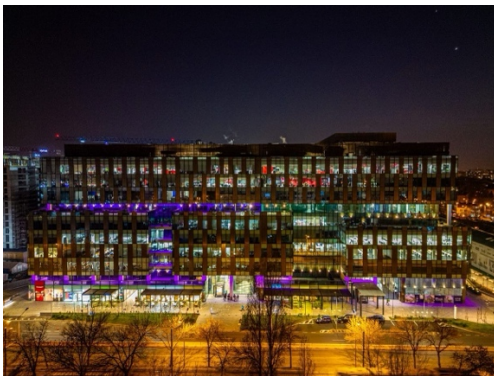
One United Properties is the largest residential and mixed-use real estate developer and investor in Romania, listed on the Bucharest Stock Exchange since July 2021. The Company has a track record of having developed sustainable residential, mixed-use and office real estate in Bucharest and in Constanta (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

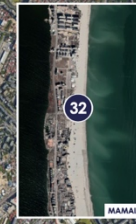
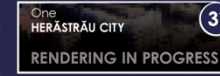
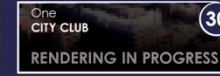
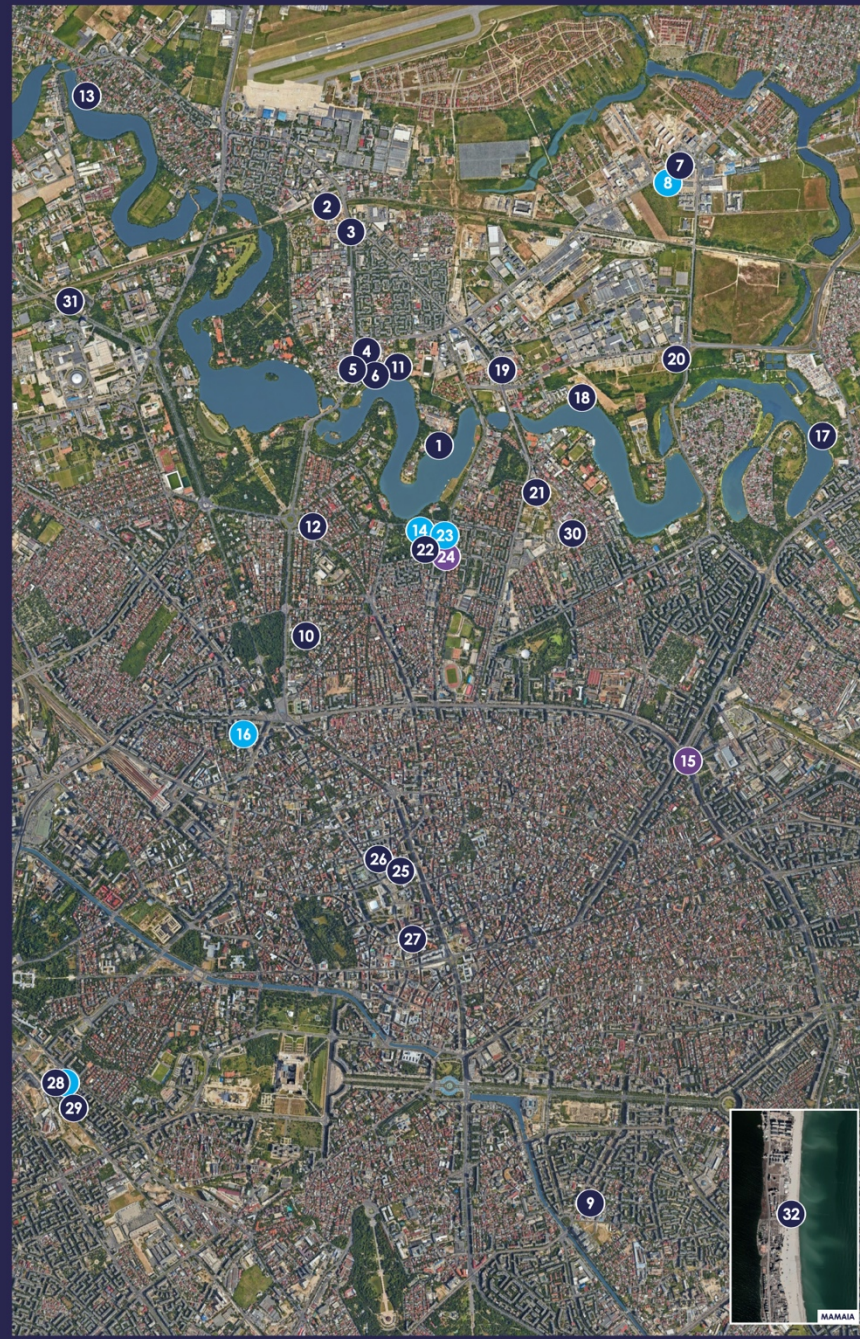
ONE's office developments integrate an energetically efficient plan, being healthy, safe and environmentally sustainable buildings, with emphasis on the employee experience and wellness.



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.

ONE UNITED PROPERTIES DEVELOPMENTS





2023 ESG Sustainability Survey

If you are One United Properties **shareholder, client, tenant, supplier, partner, employee, or analyst**, please help us identify the key environmental, governance and social issues that could affect our ability to create value in the short, medium, and long term.

Submit your point of view anonymously **HERE**.

Your participation in the ESG Materiality Survey will help us define the final content of the 2023 Sustainability Report of One United Properties, which will be published in the summer of 2024.



DECLARATION OF THE MANAGEMENT

Bucharest, February 27th, 2024

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

- a) the preliminary condensed consolidated financial statements for the twelve-months period ended December 31st, 2023, provide an accurate and real image regarding the assets, obligations, financial position, the financial performance and the cash flows of the company One United Properties S.A., as well as of the group to which it belongs, as required by the applicable accounting standards; and
- b) the preliminary report attached to these statements, prepared in accordance with art. 67 of the Law no. 24/2017 on issuers of financial instruments and market operations for the twelve-month period ended December 31st, 2023, comprises accurate and real information regarding the development and performance of the company One United Properties S.A., as well as of the group to which it belongs.

Chairman of the Board of Directors

Claudio Cisullo

Executive Member of the Board of Directors

Victor Capitanu

Executive Member of the Board of Directors

Andrei-Liviu Diaconescu

one

UNITED PROPERTIES

