



Bucharest, March 21st, 2024

Dear Shareholders,

We look forward to welcoming you to our upcoming General Meeting of Shareholders, which will take place on **April 25th, 2024**, in Bucharest and online.

Our agenda for the General Shareholders Meeting (GSM) is familiar to those who have followed us since our IPO two years ago. However, we are drawing your attention to two key items on the agenda of the Extraordinary General Meeting: the proposal to **waive preferential subscription rights for a potential share capital increase** and a **potential bond issuance**.

The global real estate sector has faced challenges over the past two years, with many developers struggling to survive. At ONE, our conservative and risk-averse strategy over the last 15 years has prepared us well, enabling us to maintain a low **Loan-to-Value (LTV) ratio of 28%** over last 2 years, complete 1,430 units in 2023 alone, and manage, over the course of last year, developments worth more than 1.5 billion euros. All this in a context where the pressure affected most of our competitors and peers.

The market has appreciated our prudent financial management and strong balance sheet. Since our IPO in mid-2021, ONE shares have generated a total return of 27% for our shareholders in EUR terms. Over the same period, pressured by the higher cost of capital, the EPRA index, a benchmark for listed real estate companies in developed Europe, has lost 37%. In other words, ONE has **outperformed broader European real estate peers by approximately 60%** since our IPO. In these 2 years and 8 months, we also raised, via an IPO and SPO, approximately 105 million euros of new equity that was used to accelerate the growth of our company.

Looking forward, we anticipate a period of strong growth for the real estate sector, especially in Bucharest. According to the government estimates, Romania's GDP is set to reach **350 billion euros in 2024**. Historically, the contribution of Bucharest economy to national GDP overpassed 28%, therefore the capital's GDP shall reach at least **98 billion euros in 2024**. We see the potential of our city as unparalleled, and this reflects in our goals for One United Properties – we want to double the business until 2030, and grow it four times until 2035, by leveraging Bucharest's positive evolution and our commitment to quality and sustainable housing.

We will share more about our vision at our **Capital Markets Day** on April 4th in Bucharest, including how equity and debt financing can accelerate our growth ambitions.

As you remember, we have undergone a **successful capital raise through an SPO** between June and August 2022, which we carried out by offering preference rights to our shareholders. Looking back, this process was hindered by lengthy and bureaucratic procedures required under Romanian law, affecting our stock price and liquidity for an extended period of 4 months.

Even though One United Properties is a significant business with **assets surpassing 1 billion euros** at the end of 2023, we remain highly agile. Our core team counts only around 100 people. We pride ourselves on making quick decisions. We see



opportunities, and we want to seize them. We believe that in the coming period, we will have an opportunity to attract important global institutional investors to One United Properties. However, we will need to offer them a well-structured deal that can be executed quickly without putting too much pressure on the market. This potential deal, to be executed through an Accelerated Book Building (ABB) will benefit all the shareholders, strengthening the company's equity, diversifying the investor base, and supporting our future growth.

These are the principal reasons we seek your approval to remove the preference rights for a share **capital increase of up to 20% of the current share capital**. For this vote to pass, 85% of shareholders must participate in the GSM, and at least 75% of the votes must be cast in favour. Based on the above arguments, the Board of Directors recommends a vote of confidence for this operation.

Most European issuers have such provisions approved by GSM, specifically to enable rapid execution that meets the needs of global institutional investors.

Even though we could have proposed delegating to the Board of Directors the prerogative to increase the share capital by up to 50% of the current value of the share capital, we proposed that the value of the authorized capital be limited to 20%, as this is what we believe is **necessary over the next 3 years**. We would like to raise equity in one or more placements, but only if the market context is right, and only if we decide that it is in the benefit of all our existing shareholders. We consider this just a matter of time, especially as the sentiment of investors towards real estate is improving as well as the global interest in Romanian capital market grows, driven by Romania's potential MSCI reclassification from frontier to emerging market.

Last but not least, we wanted to assure you that we do not intend to carry out any other transaction than a **share capital increase with cash contribution** under this delegation, therefore your approval of lifting the preference rights will not be used for the purpose of implementing Stock Option Plan (SOP) or doing share swaps as part of M&A transactions.

Regarding bonds, we normally prefer bank financing over accessing the bond market due to the currently high rates. However, we expect the rates to ease, and there might come a time in the next 2-3 years when the bond market might make sense. Doing a large issuance, up to **300 million euros**, might help us optimize our financing costs and refinance our existing debt with cheaper financing. If this moment comes, we want to have a mandate from you, our shareholders, to engage in discussions with banks and advisors to carry out such a potential transaction.

We hope this information provides you with more insight into our medium-term financing plans and that we will have **your vote of confidence** in the upcoming GSM.

Co-CEOs and Executive Members of the Board of Directors

Victor Capitanu

Andrei-Liviu Diaconescu