

one
UNITED PROPERTIES

REPORT

H1 2022



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Financial report as of June 30th, 2022

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ONE UNITED PROPERTIES S.A

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The interim condensed consolidated financial statements and the condensed individual 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 interim condensed consolidated financial statements as of June 30th, 2022, **are revised by the auditor**, while the condensed individual financial statements 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.



FINANCIAL RESULTS HIGHLIGHTS

Key financial figures for H1 2022

- A **56% increase in consolidated turnover** of One United Properties in H1'22 vs H1'21, as the Group reached turnover of RON 675.9 million.
- Revenues from **residential segment** reached **RON 386.8 million** in H1'22, a 16% YoY increase. **Net margin** of residential segment reached **49%**, a 17pp increase vs H1'21.
- **Rental income** registered 30-fold increase, reaching **RON 23.4 million**, driven by revenues from tenants at One Tower, One Cotroceni Park Office Phase 1 (still limited impact due to most tenants still doing fit-out works in H1'22), as well as by revenues generated from Bucur Obor.
- **G&A expenses** grew 345% to **RON 60.3 million**, mainly due to 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. Excluding this extraordinary event, the G&A expenses increased 35% YoY.
- **EBITDA** raised 107% YoY, reaching **RON 392.7 million** in H1'22. **Gross result** reached **RON 389.8 million**, 114% YoY increase, while the bottom line increased 136% YoY, reaching **RON 347.8 million**.
- Strong **cash position** maintained, of **RON 467.5 million**, excluding the effect of the share capital increase which brought another RON 253.7 million in Q3'22.
- **Loan to value** ratio of **25%** as of the end of H1'22, stable since beginning of the year, proving solid financials and low leverage of the Group compared with the European peers.

Key events in H1 2022

- **167 apartments** with a total surface of 15,892 sqm, 419 parking spaces and 32 commercial spaces and other units were sold and pre-sold in H1'22 for a total of EUR 66.5 million.
- As of June 30th, 2022, **80% of apartments** under development were sold out (85% excluding One Lake Club Phase 2, where sales kicked-off at the end of Q2'22). Amounts due under contracts concluded with customers as of June 30th, 2022, are **EUR 168.2 million in additional cash until end of 2023** (EUR 57.1 million in 2022 and EUR 111.1 million in 2023).
- Finalization of the acquisition of controlling stake **Bucur Obor S.A.** with 26K sqm of GLA and announcement of the acquisition of the **Ford Factory**, development with an estimated 13K sqm of retail GLA upon completion. Acquisition of the plot of land for **One City Club** in Bucharest sector 2, which will host approximately 200 apartments.

Perspectives for H2 2022

- The management maintains the 2022 budget, targeting net profit of **RON 548.7 million** and investments of RON 1.163 billion.
- Acquisitions in Q3'22 of **One Victoriei Plaza** office building with GLA of approx. 12,000 sqm, land for new development **One Herastrau City**. Further acquisitions of eight new plots of lands to follow in the next 12 months, using the freshly raised capital of **RON 253.7 million**.
- Sales kickoff at new developments: **One Lake Club (Phase 2)** at the end of Q2'22 and **One Herastrau Vista** in Q3'22, further four developments, One Lake District, One High District, One Lake Club (Phase 1) and One Floreasca Towers awaiting permitting to kick-start the sales.



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H1 2022 Results Call

23.08.2022 | 10:00 & 11:00 AM

Join the H1 2022 results calls with One United Properties top management to discuss the performance in the first half of the year as well as prospects for H2 2022. The call will be hosted by Victor Capitanu (co-CEO), Cosmin Samoila (CFO) and Zuzanna Kurek (IR Manager).

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



KEY EVENTS

BUSINESS HIGHLIGHTS

Residential sales

167 apartments with a total surface of 15,892 sqm, 419 parking spaces and 32 commercial spaces and other units were sold and pre-sold for a total of EUR 66.5 million in the first half of 2022. In the same period of 2021, the Group sold and pre-sold 261 apartments, with a total surface of 26,309 sqm, 345 parking spaces and 8 commercial spaces and other units for a total of EUR 96.3 million.

The decrease in unit sales in H1 2022 compared to same period of 2021 has been primarily driven by the lack of available stock and the fact that only a limited number of the apartments is available at each of the developments. As of June 30th, 2022, 80% of apartments currently being under development were sold out. Excluding the newly added development, One Lake Club (Phase 2), the sold-out apartments amounted to 85% of the stock. On the other hand, the value per unit sold and per square meter sold increased in H1 2022 compared to H1 2021.

This results in the situation that sales naturally slow down closer to the completion of the development due to limited choice for future buyers. The Company's focus before the yearend is to ramp up the permitting of new developments. During Q3 2022, the sales at two new developments, One Lake Club (Phase 2) and One Herastrau Vista were kicked off. Before the yearend, One United Properties wants to kick-start sales at the following developments: One Lake District, One Lake Club (Phase 1), One High District and One Floreasca Towers, subject to obtaining building permits from the relevant authorities. At the date of the publishing this report, the files for these developments were submitted to the relevant authorities and were confirmed to be 100% complete.

Most of the apartments sold by One United Properties in H1 2022 were two-rooms apartments, due to a high demand of such apartments at One Cotroceni Park, nonetheless registering a decrease of 19% YoY due to limited stock. The second most sought-after apartments were three-rooms, primarily at One Verdi Park and One Cotroceni Park, followed by four-rooms as well as penthouses and villas. In Q2 2022, the Company sold two penthouses at One Verdi Park.

The sales per apartment type are presented below:

Apartment type	30.06.2022	30.06.2021	Δ %
Studio	1	6	-83%
2 rooms	112	138	-19%
3 rooms	26	73	-64%
4 rooms	23	38	-39%
5+ rooms & villas	5	6	-17%
TOTAL UNITS SOLD	167	261	-36%

Like in the previous two quarters, most of the apartments sold were part of One Cotroceni Park, One United Properties' largest development to date. In H1 2022, the Group pre-sold 102 residential units and as of the end of Q1 2022, there were 70 units remaining available for sale. Even though there has been a slight decline of sales YoY, it is important to underline that One United Properties sold in May 2021, 124 units at One Cotroceni Park in a single transaction to ACC Investment, an investment company which purchases apartments for future rental or resale. That transaction took place prior to the formal sales



kickoff, which happened in Q3 2021. Excluding this one-off event, the Group has registered a 22% increase in unit sales in H1 2022 compared to H1 2021.

The second largest sales were registered in H1 2022 at One Verdi Park, a development due to be delivered in Q4 2022 and where 80 units were remaining available for sale as of June 30th, 2022. The rest of the developments registered a varying degree of a year-on-year slowdown in sales due to the low availability of the stock as majority of the developments are close to being fully sold out. This is particularly visible for the developments that have already been delivered such as One Mircea Eliade, One Herastrau Towers or close to finalized developments such, One Timpuri Noi or One Floreasca Vista. An extraordinary event was registered for One Mamaia Nord, where the contract for 10 apartments was cancelled. These apartments will be back in the market for sale in the coming period.

The sales per development are presented below:

Development	Delivery	30.06.2022	30.06.2021	Δ %
One Mircea Eliade	Q4 2020	4	14	-71%
One Mamaia Nord	Q1 2021	0	0	-
One Herastrau Towers	Q4 2021	2	5	-60%
One Timpuri Noi	Q3 2022	2	9	-78%
One Floreasca Vista	Q3 2022	3	11	-73%
One Verdi Park	Q4 2022	48	57	-16%
One Modrogan	Q4 2022	1	8	-88%
One Peninsula	Q2 2023	0	25	-100%
One Cotroceni Park	Q4 2023	102	132	-23%
One Lake Club (Phase 2)	Q3 2024	5	-	-
TOTAL UNITS SOLD		167	261	-36%

The total value of residential sales of EUR 66.5 million includes the pre-sales to early clients (lower margin sales that help finance land acquisition). These are units that the Group pre-sold to early clients on developments that still need to receive building permits. The total value of these sales in H1 2022 was EUR 8.7 million, vs EUR 13.7 million in H1 2021.

New sales kickoff

In July 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. Phase 1 is currently under permitting, while the land for Phase 2 was acquired in April 2022 with all the necessary permits. The construction works at Phase 2 begun in Q2 2022 and are currently covering the underground levels and the structure. [More information HERE.](#)

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. [More information HERE.](#)

The clients can purchase apartments at One Lake Club and at One Herastrau Vista using either of the three payment options (30% upon signing and 70% at delivery, 5 equal tranches or full prepayment).

Landbank

As of June 30th, 2022, One United Properties had 180,000 sqm of land plots for further residential development under permitting and in the planning phase (the latter with an estimated start of construction in 2022 and 2023), in Bucharest and in Constanta (Mamaia). The Group estimates



construction of over 4,200 apartments and commercial spaces on these land plots. At the time of publishing this report, the landbank further increased to 217,000 sqm, with total aboveground construction rights of 750,000 sqm, where over 5,200 apartments and commercial spaces will be built.

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 10,710 sqm, where the company intends to build a predominantly residential development called **One City Club**. The new development will have approximately 200 apartments organized in low-rise compounds, with GBA of 37,000 sqm, of which 27,000 sqm above ground and 10,000 sqm underground. [More information HERE.](#)

On July 26th, 2022, the Company acquired a 36,869 sqm plot of land on Poligrafiei Boulevard no. 50 and 52-54, in Bucharest, where it will build a predominantly residential development **One Herastrau City**. The new development will have an estimated 900 apartments organized in seven high-rise towers, with a GBA of up to 150,000 sqm above ground and 70,000 sqm underground. [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 eight future developments as well as it is in early discussion or negotiation stages for more than 20 other developments. The eight developments in negotiations are primarily focused on medium and medium-high income residential properties and will be financed using the capital raised during the share capital increase operation.

Commercial segment

On January 17th, 2022, the Group informed the market about the handover of One Cotroceni Park Office Phase 1, a commercial and office development located in Bucharest. The development has a total GLA of 46,000 sqm. At the time of publishing this report, 83%, of the office and commercial spaces at Phase 1 and 50% at Phase 2 have been leased. [More information HERE.](#)

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 shopping center in Bucharest with a total GLA of 26,000 sqm. [More information HERE.](#)

On March 24th, 2022, One United Properties announced the acquisition of the former **Ford Factory**, located within the One Floreasca City development. One Gallery will host retail with high-end shops and restaurants. The building, which is estimated to be commissioned in 2 years, will have a GLA of approx. 13,000 sqm and 400 parking spaces built on 2 underground floors. The estimated GDV upon completion is estimated at EUR 82 million. The construction works at Ford Factory begun in July 2022. [More information HERE.](#)

On July 25th, One United Properties informed the market that **One Tower**, an office building that is part of One Floreasca City development, with a GLA of 23,750 sqm, has reached 100% occupancy. [More information HERE.](#)

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. 12,000 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 inflation. [More information HERE.](#)

Following the above acquisition, the Group's commercial portfolio will reach GLA of almost 190,000 sqm by the yearend, of which office portfolio will be 148,000 sqm after delivery of One Cotroceni Park Office Phase 2.



GOVERNANCE 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.](#)

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.](#)

Decision of the Bucharest Court of Appeal regarding One Modrojan

On July 8th, 2022, One United Properties informed the market about the decision of the Bucharest Court of Appeal regarding One Modrojan, suspending the construction on site temporarily, until the first ruling in the main case regarding this development. The ruling of the court in the main case will be issued in case file 11527/3/2022, registered with the Bucharest Tribunal, for which the first hearing has been scheduled on September 6th, 2022. [More information HERE.](#)

ESG Updates

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.](#)

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, which will be made public. [The 2021 Sustainability Report is available HERE.](#)

OGSM & EGSM from April 26th, 2022

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 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 of 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.](#)

Share 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, where existing shareholders subscribed based on preference rights, and second, with new investors participating 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 handed over into the investors' accounts.

The capital raised will strengthen the growth strategy of One United Properties, allowing the company to seize additional opportunities in the market. The new equity will be invested with priority in new residential developments located primarily in Bucharest. The company targets to invest the capital raised in ten new developments. The first agreements, for two locations based in Bucharest, One City Club and One Herastrau City were already signed in July 2022. The agreements for the remaining eight new developments are expected to be signed over the next 12 months.

CAPITAL MARKET HIGHLIGHTS

Liquidity

In H1 2022, ONE was the 9th most traded stock on BVB. The average daily traded value for ONE shares between January 1st and June 30th, 2022 was RON 1,1 million. As of June 30th, 2022, One United Properties had 5,510 shareholders, a 74% increase compared to the date of the IPO. In a volatile H1 2022, ONE shares outperformed the benchmark index BET, delivering a +1.6% share price appreciation vs an -8.7% decline of BET index.

Moreover, ONE shares were included, as of June 20th, 2022, in the FTSE EPRA Nareit EMEA Emerging Index, designed to track the performance of listed real estate companies and REITS in emerging markets. Apart from FTSE EPRA Nareit EMEA Emerging Index, ONE shares are also included in other FTSE indices (FTSE Global All Cap, Small Cap/Mid Cap*, Total Cap), BVB indices (BET, BET-TR, BET-TRN, BET-XT, BET-XT-TR, BET-XT-TRN, BET-BK, BET Plus) as well as multiple STOXX indices (STOXX All Europe Total Market, Balkan Total Market, Balkan Total Market ex Greece & Turkey, EU Enlarged Total Market, Eastern Europe 300, Eastern Europe 300 Real Estate, Eastern Europe Mid 100, Eastern Europe Total Market, Eastern Europe Total Market Mid, Global Total Market, Romania Total Market).

*On August 19th, 2022, FTSE Russell announced that 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 capitalisation as well as the solid liquidity of ONE stock. The index change will be effective as of September 19th, 2022.



ANALYSIS OF THE FINANCIAL RESULTS

EARNINGS ANALYSIS

Consolidated turnover of One United Properties grew 56% in H1 2022 compared to H1 2021, reaching RON 675.9 million. The increase in the turnover was supported by a 16% increase in revenues from sales of residential property, which reached RON 386.8 million in H1 2022 vs RON 332.8 million in H1 2021. The net income from residential property increased significantly, by 76% YoY, reaching RON 189.9 million due to most of the developments getting closer to the completion. This generated a 49% net margin, a 17pp appreciation compared to H1 2021.

In H1 2022, the Group recorded a decline of 44% 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 H1 2022, the gain was RON 39.3 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 the gains from bargain purchase in the total amount of RON 94.1 million, which represents the gain from the transaction of purchasing a majority stake in Bucur Obor, at a discounted price versus the value of the buildings, as they were appraised by Colliers. In addition, in H1 2022, the Group recorded RON 92.9 million in gains from development of rental residential investment properties, corresponding to 29 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 29.2 million.

The rental income, which includes the income generated by the office as well as retail divisions, registered a significant, 30-fold increase, reaching RON 23.4 million. The effect has been driven by the revenues coming from tenants at One Tower (leased out approx. 100% as of June 30th, 2022), One Cotroceni Park Phase 1 (leased out at 85% as of June 30th, 2022, however not yet generating full income since significant part of tenants are still in the fit-out phase), as well as the impact of results generated by Bucur Obor and consolidated under the retail division. The management estimates that the revenues from rental income will continue to grow QoQ, bringing more significant weight in the second half of 2022, given the full occupancy of One Tower, the acquisition of fully leased One Victoriei Plaza, as well as starting from 2023, when One Cotroceni Park Phase 1 will start to generate the full lease as well as tenants will start to move in to One Cotroceni Park Phase 2.

G&A expenses increased 345%, to RON 60.3 million, driven primarily by the extraordinary event of recognizing the expense related to the Stock Option Plan to be granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program. The plan was approved in the OGSM from April 19th, 2021, and reconfirmed in the OGSM from April 26th, 2022. The expense was recognized in Q2 2022 in a total value of approximately RON 42 million, in line with IFRS reporting standards. Excluding the effect of the SOP, which is a one-off, non-cash expense without effect on the equity of the Company, then the administrative costs have increased 37%, representing the costs due to larger scale of business and being a public entity. In terms of operating expenses, these amounted to RON 11.6 million in H1 2022, from RON 1.9 million in H1 2021. Out of the amount registered in H1 2022, RON 5.1 million are sponsorships related to CSR activities, which are expected to be fully deducted from the profit tax. Other items under this position include the costs attached to property expenses for residential developments completed and not yet delivered to clients.

EBITDA doubled, reaching RON 392.7 million due to excellent margin from sales of residential property and despite the non-cash SOP implementation, and impacted positively the bottom-line in H1 2022. The gross result reached RON 389.8 million, a 114% increase compared to H1 2021, while the bottom line increased 136% reaching RON 347.8 million. The profit tax for H1 2022 amounted to RON 42 million, of



which RON 8.7 million is the actual expenditure and the remaining RON 33.3 million represents the deferred tax of profit, generated by gains from fair value adjustment, which will become taxable only upon their sale.

Selected P&L positions (RON)	H1 2022	H1 2021	Δ %
Revenues from sales of residential property	386,763,374	332,758,053	16%
Gains from office buildings under development	39,340,938	69,708,159	-44%
Gains from bargain purchase	94,079,969	-	-
Rental income	23,351,395	766,171	2948%
Revenues from services to tenants	5,349,961	2,433,242	120%
Other operating income	5,029,211	1,730,667	191%
Gains from completed investment property	92,852,941	18,758,668	395%
Gains from investment property for further development	29,169,878	7,703,216	279%
Cost of sales of residential property	(196,885,219)	(224,628,655)	-12%
G&A Expenses	(60,287,933)	(13,540,357)	345%
Other operating expenses	(11,609,412)	(1,944,244)	497%
EBITDA	392,661,759	189,417,253	107%
EBT	389,832,043	182,223,063	114%
Net profit	347,805,834	147,538,052	136%

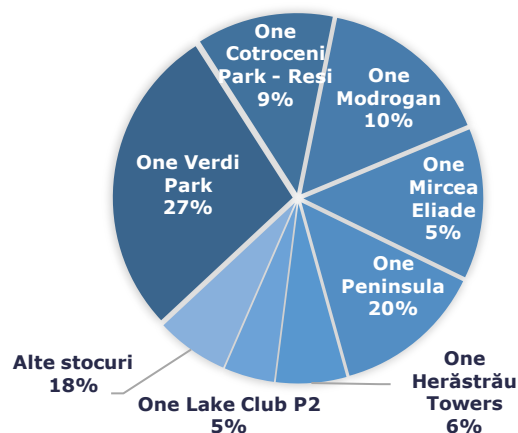
ASSETS

Total assets grew 27% since the beginning of 2022, reaching RON 3.5 billion. The non-current assets increased 42%, reaching RON 2.1 billion, increase driven primarily by a 42% increase in investment properties, representing the commercial segment and the landbank. All the developments under investment properties increased their value, most notably One Athenee (+50%) and One Cotroceni Park Office 2 (+43%). Moreover, Bucur Obor, acquisition finalized in Q1 2022, as well as the 29 apartments bought at One Mircea Eliade were also included. There was also an increase in the intangible assets, which reached RON 15.3 million, representing the Bucur Obor brand, following the finalization of the acquisition and the Purchase Price Allocation report.

Current assets grew 9%, reaching RON 1.4 billion due to 61% increase in trade receivables and 40% increase in advance payments to suppliers – both result of larger scale of operations. Due to investments in landbank and capital deployment in developments under construction, the cash position decreased slightly, by 8% since the beginning of the year, reaching RON 467.5 million. This cash position does not include the capital that the company raised during the share capital increase operation, which amounts to RON 253.7 million and which will be visible in Q3 2022. The inventory (residential properties) decreased 2% in the analyzed period, reaching RON 337.9 million since 80% of the apartments at developments under construction were already sold. In Q2 2022, a new development entered the inventory – One Lake Club (Phase 2) as well as there was increase in the inventory at One Mamaia Nord Phase 1 due to contract cancellation.



Residential Property in '000 RON	30.06.2022	31.12.2021
One Verdi Park	91,129	105,693
One Cotroceni Park - Residential	30,156	35,007
One Modrogan	34,750	29,866
One Mircea Eliade	16,798	45,598
One Peninsula	68,591	60,217
One Herăstrău Towers	20,836	23,738
One Floreasca Vista	15,204	17,041
One Timpuri Noi	11,602	10,949
One Mamaia Nord 2	7,019	2,793
One Herastrau Vista	5,046	4,818
One Mamaia Nord 1	20,330	7,152
One Lake Club (Phase 2)	15,405	-
Other inventories	1,039	1,107
TOTAL	337,905	343,978



EQUITY AND LIABILITIES

Equity grew 29% in H1 2022, reaching RON 2.1 billion. The increase was driven primarily by the increase in retained earnings.

The liabilities increased 24% in the first half 2022, amounting to RON 1.4 billion as of June 30th, 2022, driven primarily by a 35% increase in long-term liabilities, which reached RON 786.8 million as a result of 33% increase in loans and borrowings, representing primarily the long-term bank loan amounting to approx. RON 509 million, which mainly represents the amounts drawn from bank loans in subsidiaries One Cotroceni Park Office, One Verdi Park and One United Tower. The increase in the current liabilities of 13% in H1 2022, was driven, inter alia, by 19% increase in trade and other payables and a 3% increase in advance payments from customers due to larger scale of the business, developments approaching completion stage and related financing loans becoming repayable on short term.



CONSOLIDATED FINANCIAL STATEMENTS

PROFIT & LOSS STATEMENT (RON)	H1 2022	H1 2021	Δ %
Revenues from sales of residential property	386,763,374	332,758,053	16%
Cost of sales of residential property	(196,885,219)	(224,628,655)	-12%
<i>Net income from residential property</i>	<i>189,878,155</i>	<i>108,129,398</i>	<i>76%</i>
Gains from office buildings under development	39,340,938	69,708,159	-44%
Gains from bargain purchase	94,079,969	-	-
Rental income	23,351,395	766,171	2948%
Revenues from services to tenants	5,349,961	2,433,242	120%
Expenses from services to tenants	(5,349,961)	(2,433,242)	120%
Other property operating expenses	(4,114,940)	(163,757)	2413%
<i>Net rental income</i>	<i>19,236,455</i>	<i>602,414</i>	<i>3093%</i>
Commissions for brokerage real estate	(3,396,282)	(760,657)	346%
Administrative expenses	(61,920,862)	(14,510,367)	327%
Other operating expenses	(11,609,412)	(1,944,244)	497%
Profit on disposal of investment property	768	-	-
Other operating income	5,029,211	1,730,667	191%
Gains from completed investment property	92,852,941	18,758,668	395%
Gains from investment property for further development	29,169,878	7,703,216	279%
Result from operating activity (EBITDA)	392,661,759	189,417,253	107%
Financial income	7,207,797	7,341,885	-2%
Financial expenses	(11,115,240)	(14,796,170)	-25%
Share of result of associates	1,077,727	260,095	314%
Gross profit	389,832,043	182,223,063	114%
Income tax	(42,026,209)	(34,685,011)	21%
Net profit	347,805,834	147,538,052	136%



CONSOLIDATED BALANCE SHEET

BALANCE SHEET (RON)	30.06.2022	31.12.2021	Δ %
NON-CURRENT ASSETS	2,122,320,937	1,492,831,494	42%
Goodwill	19,256,076	19,256,076	0%
Intangible assets	15,252,399	597,608	2452%
Investment properties	2,059,201,203	1,449,465,190	42%
Right of use assets	3,096,303	3,505,452	-12%
Investments in associates	4,044,885	2,967,158	36%
Property, plant and equipment	21,470,071	17,040,010	26%
CURRENT ASSETS	1,426,364,318	1,304,327,994	9%
Inventories	337,905,238	343,977,627	-2%
Advance payments to suppliers	130,668,572	93,266,448	40%
Trade receivables	323,846,424	201,369,543	61%
Other receivables	106,059,472	128,441,029	-17%
Prepayments	50,970,956	19,517,269	161%
Other financial assets	9,408,917	9,408,917	0%
Cash and cash equivalents	467,504,739	508,347,161	-8%
TOTAL ASSETS	3,548,685,255	2,797,159,488	27%
EQUITY	2,121,178,433	1,646,957,217	29%
Share capital	514,828,059	514,828,059	0%
Share premium	-	4,307,782	-
Other capital reserves	47,730,734	1,390,179	3333%
Legal reserves	11,437,359	11,437,359	0%
Retained earnings	1,058,911,455	803,225,661	32%
Non-controlling interests	488,270,826	323,205,536	51%
LIABILITIES	1,427,506,822	1,150,202,271	24%
NON-CURRENT LIABILITIES	786,796,833	581,000,467	35%
Loans and borrowings	528,823,055	397,814,528	33%
Loans and borrowings from minority shareholders	7,774,878	7,472,207	4%
Provisions	897,573	564,912	59%
Lease liabilities	2,646,947	2,646,947	0%
Deferred tax liabilities	246,654,380	179,974,080	37%
CURRENT LIABILITIES	640,709,989	569,201,804	13%
Employee benefits	-	553,841	-
Loans and Borrowings	62,806,837	34,347,782	83%
Loans and Borrowings from minority shareholders	47,876	-	-
Lease liabilities	1,030,438	1,282,387	-20%
Trade and other payables	147,240,830	123,584,928	19%
Accrued income	7,747,845	1,145,855	576%
Current tax liabilities	2,316,051	2,023,447	14%
Advance payments from customers	419,520,112	406,263,564	3%
TOTAL EQUITY AND LIABILITIES	3,548,685,255	2,797,159,488	27%



INDIVIDUAL FINANCIAL STATEMENTS

PROFIT & LOSS STATEMENT (RON)	H1 2022	H1 2021	Δ %
Revenues from services delivered	13,653,323	29,737,224	-54%
Revenues from rentals, service charge and similar	121,848	310,156	-61%
Other Revenues	486,512	680,242	-28%
Total operating revenues	14,261,684	30,727,622	-54%
Amortization, depreciation and impairment, net	(1,941,702)	(790,706)	146%
Administrative Expenses	(7,855,491)	(2,279,158)	245%
Other operating expenses	(5,578,895)	(1,948,541)	186%
Total operating expenses	(18,399,450)	(5,018,406)	267%
Result from operating activity	(4,137,767)	25,709,216	-116%
Revenues from dividends	50,918,000	1,881,012	2607%
Revenues from interest	5,657,948	2,974,676	90%
Other financial revenues	770,462	3,650,542	-79%
Total financial income	57,346,410	8,506,230	574%
Interest expenses	(432,487)	(713,927)	-39%
Total financial expenses	(432,487)	(713,927)	-39%
Net financial result	56,913,924	7,792,303	630%
Gross profit	52,776,157	33,501,518	58%
Tax expenses	(6,700,247)	(7,198,837)	-7%
Net profit	46,075,910	26,302,682	75%



INDIVIDUAL BALANCE SHEET

BALANCE SHEET (RON)	30.06.2022	31.12.2021	Δ %
NON-CURRENT ASSETS	522,041,508	435,069,008	20%
Property, plant and equipment	4,688,183	1,293,679	262%
Intangible assets	888,562	567,455	57%
Investments in subsidiaries & associates	96,535,654	90,497,644	7%
Loans granted to subsidiaries & associates	400,645,965	338,295,046	18%
Right of use asset	21,300,043	3,393,204	528%
Deferred tax assets	43,873	59,389	-26%
Other non-current assets	962,592	962,592	0%
CURRENT ASSETS	251,144,921	277,357,390	-9%
Cash and cash equivalents	97,948,865	121,682,382	-20%
Loans granted to subsidiaries & associates	21,845,002	24,724,694	-12%
Inventories	6,103	-	100%
Trade receivables	92,473,632	102,053,110	-9%
Other receivables	37,939,959	28,753,389	32%
Prepayments	931,360	143,815	548%
TOTAL ASSETS	773,186,429	712,426,398	9%
EQUITY	592,362,356	582,034,517	2%
Share capital	514,828,059	514,828,059	0%
Share premium	-	4,307,782	-100%
Other capital reserves	12,423,205	1,390,179	794%
Legal reserves	11,437,359	11,437,359	0%
Retained earnings	53,673,733	50,071,138	7%
LIABILITIES	180,824,073	130,391,881	39%
NON-CURRENT LIABILITIES	48,931,257	30,494,160	60%
Loans and borrowings	27,906,716	27,921,952	0%
Lease liability	20,917,073	2,464,740	749%
Other non-current liabilities	107,468	107,468	0%
CURRENT LIABILITIES	131,892,816	99,897,721	32%
Lease liability	2,840,718	1,299,647	119%
Trade payables	1,974,578	1,880,800	5%
Other payables	125,740,371	96,575,919	30%
Current tax liabilities	1,336,361	-	100%
Deferred income	788	141,356	-99%
TOTAL EQUITY AND LIABILITIES	773,186,429	712,426,398	9%



KEY FINANCIAL RATIOS

The main financial ratios of One United Properties, consolidated result, as of June 30th, 2022, are presented below.

Financial data in RON '000

30 June 2022

Liquidity ratio

Current assets	1,426,364,318	= 2.23
Current liabilities	640,709,989	

Gearing ratio

Interest-bearing debt (long term) x100	599,452,646	= 28.26%
Equity	2,121,178,433	

Trade receivables turnover

Average receivables :2	262,607,984	= 0.19
Turnover	675,937,667	

Fixed asset turnover

Turnover x2	675,937,667	= 0.64
Net fixed assets	2,122,321,000	

Loan to value

	30 June 2022		31 December 2021
Financial debt	599,452,646		432,162,310
Real estate assets	2,397,106,441	= 25%	1,793,442,817
			= 24%



OUTLOOK AND RISKS FOR 2022

On April 26th, 2022, the annual General Meeting of Shareholders of One United Properties Group took place, which approved the 2022 consolidated Revenue and Expense Budget, as presented below in the table. The management maintains this budget as of the date of publishing this report.

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

As of June 30th, 2022, One United Properties has been on track with the realization of the budget, having registered results in line with expectations: EBITDA 11% above the value budgeted for H1 2022, EBT higher with 13% and the net profit bigger with 23% than what was budgeted for the first half of the year.

For 2022, One United Properties targets investments of RON 1.163 billion. The Company estimates the completion of the following residential developments by the yearend: One Verdi Park, One Timpuri Noi, and One Floreasca Vista, which will contribute significantly to the net income. Moreover, the company estimates the completion of Phase 2 of One Cotroceni Park Office before the yearend, which will further drive recurring revenues in the coming years.

*The rental income estimate excludes the impact generated by One Victoriei Plaza, transaction which was concluded on July 27th, 2022.

RISKS AND ELEMENTS OF UNCECERTAINTY

The key risks and elements of uncertainty related to the activity of the Company, which remain valid for the second half of 2022, are identified and detailed in the Prospectus for the share capital increase from June 2022, available [HERE](#).

For the effects of capital expenditures, current and anticipated (including information on the purpose and the financing source for such expenditures) on the Company's business, the investors are invited to consult the Prospectus, as linked above.



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 and sustainability are at the core of ONE's residential developments.



OFFICE

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




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.

ONE UNITED PROPERTIES DEVELOPMENTS



The map shows the city of Bucharest with 29 numbered locations for One United Properties developments. The numbers are distributed across the city, with a higher concentration in the northern and central areas. The numbers are: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29.

1	ONE NORTH GATE	16	ONE MIRCEA ELIADE
2	ONE FLOREASCA LAKE	17	ONE PENINSULA
3	ONE HERASTRAU PARK	18	ONE COTROCENI PARK
4	ONE HERASTRAU VISTA	19	ONE VERDI PARK
5	ONE HIGH DISTRICT	20	ONE LAKE DISTRICT
6	ONE FLOREASCA TOWERS	21	ONE MODROGAN
7	ONE FLOREASCA VISTA	22	ONE TIMPURI NOI
8	ONE LAKE CLUB	23	ONE TOWER
9	ONE HERASTRAU PLAZA	24	ONE RAHMANINOV
10	ONE HERASTRAU TOWERS	25	ONE BUCUR OBOR
11	ONE HERASTRAU OFFICE	26	ONE VICTORIEI PLAZA
12	ONE MADRIGALULUI	27	ONE GALLERY
13	ONE CHARLES DE GAULLE	28	ONE HERASTRAU CITY RENDERINGS IN PROGRESS
14	ONE VICTORIEI CENTER	29	ONE CITY CLUB RENDERINGS IN PROGRESS
15	ONE ATHENEE		

For more details about One United Properties past, present and future projects check our updated info on one.ro



DECLARATION OF THE MANAGEMENT

Bucharest, August 22nd, 2022

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

- a) the interim condensed consolidated financial statements and the condensed individual financial statements for the six-month period ended June 30th, 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. 67 of the Law no. 24/2017 on issuers of financial instruments and market operations and to annex no. 14 to FSA Regulation no. 5/2018 on issuers of financial instruments and market operations for the six-month period ended June 30th, 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