ONE UNITED PROPERTIES SA
AND SUBSIDIARIES

Consolidated financial statements for the year ended 31 December 2023

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

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(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill	**7**	19,256,076	19,256,076
Intangible assets	**7**	16,967,132	15,259,605
Property, plant and equipment	**6**	52,595,794	51,131,523
Right of use assets	**16**	1,868,857	2,687,154
Investment properties	**8**	2,710,669,855	2,251,984,947
Investments in associates	**17**	8,666,072	3,369,877
Other non-current assets	**11**	26,955,436	16,917,499
Total non-current assets		**2,836,979,222**	**2,360,606,681**
Current assets			
Inventories	**9**	1,002,664,774	662,994,340
Advance payments to suppliers	**10**	129,869,872	116,316,909
Trade receivables	**11**	489,466,746	392,002,622
Other receivables	**11**	92,833,787	112,944,944
Prepayments		14,650,932	24,924,944
Cash and cash equivalents	**12**	420,739,095	566,960,043
Total current assets		**2,150,225,206**	**1,876,143,802**
TOTAL ASSETS		**4,987,204,428**	**4,236,750,483**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	759,530,863	740,563,717
Share premium	**14**	91,530,821	27,981,399
Own shares		(3,468,115)	1,029
Other capital reserves	**14**	21,140,590	51,848,900
Legal reserves	**14**	25,713,307	17,452,635
Retained earnings		1,496,291,804	1,184,656,306
Equity attributable to owners of the Group		**2,390,739,270**	**2,022,503,986**
Non-controlling interests		472,189,276	508,822,702
Total equity		**2,862,928,546**	**2,531,326,688**
Non-current liabilities			
Loans and borrowings from bank and others	**15**	827,819,156	654,206,589
Loans and borrowings from minority shareholders	**15**	82,609,273	3,528,882
Trade and other payables	**18**	1,944,934	23,442,273
Lease liabilities	**16**	2,646,947	2,646,947
Deferred tax liabilities	**13**	321,771,977	272,828,037
Total non-current liabilities		**1,236,792,287**	**956,652,728**

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Current liabilities			
Loans and borrowings from bank and others	**15**	117,201,920	172,421,627
Loans and borrowings from minority shareholders	**15**	38,651	47,528
Lease liabilities	**16**	274,592	778,490
Trade and other payables	**18**	354,378,291	271,065,556
Accrued income		20,734,382	11,099,273
Current tax liabilities	**13**	5,247,540	717,144
Advance payments from customers	**19**	389,608,219	292,641,449
Total current liabilities		**887,483,595**	**748,771,067**
Total liabilities		**2,124,275,882**	**1,705,423,795**
TOTAL EQUITY AND LIABILITIES		**4,987,204,428**	**4,236,750,483**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 22 March 2024 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Revenues from sales of residential property	**20**	1,130,393,968	769,518,382
Cost of sales of residential property	**20**	(802,740,979)	(445,459,287)
Other property operating expenses - residential		(12,124,094)	(5,133,247)
Net income from residential property		**315,528,895**	**318,925,848**
Gains from investment property under development	**8**	20,444,086	54,883,687
Gains from completed investment property	**8**	180,211,310	88,485,173
Gains from investment property for further development	**8**	59,976,400	75,097,712
Gains from investment property		**260,631,796**	**218,466,572**
Gains on the bargain purchase	**8**	-	94,079,969
Rental income	**21**	98,073,783	62,377,460
Revenues from services to tenants		30,280,868	16,532,162
Expenses from services to tenants		(30,280,868)	(16,532,162)
Other property operating expenses		(11,452,425)	(8,171,409)
Net rental income		**86,621,358**	**54,206,051**
Commissions for brokerage real estate	**22**	(14,977,030)	(9,255,427)
Administrative expenses	**23**	(82,020,505)	(90,436,029)
Other operating expenses	**24**	(14,665,945)	(15,308,340)
Profit/(Loss) on disposal of investment property		5,888,494	304,746
Other operating income		4,686,698	5,141,316
Result from ordinary activities		**561,693,761**	**576,124,706**
Financial income	**25**	26,840,583	18,348,129
Financial expenses	**25**	(62,109,094)	(21,966,642)
Net financial result		**(35,268,511)**	**(3,618,513)**
Share of result of associates	**17**	5,296,195	402,719
Result before tax		**531,721,445**	**572,908,912**
Tax on profit	**13**	(82,102,915)	(70,431,447)
Net result of the period		**449,618,530**	**502,477,465**
Total comprehensive income for the period		**449,618,530**	**502,477,465**
Net result attributable to:			
Owners of the Group		415,960,172	442,014,509
Non-controlling interests		33,658,358	60,462,956
Total comprehensive income attributable to:			
Owners of the Group		415,960,172	442,014,509
Non-controlling interests		33,658,358	60,462,956
Basic earnings per share attributable to equity holders	**33**	0.12	0.18
Diluted earnings per share attributable to equity holders	**33**	0.12	0.17

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 22 March 2024 and signed on its behalf by:

Victor Capitanu
Administrator

Valentin-Cosmin Samoila
Chief Financial Officer

(Amounts are expressed in RON, unless otherwise mentioned)

	Notes	Share capital	Share premiums	Legal reserves	Other capital reserves	Own shares	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2023		**740,563,717**	**27,981,399**	**17,452,635**	**51,848,900**	**1,029**	**1,184,656,306**	**508,822,702**	**2,531,326,688**
Profit of the year		-	-	-	-	-	415,960,172	33,658,358	**449,618,530**
Dividends allocated from the statutory profit	14	-	-	-	-	-	(73,130,616)	(1,936,085)	**(75,066,701)**
Issue of ordinary shares	14	18,967,146	63,549,422	-	-	-	-	-	**82,516,568**
Transfer of legal reserve in/from retained earnings	14	-	-	8,260,672	-	-	(8,260,672)	-	**-**
Transfer of other capital reserve in/from retained earnings		-	-	-	-	-	-	-	**-**
Transactions with non-controlling interests	27	-	-	-	-	-	3,750,754	(68,841,699)	**(65,090,945)**
Acquisition of own shares		-	-	-	-	(3,469,144)	-	-	**(3,469,144)**
Stock option plan	14	-	-	-	(30,708,310)	-	(26,684,140)	-	**(57,392,450)**
Non-controlling interest on acquisition of subsidiary or change in share capital of subsidiary	27	-	-	-	-	-	-	486,000	**486,000**
Balance as at 31 December 2023		**759,530,863**	**91,530,821**	**25,713,307**	**21,140,590**	**(3,468,115)**	**1,496,291,804**	**472,189,276**	**2,862,928,546**

(Amounts are expressed in RON, unless otherwise mentioned)

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

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Cash flows from operating activities			
Result for the year		**449,618,530**	**502,477,465**
Adjustments for:			
Depreciation and amortization	**23**	4,124,133	2,519,971
Other financial income	**25**	(4,339,995)	(4,861,828)
Share of result of associates	**17**	(5,296,195)	(402,719)
Allowances for current assets – receivables and other provisions	**24**	(1,281,899)	5,258,735
Increase in fair value of investment property	**8**	(260,631,796)	(218,466,572)
Gain on the bargain purchase	**8**	-	(94,079,969)
Profit/(Loss) on disposal of investment property		(5,888,494)	(304,746)
Share-based payments	**23**	25,124,118	46,150,940
(Gain)/Loss on sale of property, plant and equipment		(22,521)	19,449
Unrealised foreign exchange loss/(gain)		5,242,140	1,363,740
Interest expenses	**25**	56,907,656	21,966,642
Interest income	**25**	(22,500,588)	(13,393,219)
Income tax expenses	**13**	82,102,915	70,431,447
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		(149,004,196)	(210,660,660)
(Increase)/Decrease in inventory property		(339,959,363)	(89,760,315)
Increase/(Decrease) in trade and other payables		(34,412,620)	60,888,357
Increase/(Decrease) in advance payments from customers		96,966,770	(113,623,117)
Income tax paid		(8,282,955)	(6,605,466)
Working capital from acquisition of new subsidiaries		-	11,656,689
Net cash from operating activities		**(111,534,360)**	**(29,425,176)**
Acquisition of property, plant and equipment		(5,210,921)	(7,759,799)
Acquisition of intangible assets		(2,145,841)	(422,438)
Acquisition of investment property		(183,402,166)	(285,031,660)
Expenditure on investment property under development		(14,389,524)	(111,294,812)
Expenditure on completed investment property		(60,851,707)	(78,333,026)
Proceeds from sale of property, plant and equipment		261,508	5,043
Proceeds from sale of investment property		86,278,938	8,436,741
Amounts paid for transactions with non-controlling interest	**27**	(14,884,945)	(10,041,238)
Advances received for transaction with non-controlling interests	**18**	44,513,870	-
Interest received		21,212,594	13,393,219
Net payments for loans granted		(2,206,147)	-
Other financial income	**23**	4,339,995	4,861,828
Net cash flows used in investing activities		**(126,484,346)**	**(466,186,142)**
Proceeds from loans and borrowings	**28**	406,344,378	438,871,492
Repayment of borrowings	**28**	(214,253,838)	(38,600,730)
Dividends paid		(39,378,782)	(77,771,559)
Proceeds from issue of share capital and share premium		-	253,717,057
Acquisition of treasury shares		(3,469,144)	-
Interest paid	**28**	(56,912,939)	(21,460,144)
Principal elements of lease payments	**28**	(531,917)	(531,916)
Net cash from financing activities		**91,797,758**	**554,224,200**
Net changes in cash and cash equivalents		(146,220,948)	58,612,882
Cash and cash equivalents at the beginning of the year		**566,960,043**	**508,347,161**
Cash and cash equivalents at the end of the year	**12**	**420,739,095**	**566,960,043**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION

The consolidated financial statements of One United Properties SA and its subsidiaries (collectively, the Group) for the year ended 31 December 2023 were approved by the board of directors and authorized for issue on 22 March 2024.

The parent company, **One United Properties SA (the "Company")**, was established in 2007 according to Law no. 31/1990, having as object of activity real estate development and sale. The Company has fiscal code RO22767862 and is registered with the Trade Registry under no. J40/21705/2007. The registered office of the Company is at Maxim Gorki street 20, Bucharest, district 1 and second office at Calea Floreasca no 159, Building One Tower, Bucharest, district 1.

The share capital of the Company is RON 759,530,863 divided into 3,797,654,315 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 27.7159% each and other shareholders holding 44.5682%. All shares are paid in full.

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

The object of activity of the Group consists in the development and sale/lease of residences, offices and retail in Bucharest, Romania.
The Company had the following subsidiaries undertakings as at 31 December 2023 and 31 December 2022:

Name of the subsidiary	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One Modrogan SRL	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Romania	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Romania	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Romania	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Romania	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One North Gate SA	Real estate developer in Romania	85.22%	67.69%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION (CONTINUED)

Group companies	Activity	% ownership as at 31 December 2023	% ownership as at 31 December 2022	Registered office
One United Tower SA (former One United Tower SRL)	Real estate developer in Romania	71.46%	70.24%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SA	Real estate developer in Romania	67.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Romania	67.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 4 SA (former One Cotroceni Park Office Faza 3 SA)	Real estate developer in Romania	100.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 19 SRL (former One Mamaia SRL)	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One High District SRL (former One Proiect 1 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club SRL (former One Proiect 6 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City SRL (former One Proiect 7 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Carpathian Lodge Magura SRL (former Carpathian Estate SRL)	Real estate developer in Romania	66.72%	66.72%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 8 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One City Club SRL (former One Proiect 9 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Dowtown SRL (former of One Proiect 10 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 24 SRL (former One United Italia SRL)	Real estate developer in Romania	90.00%	90.00%	Maxim Gorki street 20, Bucharest, district 1
Bo Retail Invest SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Bucur Obor SA	Lease of retail space	54.44%	54.44%	Colentina street 2, Bucharest, district 2
One United Management Services SRL	Management services	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION (CONTINUED)

Group companies	Activity	% Ownership as at 31 December 2023	% Ownership as at 31 December 2022	Registered office
One Proiect 11 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 12 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 15 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Eliade Tower SRL	Renting office premises in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Park Line SRL (former of One Proiect 16 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Technology District SRL (former of One Proiect 17 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 18 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 2 SRL	Real estate developer in Romania	0.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 20 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 22 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 21 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Baneasa Airpark SRL (former of One Proiect 23 SRL)	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1

During 2023, four new subsidiaries were established within the One group: One Proiect 20 SRL, One Proiect 21 SRL, One Proiect 22 SRL and One Baneasa Airpark SRL (former of One Proiect 23 SRL).

The Company have increased its ownership in the share capital of the subsidiaries as follows:

- One North Gate SA from 67.69% to 85.22%, the total consideration price for the shares acquired is RON 9,112,073.
- One United Tower SA from 70.24% to 71.46%, the total consideration price for the shares acquired is RON 2,758,672.
- One Herastrau Plaza SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900.
- One Lake District SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900.
- One Cotroceni Park Office Faza 4 SA from 80.00% to 100.00%, the total consideration price for the shares acquired is RON 18,000.
- One Cotroceni Park Office SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 35,301,200;
- One Cotroceni Park Office Faza 2 SA from 57.25% to 67.25%, the total consideration price for the shares acquired is RON 17,899,200;

The scope of the consolidation is summarized below:

Scope of consolidation	Subsidiaries full consolidation	Associates at equity	Total
Balance on 31 December 2022	**49**	**7**	**56**
Acquisitions	-	-	-
New foundations	4	-	4
Disposal	(1)	(1)	(2)
Balance on 31 December 2023	**52**	**6**	**58**

NOTE 2. GENERAL INFORMATION

2.a Basis of preparation

The Group has prepared financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2023, notes comprising a summary of significant accounting policies and other explanatory information.

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

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

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

2.b Going concern

The Management have considered the appropriateness of adopting the going concern basis in preparing the consolidated financial statements. The Group's going concern assessment covers the period to 31 December 2024 (the "going concern period"), being at least 12 months from the date of authorisation of consolidated financial statements.

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

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

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

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

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

- **New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17"** issued by IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while applied. Amendments to IFRS 17 "Insurance Contracts" issued by IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments issued on 25 June 2020 introduce simplifications and clarifications of some requirements in the Standard and provide additional reliefs when applying IFRS 17 for the first time.

NOTE 2. GENERAL INFORMATION (continued)

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

- **Amendments to IAS 1 “Presentation of Financial Statements” - Disclosure of Accounting Policies** issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.
- **Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” - Definition of Accounting Estimates** issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.
- **Amendments to IAS 12 “Income Taxes” - Deferred Tax related to Assets and Liabilities arising from a Single Transaction** issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.
- **Amendments to IAS 12 “Income Taxes” - International Tax Reform — Pillar Two Model Rules** issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company’s exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

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

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

- **Amendments to IFRS 16 “Leases” - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
- **Amendments to IAS 1 “Presentation of Financial Statements” - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 “Presentation of Financial Statements” - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

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

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

- **Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” - Supplier Finance Arrangements** issued by IASB on 25 May 2023. Amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” - Lack of Exchangeability** issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- **IFRS 14 “Regulatory Deferral Accounts”** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

NOTE 2. GENERAL INFORMATION (continued)

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

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

NOTE 3. ACCOUNTING POLICIES

The accounting policies presented below were consistently applied for all periods shown in these consolidated financial statements by the parent company and its subsidiaries.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December, each year. Control is achieved where the Company:
– has the power over the investee;
– is exposed, or has rights, to variable return from its involvement with the investee; and
– has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries

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

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

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

Intra-group transactions

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

Business combinations

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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

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

Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

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

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

Goodwill

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

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

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

Non-controlling interest and others

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

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Investments in associates

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.2 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification, except residential, where the operating cycle is of three years. Refer to 3.b.3.

An asset is current when it is:

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

Or

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

The Group classifies all other liabilities as non-current.

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

3.3 Revenue

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Group.

The Group's key sources of income include:

- Revenue from contracts with customers:
    - Sale of residential property – completed property and property under development
    - Services to tenants including management charges and other expenses recoverable from tenants
- Rental income

3.3.1 Revenues from the sale of residential property

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

i) Completed inventory property

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

ii) Property under development related to residential

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

NOTE 3. ACCOUNTING POLICIES (continued)

The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

Revenue arising on contracts which give the customer control over properties as they are constructed, and for which the Group has an enforceable right to payments for work performed to date, is recognised over time. For contracts that meet the overtime revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, costs incurred or labour hours expended) relative to the total expected inputs to the completion of the property.

The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation (such as uninstalled materials).
Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. When legal title to land is transferred at the start of a long-term contract, revenue is recognised at that point in time for the land.

Where the outcome of a long-term contract cannot be estimated reliably, contract revenue where recoverability is probable is recognised to the extent of contract costs incurred. The costs associated with fulfilling a contract are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from construction of residential properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, an input method that is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the group recognises a contract liability for the difference.

iii) Other consideration related to the sale of residential property

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract for the sale of property under development includes a variable amount in the form of delay penalties and, in limited cases, early completion bonuses, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur. At the end of each reporting period, an entity updates the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

In most of the contracts involving the sale of property, the Group is entitled to receive an initial deposit. The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

In addition, for contracts involving the sale of property under development, the Group requires customers to make progress payments of the selling price, as work goes on, that give rise to a significant financing component. For contracts where revenue is recognised over time, the Group uses the practical expedient for the significant financing component, as it generally expects, at contract inception, that the length of time between when the customers pay for the asset and when the Group transfers the asset to the customer will be short.

NOTE 3. ACCOUNTING POLICIES (continued)

3.3 Revenue (continued)

3.3.1 Revenues from the sale of residential property (continued)

Part exchange

In certain instances, property may be accepted in part consideration for a sale of a residential property. The fair value of the exchanged property is established by independent surveyors or by the parties, reduced for costs to sell. The original sale is recorded in the normal way, with the fair value of the exchanged property replacing cash receipts.

3.3.2 Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognised in the statement of profit or loss when the right to receive them arises.

3.3.3 Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16.

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

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

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

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

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

3.4 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer.

Contract assets are initially recognised for revenue earned from property under development rendered but not yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables. Contract assets are subject to impairment assessment.

NOTE 3. ACCOUNTING POLICIES (continued)

3.4 Contract assets and contract liabilities (continued)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to the customer.

In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Trade receivables", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statement of financial position under "Advance payments from customers". Contract liabilities include non-refundable deposits received from customers on conditional exchange of contracts relating to sale of property under development.

3.5 Foreign currencies

The Group's consolidated financial statements are presented in RON, which is also the parent Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an investment property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is capitalised from the commencement of the development work until the date of practical completion, i.e., when substantially all the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs incurred in relation to property under development are expensed as incurred.

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.7 Investment property

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally offices, commercial and retail property that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If an inventory property or a property under development becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

The Group considers as evidence the receipt of the construction permit and the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party or change in the construction permit scope (for a transfer from inventories to investment property).

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

3.8 Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 3. ACCOUNTING POLICIES (continued)

3.8 Inventory property (continued)

When an inventory property is sold, the carrying amount of the property is recognized as an expense in the period in which the related revenue is recognized. The carrying amount of inventory property recognized in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

3.9 Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.
The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

NOTE 3. ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

As the Group's rent and other trade receivables do not contain a significant financing component, they are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
Since the Group's financial assets (rent and other trade receivables, cash and short-term deposits, loans issued) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

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

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

Or

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

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

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

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

Impairment of financial assets

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Derecognition

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

Advance payments from customers

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

Offsetting of financial instruments

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.11 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

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

ii) Lease liabilities

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

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

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

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.12 Leases (continued)

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

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

Group as a lessor

Refer to the accounting policies on rental income.

3.13 Rent receivables

Rent receivables are recognized at their original invoiced value except where the time value of money is material, in which case rent receivables are recognized at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets in this note.

3.14 Tenant deposits

Tenant deposits are initially recognized at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognized on a straight-line basis over the lease term. Refer also to accounting policies on financial liabilities in this note.

3.15 Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from property development activities, but not yet to be billed to customers, is initially recognized as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. Refer also to the accounting policies on financial assets in this note for more information.

3.16 Warranties

The sale of property contains certain warranties covering a period of up to 3 years after completion of the property, such as the property meeting specific operational performance requirements (e.g., insulation, energy efficiency, etc.). These conditions represent 'assurance-type' warranties that are legally required to be provided as quality guarantees. Minor repairs are expensed immediately and included in other property operating expenses.

A provision is recognized for expected warranty claims on property sold during the year, based on past experience of the level of major repairs and considering also the stipulations in the contracts with the suppliers (which offer in return warranty for the services provided and the equipment installed). Assurance-type warranty provisions for the year are charged to cost of sales. The estimate of such provision is revised annually.

3.17 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognized its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

NOTE 3. ACCOUNTING POLICIES (continued)

3.17 Investment in associates (continued)

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit of an associate' in the statement of profit or loss.

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

3.18 Intangible assets

i) Goodwill

Goodwill is measured as described in note 4.1. Goodwill is not amortized but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Once impaired, goodwill can no longer be appreciated.

ii) Licences

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

iii) Software

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

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

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

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

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses.

v) Amortisation method and period

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.18 Intangible assets (continued)

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

i) Derecognition of intangible assets

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

3.19 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance costs are recognized in profit or loss when incurred.

Depreciation

The economic useful life is the amount of time that the asset is expected to be used by the Group. Depreciation is calculated using the straight-line method over the life of the asset.

Type	**Useful life**
Light constructions (shacks, etc.)	3-10 years
Building	8-40 years
Technological equipment	1-5 years
Vehicles	3-5 years
Other fixed assets and IT equipment	1-5 years

The useful life and depreciation method are reviewed periodically and, if necessary, adjusted prospectively, so that there is a consistency with the expected economic benefits of those assets.

Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement when the asset is derecognized.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to accounting policies on impairment on non-financial assets in this note.

3.20 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in OCI or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTE 3. ACCOUNTING POLICIES (continued)

3.20 Taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if there is new information about changes in facts and circumstances. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.21 Share-based payments

Employees (senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

NOTE 3. ACCOUNTING POLICIES (continued)

3.21 Share-based payments (continued)

That cost is recognized in administrative expenses, together with a corresponding increase in other reserves in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in administrative expenses.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

3.22 Provisions

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

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

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

3.23 Fair value measurements

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

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

- In the principal market for the asset or liability

Or

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.23 Fair value measurements (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.24 Contingencies

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

3.25 Dividends and share capital increase

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

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

The Company is carrying out share capital increase operation to diversify the shareholders base, increase liquidity and raise capital for further expanding the pipeline. The decision of the Board of Directors, in accordance with the Resolution of the Extraordinary General Meeting of the Shareholders approve the increase of the share capital. The participants to the share capital increase are existing shareholders, local and international institutional investors, qualified investors, retail investors.

NOTE 3. ACCOUNTING POLICIES (continued)

3.26 Others

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

Sales brokerage commissions

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

Segment reporting

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

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the group's accounting policies, which are described in note 3, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For preparing the consolidated financial statements according to IFRS adopted by the EU, the Group makes estimates and assumptions related to future developments that might have a significant effect on the recognition of the value of the reported assets and liabilities, presentation of contingent liabilities as at the preparation date of the consolidated financial statements and the revenue and expenses reported for the respective period.

4.a Judgements

In the process of applying the Group accounting policies, the management made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

4.a.1 Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determination of performance obligations

With respect to the sale of property, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property.
Generally, the Group is responsible for all these goods and services and the overall management of the project.

Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output i.e., the completed property for which the customer has contracted.

In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping, reception services, catering) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.a Judgements (continued)

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

Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

Principal versus agent considerations – services to tenants
The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and at the same time, consume the benefits from these services.

Determining the timing of revenue recognition on the sale of property

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

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

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

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

4.a.2 Transfers of assets both from and to investment property

IAS 40 Investment property requires that transfers from and to investment property are evidenced by a change in use. Conditions which are indications of a change in use are judgmental and the treatment can have a significant impact on the financial statements since investment property is recorded at fair value and inventory is recorded at cost.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development with the view to sale, inception of an operating lease to another party or other observable actions in this direction). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the receiving of the construction permit (for a transfer from investment property to inventories) or inception of an operating lease to another party or change in the construction permit scope (for a transfer from inventories to investment property).

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.b Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.b.1 Measurement of progress when revenue is recognised over time

For those contracts involving the sale of property under development that meet the overtime criteria of revenue recognition, the Group's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property.

The Group generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Group's performance.

Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. The Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation.

4.b.2 Valuation of investment property

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

The Company has obtained a report from an international valuation company, Colliers Romania, setting out the estimated market values for the Company's investment property. The most recent real estate investment assessment took place on 31 December 2023. Colliers Romania is an independent professionally qualified valuation specialist who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. The valuation was based on the assumption as to the best use of each property by a third-party developer.

For investment property assets are mainly valued using the market approach, income approach based on the discounted cash flow technique or direct capitalization and residual approach.

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

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

For income approach based on direct capitalization methodology in order to estimate fair value, the following elements will be analysed: gross potential income, gross effective income, net operating income, operational costs, capital expenditures, capitalization rate.

The estimated market value of the project through the residual method is the difference between the present value of the projected revenues, including the market value upon completion of the project, and the present value of the necessary costs for the development of the project, including the developer's profit and financing costs.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are summarized in note 8. The valuation is highly sensitive to these variables and adjustments to these inputs would have a direct impact on the resulting valuation. The fair value measurement for all the investment properties has been categorized as a Level 3 fair value.

The Chief Financial Officer reports the valuation process findings to the board of directors of the parent company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.b Estimates and assumptions (continued)

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

Climate change, and associated regulations, may affect property values in two main ways. Firstly, adverse weather conditions may cause damage, lost income, and/or reduced useful lives at affected properties. Risk factors for this include property location and whether the property has been designed to mitigate the impacts of adverse weather. Secondly, there is a growing trend amongst investors to pay premiums, and for regulators to require additional measures, for buildings which minimise their impact on the environment, both during construction and throughout their operating life. Properties which minimise their impact will usually attract premium rents which support higher valuations.

The management considers that the valuation of its property developed and investment property is currently subject to an increased degree of judgment and an increased likelihood that actual proceeds on a sale may differ from the carrying value.

4.b.3 Operating cycle

The normal operating cycle of the Group is of three years for inventories (residential projects). As a result, the current assets and liabilities contain elements whose realization is designed and/or anticipated to take place during the normal operating cycle of the Group.

NOTE 5. RISK MANAGEMENT

5.1. General objectives, policies and processes

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

Financial risks:

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

Other risks:

- Operating risk
- Strategic risk

5.2. Financial risks

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

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

	Trade receivables, short-term deposits and cash and cash equivalents	
Description	**31 December 2023**	**31 December 2022**
Trade receivables	156,311,637	124,107,224
Other receivables	48,738,722	47,984,064
Cash and cash equivalents	420,739,095	566,960,043
Total	**625,789,454**	**739,051,331**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

	Financial liabilities at amortized cost	
Description	**31 December 2023**	**31 December 2022**
Trade and other payables	349,707,903	287,139,714
Short and long-term loans	1,027,669,000	830,204,626
Lease liabilities	2,921,539	3,425,437
Total	**1,380,298,442**	**1,120,769,777**

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

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

5.2.1. Credit risk

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

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

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

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2023 and 31 December 2022, respectively, is the carrying amounts of each class of financial instruments.

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

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

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

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

5.2.2. Liquidity risk

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.2. Liquidity risk (continued)

The Group prepares budgets, cash flow analyses and forecasts, which enable the Directors to assess the level of financing required for future periods. Budgets and projections are used to assess any future potential investments and are compared to existing funds held on deposit to evaluate the nature, and extent of any future funding requirements.

Currently the Group's liquidity enables it to meet the committed and due payments.
During 2023, the focus of the business was on operations, liquidity and capital allocation. The Group has access to a sufficient variety of sources of funding which enable it to meet its financial obligations when they become due.

The table below shows the remaining contractual maturities for financial liabilities:

As at 31 December 2023	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Trade and other payables	349,707,903	-	-	**349,707,903**
Short and long-term loans	117,240,571	686,151,732	224,276,697	**1,027,669,000**
Lease liabilities	274,592	2,646,947	-	**2,921,539**
Total	**467,223,066**	**688,798,679**	**224,276,697**	**1,380,298,442**

As at 31 December 2022	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Trade and other payables	268,676,017	18,463,697	-	**287,139,714**
Short and long-term loans	172,469,155	314,063,980	343,671,491	**830,204,626**
Lease liabilities	778,490	2,646,947	-	**3,425,437**
Total	**441,923,662**	**335,174,624**	**343,671,491**	**1,120,769,777**

The following table details the due date for the Group's financial assets and contract assets. The table below was based on the remaining maturities of the financial assets and contract assets, including the interest earned on these assets, except for those in which the Group anticipates that the cash flow will take place in a different period.

As at 31 December 2023	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Cash and cash equivalents	420,739,095	-	-	420,739,095
Trade and other receivables	205,050,359	-	-	205,050,359
Contract assets	333,155,109	-	-	333,155,109
Total	**958,944,563**	**-**	**-**	**958,944,563**

As at 31 December 2022	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Cash and cash equivalents	566,960,043	-	-	566,960,043
Trade and other receivables	172,091,288	-	-	172,091,288
Contract assets	267,895,398	-	-	267,895,398
Total	**1,006,946,729**	**-**	**-**	**1,006,946,729**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk

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

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

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

(i) Interest rate risk

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

The interest rates on loans from related parties and minority shareholders are fixed. As far as bank loans are concerned, the variable interest is based on 6M or 3M Euribor, plus a margin of 2.00% to 3.50% pa.

31 December 2023	**Loans and borrowings – short-term and long term**	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans	-	910,657,996
Total	**-**	**910,657,996**

31 December 2022	**Loans and borrowings – short-term and long term**	
Description	**Interest rate fixed**	**Interest rate variable**
Bank loans	-	806,162,743
Loans from minority shareholders	11,734	-
Total	**11,734**	**806,162,743**

31 December 2023	**Loans granted**	
Description	**Interest rate fixed**	**Interest rate variable**
Loans granted to related parties	497,460	-
Loans granted to others	25,354,540	-
Total	**25,852,000**	**-**

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk (continued)

The Group's sensitivity analysis of interest rate risk was calculated below.
If interest rates had been +/-5 % higher/lower and all other variables were held constant, the Group's profit or loss would be:

Period	Interest rate variation	Change in Group's result
31 December 2023	+/-5%	-/+ 1,720,353
31 December 2022	+/-5%	-/+ 629,026

(ii) Foreign exchange risk

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

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

31 December 2023	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	44,291,483	1,611	220,339,653
Other receivables	182,202	-	906,383
Non-current assets	5,418,614		26,955,436
Monetary liabilities			
Loans	(206,575,473)	-	(1,027,630,348)
Trade and other payables	-	-	-
Net excess/(exposure)	**(156,683,174)**	**1,611**	**(779,428,876)**

31 December 2022	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	51,373,158	552	254,166,119
Other receivables	1,517,690	-	7,508,621
Non-current assets	3,419,473		16,917,499
Monetary liabilities			
Loans	(167,726,814)	-	(829,811,639)
Trade and other payables	(331,421)	-	(1,639,672)
Net excess/(exposure)	**(111,747,914)**	**552**	**(552,859,072)**

Sensitivity analysis for foreign exchange risk

A 5% appreciation of the RON against the EUR on 31 December 2023 would increase the Group's profit by RON 38,971,806 (2022: RON 27,643,081), while a 5% depreciation of the RON against the EUR as of 31 December 2023 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.
Sensitivity analysis includes only monetary elements denominated in foreign currency and adjusts their translation at the end of the period for a 5% change in foreign exchange rates. This analysis assumes that all other variables, especially interest rates, remain constant.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks

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

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

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

(i) Operating risk

The process of risk assessment over the last few years on the international financial markets has affected the performance of these markets, including the Romanian financial and banking market, and raises an increased uncertainty about the future economic development.

Determining the compliance with the lending agreement and other contractual obligations, as well as assessing significant uncertainties, including uncertainties associated with the Group's ability to continue its activity for a reasonable amount of time, have their own challenges.

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

(ii) Strategic risk

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

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

(iii) Ownership title risk

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

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

(iv) Legislative risk

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

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

(v) Taxation risk

The Romanian tax system is subject to many constant interpretations and changes. In Romania, the prescription for tax audits is 5 years. However due to state of emergency from 2020, the prescription period for financial years 2015-2019 was prolonged with 9 months and for the financial years staring 2016 the prescription period of 5 years starts at July 1 of the next financial year.

NOTE 5. RISK MANAGEMENT (continued)

5.3. Other risks (continued)

The legislation and fiscal framework in Romania and their implementation are subject to frequent changes. Tax audits, by their nature, are similar to tax audits carried out by designated tax authorities in many countries, but may extend not only to tax issues, but also to other legislative or regulatory aspects in which the agency in question might be interested.

Moreover, tax returns are subject to verification and correction by the tax authorities for a period of five years after their registration (and following the general rules described above), and therefore the Group's tax returns from 2018 to 2023 are still subject to such verifications.

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

It is likely that the tax authorities should conduct verifications of the transfer pricing to determine whether the respective prices are arm's length, and the taxable base of the Romanian taxpayer is not distorted.

In case of an audit, tax authorities may request a transfer pricing file also for taxpayers not classified as large taxpayers, but which carry out transactions with affiliates, in order to determine whether the arm's length principle has been complied with.

5.4. Capital management

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

The Group's management reviews the capital structure and considers the cost of capital and the risks associated with each class of capital. The Group has a gearing ratio of 21% at 31 December 2023 (11% at 31 December 2022) determined as the proportion of net debt to equity.

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Technological equipment	Measurement apparatus and devices	Vehicles	Furniture and other non-current assets	Total
Cost						
As at 1 January 2023	**44,025,501**	**1,285,242**	**770,395**	**1,879,387**	**9,234,420**	**57,194,945**
Additions	250,391	216,864	237,870	275,049	4,168,221	5,148,395
Disposals	-	(24,091)	-	(149,966)	(272,356)	(446,413)
Reclass from PPE to inventories	(50,392)	-	-	-	-	(50,392)
Reclass from buildings to other assets	(319,059)	-	-	-	319,059	-
As at 31 December 2023	**43,906,441**	**1,478,015**	**1,008,265**	**2,004,470**	**13,449,344**	**61,846,535**
Depreciation and impairment						
As at 1 January 2023	**2,220,550**	**722,894**	**719,047**	**995,978**	**1,404,953**	**6,063,422**
Depreciation charge for the year	1,441,216	209,909	125,823	306,947	1,255,665	3,339,560
Disposals	-	-	-	(22,743)	(129,498)	(152,241)
As at 31 December 2023	**3,661,766**	**932,803**	**844,870**	**1,280,182**	**2,531,120**	**9,250,741**
Net book value						
As at 31 December 2022	**41,804,951**	**562,348**	**51,348**	**883,409**	**7,829,467**	**51,131,523**
As at 31 December 2023	**40,244,675**	**545,212**	**163,395**	**724,288**	**10,918,224**	**52,595,794**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (continued)

Under the "land, buildings and barracks" are presented the Group assets from which the main amount is related to the own office space occupied. At 31 December 2022, the Company has reclassified part of the land and building owned by the subsidiary One United Tower SA from investment property in property, plant and equipment for the fair value of RON 38,860,861, following the occupancy of the own office space. For assets pledged as security refer to Note 15.

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

NOTE 7. INTANGIBLE ASSETS

Description	Goodwill	Concessions, patents, licenses	Other intangible assets	Total
Cost				
As at 1 January 2023	**19,256,076**	**14,699,660**	**1,159,376**	**35,115,112**
Additions	-	16,427	2,132,504	2,148,931
Disposals	-	-	(16,999)	(16,999)
As at 31 December 2023	**19,256,076**	**14,716,087**	**3,274,881**	**37,247,044**
Amortization and impairment				
As at 1 January 2023	**-**	**225,397**	**374,034**	**599,431**
Amortization	-	26,098	412,216	438,314
Disposals	-	-	(13,909)	(13,909)
As at 31 December 2023	**-**	**251,495**	**772,341**	**1,023,836**
Net book value				
As at 31 December 2022	**19,256,076**	**14,474,263**	**785,342**	**34,515,681**
As at 31 December 2023	**19,256,076**	**14,464,592**	**2,502,540**	**36,223,208**

As at 31 December 2023 and 31 December 2022 other intangible assets include mainly, costs of licenses and IT software.

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

As at 31 December 2023 and 31 December 2022, the Group performed the assessment of the recoverable amount of goodwill allocated to One Peninsula based on a value in use calculation taking in consideration the financial budget approved by the management which comprise forecasts of revenue, construction development costs and overheads based on current and anticipated market conditions and a discount rate of 3.30%.

As at 31 December 2023 and 31 December 2022, following the impairment test performed for One Peninsula, the Group assessed the recoverable amount of the identified CGU to which the goodwill, relates to be higher than its carrying amount, therefore no impairment loss is recognized.

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

NOTE 7. INTANGIBLE ASSETS (continued)

Please refer to Note 8 for more details about business combination related to the acquisition of Bucur Obor.

As at 31 December 2023, the Group performed the assessment of the recoverable amount of the Bucur Obor brand considering a WACC rate of 12.42% and a risk premium of 2% No significant indicators of impairment were identified.

NOTE 8. INVESTMENT PROPERTY

The Group prepares arranges for the regular valuation of its properties by independent experts. These external appraisals are carried out each year as 31 December and also during the year when there are indicators that the fair value is substantially changed.
After internal assestment the fair value measurement of the investment properties was performed at 31 December 2023 using an independent appraiser. At 31 December 2023, the Group have performed the valuation of the assets transferred from inventories to investment properties, as described below.

The adopted valuations at 31 December 2023 for investment properties are a combination of the valuations determined using the discounted cash flow (DCF) method, the income capitalisation method, the market comparison method, residual approach and transaction prices where relevant. The internal valuation was performed only for the retail space owned by the subsidiary One Verdi Park SRL, determing the fair value amount at the transaction price of EUR 8,8 million related to sales contract signed in July 2023 and paid in full by the buyer and for One Victoriei Plaza building.

The Group holds mainly office and retail buildings, residential properties held to earn rentals and undeveloped land,:

Completed investment property (IPC):

- Land in surface area of 12,000 sqm and office building in surface area of 34,628 sqm located at Sos Pipera Tunari, 2III, owned by subsidiary One North Gate SA;
- 2 apartments and 2 parking spaces owned by subsidiary One Long Term Value SA;
- Land in surface area of 6,096 sqm and office buiding with a total GLA of 23,800 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SA;
- Land plot and one office building in total surface area of 46,814 sqm (including terraces) located at 44 Sergent Nutu Ion Street, owned by subsidiary One Cotroceni Park Office SA;
- Property located in Buzau County, owned by subsiadiary One Carpathian Lodge Magura SRL comprising of a boutique hotel together with a 56ha of forest and land. The Group targets further investments on short and medium-term;
- 28 apartments and 25 parking spaces owned by subsidiary One Mircea Eliade Properties SRL. During the year of 2023, the Group started the activities with the view to rental of 9 apartments owned by subsidiary One Mircea Eliade Properties SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 48,8 million;
- Retail building acquired through business combination with Bucur Obor SA in 2022. The subject property has a total leasable area of 24,325 sqm of retail and 2,452 sqm storages. The investment property was valued at fair value at the date of acqusition at RON 313,6 million; On November 19th, 2021, One United Properties announced the intention to acquire (indirectly, through BO Retail Invest S.R.L.) a controlling stake in Bucur Obor SA, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. On the same date, by means of the loan made available by the company One United Properties SA, BO Retail Invest S.R.L. acquired a 54.4351% of the share capital of Bucur Obor, against a sum of RON 65 million. The transaction was subject to Competition Council clearance, which the Company received on February 4th, 2022. On February 8th, 2022, One United Properties closed the transaction of the acquisition by the Company of direct sole control over BO Retail Invest S.R.L., and indirectly the control over Bucur Obor SA. Bucur Obor S.A. carries out its activity within the Bucur Commercial Complex Obor, located in Bucharest, Sos. Colentina no. 2, in the building from Sos. Mihai Bravu no. 2 and in the building from Sos. Colentina no. 6A. All these properties are owned by the company. Bucur Obor has as main activity the renting of commercial spaces, in which the clients retail goods. The shopping complex offers a multitude of stores, in a unique mix in Bucharest, a combination of family business such as haberdashery, fabrics, footage, windows & mirrors, leather goods, gold, jewelry and more, along with international brands consecrated;

NOTE 8. INVESTMENT PROPERTY (continued)

Completed investment property (IPC) (continued):

- Office building owned by the subsidiary, One Victoriei Plaza SRL with a total GLA of app. 12,000 square meters and 4 underground levels with 93 parking spaces, and it is fully leased to First Bank as a tenant;
- Office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania, owned by the subsisiary Eliade Tower SRL. The office building has a total GLA of over 8,000 square meters spread over 10 floors and also has a parking;
- 2 apartments and related parking spaces owned by subsidiary One Mamaia Nord SRL;
- The Group started the activities with the view to rental of 5 apartments owned by subsidiary One Herastrau Towers SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 26,6 million;
- The retail space of 1,974 sqm and 85 related parking spaces owned by the subsidiary One Verdi Park SRL has started to be leased to Lidl in 2023, therefore the Group reclassed from inventories to investment property and performed the valuation of the asset and recognized a gain from fair value adjustment of RON 29 million. The asset was sold during Q3 2023 at a price of RON 43,458,800 which was approximately its fair value;
- Land in surface area of 8,847 sqm and office building in surface area of 35,819 sqm (including terraces) located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park Office Faza 2 SA.

Investment property under development (IPUC):

- Land in surface area of 10,880 sqm located 159-165 Calea Floreasca, 1st district, Bucharest, owned by subsidiary One Proiect 15 SRL and related construction in progress. The transaction was concluded with Auchan Romania SA for the acquisition of the former Ford Factory, historical landmark which will be transformed by the Company in a commercial development, One Gallery. The building permit was obtained in Q4 2023.

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

- Vacant land plot with a surface area of 5,245 sqm located at 44 Sergent Nutu Ion Street and 164C 13 Septembrie Road, District 5, Bucharest, Romania, owned by One Cotroceni Park SRL;
- Property acquired by subsidiary One Plaza Athenee SRL (former One Proiect 3 SRL) located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm, which fair value was determined at RON 50,2 million. The property is classified as a historical monument by local authorities. Building permit was issued in Q1 2023 and therefore the Group have changed the presentation from investment properties to inventories;
- Land in surface area of 801,028 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county. The total acqusition price is of EUR 9,330,000 from which the Group have paid until 31 December 2023 the amount of EUR 5,598,000, while the remaning amount will be paid in 2 equal instalments of EUR 1,866,000 each, according to the schedule established in the acquisition contract. The last instalment is due in 24 months from the signing date of the acquisition contract, 24 August 2022; On 04 April 2023, through addendum no 1 at the contract, the acquisition price was increased by RON 1,5 million (equivalent of EUR 300,000);
- An under development hotel project located at 8-10 Georges Clemenceau street, Bucharest, Romania owned by the subisidiary One Proiect 12 SRL;
- Three buildings located in Bucharest sector 1, at no. 19, 21 and 23 Academiei street, near the Odeon Theater and the Ion Mincu University of Architecture and Urbanism owned by the subsidiary One Downtown SRL (former One Proiect 10 SRL). Following the renovation, the three buildings will represent a new development of the Company - One Downtown. The total surface of the land is approximately 1,300 sqm and the gross buildable area is 7,100 sqm;
- Land in surface area of 12,318 sqm owned by subsidiary, One Cotroceni Park Office Faza 4, acquired in Q1 2023;
- Three land plots in surface area of 14,724 sqm and two buildings located 44 Ficusului Blvd, 1st district, Bucharest, owned by subsidiary One Baneasa Airpark SRL (former One Proiect 23 SRL).

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The changes in investment property values during 2023 and 2022 were as follows:

Completed investment property

	31 December 2023	31 December 2022
At 1 January	**1,688,891,360**	**549,398,406**
Capital expenditure on owned property	48,058,247	54,590,744
Acquisition	311,434	4,816,997
Fair value of investment property of Bucur Obor acquired	-	307,120,316
Fair value of investment property of Eliade Tower acquired	-	47,104,439
Investment property acquired (One Victoriei Plaza)	-	138,118,400
Transfer from inventories	37,705,329	27,507,442
Transfer to fixed assets	-	(38,860,861)
Transfer from fixed assets	-	11,382,107
Transfer from investment property under development	360,006,680	454,265,348
Disposals	(80,390,210)	(8,165,678)
Fair value adjustment during the year	180,211,310	88,485,173
Lease incentive	31,836,380	53,128,527
At 31 December	**2,266,630,530**	**1,688,891,360**

Investment Property under development

	31 December 2023	31 December 2022
At 1 January	**349,441,857**	**650,175,262**
Capital expenditure	18,170,411	95,644,331
Acquisition	86,658,128	
Interest capitalized	-	156,298
Transfer to completed investment property	(360,006,680)	(454,265,348)
Lease incentive	-	2,847,626
Reclass in prepayments	10,174,556	-
Fair value adjustment during the year	20,444,086	54,883,687
At 31 December	**124,882,358**	**349,441,856**

Investment Property for further development (landbank)

	31 December 2023	31 December 2022
At 1 January	**213,651,731**	**249,891,522**
Capital expenditure	4,534,391	12,945,058
Acquisition	87,991,883	131,919,218
Transfer from inventories	3,228,209	16,792,471
Transfer to inventories	(50,225,647)	(272,994,250)
Fair value adjustment during the year	59,976,400	75,097,712
At 31 December	**319,156,967**	**213,651,731**
Grand Total Investment Property at 31 December	**2,710,669,855**	**2,251,984,947**

Investment property comprises land and properties held with the purpose of capital appreciation or to be rented to third parties. Please refer also to Note 21 for details about the renting activity.
Investment properties with a carrying amount of RON 1,951 million (31 December 2022: RON 1,697 million) have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The investment property balance as at 31 December 2023 and 31 December 2022 is detailed below:

Developer	Type	Object	Valuation Method	31 December 2023
One United Tower	IPC	Office	Income approach-direct capitalization**	418,629,039
Eliade Tower	IPC	Office	DCF**	44,771,400
One Victoriei Plaza	IPC	Office	Market approach*	138,527,200
Bucur Obor	IPC	Office	DCF**	313,558,987
One North Gate	IPC	Office	DCF and Residual approach**	161,177,040
One Carpathian Lodge-Magura	IPC	Accommodation unit area and the land in excess and forest	Market approach, Income approach-direct capitalization **	8,004,131
One Long Term Value	IPC	Apartments and parking lots	Market approach**	16,177,399
One Mircea Eliade	IPC	Apartments and parking lots	Market approach**	114,703,290
One Mamaia Nord	IPC	Apartments and parking lots	Market approach**	10,504,357
One Cotroceni Park Office	IPC	Office	DCF**	598,601,258
One Cotroceni Park Office Faza 2	IPC	Office	DCF**	413,143,982
One Cotroceni Park	IPFD	Office	Market approach**	36,552,689
One Downtown (former Proiect 10)	IPFD	Hotel	Residual approach**	42,448,262
One Proiect 11	IPFD	Landbank	Market approach**	67,017,811
One Proiect 12	IPFD	Hotel	Residual approach**	71,509,875
One Herastrau Towers	IPC	Residential	Market approach**	28,832,447
One Proiect 15	IPUC	Commercial & office	Residual approach**	124,882,358
One Baneasa Airpark (former One Proiect 23)	IPFD	Landbank	Income approach-direct capitalization**	21,554,942
One Cotroceni Park Office Faza 4	IPFD	Office	Market approach**	80,073,388
				2,710,669,855

**** Internal assessment***
***** External valuation by Colliers***

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

At 31 December 2023, the Group has accounted for the business combination resulted from the acqusition of an interest of 54.4351% in Bucur Obor SA and in which control was obtained. Colliers, independent evaluator have performed the valuation of the net assets of the business acquired for the scope of purchase price allocation at 31 January 2022. The results of the valuation are presented below:

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

Valuation processes

The Company's investment properties were valued at 31 December 2023 and several of assets also at 31 March 2023 and 30 June 2023 by Colliers Romania, external, independent evaluator, authorized by ANEVAR, having recent experience regarding the location and nature of the properties evaluated. The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13.

The valuation techniques used in determination of the fair value of investment property are:

a) The fair values are determined through the application of the market comparison technique. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market;
b) Discounted cash-flows (DCF) method. The valuation model based on the DCF method estimates the present value of net cash flows to be generated by a rented building considering occupancy rate and costs to be paid by the tenants. The discount rate estimation considers, inter alia, the quality of a building and its location;
c) The Residual Approach of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.
d) The Income Approach-Direct Capitalization method provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

Fair value hierarchy

Based on the inputs to the valuation technique, the fair value measurement for investment property has been categorized as Level 3 fair value at 31 December 2023 and 31 December 2022. This assessment is deemed appropriate considering the adjustments of the date for comparable lands and of the construction assessments, including future level of net operating revenues of the investment properties. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year

Valuation techniques

The main inputs used in the valuation are:

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

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

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

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

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

31 December 2023

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined through the application of the **market comparison technique**. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market.	- Offer price per square meter for land in Bucharest (1,000 Euro /square meter up to 2,200 Euro per square meter) and for areas near Bucharest (6-22EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-20% discount for asking price, 5-20% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 (3,850 EUR/sqm up to 9,461 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, 0% discount for location, access and position	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, size were lower/ (higher)
Discounted cash-flows (DCF) method. This method involves the projection of a series of cash flows, to which an appropriate market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, redevelopment and refurbishment. Cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.	- Exit yield: 7% - 9.2% - Discount rate: 8.75% - 11.4% - Average rent office: 8.02-20.74 EUR/sqm/month - Average rent retail: 14.19-29.50 EUR/sqm/month - Future vacancy: 0%-20% - Capex of NOI: 0% - 5%	The estimated fair value would increase/(decrease) if: • Discount rates were lower/ (higher) • Costs with tenants were lower/(higher) • Annual rent per sqm was higher/(lower) • Future vacancy were lower/(higher) • Exit yield rates were lower/ (higher)

(Amounts are expressed in RON, unless otherwise mentioned)

The **Residual Approach** of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.	- Hard costs: 325-1,430 EUR/sqm (without underground) - Sales price for residential: 2,000 EUR/sqm/month - Sales price for under/above ground parking (office): 12,000 EUR/parking space - Reversionary Yield: 8% - Discount rate: 9.2%-11.2%	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher) • Discount rates were lower/ (higher) • Reversionary yield were lower/ (higher)
Income Approach - Direct Capitalization method The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. This approach can be applied when the income-producing ability of the property (either present or anticipated) is the critical element affecting value from the perspective of a typical market participant, and also reasonable projections regarding the future income streams can be made.	- Capitalization rate: 6.75%-10.00% - Capital expenditure: 1.5% - Vacancy and collection loss: 2%-5% - Average rent retail: 35.72 EUR/sq. m/month - Average rent office: 20.86 EUR/sq. m/month - Monthly rent (chalet – 4.37 EUR/sqm)	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

31 December 2022

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined through the application of the **market comparison technique**. The valuation model is based on a price per square meter for both land and buildings, derived from data observable in the market, in an active and transparent market.	- Offer price per square meter for land in Bucharest (325 Euro /square meter up to 4,616 Euro per square meter) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-25% discount for asking price, 5-20% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 (4,756 EUR/sqm up to 8,567 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, 0% discount for location, access and position	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, size were lower/ (higher)

(Amounts are expressed in RON, unless otherwise mentioned)

Discounted cash-flows (DCF) method. This method involves the projection of a series of cash flows, to which an appropriate market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, redevelopment and refurbishment. Cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission cost and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.	- Exit yield: 6.5% - 8.5% - Discount rate: 8.25% - 10.5% - Average rent office: 9.44-19.8 EUR/sqm/month - Average rent retail: 13.5-37.87 EUR/sqm/month - Future vacancy: 1%-25% - Capex of NOI: 0% - 5%	The estimated fair value would increase/(decrease) if: • Discount rates were lower/ (higher) • Costs with tenants were lower/(higher) • Annual rent per sqm was higher/(lower)
The **Residual Approach** of valuation is used when a property has development or redevelopment potential, and it is needed when there is an element of latent value that can be released by the expenditure of money on a property. This approach assumes that a potential buyer, who normally would be a developer, will acquire the subject property as at the date of valuation in its current condition and will develop it till completion and sell.	- Hard costs (office): 350-400 EUR/sqm (without underground) - Sales price for residential: 2,100 EUR/sqm/month - Sales price for under/above ground parking (office): 10,500 EUR/parking space	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher)
Income Approach - Direct Capitalization method The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. This approach can be applied when the income-producing ability of the property (either present or anticipated) is the critical element affecting value from the perspective of a typical market participant, and also reasonable projections regarding the future income streams can be made.	- Capitalization rate: 6.00%-10.00% - Capital expenditure: 2% - Vacancy and collection loss: 2%-3% - Average rent retail: 4.20-50 EUR/sq. m/month	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

Sensitivity analysis at 31 December 2023 and 31 December 2022

A quantitative sensitivity analysis for the properties where discounted cash-flows (DCF) method was used in the valuation report at 31 December 2023 and 31 December 2022, is presented below:

		Effect on fair value		
2023	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(72,106,036)	n/a	n/a
Increase in Discount Rate/yield	0.25%	(59,452,564)	n/a	n/a

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

A quantitative sensitivity analysis for the properties where residual approach of valuation or market comparison techniques were used in the valuation report performed at 31 December 2023 and 31 December 2022, is presented below:

		Effect on fair value		
2023	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(3,013,016)	(1,248,824)	(3,165,985)

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES

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

Developer	Project name	31 December 2023	31 December 2022
One Peninsula SRL (former One Herastrau Park Residence SRL)	One Peninsula	81,602,176	75,136,000
One Verdi Park SRL	One Verdi Park	57,375,597	72,017,173
One Mircea Eliade Properties SRL	One Floreasca City	20,307,116	15,861,977
One Herastrau Towers SRL	One Herastrau Towers	1,227,321	19,660,230
Neo Floreasca Lake SRL	Neo Floreasca Lake	10,161,473	14,603,243
One Timpuri Noi SRL (Former Neo Timpuri Noi SRL)	One Timpuri Noi	8,594,080	8,963,730
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	One Herastrau Vista	16,443,981	4,586,823
One Modrogran	One Modrogan	43,627,444	43,432,300
One Mamaia Nord SRL - phase 2	One Mamaia Nord 2	23,555,738	11,082,766
One Cotroceni Park	One Cotroceni Park	71,563,066	39,808,973
One High District (former One Proiect 1)	One High District	111,535,019	4,352,515
One Lake Club (former One Proiect 6)	One Lake Club	186,456,186	117,968,858
One Lake District	One Lake District	174,992,013	188,991,343
One Floreasca Towers	One Floreasca Towers	60,749,839	45,499,262
One Cotroceni Towers	One Cotroceni Towers	127,931,033	-
Other inventories		6,542,692	1,029,147
Total		**1,002,664,774**	**662,994,340**

In February 2023, the Group through its subsidiaries, One Cotroceni Towers and One Cotroceni Park Office Faza 4 have concluded the agreement for the acquisition of a plot of land of 44,863 sqm on Soseaua Progresului 56-80, in Bucharest district 5. The value of the transaction is EUR 35 million, from which related to One Cotroceni Towers, a plot of land of 32,555 sqm valued at EUR 25,4 million, out of which EUR 10,4 million is paid in cash and the rest of EUR 15 million is exchanged with future apartments and commercial spaces. The remaining amount of EUR 9,6 million related to One Cotroceni Park Office Faza 4 is included in investment property. The land was evaluated at acquisition date at fair value of RON 151,844,828 (One Cotroceni Towers) and 57,451,972 RON (One Cotroceni Park Office Faza 4). Please see Note 8 for further details.

A summary of movement in inventories is set out below:

	2023	2022
At 1 January	**662,994,340**	**343,977,627**
Development costs incurred	878,003,162	513,598,811
Transfer to investment property	(40,933,538)	(44,299,913)
Transfer from investment property	50,225,647	272,994,250
Acquisitions	255,116,142	22,182,852
Disposals (recognized in cost of sales)	(802,740,979)	(445,459,287)
At 31 December	**1,002,664,774**	**662,994,340**

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

	2023	2022
In respect of sale of completed inventory property	(66,825,775)	(16,464,849)
In respect of sale of residential property under development	(735,915,204)	(428,994,438)
Total	**(802,740,979)**	**(445,459,287)**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES (continued)

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for a building located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm. The property is classified as a historical monument by local authorities. The Group have reclassified the asset with a fair value of RON 50,2 million from investment property to inventories and started to recognize contract revenue according to IFRS 15. Please see Note 8 for further details.

The Group have also transferred several apartments from inventories to investment property as the destination was changed from sale to rental. Please see Note 8 for further details.

Inventories with a carrying amount of RON 210 million (2022: RON 156 million) have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

NOTE 10. ADVANCES TO SUPPLIERS

As at 31 December 2023 and 31 December 2022, advances to suppliers are detailed as follows:

Description	31 December 2023	31 December 2022
Advances to suppliers for acquisition of goods	40,786,464	31,083,375
Advances to suppliers for acquisition of services	89,083,408	85,233,534
Total	**129,869,872**	**116,316,909**

NOTE 11. TRADE AND OTHER RECEIVABLES

As at 31 December 2023 and 31 December 2022 trade and other receivables are detailed as follows:

Description	31 December 2023	31 December 2022
Trade receivables – customers	165,844,817	130,752,011
Accrued receivables	595,328	2,047,439
Contract assets	333,155,109	267,895,398
Loss allowances for receivables	(10,128,508)	(8,692,226)
Total trade receivables	**489,466,746**	**392,002,622**
VAT receivable	42,357,171	63,746,367
Various debtors	3,681,956	3,842,428
Loans granted to related parties	681,383	7,060,180
Loans granted to others	225,000	272,020
Prepaid interim dividends	43,003,322	36,102,481
Income tax receivables	1,737,894	1,214,513
Interest receivable	384,533	374,070
Other receivables	971,557	791,367
Loss allowances for other receivables	(209,029)	(458,482)
Total other receivables	**92,833,787**	**112,944,944**
Total	**582,300,533**	**504,947,566**

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

Details on contract assets are presented below:

Developer	Project Name	31 December 2023	31 December 2022
One Modrogan SRL	One Modrogan	6,768,980	8,209,728
One Herastrau Towers SRL	One Herastrau Towers	23,586,344	20,952,941
One Peninsula SRL	One Peninsula	60,325,390	501,259
One Mircea Eliade Properties SRL	One Mircea Eliade	1,272,682	4,619,182
One Verdi Park SRL	One Verdi Park	62,140,095	170,880,505
Neo Floreasca Lake SRL	Neo Floreasca Lake	8,126,925	24,886,822
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	211,643	4,657,706
One Lake Club	One Lake Club	8,640,252	-
One Cotroceni Park	One Cotroceni Park	149,487,730	-
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	One Timpuri Noi	12,595,068	33,187,255
Total		**333,155,109**	**267,895,398**

Related parties' balances are disclosed in Note 26.

As at 31 December 2023 and 31 December 2022, for the VAT recoverable, the Group filed refund applications. Parent company One United Properties SA acts as the representative of the single tax VAT group. The tax authorities have approved the fund application and after the control performed, the Group collecting the amounts approved for reimbursement and also the vat recoverable amounts incurred after the period verified.

On 28 September 2022, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2022 in value of RON 36,102,481 (gross amount), from the distributable net profit of RON 46,075,910 for the first half of the financial year ending 31 December 2022. The proposed final dividend was subject to approval by shareholders at the annual general meeting that took place in 25 April 2023.

On 9 October 2023, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2023 in value of RON 37,976,491.71 (gross amount), from the distributable net profit of RON 64,960,806 for the first half of the financial year ending 31 December 2023. The proposed final dividend is subject to approval by shareholders at the annual general meeting that take place in 25 April 2024.

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

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

	Customers	Customers related to Bucur Obor	Doubtful customers	Contract assets	Total
Gross amount	159,332,706	4,973,760	1,538,351	333,155,109	**498,999,926**
Allowance for expected credit losses	(847,764)	(2,695,822)	(1,538,351)	(5,046,571)	**(10,128,508)**

The allowance for expected credit losses related to customers as at 31 December 2023 was determined as follows:

31-Dec-23 *RON*	Current	< 90 days	91 - 365 days	> 365 days	Total
Expected loss rate	0%	0.25%	0.5%	2.0%	
Gross carrying amount - trade receivables	46,664,794	52,865,564	32,029,758	27,772,590	**159,332,706**
Allowance for doubtful receivables	-	132,164	160,148	555,452	**847,764**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

31-Dec-22					
RON	**Current**	**< 90 days**	**91 - 365 days**	**> 365 days**	**Total**
Expected loss rate	0%	0.25%	0.5%	2.0%	
Gross carrying amount - trade receivables	39,387,136	27,423,889	49,803,133	9,212,617	**125,826,775**
Allowance for doubtful receivables	-	68,560	249,016	184,252	**501,828**

The expected loss rate for the trade receivable overdue over 90 days and contract assets as at 31 December 2023 and 31 December 2022 were established based on historical credit losses adjusted for any known factors that would influence the future amount to be received in relation to the receivable. The Group have also taken in consideration the subsequent collections procedures performed until the date of issue of these financial statements and creditworthiness analysis made by the Group's sales team at individual client level.

By using the simplified expected credit loss model, the Group assessed its receivables for allowance and concluded that a net amount of expected credit losses of RON 10,128,508 (31 December 2022: RON 8,692,226) are unlikely to be recovered.

At 31 December 2022, in loans granted to related parties were included mainly the loans granted to One Herastrau Office Properties SA with a maximum period of reimbursement of 5 years, depending on the cash flows availability of the borrower. During Q2 2023, the loan balance from 31 December 2022 in amount of RON 6,13 million was reimbursed by One Herastrau Office Properties SA.

Description	**31 December 2023**	**31 December 2022**
Other non-current assets	26,955,436	16,917,499
Total	**26,955,436**	**16,917,499**

In Other non-currents assets is included the loan granted by the subsidiary, One Long Term Investments SRL to Agro-Mixt Avero Prod SRL. The period of reimbursement is depending on the cash flows availability of the borrower. The loan outstanding balance as at 31 December 2023 is of RON 25,3 million (31 December 2022: RON 16,6 million) and related interest of RON 1,6 million (31 December 2022: RON 303,958). In prior year, the loan balance was included under *Other receivable* line, while in current year was reclassified under *Other non-current assets* line, according to the period of reimbursement.

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	**31 December 2023**	**31 December 2022**
Bank deposits in EUR	161,181,574	194,593,878
Bank deposits in RON	116,588,090	287,986,090
Bank accounts in EUR	59,150,838	59,569,684
Bank accounts in USD	7,241	2,557
Bank deposits in GBP	-	-
Bank accounts in RON	83,763,795	24,603,987
Petty cash – RON	22,692	203,709
Other cash items	24,865	138
Total	**420,739,095**	**566,960,043**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 12. CASH AND CASH EQUIVALENTS (continued)

Also, the maturity of bank deposits is as follows:

Description	31 December 2023	Maturity	31 December 2022	Maturity
Bank deposits in EUR	161,181,574	2024	194,593,878	2023
Bank deposits in RON	116,588,090	2024	287,986,090	2023
Total	**277,769,664**		**482,579,968**	

The Company have determined the ECLs relating to the net exposure for cash and short-term deposits of the Group at the amount of RON 1,2 million (31 December 2022: RON 3,5 million). The cash and cash equivalent amounts are deposited in banks from Romania that belong to banking Groups at European level or state-owned banks and in the recognizable past in Romania there were no cases of bank defaults.

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

The Group have restricted cash in amount of EUR 10,7 mil in bank accounts in EUR and RON 3,5 mil in bank account in RON.

NOTE 13. PROFIT TAX

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer which include the following subsidiaries as at 31 December 2023: One Mamaia Nord SRL, One Timpuri Noi SRL (former Neo Timpuri Noi SRL), One Cotroceni Park SRL, One Floreasca Towers SRL, One Herastrau Towers SRL, One Lake District SRL, One Long Term Value SRL, One Mircea Eliade Properties SRL, One Modrogan SRL, One Peninsula SRL, One Verdi Park SRL, X Architecture Engineering Consult SRL, One Plaza Athenee SRL and One Lake Club SRL.

The other subsidiaries which are not included in the fiscal grup are profit tax payers as of 31 December 2023.

The Group’s current profit tax for the years 2023 and 2022 is determined at a statutory rate of 16% based on the statutory profit adjusted by non-deductible expenses and non-taxable revenues.

The deferred profit tax as at 31 December 2023 and 31 December 2022 is determined based on the 16% tax rate, which is expected to be effective when temporary differences are reversed.

The current and deferred tax assets and liabilities are detailed as follows:

Description	31 December 2023	31 December 2022
Current profit tax liabilities	(5,247,540)	(717,144)
Deferred tax liabilities	(321,771,977)	(272,828,037)
Total assets /(liabilities)	**(327,019,517)**	**(273,545,181)**

Income tax expense for the years ended 31 December 2023 and 31 December 2022 is detailed as follows:

Description	2023	2022
Current profit tax expenses	33,158,975	10,963,405
Deferred profit tax expenses	48,943,940	59,468,042
Total expenses /(revenues)	**82,102,915**	**70,431,447**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 13. PROFIT TAX (continued)

(i) Reconciliation of effective tax rate

The numerical reconciliation between profit tax expenses and the product of accounting result and applicable profit tax rate is as follows:

	2023	2022
Gross result	**531,721,445**	**572,908,912**
16% rate	**85,075,431**	**91,665,426**
Effect of non-deductible elements	7,261,179	1,624,626
Effect of tax losses	2,072,777	(22,294,743)
Legal reserve	(1,321,708)	(962,444)
Other tax effects	(6,695,071)	(1,706,997)
Profit tax decrease due to sponsorship expenses	(4,289,693)	2,105,579
Total profit tax expenses	**82,102,915**	**70,431,447**

(ii) Deferred tax balance movement

As at 31 December 2023 and 31 December 2022, the net deferred tax assets or liabilities relate to temporary differences attributable to:

	Consolidated statement of financial position		Consolidated profit or loss	
	31 December 2023	31 December 2022	2023	2022
Construction contracts – IFRS15 effect	(103,026,086)	(93,397,982)	9,628,104	38,705,563
Fair value increase of investment property and effect of amortization	(194,037,963)	(157,412,416)	36,625,547	35,037,641
Acquisition of Bucur Obor – recognized in retained earnings	(33,385,915)	(33,385,915)	-	-
Stock option plan	4,879,853	7,384,150	2,504,297	(7,384,150)
Inventories	(19,535,793)	(22,275,211)	(2,739,418)	886,558
Trade and other receivables	(838,653)	(838,653)	-	832,907
Fiscal losses	19,708,139	21,780,916	2,072,777	(9,585,135)
Sponsorship	4,662,732	5,049,609	386,877	1,066,350
Leases	79,256	28,755	(50,501)	(50,502)
Property, plant and equipment	(407,168)	109,089	516,257	(41,325)
Prepayments	129,621	129,621	-	135
Deferred tax expenses / (income)			**48,943,940**	**59,468,042**
Deferred tax assets / (liabilities) net	**(321,771,977)**	**(272,828,037)**		

NOTE 14. EQUITY

Management monitors capital, which includes all components of equity (i.e., share capital, retained earnings and reserves). The primary objective of the parent company is to protect its capital and ability to continue its business so that it can continue to provide benefits to its shareholders and other stakeholders. The parent company establishes the amount of capital that it imposes pro rata with risk. The parent company manages the capital structure and makes adjustments according to the evolution of the economic conditions and the risk characteristics of the underlying assets.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

(i) Share capital

As at 31 December 2023 the Group's share capital is RON 759,530,863 (31 December 2022: RON 740,563,717) divided into 3,797,654,315 shares (31 December 2022: 3,702,818,586 shares) at a nominal value of RON 0.2 each (31 December 2022: RON 0.2 each). All issued shares are fully paid.

Structure of share capital

	31 December 2023			31 December 2022		
Name of shareholder	**Number of shares**	**Nominal value [RON]**	**Holding [%]**	**Number of shares**	**Nominal value [RON]**	**Holding [%]**
OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu)	1,052,553,846	210,510,769	27.7159%	1,021,349,895	204,269,979	27.5830%
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu)	1,052,553,846	210,510,769	27.7159%	1,021,349,895	204,269,979	27.5830%
Others	1,692,546,623	338,509,325	44.5682%	1,660,118,796	332,023,759	44.8340%
Total	**3,797,654,315**	**759,530,863**	**100.00%**	**3,702,818,586**	**740,563,717**	**100.00%**

On 19 April 2021, the extraordinary general meeting of the shareholders have approved to list the holding company One United Properties SA on the regulated market of the Bucharest Stock Exchange.

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

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

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

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

On April 25th, 2023, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of dividends in value of RON 73,130,615.64 (gross dividend amount), corresponding to the financial year 2022, as follows: (i) the amount of RON 36,102,481.22 (gross dividend amount) has been distributed in advance as a result of the Resolution of the Company's Ordinary General Meeting of Shareholders no. 63 of 28 September 2022, respectively (ii) the amount of RON 37,028,134.42 gross dividend amount), representing a gross dividend per share of RON 0.01 which was distributed according to this resolution. Company' dividend policy includes the payment of dividends on a semi-annual basis.

NOTE 14. EQUITY (continued)

By Decision of the Board of Directors no. 43 dated 12 May 2023 the increase of the Company's share capital with the amount of RON 18,967,145.8 (nominal value) was approved, by issuance of 94,835,729 new shares having a nominal value of RON 0.2 per share, by converting certain, liquid and due receivables held against the Company by the beneficiaries of the stock option plan already approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended.

The Share Capital Increase was registered with the Bucharest Trade Registry pursuant to Resolution no. 70931 on 17 May 2023, the decision of the Board of Directors no. 43 dated 12 May 2023 being published in the Official Gazette Part IV no. 2378 dated 26 May 2023. The Romanian Financial Supervisory Authority has issued the certificate of registration for financial instruments (CIIF) no. AC-5334-5 on 03 August 2023. The registration of the new shares with the Central Depository was performed on 04 August 2023. The Company registered the share capital increase in August, after the all legal procedures were finalized. After this transaction, One United Properties S.A.'s share capital is of RON 759,530,863 divided into 3,797,654,315 nominative shares with a nominal value of 0.2 lei per share.

On 9 October 2023, through Decision of the Ordinary General Meeting of Shareholders it was was approved the distribution of interim dividends from the Company's profit corresponding to the first six months of the financial year ending on 31 December 2023 in value of RON 37,976,491.71 (gross amount), from the distributable net profit of RON 64,960,806 for the first half of the financial year ending 31 December 2023. The interim dividends were paid subsequent to the end of reporting year 2023, in January 2024. The proposed final dividend is subject to approval by shareholders at the annual general meeting that took place in 25 April 2024.

(ii) Legal reserve

The legal reserve of RON 25,713,307 as at 31 December 2023 (2022: RON 17,452,635) is established in accordance with the Company Law, according to which 5% of the statutory annual accounting profit is transferred to legal reserves until their balance reaches 20% of the company's share capital. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Company Law), it becomes taxable.

The management of the Group does not expect to use the legal reserve in a way that it becomes taxable (except as provided by the Fiscal Code, where the reserve constituted by the legal entities providing utilities to the companies that are being restructured, reorganized or privatized can be used to cover the losses of value of the share package obtained as a result of the debt conversion procedure, and the amounts intended for its subsequent replenishment are deductible when calculating taxable profit).

The accounting profit remaining after the distribution of the legal reserve is transferred to retained earnings at the beginning of the financial year following the year for which the annual financial statements are prepared, from where it will be distributed.

(iii) Other capital reserves – share based payments

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

In case of exercising the Options, newly issued shares will be allocated by the holding company. The performance conditions that must be met in order to exercise the Options are: (a) holding the position of executive member of the Board of Directors at the Performance Measurement Date and (b) reaching a price per share according to an algorithm established by the decision of the Board of Directors and subsequently approved by the General Shareholder Meeting.

Based on the conditions described above, the Group and the beneficiaries have confirmed that all terms and conditions have been established for the stock option plan described above, the grant date have occurred and therefore the Group have accounted for an expense of RON 25,1 million during 2023 and RON 46 million during 2022 and in correspondence the related capital reserve.

The shares resulted from the share capital increase which was registered on 04 August 2023 have been allotted to the beneficiaries of the stock options plans approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended. The Share Capital Increase was performed by converting certain, liquid and due receivables held against the Company in shares issued by the Company, in accordance with art. 210 para. (2) of the Companies' Law and art. 89 of Law no. 24/2017 on issuers of financial instruments and market operations. The SOP Receivables converted in the Share Capital Increase have a total value of RON 82,516,567.8 determined by multiplying the number of New Shares (i.e., 94,835,729) with RON 0,8701 per share (this represents the weighted average trading price for the 12 months period prior to the date of the BoD decision), such value per share being approved under item 1 letter c) of the Decision of the Board of Directors no. 43 dated 12 May 2023 and being determined in compliance with art. 174 of Regulation 5/2018. Out of the total amount of the SOP Receivables RON 18,967,145.8 represents the nominal value of the New Shares and RON 63,549,422 represents the share premium. Holders of SOP Receivables do not pay any price for the New Shares.
From the total SOP receivable amount of RON 82,5 million, the amount of RON 55,8 million was deducted from the capital reserve,while the difference of RON 26,7 million is covered from retained earnings. After this transaction, the stock option plan balance recorded in equity is RON 16,8 million, related to SOP 4 and 5 not exercised until 31 December 2023.

NOTE 15. BORROWINGS

The loans outstanding as at 31 December 2023 and 31 December 2022 are detailed as follows:

Description	**Original Currency**	**31 December 2023**	**31 December 2022**
Secured loans			
Bank loans due in one year	EUR	117,166,526	172,386,427
Bank loans due in more than one year	EUR	793,491,471	633,776,316
Unsecured loans			
Loans received from minority shareholders due in one year	EUR	-	22,652
Loans received from minority shareholders due in more than one year	EUR	82,609,273	3,528,882
Loans received from minority shareholders due in one year	RON	38,651	24,876
Loans received from minority shareholders due in more than one year	RON	-	-
Loans received from related parties due in one year	EUR	35,394	35,200
Loans received from related parties due in more than one year	EUR	34,327,685	20,062,162
Loans received from related parties due in more than one year	RON	-	368,111
Total		**1,027,669,000**	**830,204,626**
Of which:			
Long-term		**910,428,429**	**657,735,471**
Short-term		**117,240,571**	**172,469,155**

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

Interest rates for bank loans are based on EURIBOR plus margins that vary from 2% to 3.5%.

NOTE 15. BORROWINGS (continued)

Some of the Group's borrowings have, among others, loan-to-value and debt service coverage ratio covenants. The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting period.

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

On 19 January 2021, the subsidiary One United Towers SA has signed the loan agreement with Black Sea Trade and Development Bank for an amount of maximum EUR 50,000,000. As at 31 December 2023, the subsidiary have withdrawn the amount of EUR 43,6 million. The loan agreement requires the observance of some financial indicators such as: financial debt less restricted cash to value ratio, forward-looking debt service coverage ratio, debt service coverage ratio, loan-to-value. The Group has complied with the financial covenants of its borrowing facilitiy as at 31 December 2023. The loan balance as of 31 December 2023 is RON 191,4 million (31 December 2022: RON 204,8 million) from which due on short term – RON 14,5 million.

In March 2021, the subsidiary One Verdi Park SRL has obtained the re-authorization for change in destination from a mixt development, including office to a residential development. As a consequence, the subsidiary has signed an addendum to the existing bank loan contract in order to accommodate the change in destination of the development. The credit facility period was reduced from 144 to 28 months. The subsidiary performed withdrawls from the credit line in order to finance the development of the residential project, the balance of the loan as of 31 December 2023 is of RON 0 million (31 December 2022: RON 98,36 million) as the credit was fully reimbursed in Q3 2023. The pledges attached to the loan contract was removed.

On 23 July 2021, the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG for an amount of maximum EUR 78,000,000. The loan agreement requires the observance of some financial indicators.
The bank loan contract contains pledges on land and construction in progress, as well as receivables from leasing contracts, insurance policies and shareholder loan, bank account and 100% of the share capital of the borrowers. The holding Company guarantees to each finance party the punctual performance which will cover costs differences or cash flows deficit related.
As of 31 December 2023, the loan balance related to the subsidiary One Cotroceni Park Office SA is RON 184,22 million (31 December 2022: RON 211,52 million) from which on short term the amount of RON 11,78 million.
As of 31 December 2023, the loan balance related to the subsidiary One Cotroceni Park Office SA Faza 2 is RON 139,84 million (31 December 2022: RON 49,25 million) from which on short term the amount of RON 8,54 million.

On 30 September 2021, the subsidiary One Peninsula SRL have signed the loan agreement with First Bank SA for a maximum amount of EUR 15,000,000. The loan period is for 36 months starting with 01 October 2021. The loan balance as at 31 December 2023 is of RON 59,69 million (31 December 2022: RON 59,37 million) and is due on short term. The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and bank accounts. Also, the loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7,47 million).

On September 2021, the subsidiary One Timpuri Noi SRL (former Neo Timpuri Noi SRL) have obtained a new credit facility for a maximum amount of EUR 4,049,314. The loan balance as at 31 December 2023 is of RON 0 million (31 December 2022: RON 18,55 million) as the credit was fully reimbursed in Q4 2023.

On 15 February 2022, the Company, through its subsidiary One Mircea Eliade Properties SRL contracted a bank loan from Garanti Bank in total value of RON 44,5 million (equivalent of EUR 9 million) and fully utilized this amount. The loan has a maturity of 10 years. The bank loan contract contains pledges over 21 apartments and 34 parking places, as well as bank accounts and a corporate guarantee issued by the holding Company. The loan balance as at 31 December 2023 is RON 37,27 million (31 December 2022: RON 41,16 million), from which on short term RON 4,20 million.

On 27 July 2022, the Company, through its subsidiary One Victoria Plaza SRL (former MAM Imob Business Center SRL) contracted a bank loan from Garanti Bank in total value of EUR 18,43 million and fully utilized this amount, therefore the loan balance and attached interest as at 31 December 2023 is RON 84,79 million (31 December 2022: RON 89,18 million), from which on short term RON 5,35 million. The loan will be fully repaid until June 2037. The bank loan contract contains pledges the Office building located in Sos. Nicolae Titulescu No.29-31.

The subsdiaries One United Tower SA, One Cotroceni Park Office SA, One Cotroceni Park Office Faza2 SA and One Cotroceni Park SRL have contracted loans from Element Invest Partners, related party. The loan is granted for undefined period of time, depending on the cash resources of the borrower. The group loan balance, including interest with Element Invest Partners is RON 34,36 million (31 December 2022: RON 20,46 million), from which short term RON 35,394.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. BORROWINGS (continued)

In Q1 2023, the Group, through its subsidiary, One Proiect 12 SRL, contracted a bank loan from First Bank in total value of EUR 6,8 million. The loan has a maturity of 6 years. The bank loan contract contains pledges over the building and land held by the company on Georges Clemenceau street, no 8-10 and also over the building and land held by One Downtown (former One Proiect 10 SRL) on Academiei street no 21, as well as bank accounts and a corporate guarantee issued by the holding Company. The loan balance and attached interest as of 31 December 2023 is RON 33,67 million from which on short term RON 5,13 million.

In Q1 2023, the Group, through its subsidiary Eliade Tower SRL contracted a bank loan from Garanti Bank in total value of EUR 5 million and fully utilized in January 2023. The loan has a maturity of 5 years. The bank loan contract contains pledges the Office building “Eliade Tower”located in Bd. Mircea Eliade No.18, Bucharest and receivables. The due date for reimbursement is 19 January 2028. The loan balance and attached interest as of 31 December 2023 is RON 20,82 million from which on short term RON 4,74 million.

On 2 March 2023, subsidiary One Cotroceni Park SRL contracted a bank loan from Transilvania Bank in total value of EUR 20 million for a period of 42 months. The loan due date for reimbursement is August 30th 2026. The bank loan contract contains pledges over land plot 239866 and construction, as well as bank accounts and future receivables from presales, 100% of the share capital and a corporate guarantee issued by the holding Company. As at 31 December 2023, the subsidiary have withdrawn the amount of RON 104,7 million. The loan balance as of 31 December 2023 is RON 78,2 million and is all amount on long term.

On 21 August 2023, subsidiary One Herastrau Towers SRL contracted a bank loan from Garanti Bank in total value of EUR 4,900,000 for a period of 3 years. The loan due date for reimbursement is 30 August 2026. The bank loan contract contains pledges over 5 apartments and 12 parking lots, as well as bank accounts and future receivables. The loan balance as of 31 December 2023 is RON 24,37 million and is all amount on long term.

On 12 September 2023, subsidiary One Verdi Park SRL have signed the loan agreement with Patria Bank for an amount of maximum EUR 9,500,000. The loan due date for reimbursement is 11 September 2026. The bank loan contract contains pledges over 15 residential units, as well as bank accounts and future receivables. As at 31 December 2023, the subsidiary have withdrawn the amount of RON 24,87 million. The loan balance and attached interest as of 31 December 2023 is RON 25 million, from which on short term the amount of RON 136,815.

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

NOTE 16. LEASES

Group as a lessor

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

Group as a lessee

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

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

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

	Land	Buildings	Equipment	Total
At 1 January 2023	**(187,236)**	**2,899,197**	**(24,807)**	**2,687,154**
Additions	-		-	-
Depreciation expense	(218,159)	(527,665)	(72,473)	**(818,297)**
At 31 December 2023	**(405,395)**	**2,371,532**	**(97,280)**	**1,868,857**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 16. LEASES (continued)

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

	2023	2022
As at 1 January	**3,425,437**	**3,929,334**
Additions	-	-
Accretion of interest	16,231	16,231
Payments	(531,917)	(531,917)
Translation difference	11,788	11,789
As at 31 December	**2,921,539**	**3,425,437**

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

The following are the amounts recognised in profit or loss:

	2023	2022
Depreciation expense of right-of-use assets	(482,229)	(482,229)
Interest expense on lease liabilities	(14,666)	(14,666)
Currency translation gain / (loss)	(11,789)	(11,789)
Expense relating to leases of low-value assets	(7,899)	(10,031)
Expense relating to short-term leases	(49,303)	(62,607)
Total amount recognised in profit or loss	**(565,886)**	**(581,322)**

NOTE 17. INVESTMENTS IN ASSOCIATES

As at 31 December 2023 and 31 December 2022, the Group has interests in a number of individually immaterial associates that are accounted for using the equity method:

Name of the entity	Place of business/ country of incorporation	Object of activity	% of ownership interest		Carrying amount	
			31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Reinvent Energy SRL	Romania	Constructions	20%	20%	2,419,580	2,157,759
CCT & ONE AG	Switzerland	Investment	49.90%	49.90%	675,656	675,656
Glass Rom Invest SRL	Romania	Constructions	20%	20%	288,956	288,956
One Property Support Services SRL	Romania	Property management	20%	20%	424,020	245,006
One Herastrau Office Properties S.A.	Romania	Holding	30%	30%	4,855,360	-
Asociatia ASAR	Romania	Architecture	20%	20%	2,500	2,500
Total equity-accounted investments					**8,666,072**	**3,369,877**

	2023	2022
Aggregate amounts of the Group's share of:		
Profit from continuing operations	5,296,195	402,719
Total comprehensive income	**5,296,195**	**402,719**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 18. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

Description	31 December 2023	Short Term	Long term	31 December 2022	Short Term	Long term
Suppliers	135,127,264	*135,127,264*	-	163,841,716	*163,841,716*	-
Accrued payables	32,149,849	32,149,849	-	28,602,207	*28,602,207*	-
Performance guarantees retained from suppliers	61,064,176	61,064,176	-	48,722,743	*48,722,743*	-
Dividends	41,602,115	41,602,115	-	2,806,389	*2,806,389*	-
Other taxes and duties	2,490,901	2,490,901	-	1,326,580	*1,326,580*	-
Sundry creditors	35,250,629	35,250,629	-	43,166,659	*24,703,167*	*18,463,492*
Provisions	775,016	-	775,016	1,450,526	-	*1,450,526*
Employee benefits	2,179,487	2,179,487	-	1,062,754	*1,062,754*	-
Liabilities for acquisitions of investments	44,513,870	44,513,870	-	-	-	-
Other creditors	1,169,918	-	1,169,918	3,528,255	-	*3,528,255*
Total trade and other payables	**356,323,225**	***354,378,291***	***1,944,934***	**294,507,829**	***271,065,556***	***23,442,273***

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

In Sundry creditors line is included the amount outstanding to be paid (RON 18,6 million) for the acquisition of land in surface area of 801,028.380 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county.

In Dividends line are mainly included the amount to be paid in relation to the interim dividends of the holding Company for the first six months of the financial year ended 31 December 2023 (RON 36,6 million). The payment was performed in January 2024.

In Liabilities for acquisition of investments are included the advance payments received in relation to a pre-agreements signed for sale of shares held in the subsidiary, One Proiect 12 SRL and One Downtown SRL (former One Proiect 10 SRL). Please refer to Note 29 for further details.

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

NOTE 19. ADVANCES RECEIVED FROM CLIENTS

At the moment of signing the bilateral sales undertakings between the promissory-seller and the promissory-purchaser, the promissory-seller undertakes not to sell, not to encumber, promise or offer for sale the apartments (with / without parking spaces) to a third party. The advances received from customers are decreasing over time in line with the increase in the percentage of completion of the residential developments.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. ADVANCES RECEIVED FROM CLIENTS (continued)

Developer	Project Name	Description	31-Dec-23	31-Dec-22
One Floreasca Towers SRL	One Floreasca Towers	Residential	10,784,731	15,530,020
One Herastrau Plaza SRL	One Herastrau Plaza	Residential	79,393	79,393
One North Gate SRL	One North Lofts	Investment property	20,463,797	8,165,132
One Cotroceni Park SRL	One Cotroceni Park	Residential	-	30,377,463
One Lake District SRL	One Lake District	Residential	65,784,889	88,640,773
One Plaza Athenee SRL (former One Proiect 3 SRL)	One Athenee	Residential	29,745,409	39,552,200
One Lake Club SRL (former One Proiect 6 SRL)	One Lake Club SRL	Residential	36,300,581	53,182,697
One Lake Club SRL (OP6 - Vlago)	One Lake Club (OP6 - Vlago)	Residential	-	5,226,929
One City Club SRL (former One Proiect 9 SRL)	One City Club	Investment property	5,088,155	5,088,154
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	Residential	6,726,810	6,992,261
One Herastrau Vista (former Neo Herastrau Park SRL)	One Herastrau Vista	Residential	21,346,165	26,634,795
One High District SRL	One High District	Residential	31,308,736	10,209,552
Eliade Tower SA	Eliade Tower	Investment property	22,186,760	2,961,080
One Cotroceni Towers SRL	One Cotroceni Towers	Residential	139,791,793	-
Bucur Obor SA	Bucur Obor	Investment property	1,000	1,000
Total			**389,608,219**	**292,641,449**

Description	2023	2022
Advances received from clients in relation to residential portfolio (contract liabilities)	341,868,507	236,873,883
Advances received from clients in relation to investment property	47,739,712	55,767,566
Total	**389,608,219**	**292,641,449**

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for the development. The Group have reclassified the asset from investment property to inventories and started to recognize contract revenue according to IFRS 15. Therefore the advances received from clients in relation to this developmet were included in *Advances received from clients in relation to investment property* at 31 December 2022, while at 31 December 2023, subsequent to obtaining the building permit were reclassified under *Advances received from clients in relation to residential portfolio (contract liabilities)* line. Please see Note 8 and Note 20 for further details.

The Company, through its subsidiary, One North Gate SA have signed an asset sale agreement for an office building owned by the subsidiary for a transaction value of EUR 6 million. The buyer is Element Investiții Imobiliare S.R.L. Following this transaction, One North Gate S.A. retains a second building within the development, which will be transformed into a residential development called One North Lofts. As of 31 December 2023, an advance payment of RON 7 million was performed by the buyer in relation to this agreement.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY

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

Development	**2023**	**2022**
Sales of completed inventory property		
Sales – One Mircea Eliade Properties	*16,820,251*	*26,644,100*
Sales – One Mamaia Nord (former Neo Mamaia)	*(237,968)*	*(1,465,538)*
Sales – One Verdi Park	*49,209,423*	*252,997,195*
Sales - One Herastrau Towers	*29,255,471*	*13,616,206*
Sales - Neo Floreasca Lake	*10,136,353*	*39,190,885*
Sales - One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	*19,199,295*	*14,378,401*
Sales of residential property under development from which:		
Contract revenues - One Peninsula	*74,471,459*	*104,789,370*
Contract revenues - One Herastrau Vista	*35,377,346*	*7,919,636*
Contract revenues – One Modrogan	*963,533*	*49,269,158*
Contract revenues – One Cotroceni Park	*285,121,407*	*180,319,265*
Contract revenues - One Mamaia Nord - faza 2	*14,002,434*	*1,558,574*
Contract revenues - One High District	*175,608,284*	*13,751,963*
Contract revenues - One Floreasca Towers	*68,648,670*	*17,248,551*
Contract revenues - One Lake District	*113,000,708*	*26,719,555*
Contract revenues – One Cotroceni Towers	*26,781,758*	*-*
Contract revenues – One Plaza Athenee	*89,176,791*	*-*
Contract revenues - One Lake Club	*122,858,753*	*22,581,061*
Total revenues from contracts with customers	**1,130,393,968**	**769,518,382**

The cost of sales of residential property is detailed below:

	2023	**2022**
Cost of sales of completed inventory property		
Cost of sales – One Mircea Eliade	*1,864,757*	*10,170,810*
Cost of sales – One Mamaia Nord (former Neo Mamaia)	*66,721*	*(1,030,872)*
Cost of sales - One Verdi Park	*35,031,596*	*122,545,454*
Cost of sales - One Herastrau Towers	9,569,239	7,324,911
Cost of sales - Neo Floreasca Lake	*8,011,716*	*23,253,839*
Cost of sales - One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	*12,281,746*	*13,346,872*
Cost of sales of residential property under development from which:		
Contract cost - One Peninsula	*35,248,065*	*48,239,989*
Contract cost - One Herastrau Vista	*22,899,639*	*5,452,336*
Contract cost – One Modrogan	*2,508,641*	*17,958,788*
Contract cost – One Cotroceni Park	*211,786,361*	*121,021,892*
Contract cost - One Mamaia Nord - faza 2	*12,097,811*	*2,216,040*
Contract cost - One High District	*150,338,300*	*12,576,406*
Contract cost - One Floreasca Towers	*46,610,405*	*16,473,342*
Contract cost - One Lake District	*93,823,153*	*26,958,446*
Contract cost – One Cotroceni Towers	*26,784,444*	*-*
Contract cost – One Plaza Athenee	*57,628,796*	*-*
Contract cost - One Lake Club	*76,189,589*	*18,951,034*
Total cost of sales	**802,740,979**	**445,459,287**

The Group's revenue includes revenue from construction contracts that are recognised over time by reference to the stage of completion of the contract with the customer.

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

During 2023, the construction of One Verdi Park, Neo Floreasca Lake, One Timpuri Noi was completed and therefore the residential property under development was transferred in completed inventory property.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY (continued)

At 31 December 2023, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was RON 1,301,925,291 (2022: RON 1,034,295,559), of which approximately 45% is expected to be recognised as revenues during 2024.

The Group through its subsidiary, One Plaza Athenee have obtained the building permit for a building located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm. The property is classified as a historical monument by local authorities. The Group have reclassified the asset from investment property to inventories and started to recognize contract revenue according to IFRS 15.

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

NOTE 21. NET INCOME FROM RENTAL ACTIVITY

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

	2023	**2022**
Rental income (excluding straight-lining of lease incentives)	116,171,421	71,210,714
Straight-lining of lease incentives	(18,097,638)	(8,833,254)
Rental income	**98,073,783**	**62,377,460**

Details about the net annual rent are presented below:

As at 31 December 2023	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	64,410,217	66%	23,534,206	87,944,423	68.52%
Retail	30,238,954	31%	6,573,554	36,812,508	28.68%
Other	3,424,612	3%	173,108	3,597,720	2.8%
Total	**98,073,783**	**100%**	**30,280,868**	**128,354,651**	**100.00%**

As at 31 December 2022	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	34,383,192	55%	11,147,256	45,530,448	57.7%
Retail	27,230,617	44%	5,313,802	32,544,419	41.24%
Other	763,651	1%	71,104	834,755	1.06%
Total	**62,377,460**	**100%**	**16,532,162**	**78,909,622**	**100.00%**

Under the office activity, are mainly included the revenues generated by One United Tower, One Cotroceni Park Office and One Victoriei Plaza with a share of 90% in total office rental revenues as of 31 December 2023 (31 December 2022: 94%).
The rental activity increased as One Tower and One Cotroceni Park Office buildings started to generated revenues as the development were finalized.

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 21. NET INCOME FROM RENTAL ACTIVITY (continued)

As at 31 December 2023	Gross rental income	Straight-lining of lease incentives	Rental income
Office	82,507,855	(18,097,638)	64,410,217
Retail	30,238,954	-	30,238,954
Other	3,424,612	-	3,424,612
Total	**116,171,421**	**(18,097,638)**	**98,073,783**

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

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

	2023	2022
Gross amount of lease incentives not fully amortised	175,919,235	121,123,808
Cumulative amount recognised in profit or loss	(29,250,066)	(9,992,841)
Net amount of lease incentives not fully amortised	**146,669,169**	**111,130,967**

The net amount of lease incentives not fully amortised are included in the statement of financial position under 'Investment property' at 31 December 2023 and 31 December 2022.

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between 3 to 15 years, with a extension option. The lessee does not have an option to purchase the property at the expiry of the lease period.

NOTE 22. SALES BROKERAGE EXPENSES AND OVERHEAD EXPENSES

Description	2023	2022
Sales brokerage commissions	14,977,030	9,255,427
Total	**14,977,030**	**9,255,427**

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

NOTE 23. GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses in 2023 and 2022 are detailed as follows:

Description	2023	2022
Bank commissions and similar charges	2,534,032	1,862,959
Commissions, fees and legal consultancy	8,172,740	8,519,286
Repairs and maintenance	108,804	80,413
Fuel, office equipment and similar	994,239	1,113,344
Amortization of fixed assets	3,641,904	2,037,742
Protocol, advertising and publicity	14,398,055	11,002,963
Taxes and duties	561,608	154,783
Accounting, audit and consultancy services	2,149,774	1,611,150
Valuation services	365,058	435,153
Other consultancy services	4,441,898	3,239,021
Administration services	2,122,281	1,751,740
Other expenses with third party services	1,445,528	602,939
Salaries and similar contributions	11,703,064	8,311,553
Share based payment transactions	25,124,118	46,150,939
Postage and telecommunication expenses	163,459	115,584
Transport and travels	1,829,511	1,543,038
Sundry rentals	861,313	809,519
Recruitment	250,523	117,447
Insurance	670,367	494,227
Depreciation of right of use assets	482,229	482,229
Total	**82,020,505**	**90,436,029**

The average number of employees as of 31 December 2023 is 115 (31 December 2022: 89 employees).

The fees charged by Deloitte Audit SRL for services provided in 2023 to the company and subsidiaries within the group comprise audit fees amounting EUR thousand 217,6 (out of which statutory audit in amount of EUR thousand 157,3, other audit fees in amount of EUR thousand 27 and other non-audit services in amount of EUR thousand 33,4).

NOTE 24. OTHER OPERATING EXPENSES

Other operating expenses in 2023 and 2022 are detailed as follows:

Description	2023	2022
Donations and sponsorships	9,294,231	7,467,118
Bad debts written off	392,315	498,907
Expense with provisions and allowance for impairment	(1,281,899)	5,258,735
Contractual penalties	3,860,487	1,052,967
Other operating expenses	2,400,811	1,030,613
Total	**14,665,945**	**15,308,340**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 25. NET FINANCIAL RESULT

The financial income and expenses in 2023 and 2022 are detailed as follows:

Description	2023	2022
Interest income	22,500,588	13,393,219
Foreign exchange net gain	-	93,082
Other financial income	4,339,995	4,861,828
Total financial income	**26,840,583**	**18,348,129**
Interest expenses	(56,907,656)	(21,966,642)
Foreign exchange net loss	(5,201,438)	-
Total financial expenses	**(62,109,094)**	**(21,966,642)**
Total net financial result – gain/(loss)	**(35,268,511)**	**(3,618,513)**

NOTE 26. RELATED PARTIES

The Group's related parties with which have incurred transactions at 31 December 2023 and 31 December 2022 are:

Name	Country	Type of affiliation
Andrei Liviu Diaconescu	Romania	Shareholder and key management personnel
Victor Capitanu	Romania	Shareholder and key management personnel
Vinci Invest SRL	Romania	Other related party
Liviu Investments SRL	Romania	Other related party
Lemon Interior Design SRL	Romania	Other related party
Lemon Office Design SRL	Romania	Other related party
Ploiesti Logistics SRL	Romania	Other related party
Element Investments SRL	Romania	Other related party
Element Invest Partners SRL	Romania	Other related party
One Energy Division SRL	Romania	Other related party
One Holding Investments SRL	Romania	Other related party
AV Holding SRL (former One Holding Ver SRL)	Romania	Other related party
Park Lane Investments SRL (former One Holding OA SRL)	Romania	Other related party
One Proiect 2 SRL	Romania	Other related party
YR-WNT SRL (former Neo Downtown SRL)	Romania	Other related party
ACC Investments SRL	Romania	Other related party
Reinvent Energy SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office Properties SA	Romania	Associate
One Herastrau Office SA	Romania	Associate, the shares were sold
Glass Rom Invest SRL	Romania	Associate
CCT & ONE AG	Switzerland	Associate
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Luxembourg	Associate
Vinci Ver Holding SRL	Romania	Other related party
OA Liviu Holding SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Switzerland	Key management personnel, minority shareholder of the Group
Gabriel-Ionut Dumitrescu	Romania	Key management personnel, starting 2022 exit the Board
Adriana-Anca Anton	Romania	Key management personnel, starting 2022 exit the Board
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group

Name	Country	Type of affiliation
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel

In its normal course of business, the Group carries out transactions with the key management personnel (executive management and directors). The volume of such transactions is presented in the table below:

Key management personnel compensation	2023	2022
Short - term employee benefits	2,273,902	769,062
Share - based payments	81,449,718	-

Share - based payments represent the equivalent of 93,609,606 ordinary shares of the Company granted free of charge under the SOP Plan. Please refer to Note 14 for disclosure of share-based payments to key management personnel.

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

The following tables provides the total amount of transactions that have been entered into with related parties during 2023 and 2022, as well as balances with related parties as at 31 December 2023 and 31 December 2022:

		Statement of financial position (Amounts owing (to)/from)	
Nature of balances	**Related party categories**	**31 December 2023**	**31 December 2022**
Receivables and other receivables related to goods and services sold	Key management personnel of the Group	2,482	2,482
	Associates	4,442,733	4,744,972
	Other related parties	19,309,734	12,050,587
Advances paid for purchases of goods and services	Key management personnel of the Group	-	-
	Associates	12,621,057	10,869,424
	Other related parties	21,117,942	21,883,513
Payables related to goods and services paid	Key management personnel of the Group	3,305	3,305
	Associates	21,961,612	10,270,577
	Other related parties	12,828,459	8,850,374
Dividends paid during the year, net of tax	Key management personnel of the Group	1,988,914	4,309,192
	Other related parties	22,439,070	48,473,059
Advance payments received	Other related parties	18,724,925	10,999,262
	Associates	57,345,740	102,004,454

		Income statement (Income/(expense))	
Nature of transactions	**Related party categories**	**2023**	**2022**
Sales of goods and services	Associates	32,283,671	29,405,151
	Other related parties	20,866,186	8,126,879
Dividends income	Associates	4,048,000	-
Purchases of various goods and services	Associates	72,523,670	80,244,759
	Other related parties	37,163,084	45,450,524

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. RELATED PARTIES (continued)

Loans from related parties		**Interest expenses**	**Amounts owed to related parties**
	2023	-	34,363,079
Companies – Other related parties	2022	-	20,465,473
Total loans from related parties	**2023**	**-**	**34,363,079**
	2022	**-**	**20,465,473**

Loans granted to related parties		**Interest income**	**Amounts granted to related parties**
	2023	32,548	681,383
Loans granted to associates	2022	178,566	7,060,180
Total loans from related parties	**2023**	**32,548**	**681,383**
	2022	**178,566**	**7,060,180**

At 31 December 2023 and 31 December 2022, the Group have entered into contractual commitments with related parties for the sale of property, development of investment property and residential property in relation to which the related parties perform constructions works such as: design, structure, site organization, installations, envelope, finishes and other services such as: property management, broker commissions.

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS

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

Summarized balance sheet	One Cotroceni Park		One North Gate		One United Tower	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Current assets	301,846,990	157,538,289	6,146,107	7,348,484	34,524,244	42,499,887
Current liabilities	44,395,449	55,779,573	24,161,846	13,867,896	26,798,666	29,743,558
Current net assets	**257,451,541**	**101,758,716**	**(18,015,739)**	**(6,519,412)**	**7,725,578**	**12,756,329**
Non-current assets	123,394,798	117,248,486	161,344,783	131,443,936	457,700,752	426,205,696
Non-current liabilities	152,208,602	35,943,423	47,801,764	48,454,588	276,381,410	277,839,942
Non-current net assets	**(28,813,804)**	**81,305,063**	**113,543,019**	**82,989,348**	**181,319,342**	**148,365,754**
Net assets	**228,637,737**	**183,063,779**	**95,527,280**	**76,469,936**	**189,044,920**	**161,122,083**
NCI % at year end	*20.00%*	*20.00%*	*14.78%*	*32.32%*	*28.54%*	*29.76%*
Equity attributable to owners of the Company	**182,910,189**	**146,451,023**	**81,406,437**	**51,758,676**	**135,091,500**	**113,172,151**
Non-controlling interests	**45,727,547**	**36,612,756**	**14,120,842**	**24,711,260**	**53,953,420**	**47,949,932**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Summarized balance sheet	**One Cotroceni Park Office**		**One Cotroceni Park Office Faza 2**		**Bucur Obor**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Current assets	48,657,394	66,350,765	31,708,647	26,866,425	58,754,062	36,419,480
Current liabilities	28,423,072	28,433,311	23,617,345	23,238,706	7,573,752	7,907,617
Current net assets	**20,234,322**	**37,917,454**	**8,091,302**	**3,627,719**	**51,180,310**	**28,511,863**
Non-current assets	599,017,054	569,909,990	416,209,212	351,073,805	315,274,947	307,931,439
Non-current liabilities	253,668,845	261,996,147	244,521,760	170,746,951	35,422,061	33,167,754
Non-current net assets	**345,348,209**	**307,913,843**	**171,687,452**	**180,326,854**	**279,852,886**	**274,763,685**
Net assets	**365,582,530**	**345,831,297**	**179,778,755**	**183,954,573**	**331,033,196**	**303,275,548**
NCI % at year end	*32.75%*	*42.75%*	*32.75%*	*42.75%*	*45.56%*	*45.56%*
Equity attributable to owners of the Company	**245,854,251**	**197,988,418**	**120,901,213**	**105,313,993**	**180,214,472**	**165,103,208**
Non-controlling interests	**119,728,278**	**147,842,879**	**58,877,542**	**78,640,580**	**150,818,724**	**138,172,340**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park		One North Gate		One United Towers	
Summarized statement of comprehensive income	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue	285,121,407	180,319,265	3,439,149	2,530,265	32,300,021	23,398,082
Profit for the period	**45,573,957**	**60,339,644**	**(942,656)**	**(9,231,535)**	**27,922,837**	**19,268,434**
Total comprehensive income	**45,573,957**	**60,339,644**	**(942,656)**	**(9,231,535)**	**27,922,837**	**19,268,434**
NCI % at year end	*20.00%*	*20.00%*	*14.78%*	*32.32%*	*28.54%*	*29.76%*
Profit allocated to NCI	**9,114,791**	**12,067,929**	**(139,343)**	**(2,983,170)**	**7,969,178**	**5,734,286**
Dividends paid to NCI	-	-	-	-	-	-
Summarized statement of cash flow	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net cash from operating activities	(133,719,645)	(83,685,776)	7,027,556	6,772,580	7,210,399	2,370,480
Net cash flows from used in investing activities	1,414,613	(1,381,763)	(28,578,094)	(3,669,562)	1,859,037	(17,275,834)
Net cash from financing activities	110,380,650	(754,917)	19,771,496	(311,025)	(8,044,452)	24,511,454
Net changes in cash and cash equivalents	**(21,924,382)**	**(85,822,456)**	**(1,779,042)**	**2,791,993**	**1,024,984**	**9,606,100**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park Office		One Cotroceni Park Office Faza 2		Bucur Obor	
Summarized statement of comprehensive income	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue	39,047,743	18,625,662	3,174,192	-	35,983,037	32,544,419
Profit for the period	**19,751,233**	**31,009,325**	**(4,175,818)**	**44,233,436**	**27,757,649**	**14,753,225**
Total comprehensive income	**19,751,233**	**31,009,325**	**(4,175,818)**	**44,233,436**	**27,757,649**	**14,753,225**
NCI % at year end	*32.75%*	*42.75%*	*32.75%*	*42.75%*	*45.56%*	*45.56%*
Profit allocated to NCI	**6,468,529**	**13,256,486**	**(1,367,580)**	**18,909,794**	**12,646,385**	**6,721,569**
Dividends paid to NCI	-	-	-	-	-	
Summarized statement of cash flow	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net cash from operating activities	13,360,039	(13,769,883)	(13,110,962)	16,879,813	21,480,140	20,789,608
Net cash flows from used in investing activities	(10,291,298)	(79,712,444)	(53,521,671)	(100,044,052)	(1,244,503)	(830,000)
Net cash from financing activities	(1,011,321)	82,659,811	81,700,720	93,142,766	-	(17,355,955)
Net changes in cash and cash equivalents	**2,057,420**	**(10,822,516)**	**15,068,087**	**9,978,527**	**20,235,637**	**2,603,653**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Transactions with non-controlling interests

During 2023 and 2022, the Group had several transactions with non-controlling interests. The effect of the main transactions on the equity attributable to owners of the parent is summarised as follows:

31 December 2023	**One North Gate**	**One United Tower**	**One Herastrau Plaza**	**One Lake District**	**One Cotroceni Park Office Faza 4**	**One Cotroceni Park Office**	**One Cotroceni Park Office Faza 2**	**Total**
	17.53% acquired from NCI	***1.22% acquired from NCI -***	***2% acquired from NCI***	***2% acquired from NCI***	***20% acquired from NCI***	***10% acquired from NCI***	***10% acquired from NCI***	
Carrying amount of non-controlling interests acquired/sold	6,661,709	1,973,543	4,135	1,960,647	5,144,766	35,269,047	17,827,852	**68,841,699**
Consideration (paid)/received to/from non-controlling interests	(9,112,073)	(2,758,672)	(900)	(900)	(18,000)	(35,301,200)	(17,899,200)	**(65,090,945)**
Impact in retained earnings	**(2,450,364)**	**(785,129)**	**3,235**	**1,959,747**	**5,126,766**	**(32,153)**	**(71,348)**	**3,750,754**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)	**486,000**							**486,000**

31 December 2022	**One Herastrau Vista**	**Neo Floreasca Lake**	**One Mamaia Nord (former Neo Mamaia SRL)**	**One Timpuri Noi SRL (former Neo Timpuri Noi SRL)**	**One North Gate**	**One Carphatian Lodge Magura**	**One Proiect 24 SRL (Former One United Italia SRL)**	**Bucur Obor**	**Total**
	13% change in NCI	***14.42% change in NCI***	***12.67% change in NCI***	***12.67% change in NCI***	***5.28% change in NCI***	***No change in control – incorporation of loans***	***90%***	***54.44%***	
Carrying amount of non-controlling interests acquired/sold	(32,463)	4,329,874	770,795	1,734,860	4,094,966	-	-		**10,898,032**
Consideration (paid)/received to/from non-controlling interests	(2,042,969)	(2,063,158)	(808,349)	(902,834)	(4,223,928)	-	-		**(10,041,238)**
Impact in retained earnings	**(2,075,432)**	**2,266,716**	**(37,554)**	**832,026**	**(128,962)**	**-**	**-**		**856,794**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)						**3,418,610**	**4,500**	**133,511,133**	**136,934,243**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	1-Jan-23	New leases	Interest charge	Interest charge capitalized in investment property	Cash flows payments	Foreign exchange movements	Conversion to equity	Other movements	31-Dec-23
Bank loans	806,162,743	306,654,246	56,580,845	-	(263,935,023)	5,195,186	-	-	910,657,997
Loans received from shareholders	3,576,410	82,555,500	312,145	-	(3,861,426)	62,790	-	2,505	82,647,924
Loans received from related parties	20,465,473	17,134,632	-	-	(3,370,328)	133,302	-	-	34,363,079
Lease liabilities	3,425,437	-	14,666	1,565	(531,917)	11,788	-	-	2,921,539
Total liabilities from financing activities	**833,630,063**	**406,344,378**	**56,907,656**	**1,565**	**(271,698,694)**	**5,403,066**	**-**	**2,505**	**1,030,590,539**

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

NOTE 29. COMMITMENTS

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

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Proiect 12 SRL. The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until February, 2025 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Downtown SRL (former One Proiect 10 SRL). The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until October, 2024 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

The Company, through its subsidiary, One Technology Division SRL (former One Proiect 17 SRL) have signed the contract with Infineon Technologies, german leader in designing and manufacturing semiconductors, which is intended for developing a sustainable prime office building to cover Infineon needs for a period of 15 years, starting with 2026. The starting value of the contract amounts to EUR 57 million (excluding VAT), indexed to the EU annual inflation. Under the contract, the Company will develop and further lease a building, ONE Technology District, with total office Gross Leasable Area of 20,595 sqm. The future development will be located in Bucharest, 5-7 Dimitrie Pompeiu Boulevard and is estimated to be delivered in Q2 2026. The subsidiary undertakes to complete the Landlord’s Works in accordance with the schedule agreed by the contract and in accordance with Legislation and relevant building permit on or before the target date.

The Company through its subsidiary, One Proiect 16 SRL have concluded a sale and purchase pre-agreement for the acquisition of several plots of land located in Bucharest, for a total price of EUR 17 million. The transaction will be implemented in several steps and is subject to several conditions precedent, customary for similar transaction of this magnitude. The total price will be paid in installments.

The Company through its subsidiary, One Herastrau City SRL have concluded an agreement for the acquisition of a plot of land of 36,869 sqm on Poligrafiei Boulevard no. 50 and 52-54, in Bucharest Sector 1, together with 19 old buildings constructed thereon, which will be demolished. The value of the transaction is approximately EUR 60 million, of which 10% will be paid in cash (until 31 December 2023 an amount of EUR 1,7 million was paid), and the rest will be settled with a part of the apartments that will be built in this future development. The new development will have an estimated total Gross Buildable Area (GBA) of up to 150,000 sqm above ground. The ownership will be transferred only upon the completion of the agreed conditions established in the contract (obtaining the building permit in a maximum period of 5 years from the date of signing the contract).

The Company through its subsidiary, One City Club SRL have concluded an agreement for the acquisition of a plot of land on 3 Ramuri Tei Street, with an area of 10,710 sqm. The value of the transaction is of approximately EUR 7 million, from which was paid EUR 1.7 million and the remaining amount of EUR 5.3 million will be paid no later than July 15, 2024. The transaction is subject to several conditions and will be finalized only if the building permit for the development is obtained. The company intends to build on this land a predominantly residential development called One City Club. The new development will have approximately a total area of about 37,000 sqm.

NOTE 30. CONTINGENCIES

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 30. CONTINGENCIES (continued)

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

NOTE 31. FAIR VALUE HIERARCHY

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

Financial liabilities that are not measured at fair value are debts to employees, trade payables and other debts and qualify for level 3 in the fair value hierarchy.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	1,027,660,000	830,204,626	836,365,760	734,965,433
Advances from customers	389,608,219	292,641,449	352,166,557	276,373,333

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as at 31 December 2023 and 31 December 2022:

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	-	-	836,365,760	836,365,760
Advances from customers	-	-	352,166,557	352,166,557

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

There were no transfers between Level 1 and 2 during 2023 or 2022.

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables. As at 31 December 2023, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The fair value of advances from customers is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method, using a discount rate that reflects the issuer's borrowing rate including its own non-performance risk as at 31 December 2023.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING

Reporting segments are residential, office and landbank and corporate and the Group manages operations in accordance with this classification. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Segment revenue reported above represents revenue generated from external customers and related party. See note 26. There were no intersegment sales in the current year (2022: nil). No single customers contributed 10 per cent or more to the Group's revenue in either 2023 or 2022.

Segment results 31 December 2023	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Revenues from sales of residential property	1,130,393,968	-	-	1,130,393,968
Revenues from rentals, service charge and similar	-	128,354,651	-	128,354,651
Cost of sales of residential property	(802,740,979)	-	-	(802,740,979)
Other property operating expenses - residential	(12,124,094)	-	-	(12,124,094)
Cost of rental revenues, service charge and similar	-	(30,280,868)	-	(30,280,868)
Other property operating expenses	-	(11,452,425)	-	(11,452,425)
Net income	**315,528,895**	**86,621,358**	**-**	**402,150,253**

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

Segment results 31 December 2023	**Residential**	**Office & landbank**	**Corporate**	**Total**
RON				
Gains from investment property	110,495,935	150,135,861	-	**260,631,796**
Gain on the bargain purchase	-	-	-	**-**

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2023

RON	**Residential**	**Office & landbank**	**Corporate**	**Total**
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	345	15,110,948	1,855,839	16,967,132
Investment properties	154,040,093	2,556,629,762	-	2,710,669,855
Investments in associates	-	-	8,666,072	8,666,072
Right of use assets	1,478,072	390,785	-	1,868,857
Property, plant and equipment	3,169,923	5,152,555	44,273,316	52,595,794
Other non-current assets	-	-	26,955,436	26,955,436
Total non-current assets	**177,944,509**	**2,577,284,050**	**81,750,663**	**2,836,979,222**
Inventories	1,002,546,468	118,306	-	1,002,664,774
Advance payments to suppliers	96,707,880	25,072,637	8,089,355	129,869,872
Trade receivables	474,935,338	14,099,619	431,789	489,466,746
Other receivables	8,898,164	4,547,544	79,388,079	92,833,787
Prepayments	1,023,258	12,994,433	633,241	14,650,932
Cash and cash equivalents	215,510,870	159,969,093	45,259,132	420,739,095
Total current assets	**1,799,621,978**	**216,801,632**	**133,801,596**	**2,150,225,206**
Total assets	**1,977,566,487**	**2,794,085,682**	**215,552,259**	**4,987,204,428**
Loans and borrowings - long term	134,818,523	775,609,906	-	910,428,429
Trade and other payables	-	775,016	1,169,918	1,944,934
Lease liabilities - long term portion	2,646,947	-	-	2,646,947
Deferred tax liabilities	98,950,404	227,423,878	(4,602,305)	321,771,977
Total non-current liabilities	**236,415,874**	**1,003,808,800**	**(3,432,387)**	**1,236,792,287**
Loans and borrowings - short term	59,832,015	57,408,556	-	117,240,571
Trade and other payables	190,346,001	58,255,016	105,777,274	354,378,291
Accrued income	175,455	20,558,927	-	20,734,382
Lease liabilities	(112,295)	386,887	-	274,592
Current tax liabilities	4,125,003	740,823	381,714	5,247,540
Advance payments from customers	341,868,508	47,739,711	-	389,608,219
Total current liabilities	**596,234,687**	**185,089,920**	**106,158,988**	**887,483,595**
Total liabilities	**832,650,561**	**1,188,898,720**	**102,726,601**	**2,124,275,882**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment assets and liabilities 31 December 2022

RON	Residential	Office & landbank	Corporate	Total
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	1,110	14,411,673	846,822	15,259,605
Investment properties	84,180,011	2,167,804,936	-	2,251,984,947
Investments in associates	-	-	3,369,877	3,369,877
Right of use assets	2,229,909	457,245	-	2,687,154
Property, plant and equipment	3,887,116	3,074,099	44,170,308	51,131,523
Other non-current assets	-	-	16,917,499	16,917,499
Total non-current assets	**109,554,222**	**2,185,747,953**	**65,304,506**	**2,360,606,681**
Inventories	662,896,020	98,320	-	662,994,340
Advance payments to suppliers	88,929,853	19,121,548	8,265,508	116,316,909
Trade receivables	371,814,135	19,758,362	430,125	392,002,622
Other receivables	6,144,058	36,400,719	70,400,167	112,944,944
Prepayments	11,399,818	13,148,513	376,613	24,924,944
Cash and cash equivalents	288,455,917	131,105,165	147,398,961	566,960,043
Total current assets	**1,429,639,801**	**219,632,627**	**226,871,374**	**1,876,143,802**
Total assets	**1,539,194,023**	**2,405,380,580**	**292,175,880**	**4,236,750,483**
Loans and borrowings - long term	61,946,481	595,788,990	-	657,735,471
Trade and other payables	564,912	885,614	21,991,747	23,442,273
Lease liabilities - long term portion	2,646,947	-	-	2,646,947
Deferred tax liabilities	89,652,566	190,798,332	(7,622,861)	272,828,037
Total non-current liabilities	**154,810,906**	**787,472,936**	**14,368,886**	**956,652,728**
Loans and borrowings - short term	116,929,233	55,539,922	-	172,469,155
Trade and other payables	111,210,483	135,630,710	24,224,363	271,065,556
Accrued income	370,523	10,692,119	36,631	11,099,273
Lease liabilities	332,990	445,500	-	778,490
Current tax liabilities	2,661	522,366	192,117	717,144
Advance payments from customers	236,873,883	55,767,566	-	292,641,449
Total current liabilities	**465,719,773**	**258,598,183**	**24,453,111**	**748,771,067**
Total liabilities	**620,530,679**	**1,046,071,119**	**38,821,997**	**1,705,423,795**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 33. EARNING PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2023 was based on the profit attributable to equity holders of RON 449,618,530 (31 December 2022: RON 502,296,355) and the weighted average ordinary shares in issue during the year.

RON	31 December 2023	31 December 2022
Profit for the year attributable to equity holders	449,618,530	502,477,465
Weighted average number of shares in issue	3,742,333,473	2,812,996,754
Basic earnings per share attributable to equity holders	0.120	0.179
Diluted earnings per share attributable to equity holders	0.119	0.171

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

Following the resolution of the Ordinary General Meeting of the Shareholders no. 67 dated 09.10.2023 the Company paid the dividends through the Central Depositary S.A. and the payment agent Banca Transilvania S.A. – payment agent, starting 31.01.2024, to Company's shareholders registered in the Shareholder's Registry held by the Central Depositary S.A. on the registration date 16.01.2024. The gross dividend is of RON 0.01 per share and the dividends tax was withheld at the statutory rates, were applicable.

On 22 March 2024, the Revenue & Expense Budget for 2024 is approved by the Board of Directors and will subsequently be subject to approval in the annual Ordinary General Meeting of the Shareholders that will take place on 25 April 2024.