ONE UNITED PROPERTIES SA
AND SUBSIDIARIES

Consolidated financial statements for the year ended 31 December 2024

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 2024	31 December 2023
ASSETS			
Non-current assets			
Goodwill	7	19,256,076	19,256,076
Intangible assets	7	17,028,345	16,967,132
Property, plant and equipment	6	52,910,435	52,595,794
Right of use assets		1,050,560	1,868,857
Investment properties	8	2,840,032,458	2,710,669,855
Investments in associates	17	9,469,740	8,666,072
Other non-current assets	11	30,449,504	26,955,436
Total non-current assets		**2,970,197,118**	**2,836,979,222**
Current assets			
Inventories	9	1,041,422,317	1,002,664,774
Advance payments to suppliers	10	179,397,428	129,869,872
Trade receivables	11	755,891,528	489,466,746
Other receivables	11	103,659,750	92,833,787
Prepayments	16	50,136,707	14,650,932
Cash and cash equivalents	12	431,829,787	420,739,095
Total current assets		**2,562,337,517**	**2,150,225,206**
TOTAL ASSETS		**5,532,534,635**	**4,987,204,428**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1,105,831,013	759,530,863
Share premium	14	114,833,373	91,530,821
Own shares	14	(14,326,329)	(3,468,115)
Other capital reserves	14	13,852,860	21,140,590
Legal reserves	14	32,999,007	25,713,307
Retained earnings		1,714,502,751	1,496,291,804
Equity attributable to owners of the Group		**2,967,692,675**	**2,390,739,270**
Non-controlling interests	14	491,413,753	472,189,276
Total equity		**3,459,106,428**	**2,862,928,546**
Non-current liabilities			
Loans and borrowings from bank and others	15	927,124,475	827,819,156
Loans and borrowings from minority shareholders	15	4,979,227	82,609,273
Trade and other payables	18	1,237,930	1,944,934
Lease liabilities – long term portion		-	2,646,947
Deferred tax liabilities	13	359,215,081	321,771,977
Total non-current liabilities		**1,292,556,713**	**1,236,792,287**

(Amounts are expressed in RON, unless otherwise mentioned)

	Note	31 December 2024	31 December 2023
Current liabilities			
Loans and borrowings from bank and others	**15**	95,437,126	117,201,920
Loans and borrowings from minority shareholders	**15**	19,950,613	38,651
Lease liabilities		2,417,642	274,592
Trade and other payables	**18**	274,514,613	354,378,291
Accrued income		24,404,422	20,734,382
Current tax liabilities	**13**	10,460,538	5,247,540
Advance payments from customers	**19**	353,686,540	389,608,219
Total current liabilities		**780,871,494**	**887,483,595**
Total liabilities		**2,073,428,207**	**2,124,275,882**
TOTAL EQUITY AND LIABILITIES		**5,532,534,635**	**4,987,204,428**

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 24 March 2025 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 2024	31 December 2023
Revenues from sales of residential property	**20**	1,141,909,097	1,130,393,968
Cost of sales of residential property	**20**	(784,795,232)	(802,740,979)
Other property operating expenses - residential		(13,328,691)	(12,124,094)
Commissions for brokerage real estate	**22**	(13,658,244)	(10,909,683)
Net income from residential property		**330,126,930**	**304,619,212**
Gains from investment property under development	**8**	57,995,556	20,444,086
Gains from completed investment property	**8**	59,642,408	180,211,310
Gains from investment property for further development	**8**	16,604,838	59,976,400
Gains from investment property		**134,242,802**	**260,631,796**
Rental income	**21**	116,208,216	98,073,783
Revenues from services to tenants		35,239,270	30,280,868
Expenses from services to tenants		(35,239,270)	(30,280,868)
Other property operating expenses		(8,719,045)	(11,452,425)
Commissions for brokerage real estate - office	**22**	(4,577,216)	(4,067,347)
Net rental income		**102,911,955**	**82,554,011**
Administrative expenses	**23**	(74,166,329)	(79,296,800)
Other operating expenses	**24**	(18,289,356)	(14,665,945)
Profit/(Loss) on disposal of investment property		(3,271,207)	5,888,494
Other operating income		10,131,636	4,686,698
Result from ordinary activities		**481,686,431**	**564,417,466**
Financial income	**25**	17,982,642	26,840,583
Financial expenses	**25**	(69,722,869)	(64,832,799)
Share of result of associates	**17**	803,268	5,296,195
Result before tax		**430,749,472**	**531,721,445**
Tax on profit	**13**	(58,123,920)	(82,102,915)
Net result of the period		**372,625,552**	**449,618,530**
Total comprehensive income for the period		**372,625,552**	**449,618,530**
Net result attributable to:			
Owners of the Group		324,326,914	415,960,172
Non-controlling interests		48,298,638	33,658,358
Total comprehensive income attributable to:			
Owners of the Group		324,326,914	415,960,172
Non-controlling interests		48,298,638	33,658,358
Basic earnings per share attributable to equity holders	**33**	0.0878	0.1201
Diluted earnings per share attributable to equity holders	**33**	0.0873	0.1187

The consolidated financial statements were approved by the Management of the Company, authorized for issue on 24 March 2025 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 2024		**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**
Profit of the year		-	-	-	-	-	324,326,914	48,298,638	**372,625,552**
Dividends allocated from the statutory profit	14	-	-	-	-	-	(76,118,484)	(8,820,000)	**(84,938,484)**
Issue of ordinary shares	14	346,300,150	23,302,552	-	-	-	-	-	**369,602,702**
Acquisition of own shares	14	-	-	-	-	(10,858,214)	-	-	**(10,858,214)**
External costs directly attributable to the issuance of ordinary shares		-	-	-	-	-	(465,334)	-	**(465,334)**
Stock option plan	14	-	-	-	(7,287,730)	-	(16,232,345)	-	**(23,520,075)**
Transfer of legal reserve in/from retained earnings	14	-	-	7,285,700	-	-	(7,285,700)	-	**-**
Transactions with non-controlling interests	27	-	-	-	-	-	(6,014,104)	(49,465,741)	**(55,479,845)**
Non-controlling interest on change in share capital of subsidiaries	27	-	-	-	-	-	-	29,211,580	**29,211,580**
Balance as at 31 December 2024		**1,105,831,013**	**114,833,373**	**32,999,007**	**13,852,860**	**(14,326,329)**	**1,714,502,751**	**491,413,753**	**3,459,106,428**

(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)	-	**-**
Transactions with non-controlling interests	27	-	-	-	-	-	3,750,754	(68,841,699)	**(65,090,945)**
Acquisition of own shares	14	-	-	-	-	(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)

	Note	31 December 2024	31 December 2023
Cash flows from operating activities			
Result for the year		**372,625,552**	**449,618,530**
Adjustments for:			
Depreciation and amortization	**23**	4,728,001	4,124,133
Other financial income	**25**	(100,000)	(4,339,995)
Share of result of associates	**17**	(803,268)	(5,296,195)
Allowances for current assets – receivables and other provisions	**24**	4,530,526	(1,281,899)
Impairment of non – current assets	**24**	1,086,254	-
Increase in fair value of investment property	**8**	(134,242,802)	(260,631,796)
(Profit)/Loss on disposal of investment property		3,271,207	(5,888,494)
Share-based payments	**23**	6,023,118	25,124,118
(Gain)/Loss on sale of property, plant and equipment		17,274	(22,521)
Unrealised foreign exchange loss/(gain)		17,169	5,242,140
Interest expenses	**25**	60,612,500	56,907,656
Interest income	**25**	(17,882,642)	(22,500,588)
Income tax expenses	**13**	58,123,920	82,102,915
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		(357,689,723)	(149,004,196)
(Increase)/Decrease in inventory property		75,655,049	(339,959,363)
Increase/(Decrease) in trade and other payables		(38,782,748)	(34,412,620)
Increase/(Decrease) in advance payments from customers		(35,921,679)	96,966,770
Income tax paid		(9,713,736)	(8,282,955)
Net cash from operating activities		**(8,446,028)**	**(111,534,360)**
Acquisition of property, plant and equipment		(2,216,537)	(5,210,921)
Acquisition of intangible assets		(954,819)	(2,145,841)
Acquisition of investment property	**8**	(49,600,424)	(183,402,166)
Expenditure on investment property under development		(72,884,625)	(14,389,524)
Expenditure on completed investment property		(41,940,330)	(60,851,707)
Proceeds from sale of property, plant and equipment		1,849	261,508
Proceeds from sale of investment property		55,057,315	86,278,938
Amounts paid for transactions with non-controlling interest	**27**	(55,493,345)	(14,884,945)
Consideration received for transaction with non-controlling interests	**27**	81,750	-
Prepayments received for transaction with non-controlling interests	**18**	2,980,500	44,513,870
Prepayments paid for transaction with non-controlling interests	**16**	(17,411,324)	-
Acquisition of associates		(400)	-
Interest received		16,295,473	21,212,594
Net payments for loans granted		(1,946,601)	(2,206,147)
Other financial income	**25**	100,000	4,339,995
Net cash flows used in investing activities		**(167,931,518)**	**(126,484,346)**
Proceeds from loans and borrowings	**28**	668,137,074	406,344,378
Repayment of borrowings	**28**	(619,960,497)	(214,253,838)
Dividends paid		(120,223,154)	(39,378,782)
Proceeds from issue of share capital and share premium	**14**	340,059,509	-
Acquisition of treasury shares	**14**	(10,858,214)	(3,469,144)
Interest paid	**28**	(68,689,229)	(56,912,939)
Principal elements of lease payments	**28**	(531,917)	(531,917)
External costs paid for issuance of new shares		(465,334)	-
Net cash from financing activities		**187,468,238**	**91,797,758**
Net changes in cash and cash equivalents		11,090,692	(146,220,948)
Cash and cash equivalents at the beginning of the year		**420,739,095**	**566,960,043**
Cash and cash equivalents at the end of the year	**12**	**431,829,787**	**420,739,095**

(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 2024 were approved by the board of directors and authorized for issue on 24 March 2025.

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 1,105,831,012.8 divided into 5,529,155,064 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 25.1088% each and other shareholders holding 49.7824%. 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 2024 and 31 December 2023:

Name of the subsidiary	Activity	% ownership as at 31 December 2024	% ownership as at 31 December 2023	Registered office
One Modrogan SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Bucharest	0.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	60.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Bucharest	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Bucharest	100.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One North Lofts SRL (former One North Gate SA)	Real estate developer in Bucharest	97.57%	85.22%	Maxim Gorki street 20, Bucharest, district 1
One United Tower SRL	Real estate developer in Bucharest	71.46%	71.46%	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 2024	% ownership as at 31 December 2023	Registered office
Neo Floreasca Lake SRL	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Constanta	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Bucharest	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Bucharest	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 Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SRL (former One Cotroceni Park Office SA)	Real estate developer in Bucharest	67.56%	67.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SRL (fomer One Cotroceni Park Office Faza 2 SA)	Real estate developer in Bucharest	67.56%	67.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 4 SRL (former One Cotroceni Park Office Faza 3 SA)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 19 SRL (former One Mamaia SRL)	Real estate developer in Constanta	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One High District SRL (former One Proiect 1 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club SRL (former One Proiect 6 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City SRL (former One Proiect 7 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Carpathian Lodge Magura SRL (former Carpathian Estate SRL, former One Carpathian Lodge-Magura SRL)	Real estate developer in Bucharest	66.72%	66.72%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 8 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One City Club SRL (former One Proiect 9 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Dowtown SRL (former of One Proiect 10 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 24 SRL (former One United Italia SRL)	Real estate developer in Bucharest	100.00%	90.00%	Maxim Gorki street 20, Bucharest, district 1
Bo Retail Invest SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Bucur Obor SA	Lease of retail space	54.435%	54.43%	Colentina street 2, Bucharest, district 2

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 1. CORPORATE INFORMATION (CONTINUED)

Group companies	Activity	% Ownership as at 31 December 2024	% Ownership as at 31 December 2023	Registered office
One United Management Services SRL	Management services	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 11 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One M Hotel SRL (former One Proiect 12 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Gallery Floreasca SA (former One Proiect 15 SRL)	Real estate developer in Bucharest	90.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Eliade Tower SRL	Renting office premises in Bucharest	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 Bucharest	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 Bucharest	57.40%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 18 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 20 SRL	Real estate developer in Bucharest	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 21 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 22 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Baneasa Airpark SRL (former of One Proiect 23 SRL)	Real estate developer in Romania	70.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Veora Project 1 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
Propcare SRL	Property management services	80.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1

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

- Veora Project 1 SRL from 0% to 100%, the total consideration price for the shares acquired is RON 200.
- One Proiect 24 SRL from 90% to 100%, the total consideration price for the shares acquired is RON 4,500.
- One Long Term Value SRL from 98% to 100%, the total consideration price for the shares acquired is RON 20.
- One Cotroceni Park Office Faza 2 SRL from 67.25% to 67.56%, the total consideration price for the shares acquired is RON 5,000.
- One Cotroceni Park Office SRL from 67.25% to 67.56%, the total consideration price for the shares acquired is RON 5,000.
- One Cotroceni Park SRL from 80% to 100%, the total consideration price for the shares acquired is RON 33,140,786.
- One North Lofts SRL from 85.22% to 97.57%, the total consideration price for the shares acquired is RON 22,019,086.
- The ownership in One Gallery Floreasca SA have decreased from 100% to 90%, while in One Technology District SRL (former of One Proiect 17 SRL) have decreased from 100% to 57.4% due to a share capital increase in these subsidiaries, by which the minorities have contributed with their consideration.
- The Company have acquired 30% ownership in One Gallery Floreasca SA from minority, the total consideration price for the shares acquired is RON 27,000.
- A new subsidiary was established, Propcare SRL in which the Company have ownership rights of 80%.

The Company sold 30% ownwership in the subsidiary, One Baneasa Airpark SRL for RON 13,500.

NOTE 1. CORPORATE INFORMATION (CONTINUED)

The scope of the consolidation is summarized below:

Scope of consolidation	Subsidiaries full consolidation	Associates at equity	Total
Balance on 31 December 2023	**52**	**6**	**58**
Acquisitions	1	-	1
New foundations	1	1	2
Disposal	(1)	-	(1)
Balance on 31 December 2024	**53**	**7**	**60**

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 2024, 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 2025 (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 in relation to the broader economic landscape and the armed conflict between Russia and Ukraine. Romania continues to demonstrate strong economic resilience and growth potential, ranking among the top-performing EU economies in terms of forecasted GDP growth. Bucharest, in particular, stands out with one of the highest GDP per capita levels in Europe and some of the most affordable real estate prices relative to the average salary, making it an attractive destination for investment and development. Furthermore, Romania is projected to achieve a 2.5% GDP growth rate in 2025, supported by substantial funding from the PNRR, which will drive long-term economic transformation. The country has successfully avoided recession between 2022 and 2024, proving its stability even in a complex global economic environment. As a NATO member, Romania benefits from a strong security framework, which enhances investor confidence and ensures a favourable business climate.
While challenges such as inflationary pressures, fiscal adjustments, and global economic uncertainties persist, Romania remains committed to maintaining stability and fostering growth. Though the country has been in an excessive deficit procedure since 2020 and faces certain risks related to high interest rates and energy costs, its robust economic fundamentals and strategic investments position it well for sustainable development in the coming years.
Having considered these forecasts and that the Group has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general. Accordingly, the consolidated financial statements have been prepared on a going concern basis, which means that the Group will continue its activity in the foreseeable future, the current results estimated by the management of the companies and shareholders being considered solid.

NOTE 2. GENERAL INFORMATION (continued)

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

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

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

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

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

- **Amendments to 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.

- **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 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.

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 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.

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 IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments** issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity** issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent.

NOTE 2. GENERAL INFORMATION (continued)

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

The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11** issued by IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).

- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** issued by IASB on 9 May 2024. Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

- **IFRS 14 Regulatory Deferral Accounts** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The Group is in the process to analyse all these amendments but 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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Subsidiaries

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

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

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

Intra-group transactions

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

Business combinations

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

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

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

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

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

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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

Goodwill

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

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

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

Non-controlling interest and others

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

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

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

Investments in associates

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

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

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

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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

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

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

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

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

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

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

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

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

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.2 Current versus non-current classification (continued)

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

- It does not have the right at the end of the reporting period to defer 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.

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).

NOTE 3. ACCOUNTING POLICIES (continued)

3.3 Revenue (continued)

3.3.1 Revenues from the sale of residential property (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.3 Revenue (continued)

3.3.2 Rental income (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

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

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.7 Investment property (continued)

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.

Inventories may be subject to impairment if their net realizable value falls below their cost. If inventory is damaged, obsolete, or has fallen in value due to changes in market conditions, the inventory's carrying amount would need to be written down to its net realizable value. This write-down is recognized as an expense in the period.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.9 Impairment of non-financial assets (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.12 Leases (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.17 Investment in associates (continued)

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.

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.

vi) 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.

NOTE 3. ACCOUNTING POLICIES (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.20 Taxes (continued)

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.

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.

NOTE 3. ACCOUNTING POLICIES (continued)

3.21 Share-based payments (continued)

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.

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

NOTE 3. ACCOUNTING POLICIES (continued)

3.23 Fair value measurements (continued)

- 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.

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 highlights 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.

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.

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

4.a Judgements (continued)

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

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.
An investment property is transferred to inventories at the date of obtaining the building permit for a residential development with the view to sale, while an asset included in inventories category is transferred to investment property at the 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).

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.

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

4.b Estimates and assumptions (continued)

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

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 2024. 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.

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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT

5.1. General objectives, policies and processes

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

Financial risks:

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

Other risks:

- Operating risk
- Strategic risk

5.2. Financial risks

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

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

	Trade receivables, short-term deposits and cash and cash equivalents	
Description	**31 December 2024**	**31 December 2023**
Trade receivables	191,977,903	156,311,637
Other receivables	58,598,322	48,738,722
Cash and cash equivalents	431,829,787	420,739,095
Total	**682,406,012**	**625,789,454**

	Financial liabilities at amortized cost	
Description	**31 December 2024**	**31 December 2023**
Trade and other payables	271,208,427	349,707,903
Short and long-term loans	1,047,491,441	1,027,669,000
Lease liabilities	2,417,642	2,921,539
Total	**1,321,117,510**	**1,380,298,442**

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

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

5.2.1. Credit risk

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

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

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

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2024 and 31 December 2023, 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 group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognizing expected credit losses**
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

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

5.2.2. Liquidity risk

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

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

Currently the Group's liquidity enables it to meet the committed and due payments.
During 2024, 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.

(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 following tables detail the group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows.

As at 31 December 2024	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Trade and other payables	271,208,427	-	-	-	**271,208,427**
Short and long-term loans	115,387,739	222,029,434	411,956,325	298,117,943	**1,047,491,441**
Lease liabilities	2,417,642	-	-	-	**2,417,642**
Total	**389,013,808**	**222,029,434**	**411,956,325**	**298,117,943**	**1,321,117,510**

As at 31 December 2023	Less than 1 year	1 to 3 years	3 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	331,895,237	354,256,495	224,276,697	**1,027,669,000**
Lease liabilities	274,592	2,646,947	-	-	**2,921,539**
Total	**467,223,066**	**334,542,184**	**354,256,495**	**224,276,697**	**1,380,298,442**

The undiscounted interest amounts related to short and long-term loans in balance at 31 December 2024 and due all over the loan period is presented below:

As at 31 December 2024	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Interest	49,045,894	85,521,747	56,410,131	45,804,790	**236,782,562**
Total	**49,045,894**	**85,521,747**	**56,410,131**	**45,804,790**	**236,782,562**

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.

The group is using a combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity.

As at 31 December 2024	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Cash and cash equivalents	431,829,787	-	-	-	431,829,787
Trade and other receivables	250,576,225	-	-	-	250,576,225
Contract assets	170,271,866	393,641,759	-	-	563,913,625
Total	**852,677,878**	**393,641,759**	**-**	**-**	**1,246,319,637**

As at 31 December 2023	Less than 1 year	1 to 3 years	3 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	127,823,437	205,331,672	-	-	333,155,109
Total	**753,612,891**	**205,331,672**	**-**	**-**	**958,944,563**

(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 has access to financing facilities, of which EUR 97 million was unused at the reporting date. The group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

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 2.2% to 3% pa.

31 December 2024	**Loans and borrowings – short-term and long term**	
Description	**Interest rate capped**	**Interest rate variable**
Bank loans	-	1,005,481,050
Total	**-**	**1,005,481,050**

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 2024	**Loans granted**	
Description	**Interest rate capped**	**Interest rate variable**
Loans granted to related parties	497,410	-
Loans granted to others	27,492,190	-
Total	**27,989,600**	

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**	**-**

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 2024	+/-5%	-/+ 2,136,493
31 December 2023	+/-5%	-/+ 1,720,353

(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 Group have a contract with Garanti Bank SA for performing of forward – type operations. The maximum maturity allowed for each term transaction is 12 months from the date of initiation.

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

31 December 2024	**EUR**	**USD**	**TOTAL in RON**
Monetary assets			
Cash and cash equivalents	29,665,260	1,810	147,566,614
Other receivables	190,551		947,820
Non-current assets	6,121,611		30,449,504
Monetary liabilities			
Loans	(210,579,256)		(1,047,442,276)
Trade and other payables	-		-
Net excess/(exposure)	**(174,601,834)**	**1,810**	**(868,478,338)**

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)**

Sensitivity analysis for foreign exchange risk

A 5% appreciation of the RON against the EUR on 31 December 2024 would increase the Group's profit by RON 43,424,349 (2023: RON 38,971,806), while a 5% depreciation of the RON against the EUR as of 31 December 2024 would have a similar, but opposite effect. The 5% sensitivity is the reasonable estimate of management of possible changes in foreign exchange rates.

NOTE 5. RISK MANAGEMENT (continued)

5.2. Financial risks (continued)

5.2.3. Market risk (continued)

Sensitivity analysis includes only monetary elements denominated in foreign currency and adjusts their translation at the end of the period for a 5% change in foreign exchange rates. This analysis assumes that all other variables, especially interest rates, remain constant.

5.3. Other risks

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

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

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

(i) Operating risk

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

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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 5. RISK MANAGEMENT (continued)

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

(v) Taxation risk

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

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

Moreover, tax returns are subject to verification and correction by the tax authorities for a period of five years after their registration (and following the general rules described above), and therefore the Group's tax returns from 2019 to 2024 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 18% at 31 December 2024 (21% at 31 December 2023) 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.

The gearing ratio at the year-end is as follows:

At 1 January	**31 December 2024**	**31 December 2023**
Debt	1,049,909,083	1,030,590,539
(-) Cash and cash equivalents	(431,829,787)	(420,739,095)
(=) Net debt	618,079,296	609,851,444
Equity	3,459,106,428	2,862,928,546
Net debt to equity ratio	**18%**	**21%**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings	Technological equipment	Measurement apparatus and devices	Vehicles	Furniture and other non-current assets	Total
Cost						
As at 1 January 2024	**43,906,441**	**1,478,015**	**1,008,265**	**2,004,470**	**13,449,344**	**61,846,535**
Additions	228,510	44,918	169,982	948,003	832,653	2,224,066
Disposals	-	-	(24,504)	-	(57,156)	(81,660)
Transfer from fixed assets to investment property	-	-		-	(2,392,898)	(2,392,898)
Reclassification from inventories to fixed assets	5,180,296	-	-	-	-	5,180,296
As at 31 December 2024	**49,315,247**	**1,522,933**	**1,153,743**	**2,952,473**	**11,831,943**	**66,776,339**
Depreciation and impairment						
As at 1 January 2024	**3,661,766**	**932,803**	**844,870**	**1,280,182**	**2,531,120**	**9,250,741**
Inflow depreciation	1,471,166	194,251	132,513	263,441	1,530,077	3,591,448
Outflow depreciation	-	-	-	(24,504)	(38,034)	(62,538)
Depreciation & Impairment	1,086,253	-	-	-	-	1,086,253
As at 31 December 2024	**6,219,185**	**1,127,054**	**977,383**	**1,519,119**	**4,023,163**	**13,865,904**
Net book value						
As at 31 December 2023	**40,244,675**	**545,212**	**163,395**	**724,288**	**10,918,224**	**52,595,794**
As at 31 December 2024	**43,096,062**	**395,879**	**176,360**	**1,433,354**	**7,808,780**	**52,910,435**

(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. For assets pledged as security refer to Note 15.

During 2024, several units as storages and administrative spaces owned by the subsidiary One Mircea Eliade Properties SRL were transferred to tangible assets from inventories at the end of the financial year 2024.

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 2024	**19,256,076**	**14,716,087**	**3,274,881**	**37,247,044**
Additions		9,913	944,906	954,819
Disposals	-	-	-	-
As at 31 December 2024	**19,256,076**	**14,726,000**	**4,219,787**	**38,201,863**
Amortization and impairment				
As at 1 January 2024	**-**	**251,495**	**772,341**	**1,023,836**
Depreciation charge		34,638	858,968	893,606
Disposal depreciation	-	-	-	-
As at 31 December 2024	**-**	**286,133**	**1,631,309**	**1,917,442**
Net book value				
As at 31 December 2023	**19,256,076**	**14,464,592**	**2,502,540**	**36,223,208**
As at 31 December 2024	**19,256,076**	**14,439,867**	**2,588,478**	**36,284,421**

As at 31 December 2024 and 31 December 2023 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 2024 and 31 December 2023, 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 2024 and 31 December 2023, 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.

The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The Group believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

NOTE 7. INTANGIBLE ASSETS (continued)

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

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

As at 31 December 2024, the Group performed the assessment of the recoverable amount of the Bucur Obor brand considering a WACC rate of 14.06% (31 December 2023: 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 in accordance with International Financial Reporting Standards of its properties by independent professionally qualified valuation specialist not connected with the group who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the valued properties. 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 assessment the fair value measurement of the investment properties was performed at 31 December 2024 using an independent appraiser.

The adopted valuations at 31 December 2024 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 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 and two buildings located at Sos Pipera Tunari, 2III, owned by subsidiary One North Lofts SRL (former One North Gate SA); During Q1 2024, one of the two buildings owned by the subsidiary One North Lofts SRL was sold for the price of RON 29,8 million and the other one was transferred to inventories as the building permit was issued in Q4 2024;
- 2 apartments and 2 parking spaces owned by subsidiary One Long Term Value SA;
- Land in surface area of 6,655 sqm and office buiding with a total GLA of 24,073 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SRL;
- Land plot in surface area of 12,081 sqm and office building with a total GLA area of 47,001 sqm (including terraces) located at 44 Sergent Nutu Ion Street, owned by subsidiary One Cotroceni Park Office SRL (former One Cotroceni Park Office SA);
- Property located in Buzau County, owned by subsiadiary Carpathian Lodge Magura SRL comprising of a boutique hotel together with a 58ha of forest and land. The Group targets further investments on short and medium-term;
- 18 apartments and 143 parking spaces owned by subsidiary One Mircea Eliade Properties SRL. The Group started the activities with the view to rental of several apartments owned by subsidiary One Mircea Eliade Properties SRL and therefore changed the presentation from apartments available for sale to apartments available for rental;
- Retail building acquired through business combination with Bucur Obor SA in 2022. The subject property has a total leasable area of 22,765 sqm of retail and 2,450 sqm storages. Bucur Obor SA 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;
- Office building owned by the subsidiary, One Victoriei Plaza SRL with a total GLA of app. 7,584 sqm and 4 underground levels with 90 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 8,406 sqm spread over 10 floors and also has a parking;

NOTE 8. INVESTMENT PROPERTY (continued)

Completed investment property (IPC) (continued):

- 2 apartments owned by subsidiary One Mamaia Nord SRL;
- 3 apartments owned by subsidiary One Herastrau Towers SRL. The Group have signed rental contracts and therefore changed the presentation from apartments available for sale to apartments available for rental;
- Land in surface area of 8,847 sqm and office building with total GLA of 35,797 sqm (including terraces) located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park Office Faza 2 SRL (former One Cotroceni Park Office Faza 2 SA);
- The Group have signed rental contracts for 7 apartments owned by subsidiary One Verdi Park SRL and therefore changes the presentation from apartments available for sale to apartments available for rental;
- The Group have signed rental contracts for 3 apartments owned by subsidiary Neo Floreasca Lake SRL and therefore changes the presentation from apartments available for sale to apartments available for rental;
- Several commercial spaces within One Cotroceni Park residential complex, having the current destination of an educational unit and a total built area of 987 sqm, respectively a total usable area of 912 sqm, located in Bucharest, at 44 Sergent Ion Nutu Street, block CT1, 1 st floor, District 5 which were transferred from inventories to investment property.

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 Gallery Floreasca SA (former 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;
- An under development hotel project located at 8-10 Georges Clemenceau street, Bucharest, Romania owned by the subisidiary One M Hotel SRL (former One Proiect 12 SRL);
- Land in surface area of 9,351 sqm and related construction in progress owned by subsidiary, One Technology District SRL (former One Proiect 17 SRL).

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 1,448,921 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county.
- 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 1,392 sqm and the gross buildable area is 9,335 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);
- Land in surface area of 2,601 sqm owned by subsidiary, One Mamaia Nord Faza 3.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

The changes in investment property values during 2024 and 2023 were as follows:

Completed investment property (IPC)

	31 December 2024	31 December 2023
At 1 January	**2,266,630,530**	**1,688,891,360**
Capital expenditure on owned property	46,919,953	48,058,247
Acquisition of investment property	-	311,434
Interest	1,696,486	-
Transfer from inventories	21,530,355	37,705,329
Transfer to inventories	(159,785,489)	-
Transfer from fixed assets	2,392,898	-
Transfer from investment property under development	-	360,006,680
Disposals	(58,328,553)	(80,390,210)
Fair value adjustment during the year	59,642,408	180,211,310
Lease incentive	5,360,782	31,836,380
At 31 December	**2,186,059,370**	**2,266,630,530**

Investment Property under development (IPUC)

	31 December 2024	31 December 2023
At 1 January	**124,882,358**	**349,441,857**
Capital expenditure	72,401,393	18,170,411
Acquisition	28,010,224	86,658,128
Interest capitalized	7,077,680	-
Transfer to completed investment property	-	(360,006,680)
Transfer from inventories	14,599,021	
Transfer from investment property to further development	71,509,875	-
Reclassification in prepayments	243,843	10,174,556
Fair value adjustment during the year	57,995,556	20,444,086
At 31 December	**376,719,950**	**124,882,358**

Investment Property for further development (landbank) (IPFD)

	31 December 2024	31 December 2023
At 1 January	**319,156,967**	**213,651,731**
Capital expenditure	693,612	4,534,391
Acquisition	12,307,596	87,991,883
Transfer to investment property under development	(71,509,875)	-
Transfer from inventories	-	3,228,209
Transfer to inventories	-	(50,225,647)
Fair value adjustment during the year	16,604,838	59,976,400
At 31 December	**277,253,138**	**319,156,967**
Grand Total Investment Property at 31 December	**2,840,032,458**	**2,710,669,855**

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 2,157 million (31 December 2023: RON 1,951 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 2024 and 31 December 2023 is detailed below:

Type	Object	Valuation Method	31 December 2024
IPC	Accommodation unit area and the land in excess and forest	Market approach, Income approach-direct capitalization **	7,883,123
IPC	Apartments and parking lots	Market approach**	167,665,964
IPC	Office	DCF**	1,439,827,481
IPC	Office	Income approach-direct capitalization**	421,209,282
IPC	Office	Market approach*	138,527,200
IPC	Commercial	DCF**	10,946,320
IPC Total			***2,186,059,370***
IPFD	Hotel	Residual approach**	50,806,993
IPFD	Landbank	Income approach-direct capitalization**	18,990,283
IPFD	Landbank	Market approach**	88,678,933
IPFD	Office	Market approach**	118,776,929
IPFD Total			***277,253,138***
IPUC	Commercial & office	Residual approach**	222,993,877
IPUC	Hotel	Residual approach**	72,580,232
IPUC	Office	Residual approach**	81,145,841
IPUC Total			***376,719,950***
Grand Total			**2,840,032,458**

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

Type	Object	Valuation Method	31 December 2023
IPC	Accommodation unit area and the land in excess and forest	Market approach, Income approach-direct capitalization **	8,004,131
IPC	Apartments and parking lots	Market approach**	170,217,493
IPC	Office	DCF**	1,370,075,627
IPC	Office	DCF and residual approach**	161,177,040
IPC	Office	Income approach-direct capitalization**	418,629,039
IPC	Office	Market approach*	138,527,200
IPC Total			***2,266,630,530***
IPFD	Hotel	Residual approach**	113,958,137
IPFD	Landbank	Income approach-direct capitalization**	21,554,942
IPFD	Landbank	Market approach**	67,017,811
IPFD	Office	Market approach**	116,626,077
IPFD Total			***319,156,967***
IPUC	Commercial & office	Residual approach**	124,882,358
IPUC Total			***124,882,358***
Grand Total			**2,710,669,855**

NOTE 8. INVESTMENT PROPERTY (continued)

Valuation processes

The Company's investment properties were valued at 31 December 2024 and several of assets also at 31 March 2024 and 30 June 2024 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 2024 and 31 December 2023. 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;

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

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

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

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

31 December 2024

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 2,500 Euro per square meter) and for areas near Bucharest (5-23 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-25% discount for asking price, 0-25% discount for location, access and position) - Offer price per square meter for apartments in Bucharest in district 1 and 2 (3,088 EUR/sqm up to 11,130 EUR/sqm) - Adjustments to observable offer prices to reflect deal prices, location and condition (5-10% discount for asking price, -15% - 5% discount for location, access and position, -15% - 25% discount for floor (apartments)	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% - 8.5% - Discount rate: 8.75% - 11.5% - Average rent office: 8.34-21.24 EUR/sqm/month - Average rent retail: 12.45-30.22 EUR/sqm/month - Future vacancy: 0%-15% - 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 was lower/(higher) • Exit yield rates were lower/ (higher)
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: 1,000-1,430 EUR/sqm (without underground) - Reversionary Yield: 6.5-8% - Discount rate: 8%-10.2%	The estimated fair value would increase/(decrease) if: • Hard rates were lower/ (higher) • Sales price/(higher) • Discount rates were lower/ (higher) • Reversionary yield was lower/ (higher)

(Amounts are expressed in RON, unless otherwise mentioned)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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%-9.5% - Capital expenditure: 1.5%-5% - Vacancy and collection loss: 0.5%-20% - Average rent retail: 40 EUR/sq. m/month - Average rent office: 20.5 EUR/sq. m/month	The estimated fair value would increase/(decrease) if: • Capitalization rates were lower/ (higher) • variation in vacancy and collection loss • Annual rent per sqm was higher/(lower)

31 December 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.	- 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)

(Amounts are expressed in RON, unless otherwise mentioned)

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.		• Future vacancy was lower/(higher) • Exit yield rate was lower/ (higher)
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 was 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)

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 8. INVESTMENT PROPERTY (continued)

Sensitivity analysis at 31 December 2024 and 31 December 2023

A quantitative sensitivity analysis for the properties where discounted cash-flows (DCF) method was used in the valuation report at 31 December 2024 and 31 December 2023, is presented below:

		Effect on fair value		
2024	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease in Estimated Rental Value (ERV)	5%	(77,222,350)	n/a	n/a
Increase in Discount Rate/yield	0.25%	(68,549,449)	n/a	n/a

		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

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 2024 and 31 December 2023, is presented below:

		Effect on fair value		
2024	**Sensitivity used**	**Completed Investment Property**	**Investment Property under development**	**Investment Property for further development (landbank)**
Decrease with 1% of Fair Value	1%	(1,377,494)	(3,767,211)	(2,741,861)

		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)

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:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES (continued)

Developer	Project name	Development status	31 December 2024	31 December 2023
One Peninsula SRL (former One Herastrau Park Residence SRL)	One Peninsula	Under construction	63,055,913	81,602,176
One Verdi Park SRL	One Verdi Park	Completed	31,296,314	57,375,597
One Mircea Eliade Properties SRL	One Floreasca City	Completed	2,711,232	20,307,116
One Herastrau Towers SRL	One Herastrau Towers	Completed	3,266,762	1,227,321
Neo Floreasca Lake SRL	One Floreasca Vista	Completed	378,008	10,161,473
One Mamaia Nord SRL Phase 1	One Mamaia Nord	Completed	685,689	-
One Timpuri Noi SRL (Former Neo Timpuri Noi SRL)	One Timpuri Noi	Completed	1,877,244	8,594,080
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	One Herastrau Vista	Under construction	26,647,237	16,443,981
One Modrogran SRL	One Modrogan	Under construction	43,265,853	43,627,444
One Mamaia Nord SRL - phase 2	One Mamaia Nord 2	Under construction	26,400,846	23,555,738
One Cotroceni Park SRL	One Cotroceni Park	Completed	53,180,622	71,563,066
One High District SRL (former One Proiect 1)	One High District	Under construction	123,845,550	111,535,019
One Lake Club SRL (former One Proiect 6)	One Lake Club	Under construction	211,417,347	186,456,186
One Lake District SRL	One Lake District	Under construction	141,510,132	174,992,013
One Floreasca Towers SRL	One Floreasca Towers	Under construction	71,749,835	60,749,839
One Cotroceni Towers SRL	One Cotroceni Towers	Under construction	129,404,421	127,931,033
One North Lofts SRL	One North Lofts	Under construction	96,420,071	-
Carpathian Lodge Magura SRL	Carpathian Lodge	Under construction	6,748,185	-
Other inventories			7,561,056	6,542,692
Total			**1,041,422,317**	**1,002,664,774**

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.

In Q4 2024, the building permit for One North Lofts was obtained, therefore the asset (land and construction) was reclassified from investment properties to inventories and started to recognize contract revenue according to IFRS 15.

The Group have also transferred several apartments, parking spaces and commercial spaces 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 186 million (2023: RON 210 million) have been pledged as security for certain of the Group’s bank loans. Please see Note 15 for further details.

For several inventories items related to finalized developments (One Verdi Park and One Mircea Eliade), the Company recorded an impairment at 31 December 2024 of RON 1,1 million.

A summary of movement in inventories is set out below:

	2024	2023
At 1 January	**1,002,664,774**	**662,994,340**
Development costs incurred	705,076,958	878,003,162
Transfer to investment property	(36,129,376)	(40,933,538)
Transfer from investment property	159,785,489	50,225,647
Transfer to fixed assets	(5,180,296)	-
Acquisitions	-	255,116,142
Disposals (recognized in cost of sales)	(784,795,232)	(802,740,979)
At 31 December	**1,041,422,317**	**1,002,664,774**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 9. INVENTORIES (continued)

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

	2024	2023
In respect of sale of completed inventory property	(116,006,231)	(278,612,136)
In respect of sale of residential property under development	(668,789,001)	(524,128,843)
Total	**(784,795,232)**	**(802,740,979)**

NOTE 10. ADVANCES TO SUPPLIERS

As at 31 December 2024 and 31 December 2023, advances to suppliers are detailed as follows:

Description	31 December 2024	31 December 2023
Advances to suppliers for acquisition of goods	75,858,463	40,786,464
Advances to suppliers for acquisition of services	103,538,965	89,083,408
Total	**179,397,428**	**129,869,872**

Under the advances to supplier's category are mainly included the advances paid by the Group for the works provided by the suppliers for the development projects which are under construction at 31 December 2024. The Group have paid advances to suppliers mainly for the development projects One Lake Club (RON 30,6 million), One Lake District (RON 28,7 million), One High District (RON 13,5 million), One Peninsula (RON 13 million). Also, the Group have paid advances for acquisitions of land (RON 40,3 million) and for sales brokerage commissions (RON 10 million).

NOTE 11. TRADE AND OTHER RECEIVABLES

As at 31 December 2024 and 31 December 2023 trade and other receivables are detailed as follows:

Description	31 December 2024	31 December 2023
Trade receivables – customers	194,444,393	165,844,817
Allowance for doubtful debts	(11,069,869)	(10,128,508)
Accrued receivables	8,603,379	595,328
Contract assets	563,913,625	333,155,109
Total trade receivables	**755,891,528**	**489,466,746**
VAT receivable	41,552,733	42,357,171
Various debtors	15,113,479	3,681,956
Loans granted to related parties	681,315	681,383
Loans granted to others	266,506	225,000
Prepaid interim dividends	40,531,624	43,003,322
Income tax receivables	3,508,695	1,737,894
Interest receivable	775,670	384,533
Other receivables	1,438,757	971,557
Loss allowances for other receivables	(209,029)	(209,029)
Total other receivables	**103,659,750**	**92,833,787**
Total	**859,551,278**	**582,300,533**

Related parties' balances are disclosed in Note 26.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

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

Details on contract assets are presented below:

Developer	Project Name	31 December 2024	31 December 2023
One Modrogan SRL	One Modrogan	12,522,545	6,768,980
One Herastrau Towers SRL	One Herastrau Towers	9,149,806	23,586,344
One Peninsula SRL	One Peninsula	82,629,646	60,325,390
One Mircea Eliade Properties SRL	One Mircea Eliade	-	1,272,682
One Verdi Park SRL	One Verdi Park	41,105,850	62,140,095
Neo Floreasca Lake SRL	One Floreasca Vista	1,065,431	8,126,925
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	74,394	211,643
One Herastrau Vista SRL	One Herastrau Vista	6,763,551	-
One Lake Club SRL	One Lake Club	37,267,724	8,640,252
One Cotroceni Park SRL	One Cotroceni Park	69,380,592	149,487,730
One Timpuri Noi SRL (former Neo Timpuri Noi SRL)	One Timpuri Noi	8,820,977	12,595,068
One Mamaia Nord SRL - Phase 2	One Mamaia Nord 2	29,361,506	-
One Floreasca Towers SRL	One FLoreasca Towers	40,228,766	-
One North Lofts SRL	One North Lofts	33,911,264	-
One Lake District SRL	One Lake District	62,400,439	-
One High District SRL	One High District	129,231,134	-
Total		**563,913,625**	**333,155,109**

As of 31 December 2024, contract assets with a carrying amount of RON 194 million have been pledged as security for certain of the Group's bank loans. Please see Note 15 for further details.

As at 31 December 2024 and 31 December 2023, 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 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 was subject to approval by shareholders at the annual general meeting that took place in 25 April 2024.

On 10 October 2024, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of interim dividends for the first six months of the financial year ending 31 December 2024 in the amount of RON 38 million (gross), i.e. a dividend of 0.01 RON/share (gross, by reference to the total number of shares issued by the Company on the date of the convening of the OGMS) from the distributable net profit of RON 74,215,539 for the first half of the financial year ending 31 December 2024. The interim dividends was paid starting on 11 November 2024 to the Company's shareholders registered in The Register of Shareholders held by the Central Depository on the registration date 30 October 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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 11. TRADE AND OTHER RECEIVABLES (continued)

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	186,782,393	6,180,315	1,481,685	563,913,625	**758,358,018**
Allowance for expected credit losses	(842,168)	(3,699,445)	(1,481,685)	(5,046,571)	**(11,069,869)**

The allowance for expected credit losses related to customers as at 31 December 2024 was determined as follows:

31-Dec-24 *RON*	**Current**	**< 90 days**	**91 - 365 days**	**> 365 days**	**Total**
Expected loss rate	0%	0.25%	0.5%	2%	
Gross carrying amount - trade receivables	55,509,748	60,383,453	48,438,377	22,450,815	**186,782,393**
Allowance for doubtful receivables	-	150,960	242,192	449,016	**842,168**

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**

The expected loss rate for the trade receivable overdue over 90 days and contract assets as at 31 December 2024 and 31 December 2023 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 11,069,869 (31 December 2023: RON 10,128,508) are unlikely to be recovered.

Description	**31 December 2024**	**31 December 2023**
Other non-current assets	30,449,504	26,955,436
Total	**30,449,504**	**26,955,436**

In Other non-currents assets is included the loan granted by the subsidiary, One Long Term Investments SRL and Veora Project 1 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 2024 is of RON 27,3 million (31 December 2023: RON 25,3 million) and related interest of RON 3,2 million (31 December 2023: RON 1,6 million).

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	31 December 2024	31 December 2023
Bank deposits in EUR	60,885,605	161,181,574
Bank deposits in RON	199,832,961	116,588,090
Bank accounts in EUR	86,672,365	59,150,838
Bank accounts in USD	8,644	7,241
Bank accounts in RON	84,413,032	83,763,795
Other cash items	17,180	47,557
Total	**431,829,787**	**420,739,095**

Also, the maturity of bank deposits is as follows:

Description	31 December 2024	Maturity	31 December 2023	Maturity
Bank deposits in EUR	60,885,605	2025	161,181,574	2024
Bank deposits in RON	199,832,961	2025	116,588,090	2024
Total	**260,718,566**		**277,769,664**	

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 0,5 million (31 December 2023: RON 1,2 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.

Cash and cash equiavalents have been pledged as security for certain of the Group’s bank loans. The Group have restricted cash in amount of EUR 5,1 million in bank accounts in EUR (31 December 2023: EUR 10,7 million) and RON 3,5 million in bank account in RON (31 December 2023: RON 3,5 million). Also, the Group have restricted cash as a pledge for the bank loans in relation to cash received from clients related to receivables from rental activity in amount of RON 25,24 million and Keur 15 (31 December 2023: RON 12,6 million). Please see Note 15 for further details.

NOTE 13. PROFIT TAX

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer.

The other subsidiaries which are not included in the fiscal group are profit taxpayers as of 31 December 2024.

The Group’s current profit tax for the years 2024 and 2023 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 2024 and 31 December 2023 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 2024	31 December 2023
Current profit tax liabilities	(10,460,538)	(5,247,540)
Deferred tax liabilities	(359,215,081)	(321,771,977)
Total assets /(liabilities)	**(369,675,619)**	**(327,019,517)**

Income tax expense for the years ended 31 December 2024 and 31 December 2023 is detailed as follows:

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 13. PROFIT TAX (continued)

Description	2024	2023
Current profit tax expenses	20,680,816	33,158,975
Deferred profit tax expenses	37,443,104	48,943,940
Total expenses /(revenues)	**58,123,920**	**82,102,915**

(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:

	2024	2023
Gross result	**430,749,472**	**531,721,445**
16% rate	**68,919,916**	**85,075,431**
Effect of non-deductible elements	1,946,527	7,261,179
Effect of tax losses	2,583,097	2,072,777
Legal reserve	(1,165,712)	(1,321,708)
Other tax effects	(9,534,268)	(6,695,071)
Profit tax decrease due to sponsorship expenses	(4,625,640)	(4,289,693)
Total profit tax expenses	**58,123,920**	**82,102,915**

(ii) Deferred tax balance movement

As at 31 December 2024 and 31 December 2023, the net deferred tax assets or liabilities relate to temporary differences attributable to:

	Consolidated statement of financial position		**Consolidated profit or loss**	
	31 December 2024	**31 December 2023**	**2024**	**2023**
Construction contracts – IFRS15 effect	(116,860,734)	(103,026,086)	13,834,648	9,628,104
Fair value increase of investment property and effect of amortization	(214,128,610)	(194,037,963)	20,090,647	36,625,547
Acquisition of Bucur Obor – recognized in retained earnings	(33,385,915)	(33,385,915)	-	-
Stock option plan	3,289,993	4,879,853	1,589,860	2,504,297
Inventories	(15,414,765)	(19,535,793)	(4,121,028)	(2,739,418)
Trade and other receivables	(1,953,611)	(838,653)	1,114,958	-
Fiscal losses	17,125,043	19,708,139	2,583,096	2,072,777
Sponsorship	3,991,287	4,662,732	671,445	386,877
Leases	129,758	79,256	(50,502)	(50,501)
Property, plant and equipment	(372,052)	(407,168)	(35,116)	516,257
Prepayments	(1,635,475)	129,621	1,765,096	-
Deferred tax expenses / (income)			**37,443,104**	**48,943,940**
Deferred tax assets / (liabilities) net	**(359,215,081)**	**(321,771,977)**		

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY

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

(i) Share capital

As at 31 December 2024 the Group's share capital is RON 1,105,831,012.8 (31 December 2023: RON 759,530,863) divided into 5,529,155,064 shares (31 December 2023: 3,797,654,315 shares) at a nominal value of RON 0.2 each (31 December 2023: RON 0.2 each). All issued shares are fully paid.

Structure of share capital

	31 December 2024			31 December 2023		
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)	1,388,305,857	277,661,171.4	25.1088%	1,052,553,846	210,510,769	27.7159%
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu)	1,388,305,857	277,661,171.4	25.1088%	1,052,553,846	210,510,769	27.7159%
Others	2,752,543,350	550,508,670.0	49.7824%	1,692,546,623	338,509,325	44.5682%
Total	**5,529,155,064**	**1,105,831,012.8**	**100.00%**	**3,797,654,315**	**759,530,863**	**100.00%**

Share premium	**2024**	**2023**
Balance at 1 January	**91,530,821**	**27,981,399**
Premium arising on issue of equity shares	23,302,552	63,549,422
Balance at 31 December	**114,833,373**	**91,530,821**

Own shares	**2024**	**2023**
Balance at 1 January	**(3,468,115)**	**1,029**
Acquired in the year	(10,858,214)	(3,469,144)
Balance at 31 December	**(14,326,329)**	**(3,468,115)**

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 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.

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.

NOTE 14. EQUITY (continued)

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 was subject to approval by shareholders at the annual general meeting that took place in 25 April 2024.

On April 25th, 2024, 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 75,880,983.42 (gross dividend amount), corresponding to the financial year 2023, as follows: (i) the amount of RON 37,940,491.71 (gross dividend amount) has been paid in advance, respectively (ii) the amount of RON 37,940,491.71 (gross dividend amount), representing a gross dividend per share of RON 0,01, will be distributed according to this resolution. According to Ordinary General Meetings of Shareholders no 71/28.05.2024, it was approved to supplement the total gross value of the dividends related to the financial year 2023, the total gross value of the dividends related to the financial year 2023 becoming RON 76,1 million, distributed as follows: (i) the amount of RON 37,9 million was distributed in advance as a result of the Resolution of the Ordinary General Meeting of the Company's Shareholders no. 67 of October 9, 2023, respectively (ii) the amount of RON 38,2 million (gross dividend), representing a gross dividend per share of RON 0.01, is to be distributed.

By the resolution of the Board of Directors no. 55 dated on 19 april 2024, it was approved the increase of the share capital from the nominal value of RON 759,530,863 to the nominal value of RON 765,771,503.4, by issuance of 31,203,202 new shares having a nominal value of RON 0.2 per share and a total nominal value of RON 6,240,640.4. The Share Capital Increase has as purpose the implementation of the share allocation plan already approved by the Resolution of the Ordinary General Meeting of Shareholders dated 19 April 2021 point 6, as subsequently amended, supplemented and updated (the "SOP"). The New Shares are used for the conversion of certain, liquid and due receivables held against the Company by the beneficiaries of the SOP in total value of RON 29,5 million.

A share capital increase operation (up to RON 350 million) was approved by the decision of Extraordinary General Meeting of Shareholders no. 72 issued on 28.05.2024 and the trading of the preferential rights was decided by means of the Decision of the Board of Directors no. 59 issued on 30.07.2024. The newly issued shares are offered for subscription in the first stage of the share capital increase by exercising preference rights by the shareholders who held ONE shares on 06.08.2024 and have not disposed of their preference rights during their trading period, or those who acquired preference rights during the period in which those rights are traded. The approval by FSA and publishing of the EU Prospectus for the share capital increase with cash contributions was issued. The Prospectus was approved by the Romanian Financial Supervisory Authority ("FSA") on 07.08.2024, as stated in Decision 816/07.08.2024.

By Decision of the Board of Directors no. 62 dated 25 September 2024, İn accordance with the Resolution of the Extraordinary General Meeting of the Shareholders no. 72 dated 28 May 2024, the Board of Directors ascertained and validated the results of the Share Capital increase by private placement. The increase of the Company's share capital with the amount of RON 340,059,509.4 (nominal value) was approved, by issuance of 1,700,297,547 new shares having a nominal value of RON 0.2 per share and was fully collected until 31 December 2024.

The legal procedures for Share Capital Increase were finalized in Q4 2024 and the Company therefore have registered the share capital increase in equity after the issuance of the certificate of registration for financial instruments (CIIF) by Romanian Financial Supervisory Authority and the registration of the new shares with the Central Depository.

On 10 October 2024, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the distribution of interim dividends for the first six months of the financial year ending 31 December 2024 in the amount of RON 38 million (gross), i.e. a dividend of 0.01 RON/share (gross, by reference to the total number of shares issued by the Company on the date of the convening of the OGMS) from the distributable net profit of RON 74,215,539 for the first half of the financial year ending 31 December 2024. The interim dividends were paid starting on 11 November 2024 to the Company's shareholders registered in The Register of Shareholders held by the Central Depository on the registration date 10/30/2024.

NOTE 14. EQUITY (continued)

On 10 October 2024, the Extraordinary General Meeting of Shareholders of the Company (the "EGMS Resolution") has approved, the following:

(i) the consolidation of the nominal value of a share issued by the Company from the nominal value of RON 0.2/share to the nominal value of RON 10/share, by increasing the nominal value of the shares concomitantly with the decrease of the total number of shares (50 shares with a nominal value of RON 0.2/share will represent one share with a nominal value of RON 10/share) ("**Nominal Value Consolidation**");

(ii) the proposal of the Board of Directors to set a price amounting RON 46.225/consolidated share, for the compensation of the fractions of shares resulting from the Nominal Value Consolidation. The price thus proposed was calculated by multiplying the amount of RON 0.9245 (representing the average trading value of the share with a nominal value of RON 0.2, referring to the last 12 months prior to the convening of the EGMS, adjusted for changes generated by any corporate events during this period, if applicable) by 50 (representing the ratio between the consolidated nominal value (RON 10/share) and the nominal value prior to the Nominal Value Consolidation (RON 0.2/share));

The consolidation of the nominal value of the shares from RON 0.2/share to a nominal value of RON 10/share was registered to Central Depository on 05 February 2025. Please refer also to Note 34.

(ii) Legal reserve

The legal reserve of RON 32,999,007 as at 31 December 2024 (2023: RON 25,713,307) 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.

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan ("SOP") will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee.

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

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 6 million during 2024, RON 25,1 million during 2023 and RON 46 million during 2022 and in correspondence the related capital reserve.

As of 31 December 2023, 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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 14. EQUITY (continued)

As of 31 December 2023, the SOP 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 amount, 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 do not pay any price for the New Shares.

During H1 2024, SOP 4 was exercised, the SOP converted in the Share Capital Increase have a total value of RON 29,543,191.66 determined by multiplying the number of New Shares (i.e., 31,203,202) with RON 0,9468 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 d) of the Decision of the Board of Directors no. 55 dated 19 April 2024 and being determined in compliance with art. 174 of Regulation 5/2018.

The stock option plan balance recorded in equity is RON 9,55 million related to SOP 5 not exercised until 31 December 2024.

NOTE 15. BORROWINGS

The loans outstanding as at 31 December 2024 and 31 December 2023 are detailed as follows:

Description	Original Currency	31 December 2024	31 December 2023
Secured loans			
Bank loans due in one year	EUR	95,437,126	117,166,526
Bank loans due in more than one year	EUR	910,043,924	793,491,471
Unsecured loans			
Loans received from minority shareholders due in one year	EUR	19,901,448	-
Loans received from minority shareholders due in more than one year	EUR	4,979,227	82,609,273
Loans received from minority shareholders due in one year	RON	49,165	38,651
Loans received from related parties due in one year	EUR	-	35,394
Loans received from related parties due in more than one year	EUR	17,080,551	34,327,685
Total		**1,047,491,441**	**1,027,669,000**
Of which:			
Long-term		**932,103,702**	**910,428,429**
Short-term		**115,387,739**	**117,240,571**

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 2.2% to 3%.

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 2024 and 2023 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, note 11 and note 12 for amounts pledged.

On 19 January 2021, the subsidiary One United Tower SRL has signed the loan agreement with Black Sea Trade and Development Bank for an amount of maximum EUR 50,000,000, from which the subsidiary have withdrawn the amount of EUR 43,6 million. On 18 June 2024, the Company, through its subsidiary One United Tower SRL contracted a bank loan from Banca Transilvania SA for a total amount of EUR 47,000,000. This financing was used to fully repay the existing loan contracted by One United Tower SRL on 19 January 2021 from the Black Sea Trade and Development Bank, for the development of the sustainable office building One Tower. Additionally, this new financing also aimed the partial repayment of existing shareholder loans contracted by One United Tower SRL from its shareholders and other associated costs.

NOTE 15. BORROWINGS (continued)

The bank loan agreement is also secured by a movable mortgage on the Parent company's shares in the subsidiary One United Tower SRL, respectively on a number of 6,431 shares. The bank loan contract contains pledges on land and building, as well as receivables from customers and bank accounts. The financial covenants attached to the loan contract are: historical debt service coverage ratio, forecast debt service cover ratio, debt-service coverage ratio, loan to value ratio.
The loan balance as of 31 December 2024 is RON 230,04 million (31 December 2023: RON 191,4 million) from which due on short term – RON 8,2 million and related interest in balance of KEUR 486.

On 23 January 2018, the subsidiary One North Lofts SRL (former One North Gate SA) has signed the loan agreement with CEC Bank for an amount of EUR 12 million. The bank loan contract contains pledges on land and building, as well as receivables from customers and bank accounts. Also, the loan has attached a corporate guarantee issued by the holding Company. The loan balance as of 31 December 2024 is RON 0 million (31 December 2023: RON 31,4 million), the loan was fully reimbursed. All the pledges attached to the loan contract were 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 building, 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.

The Group, through its subsidiary have signed on 04 July 2024 an addendum for the increase of a credit facility contracted on July 23, 2021 for One Cotroceni Park Office S.R.L. ("OCO1") and One Cotroceni Park Office Faza 2 S.R.L. ("OCO2"). The value of the credit facility increase is of EUR 20 million, split between OCO1 (EUR 7,1 million) and OCO2 (EUR 12,9 million). The increase of the credit facility was granted by Banca Comerciala Romana S.A. and BRD Groupe Societe Generale S.A and has the purpose of reimbursement of shareholders loans as well as covering other costs related to the transaction for the increase of the credit facility. The maturity date of the loan remains unchanged. The financial covenants attached to the loan contract are: debt-service coverage ratio, loan to value ratio and weighted average unexpired lease term.
As of 31 December 2024, the loan balance related to the subsidiary One Cotroceni Park Office SRL is RON 200,95 million (31 December 2023: RON 184,22 million) from which on short term the amount of RON 9,3 million.
As of 31 December 2024, the loan balance related to the subsidiary One Cotroceni Park Office Faza 2 SRL is RON 197,31 million (31 December 2023: RON 139,84 million) from which on short term the amount of RON 9,1 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 2024 is of RON 0 million (31 December 2023: RON 59,69 million). The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and bank accounts. Also, the loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7,47 million). As of 31 December 2024, the loan was fully reimbursed. All the pledges attached to the loan contract were removed.

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 10 apartments and 41 parking places, as well as bank accounts and a corporate guarantee issued by the holding Company. On 20 March 2024, subsidiary One Mircea Eliade Properties SRL, have signed the loan agreement with Garanti Bank SA in total value of EUR 5,725,000. The loan has a maturity of 4 years. The bank loan contract contains pledges over 7 apartments. The bank loan agreement contains a surety by which the Parent Company is the guarantor and which covers the period until the maturity of the underlying bank loan. The loans balance as at 31 December 2024 is RON 53,6 million (31 December 2023: RON 37,27 million), from which on short term RON 21,1 million.

On 27 July 2022, the Company, through its subsidiary One Victoriei Plaza SRL (former MAM Imob Business Center SRL) contracted a bank loan from Garanti Bank in total value of EUR 18,43 million and fully utilized this amount, therefore the loan balance as at 31 December 2024 is RON 79,4 million (31 December 2023: RON 84,57 million), from which on short term RON 5,3 million and related interest of RON 173,502. 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, receivables from lease contracts and bank accounts. The loan has attached a surety by which the Parent Company is the guarantor and which covers the time until maturity of underlying bank loan.

The subsdiaries One Cotroceni Park Office SRL, One Cotroceni Park Office Faza2 SRL 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 11,1 million (31 December 2023: RON 34,36 million).

NOTE 15. BORROWINGS (continued)

Also, in Q1 2024, the subsidiary One Technology District SRL have withdrawn as a loan the amount of RON 6,47 million from Element Dmmd Birouri SRL. The loan received by One Technology District SRL was converted into share capital during Q3 2024.

In Q1 2023, the Group, through its subsidiary, One M Hotel SRL (former 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. In Q4 2024, the loan was fully reimbursed, therefore the loan balance at 31 December 2024 is 0 (31 December 2023: RON 33,67 million). All the pledges attached to the loan contract were removed.

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 on office building "Eliade Tower"located in Bd. Mircea Eliade No.18, Bucharest, receivables from lease contract and bank accounts. The due date for reimbursement is 19 January 2028. The loan has attached a surety by which the Parent Company is the guarantor and which covers the time until maturity of underlying bank loan. The loan balance as of 31 December 2024 is RON 16,1 million (31 December 2023: RON 20,8 million) from which on short term RON 4,9 million and related interest in balance of RON 39,896.

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 of 31 December 2024, the loan was fully reimbursed, therefore the loan balance at 31 December is 0 (31 December 2023 is RON 78,2 million). All the pledges attached to the loan contract were removed.

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 3 apartments, 9 parking lots and 1 apartment in One Mircea Eliade development , as well as bank accounts and future receivables and a corporate guarantee issued by the holding Company which covers the time until maturity of underlying bank loan. The loan balance as of 31 December 2024 is RON 13,78 million (31 December 2023: RON 24,37 million) and is all amount on short 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 7 residential units, as well as bank accounts and future receivables. Also, On 26 March 2024, subsidiary One Verdi Park SRL have signed the loan agreement with Garanti Bank for a maximum amount of EUR 4,275,000. The loan due date for reimbursement is 30 May 2028. The bank loan contract contains pledges over 7 residential units and 1 retail space, on future receivables, bank accounts and a corporate guarantee issued by the holding Company. The loans balance as of 31 December 2024 is RON 21,97 million (31 December 2023: RON 24,9 million), from which on short term the amount of RON 11,96 million and related interest in balance of RON 69,785.

On 15 December 2023, subsidiary One Gallery Floreasca SA (former One Proiect 15), have signed the loan agreement with Alpha Bank SA in total value of EUR 35,1 million (one loan facility of EUR 30,5 million and second loan facility of EUR 4,6 million). The first loan facility has maturity until 30 March 2034 and second facility until 30 March 2026. The bank loan contract contains pledges over the land and building held by the company, as well as receivabales, bank accounts and movable assets and a corporate guarantee issued by the holding Company. The financial covenants attached to the loan contract are: debt-service coverage ratio, loan to value ratio applicable after 2026. The loan balance as of 31 December 2024 is RON 57,1 million and is all amount on long term.

On 08 February 2024, subsidiary One Floreasca Towers SRL signed the loan agreement with First Bank for a maximum amount of EUR 11,000,000. The loan has a maturity of 3 years. The bank loan contract contains pledges over the building and land held by the company, also over 3 apartments built by Neo Floreasca Lake SRL, 1 apartment and 1 parking space in One Verdi Park development, also on receivables from Company's sales contracts and from insurance policy, as well as bank accounts, debt service reserve account and a corporate guarantee issued by the holding Company. The Parent Company will bear the payment of any amount owed under the bank loan by One Floreasca Towers SRL to First Bank SA and not paid on the due date, as well as the payment of any amount up to the maximum amount of EUR 8,042,000 which exceed the total construction budget for "One Floresca Towers: residential project, representing 20% of the budget". The loan balance as of 31 December 2024 is RON 39,7 million and is all amount on long term and related interest in balance of RON 108,761.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 15. BORROWINGS (continued)

On 01 March 2024, subsidiary One Mamaia Nord SRL, have signed the loan agreement with Libra Internet Bank S.A in total value of EUR 11,500,000. The loan has a maturity of 4 years. The bank loan contract contains pledges over the building and land held by the company, on, Aleea Lamia street no. 8, Mamaia, Constanta, and also over the apartments and parking lots held by One Timpuri Noi SRL on Street Ion Minulescu, Nr. 13, Bl. OTN, Mun. Bucuresti, District 3, as well as bank accounts. The loan balance as of 31 December 2024 is RON 34,13 million and is all amount on long term.

On 26 April 2024, the Company, through its subsidiary One Lake District SRL contracted a bank loan from Garanti Bank SA for a total amount of EUR 20,000,000. The bank loan contract contains pledges over the land, buildings and construction held by the company, as well as receivables related to sale of residential units and future receivable related to VAT reimbursement decisions from the state budget and bank accounts. The bank loan agreement contains a surety by which the Parent Company is the guarantor and which covers the period until the maturity of the underlying bank loan. No amount was withdrawn until 31 December 2024.

On 14 May 2024, the Company, through its subsidiary One Cotroceni Park SRL contracted a bank loan from the Commercial Bank Intensa Sanpaolo Romania SA for a total amount of EUR 13,250,000. The bank loan contract contains pledges over 18 apartments, 12 retail spaces and 94 parking places, receivables as well as bank accounts. The bank loan agreement is also secured by a surety contract by which the Parent Company is the guarantor and which covers the period until the maturity of the underlying bank loan. The loan balance for this subsidiary as of 31 December 2024 is RON 32,3 million from which on short term the amount of RON 10,9 million.

On 7 November 2024, the Company, through its subsidiary One Technology District SRL contracted a term loan facility in a maximum amount of EUR 37,500,000 from Erste Group Bank AG and a VAT facility in a maximum amount of RON 19,902,000 from Banca Comerciala Romana SA. The VAT facility from Banca Comerciala Romana SA contains a corporate guarantee by which the Parent Company is the guarantor and which covers any amount due up to the facility agreement value, for the period until the maturity of the underlying bank loan. In relation to the credit loan from Este Group Bank AG, the Parent Company will bear the payment of any amount up to the maximum amount of EUR 6,100,000 which exceed the total construction budget.The bank loan agreement contains a pledge on the Parent company's shares in the subsidiary One Technology District SRL for a number of 367,360 shares, with a total nominal value of RON 3,673,600. The financial covenants attached to the loan contract are: debt-service coverage ratio, loan to value ratio, loan to cost ratio and weighted average unexpired lease term applicable after 2026. No amount was withdraw from the credit line until 31 December 2024.

On 17 December 2024, the Company, through its subsidiary One M Hotel SRL contracted a bank loan in amount of EUR 17,500,000 from Unicredit Bank SA. The bank loan contract contains pledges over the land, buildings, receivables, bank accounts, movable assets. The Parent Company will bear the payment of any amount up to 10% of total developments costs (including construction costs: hard, soft and financing costs) of the project One M Hotel which exceed the estimated development budget but no more than the maximum amount of EUR 2,000,000. The bank loan agreement contains a pledge on the Parent company's shares in the subsidiary One M Hotel SRL for a number of 4,050,000 shares, with a total nominal value of RON 40,500,000. The amount of EUR 5.67 million EUR was withdrawn from the credit line until 31 December 2024. The financial covenants attached to the loan contract are: debt-service coverage ratio, loan to value ratio and loan to cost ratio applicable after 2026. The loan balance as of 31 December 2024 is RON 28,2 million and is all due on long term.

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

NOTE 16. PREPAYMENTS

	31 December 2024	**31 December 2023**
Prepayments in respect to financing commissions	12,392,202	11,316,145
Local Taxes	3,045	-
Insurance	313,698	437,761
Prepayments in respect to acquisition of investments	17,411,324	-
Project costs	17,675,186	1,462,257
Other prepayments	2,341,252	1,434,769
Total amount	**50,136,707**	**14,650,932**

In the category of "Prepayments in respect to financing commissions" are included the costs incurred to obtain bank financing. These costs are recognized on a straight-line basis over the term of the bank financing agreement.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 17. INVESTMENTS IN ASSOCIATES

As at 31 December 2024 and 31 December 2023, 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-24	31-Dec-23	31-Dec-24	31-Dec-23
Reinvent Energy SRL	Romania	Constructions	20%	20%	2,927,549	2,419,580
CCT & ONE AG	Switzerland	Investment	49.90%	49.90%	676,929	675,656
Glass Rom Invest SRL	Romania	Constructions	20%	20%	288,956	288,956
One Property Support Services SRL	Romania	Property management	20%	20%	595,726	424,020
One Herastrau Office Properties SRL	Romania	Holding	30%	30%	4,855,360	4,855,360
Asociatia ASAR	Romania	Architecture	20%	20%	2,500	2,500
Skia Financial Services SRL	Romania	Services	40%	0%	122,720	-
Total equity-accounted investments					**9,469,740**	**8,666,072**

	2024	2023
Aggregate amounts of the Group's share of:		
Profit from continuing operations	803,268	5,296,195
Total comprehensive income	**803,268**	**5,296,195**

NOTE 18. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

Description	31 December 2024	Short Term	Long term	31 December 2023	Short Term	Long term
Suppliers	89,772,888	*89,772,888*	-	135,127,264	*135,127,264*	-
Accrued payables	27,249,849	*27,249,849*	-	32,149,849	32,149,849	-
Performance guarantees retained from suppliers	86,486,514	*86,486,514*	-	61,064,176	61,064,176	-
Dividends	124,323	*124,323*	-	41,602,115	41,602,115	-
Other taxes and duties	759,203	*759,203*	-	2,490,901	2,490,901	-
Sundry creditors	20,080,483	*20,080,483*	-	35,250,629	35,250,629	-
Provisions	691,071	-	*691,071*	775,016	-	775,016
Employee benefits	2,546,983	*2,546,983*	-	2,179,487	2,179,487	-
Liabilities for acquisitions of investments	47,494,370	*47,494,370*	-	44,513,870	44,513,870	-
Other creditors	546,859	-	*546,859*	1,169,918	-	1,169,918
Total trade and other payables	**275,752,543**	***274,514,613***	***1,237,930***	**356,323,225**	***354,378,291***	***1,944,934***

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.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 18. TRADE AND OTHER PAYABLES (continued)

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

Following the resolutions of the Ordinary General Meeting of the Shareholders no. 69 dated 25.04.2024 and no. 71 dated 28.05.2024 the Company have paid the final tranche of dividends related to financial year 2023 (RON 38,2 million – gross dividend) through the Central Depositary S.A., starting 15.07.2024, to Company's shareholders registered in the Shareholder's Registry held by the Central Depositary S.A. on the registration date 28.06.2024.

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.

Developer	Project Name	Description	31-Dec-24	31-Dec-23
One Floreasca Towers SRL	One Floreasca Towers	Residential	-	10,784,731
One Herastrau Plaza SRL	One Herastrau Plaza	Residential	-	79,393
One Mircea Eliade Properties SRL	One Floreasca City	Residential	7,806,887	-
One North Lofts SRL (former One North Gate SA)	One North Lofts	Investment property	-	20,463,797
One Lake District SRL	One Lake District	Residential	36,334,125	65,784,889
One Plaza Athenee SRL (former One Proiect 3 SRL)	One Athenee	Residential	21,188,521	29,745,409
One Lake Club SRL (former One Proiect 6 SRL)	One Lake Club	Residential	29,167,714	36,300,581
One City Club SRL (former One Proiect 9 SRL)	One City Club	Investment property	10,091,524	5,088,155
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	Residential	14,682,854	6,726,810
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	One Herastrau Vista	Residential	-	21,346,165
One High District SRL	One High District	Residential	6,432,118	31,308,736
Eliade Tower SRL	Eliade Tower	Investment property	19,722,460	22,186,760
One Cotroceni Towers SRL	One Cotroceni Towers	Residential	153,404,904	139,791,793
X Arhitecture Engineering SRL	X Arhitecture	Architecture services	107,538	-
One Proiect 18 SRL	One Proiect 18	Investment property	54,746,895	-
Bucur Obor SA	Bucur Obor	Investment property	1,000	1,000
Total			**353,686,540**	**389,608,219**

Description	2024	2023
Advances received from clients in relation to residential portfolio (contract liabilities)	269,124,661	341,868,507
Advances received from clients in relation to investment property	84,561,879	47,739,712
Total	**353,686,540**	**389,608,219**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 19. ADVANCES RECEIVED FROM CLIENTS (continued)

In 2023, the Company, through its subsidiary, One North Lofts SRL (former 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. Until 31 December 2023, an advance payment of RON 7 million was collected in relation to this agreement, while in 2024 the final amount was collected (RON 22,8 million). Following this transaction, One North Lofts SRL retains a second building within the development, which is transformed into a residential development called One North Lofts. In Q4 2024, One North Lofts 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. Please see Note 8 and Note 20 for further details.

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	**2024**	**2023**
Sales of completed inventory property		
Sales – One Mircea Eliade Properties	*(1,384,587)*	*16,820,251*
Sales – One Mamaia Nord	*(1,378,303)*	*(237,968)*
Sales – One Verdi Park	*55,341,547*	*49,209,423*
Sales - One Herastrau Towers	*835,331*	*29,255,471*
Sales – One Cotroceni Park	*114,452,212*	*285,121,407*
Sales - Neo Floreasca Lake	*19,233,675*	*10,136,353*
Sales - One Timpuri Noi	*17,618,775*	*19,199,295*
Sales of residential property under development from which:		
Contract revenues - One Peninsula	*27,231,429*	*74,471,459*
Contract revenues - One Herastrau Vista	*64,276,508*	*35,377,346*
Contract revenues – One Modrogan	*(7,837,588)*	*963,533*
Contract revenues - One Mamaia Nord - phase 2	*58,632,941*	*14,002,434*
Contract revenues - One High District	*215,005,762*	*175,608,284*
Contract revenues - One Floreasca Towers	*115,889,850*	*68,648,670*
Contract revenues - One Lake District	*221,335,130*	*113,000,708*
Contract revenues – One Cotroceni Towers	*3,080,777*	*26,781,758*
Contract revenues – One Plaza Athenee	*8,556,888*	*89,176,791*
Contract revenues – One North Lofts	*61,698,937*	*-*
Contract revenues - One Lake Club	*169,319,813*	*122,858,753*
Total revenues from contracts with customers	**1,141,909,097**	**1,130,393,968**

The cost of sales of residential property is detailed below:

	2024	**2023**
Cost of sales of completed inventory property		
Cost of sales – One Mircea Eliade	*(7,147,208)*	*1,864,757*
Cost of sales – One Mamaia Nord	*(752,411)*	*66,721*
Cost of sales - One Verdi Park	*16,387,916*	*35,031,596*
Cost of sales - One Herastrau Towers	*(1,801,477)*	*9,569,239*
Cost of sales – One Cotroceni Park	*95,210,581*	*211,786,361*
Cost of sales - Neo Floreasca Lake	*7,496,204*	*8,011,716*
Cost of sales - One Timpuri Noi	*6,612,626*	*12,281,746*
Cost of sales of residential property under development from which:		
Contract cost - One Peninsula	*36,824,804*	*35,248,065*
Contract cost - One Herastrau Vista	*43,190,403*	*22,899,639*
Contract cost – One Modrogan	*(3,552,407)*	*2,508,641*
Contract cost - One Mamaia Nord - phase 2	*38,795,397*	*12,097,811*
Contract cost - One High District	*152,197,373*	*150,338,300*
Contract cost - One Floreasca Towers	*65,987,750*	*46,610,405*
Contract cost - One Lake District	*163,407,433*	*93,823,153*
Contract cost – One Cotroceni Towers	*3,631,049*	*26,784,444*
Contract cost – One Plaza Athenee	*8,173,237*	*57,628,796*
Contract cost - One North Lofts	*56,647,380*	*-*
Contract cost - One Lake Club	*103,486,582*	*76,189,589*
Total cost of sales	**784,795,232**	**802,740,979**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 20. NET INCOME FROM RESIDENTIAL PROPERTY (continued)

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

At 31 December 2024, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was RON 1,201,309,711 (2023: RON 1,301,925,291), of which approximately 60% is expected to be recognised as revenues during 2025.

The Group through its subsidiary, One North Lofts have obtained the building permit for a building located in Voluntari, Ilfov County. 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. Please refer to Note 30 for further details.

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.

	2024	2023
Rental income (excluding straight-lining of lease incentives)	142,240,571	116,171,421
Straight-lining of lease incentives	(26,032,355)	(18,097,638)
Rental income	**116,208,216**	**98,073,783**

Details about the net annual rent are presented below:

As at 31 December 2024	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	83,918,679	72.21%	28,151,965	112,070,644	74.00%
Retail	29,435,111	25.33%	6,418,651	35,853,762	23.67%
Other	2,854,426	2.46%	668,654	3,523,080	2.33%
Total	**116,208,216**	**100.00%**	**35,239,270**	**151,447,486**	**100.00%**

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%**

Under the office activity, are mainly included the revenues generated by One United Tower, One Cotroceni Park Office, One Cotroceni Park Office Faza 2 and One Victoriei Plaza with a share of 96% in total office rental revenues as of 31 December 2024. The rental activity increased as One Cotroceni Park Office Faza 2 building started to generated revenues as the development was 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 2024	Gross rental income	Straight-lining of lease incentives	Rental income
Office	109,951,034	(26,032,355)	83,918,679
Retail	29,435,111	-	29,435,111
Other	2,854,426	-	2,854,426
Total	**142,240,571**	**(26,032,355)**	**116,208,216**

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**

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

	2024	**2023**
Gross amount of lease incentives not fully amortised	215,666,933	175,919,235
Cumulative amount recognised in profit or loss	(66,434,849)	(29,250,066)
Net amount of lease incentives not fully amortised	**149,232,084**	**146,669,169**

The net amount of lease incentives not fully amortised are included in the statement of financial position under 'Investment property' at 31 December 2024 and 31 December 2023.

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 an extension option. The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group, through its subsidiary have obtained the building permit for One Technology District, a large-scale turn-key sustainable (zero-carbon footprint) office hub developed for Infineon Technologies. The construction works have commenced immediately, with delivery expected to take place in 2026. One Technology District will serve Infineon's needs for a 15-year period starting with 2026. The total contract value amounts to EUR 57 million (excluding VAT).

The Group, through its subsidiary have obtained the building permit for Mondrian Bucharest hotel, the first hotel in the Company's portfolio.

NOTE 22. SALES BROKERAGE EXPENSES AND OVERHEAD EXPENSES

Description	**2024**	**2023**
Commissions for brokerage real estate	13,658,244	10,909,683
Commissions for brokerage real estate - office	4,577,216	4,067,347
Total	**18,235,460**	**14,977,030**

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 2024 and 2023 are detailed as follows:

Description	2024	2023
Bank commissions and similar charges	555,115	233,550
Commissions, fees and legal consultancy	14,886,790	13,025,548
Marketing, advertising and publicity	21,747,864	14,398,055
Accounting, audit and consultancy services	2,535,015	2,149,774
Administration services	1,901,914	1,653,206
Other administrative expenses	8,046,378	6,885,352
Amortization of tangibles and intangibles	4,245,772	3,641,904
Salaries and similar contributions	13,742,134	11,703,064
Share based payment transactions	6,023,118	25,124,118
Depreciation of right of use assets	482,229	482,229
Total	**74,166,329**	**79,296,800**

The average number of employees as of 31 December 2024 is 126 (31 December 2023: 115 employees).

The fees approved by the audit committee for services provided by Deloitte Audit SRL for 2024 to the company and subsidiaries within the group comprise fees amounting EUR thousand 261,7 (out of which statutory audit and other audit fees in amount of EUR thousand 177,3 and other non-audit services in amount of EUR thousand 84,4).

NOTE 24. OTHER OPERATING EXPENSES

Other operating expenses in 2024 and 2023 are detailed as follows:

Description	2024	2023
Donations and sponsorships	7,432,505	9,294,231
Bad debts written off	118,637	392,315
Expense with provisions and allowance for impairment	5,616,780	(1,281,899)
Contractual penalties	1,295,588	3,860,487
Other operating expenses	3,825,846	2,400,811
Total	**18,289,356**	**14,665,945**

NOTE 25. NET FINANCIAL RESULT

The financial income and expenses in 2024 and 2023 are detailed as follows:

Description	2024	2023
Interest income	17,882,642	22,500,588
Foreign exchange net gain	-	-
Other financial income	100,000	4,339,995
Total financial income	**17,982,642**	**26,840,583**
Interest expenses	(60,612,500)	(56,907,656)
Other financial expenses	(8,499,391)	(2,723,705)
Foreign exchange net loss	(610,978)	(5,201,438)
Total financial expenses	**(69,722,869)**	**(64,832,799)**
Total net financial result – gain/(loss)	**(51,740,227)**	**(37,992,216)**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. RELATED PARTIES

The Group's related parties with which have incurred transactions at 31 December 2024 and 31 December 2023 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
Element Investments SRL	Romania	Other related party
Element Invest Partners SRL	Romania	Other related party
Element Investitii Imobiliare SRL	Romania	Other related party
Reinvent Energy SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office Properties SRL	Romania	Associate
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
Skia Financial Services SRL	Romania	Associate
Vinci Ver Holding SRL	Romania	Shareholder and other related party
OA Liviu Holding SRL	Romania	Shareholder and other related party
Energy Distribution Services SRL	Romania	Shareholder and other related party, until December 2024
Conarg SA	Romania	Shareholder and other related party
Binbox Global Services SRL	Romania	Shareholder and 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
Valentin-Cosmin Samoila	Romania	Key management personnel, until April 2024
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel, until April 2024
Dirk Pahlke	Germany	Key management personnel, starting April 2024

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	2024	2023
Short - term employee benefits	874,174	2,273,902
Share - based payments	29,543,192	81,449,718

At 31 December 2024, share - based payments represent the equivalent of 31,203,202 ordinary shares of the Company granted free of charge under the SOP Plan.

At 31 December 2023, 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.

At 31 December 2024 and 31 December 2023, 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.

The following tables provides the total amount of transactions that have been entered into with related parties during 2024 and 2023, as well as balances with related parties as at 31 December 2024 and 31 December 2023.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 26. RELATED PARTIES (continued)

Nature of balances	Related party categories	Statement of financial position (Amounts owing (to)/from) 31 December 2024	31 December 2023
Receivables and other receivables related to goods and services sold	Key management personnel of the Group	14,464	2,482
	Associates	19,851,824	4,442,733
	Other related parties	22,819,015	19,309,734
Advances paid for purchases of goods and services	Key management personnel of the Group	-	-
	Associates	19,365,034	12,621,057
	Other related parties	24,276,943	21,117,942
Payables related to goods and services paid	Key management personnel of the Group	3,755	3,305
	Associates	21,736,765	21,961,612
	Other related parties	2,810,982	12,828,459
Dividends paid during the year, net of tax	Key management personnel of the Group	5,977,884	1,988,914
	Other related parties	64,668,673	22,439,070
Advance payments received	Other related parties	41,116,534	18,724,925
	Associates	21,015,800	57,345,740

Nature of transactions	Related party categories	Income statement (Income/(expense)) 2024	2023
Sales of goods and services	Associates	(35,031,633)	32,283,671
	Other related parties	95,236,928	20,866,186
Dividends income	Associates	100,000	4,048,000
Purchases of various goods and services	Associates	93,453,946	72,523,670
	Other related parties	15,793,678	37,163,084

Loans from related parties		Interest expenses	Amounts owed to related parties
Companies – Other related parties	2024	316,760	17,080,551
	2023	-	34,363,079
Total loans from related parties	**2024**	**316,760**	**17,080,551**
	2023	**-**	**34,363,079**

Loans granted to related parties		Interest income	Amounts granted to related parties
Loans granted to associates	2024	-	681,315
	2023	32,548	681,383
Total loans from related parties	**2024**	**-**	**681,315**
	2023	**32,548**	**681,383**

(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 Office**		**One Cotroceni Park Office Faza 2**		**One United Tower**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Current assets	53,122,561	48,657,394	18,422,154	31,708,647	22,316,960	34,524,244
Current liabilities	26,217,327	28,423,072	15,759,522	23,617,345	24,506,270	26,798,666
Current net assets	**26,905,234**	**20,234,322**	**2,662,632**	**8,091,302**	**(2,189,310)**	**7,725,578**
Non-current assets	604,529,376	599,017,054	447,686,241	416,209,212	459,420,089	457,700,752
Non-current liabilities	248,488,475	253,668,845	261,900,445	244,521,760	264,845,800	276,381,410
Non-current net assets	**356,040,901**	**345,348,209**	**185,785,796**	**171,687,452**	**194,574,289**	**181,319,342**
Net assets	**382,946,135**	**365,582,530**	**188,448,428**	**179,778,755**	**192,384,979**	**189,044,920**
NCI % at year end	*32.44%*	*32.75%*	*32.44%*	*32.75%*	*28.54%*	*28.54%*
Equity attributable to owners of the Company	**258,718,409**	**245,854,251**	**127,315,758**	**120,901,213**	**137,478,306**	**135,091,500**
Non-controlling interests	**124,227,726**	**119,728,278**	**61,132,670**	**58,877,542**	**54,906,673**	**53,953,420**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Summarized balance sheet	One Technology District		Bucur Obor	
	2024	2023	2024	2023
Current assets	5,032,780	1,419,997	66,653,762	58,754,062
Current liabilities	756,345	79,564	7,842,458	7,573,752
Current net assets	**4,276,435**	**1,340,433**	**58,811,304**	**51,180,310**
Non-current assets	81,241,863	161,001	346,941,682	315,274,947
Non-current liabilities	21,149,391	2,247,508	39,208,504	35,422,061
Non-current net assets	**60,092,472**	**(2,086,507)**	**307,733,178**	**279,852,886**
Net assets	**64,368,907**	**(746,074)**	**366,544,482**	**331,033,196**
NCI % at year end	*42.60%*	*0.00%*	*45.5649%*	*45.56%*
Equity attributable to owners of the Company	**36,947,753**	**(746,074)**	**199,528,855**	**180,214,472**
Non-controlling interests	**27,421,154**	**-**	**167,015,627**	**150,818,724**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Cotroceni Park Office		One Cotroceni Park Office Faza 2		One United Towers	
Summarized statement of comprehensive income	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Revenue	42,719,817	39,047,743	23,088,708	3,174,192	34,250,003	32,300,021
Profit for the period	**17,363,605**	**19,751,233**	**8,669,673**	**(4,175,818)**	**3,340,059**	**27,922,837**
Total comprehensive income	**17,363,605**	**19,751,233**	**8,669,673**	**(4,175,818)**	**3,340,059**	**27,922,837**
NCI % at year end	*32.44%*	*32.75%*	*32.44%*	*32.75%*	*28.54%*	*28.54%*
Profit allocated to NCI	**5,632,753**	**6,468,529**	**2,812,442**	**(1,367,580)**	**953,253**	**7,969,178**
Dividends paid to NCI	-	-		-	-	-
Summarized statement of cash flow	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Net cash from operating activities	11,045,212	13,360,039	(11,659,775)	(13,110,962)	3,897,574	7,210,399
Net cash flows from used in investing activities	4,372,621	(10,291,298)	(16,177,411)	(53,521,671)	3,980,011	1,859,037
Net cash from financing activities	(10,856,883)	(1,011,321)	15,069,361	81,700,720	(18,709,971)	(8,044,452)
Net changes in cash and cash equivalents	**4,560,950**	**2,057,420**	**(12,767,825)**	**15,068,087**	**(10,832,386)**	**1,024,984**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

	One Technology District		Bucur Obor	
Summarized statement of comprehensive income	**2024**	**2023**	**2023**	**2023**
Revenue	-		35,853,762	35,983,037
Profit for the period	**32,443,967**	**(788,945)**	**35,511,286**	**27,757,649**
Total comprehensive income	**32,443,967**	**(788,945)**	**35,511,286**	**27,757,649**
NCI % at year end	*42.60%*	*0%*	*45.5649%*	*45.56%*
Profit allocated to NCI	**13,821,130**	**-**	**16,180,682**	**12,646,385**
Dividends paid to NCI	**-**			**-**
Summarized statement of cash flow	**2024**	**2023**	**2024**	**2023**
Net cash from operating activities	(6,593,554)	32,356	23,951,090	21,480,140
Net cash flows from used in investing activities	(38,647,855)	-	(16,158,470)	(1,244,503)
Net cash from financing activities	45,242,992	-	-	-
Net changes in cash and cash equivalents	**1,583**	**32,356**	**7,792,620**	**20,235,637**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

Transactions with non-controlling interests

During 2024 and 2023, 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 2024	One Gallery Floreasca	One Long Term Value	Bucur Obor	One Baneasa Air Park	One Technology District	One Proiect 24	One North Lofts	Propcare	One Proiect 11	Neo Floreasca Lake	One Verdi Park	One Cotroceni Park	One Cotroceni Park Office	One Cotroceni Park Office faza 2	Total
	30% acquired from NCI	*2% acquired from NCI*	*0.005% acquired from NCI*	*30% sold to NCI*	*Increase in NCI from 0% to 42.6%*	*10% acquired from NCI*	*12.35% acquired from NCI*					*20% acquired from NCI*	*0.31% acquired from NCI*	*0.31% acquired from NCI*	
Carrying amount of non-controlling interests acquired/sold	4,158,131	265,068	18,084	(68,978)		(81,135)	11,682,270					31,771,211	1,150,842	570,248	**49,465,741**
Consideration (paid)/received to/from non-controlling interests	(27,000)	(20)	(291,954)	13,500		(4,500)	(22,019,085)					(33,140,786)	(5,000)	(5,000)	**(55,479,845)**
Impact in retained earnings	**4,131,131**	**265,048**	**(273,870)**	**(55,478)**		**(85,635)**	**(10,336,815)**					**(1,369,575)**	**1,145,842**	**565,248**	**(6,014,104)**
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary (without change in control)	**36,000**	**-**	**-**	**-**	**29,042,414**	**-**	**-**	**9,000**	**100,916**	**750**	**22,500**				**29,211,580**

- The non controlling interest in One Technology District SRL (former of One Proiect 17 SRL) have increased from 0% to 42.6% due to a non cash share capital increase in this subsidiary, by which the shareholders loans were converted into equity.

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 27. NON-CONTROLLING INTERESTS (continued)

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**

(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-24	**Withdrawals**	**Interest charge**	**Interest charge capitalized in investment property**	**Cash flows payments**	**Foreign exchange movements**	**Conversion to equity**	**reclass from one category to another**	**Other movements**	**31-Dec-24**
Bank loans	910,657,997	634,116,421	57,054,137	8,772,600	(605,134,575)	14,470	-	-	-	1,005,481,050
Loans received from shareholders	82,647,924	34,010,053	3,226,897	-	(59,935,585)	19,634	(29,040,660)	(6,026,495)	28,072	24,929,840
Loans received from related parties	34,363,079	10,600	316,760	-	(23,579,566)	(3,870)	-	6,026,495	(52,947)	17,080,551
Lease liabilities	2,921,539	-	14,666	1,565	(531,917)	11,789	-	-	-	2,417,642
Total liabilities from financing activities	**1,030,590,539**	**668,137,074**	**60,612,460**	**8,774,165**	**(689,181,643)**	**42,023**	**(29,040,660)**	**-**	**(24,875)**	**1,049,909,083**

	1-Jan-23	**Withdrawals**	**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**

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 M Hotel SRL (former One Proiect 12 SRL). The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until February 2026 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 share's 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 2026 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 share's sale pre-agreement.

The Company, through its subsidiary, One Technology District 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 Park Line SRL (former 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 instalments.

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 2024 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 2,7 million until 31 December 2024. From the remaining amount of EUR 4,3 million, the amount of EUR 1 million was paid on January 2025, while the amount of EUR 3,3 million will be paid no later than July 15, 2025. 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 lifetime 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.

The works on the One Modrogan project are suspended according to a court decision issued which has as an object the annulment of the urban area plan (PUZ) and building permit (AC). Several litigation cases related to this matter are ongoing, but no final decision has yet been reached. The Group management assessed the matter together with the legal counsel, and concluded the project will be finalized, and therefore there will be no requirement to repay any amounts received from customers and that the assets related to the projects are recoverable. The Group management do not consider the likelihood of an outflow of economic benefits to be probable and so no provisions are recorded in this respect. However, a contingent liability is identified in relation to obligations to customers in the event of an adverse final ruling in the litigation case.

As of December 31, 2024, the Group has recognized sales amounting to RON 156,5 million and incurred cost of sales of RON 88,5 million in relation to the One Modrogan project. The Group's balance sheet includes inventories valued at RON 43,3 million and contract assets of RON 12,5 million, along with advance payments from clients totaling RON 143 million. Additionally, the Group management has filed a warranty claim requesting compensation of EUR 71,7 million from the Municipality of Bucharest for damages caused by the issuance of documents that were later deemed illegal. This claim is currently suspended until the aforementioned litigations are finalized.

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 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings	1,047,491,441	1,027,669,000	847,247,532	836,365,760
Advances from customers	353,686,540	389,608,219	318,093,556	352,166,557

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as at 31 December 2024 and 31 December 2023:

31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings			847,247,532	847,247,532
Advances from customers			318,093,556	318,093,556

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

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 31. FAIR VALUE HIERARCHY (continued)

There were no transfers between Level 1 and 2 during 2024 or 2023.

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 2024, 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 2024.

NOTE 32. SEGMENT REPORTING

Reporting segments are residential, office, retail 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 (2023: nil). No single customers contributed 10 per cent or more to the Group's revenue in either 2024 or 2023.

Segment results 31 Dec 2024

RON	**Residential**	**Office, retail & landbank**	**Corporate**	**Total**
Revenues from sales of inventory property	1,141,909,097	-	-	**1,141,909,097**
Cost of sales of inventory property	(784,795,232)	-	-	**(784,795,232)**
Other property operating expenses - residential	(13,328,691)	-	-	**(13,328,691)**
Commissions for brokerage real estate	(13,658,244)	-	-	**(13,658,244)**
Net income from residential property	**330,126,930**	-	-	**330,126,930**
Revenues from rentals, service charge and similar	2,414,352	149,033,134	-	**151,447,486**
Expenses from services to tenants	-	(35,239,270)	-	**(35,239,270)**
Other property operating expenses	-	(8,719,045)	-	**(8,719,045)**
Commissions for brokerage real estate - office	-	(4,577,216)	-	**(4,577,216)**
Net rental income	**2,414,352**	**100,497,603**	-	**102,911,955**
Gains from investment property	20,401,258	113,841,544	-	**134,242,802**
Administrative expenses	(8,098,627)	(10,462,359)	(55,605,343)	**(74,166,329)**
Other operating expenses	(12,034,275)	(3,462,777)	(2,792,304)	**(18,289,356)**
Profit on disposal of investment property	(2,592,780)	(678,427)	-	**(3,271,207)**
Other operating income	4,955,981	1,481,785	3,693,870	**10,131,636**
Result from operating activity	**335,172,839**	**201,217,369**	**(54,703,777)**	**481,686,431**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued)

Segment results 31 December 2023	**Residential**	**Office, retail & landbank**	**Corporate**	**Total**
RON				
Revenues from sales of residential property	1,130,393,968	-	-	**1,130,393,968**
Cost of sales of residential property	(802,740,979)	-	-	**(802,740,979)**
Other property operating expenses – residential	(12,124,094)	-	-	**(12,124,094)**
Commissions for brokerage real estate	(10,909,683)	-	-	**(10,909,683)**
Net income from residential property	**304,619,212**	**-**	**-**	**304,619,212**
Revenues from rentals, service charge and similar	-	128,354,651	-	**128,354,651**
Expenses from services to tenants	-	(30,280,868)	-	**(30,280,868)**
Other property operating expenses	-	(11,452,425)	-	**(11,452,425)**
Commissions for brokerage real estate - office	-	(4,067,347)	-	**(4,067,347)**
Net rental income	**-**	**82,554,011**	**-**	**82,554,011**
Gains from investment property	110,495,935	150,135,861	-	**260,631,796**
Administrative expenses	(8,989,358)	(9,442,369)	(60,865,073)	**(79,296,800)**
Other operating expenses	(8,417,068)	(2,515,013)	(3,733,864)	**(14,665,945)**
Profit on disposal of investment property	2,351,899	3,536,595	-	**5,888,494**
Other operating income	901,539	1,788,342	1,996,817	**4,686,698**
Result from operating activity	**400,962,159**	**226,057,427**	**(62,602,120)**	**564,417,466**

Segment assets and liabilities 31 December 2024	**Residential**	**Office, retail & landbank**	**Corporate**	**Total**
RON				
Goodwill	19,256,076	-	-	19,256,076
Intangible assets	-	15,010,992	2,017,353	17,028,345
Investment properties	215,906,916	2,624,125,542	-	2,840,032,458
Investments in associates	-	-	9,469,740	9,469,740
Right of use assets	726,236	324,324	-	1,050,560
Property, plant and equipment	8,317,957	3,574,098	41,018,380	52,910,435
Other non-current assets	-	5,139,267	25,310,237	30,449,504
Total non-current assets	**244,207,185**	**2,648,174,223**	**77,815,710**	**2,970,197,118**
Inventories	1,041,338,584	83,733	-	1,041,422,317
Advance payments to suppliers	126,645,140	40,059,998	12,692,290	179,397,428
Trade receivables	689,209,790	66,403,196	278,542	755,891,528
Other receivables	15,892,675	3,853,637	83,913,438	103,659,750
Prepayments	13,029,068	19,048,694	18,058,945	50,136,707
Cash and cash equivalents	127,002,598	156,568,438	148,258,751	431,829,787
Total current assets	**2,013,117,855**	**286,017,696**	**263,201,966**	**2,562,337,517**
Total assets	**2,257,325,040**	**2,934,191,919**	**341,017,676**	**5,532,534,635**
Loans and borrowings - long term	139,431,740	792,671,962	-	932,103,702
Trade and other payables	-	1,186,647	51,283	1,237,930
Deferred tax liabilities	114,618,497	247,514,525	(2,917,941)	359,215,081
Total non-current liabilities	**254,050,237**	**1,041,373,134**	**(2,866,658)**	**1,292,556,713**

(Amounts are expressed in RON, unless otherwise mentioned)

NOTE 32. SEGMENT REPORTING (continued) *RON*	**Residential**	**Office, retail & landbank**	**Corporate**	**Total**
Loans and borrowings - short term	57,987,609	57,400,130	-	115,387,739
Trade and other payables	179,084,011	41,812,671	53,617,931	274,514,613
Accrued income	10,036,903	14,367,519	-	24,404,422
Lease liabilities	2,089,367	328,275	-	2,417,642
Current tax liabilities	701,506	579,635	9,179,397	10,460,538
Advance payments from customers	269,124,661	84,561,879	-	353,686,540
Total current liabilities	**519,024,057**	**199,050,109**	**62,797,328**	**780,871,494**
Total liabilities	**773,074,294**	**1,240,423,243**	**59,930,670**	**2,073,428,207**

Segment assets and liabilities 31 December 2023	**Residential**	**Office, retail & landbank**	**Corporate**	**Total**
RON				
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 33. EARNING PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2024 was based on the profit attributable to equity holders of RON 372,625,552 (31 December 2023: RON 449,618,530) and the weighted average ordinary shares in issue during the year.

RON	**31 December 2024**	**31 December 2023**
Profit for the year attributable to equity holders	372,625,552	449,618,530
Weighted average number of shares in issue	4,246,131,103	3,742,333,473
Basic earnings per share attributable to equity holders	0.0878	0.1201
Diluted earnings per share attributable to equity holders	0.0873	0.1187

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

The Romanian Financial Supervisory Authority has issued the certificate of registration of financial instruments (CIIF) no. AC-6031-1/29.01.2025 CIIF certifies the registration of the operation of the consolidation of the nominal value of the shares of One United Properties, approved by the Resolution of the Extraordinary General Meeting of Shareholders dated 10 October 2024. The Company have finalized the process of registration of the nominal value consolidation with the Central Depository on 5 February 2025. Pursuant to the share capital increase, the Company's share capital amounts to RON 1,105,831,020, divided into 110,583,102 ordinary registered shares, with a nominal value of RON 10 per share.

On 24 March 2025, the Revenue & Expense Budget for 2025 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 29 April 2025.