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UNITED PROPERTIES

# INVESTOR & ANALYST CALL

H1 2021 Results | 30.08.2021

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Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.

# Welcome to One United Properties Results Call



**VICTOR CĂPITANU**  
Executive Board Member



**COSMIN SAMOILĂ**  
Chief Financial Officer

# Call agenda

1. About One United Properties
2. H1 2021 Result Highlights
3. Business Updates
4. 2021 Outlook
5. Q&A Session



# Glossary

<b>ASP</b>	Average Selling Price
<b>GBA</b>	Gross Built Area
<b>GDV</b>	Gross Development Value
<b>MV</b>	Market Value
<b>NOI</b>	Net Operating Income
<b>PPS</b>	Purchase Power Standard
<b>OUP</b>	<b>One United Properties</b>
<b>OCP</b>	One Cotroceni Park
<b>OCdG</b>	One Charles de Gaulle
<b>OFL</b>	One Floreasca Lake
<b>OHPK</b>	One Herăstrău Park
<b>OHPL</b>	One Herăstrău Plaza
<b>OME</b>	One Mircea Eliade
<b>OP</b>	One Peninsula
<b>OVP</b>	One Verdi Park
<b>OT</b>	One Tower
<b>NTN</b>	Neo Timpuri Noi
<b>NFL</b>	Neo Floreasca Lake
<b>NM</b>	Neo Mamaia

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# 1. ABOUT ONE UNITED PROPERTIES



**One United Properties** is a leading green developer of residential, mixed-use and office real estate, in Bucharest, Romania.

Since the beginning, **One United Properties** continuously innovates in building practices for energy-efficient, healthy and environmentally sustainable buildings, being highly recognized with multiple awards for architecture, design, development and other sustainability and environmental awards.

The founders invested in real estate since 2000, developed their first residential building in 2006, and starting with 2013 expanded into the **“One”** brand and raised it now to a highly profitable business, with a fast-paced growth.

Following a successful IPO, shares of One United Properties floated on the Main Market of the Bucharest Stock Exchange on July 12<sup>th</sup>, 2021.

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# OUR RESIDENTIAL PROJECTS

- ① ONE Madrigalului
- ② ONE Floreasca Lake
- ③ ONE Herastrau Park
- ④ ONE Charles de Gaulle
- ⑤ ONE Herastrau Plaza
- ⑥ ONE Mircea Eliade
- ⑦ ONE Herastrau Towers
- ⑧ ONE Verdi Park
- ⑨ ONE Modrogan
- ⑩ ONE Peninsula
- ⑪ ONE Cotroceni Park
- ⑫ ONE Lake District
- ⑬ ONE Floreasca Towers
- ⑭ NEO Mamaia
- ⑮ NEO Timpuri Noi
- ⑯ NEO Floreasca Lake
- ⑰ ONE Herastrau Vista
- ⑱ ONE High District
- ⑲ ONE Lake Club

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- ① ONE Tower
- ② ONE Cotroceni Park
- ③ ONE North Gate
- ④ ONE Herăstrău Office

# OUR OFFICES PORTFOLIO

# GROUP STRUCTURE

Victor Căpitanu  
29.76%

Andrei Diaconescu  
29.76%

Free-float  
40.48%

## One United Properties

### ONE RESIDENCES

One Mircea Eliade Properties 100%	One Peninsula 100%	One Cotroceni Park 80%
One Verdi Park 90%	One Modrogan <sup>1</sup> 100%	One Lake District <sup>1</sup> 100%
One Floreasca Towers 100%	One Charles de Gaulle Residence <sup>1</sup> 100%	One Mamaia 100%
One Herăstrău Towers 100%	One Herăstrău Plaza <sup>1</sup> 100%	One Lake Club 100%
		One High District 100%

### NEO RESIDENCES

Neo Properties Development <sup>1</sup> 85%
Neo Floreasca Lake <sup>1 2</sup> 85%
Neo Mamaia <sup>1 2</sup> 85%
Neo Timpuri Noi <sup>1 2</sup> 85%
Neo Herăstrău Park <sup>1 2</sup> 85%

### ONE OFFICES

One United Tower 70.24%	One Cotroceni Park Office 57.25%
One North Gate 56.739%	One Cotroceni Park Office Phase II 57.25%
One Herăstrău Office Properties 30%	One Cotroceni Park Office Phase III 70%
One Herăstrău Office <sup>2</sup> 20%	

### OTHER INVESTMENTS

One Long Term Value <sup>1</sup> 100%
One Long Term Investments 100%
CCT ONE Switzerland <sup>2</sup> 49.90%

### OPERATIONAL

X Architecture Engineering Consult 80%	Reinvent Energy 20%
Skia Real Estate 51%	Glass Rom Invest 20%
	One Property Support Services 20%

(1) Reflecting ongoing changes to the shareholding structure

(2) Companies owned by subsidiaries. Shown the indirect % of the OUP ownership

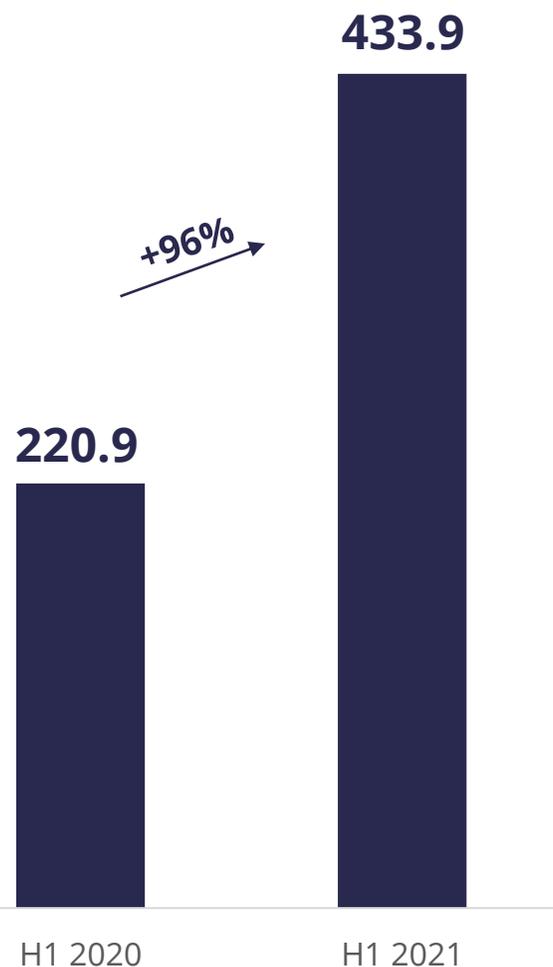
# 2. H1 2021 FINANCIAL HIGHLIGHTS

# KEY FINANCIAL FIGURES

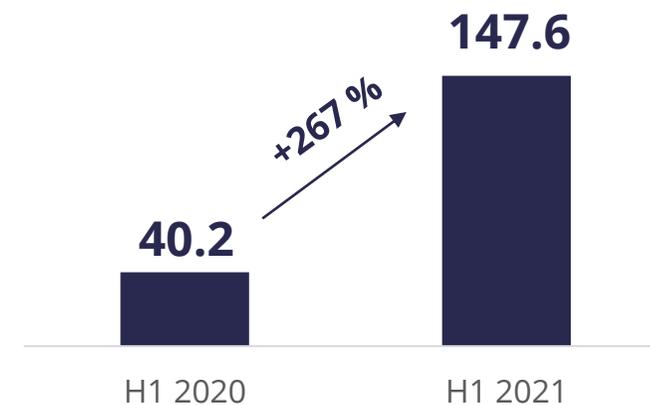
One United Properties registered the best results in history in the first six months of 2021, posting a 96% increase in consolidated turnover.

Revenue and profits from development of office buildings for H1 2021 amounted to RON 88.4 million and are certified of the independent valuation performed by Cushman & Wakefield. Main impact was generated by the development of One Tower and One Cotroceni Park.

Bottom line surged 267%, from RON 40.2m in H1 2020 up to RON 147.5m in H1 2021, faster than the topline due to 46% increase in the net margin from the residential development compared to last year which reached RON 108.1m.



**CONSOLIDATED  
TURNOVER**



**CONSOLIDATED NET  
PROFIT**

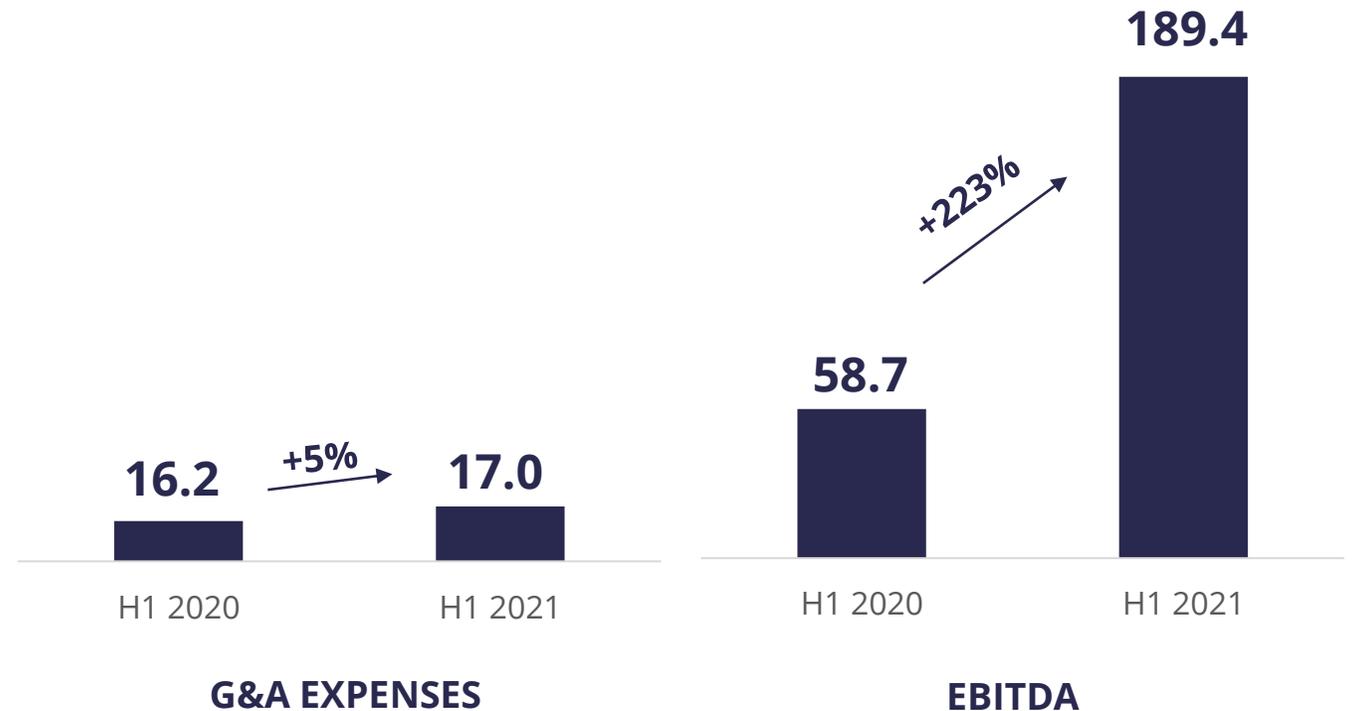
in RON m

# KEY FINANCIAL FIGURES

G&A expenses remained almost constant and grew marginally by 5%, from RON 16.2 million to RON 17 million despite significant increase in volume of operations and transactions.

Due to maintaining tight control over G&A expenses, EBITDA grew 223%, up to RON 189.4 million, as the margin grew 17pp, from 26.4% to 43.7%.

Gross result increased by 239%, reaching RON 182 million, with 18pp increase in EBT margin.

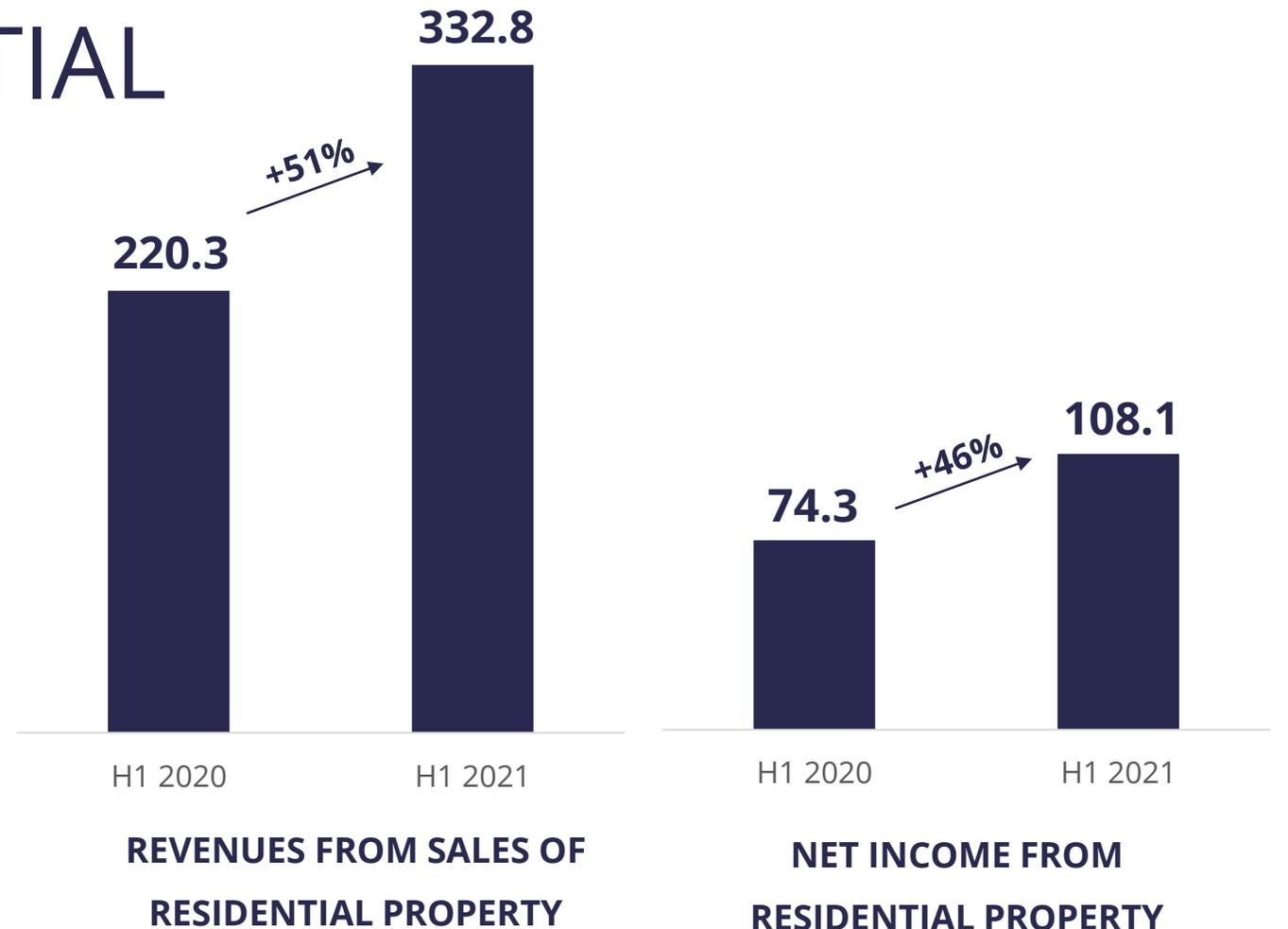


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# KEY FINANCIAL FIGURES - RESIDENTIAL

Revenues from sales of residential properties increased 51% compared to similar period of last year generated mainly by sales in projects such as One Cotroceni Park (RON 68.2m), One Peninsula (RON 60.4m), One Mircea Eliade (RON 53.9m) and One Verdi Park (RON 50.7m).

The net margin from residential property sales decreased by 1.2pp, from 33.7% to 32.5% due to the kickoff of development at One Cotroceni Park and related thereto sales to early clients; the difference will be made up until the completion of the development.



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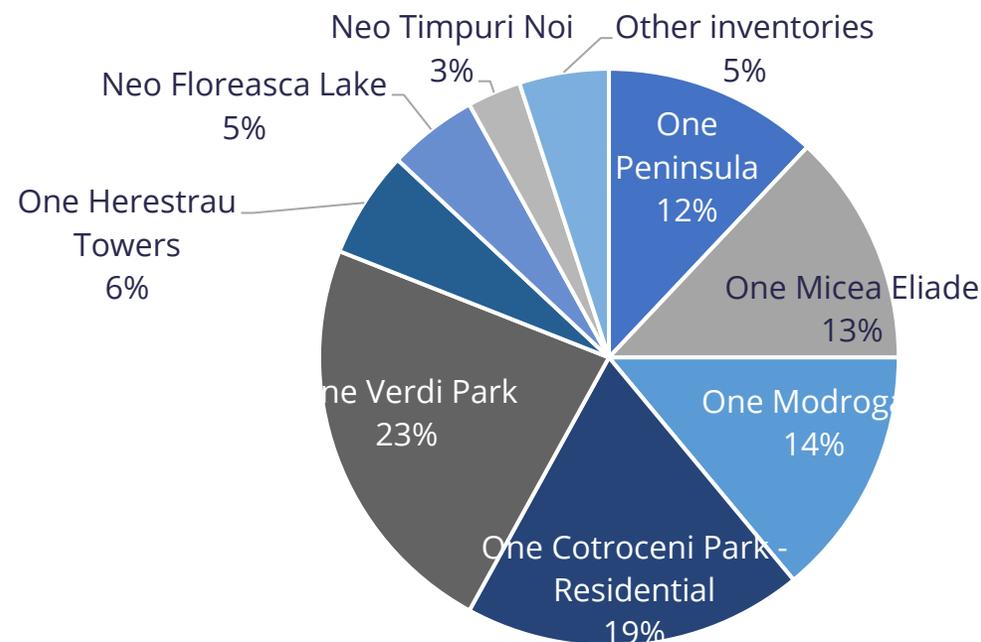
# ASSETS – RESIDENTIAL

Residential properties grew 59% compared to December 31st, 2020.

The increase was generated by construction of residential developments and the partial reclassification from investment properties in One Cotroceni Park.

Residential Property	30-Jun-21	31-Dec-20
One Verdi Park	94,375,923	10,459,270
One Cotroceni Park - Residential	76,054,437	-
One Modrogan	57,159,114	57,635,787
One Mircea Eliade	53,980,668	58,824,703
One Peninsula	49,954,661	52,067,436
One Herăstrău Towers	26,599,176	36,271,271
Neo Floreasca Lake	19,889,868	13,457,443
Neo Timpuri Noi	10,666,878	11,277,012
Other inventories	19,983,901	17,355,236
<b>TOTAL</b>	<b>408,664,625</b>	<b>257,348,157</b>

in RON m



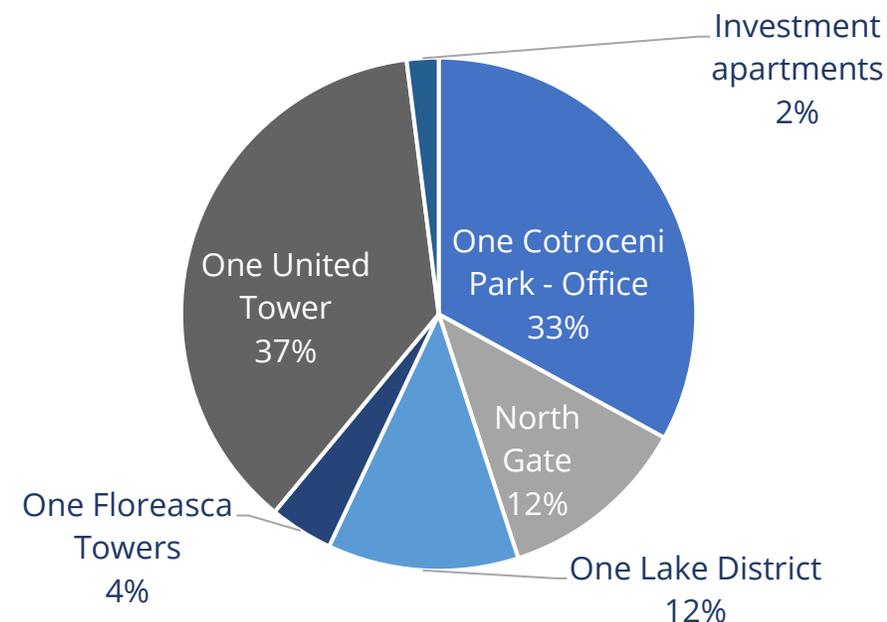
# ASSETS – OFFICE & LANDBANK

Investment properties had a limited decrease of 4% compared to year end, generated by the change in asset class of developments One Cotroceni Park residential component and One Verdi Park projects that have received building permits for residential development in 2021 and such they were reclassified to residential properties.

The company registered a constant increase in the value of the investment properties due their continuous development, increase in projected revenues and improved zoning and permitting status.

Office and Landbank	30-Jun-21	31-Dec-20
One United Tower	356,643,813	321,672,564
One Cotroceni Park - Office	314,717,597	196,188,126
One Cotroceni Park - Residential	-	121,408,241
North Gate	118,021,906	124,343,327
One Lake District	117,319,087	107,811,603
One Verdi Park	-	81,465,062
One Floreasca Towers	38,102,431	37,289,230
Investment apartments	20,237,823	20,237,822
<b>TOTAL</b>	<b>965,042,657</b>	<b>1,010,415,975</b>

in RON m

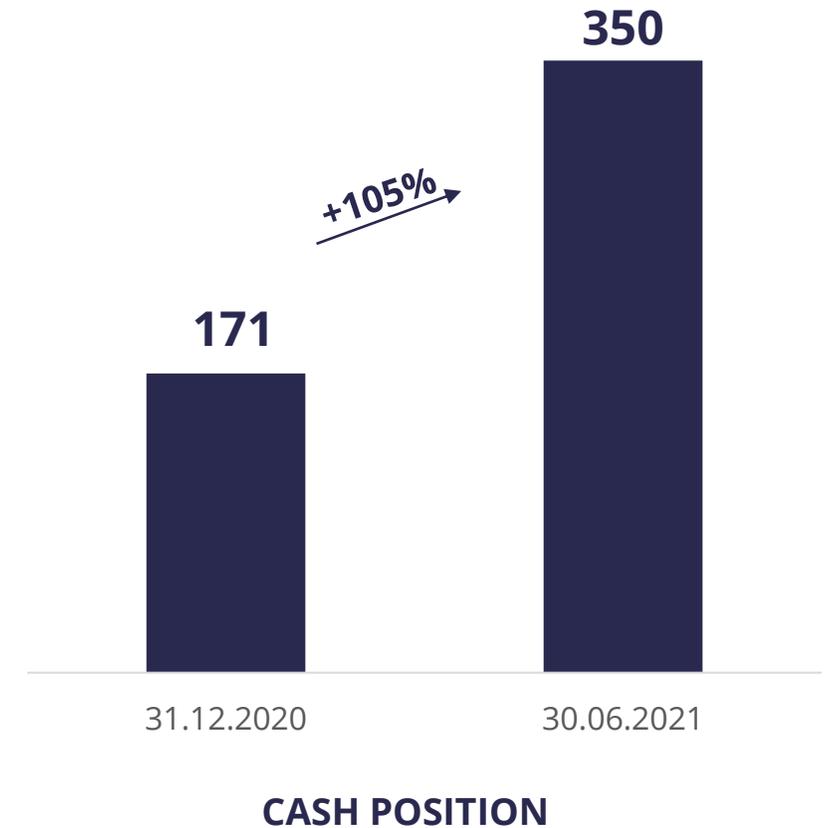


# CASH FLOW

The amount of cash and cash equivalents more than doubled compared to situation as of December 31<sup>st</sup>, 2020, from RON 171 million up to RON 350 million.

This resulted in the increase in the proportion of cash and cash equivalents in total assets from 7% to 17%, reflecting a stronger cash flow position.

The net cash proceeds from the IPO, in the amount of RON 252 million, increased the cash position of the company further in July 2021.



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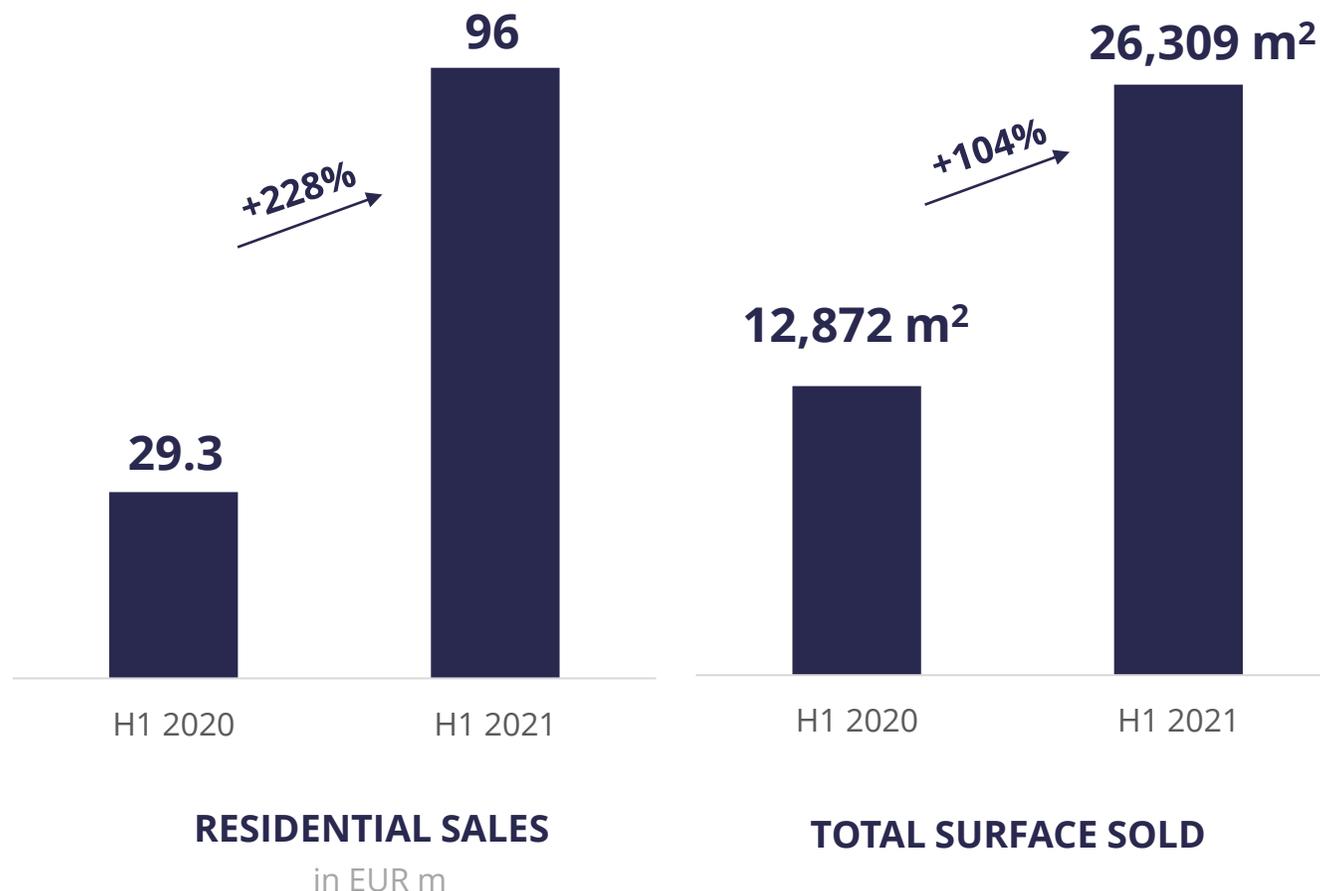
# 3. BUSINESS UPDATE

# RESIDENTIAL PRE-SALES

261 apartments with a total surface of 26,309 sqm, 345 parking spaces, 16 commercial spaces and other units were pre-sold for a total of EUR 96 million in H1 2021.

For comparison, in the first half of 2020, the Group pre-sold 85 apartments with a total surface of 12,872 sqm, 101 parking spaces, 2 commercial spaces and other units for a total of EUR 29.3 million.

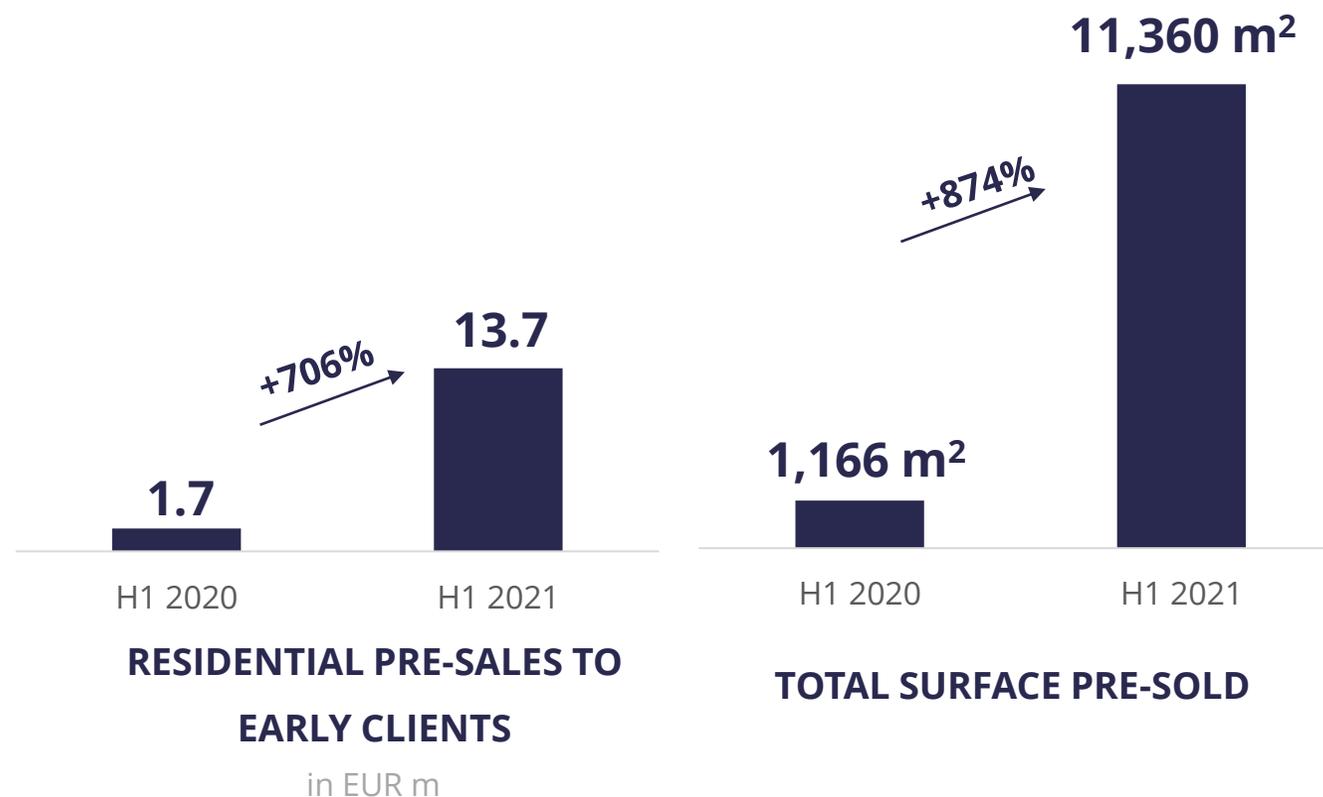
Sales presented on this slide **include** the pre-sales to early clients, that are detailed on the following slide.



# PRE-SALES EARLY CLIENTS

In residential pre-sales are also included the sales to early clients that pay low margins but help to partially finance the acquisition of lands. These are units that the Group pre-sold to early clients on developments that still need to receive building permits.

The total value of these sales in H1 2021 amounted to EUR 13.7 million for 11,360 sqm (compared with EUR 1.7 million for 1,166 sqm in H1 2020).



# DEVELOPMENTS

In H1 2021, the Group marked the following milestones:

- Acquisition of land for One Lake Club (residential)
- Conclusion of a pre-SPA for land for One High District (residential)
- Completion and start of delivery to final clients of One Mircea Eliade (residential)
- Tenants started to move into their new offices at One Tower (office)
- Completion of the construction of Neo Mamaia – Phase I (residential)
- Building permit for the residential development issued for One Cotroceni Park (residential)

# LAND BANK

As of June 30th, 2021, the Group's land bank for further real estate development, included lands with a total surface of 138,000 sqm, on which the Group estimates construction of more than 3,200 apartments.

For all land owned the Group has obtained either the building permit or the urban planning certificate certifying the building rights.

The construction on most of these plots of land is estimated to begin between 2021-2023.

# 4. 2021 OUTLOOK

# PERSPECTIVES FOR H2 2021

**Excellent perspectives for 2021 to be the best year in the history of Romanian real estate market**

**Summer sales outperform estimates**

**New developments to be completed**

**Inclusion in key indices**

As H1 2021 was the best first half of the year in the history of the Romanian real estate market, there are excellent perspectives for the continued development in H2 2021. Romania currently has the lowest price for apartments compared to the purchasing power in the EU. The local real estate market will continue to reach new record heights as the purchasing power in Romania strengthens as a result of accelerated increase in revenues, paired with a decrease in funding costs.

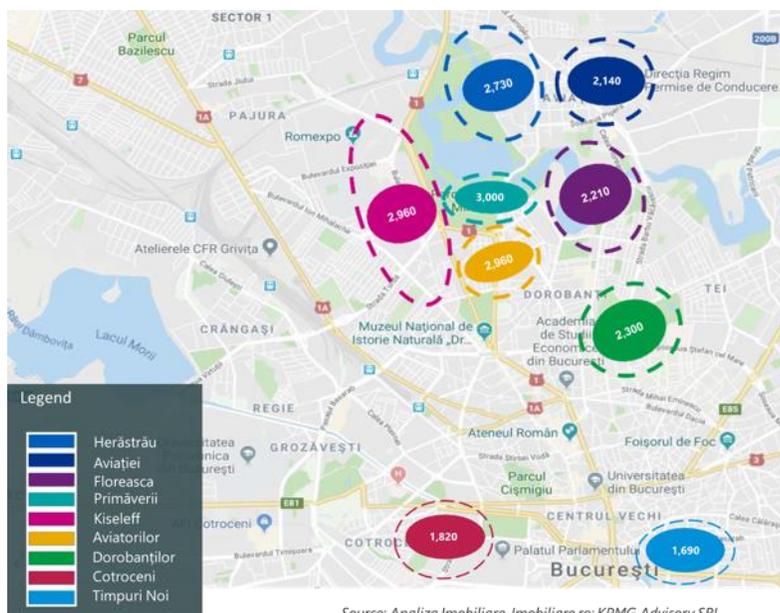
Beginning of sales for One Cotroceni Park, the largest residential development of the Company to date. Strong kickoff, with approx. 160 apartments sold between July and August 2021, versus initial estimates of 50 apartments.

Completion of One Herastrau Towers, a high-end residential development in the Herastrau quarter of Bucharest.

Potential of inclusion in BET and FTSE Russell indices, subject to meeting the shares liquidity criteria.

# MARKET OPPORTUNITY

## Premium residential developments concentrate around the northern area of Bucharest



Source: Analiza Imobiliare, Imobiliare.ro; KPMG Advisory SRL

The housing prices in Romania continued to rise in 2020 despite of COVID-19 pandemic: the average price of apartments in Bucharest hit €1,425/sqm in December 2020, up 0.8% over the last 12 months.

Moreover, on the apartments segment, the prices rose even higher (+1.3%) up to €1,481/sqm at the end of 2020.

The northern residential area of Bucharest, **One United Properties** main focus area, is also home to the new business district and the historical business district, ensuring a short daily commute for its highly skilled residents.

Floreasca and Herăstrău continue to be the most active locations in terms of high-end residential development. At the opposite, the lowest activity in terms of constructions works is recorded in Kiseleff, Primăverii and Aviatorilor were only 10% of the total number of units under construction are being located, primary due to the low availability of vacant land in this area.

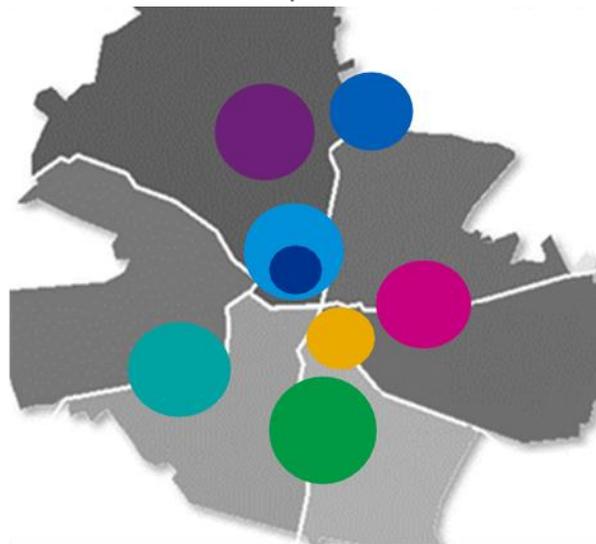
The average sale price for new residential projects in these areas ranges between €1,500 and €3,500/sqm (excluding VAT).

Source: <https://www.analizeimobiliare.ro/rapoarte/residential-market-report-q3-2020/>  
<https://www.anuntul.ro/statistici-imobiliare/bucuresti/bucuresti/vanzari/apartamente-2-camere/evolutie-anuala/#top>

# MARKET OPPORTUNITY

## Bucharest office space: rents and vacancies

■ CBD ■ Central North ■ North ■ Pipera ■ West ■ Central ■ South ■ East



Vacancy rates in Bucharest, by submarkets, Q3 2020



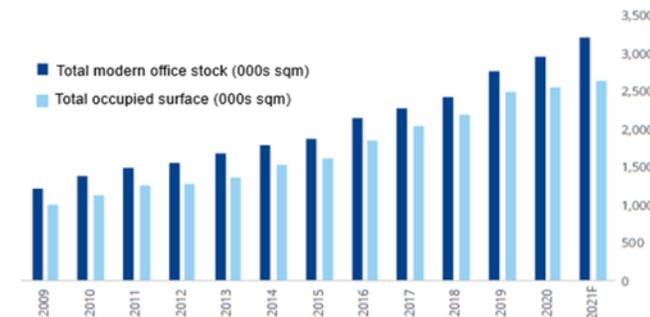
The Bucharest office space market has changed significantly over the last 10 years. Vacancy rates changed from under 1% in 2007, upwards to 20% in the aftermath of the 2009 - 2010 recession and recently recovered to healthier levels (5% - 10%). Rent levels are lower than a decade ago, however the scale was also very different, total stock being significantly lower 10 years ago.

In recent years, the demand for Class A buildings has increased significantly. The present take-up structure is approximately 50% for new companies and 50% for clients relocating from Class B and C buildings.

In 2020, due to COVID-19 pandemic, vacancy rate hit a 4 year high at 13.75% from 10% at the end of 2019. Vacancy continues to be generated especially by older, less prime buildings.

In 2021, approximately 340,000 sqm of Class A office space are expected to be delivered, focused mainly in Center West area (46%) and Calea Floreasca / Barbu Văcărescu area (21%).

### Bucharest offices 2009 – 2021F evolution



Bucharest offices 2009 – 2021F evolution

Source: [https://cwechinox.com/wp-content/uploads/2020/11/Romania-Office-Marketbeat\\_Q3-2020-1.pdf](https://cwechinox.com/wp-content/uploads/2020/11/Romania-Office-Marketbeat_Q3-2020-1.pdf)

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# 5. Q&A SESSION

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**THANK YOU!**

For any follow-up questions, please contact  
our IR team at: [investors@one.ro](mailto:investors@one.ro)