

one

UNITED PROPERTIES

2023

Q 3 R E P O R T



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Financial report as of September 30th, 2023

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The interim condensed consolidated financial statements presented on the following pages are prepared in accordance with International Financial Reporting Standards applicable to interim reporting, as applied in the European Union ("IFRS"). The interim condensed consolidated financial statements as of September 30th, 2023, **are not audited**.

The financial figures presented in the descriptive part of the report that are expressed in million RON are rounded off to the nearest integer. This may result in small reconciliation differences.



FINANCIAL RESULTS HIGHLIGHTS

Key financial figures for 9M 2023

- **A 27% increase in the consolidated turnover** of One United Properties in 9M'23 vs 9M'22, as the Group registered a turnover of **RON 1,153.1 million**, crossing a historical milestone of RON 1 billion turnover generated within 9M.
- **Gross result** reached **RON 411.3 million** in 9M'23, a 14% YoY decline (a **7%** increase excluding the one-off gain from Bucur Obor's bargain purchase recognized in 9M'22), while the bottom line reached **RON 344.8 million** (18% YoY decline; **5%** increase excluding the one-off gain).
- Revenues from the **residential segment** reached **RON 876.2 million** in 9M'23, a **47% YoY increase** driven by a diverse residential offering. The **net margin** of the residential segment reached **28.7%** for 9M'23, a decrease vs 46.6% registered in 9M'22 due to the revenue recognition applied by the Group (see [Revenue Recognition of Residential Sales](#) for details), as 4 new large-scale developments in the early stages of construction were added to the sales portfolio as of Q4'22, and 3 developments were delivered in 9M'23.
- **Rental income** increased 91% to **RON 98.7 million** in 9M'23, driven by revenues from tenants at One Tower, One Cotroceni Park Office 1, One Victoriei Plaza, as well as Bucur Obor. Revenues from rental will continue to grow QoQ as tenants at One Cotroceni Park Office 2 are still in the fit-out phase.
- **Administrative expenses** decreased 23% to **RON 56.6 million** due to the most significant part of the non-cash SOP allocation being recognized in 9M'22.
- Annualized **EPS of RON 0.12**, representing an **Earnings Yield of 12%** at RON 0.987 price per share.
- Strong **cash position of RON 454.5 million**, down 20% since the beginning of the year, but a 14% QoQ increase due to the delivery of 3 developments to the clients, resulting in clients signing final contracts and paying the last tranches on the purchased units.
- **Gross loan-to-value** ratio of **29%** as of the end of 9M'23, stable since the end of 2022, proving solid financials and low leverage of the Group compared with the European peers. **Net debt** is **RON 528 million**, 10.9% of the total assets of RON 4.8 billion.

Key events in 9M 2023

- **795 apartments** with a total surface of 66,212 sqm and 1,310 parking spaces and other unit types were sold and pre-sold for a total of **EUR 230.2 million**.
- Despite a 3.8% YoY decrease in residential sales in Bucharest in Q3'23, One United Properties defied market trends by selling a record **329 apartments** within the 3 months, +254% YoY.
- Finalization of 524 residential units at **One Verdi Park**, **One Floreasca Vista** and **One Timpuri Noi**, with a total GBA of 92,813 sqm.
- 348 units were sold in 9M 2023 at **One Lake District**, One United Properties' largest development under construction, followed by **One High District** (233) and **One Lake Club** (109).
- As of September 30th, 2023, **68% of available apartments** under development and delivered were sold out. Amounts to be received under contracts concluded with customers as of September 30th, 2023, are **EUR 305 million in additional cash by 2025** (EUR 70 million in Q4 2023, EUR 137 million in 2024 and EUR 98 million in 2025).
- Signing of an agreement with **Infineon Technologies** of future office development of 20K GLA, One Technology District for **EUR 57+ million** (excluding VAT), indexed to the EU annual inflation.
- Sale in Q3'23 of a 2,000 sqm commercial space located within **One Verdi Park** and rented to Lidl for 9+9 years for EUR 8.8 million, at a 6% yield.

Perspectives for Q4 2023

- Delivery of **One Cotroceni Park** to clients, ONE's largest delivery to date of 900 residential units.
- The management maintains the 2023 budget, targeting a turnover of **RON 1.43 billion** and a net profit of **RON 530 million**.



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Q3 2023 Results Call

15.11.2023 | 10:00 & 11:00 AM

Join the Q3 2023 results calls with One United Properties top management to discuss the performance in the nine months of 2023 as well as the prospects for 2023. The call will be hosted by Victor Capitanu (co-CEO), Cosmin Samoila (CFO) and Zuzanna Kurek (IR Manager).

The call in English will take place at 10:00 AM (09:00 AM CET | 08:00 AM UK). and in Romanian at 11:00 AM Bucharest time. Register to receive ZOOM log-in details **HERE.**



KEY EVENTS

BUSINESS HIGHLIGHTS

Residential sales

795 apartments with a total surface of 66,212 sqm and 1,310 parking spaces and other unit types were sold and pre-sold for a total of EUR 230.2 million in the first nine months of 2023. In the same period of 2022, the Group sold and pre-sold 260 apartments with a total surface of 24,505 sqm, 611 parking spaces and other units for a total of EUR 103.8 million. The total value of the residential sales includes the pre-sales to early clients (lower margin sales that help finance land acquisition). These are units that the Group pre-sold to early clients at developments that still need to receive building permits. The total value of these sales in 9M 2023 was EUR 31.6 million (same as in H1 2023), vs EUR 12.5 million in 9M 2022.

Despite a 3.8% YoY decrease in residential sales in Bucharest for Q3 2023, One United Properties defied market trends by selling a record 329 apartments, marking a substantial 254% YoY increase. This remarkable growth was fueled by an expanded and more varied selection of residential offerings, paired with flight to quality of the clients.

Due to excellent sales, as of September 30th, 2023, 68% of delivered and under development apartments were already sold out. Out of the developments already delivered, there are 58 units of finalized stock available for purchase at One Verdi Park, One Herastrau Towers, One Floreasca Vista and One Timpuri Noi (8.5% of total units at these developments). Amounts due under contracts concluded with customers as of September 30th, 2023, are EUR 305 million in additional cash by 2025 (EUR 70 million in Q4 2023, EUR 137 million in 2024 and EUR 98 million in 2025).

Over half of the apartments sold by One United Properties in 9M 2023 were two-room apartments, with a total sellable area of 28,428 sqm, with the demand for these units increasing 170% vs 9M 2022. Demand for the 2-room apartments was the highest at One Lake District, where in 9M 2023, 256 such units were sold, becoming the bestselling product of One United Properties. The increases were also seen for 3-room apartments, +150% YoY, and the 4-room apartments, +283% YoY. Studio sales grew from 1 unit in 9M 2022 to 85 units pre-sold in 9M 2023, reflecting strong sales at One High District, One Lake District, One Lake Club and One Floreasca Towers. The sales per apartment type in 9M 2023, including the total saleable area, are presented below:

Apartment type	9M 2023	Saleable area (sqm)
Studio	85	4,163
2-room	434	28,428
3-room	155	14,716
4-room	115	16,896
5+ room & villas	6	2,008
TOTAL UNITS SOLD	795	66,212

The most sought-after development in 9M 2023 was One Lake District, where in 9M 2023, 348 units out of 786 available units from the first phase of the development were sold. One Lake District will host a total of 2,076 units, and the remaining apartments will be put on sale in 2024. The second-best-selling development was One High District, where 233 units were sold in 9M 2023, resulting in 62% of the units already being pre-sold at the development as of September 30th, 2023, followed by One Lake Club, where 109 units were sold in 9M 2023.

In 9M 2023, One United Properties delivered 524 residential units at One Verdi Park, One Floreasca Vista, and One Timpuri Noi. The delivery of 900 residential units at One Cotroceni Park start at the yearend.



The sales per development in 9M 2023, where 5 or more units were sold within the reporting period, together with the total number of units sold from the launch of the sales until September 30th, 2023, are presented below:

Development	Delivery	Units sold in 9M 2023	Total units sold from project start	Total units developed
One Lake District	Q1 2027	348	440	786 ¹
One High District	Q4 2025	233	507	812
One Lake Club	Q3 2025	109	231	723
One Floreasca Towers	Q2 2025	44	115	208
One Cotroceni Park	Q4 2023	18	868	900
One Mircea Eliade	Q4 2020	12	244 ³	244
One North Lofts ²	Q3 2024	9	52	137
One Mamaia Nord 2	Q4 2024	8	37	86
One Herastrau Towers	Q1 2022	5	148 ⁴	148
Other developments		9	737	954
TOTAL UNITS SOLD		795	3,379	4,998

NOTES:

¹ At One Lake District will be developed a total of 2,076 units however currently only 786 units from the first phase of the development are available for sale.

² The units sold at One North Lofts will be recognized in the financial statements only after obtaining of the building permit, however in this report, they are included in the number of units sold in 9M 2023 and the total units sold.

³ Units sold includes the 28 residential units at One Mircea Eliade that were reclassified to investment property and are currently mostly rented out by One United Properties.

⁴ Units sold includes 5 residential units at One Herastrau Towers that were reclassified to investment property and are currently rented out by One United Properties.

Landbank

As of September 30th, 2023, One United Properties had 115,322 sqm of land plots for further residential development in Bucharest, with total above-ground gross building rights (GBA) of 471,043 sqm. All these plots are currently in the planning phase. The Group estimates the construction of around 3,000 apartments and three office buildings with 88,000 sqm of GLA on these plots. Additionally, One United Properties has in its portfolio approximately 40,000 sqm of buildings for restoration and further development.

Besides the owned landbank, the Company has a strong pipeline of new plots of land for further development. One United Properties is in advanced negotiations for 3 future developments and in early discussion or negotiation stages for 20+ other developments. Six locations out of the ten announced at the time of the capital increase in August 2022 were already acquired and made public: One City Club, One Herastrau City, One Cotroceni Towers, One Plaza Athénée, One Downtown and Eliade Tower. On October 16th, 2023, One United Properties announced the conclusion of a pre-SPA for several plots of land located in Bucharest for a new development. [More information HERE.](#)

Commercial segment

As of September 30th, 2023, the Company's office portfolio GLA totals 118,000 sqm, and it includes One Tower (GLA of 24K sqm, leased 100%), One Cotroceni Park 1 (GLA of 46K sqm, leased 88%), One Cotroceni Park 2 (GLA of 35K sqm, leased out 60%), and One Victoriei Plaza (GLA of 12K sqm, leased 100%). Together with the retail component, One United Properties' commercial portfolio, which also includes Bucur Obor and One Gallery, will reach a GLA of approximately 160,000 sqm.

On September 13th, 2023, One United Properties informed the market about the conclusion of a significant contract by a subsidiary, One Proiect 17 SRL, having as an object lease of office space with a GLA of 20,000 sqm (including terraces) and parking spaces to Infineon Technologies. The lease



agreement is concluded for the future development of the Company, One Technology District. The starting value of the contract amounts to EUR 57 million (excluding VAT), indexed to the EU annual inflation, and the duration of the contract is 15 years, starting from 2026. **More details [HERE](#) and [HERE](#).**

GOVERNANCE HIGHLIGHTS

OGSM & EGSM from October 9th, 2023

On October 9th, 2023, One United Properties held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, the audited financial statements for the first six months of 2023, the distribution of the 2023 half-year dividend of RON 38 million, the share buyback, as well as contracting various credit facilities for developments currently under construction. The gross dividend of RON 0.01 per share will be paid on January 31st, 2024. One United Properties' dividend policy includes the payment of dividends on a semi-annual basis. **[The GSM resolutions are available HERE.](#)**

SUSTAINABILITY HIGHLIGHTS

Sustainability Report

On August 7th, 2023, One United Properties released its 2022 Sustainability Report. The report was prepared using Global Reporting Initiative (GRI) standards, and its preparation was overseen by the ESG Committee to the Board of Directors. **[The 2022 Sustainability Report can be accessed HERE.](#)**

Low risk ESG rating

On November 2nd, 2023, One United Properties announced that Morningstar Sustainalytics assessed One United Properties with an ESG risk rating of 18.4, which qualifies as low risk. Previously, in the September 2022 assessment, One United Properties received an ESG risk rating of 20.0. According to Sustainalytics, between 2022 and 2023, One United Properties ESG risk management improved by 29.4%, showcasing a substantial improvement in the robustness of the Company's ESG programs, practices, and policies. **[More information HERE.](#)**

Claims files regarding multiple developments

Between September 11th and November 8th, 2023, One United Properties informed the market regarding multiple claims filed with the Bucharest Tribunal regarding several of its developments. The claims concerned One Lake Club (**[more information available HERE](#)**), One Floreasca Towers and One Peninsula (**[more information HERE](#)**, and **[HERE](#)**), and One Lake District (**[more information HERE](#)**).

The Company is not aware of any validity issues with regards the building permits mentioned for any of the above developments and intends to vigorously defend any such claims. The works on all the construction sites of the Company located in District 2, where One Lake Club, One Floreasca Towers and One Lake District are located, are currently carried out without any interruptions, according to their respective schedules.

Moreover, in case of claim filed with the Bucharest Court of Appeals regarding the One Mircea Eliade (**[more information HERE](#)**), a development that was completed in May 2021, and was fully delivered to the clients, the Company considers this action to be unfounded in light of all the decisions rendered to date by more than 10 judges regarding the matters adjudicated in Case No. 4858/3/2019. In light of the foregoing, the Company is confident in the soundness of the favorable decision issued on second appeal by the Bucharest Court of Appeal in Case No. 4858/3/2019.



CAPITAL MARKET HIGHLIGHTS

Indices

On August 10th, 2023, MSCI announced that effective August 31st, 2023, ONE shares were promoted from the Small Cap to Mid Cap category, becoming part of the MSCI Frontier and MSCI Romania indices, which exclusively feature Mid Cap and Large Cap companies. [More information HERE.](#)

Liquidity

Liquidity of ONE shares decreased 37% in Q3 2023 vs Q2 2023, in line with the market, registering trades of RON 58.8 million. The average daily traded value for ONE shares in Q3 2023 was RON 0.68 million, as ONE shares grew 3.5% within the quarter. The market capitalization as of September 30th, 2023, was RON 3.7 billion, while the Company had 8,259 shareholders (+131% since IPO). In the 9M 2023, the share price increased 13.1%. In 9M 2023, ONE was the 11th most traded stock on BVB in terms of absolute liquidity and the 16th most traded by liquidity to free-float.



ANALYSIS OF THE FINANCIAL RESULTS

EARNINGS ANALYSIS

The consolidated turnover of One United Properties grew 27% in 9M 2023 compared to 9M 2022, reaching RON 1,153.1 million. The increase in the turnover was supported by a 47% increase in revenues from sales of residential property, which reached RON 876.2 million in 9M 2023 vs RON 597.7 million in 9M 2022. The net income from residential property decreased 10% YoY, reaching RON 251.6 million in 9M 2023 vs 278.2 million in 9M 2022 due to the revenue recognition of the new developments where construction began as of Q4 2022. Consequently, the net margin naturally decreased from 46.6%, as recorded for 9M 2022, to 28.7% for 9M 2023. ***For more information about the revenue recognition of residential sales at One United Properties, consult the dedicated chapter of this report, available [HERE](#).***

The rental income, which includes the income generated by the commercial division together with the revenues from the tenant services, saw a 91% increase, reaching RON 98.7 million vs RON 51.8 million in 9M 2022. The effect has been driven by the revenues coming from the entire portfolio, but particularly the largest developments: One Tower (leased 100%), One Cotroceni Park 1 (leased 88% as of September 30th, 2023), One Victoriei Plaza (100% leased), as well as the impact of the results generated by Bucur Obor, consolidated under the retail division. The revenues from rental income will continue to grow in the coming quarters due to the impact of One Cotroceni Park 2, where most tenants are currently still in the fit-out phase.

It is important to mention that in 9M 2022, One United Properties recorded a one-off gain from a bargain purchase in the amount of RON 94.1 million, representing the gain from the transaction of purchasing a majority stake in Bucur Obor at a deeply discounted price vs the market value of the buildings, as appraised by Colliers. Moreover, in 9M 2022, the Group also saw a RON 39.3 million gain from office buildings under development, representing the development progress at One Cotroceni Park Office 2, which was delivered in Q1 2023. In contrast, in 2023, the Group did not record gains from office buildings under development since it currently does not have any office developments under construction.

However, in 9M 2023, the Group recorded RON 140.1 million in gains from completed investment property (vs RON 92.9 million in 9M 2022), representing the reclassification of the apartments for rental purposes, corresponding to rental apartments at One Mircea Eliade and One Herastrau Towers, held primarily for the purpose of price appreciation, as well as the start of operations of the commercial space of 2,000 sqm located within One Verdi Park, rented to Lidl for 9+9 years. The commercial space was sold in Q3 2023 for EUR 8.8 million. Gains from investment property for further development, as appraised by Colliers, saw a 17% increase to RON 34.3 million, representing the Group's landbank.

Administrative expenses decreased 23% in 9M 2023 vs 9M 2022, amounting to RON 56.6 million. This decrease was due to the recognition, in 9M 2022, of the major part of expense related to the Stock Option Plan (SOP) granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program for the 2021 performance. The total non-cash value of SOP in 9M 2023 is RON 18.8 million, vs RON 44 million in 9M 2022. Excluding the SOP impact, the administrative expenses increased 29% to RON 37.8 million in 9M 2023 vs 9M 2022, reflecting a much larger scale of operations. In terms of other operating expenses, these decreased 10%, amounting to RON 8.8 million. Out of this amount, RON 5.7 million are sponsorships related to CSR activities, which are expected to be partially deducted from the profit tax, while other items include expenses with provisions and allowance for impairment.

Other property operating expenses for the commercial segment decreased 18%, to RON 5.2 million, in 9M 2023 due to more tenants taking over their office spaces and consequently being recharged for the operational expenses. Other property operating expenses for residential segment, which include the property expenses for the residential developments completed and not yet fully delivered to clients,



decreased 19%, to RON 5.4 million due to the hand-over of finalized units to the clients, resulting in the operating costs being transferred directly to the customer, or being reinvoiced.

The result from operating activity (EBITDA) amounted to RON 429.3 million in 9M 2023, registering an 11% decline due to the one-off gains' recognition in 9M 2022, attributable to the bargain purchase of Bucur Obor. Excluding the extraordinary event of the bargain purchase of Bucur Obor, the EBITDA increased 10% in 9M 2023 vs 9M 2022. The gross result reached RON 411.3 million in 9M 2023, a 14% decrease compared to 9M 2022 (+7% excluding Bucur Obor impact from 2022), while the bottom-line amounted to RON 344.8 million, an 18% decline YoY (+5% increase excluding Bucur Obor). The income tax for 9M 2023 amounted to RON 66.5 million, of which RON 28.5 million is the actual expenditure, and the remaining RON 38 million represents the deferred tax on profit generated by gains from fair value adjustment, which will become taxable only upon the sale of respective assets.

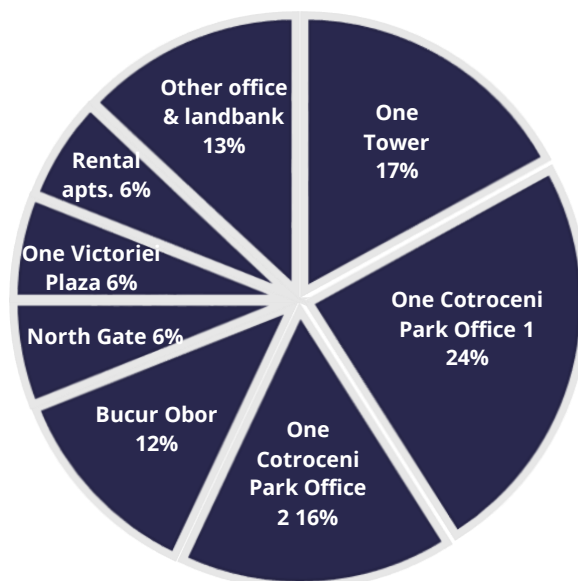
Selected P&L positions (RON)	9M 2023	9M 2022	Δ %
Revenues from sales of residential property	876,246,013	597,705,744	47%
Cost of sales of residential property	(619,202,863)	(312,773,139)	98%
Other property operating expenses - residential	(5,431,735)	(6,732,012)	-19%
Net income from residential property	251,611,415	278,200,593	-10%
Rental income incl. revenues from tenant services	98,740,972	51,810,158	91%
Other property operating expenses - commercial	(5,185,980)	(6,323,321)	-18%
Net rental income	67,924,220	35,346,602	92%
Gains from office buildings under development	0	39,340,938	-100%
Gains from bargain purchase	0	94,079,969	-100%
Gains from completed investment property	140,110,450	92,852,941	51%
Gains from investment property for further development	34,258,171	29,169,878	17%
Administrative expenses incl. SOP	(56,606,050)	(75,356,666)	-23%
Other operating expenses	(8,763,712)	(9,741,764)	-10%
EBITDA	429,269,590	482,891,341	-11%
EBT	411,260,322	479,489,911	-14%
Net profit	344,755,543	421,072,294	-18%

ASSETS

Total assets grew 14% in 9M 2023, reaching RON 4.8 billion. The non-current assets increased 9%, reaching RON 2.6 billion, growth driven primarily by a 9% increase in investment properties to 2.5 billion as of the end of 9M 2023, representing the commercial segment and the landbank. The appreciation is primarily due to the inclusion of One Cotroceni Office 4 in the landbank following land acquisition in Q1 2023, as well as a 15% appreciation of One Cotroceni Park Phase 2 due to the delivery of the development at the beginning of 2023. In terms of appreciation of standing assets, the largest increase was seen for rental apartments (+57%) due to the expansion of the apartment rental portfolio, followed by One Downtown (+18%) and One North Gate (+15%).

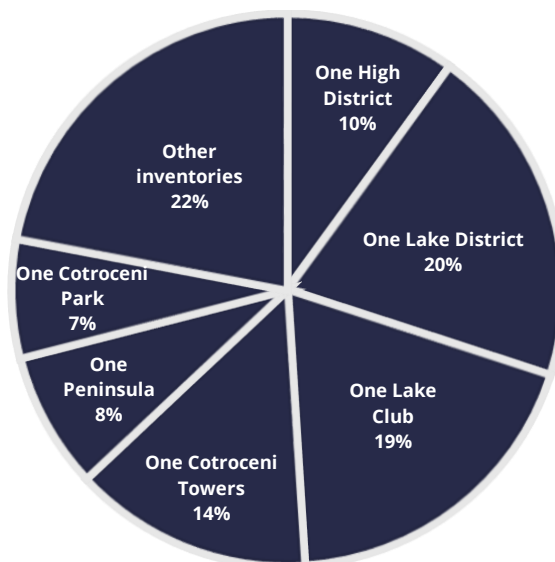


Office & landbank '000 RON	30.09.2023	31.12.2022
One Tower	410,350	387,166
One Cotroceni Park Office 1	583,292	569,891
One Cotroceni Park Office 2	401,524	349,442
One Cotroceni Park Office 3	28,992	28,992
One Cotroceni Park Office 4	79,732	-
One Victoriei Plaza	138,527	138,527
One North Gate	151,521	131,420
Eliade Tower	45,987	45,021
Bucur Obor	307,460	307,460
One Athénée	-	50,197
One Downtown	22,244	18,846
One Athénée Plaza	70,561	68,066
One Carpathian	8,055	7,708
Other	56,234	47,551
Apartments for rental	160,003	101,698
TOTAL	2,464,481	2,251,985



Current assets grew 20% in 9M 2023, reaching RON 2.3 billion due to a 44% increase in inventories (residential properties), which reached RON 953.1 million. The significant increase in the inventory represents the addition of One Cotroceni Towers, following the acquisition of the already permitted land plot for the development, as well as a substantial increase in the value of One High District and One Lake Club. Due to the delivery of One Verdi Park to customers in 2023, the inventory for this development decreased by 25%. The rest of the developments saw a varying degree of appreciation or depreciation, aligned with the residential sales evolution in 9M 2023, as presented in the business updates section.

Residential Property in '000 RON	30.09.2023	31.12.2022
One Verdi Park	53,725	72,017
One Cotroceni Park - Residential	64,467	39,809
One Cotroceni Towers	133,467	-
One Modrogan	43,186	43,432
One Mircea Eliade	554	15,862
One Peninsula	80,855	75,136
One Herastrau Towers	367	19,660
One Floreasca Vista	10,157	14,603
One Timpuri Noi	10,339	8,964
One Mamaia Nord 2	23,062	11,083
One Herastrau Vista	12,232	4,587
One High District	91,068	4,353
One Lake Club (P1 & P2)	178,595	117,969
One Lake District	192,162	188,991
One Floreasca Towers	52,838	45,499
Other inventories	6,016	1,029
TOTAL	953,090	662,994



The trade receivables saw an increase of 54% up to RON 604.5 million due to the larger scale of business. Due to significant development activity in 9M 2023 as well as payment of the second tranche of the 2022 dividend in the amount of RON 37.5 million on May 30th, 2023, the cash position declined 20%, down to RON 454.5 million. However, compared to the situation as of the end of Q2 2023, the cash position increased 14% QoQ due to the delivery of 3 developments to the customers, resulting in clients signing final contracts and paying the last tranches on the purchased units.



EQUITY AND LIABILITIES

Equity grew 11% in 9M 2023, reaching RON 2.8 billion. The increase was driven by a 19% growth in retained earnings, which amounted to RON 1.4 billion as of the end of 9M 2023. The share capital increased by 3%, to RON 759.5 million, while the share premiums grew 227% to RON 91.5 million, reflecting the share capital increase carried out to implement the Stock Option Plan (SOP) granted to the executive members of the Board of Directors, following the meeting of the performance criteria outlined in the SOP program for the 2021 performance. Own shares amounted to negative RON 1.7 million, representing the shares bought back from the market between September 19th and 29th, in line with the share buyback program initiated in Q3 2023 ([more details HERE](#)).

The total liabilities increased 18% in 9M 2023, amounting to RON 2 billion as of September 30th, 2023, as the long-term liabilities grew 22%, up to RON 1.2 billion, while current liabilities increased 14% to RON 855.6 million. The increase in the non-current liabilities was driven by a 29% growth of the loans and borrowings, representing a major part of long-term bank loan amounting to RON 822.9 million, the increase being driven by the new loan for One Athénée Plaza and drawings for financing of One Cotroceni Park Office 2, Eliade Tower and One Cotroceni Park Residential.

Overall, the increase in the long-term loans for One United Properties is driven, on the one hand, by the office and commercial buildings, which require more debt than the residential developments and are finalized using long-term loans. These loans do not impact the cash-flow since they are primarily paid with rent, and they are amortized each year. On the other hand, the developments targeting mid- and mid-high income (where the clients can contract apartments using a 30% down payment and a 70% payment upon delivery) require more debt than high and very high-income developments where clients pay the full amount over the construction period (100% prepayment or 5 equal instalments of 20%).

Nonetheless, even with the growing office portfolio and the decision to expand to a new client segment, One United Properties maintained the loan-to-value indicator at 29%. The net debt amounted to RON 528 million, 10.9% of the total assets of RON 4.8 billion. The increase in the current liabilities was, on the other hand, driven by a 52% increase in advance payments from customers, which amounted to RON 446.3 million as of the end of 9M 2023, representing the advance payments on pre-sold apartments. On the other hand, trade and other payables decreased 11%, amounting to RON 241 million, despite a significantly larger scale business scale than the prior year.



CONSOLIDATED PROFIT&LOSS STATEMENT (RON)

PROFIT & LOSS STATEMENT (RON)	9M 2023	9M 2022	Δ %
Revenues from sales of residential property	876,246,013	597,705,744	47%
Cost of sales of residential property	(619,202,863)	(312,773,139)	98%
Other property operating expenses - residential	(5,431,735)	(6,732,012)	-19%
<i>Net income from residential property</i>	<i>251,611,415</i>	<i>278,200,593</i>	<i>-10%</i>
Gains from office buildings under development	0	39,340,938	-100%
Gains from bargain purchase	0	94,079,969	-100%
Rental income	73,110,200	41,669,923	75%
Revenues from services to tenants	25,630,772	10,140,235	153%
Expenses from services to tenants	(25,630,772)	(10,140,235)	153%
Other property operating expenses - commercial	(5,185,980)	(6,323,321)	-18%
<i>Net rental income</i>	<i>67,924,220</i>	<i>35,346,602</i>	<i>92%</i>
Commissions for brokerage real estate	(8,921,740)	(6,868,837)	30%
Administrative expenses	(56,606,050)	(73,356,666)	-23%
Other operating expenses	(8,763,712)	(9,741,764)	-10%
Profit on disposal of investment property	5,888,494	768	766631%
Other operating income	3,768,342	3,866,919	-3%
Gains from completed investment property	140,110,450	92,852,941	51%
Gains from investment property for further development	34,258,171	29,169,878	17%
Result from operating activity (EBITDA)	429,269,590	482,891,341	-11%
Financial income	20,605,280	9,555,141	116%
Financial expenses	(43,824,226)	(14,003,690)	213%
Share of result of associates	5,209,678	1,047,119	398%
Gross profit	411,260,322	479,489,911	-14%
Income tax	(66,504,779)	(58,417,617)	14%
Net profit	344,755,543	421,072,294	-18%



CONSOLIDATED PROFIT&LOSS STATEMENT (EUR)

PROFIT & LOSS STATEMENT (EUR)	9M 2023	9M 2022	Δ %
Revenues from sales of residential property	177,420,834	121,110,744	46%
Cost of sales of residential property	(125,375,165)	(63,375,981)	98%
Other property operating expenses - residential	(1,099,809)	(1,364,081)	-19%
<i>Net income from residential property</i>	<i>50,945,860</i>	<i>56,370,682</i>	<i>-10%</i>
Gains from office buildings under development	0	7,971,498	-100%
Gains from bargain purchase	0	19,063,051	-100%
Rental income	14,803,232	8,443,411	75%
Revenues from services to tenants	5,189,676	2,054,676	153%
Expenses from services to tenants	(5,189,676)	(2,054,676)	153%
Other property operating expenses - commercial	(1,050,049)	(1,281,269)	-18%
<i>Net rental income</i>	<i>13,753,183</i>	<i>7,162,142</i>	<i>92%</i>
Commissions for brokerage real estate	(1,806,459)	(1,391,805)	30%
Administrative expenses	(11,461,499)	(14,863,970)	-23%
Other operating expenses	(1,774,462)	(1,973,935)	-10%
Profit on disposal of investment property	1,192,292	156	764190%
Other operating income	763,008	783,538	-3%
Gains from completed investment property	28,369,331	18,814,423	51%
Gains from investment property for further development	6,936,537	5,910,577	17%
Result from operating activity (EBITDA)	86,917,791	97,846,357	-11%
Financial income	4,172,123	1,936,120	115%
Financial expenses	(8,873,456)	(2,837,512)	213%
Share of result of associates	1,054,847	212,174	397%
Gross profit	83,271,305	97,157,139	-14%
Income tax	(13,465,777)	(11,836,930)	14%
Net profit	69,805,528	85,320,209	-18%

The Consolidated Statement of Profit or Loss was translated to EURO from the consolidated financial statements in RON using the average exchange rate for the 9M as published by the National Bank of Romania, 4.9388 RON / EUR for 9M 2023 and 4.9352 for 9M 2022.



CONSOLIDATED BALANCE SHEET (RON)

BALANCE SHEET (RON)	30.09.2023	31.12.2022	Δ %
NON-CURRENT ASSETS	2,562,555,800	2,343,689,182	9%
Goodwill	19,256,076	19,256,076	0%
Intangible assets	16,817,823	15,259,605	10%
Investment properties	2,464,481,375	2,251,984,947	9%
Right of use assets	2,073,431	2,687,154	-23%
Investments in associates	8,579,555	3,369,877	155%
Property, plant, and equipment	51,347,540	51,131,523	0%
CURRENT ASSETS	2,263,477,323	1,893,061,301	20%
Inventories	953,090,134	662,994,340	44%
Advance payments to suppliers	119,088,580	116,316,909	2%
Trade receivables	604,496,376	392,002,622	54%
Other receivables	99,370,166	129,862,443	-23%
Prepayments	32,882,975	24,924,944	32%
Cash and cash equivalents	454,549,092	566,960,043	-20%
TOTAL ASSETS	4,826,033,123	4,236,750,483	14%
EQUITY	2,806,249,867	2,531,326,688	11%
Share capital	759,530,863	740,563,717	3%
Share premium	91,530,821	27,981,399	227%
Legal reserves	17,452,635	17,452,635	0%
Own shares	(1,717,178)	1,029	-
Other capital reserves	6,281,029	51,848,900	-88%
Retained earnings	1,415,470,273	1,184,656,306	19%
Non-controlling interests	517,701,424	508,822,702	2%
LIABILITIES	2,019,783,256	1,705,423,795	18%
NON-CURRENT LIABILITIES	1,164,159,632	956,652,728	22%
Loans and borrowings from bank and others	843,072,797	654,206,589	29%
Loans and borrowings from minority shareholders	2,591,851	3,528,882	-27%
Trade and other payables	5,007,930	23,442,273	-79%
Lease liabilities	2,646,947	2,646,947	0%
Deferred tax liabilities	310,840,107	272,828,037	14%
CURRENT LIABILITIES	855,623,624	748,771,067	14%
Loans and borrowings from bank and others	136,787,706	172,421,627	-21%
Loans and borrowings from minority shareholders	50,437	47,528	6%
Lease liabilities	400,567	778,490	-49%
Trade and other payables	241,012,564	271,065,556	-11%
Accrued income	12,472,535	11,099,273	12%
Current tax liabilities	18,626,297	717,144	2497%
Advance payments from customers	446,273,518	292,641,449	52%
TOTAL EQUITY AND LIABILITIES	4,826,033,123	4,236,750,483	14%



CONSOLIDATED BALANCE SHEET (EUR)

BALANCE SHEET (EUR)	30.09.2023	31.12.2022	Δ %
NON-CURRENT ASSETS	515,128,010	473,721,386	9%
Goodwill	3,870,879	3,892,161	-1%
Intangible assets	3,380,739	3,084,369	10%
Investment properties	495,412,973	455,185,541	9%
Right of use assets	416,804	543,145	-23%
Investments in associates	1,724,672	681,141	153%
Property, plant, and equipment	10,321,943	10,335,029	0%
CURRENT ASSETS	455,006,900	382,637,608	19%
Inventories	191,591,311	134,008,639	43%
Advance payments to suppliers	23,939,328	23,510,715	2%
Trade receivables	121,516,579	79,234,067	53%
Other receivables	19,975,509	26,248,624	-24%
Prepayments	6,610,175	5,037,988	31%
Cash and cash equivalents	91,373,998	114,597,575	-20%
TOTAL ASSETS	970,134,910	856,358,994	13%
EQUITY	564,115,680	511,647,873	10%
Share capital	152,681,796	149,687,455	2%
Share premium	18,399,634	5,655,779	225%
Legal reserves	3,508,349	3,527,638	-1%
Own shares	(345,189)	208	-
Other capital reserves	1,262,620	10,480,030	-88%
Retained earnings	284,539,515	239,450,278	19%
Non-controlling interests	104,068,955	102,846,485	1%
LIABILITIES	406,019,230	344,711,121	18%
NON-CURRENT LIABILITIES	234,020,751	193,364,744	21%
Loans and borrowings from bank and others	169,475,495	132,232,403	28%
Loans and borrowings from minority shareholders	521,017	713,280	-27%
Trade and other payables	1,006,700	4,738,302	-79%
Lease liabilities	532,092	535,018	-1%
Deferred tax liabilities	62,485,447	55,145,741	13%
CURRENT LIABILITIES	171,998,479	151,346,377	14%
Loans and borrowings from bank and others	27,497,227	34,850,957	-21%
Loans and borrowings from minority shareholders	10,139	9,607	6%
Lease liabilities	80,522	157,353	-49%
Trade and other payables	48,448,634	54,789,497	-12%
Accrued income	2,507,244	2,243,456	12%
Current tax liabilities	3,744,280	144,954	2483%
Advance payments from customers	89,710,433	59,150,553	52%
TOTAL EQUITY AND LIABILITIES	970,134,910	856,358,994	13%

The Consolidated Balance Sheet was translated to EURO from the consolidated balance sheet in RON using the period end exchange rate as published by the National Bank of Romania, 4.9746 RON / EUR for 30.09.2023 and 4.9474 RON / EUR for 31.12.2022.



KEY FINANCIAL RATIOS

The main financial ratios of One United Properties, consolidated result, as of September 30th, 2023, are presented below.

<i>Financial data in RON '000</i>	30 September 2023	
Liquidity ratio		
<u>Current assets</u>	2,263,477,323	= 2.65
Current liabilities	855,623,624	
Gearing ratio		
<u>Interest-bearing debt (long term)</u> x100	982,502,791	= 35%
Equity	2,806,249,867	
Trade receivables turnover		
<u>Average receivables</u>	498,249,499	= 0.32
Turnover :(3x4)	1,153,123,948 :(3x4)	
Fixed asset turnover		
<u>Turnover :(3x4)</u>	1,153,123,948 :(3x4)	= 0.60
Non-current assets	2,562,555,800	
Loan to value		
	30 September 2023	31 December 2022
<u>Financial debt</u>	982,502,791	830,204,626
Real estate assets	3,417,571,509	2,914,979,287
	= 29%	= 28%



ABOUT ONE UNITED PROPERTIES

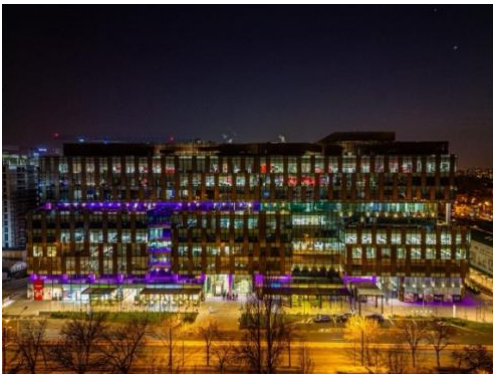
One United Properties is the largest residential and mixed-use real estate developer and investor in Romania, listed on the Bucharest Stock Exchange since July 2021. The Company has a track record of having developed sustainable residential, mixed-use and office real estate in Bucharest and in Constanta (Mamaia).

With unparalleled reputation of a premium developer, ONE develops apartments for *medium*, *medium-high*, *high*, and *very high* income clients. ONE is a high-end brand and represents quality, design, community, sustainability, and finally, very desired locations. All ONE buildings have superior certifications of sustainability, energy efficiency and wellness, and the developer is awarded at numerous galas and conferences in the field, both internationally and locally.



RESIDENTIAL

Landmark developments, premium locations, quality, focus on design, great communities, safety and sustainability are at the core of ONE's residential developments.



OFFICE

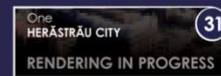
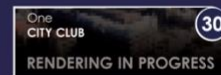
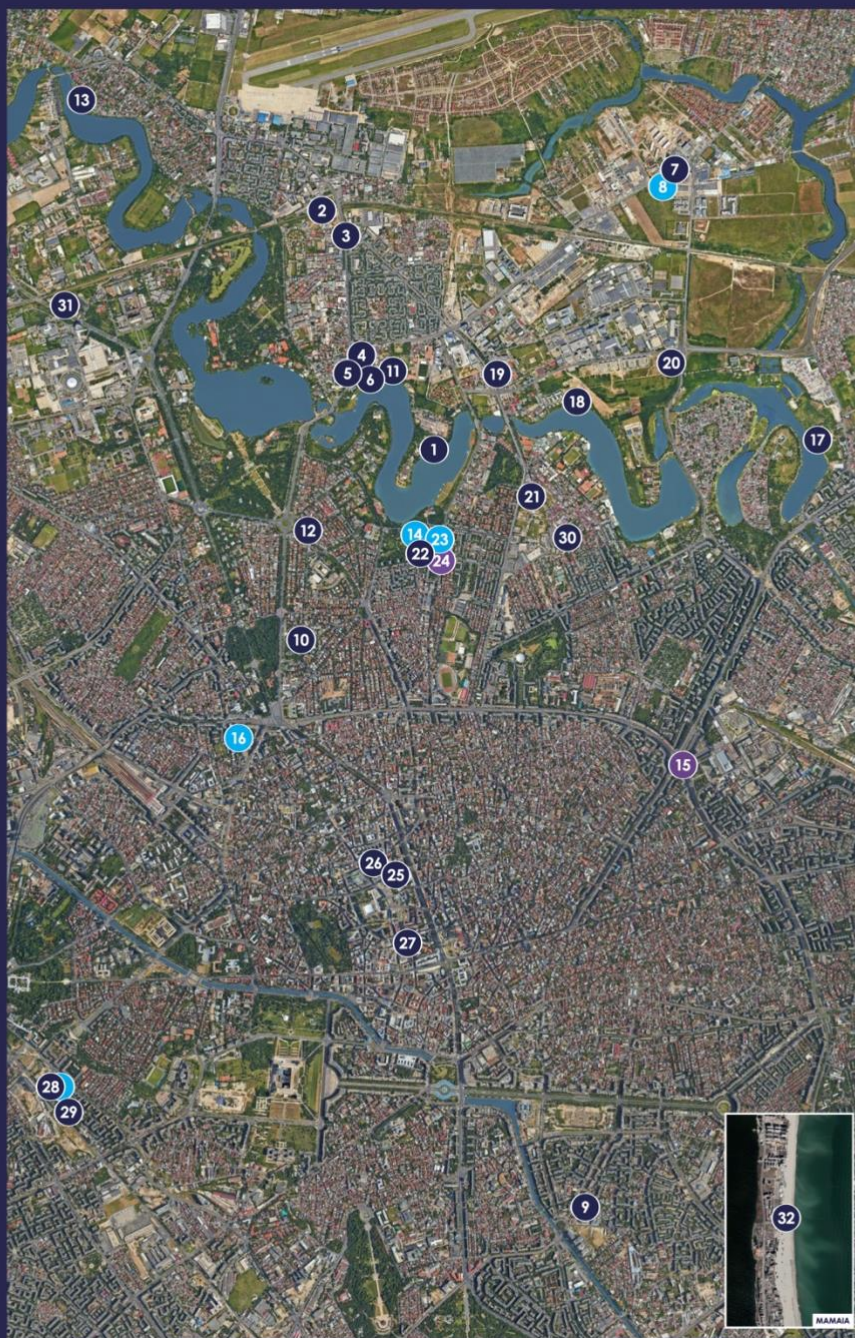
ONE's office developments integrate an energetically efficient plan, being healthy, safe and environmentally sustainable buildings, with emphasis on the employee experience and wellness.



RETAIL

Retail spaces bring value to the ample rich communities One United Properties is developing, offering all the facilities and services only a few steps away.

ONE UNITED PROPERTIES DEVELOPMENTS





REVENUE RECOGNITION OF RESIDENTIAL SALES

One United Properties recognizes revenues based on pre-sales, matched with the percentage of completion method. The mix of sold vs unsold units, as well as the timing of these sales, particularly in relation to the reporting period, can impact recognized revenues and the associated profit margins.

The cost structure of a construction is seldom linear. Initial stages might involve higher expenses related to excavation, laying foundations, and infrastructure development, whereas later stages have costs associated with finishing, fittings, and interiors. Thus, as revenue is recognized based on the stage of completion, the costs paired with that revenue can fluctuate, leading to varying profit margins.

Moreover, One United Properties manages construction of multiple developments in parallel, each being at the time of financial reporting a different construction phase, thus having different cost structures. Consequently, some developments could be in their initial phase with heavy infrastructure investments, while others could be in the final stages with different types of costs. When revenues from these developments under construction are pooled together, the blended profit margin can show significant variations.

PRINCIPLE OF REVENUE RECOGNITION ACCORDING TO IFRS 15

The recognition of revenues from the sale of residential developments over the construction period, often referred to as the "percentage of completion method," is rooted in the principles outlined in the International Financial Reporting Standards (IFRS), particularly IFRS 15 "Revenue from Contracts with Customers."

One United Properties used this method of revenue recognition due to:

- **Matching Principle:** Recognizing revenue over the construction period is in line with the matching principle, which suggests that revenues and expenses should be recognized in the same period they are earned or incurred. This allows for better matching of the revenue generated from a development with the expenses associated with that development over time.
- **Reflects Economic Reality:** This method allows the financial statements to better reflect the economic reality of the construction process, which is ongoing. Instead of recognizing all the revenue at once, it's recognized as value added to the development.
- **Smoother Earnings:** Recognizing revenue over the construction period can result in smoother earnings over multiple periods rather than volatile earnings that occur only when developments are completed.
- **Improved Cash Flow Prediction:** Recognizing revenue progressively provides stakeholders with a better understanding of incoming cash flows, leading to more informed financial planning and forecasting.
- **Risk Assessment:** Recognizing revenue over time provides better visibility into developments that may be at risk of delays or not meeting expected profitability. This can allow management to take corrective actions more promptly.
- **Incentive Structure:** When revenue is recognized progressively, it might provide a more consistent incentive for project managers and the management team to ensure developments stay on track rather than deferring all efforts and recognition towards the end.
- **Conformance with IFRS 15:** Adopting the percentage of completion method (where appropriate) ensures that a company is following international accounting standards, reducing the risk of audit concerns or restatements.



The disadvantage of the method is that, unlike the straightforward point-in-time recognition, the percentage of completion method adds layers of complexity, making financial statements harder to decipher for some investors and analysts, sometimes generating incorrect presumptions that the revenues or profitability of the Company is decreasing, while it is simply fluctuating due to many developments having different level of completion.

Recognizing revenues from sales of residential developments over the construction period aligns with the IFRS framework's underlying principles and offers various benefits in terms of financial reporting and economic representation.

REVENUE AND PROFIT RECOGNITION EXAMPLE

Total Contract Value: EUR 1,000,000

Land cost: EUR 100,000

Development costs: EUR 500,000

Profit Margin: 40% (or EUR 400,000 for the whole development)

Year 0 (Start of Contract):

- At sales kick-off, the client makes a prepayment of 30%, which amounts to EUR 300,000.
- No construction has been completed yet, so no revenue or profit is recognized at this point. The amount cashed in - EUR 300,000 is recorded as a liability on One United Properties' balance sheet.

Year 1 (End of First Year):

- Assume 50% of the construction is completed.
- 50% of the total contract value less land amount, or EUR 450,000, is the revenue that should be recognized by the end of Year 1 together with the amount of EUR 100,000 related to land which is recognized as revenue for 100% from year 1 and in correspondence the cost of sale, no margin being recorded to land value.
- The cost of sale represents 50% from the development costs of EUR 500,000, therefore EUR 250,000 at which is added the land cost of EUR 100,000 for 100% from year 1, as mentioned at the point above.
- As described above, EUR 550,000 represents the revenue, EUR 350,000 represents the cost, and EUR 200,000 is the profit.
- Given that One United Properties has already received EUR 300,000, the remaining amount (EUR 250,000) until the total revenue amount recorded of EUR 550,000 is recognized as contract assets under receivable line and the liability of EUR 300,000 is reversed.
- In terms of profit recognition for Year 1, One United Properties would recognize EUR 200,000 in profit (36% relative margin).

Year 2 (End of Second Year/Upon Delivery):

- The construction is 100% complete by the end of the second year.
- The total revenue to be recognized over the contract's duration is EUR 1,000,000.
- Also, EUR 600,000 (60% of EUR 1,000,000) represents the total cost, and EUR 400,000 (40% of EUR 1,000,000) is the total profit.
- Since EUR 550,000 revenue and EUR 200,000 profit were already recognized in Year 1, the remaining revenue to be recognized in Year 2 by One United Properties is EUR 450,000, with a profit of EUR 200,000 and relative margin of 44%.

Upon delivery, the client pays the remaining 70% of the contract value, or EUR 700,000, therefore the contract assets recognized in year 1 of EUR 250,000 is reversed and the remaining amount EUR 450,000 represents the revenue for year 2, as mentioned also in the point above.



At the contract's conclusion, the revenue recognized by One United Properties aligns with the construction progress and payments received: EUR 300,000 in Year 1 and EUR 700,000 in Year 2 for a total of EUR 1,000,000. From a profit perspective, One United Properties would recognize a profit of EUR 200,000 in Year 1 and another EUR 200,000 in Year 2, totaling EUR 400,000 for the unit.

Please note that the actual revenue recognition would also consider any costs incurred and other factors stipulated under IFRS 15. However, this example provides a simplified illustration to help understand the core concepts in practice.



DECLARATION OF THE MANAGEMENT

Bucharest, November 14th, 2023

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

- a) the interim condensed consolidated financial statements for the nine-month period ended September 30th, 2023, provide an accurate and real image regarding the assets, obligations, financial position, the financial performance, and the cash flows of the company One United Properties S.A., as well as of the group to which it belongs, as required by the applicable accounting standards; and
- b) the report attached to this statement, prepared in accordance with art. 67 of the Law no. 24/2017 on issuers of financial instruments and market operations and to annex no. 13 to FSA Regulation no. 5/2018 on issuers of financial instruments and market operations for the nine-month period ended September 30th, 2023, comprises accurate and real information regarding the development and performance of the company One United Properties S.A., as well as of the group to which it belongs.

Chairman of the Board of Directors

Claudio Cisullo

Executive Member of the Board of Directors

Victor Capitanu

Executive Member of the Board of Directors

Andrei-Liviu Diaconescu

one

UNITED PROPERTIES





ONE UNITED PROPERTIES SA and subsidiaries

**Interim condensed consolidated financial
statements for the period ended
30 September 2023**

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ONE UNITED PROPERTIES SA AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill	7	19,256,076	19,256,076
Intangible assets	7	16,817,823	15,259,605
Property, plant and equipment	5	51,347,540	51,131,523
Right of use assets		2,073,431	2,687,154
Investment properties	8	2,464,481,375	2,251,984,947
Investments in associates	9	8,579,555	3,369,877
Total non-current assets		2,562,555,800	2,343,689,182
Current assets			
Inventories	10	953,090,134	662,994,340
Advance payments to suppliers	11	119,088,580	116,316,909
Trade receivables	12	604,496,376	392,002,622
Other receivables	12	99,370,166	129,862,443
Prepayments	6	32,882,975	24,924,944
Cash and cash equivalents	13	454,549,092	566,960,043
Total current assets		2,263,477,323	1,893,061,301
TOTAL ASSETS		4,826,033,123	4,236,750,483
EQUITY AND LIABILITIES			
Equity			
Share capital	15	759,530,863	740,563,717
Share premium	15	91,530,821	27,981,399
Own shares		(1,717,178)	1,029
Other capital reserves	15	6,281,029	51,848,900
Legal reserves	15	17,452,635	17,452,635
Retained earnings		1,415,470,273	1,184,656,306
Equity attributable to owners of the Group		2,288,548,443	2,022,503,986
Non-controlling interests		517,701,424	508,822,702
Total equity		2,806,249,867	2,531,326,688
Non-current liabilities			
Loans and borrowings from bank and others	16	843,072,797	654,206,589
Loans and borrowings from minority shareholders	16	2,591,851	3,528,882
Trade and other payables	17	5,007,930	23,442,273
Lease liabilities		2,646,947	2,646,947
Deferred tax liabilities	14	310,840,107	272,828,037
Total non-current liabilities		1,164,159,632	956,652,728

Notes attached form an integral part of these interim condensed consolidated financial statements.

ONE UNITED PROPERTIES SA AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – 30 September 2023**

(Amounts are expressed in “RON”, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	30 September 2023	31 December 2022
Current liabilities			
Loans and borrowings from bank and others	16	136,787,706	172,421,627
Loans and borrowings from minority shareholders	16	50,437	47,528
Lease liabilities		400,567	778,490
Trade and other payables	17	241,012,564	271,065,556
Accrued income		12,472,535	11,099,273
Current tax liabilities	14	18,626,297	717,144
Advance payments from customers	18	446,273,518	292,641,449
Total current liabilities		855,623,624	748,771,067
Total liabilities		2,019,783,256	1,705,423,795
TOTAL EQUITY AND LIABILITIES		4,826,033,123	4,236,750,483

The interim condensed consolidated financial statements were approved by the Management of the Company, authorised for issue on 13 November 2023 and signed on its behalf by:

VICTOR CAPITANU
Administrator

VALENTIN-COSMIN SAMOILA
Chief Financial Officer

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Nine months period ended 30 September 2023	Nine months period ended 30 September 2022
Revenues from sales of residential property	19	876,246,013	597,705,744
Cost of sales of residential property	19	(619,202,863)	(312,773,139)
Other property operating expenses - residential		(5,431,735)	(6,732,012)
Net income from residential property		251,611,415	278,200,593
Gains from office buildings under development	8	-	39,340,938
Gains from completed investment property	8	140,110,450	92,852,941
Gains from investment property for further development	8	34,258,171	29,169,878
Gains on the bargain purchase	8	-	94,079,969
Rental income	20	73,110,200	41,669,923
Revenues from service to tenants	20	25,630,772	10,140,235
Expenses from services to tenants		(25,630,772)	(10,140,235)
Other property operating expenses		(5,185,980)	(6,323,321)
Net rental income		67,924,220	35,346,602
Commissions for brokerage real estate	21	(8,921,740)	(6,868,837)
Administrative expenses	22	(56,606,050)	(73,356,666)
Other operating expenses	23	(8,763,712)	(9,741,764)
Profit/(Loss) on disposal of investment property		5,888,494	768
Other operating income		3,768,342	3,866,919
Result from ordinary activities		429,269,590	482,891,341
Financial income		20,605,280	9,555,141
Financial expenses		(43,824,226)	(14,003,690)
Net financial result	24	(23,218,946)	(4,448,549)
Share of result of associates	9	5,209,678	1,047,119
Result before tax		411,260,322	479,489,911
Tax on profit	14	(66,504,779)	(58,417,617)
Net result of the period		344,755,543	421,072,294
Total comprehensive income for the period		344,755,543	421,072,294
Net result attributable to:			
Owners of the Group		318,195,935	378,235,477
Non-controlling interests		26,559,608	42,836,817
Total comprehensive income attributable to:			
Owners of the Group		318,195,935	378,235,477
Non-controlling interests		26,559,608	42,836,817
Basic/diluted earnings per share attributable to equity holders	26	0.09	0.10

The interim condensed consolidated financial statements were approved by the Management of the Company, authorised for issue on 13 November 2023 and signed on its behalf by:

VICTOR CAPITANU
Administrator

VALENTIN-COSMIN SAMOILA
Chief Financial Officer

Notes attached form an integral part of these interim condensed consolidated financial statements.

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023

	Note	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		-	-	-	-	-	318,195,935	26,559,608	344,755,543
Dividends allocated from the statutory profit	15	-	-	-	-	-	(73,130,616)	(1,936,085)	(75,066,701)
Issue of ordinary shares	15	18,967,146	63,549,422	-	-	-	-	-	82,516,568
Acquisitions of own shares		-	-	-	-	(1,718,207)	-	-	(1,718,207)
Stock option plan		-	-	-	(41,260,089)	-	(22,413,391)	-	(63,673,480)
Transfer of other capital reserve in/from retained earnings		-	-	-	(4,307,782)	-	4,307,782	-	-
Transactions with non-controlling interests	15	-	-	-	-	-	3,854,257	(15,744,801)	(11,890,544)
Balance as at 30 September 2023		759,530,863	91,530,821	17,452,635	6,281,029	(1,717,178)	1,415,470,273	517,701,424	2,806,249,867

Notes attached form an integral part of these interim condensed consolidated financial statements.

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2022

	Share capital	Share premiums	Legal reserves	Other capital reserves	Own shares	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2022	514,828,059	4,307,781	11,437,359	1,390,179	-	791,788,303	323,205,535	1,646,957,216
Profit of the year	-	-	-	-	-	378,235,477	42,836,817	421,072,294
Dividends allocated from the statutory profit	-	-	-	-	-	(42,473,315)	(882,000)	(43,355,315)
Issue of ordinary shares	40,594,729	213,122,328	-	-	-	-	-	253,717,057
Issue of ordinary shares- premium shares conversion	-	-	-	-	-	-	-	-
Issue of ordinary shares - other reserves conversion	-	-	-	-	-	-	-	-
IPO Costs	-	-	-	-	-	(1,188,473)	-	(1,188,473)
Transfer from share premiums in other reserves	-	(4,307,781)	-	4,307,781	-	-	-	-
Transfer of legal reserve in/from retained earnings	-	-	-	-	-	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	613,596	(7,910,205)	(7,296,609)
Acquisition of own shares	-	-	-	-	-	-	-	-
Sale of own shares	-	-	-	-	-	-	-	-
Stock option plan	-	-	-	44,091,857	-	-	-	44,091,857
Non-controlling interest on incorporation of subsidiary or on increase in share capital of subsidiary	-	-	-	-	-	-	133,511,133	133,511,133
Balance as at 30 September 2022	555,422,788	213,122,328	11,437,359	49,789,817	-	1,126,975,588	490,761,280	2,447,509,160

Notes attached form an integral part of these interim condensed consolidated financial statements.

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

9 months period ended– 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 September 2023	30 September 2022
Cash flows from operating activities		
Result for the period	344,755,543	421,072,294
Adjustments for:		
Depreciation and amortization	3,055,018	1,989,293
Share of result of associates	(5,209,678)	(1,047,119)
Other financial income	(3,439,995)	(3,929,465)
Allowances for current assets – receivables and other provisions	938,085	1,502,680
(Gain)/Loss on sale of property, plant and equipment	(22,521)	19,449
Profit/(Loss) on disposal of investment property	(5,888,494)	(768)
Interest expenses	39,727,081	14,003,690
Interest income	(17,165,285)	(5,514,878)
Income tax expenses	66,504,779	58,417,617
Unrealised foreign exchange loss/(gain)	5,358,641	1,568,297
Increase in fair value of investment property	(174,368,621)	(161,363,757)
Gain on the bargain purchase	-	(94,079,969)
Share-based payments	18,843,088	44,091,857
Changes in working capital:		
(Increase)/Decrease in trade and other receivables	(234,191,820)	(334,689,622)
(Increase)/Decrease in inventory property	(277,135,204)	17,297,487
Increase/(Decrease) in trade and other payables	(66,512,167)	(14,982,130)
Increase/(Decrease) in advance payments from customers	153,632,069	(23,244,027)
Income tax paid	(5,807,297)	(5,489,376)
Working capital from acquisition of new subsidiaries	-	11,656,689
Net cash from operating activities	(156,926,778)	(72,721,758)
Acquisition of property, plant and equipment	(3,101,781)	(5,338,008)
Proceeds from sale of property, plant and equipment	261,508	5,043
Acquisition of intangible assets	(1,828,238)	(398,232)
Expenditure on investment property under development	(5,616,598)	(67,645,765)
Expenditure on completed investment property	(52,166,359)	(78,271,727)
Acquisition of investment property	(57,037,904)	(153,223,455)
Proceeds from sale of investment property	86,278,938	3,756,376
Amounts paid for transactions with non-controlling interest	(11,890,544)	(7,296,609)
Other financial income	3,439,995	3,929,465
Interest received	17,165,285	5,514,878
Net cash flows from used in investing activities	(24,495,698)	(298,968,034)
Proceeds from loans and borrowings	294,736,198	376,130,743
Repayment of borrowings	(150,861,646)	(16,807,143)
Proceeds from issue of share capital and share premium	-	253,717,057
Interest paid	(36,641,090)	(12,139,201)
Dividends paid	(37,822,999)	(42,443,954)
Principal elements of lease payments	(398,938)	(398,938)
Net cash from financing activities	69,011,525	558,058,564
Net changes in cash and cash equivalents	(112,410,951)	186,368,772
Cash and cash equivalents at the beginning of the period	566,960,043	508,347,161
Cash and cash equivalents at the end of the period	454,549,092	694,715,933

Notes attached form an integral part of these interim condensed consolidated financial statements.

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

1. CORPORATE INFORMATION

These financial statements are the interim condensed consolidated financial statements of One United Properties S.A. and its subsidiaries (collectively, the “Group”) for the period from 1 January 2023 to 30 September 2023 in agreement with the International Financial Reporting Standards (IFRS) applicable to interim reporting, as applied in the EU.

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

The share capital of the Company is RON 759,530,863 divided into 3,797,654,315 shares at a nominal value of RON 0.2/each. One United Properties SA is owned by OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu) and Vinci Ver Holding SRL (represented by Mr. Victor Capitanu) holding 26.4834% each and other shareholders holding 47.0332%. 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 30 September 2023 and 31 December 2022. Their registered office, activity and Group holding percentage is shown below:

Name of the subsidiary	Activity	% ownership as at 30 September 2023	% ownership as at 31 December 2022	Registered office
One Modrogan SRL	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Peninsula SRL (former One Herastrau Park Residence SA)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Charles de Gaulle Residence SRL	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Plaza SRL	Real estate developer in Romania	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Verdi Park SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
X Architecture & Engineering Consult SRL	Architecture services for group and non-group projects	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Mircea Eliade Properties SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Value SRL	Real estate developer in Romania	98.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Towers SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park SRL (former One Herastrau Properties SRL)	Real estate developer in Romania	80.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
Skia Real Estate SRL	Operational services – project development	51.00%	51.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake District SRL (former One District Properties SRL)	Real estate developer in Romania	100.00%	98.00%	Maxim Gorki street 20, Bucharest, district 1

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

1. CORPORATE INFORMATION (continued)

Group companies	Activity	% ownership as at 30 September 2023	% ownership as at 31 December 2022	Registered office
One North Gate SA	Real estate developer in Romania	76.39%	67.69%	Maxim Gorki street 20, Bucharest, district 1
One United Tower SA (former One United Tower SRL)	Real estate developer in Romania	71.46%	70.24%	Maxim Gorki street 20, Bucharest, district 1
Neo Floreasca Lake SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Mamaia Nord SRL (former Neo Mamaia SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
Neo Timpuri Noi SRL	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	Real estate developer in Romania	95.00%	95.00%	Maxim Gorki street 20, Bucharest, district 1
One Floreasca Towers SRL (former One Herastrau IV SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Long Term Investments SRL (former One Herastrau Real Estate SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office SA	Real estate developer in Romania	57.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 2 SA	Real estate developer in Romania	57.25%	57.25%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Park Office Faza 3 SA (former One Verdi Park Office SA)	Real estate developer in Romania	100.00%	80.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 19 SRL (former One Mamaia SRL)	Real estate developer in Romania	100.00%	99.99%	Maxim Gorki street 20, Bucharest, district 1
One High District S.R.L. (former One Proiect 1 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Plaza Athenee SRL (former One Proiect 3 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 4 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 5 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Lake Club SRL (former One Proiect 6 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Herastrau City SRL (former One Proiect 7 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Carpathian Lodge Magura SRL (former Carpathian Estate SRL)	Real estate developer in Romania	66.72%	66.72%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 8 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One City Club SRL (former One Proiect 9 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 10 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One United Italia SRL	Real estate developer in Romania	90.00%	90.00%	Maxim Gorki street 20, Bucharest, district 1
Bo Retail Invest SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1

1. CORPORATE INFORMATION (continued)

Group companies	Activity	% Ownership as at 30 September 2023	% Ownership as at 31 December 2022	Registered office
Bucur Obor SA	Lease of retail space	54.44%	54.44%	Colentina street 2, Bucharest, district 2
One United Management Services SRL	Management services	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 11 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 12 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Cotroceni Towers SRL (former One Proiect 14 SRL)	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 15 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Victoriei Plaza SRL (former Mam Imob Business Center SRL)	Renting office premises in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
Eliade Tower SRL	Renting office premises in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 16 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 17 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 18 SRL	Real estate developer in Romania	100.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 2 SRL	Real estate developer in Romania	0.00%	100.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 20 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 22 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 21 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1
One Proiect 23 SRL	Real estate developer in Romania	100.00%	0.00%	Maxim Gorki street 20, Bucharest, district 1

During 2023, four new subsidiaries were established within the One group: One Proiect 20 SRL, One Proiect 22 SRL, One Proiect 21 SRL and One Proiect 23 SRL.

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

- One North Gate SA from 67.69% to 76.395%, the total consideration price for the shares acquired is RON 9,112,073.
- One United Tower SA from 70.24% to 71.46%, the total consideration price for the shares acquired is RON 2,758,672.
- One Herastrau Plaza SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900.
- One Lake District SRL from 98.00% to 100.00%, the total consideration price for the shares acquired is RON 900.
- One Cotroceni Park Office Faza 3 SA from 80.00% to 100.00%, the total consideration price for the shares acquired is RON 18,000.

2. BASIS OF PREPARATION

2.a Basis of preparation

The condensed scope of reporting in these interim condensed consolidated financial statements reflects the requirements of the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" adopted by the European Union. Information on the application of IFRS, on the significant accounting policies and on further disclosures is provided in the consolidated financial statements of Group as of 31 December 2022 and forms the basis for these consolidated interim financial statements.

2. BASIS OF PREPARATION (CONTINUED)

However, some notes are included to explain events and transactions that are material to understanding the changes in the Group's financial position and performance from the latest consolidated annual financial statements at and for the year ended 31 December 2022.

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2023 are unaudited and an external review by an auditor was not performed.

The consolidated interim financial statements are presented in romanian new leu (“RON”, rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates.

In contrast to the interim condensed consolidated financial statements as of 30 September 2022, the Group has presented in more granularity some of the information in the current period to increase the level of relevance. Where applicable, the Group has reclassified the comparative information for consistency purposes. The following captions from the consolidated statement of profit or loss and other comprehensive income were changed due to such reclassifications: the costs related to power and water, property management which were not included in cost of sales were included under other operating expenses line in prior period, while in current period were reclassified in “Other property operating expenses – residential” line and the broker commissions for rental activity were reclassified from administrative expenses to “Commissions for brokerage real estate”.

2.b Going concern

The Management have considered the appropriateness of adopting the going concern basis in preparing the condensed consolidated interim financial statements. The Group's going concern assessment covers the period to 30 September 2024 (the “going concern period”), being at least 12 months from the date of authorisation of these condensed consolidated interim financial statements.

The Group has prepared forecasts, including certain sensitivities, considering the potential impact on the business considering current economic factors, such as inflation raise, post covid-19 influence and the armed conflict between Russia and Ukraine. Having considered these forecasts and that the Group has no activities that are significantly dependant of the area affected by the conflict or by sanctions (particularly Russia, Ukraine, Belarus), neither in respect of acquisitions, nor concerning sales or investments, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months, although there are still uncertainties regarding the evolution of the conflict and the potential impact on the countries that are close to the conflict zone and on the global economy in general. Accordingly, the consolidated financial statements have been prepared on a going concern basis, which means that the Group will continue its activity in the foreseeable future, the current results estimated by the management of the companies and shareholders being considered solid.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application.

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

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

- **Amendments to IFRS 17 “Insurance contracts”** - Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued by IASB on 9 December 2021. It is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.
- **Amendments to IAS 1 “Presentation of Financial Statements”** - Disclosure of Accounting Policies issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.
- **Amendments to IAS 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 IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** - Definition of Accounting Estimates issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.
- **Amendments to IAS 12 “Income Taxes”** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.
- **Amendments to IAS 12 “Income Taxes”** - International Tax Reform — Pillar Two Model Rules issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company’s exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.
- **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.

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s condensed consolidated interim financial statements requires management to make professional judgments, estimates and assumptions that affect the application of accounting policies, as well as the recognized value of assets, liabilities, revenue and expenses, and the accompanying disclosures. The actual results may vary from the estimated values. The estimates and assumptions are based on the historical experience and other elements, including the expectations regarding the future events considered reasonable in the existing circumstances. The underlying estimates and assumptions are periodically revised. The revision of accounting estimates is recognized starting with the period in which the estimates are revised.

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

For preparing the condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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.

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.

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

4.a Judgements (continued)

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

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

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

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

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

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

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development with the view to sale 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 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 condensed consolidated interim financial statements were prepared.

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

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

For those contracts involving the sale of property under development that meet the overtime criteria of revenue recognition, the Group’s performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property. The Group generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Group’s performance.

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

4.b.2 Valuation of investment property

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

The Company has obtained a report from an international valuation company, Colliers Romania, setting out the estimated market values for the Company’s investment property. The most recent real estate investment assessment took place on 30 June 2023.

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

4.b Estimates and assumptions (continued)

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

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 or income approach based on the discounted cash flow technique.

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.

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 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.

ONE UNITED PROPERTIES SA AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

Description	Land, Buildings, barracks	Technological equipment	Measurement apparatus and devices	Vehicles	Furniture and other non-current assets	Total
Cost						
01 January 2023	44,025,501	1,285,242	770,395	1,879,387	9,234,420	57,194,945
Additions	250,391	204,436	148,365	275,049	2,124,434	3,002,675
Disposals	-	(24,091)	-	(149,966)	(248,265)	(422,322)
Transfer from/(to) inventories	(50,392)	-	-	-	-	(50,392)
Transfer between categories	(319,059)	-	-	-	319,059	-
30 September 2023	43,906,441	1,465,587	918,760	2,004,470	11,429,648	59,724,906
Depreciation and impairment						
01 January 2023	2,220,550	722,894	719,047	995,978	1,404,953	6,063,422
Depreciation charge for the year	1,079,549	156,730	93,946	229,184	906,776	2,466,185
Disposals	-	-	-	(22,743)	(129,498)	(152,241)
30 September 2023	3,300,099	879,624	812,993	1,202,419	2,182,231	8,377,366
Net book value						
31 December 2022	41,804,951	562,348	51,348	883,409	7,829,467	51,131,523
30 September 2023	40,606,342	585,963	105,767	802,051	9,247,417	51,347,540

Under the “land, buildings and barracks” are presented the Group assets from which the main amount is related to the own office space occupied. At 31 December 2019, the Company has reclassified part of the land and building owned by the subsidiary One North Gate SA from investment property in property, plant and equipment for the value of RON 12,156,938, following the occupancy of the own office space. In 2022, the Group have moved the office from the building owned by the subsidiary, One North Gate SA to the building One Tower, developed by the subsidiary One United Tower SA, therefore have transferred from property, plant and equipment to investment property the office space occupied in North Gate and in the same time transferred from investment property to property, plant and equipment the new office space located in One Tower building for the fair value of RON 38,860,861.

The Group performed its annual impairment test in December or more frequently if there are indications that property, plant and equipment might be impaired. At 31 December 2022 and as at 30 September 2023, no indication of impairment was identified for the property, plant and equipment in balance.

6. PREPAYMENTS

	30 September 2023	31 December 2022
Prepayments in respect to financing commissions	12,289,148	12,255,102
Taxes	2,003,683	3,879
Insurance	669,103	801,576
Development costs	17,499,705	10,738,248
Other prepayments	421,336	1,126,139
Total amount	32,882,975	24,924,944

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 months period ended – 30 September 2023

(Amounts are expressed in "RON", unless otherwise stated)

6. PREPAYMENTS (CONTINUED)

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.

7. INTANGIBLE ASSETS

Description	Goodwill	Concessions patents, licenses	Other intangible assets	Total
Cost				
As at 31 December 2022	19,256,076	14,699,660	1,159,376	35,115,112
Additions	-	1,991	1,826,248	1,828,239
Disposals	-	-	(2,230)	(2,230)
As at 30 September 2023	19,256,076	14,701,651	2,983,394	36,941,121
Amortization and impairment				
As at 31 December 2022	-	225,397	374,034	599,431
Depreciation charge	-	18,572	251,449	270,021
Disposals	-	-	(2,230)	(2,230)
As at 30 September 2023	-	243,969	623,253	867,222
Net book value				
As at 31 December 2022	19,256,076	14,474,263	785,342	34,515,681
As at 30 September 2023	19,256,076	14,457,682	2,360,141	36,073,899

Goodwill

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The goodwill in balance refers to developments of subsidiary One Peninsula.

As at 31 December 2022, the Group performed the assessment of the recoverable amount of goodwill allocated to One Peninsula based on a value in use calculation taking in consideration the financial budget approved by the management which comprise forecasts of revenue, construction development costs and overheads based on current and anticipated market conditions and a discount rate of 3.30%. 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 was recognized. There are no indications that the assumptions used in the impairment test performed at 31 December 2023 were changed at 30 September 2023, therefore the Group will perform for 2023 the impairment test at the year end.

Under the category "Concessions patents, licenses" is included the identifiable intangible asset acquired in 2022 in a business combination, related to Bucur Obor Brand, and which 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.

As at 31 December 2022, the Group performed the assessment of the recoverable amount of the Bucur Obor Brand, considering a WACC rate of 13.77% and a risk premium of 2%. No indicators of impairment were identified.

8. INVESTMENT PROPERTY

The Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and arranges for the regular valuation of its properties by independent experts. These external appraisals are carried out each year as 31 December and also during the year when there are indicators that the fair value is substantially changed.

After internal assessment the fair value measurement of the investment properties was performed at 30 June 2023 using independent appraiser only for the significant assets where changes in fair value were identified. For the remaining investment property assets the management considers no significant changes in fair value occurred compare to prior year-end valuation. At 31 March 2023, the Group have performed the valuation of the assets transferred from inventories to investment properties, as described below.

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

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

Completed investment property (IPC):

- Land in surface area of 12,000 sqm and office building in surface area of 34,628 sqm located at Sos Pipera Tunari, 2III, owned by subsidiary One North Gate SA;
- 2 apartments and 2 parking spaces owned by subsidiary One Long Term Value SA;
- Land in surface area of 6,096 sqm and office building with a total GLA of 23,800 sqm located at Calea Floreasca, Nr. 159-165, owned by subsidiary One United Tower SA;
- Land plot and one office building in total surface area of 46,253 sqm located at 44 Sergent Nutu Ion Street, owned by subsidiary One Cotroceni Park Office SA;
- Property located in Buzau County, owned by subsidiary One Carpathian Lodge Magura SRL comprising of a boutique hotel together with a 56ha of forest and land. The Group targets further investments on short and medium-term;
- 28 apartments and 25 parking spaces owned by subsidiary One Mircea Eliade Properties SRL. During the year of 2023, the Group started the activities with the view to rental of 9 apartments owned by subsidiary One Mircea Eliade Properties SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 43,6 million;
- Retail building acquired through business combination with Bucur Obor SA in 2022. The subject property has a total leasable area of 24,325 sqm of retail and 2,452 sqm storages. The investment property was valued at fair value at the date of acquisition at RON 307,1 million; On November 19th, 2021, One United Properties announced the intention to acquire (indirectly, through BO Retail Invest S.R.L.) a controlling stake in Bucur Obor SA, a company listed on the Multilateral Trading System of the Bucharest Stock Exchange, under symbol BUCU. On the same date, by means of the loan made available by the company One United Properties SA, BO Retail Invest S.R.L. acquired a 54.4351% of the share capital of Bucur Obor, against a sum of RON 65 million. The transaction was subject to Competition Council clearance, which the Company received on February 4th, 2022. On February 8th, 2022, One United Properties closed the transaction of the acquisition by the Company of direct sole control over BO Retail Invest S.R.L., and indirectly the control over Bucur Obor SA. Bucur Obor S.A. carries out its activity within the Bucur Commercial Complex Obor, located in Bucharest, Sos. Colentina no. 2, in the building from Sos. Mihai Bravu no. 2 and in the building from Sos. Colentina no. 6A. All these properties are owned by the company. Bucur Obor has as main activity the renting of commercial spaces, in which the clients retail goods. The shopping complex offers a multitude of stores, in a unique mix in Bucharest, a combination of family business such as haberdashery, fabrics, footage, windows & mirrors, leather goods, gold, jewelry and more, along with international brands consecrated;
- Office building owned by the subsidiary, One Victoriei Plaza SRL with a total GLA of app. 12,000 square meters and 4 underground levels with 93 parking spaces, and it is fully leased to First Bank as a tenant for a remaining period of app. 12 years with a break option after 7 years;
- Office building located at 18 Mircea Eliade Boulevard, Bucharest, Romania, owned by the subsidiary Eliade Tower SRL. The office building has a total GLA of over 8,000 square meters spread over 10 floors and also has a parking;
- 2 apartments and related parking spaces owned by subsidiary One Mamaia Nord SRL;

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

8. INVESTMENT PROPERTY (CONTINUED)

- The Group started the activities with the view to rental of 5 apartments owned by subsidiary One Herastrau Towers SRL and therefore changes the presentation from apartments available for sale to apartments available for rental. The Group have performed the valuation of the assets with an independent evaluator, Colliers Romania and recognized a gain from fair value adjustment of RON 21,2 million;
- The retail space of 1,974 sqm and 85 related parking spaces owned by the subsidiary One Verdi Park SRL has started to be leased to Lidl in 2023, therefore the Group reclassified from inventories to investment property and performed the valuation of the asset and recognized a gain from fair value adjustment of RON 29 million. The asset was sold during Q3 2023 at a price of RON 43,458,800 which was approximately its fair value.
- Land in surface area of 8,847 sqm located at Sergent Nutu Ion Street and Calea 13 Septembrie, owned by subsidiary One Cotroceni Park Office Faza 2 SA and related construction in progress.

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

- Land in surface area of 82,734 sqm owned by subsidiary One Lake District SRL which were transferred to inventories as of 31 December 2022 following the issue of the building permit;
- Land in surface area of 5,627 sqm owned by subsidiary One Floreasca Towers SRL transferred to inventories as of 31 December 2022 following the issue of the building permit for a residential development;
- Vacant land plot with a surface area of 4,688 sqm located at 44 Sergent Nutu Ion Street and 164C 13 Septembrie Road, District 5, Bucharest, Romania, owned by One Cotroceni Park SRL;
- Property acquired by subsidiary One Plaza Athenee SRL (former One Proiect 3 SRL) located in the central of the Bucharest, district 1 comprising of: a plot of land in surface area of 521 sqm and related construction with a total gross built area of 2,896 sqm, which fair value was determined at RON 50,2 million. The property is classified as a historical monument by local authorities. Building permit was issued in Q1 2023 and therefore the Group have changed the presentation from investment properties to inventories.
- Land in surface area of 801,028 sqm owned by the subsidiary One Proiect 11 SRL, located in Ilfov county. The total acquisition price is of EUR 9,330,000 from which the Group have paid until 30 September 2023 the amount of EUR 5,598,000, while the remaining amount will be paid in 2 equal instalments of EUR 1,866,000 each, according to the schedule established in the acquisition contract. The last instalment is due in 24 months from the signing date of the acquisition contract, 24 August 2022; On 04 April 2023, through addendum no 1 at the contract, the acquisition price was increased by RON 1,5 million (equivalent of EUR 300,000).
- An under development hotel project located at 8-10 Georges Clemenceau street, Bucharest, Romania owned by the subsidiary One Proiect 12 SRL;
- Three buildings located in Bucharest sector 1, at no. 19, 21 and 23 Academiei street, near the Odeon Theater and the Ion Mincu University of Architecture and Urbanism owned by the subsidiary One Proiect 10. Following the renovation, the three buildings will represent a new development of the Company - One Downtown. The total surface of the land is approximately 1,300 sqm and the gross buildable area is 7,100 sqm. The final use of the buildings will be decided later, with residential and hotel options currently being considered.
- Land in surface area of 12,318 sqm owned by subsidiary, One Cotroceni Park Office Faza 3, acquired in Q1 2023 for a transaction price of EUR 9,6 million.

Changes in investment property are as follows:

Completed investment property	30 September 2023	31 December 2022
At 1 January	1,688,891,359	549,398,406
Capital expenditure on owned property	37,574,878	54,590,744
Acquisition	311,434	4,816,997
Fair value of investment property of Bucur Obor acquired	-	307,120,316
Fair value of investment property of Eliade Tower acquired	-	47,104,439
Investment property acquired (One Victoriei Plaza)	-	138,118,400
Transfer from inventories	37,705,329	27,507,442
Transfer to fixed assets	-	(38,860,861)
Transfer from fixed assets	-	11,382,107
Transfer from investment property under development	360,006,680	454,265,348
Disposals	(80,390,210)	(8,165,678)
Fair value adjustment during the year	140,110,450	88,485,173
Lease incentive	22,509,168	53,128,527
At 30 September 2023 / 31 December 2022	2,206,719,088	1,688,891,360

8. INVESTMENT PROPERTY (CONTINUED)

Investment property under development

	30 September 2023	31 December 2022
At 1 January	349,441,856	650,175,262
Capital expenditure	10,564,824	95,644,331
Interest capitalized	-	156,298
Transfer to completed investment property	(360,006,680)	(454,265,348)
Lease incentive	-	2,847,626
Fair value adjustment during the year	-	54,883,687
At 30 September 2023 / 31 December 2022	-	349,441,856

Investment property for further development (landbank)

	30 September 2023	31 December 2022
At 1 January	213,651,731	249,891,522
Capital expenditure	3,351,562	12,945,058
Acquisition	56,726,470	131,919,218
Transfer from inventories	-	16,792,471
Transfer to inventories	(50,225,647)	(272,994,250)
Fair value adjustment during the year	34,258,171	75,097,712
At 30 September 2023 / 31 December 2022	257,762,287	213,651,731
Grand Total Investment Property at 30 September 2023 / 31 December 2022	2,464,481,375	2,251,984,947

Developer	Type	Object	Valuation Method	30 September 2023
One United Tower	IPC	Office	Income approach**	410,349,887
Eliade Tower	IPC	Office	DCF**	45,986,751
One Victoriei Plaza	IPC	Office	Market approach*	138,527,200
Bucur Obor	IPC	Office	DCF**	307,459,982
One North Gate	IPC	Office	DCF and Residual approach**	151,521,253
One Carpathian Lodge-Magura	IPC	Accommodation unit area and the land in excess and forest	Market approach**	8,054,658
One Long Term Value	IPC	Apartments and parking lots	Market approach**	13,302,707
One Mircea Eliade	IPC	Apartments and parking lots	Market approach**	109,094,899
One Mamaia Nord	IPC	Apartments and parking lots	Market approach**	9,065,516
One Cotroceni Park Office	IPC	Office	DCF**	583,291,512
One Cotroceni Park Office Faza 2	IPC	Office	DCF**	401,524,263
One Cotroceni Park	IPFD	Office	Market approach**	28,991,764
One Proiect 10	IPFD	Hotel	Market approach**	22,244,486
One Proiect 11	IPFD	Residential	Market approach**	56,233,835
One Proiect 12	IPFD	Hotel	Income and Residual approach**	70,560,621
One Herastrau Towers	IPC	Residential	Market approach**	28,540,460
One Cotroceni Park Office Faza 3	IPFD	Office	Market approach**	79,731,581
				2,464,481,375

* Internal assessment

** External valuation by Colliers

8. INVESTMENT PROPERTY (CONTINUED)

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

* *Internal assessment*** *External valuation by Colliers***Valuation processes**

The Company's investment properties were valued at 31 December 2022 and several of assets also at 31 March 2023 and 30 June 2023 by Colliers Romania, external, independent evaluator, authorized by ANEVAR, having recent experience regarding the location and nature of the properties evaluated. The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13.

For all investment properties, their current use equates to the highest and best use. The valuation techniques used in determination of the fair value of investment property are:

- 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;
- 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;
- 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.
- 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 30 September 2023 and 31 December 2022. This assessment is deemed appropriate considering the adjustments of the date for comparable lands and of the construction assessments, including future level of net operating revenues of the investment properties. These adjustments are based on location and condition and are not directly observable. There were no transfers from levels 1 and 2 to level 3 during the year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 months period ended – 30 September 2023

(Amounts are expressed in “RON”, unless otherwise stated)

9. INVESTMENT IN ASSOCIATES

As at 30 September 2023 and 31 December 2022, the Group has interests in a number of individually immaterial associates that are accounted for using the equity method:

Name of the entity	Place of business/ country of incorporation	Object of activity	% of ownership interest		Carrying amount	
			30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
Reinvent Energy SRL	Romania	Constructions	20%	20%	2,419,580	2,157,759
CCT & ONE AG	Switzerland	Investment	49.90%	49.9%	675,656	675,656
Glass Rom Invest SRL	Romania	Constructions	20%	20%	288,956	288,956
One Property Support Services SRL	Romania	Property management	20%	20%	334,266	245,006
One Herastrau Office Properties SA	Romania	Holding	30%	30%	4,858,597	-
Asociatia ASAR	Romania	Architecture	20%	20%	2,500	2,500
Total equity-accounted investments					8,579,555	3,369,877
					30-Sep-23	30-Sep-22
Aggregate amounts of the Group's share of:						
Profit from continuing operations					5,209,678	1,047,119
Total comprehensive income					5,209,678	1,047,119

10. INVENTORIES

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

Developer	Project name	30 September 2023	31 December 2022
One Peninsula SRL (former One Herastrau Park Residence SRL)	One Peninsula	80,855,414	75,136,000
One Verdi Park SRL	One Verdi Park	53,725,343	72,017,173
One Mircea Eliade Properties SRL	One Floreasca City	554,056	15,861,977
One Herastrau Towers SRL	One Herastrau Towers	366,604	19,660,230
Neo Floreasca Lake SRL	One Floreasca Vista	10,157,294	14,603,243
One Plaza Athenee SRL (former One Proiect 3 SRL)	One Athenee	34,123	-
Neo Timpuri Noi SRL	One Timpuri Noi	10,338,632	8,963,730
One Herastrau Vista SRL (former Neo Herastrau Park SRL)	One Herastrau Vista	12,231,906	4,586,823
One Modrogran	One Modrogran	43,186,283	43,432,300
One Mamaia Nord SRL - phase 2	One Mamaia Nord 2	23,061,717	11,082,766
One Cotroceni Park	One Cotroceni Park	64,466,868	39,808,973
One High District (former One Proiect 1)	One High District	91,068,022	4,352,515
One Lake Club (former One Proiect 6)	One Lake Club	178,595,068	117,968,858
One Lake District	One Lake District	192,161,913	188,991,343
One Floreasca Towers	One Floreasca Towers	52,838,040	45,499,262
One Cotroceni Towers	One Cotroceni Towers	133,466,924	-
Other inventories		5,981,927	1,029,147
Total		953,090,134	662,994,340

10. INVENTORIES (CONTINUED)

In February 2023, the Group through its subsidiaries, One Cotroceni Towers and One Cotroceni Park Office Faza 3 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 3 is included in investment property. Please see Note 8 for further details.

11. ADVANCE PAYMENTS TO SUPPLIERS

As at 30 September 2023 and 31 December 2022, advances to suppliers are detailed as follows:

Description	30 September 2023	31 December 2022
Advances to suppliers for acquisition of goods	44,574,114	31,083,375
Advances to suppliers for acquisition of services	74,514,466	85,233,534
Total	119,088,580	116,316,909

12. TRADE AND OTHER RECEIVABLES

As at 30 September 2023 and 31 December 2022 trade and other receivables are detailed as follows:

Description	30 September 2023	31 December 2022
Trade receivables – customers	125,438,150	130,752,011
Loss allowances for trade receivables	(9,806,839)	(8,692,226)
Accrued receivables	121,599	2,047,439
Contract assets	488,743,466	267,895,398
Total trade receivables	604,496,376	392,002,622
VAT receivable	66,877,694	63,746,367
Various debtors	4,116,443	3,842,428
Loans granted to related parties	599,833	7,060,180
Loans granted to others	24,944,628	17,189,519
Prepaid interim dividends	326,830	36,102,481
Income tax receivables	1,180,607	1,214,513
Interest receivable	412,487	374,070
Other receivables	1,164,243	791,367
Loss allowances for other receivables	(252,599)	(458,482)
Total other receivables	99,370,166	129,862,443
Total	703,866,542	521,865,065

Balances in relation to related parties are disclosed in Note 25.

Contract assets represents the amounts estimated by the management of the Group based on the application of IFRS 15 Revenue from Contracts with Customers provisions. 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.

As at 30 September 2023 and 31 December 2022, for the VAT recoverable, the Group filed refund applications. Parent company One United Properties SA acts as the representative of the single tax VAT group. The tax authorities have approved the fund application and after the control performed, the Group collecting the amounts approved for reimbursement and also the vat recoverable amounts incurred after the period verified.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

The Group have recorded loss allowance for trade receivables and contract assets at 30 September 2023, as follow:

	Customers	Customers related to Bucur Obor – resulted from business combination	Doubtful customers	Contract assets	Total
Gross amount	119,129,555	4,727,339	1,581,256	488,743,466	614,181,616
Allowance for expected credit losses	(773,124)	(2,405,887)	(1,581,256)	(5,046,572)	(9,806,839)

The allowance for expected credit losses related to customers as at 30 September 2023 and 31 December 2022 was determined as follows:

		30-Sep-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		26,068,735	35,930,971	30,620,009	26,509,840	119,129,555
Allowance for doubtful receivables		-	89,827	153,100	530,197	773,124
		31-Dec-22				
RON		Current	< 90 days	91 - 365 days	> 365 days	Total
Expected loss rate		0%	0.25%	0.5%	2.0%	
Gross carrying amount - trade receivables		39,387,136	27,423,889	49,803,133	9,212,617	125,826,775
Allowance for doubtful receivables		-	68,560	249,016	184,252	501,828

The expected loss rate for the trade receivable overdue over 90 days and contract assets as at 30 September 2023 and 31 December 2022 were established based on historical credit losses adjusted for any known factors that would influence the future amount to be received in relation to the receivable. The Group have also taken in consideration the subsequent collections procedures performed until the date of issue of these financial statements and creditworthiness analysis made by the Group’s sales team at individual client level.

By using the simplified expected credit loss model, the Group assessed its receivables for allowance and concluded that a net amount of expected credit losses of RON 9,806,839 (31 December 2022: RON 8,692,226) are unlikely to be recovered.

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

In the loans granted to others is included the loan granted by the subsidiary, One Long Term Investments SRL to Agro-Mixt Avero Prod SRL. The period of reimbursement is depending on the cash flows availability of the borrower. The loan outstanding balance as at 30 September 2023 is of RON 23,4 million (31 December 2022: RON 16,6 million) and related interest of RON 1,2 million (31 December 2022: RON 303,958).

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

Description	30 September 2023	31 December 2022
Bank deposits in EUR	222,562,443	194,593,878
Bank deposits in RON	125,313,587	287,986,090
Bank accounts in EUR	67,983,168	59,569,684
Bank accounts in USD	2,359	2,557
Bank deposits in GBP	-	-
Bank accounts in RON	38,662,613	24,603,987
Petty cash – RON	24,750	203,709
Other cash items	172	138
Total	454,549,092	566,960,043

Also, the maturity of bank deposits is as follows:

Description	30 September 2023	Maturity	31 December 2022	Maturity
Bank deposits in EUR	222,562,443	2023	194,593,878	2023
Bank deposits in RON	125,313,587	2023	287,986,090	2023
Total	347,876,030		482,579,968	

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

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

14. PROFIT TAX

Starting with 2022, the parent company, One United Properties SA have established a fiscal group for profit taxpayer which include the following subsidiaries as at 30 September 2023: One Mamaia Nord SRL, Neo Timpuri Noi SRL, One Cotroceni Park SRL, One Floreasca Towers SRL, One Herastrau Towers SRL, One Lake District SRL, One Long Term Value SRL, One Mircea Eliade Properties SRL, One Modrogan SRL, One Peninsula SRL, One Verdi Park SRL, X Architecture Engineering Consult SRL, One Plaza Athenee SRL and One Lake Club SRL.

The other subsidiaries which are not included in the fiscal group and are not micro-entities are profit tax payers as of 30 September 2023, while the subsidiaries which are micro-entities are paying income tax, according to the provisions of Law no. 571/2003 regarding the Fiscal Code and the application rules.

The tax rates for 2023 and 2022 are 16% for taxable profit and 1% for micro entities of total revenues.

The Group's current profit tax for the years 2022-2023 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 30 September 2023 and 31 December 2022 is determined based on the 16% tax rate, which is expected to be effective when temporary differences are reversed.

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

Description	30 September 2023	31 December 2022
Current profit tax liabilities	(18,626,297)	(717,144)
Deferred tax liabilities	(310,840,107)	(272,828,037)
Total assets /(liabilities)	(329,466,404)	(273,545,181)

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14. PROFIT TAX (CONTINUED)

The profit tax expense for the period ended 30 September 2023 and 30 September 2022 is detailed as follows:

Description	<u>30 September 2023</u>	<u>30 September 2022</u>
Current profit tax expenses	28,492,710	10,149,068
Deferred profit tax expenses	38,012,069	48,268,549
Income tax expense recognised in statement of profit or loss	<u>66,504,779</u>	<u>58,417,617</u>

Deferred tax balance movements

As at 30 September 2023 and 31 December 2022, the net deferred tax assets or liabilities related to taxable differences are as follows:

	<u>Consolidated statement of financial position</u>		<u>Consolidated profit or loss</u>	
	<u>30 September 2023</u>	<u>31 December 2022</u>	<u>9 months 2023</u>	<u>9 months 2022</u>
Construction contracts – IFRS15 effect	(111,074,190)	(93,397,982)	17,676,208	34,509,822
Fair value increase of investment property and effect of amortization	(179,618,355)	(157,412,416)	22,205,938	26,724,798
Inventories	(19,871,436)	(22,275,211)	(2,403,775)	(728,874)
Trade and other receivables	(1,787,913)	(838,653)	949,260	-
Fiscal losses	19,957,302	21,780,916	1,823,614	(2,013,727)
Sponsorship	4,564,198	5,049,609	485,411	(4,583,983)
Leases	66,631	28,755	(37,876)	(54,590)
Prepayments	331,615	129,621	(201,994)	89,032
Acquisition of Bucur Obor – recognized in retained earnings	(33,385,915)	(33,385,915)	-	217,237
Investment property for MAM Imob Business Center	-	-	-	118,486
Stock Option Plan	10,399,044	7,384,150	(3,014,894)	(5,978,658)
Property, plant and equipment	(421,088)	109,089	530,177	(30,994)
Deferred tax expenses / (income)			<u>38,012,069</u>	<u>48,268,549</u>
Deferred tax assets / (liabilities) net	<u>(310,840,107)</u>	<u>(272,828,037)</u>		

15. 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 30 September 2023 the Group's share capital is RON 759,530,863 (31 December 2022: RON 740,563,717.20) divided into 3,797,654,315 shares (31 December 2022: 3,702,818,586 shares) at a nominal value of RON 0.2 each (31 December 2022: RON 0.2 each). All issued shares are fully paid.

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15. EQUITY (CONTINUED)

Structure of share capital

Name of shareholder	30 September 2023			31 December 2022		
	Number of shares	Nominal value [RON]	Holding [%]	Number of shares	Nominal value [RON]	Holding [%]
OA Liviu Holding Invest SRL (represented by Mr. Andrei Diaconescu)	1,005,749,043	201,149,809	26.4834%	1,021,349,895	204,269,979	27.5830%
Vinci Ver Holding SRL (represented by Mr. Victor Capitanu)	1,005,749,043	201,149,809	26.4834%	1,021,349,895	204,269,979	27.5830%
Others	1,786,156,229	357,231,246	47.0331%	1,660,118,796	332,023,759	44.8340%
Total	3,797,654,315	759,530,863	100.00%	3,702,818,586	740,563,717	100.00%

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

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

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

On August 3, 2022, the Board of Directors approved the results of the Share Capital Increase, respectively the subscription of a number of 202,973,646 new shares offered at a price of 1,25 RON / share representing a total gross capital raise of RON 253,717,057.50 divided into share capital nominal value of RON 40,594,729.2, respectively 0,2 RON per each share and share premium of RON 213,122,328.30. The share capital of the Company is thus increased from the nominal value of RON 514,828,058.80 to the nominal value of RON 555,422,788.

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

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

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.

15. 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.

(ii) Legal reserve

The legal reserve of RON 17,452,635 as at 30 September 2023 (31 December 2022: RON 17,452,635) is established in accordance with the Company Law, according to which 5% of the statutory annual accounting profit is transferred to legal reserves until their balance reaches 20% of the company's share capital. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Company Law), it becomes taxable.

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

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

(iii) Other reserves – share based payments

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

A share-based payment plan was set up during Q4 2020 by which a number of 941 shares of the holding company were granted to an employee. The vesting period is of minimum 12 months and the option can be exercised up to 15 months from the granting date. According to the resolution of the Board of Directors no 20/30 December 2021 and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 55/19 April 2021, the Company approved the “split” of shares, by decreasing the nominal value of a share from RON 260.60 to RON 0.2, and pursuant to the resolution of the extraordinary general meeting of the Company's shareholders no 56/26 May 2021, the “split” of shares has been confirmed to apply to any share options granted prior to the “split” operation. Therefore, it was approved the amendment of the contract in order to reflect the “split”, as well as to extend the term for exercising the share options granted to the beneficiary. The Group has estimated the reserve by taking into account the fair value of the instrument and the vesting period.

On 19 April 2021, the General Shareholder Meeting (GSM) approved an algorithm proposed by the Board of Directors of the Company with respect to awarding certain bonifications to two executive members of the Board of Directors of One United Properties SA, which will materialize in granting a package of shares of maximum 5% of the share capital of the Company, no amount will be paid by the beneficiaries for granting and / or exercising an Option. This stock option plan (“SOP”) will be vested in the following 5 years, following the fulfilment of the performance conditions assessed on a yearly basis by the remuneration committee. 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 18,8 million in the first nine months of 2023 and RON 46 million during 2022 and in correspondence the related capital reserve.

The shares resulted from the share capital increase which was registered on 04 August 2023 have been allotted to the beneficiaries of the stock options plans approved by decision of the Extraordinary General Meeting of Shareholders of the Company no. 50 of 18 May 2020, respectively by decision of the Ordinary General Meeting of Shareholders of the Company of 19 April 2021, each as supplemented and amended. After this transaction, the stock option plan balance recorded in equity is RON 6,28 million.

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16. LOANS AND BORROWINGS

The loans outstanding as at 30 September 2023 and 31 December 2022 are detailed as follows:

Description	Original Currency	30 September 2023	31 December 2022
<i>Secured loans</i>			
Bank loans due in one year	EUR	136,752,312	172,386,427
Bank loans due in more than one year	EUR	822,900,337	633,776,316
<i>Unsecured loans</i>			
Loans received from minority shareholders due in one year	EUR	11,786	22,652
Loans received from minority shareholders due in more than one year	EUR	2,591,851	3,528,882
Loans received from minority shareholders due in one year	RON	38,651	24,876
Loans received from related parties due in one year	EUR	35,394	35,200
Loans received from related parties due in more than one year	EUR	20,172,460	20,062,162
Loans received from related parties due in more than one year	RON	-	368,111
Total		982,502,791	830,204,626
<i>Of which:</i>			
Long-term		845,664,648	657,735,471
Short-term		136,838,143	172,469,155

The balances and transactions with related parties are presented in Note 25.

Interest rates for bank loans are based on EURIBOR plus margins that vary from 2% to 4%.

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.

On 19 January 2021, the subsidiary One United Towers SA has signed the loan agreement with Black Sea Trade and Development Bank for an amount of maximum EUR 50,000,000. As at 30 September 2023, the subsidiary have withdrawn the amount of EUR 43,6 million. The loan agreement requires the observance of some financial indicators such as: financial debt less restricted cash to value ratio, forward-looking debt service coverage ratio, debt service coverage ratio, loan-to-value. The Group has complied with the financial covenants of its borrowing facility as at 30 September 2023. The loan balance as of 30 September 2023 is RON 198,7 million (31 December 2022: RON 204,8 million) from which due on short term – RON 14,5 million.

In March 2021, the subsidiary One Verdi Park SRL has obtained the re-authorization for change in destination from a mixt development, including office to a residential development. As a consequence, the subsidiary has signed an addendum to the existing bank loan contract in order to accommodate the change in destination of the development. The credit facility period was reduced from 144 to 28 months. The subsidiary performed withdrawals from the credit line in order to finance the development of the residential project, the balance of the loan as of 30 September 2023 is of RON 0 million (31 December 2022: RON 98,36 million) as the credit was fully reimbursed in Q3 2023.

On 23 July 2021, the subsidiaries One Cotroceni Park Office SA and One Cotroceni Park Office Faza 2 SA have signed the loan agreement with Banca Comerciala Romana SA, BRD Groupe Societe Generale SA and Erste Group Bank AG for an amount of maximum EUR 78,000,000. The loan agreement requires the observance of some financial indicators. The bank loan contract contains pledges on land and construction in progress, as well as receivables from leasing contracts, insurance policies and shareholder loan, bank account and 100% of the share capital of the borrowers. The holding Company guarantees to each finance party the punctual performance which will cover costs differences or cash flows deficit related. As of 30 September 2023, the loan balance related to the subsidiary One Cotroceni Park Office SA is RON 187,16 million (31 December 2022: RON 211,52 million) from which on short term the amount of RON 11,78 million. As of 30 September 2023, the loan balance related to the subsidiary One Cotroceni Park Office SA Faza 2 is RON 135,48 million (31 December 2022: RON 49,25 million) from which on short term the amount of RON 7,49 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 30 September 2023 is of RON 59,69 million (31 December 2022: RON 59,37 million) and is due on short term.

16. LOANS AND BORROWINGS (CONTINUED)

The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and bank accounts. Also, the loan has attached a corporate guarantee issued by the holding Company which will cover costs differences or cash flows deficit related to project completion for 15% of total development costs (EUR 7,47 million).

On September 2021, the subsidiary Neo Timpuri Noi SRL have obtained a new credit facility for a maximum amount of EUR 4,049,314. The loan balance as at 30 September 2023 is of RON 18,87 million (31 December 2022: RON 18,55 million) and is due on short term. The bank loan contract contains pledges on land and construction in progress, as well as receivables from customers and insurance policies and bank accounts.

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 loan balance as at 30 September 2023 is RON 38,31 million (31 December 2022: RON 41,16 million), from which on short term RON 4,18 million.

On 27 July 2022, the Company, through its subsidiary One Victoria Plaza SRL (former MAM Imob Business Center SRL) contracted a bank loan from Garanti Bank in total value of EUR 18,43 million and fully utilized this amount, therefore the loan balance as at 30 September 2023 is RON 85,83 million (31 December 2022: RON 89,18 million), from which on short term RON 5 million. The loan will be fully repaid until June 2037. The bank loan contract contains pledges the Office building located in Sos. Nicolae Titulescu No.29-31.

The subsidiaries One United Tower SA, One Cotroceni Park Office SA and One Cotroceni Park Office Faza2 SA 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 20,2 million (31 December 2022: RON 20,46 million), from which short term RON 35,394.

In Q1 2023, the Group, through its subsidiary, One Proiect 12 SRL, contracted a bank loan from First Bank in total value of EUR 6,8 million. The loan has a maturity of 6 years. The bank loan contract contains pledges over the building and land held by the company on Georges Clemenceau street, no 8-10 and also over the building and land held by One Proiect 10 SRL on Academiei street no 21, as well as bank accounts and a corporate guarantee issued by the holding Company. The loan balance as of 30 September 2023 is RON 33,58 million from which on short term RON 3,9 million.

In Q1 2023, the Group, through its subsidiary Eliade Tower SRL contracted a bank loan from Garanti Bank in total value of EUR 5 million and fully utilized in January 2023. The loan has a maturity of 5 years. The bank loan contract contains pledges the Office building “Eliade Tower” located in Bd. Mircea Eliade No.18, Bucharest and receivables. The due date for reimbursement is 19 January 2028. The loan balance as of 30 September 2023 is RON 21,9 million from which on short term RON 4,62 million.

On 2 March 2023, subsidiary One Cotroceni Park SRL contracted a bank loan from Transilvania Bank in total value of EUR 20 million for a period of 42 months. The loan due date for reimbursement is August 30th 2026. The bank loan contract contains pledges over land plot 239866 and construction, as well as bank accounts and future receivables from presales, 100% of the share capital and a corporate guarantee issued by the holding Company. As at 30 September 2023, the subsidiary have withdrawn the amount of EUR 100,5 million. The loan balance as of 30 September 2023 is RON 95,26 million and is all amount on long term.

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

On 12 September 2023, subsidiary One Verdi Park SRL have signed the loan agreement with Patria Bank for an amount of maximum EUR 9,500,000. The loan due date for reimbursement is 11 September 2026. The bank loan contract contains pledges over 15 residential units, as well as bank accounts and future receivables. As at 30 September 2023, the subsidiary have withdrawn the amount of RON 24,87 million. The loan balance as of 30 September 2023 is RON 24,87 million and is all amount on long term.

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17. TRADE AND OTHER PAYABLES

Trade and other payables are detailed as follows:

Description	30 September			31 December		
	2023	Short Term	Long term	2022	Short Term	Long term
Suppliers	59,641,295	59,641,295	-	163,841,716	163,841,716	-
Accrued payables	47,650,523	47,650,523	-	28,602,207	28,602,207	-
Performance guarantees retained from suppliers	58,397,042	58,397,042	-	48,722,743	48,722,743	-
Dividends	2,664,698	2,664,698	-	2,806,389	2,806,389	-
Other taxes and duties	1,000,436	1,000,436	-	1,326,580	1,326,580	-
Sundry creditors	45,338,325	45,338,325	-	43,166,659	24,703,167	18,463,492
Provisions	1,479,880	-	1,479,880	1,450,526	-	1,450,526
Employee benefits	1,683,695	1,683,695	-	1,062,754	1,062,754	-
Liabilities for acquisitions of investments	24,636,550	24,636,550	-	-	-	-
Other creditors	3,528,050	-	3,528,050	3,528,255	-	3,528,255
Total trade and other payables	246,020,494	241,012,564	5,007,930	294,507,829	271,065,556	23,442,273

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

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

18. ADVANCE PAYMENTS FROM CUSTOMERS

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	30-Sep-23	31-Dec-22
One Floreasca Towers	One Floreasca Towers	Residential	27,710,014	15,530,020
One Herastrau Plaza SRL	One Herastrau Plaza	Residential	79,393	79,393
One Cotroceni Towers SRL	One Cotroceni Towers	Residential	147,092,196	-
One North Gate SRL	One North Lofts	Investment property	20,488,266	8,165,132
One Cotroceni Park SRL	One Cotroceni Park	Residential	8,594,258	30,377,463
One Lake District SRL	One District Properties	Residential	107,351,075	88,640,773
One Plaza Athenee SRL (former One Proiect 3 SRL)	One Athenee	Residential	-	39,552,200
One Lake Club SRL (former One Proiect 6 SRL)	One Lake Club SRL	Residential	28,307,226	53,182,697
One Lake Club (Phase 2)	One Lake Club (Phase 2)	Residential	-	5,226,929
One City Club SRL (former One Proiect 9 SRL)	One City Club	Investment property	5,088,154	5,088,154
One Mamaia Nord SRL (former Neo Mamaia SRL)	One Mamaia Nord	Residential	4,455,214	6,992,261
One Long Term Value SRL	One Long Term Value	Investment property	-	-
One Herastrau Vista (former Neo Herastrau Park SRL)	One Herastrau Vista	Residential	25,748,096	26,634,795
One High District SRL	One High District	Residential	49,171,866	10,209,552
Eliade Tower SRL	Eliade Tower	Investment property	22,186,760	2,961,080
Bucur Obor SA	Bucur Obor	Investment property	1,000	1,000
Total			446,273,518	292,641,449

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18. ADVANCE PAYMENTS FROM CUSTOMERS (CONTINUED)

Description	30 September 2023	31 December 2022
Advances received from clients in relation to residential portfolio (contract liabilities)	398,509,338	276,426,083
Advances received from clients in relation to investment property	47,764,180	16,215,366
Total	446,273,518	292,641,449

The Company, through its subsidiary, One North Gate SA have signed an asset sale agreement for an office building owned by the subsidiary for a transaction value of EUR 6 million. The buyer is Element Investiții Imobiliare S.R.L. Following this transaction, One North Gate S.A. retains a second building within the development, which will be transformed into a residential development called One North Lofts. As of 30 September 2023, an advance payment of RON 7 million was performed by the buyer in relation to this agreement.

19. 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	30 September 2023	30 September 2022
Sales of completed inventory property		
<i>Sales – One Mircea Eliade Properties</i>	4,663,200	21,234,758
<i>Sales – One Mamaia Nord (former Neo Mamaia)</i>	(238,163)	(1,465,534)
<i>Sales - One Herastrau Towers</i>	29,205,130	10,913,496
<i>Sales - One Verdi Park</i>	53,925,503	-
Sales of residential property under development from which:		
<i>Contract revenues - One Peninsula</i>	69,690,044	83,927,222
<i>Contract revenues - One Verdi Park</i>	-	219,359,750
<i>Contract revenues - Neo Floreasca Lake</i>	10,638,632	38,630,466
<i>Contract revenues - Neo Timpuri Noi</i>	11,064,462	14,372,147
<i>Contract revenues - One Herastrau Vista</i>	25,063,614	3,514,915
<i>Contract revenues – One Modrogan</i>	5,782,921	63,325,611
<i>Contract revenues – One Cotroceni Park</i>	237,076,694	140,218,245
<i>Contract revenues - One Mamaia Nord - faza 2</i>	8,835,754	160,578
<i>Contract revenues - One High District</i>	121,624,947	-
<i>Contract revenues - One Floreasca Towers</i>	46,577,575	-
<i>Contract revenues - One Lake District</i>	49,430,108	-
<i>Contract revenues - One Lake Club</i>	84,436,120	3,514,090
<i>Contract revenues - One Cotroceni Towers</i>	27,661,592	-
<i>Contract revenues - One Plaza Athenee</i>	90,807,880	-
Total revenues from contracts with customers	876,246,013	597,705,744

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

In prior period, the construction at One Mircea Eliade Properties, One Mamaia Nord (former Neo Mamaia), One Herastrau Towers were completed and therefore the residential property under development was transferred in completed inventory property. During 2023, the construction of One Verdi Park was completed and therefore the residential property under development was transferred in completed inventory property.

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

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19. NET INCOME FROM RESIDENTIAL PROPERTY (CONTINUED)

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 is on-going.

The cost of sales of residential property are detailed below:

	30 September 2023	30 September 2022
Cost of sales of completed inventory property		
<i>Cost of sales – One Mircea Eliade</i>	1,574,075	11,603,117
<i>Cost of sales – One Mamaia Nord (former Neo Mamaia)</i>	66,721	(1,562,704)
<i>Cost of sales - One Herastrau Towers</i>	9,950,827	4,584,987
<i>Cost of sales - One Verdi Park</i>	35,714,196	-
Cost of sales of residential property under development from which:		
<i>Contract cost - One Peninsula</i>	29,213,390	37,246,236
<i>Contract cost - One Verdi Park</i>	-	101,787,034
<i>Contract cost - Neo Floreasca Lake</i>	7,995,077	20,059,642
<i>Contract cost - Neo Timpuri Noi</i>	10,121,769	9,503,330
<i>Contract cost - One Herastrau Vista</i>	15,241,572	2,402,101
<i>Contract cost – One Modrogan</i>	1,528,718	23,563,174
<i>Contract cost – One Cotroceni Park</i>	176,227,554	100,387,450
<i>Contract cost - One Mamaia Nord - faza 2</i>	9,023,561	270,445
<i>Contract cost - One High District</i>	108,610,350	-
<i>Contract cost - One Floreasca Towers</i>	30,483,427	-
<i>Contract cost - One Lake District</i>	44,527,261	-
<i>Contract cost - One Lake Club</i>	53,679,677	2,928,327
<i>Contract cost - One Cotroceni Towers</i>	27,678,064	-
<i>Contract cost - One Plaza Athenee</i>	57,566,624	-
Total cost of sales	619,202,863	312,773,139

20. 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.

Details about the net annual rent are presented below:

As at 30 Sep 2023	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	47,697,616	65.2%	20,635,598	68,333,214	69.2%
Retail	22,779,636	31.2%	4,857,262	27,636,898	28%
Other	2,632,948	3.6%	137,912	2,770,860	2.8%
Total	73,110,200	100%	25,630,772	98,740,972	100.0%

As at 30 Sep 2022	Rental income	% share of rental income	Revenues from services to tenants	Total	% share in total
Office	20,987,986	50.4%	6,286,801	27,274,787	52.6%
Retail	20,148,146	48.4%	3,793,939	23,942,085	46.2%
Other	533,791	1.2%	59,495	593,286	1.2%
Total	41,669,923	100%	10,140,235	51,810,158	100%

Under the office activity, are mainly included the revenues generated by One United Tower, One Cotroceni Park Office and One Victoriei Plaza with a share of 93% in total office rental revenues as of 30 September 2023. The rental activity increased as One Tower and One Cotroceni Park Office buildings started to generate revenues as the development were finalized.

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

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21. SALES BROKERAGE EXPENSES AND OVERHEAD EXPENSES

Description	9 months ended	
	30 September 2023	30 September 2022
Sales brokerage commissions	8,921,740	6,868,837
Total	8,921,740	6,868,837

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

22. GENERAL AND ADMINISTRATIVE EXPENSES

The overheads are detailed as follows:

Description	30 September 2023	30 September 2022
Bank commissions and similar charges	2,032,504	1,394,282
Commissions, fees and consultancy services	7,858,531	8,480,580
Protocol, advertising and publicity	9,160,497	6,133,971
Accounting, audit services and similar services	1,834,214	1,330,639
Administration services	1,601,954	482,094
Other administrative expenses	3,908,325	3,431,397
Amortization of tangibles and intangibles	2,693,346	1,523,159
Salaries and similar contributions	8,311,919	6,022,553
Share based payment transactions	18,843,088	44,091,857
Depreciation RoU	361,672	466,134
Total	56,606,050	73,356,666

23. OTHER OPERATING EXPENSES

Other operating expenses are detailed as follows:

Description	9 months ended	
	30 September 2023	30 September 2022
Donations and sponsorships	5,693,146	6,429,313
Movement in provisions and allowance for impairment	938,085	1,502,680
Bad debts written off	325,415	193,114
Contractual penalties	225,794	993,222
Other operating expenses	1,581,272	623,435
Total	8,763,712	9,741,764

24. NET FINANCIAL RESULT

The financial income and expenses are detailed as follows:

Description	9 months ended	
	30 September 2023	30 September 2022
Interest income	17,165,285	5,514,878
Other financial income	3,439,995	3,929,465
Foreign exchange net impact	(4,097,145)	110,798
Interest expenses	(39,727,081)	(14,003,690)
Total net financial result – gain/(loss)	(23,218,946)	(4,448,549)

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25. RELATED PARTIES

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	30 September 2023	30 September 2022
Short - term employee benefits	884,308	345,275

The Group’s related parties at 30 September 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
Blue Capital SA (former Smart Capital Investments SA)	Romania	Other related party
Ploiesti Logistics SRL	Romania	Other related party
Element Investments SRL	Romania	Other related party
Element Invest Partners SRL	Romania	Other related party
One Energy Division SRL	Romania	Other related party
One Holding Investments SRL	Romania	Other related party
AV Holding SRL (former One Holding Ver SRL)	Romania	Other related party
Park Lane Investments SRL (former One Holding OA SRL)	Romania	Other related party
One Proiect 2 SRL	Romania	Other related party
YR-WNT SRL (former Neo Downtown SRL)	Romania	Other related party
ACC Investments SRL	Romania	Other related party
Reinvent Energy SRL	Romania	Associate
One Property Support Services SRL	Romania	Associate
One Herastrau Office Properties SA	Romania	Associate
One Herastrau Office SA	Romania	Associate, the shares were sold
Glass Rom Invest SRL	Romania	Associate
CCT & ONE AG	Switzerland	Associate
CC Trust Group AG	Switzerland	Other related party
CCT & One Properties SA	Luxembourg	Associate
Vinci Ver Holding SRL	Romania	Other related party
OA Liviu Holding SRL	Romania	Other related party
Equity Partners SRL	Romania	Other related party
Dragos-Horia Manda	Romania	Key management personnel, minority shareholder of the Group
Claudio Cisullo	Switzerland	Key management personnel, minority shareholder of the Group
Gabriel-Ionut Dumitrescu	Romania	Key management personnel, starting 2022 exit the Board
Adriana-Anca Anton	Romania	Key management personnel, starting 2022 exit the Board
Valentin-Cosmin Samoila	Romania	Key management personnel
Marius-Mihail Diaconu	Romania	Key management personnel, minority shareholder of the Group
Augusta Dragic	Romania	Key management personnel
Magdalena Souckova	Czech Rep.	Key management personnel

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2023 and 30 September 2022, as well as balances with related parties as at 30 September 2023 and 31 December 2022:

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25. RELATED PARTIES (CONTINUED)

Nature of balances	Related party categories	Statement of financial position (Amounts owing (to)/from)	
		30 September 2023	31 December 2022
Receivables and other receivables related to goods and services sold	Key management personnel of the Group	11,983	2,482
	Associates	5,241,909	4,744,972
	Other related parties	24,331,048	12,050,587
Advances paid for purchases of goods and services	Key management personnel of the Group	-	-
	Associates	1,932,053	10,869,424
	Other related parties	25,001,593	21,883,513
Payables related to goods and services paid	Key management personnel of the Group	3,755	3,305
	Associates	4,198,884	10,270,577
	Other related parties	3,935,711	8,850,374
Dividends paid during the year, net of tax	Key management personnel of the Group	1,988,914	4,309,192
	Other related parties	22,439,070	48,473,059
Advance payments received	Other related parties	19,544,271	10,999,262
	Associates	70,940,896	102,004,454
Nature of transactions	Related party categories	Income statement (Income/(expense))	
		9 months 2023	9 months 2022
Sales of goods and services	Key management personnel of the Group	-	-
	Associates	18,117,484	23,037,105
	Other related parties	18,397,483	7,342,644
Dividends income	Associates	3,148,000	-
Purchases of various goods and services	Key management personnel of the Group	-	-
	Associates	58,527,711	56,208,979
	Other related parties	20,594,690	34,040,402
Loans from related parties		Interest expenses	Amounts owed to related parties
	2023	-	20,207,854
Companies – Other related parties	2022	-	20,465,473
Total loans from related parties	2023	-	20,207,854
	2022	-	20,465,473
Loans granted related parties		Interest income	Amounts granted to related parties
	2023	1,553	599,833
Loans granted to associates	2022	177,706	7,060,180
Total loans from related parties	2023	1,553	599,833
	2022	177,706	7,060,180

26. EARNING PER SHARE

The calculation of earnings per share at 30 September 2023 and 30 September 2022 was based on the profit attributable to equity holders of RON 344,755,543 (30 September 2022: RON 421,072,294) and the weighted average ordinary shares in issue during the year.

<i>RON</i>	30 September 2023	30 September 2022
Profit for the year attributable to equity holders	344,755,543	421,072,294
Weighted average number of shares in issue	3,723,893,192	2,619,245,549
Basic earnings per share attributable to equity holders	0.09	0.16

27. 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; are not alienated or mortgaged; are free from any liens.

The Company, have signed a pre-agreement for sale of shares held in the subsidiary, One Proiect 12 SRL. The Company undertakes to sell and transfer to the promissory purchaser the ownership right over the shares until February, 2024 and the promissory purchaser irrevocably undertakes to acquire the ownership over the shares under the terms, conditions, representations and warranties of the Company, as agreed in the shares sale pre-agreement.

28. CONTINGENCIES

There are several law suits 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 law suits at the issue date.

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

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.

29. SUBSEQUENT EVENTS

On 10 October 2023, held the Ordinary and Extraordinary General Meetings of Shareholders. During the GMS, the shareholders approved, among other items, 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) i.e., a dividend of RON 0.01/share from the distributable net profit of RON 64,960,806 (of which RON 16,899,806 represents the distributable net profit for the first half of the financial year ending on 31 December 2023).

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

The interim condensed consolidated financial statements were approved by the Management of the Company, authorised for issue on 13 November 2023 and signed on its behalf by:

VICTOR CAPITANU
 Administrator

VALENTIN-COSMIN SAMOILA
 Chief Financial Officer