



## Chairman's Opening Speech 2023

### Annual General Meeting of Shareholders of One United Properties | 25.04.2023

Dear Shareholders,

Despite a turbulent and in many regards challenging 2022, we conclude another highly successful business year. With geopolitical tensions in Europe and beyond, rapidly growing inflationary pressures and tightening monetary policy conditions, we have succeeded in achieving excellent results across our group's activity portfolio.

We have developed, delivered, and managed homes, offices, and retail spaces with highest quality and a green environmental footprint. Combined with our diligent financial management and a sustainable approach to growth, we can today present to our shareholders excellent financial results.

2022 was another very strong business year for the ONE brand, with many highlights. They are all listed in the Annual Report, which is available online. At this point, I would like to mention some of them, which I believe will be relevant to both our shareholders, and the broader stakeholder community.

First, we have increased our consolidated turnover by 4% year-on-year to RON 1.2 Bn (EUR 235.4 Mio) and report an annual net profit of RON 502.5 Mio (EUR 101.9 Mio). This result is **after** we have invested a considerable amount of more than RON 1 Bn (EUR 204.9 Mio) into our company's growth and have paid a total of RON 78.6 Mio (EUR 15.6 Mio) in dividends to our shareholders. Worth special mentioning is the 9% year-on-year increase in revenue in the residential segment, which reached RON 769.5 Mio and a net margin of 41% corresponding to a 6% increase year-on-year. Additionally, we were able to substantially increase rental income, reaching RON 62.4 Mio, which is more than 9-fold higher than the previous year.

We have closed the financial year with a strong cash position of RON 567 Mio (EUR 114.6 Mio), which represents a 12% increase since the beginning of the year, and we have delivered our shareholders an annual yield of 15%. Our leverage ratio of 28% remains very low compared to our European peers and our net debt of RON 263.2 Mio (EUR 53.2 Mio) corresponds to only 6% of our total assets, which amount to RON 4.2 Bn (EUR 856.4 Mio) and further underpin our group's financial strength.

Second, we have clearly outperformed our peers – both in Romania and internationally – with regard to the share price performance. I have already mentioned the 15% yield, which our shares delivered to our investors. It is important to state at this point, that the market environment has been unusually challenging for all industries in 2022, and that equities experienced steep losses globally, with many indexes seeing their worst performance since over a decade.

Despite the non-precedented turbulences and equity markets losses across the globe, and despite substantial equity discounts faced by the real estate sector, One United Properties' shares performed





better than any other developer in the Central and Eastern European region, and rank among the best performers internationally – better than most Western European peers.

I cannot stress enough what an outstanding achievement this is by the ONE leadership, given the overall market circumstances. We have proven in 2022 that our strategy of sustainable growth in the premium real estate segment, combined with solid finances and low leverage is not only profitable in good times, but that it can equally successfully sustain and generate profits during challenging times.

But there were also other highlights of the past business year, which I would like to mention.

We have acquired One Downtown and One Plaza Athénée, which will become part of our flagship urban regeneration portfolio. Urban regeneration is a very important part of our sustainability vision and our work especially in Bucharest, and is a cornerstone of our group's legacy. Generally, sustainability has been and remains a crucial keystone of our brand and of our daily work. Each year, we invest in our green footprint and further optimize our environmental compliance. This includes using refined materials, improving our processes, and striving to educate our partners and clients about the importance and effectiveness of green, sustainable solutions. Needless to say, since 2017 our residential developments are certified "Green Homes", and our office buildings are certified or pre-certified under WELL Health and Safety and LEED Platinum certification by the US Green Building Council, one of the most demanding certifications on the environmental impact and performance. Moreover, in April of last year, we have announced the establishment of our Environmental, Social and Governance Committee, which has since been assisting the Board of Directors in defining the group's sustainability strategy. It is the first-ever ESG Committee appointed by the Board of Directors of a Romanian blue-chip company.

In addition, in August of last year, we have successfully closed a share capital increase operation during which we have raised RON 253.7 Mio. The capital raised during this operation will further strengthen our growth strategy, enabling us to develop further market opportunities, including One City Club, One Herastrau City, One Cotroceni Towers, as well as the aforementioned One Plaza Athénée and One Downtown.

And ultimately, following the vast demand for our properties in 2022, which considerably outweighed unit availability, I want to mention that we were able to complete the permitting steps in order to launch 2023 with a portfolio of nearly twelve hundred newly permitted residential units available for sale. To provide you with specific numbers as to our residential unit pipeline, as of December 31st, 2022, we had over five and a half thousand residential units in construction phase, with a total estimated Gross Development Value of nearly EUR 1,5 Bn. Simultaneously, we had over three thousand residential units in planning phase, with a total estimated Gross Development Value of EUR 859 Mio. When it comes to our office portfolio, this accounted end of 2022 a Gross Leasable Area of 138 thousand sqm of office space and combining the retail portfolio, the total commercial rental portfolio has a Gross Leasable Area of over 180 thousand sqm.

This, in a short summary, are the highlights of our excellent starting position into 2023. What we intend to do going forward is: keep the course and execute on the existing strategy, maintaining a leading market position in the prime residential, mixed-use and office real estate segments in Romania.



This means, we will leverage our strong brand and reputation to continue expanding into the medium-income customer segment, while keeping strong margins and expanding geographically into all areas of Bucharest - and potentially into other major cities in Romania and beyond.

We will continue to build our revenue-generating portfolio with high-quality triple-A commercial properties and search for high-return opportunities to acquire existing developments.

We will maintain our low-risk approach to cash-generation, while optimizing capital structure and enhancing returns to shareholders.

Of course, we will keep our commitment to green and sustainable developments strong.

And ultimately, we will remain one of the most active and transparent issuers listed on the Bucharest Stock Exchange, making a proactive contribution to bringing liquidity to the local capital market and supporting its reclassification as an Emerging Market.

With all this in mind, our acknowledgement and appreciation go to our clients, whose demand for the ONE brand grows stronger each year, as well as to the ONE teams, who ensure client satisfaction every single day.

It also goes to you, our shareholders – thank you for your trust and support. I look forward to another year of partnership and very productive collaboration.

Claudio Cisullo

Chairman of the Board of Directors

One United Properties S.A.