

# One United Properties

## Coverage Initiation

**We value the One United Properties business at RON 3.69bn, which would imply a share price of RON 0.998/sh.**

The primary foundations that underpin our valuation are reflected by the current distressed market conditions at both regional and national levels, characterized by elevated mortgage rates and a high-inflationary environment that put pressure on demand, as well as on the realized margins. Although ONE's premium segment has a lower exposure to macroeconomic factors compared to the general real estate market (ONE's clients have above average income) it still faces risks and challenges in the short to medium term due to economic and demographic factors that may impact the broader residential market in Romania.

### Premium segment – premium business model

The real estate developer targets the ultra-high, high-end, and premium categories of the residential segment, mainly in Bucharest. The Company's main revenue stream consists of sales of apartments in its developments, primarily to end-users, where the minimum advance payment practiced is 30%. In addition, ONE has progressively developed its office portfolio since 2017, where it concludes contracts with tenants for a minimum of five years, thus offering a predictable recurrent revenue that complements the dynamic revenue coming from the residential development business.

### Residential segment: projects a total GDV of EUR 1.9bn

The residential segment is expected to deliver around 1,000 apartments per year over the following 5 years, considering that the business has expanded its ability to manage more residential projects. There are 17 residential developments that are either under construction, in the planning phase or have unsold apartments, which amount to a total of c. 8k apartments, that, according to our calculations add up to an estimated EUR 1.9bn in total gross development value (GDV) and a gross profit margin (GPM) for all the projects of around 38.5% (our estimate). We expect rising material costs to take their toll on gross profit margins, hindering the real estate developer, as the development of future projects will have to update to current market conditions, thus, we envisage a gross profit margin of around 35%.

### Room for revenue growth from rental services

Moving to the office segment, we anticipate that revenues will grow at a 32% CAGR over the following five years to RON 255.7m, supported by several recent acquisitions, the conclusion of fit-out periods, and the relocation of tenants to ONE Cotroceni Park - Phase II, as well as the Company's active policy of indexing rental contracts with the Harmonised Index of Consumer Prices. In our view, we anticipate that over the following five years, the average rent will increase at a CAGR of 4.4%, reaching EUR 18.4/sqm by 2027.

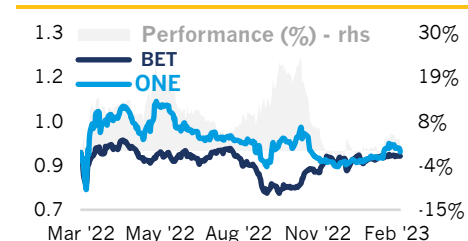
06 Mar '23

### Summary data

Share price (RON)	0.895
Shares in issue (m)	3,702.8
Market cap (RON'm)	3,314
Market cap (USD'm)	716
Free float	34.1%
3m average daily traded volume (EUR'k)	101
Absolute change 3month	+3.5%
Absolute change 12month	+3.5%
Change% 3m (vs BET)	+0.2%
Change% 12m (vs BET)	+1.6%
<b>Target price (RON)</b>	<b>0.998</b>
<b>Rating</b>	<b>Neutral</b>
<b>Upside</b>	<b>+11.5%</b>
Benchmark	BET
BET weighting (%)	2.0%
BET one-year return (%)	+1.9%
Bloomberg	ONE RO
Refinitiv RIC	ROONE.BX

Source: BT Capital Partners, EquityRT

### ONE vs. BET (rebased @ 01 Mar '22)



Source: EquityRT

### Key ratios / multiples\*

	FY '22	FY '23f	FY '24f	FY '25f
EPS (RON)	0.124	0.184	0.192	0.150
P/E (x)	7.2	4.9	4.7	5.9
P/B (x)	2.0	1.4	1.2	1.0
ROE (%)	27.5%	29.5%	25.0%	17.1%

Source: BT Capital Partners

\*Multiples calculated based on last closing price.

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## Investment summary

### Strengths & Opportunities

- ONE produces and delivers premium apartments in favorable locations with a superior design and architecture which makes them attractive to customers. Due to this, the Company is less susceptible to fluctuations in mortgage rates compared to the wider housing market, as individuals who can afford high and high-end properties are less inclined to take out a mortgage loan;
- Modern living spaces in areas with good infrastructure and amenities are in demand, especially in growing economies, placing ONE in a favorable position;
- High overcrowding rate in Romania (41% vs. 17% in EU27) leaves room for growth in demand for the residential segment in the future;
- ONE's minimum amount of advance payment is 30%, which is more than the minimum level demanded by CEE developers and helps the developer secure part of needed funds more easily;
- ONE's nature of conducting business through outsourced contractors helped them in hedging the current rising costs;
- Tenants are paying increasing attention to ESG-compliant offices, from which ONE benefits, as all office developments are certified or are undergoing WELL and LEED Platinum certifications;
- The Company concludes rental contracts for a minimum of five years, the rent being indexed yearly based on the Harmonized Index of Consumer Prices (HICP);
- The rental business benefits from superior prime yields compared to other European countries (6.75% in Bucharest vs. 6% in Budapest, 4.75% in Prague, 5% in Warsaw, and 3.75% in Munich) according to Colliers;
- ONE managed to secure most of its building permits for its residential projects, with the majority spanning until the end of 2025;
- Land plots for projects in the permitting and (or) planning phase – totaled 139.2k sqm- (440.4k buildable sqm, 3,447 apartments);
- Sound financial leverage in a capital-intensive industry with a loan to value ratio of 28% as of the end of 2022;
- Integrated approach for the development and sales of their projects granted by the key subsidiaries Skia Real Estate and X Architecture and Engineering Consult;

### Weaknesses & Threats

- Although the clients targeted by ONE are less susceptible to the mortgage market, elevated interest rates combined with a high-cost environment hinder the disposable income of possible clients, thus affecting their decision-making when it comes to residential acquisitions;
- The work-from-home trend continues to persist, which in turn has lessened demand for office spaces in Bucharest;
- Most of the demand for the office segment is supported by relocations and not by expansions of companies;
- Lower margins in the future, as the costs with the subcontractors will eventually update to current market conditions;
- Solvability of the construction subcontractors might represent a risk, as the rise in costs of raw materials and workforce accelerated due to inflationary pressures;
- The uncertain situation with zonal urban plans in Bucharest and the approval of building permits in the future may postpone development projects;
- Possible permanent suspension of the building permit for the development of One Modrogan, as the litigation case is ongoing;

## Business Overview

One United Properties is a real estate developer targeting the ultra-high, high-end, and premium categories of the residential segment, mainly in the Romanian capital Bucharest, with a smaller presence also in Mamaia (in Constanta county).

The Company's main revenue stream consists of sales of apartments in its developments, usually to end-users. In addition, One United Properties entered the office segment in 2017 and has since enlarged its office property portfolio, allowing it to generate increasing recurring rental income. More recently, the Company has added retail (e.g., Bucur Obor) and accommodations (in Buzau county) to its portfolio, which are also expected to bring in steady cash flows.

The real estate developer traces its origins back to 2000, when the Company's co-founders, Victor Capitanu and Andrei Liviu Diaconescu started investing in real estate. Their first residential project was completed in 2006 and, in 2013, the 'One' brand was adopted.

The architecture and design of projects are coordinated in-house by the subsidiary X Architecture & Engineering Consult, although specific projects may also require external service providers. Architectural concept proposals are collected via competitive processes, which may sometimes include international submissions. As regards interior design in both retail and office segments, the real estate developer has a longstanding strategic partnership with Lemon Interior Design, a specialized local company.

The Group is not directly involved in the construction of the developments; instead, the dedicated project management team supervises the works performed by contracted firms.

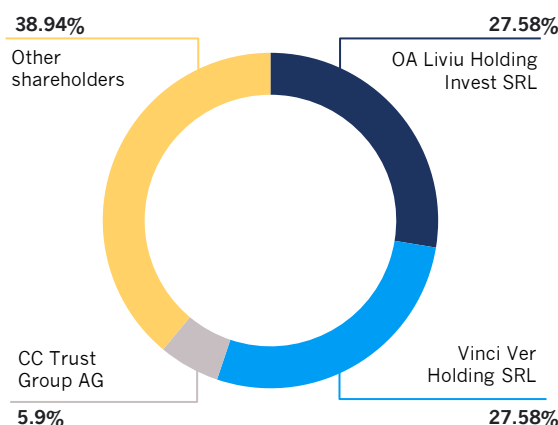
Also, the marketing and sale of residential units are carried out by Skia Real Estate, the Group's real estate agency, but they may also involve selected third-party agencies.

One United Properties plans to expand to other large Romanian cities and is also considering expansion abroad, as it is currently exploring opportunities in Milan and Athens.

## Ownership and dividend policy

The Company went public in Jul 2021 via an IPO on the Bucharest Stock Exchange, raising RON 260m in the process. In Aug 2022, it further tapped the capital market in a RON 254m capital raise, earmarking the funds for ten new developments.

**Graph 1. Shareholding (%)**



Source: Company data

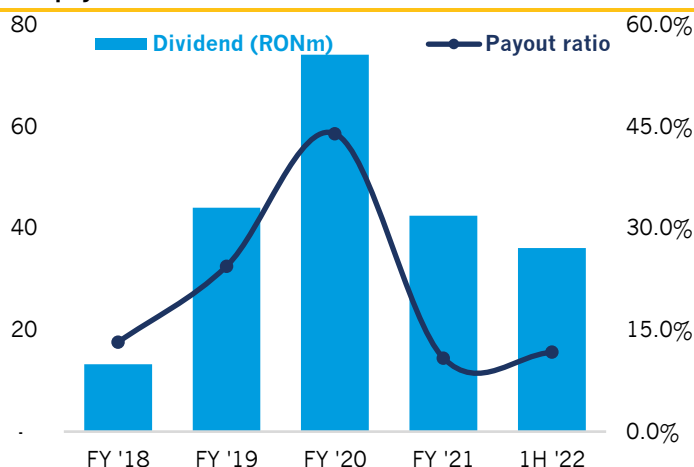
Following the latest offering, the Company's co-founders hold 27.58% stakes each, indirectly, via OA Liviu Holding Invest (Diaconescu) and Vinci Ver Holding (Capitanu), respectively. CC Trust Group has a 5.9% interest, while the free float stands at 38.9%.

Shortly after listing, the Company was included in the Romanian blue-chip index BET. In addition, it is a constituent of several indices in the FTSE Global Equity Index Series as a Mid Cap issuer. Its shares are also a component of other local, as well as various STOXX indices, and part of the FTSE EPRA Nareit EMEA Emerging index.

According to the dividend policy, the Board of Directors aims to propose to shareholders the distribution of up to 35% of the consolidated net distributable earnings, prioritizing compliance with any provisions regarding dividend distributions set forth in financing agreements. Deviations from this range are to be justified and explained to shareholders, should they occur.

Since 2019, the Company has paid RON 210m in dividends, with a peak in 2021 (RON 74.2m) consisting of the dividend for FY '20 and distribution from retained earnings of previous years. The payout ratio has averaged 20.8% over the same period. Dividends are paid semi-annually, and the three distributions made since listing average a 1.15% dividend yield.

**Graph 2. Dividend distributions and payout ratio**



Source: Company data

Note: The horizontal axis includes the fiscal years for which dividends have been paid.

### Group structure: one project – one subsidiary

One United Properties operates via legally distinct entities for each development it undertakes. The Group also has minority interests in CCT & ONE AG (49.9%), as well as in Reinvent Energy SRL (20%), Glass Rom Impex SRL (20%), and One Property Support Services SRL (20%).

Figure 1. Group structure



Source: Company data

### Environmental, Social, and Governance considerations

The Company’s seven-member Board of Directors is chaired by Claudio Cisullo, a non-executive member, who is also the founder and chairman of CC Trust Group, an important shareholder. The two co-founders, co-CEOs, and major shareholders – Victor Capitanu and Andrei Diaconescu – serve as executive members of the Board, alongside four other non-executive independent board members (Horia Manda, Marius Diaconu, Augusta Dragic, and Magdalena Soucek).

Four consultative committees aid the BoD: the Nomination & Compensation Committee, the Risk & Audit Committee, the Internal Audit Committee, and the Environmental, Social and Governance Committee.

The executive management, in addition to the co-CEOs, includes officers heading the Financial, Legal, Development Management, and Architecture departments. Moreover, the two main divisions – Residential and Office – are headed by dedicated CEOs.

In addition to having a dedicated ESG consultative committee consisting of the two founders and an external IR manager, the Group publishes annual sustainability reports. It is also worth noting that the real estate developer joined the UN Global Compact in 2021.

The entire residential portfolio has received the “Green Homes” certification from the Romanian Green Building Council, while all office developments are either WELL Health and Safety certified and LEED certified or are undergoing certification by the US Green Building Council. The company targets reaching carbon neutrality of its office portfolio by the end of 2022 and obtaining LEED Zero Carbon certification for all new projects.

Furthermore, One United Properties is covered by Sustainalytics, which in Sep 2022 has attributed the Company a ‘Medium’ ESG Risk Rating with a 20.0 overall score (bordering on the ‘Low’ risk category).

## Residential segment: 13 projects under construction

To date, the Company has completed eight residential developments (seven in Bucharest and one in Mamaia), while there are 17 residential developments that are either under construction, in the planning phase or have unsold apartments (of which 13 are under construction), which add up to EUR 1.9bn in total gross development value (GDV), according to the Group's estimates (including One Cotroceni Towers). Of these, residential units under construction have an estimated GDV of EUR 550.9m, while planned projects are worth EUR 1,402m. Meanwhile, the real estate developer estimates a EUR 552.2m gross profit for the residential portfolio under construction or planning (excluding One Cotroceni Towers for which the gross profit was not provided yet). As a general rule, One United Properties aims for at least a 30% gross margin for its projects.

As of the date of this report, the developer has sold or signed pre-sale contracts for 83% of apartments that have either been completed or are under construction. In addition, around 9% of the total area of projects that are in the planning stage had been pre-sold as of 31 May 2022.

The Company describes one of the customer types in the residential segment as the client interested in superior-quality housing featuring 'unique' architecture, located in the premium areas of Bucharest (according to the Company, these are Herastrau, Floreasca, Primaverii, Dorobanti, Victoriei Square), and built by reputable firms that have a high level of expertise. Moreover, such customers are said to have monthly incomes between EUR 5,000 and EUR 10,000 per family.

Another client type is described as looking for average added value housing in central and semi-central Bucharest under a well-known brand, with good quality finishes and developed by companies with significant experience in the residential market. This client type has a monthly income ranging from EUR 2,000 to EUR 5,000 per family. For reference, the average household income in the Bucharest – Ilfov region was EUR 1,934 in the second quarter of 2022.

At the time of signing purchase promises, there are three main payment options for residential units under development:

1. full payment
2. equal installments of 20% each, paid during the whole construction phase, or
3. payment of 30% at signing followed by 70% upon completion of the development for large-scale projects

According to the Company, the latter allows for mortgage financing, thus broadening the potential customer base.

Apartment prices are denominated in EUR, while the payment is made in RON considering the exchange rate at the payment date, which the Company says avoids "the risks associated with a potential devaluation of the [RON]." However, this is not unusual and is actually the standard practice in the local real estate market.

All of One's residential projects starting 2017 have received the "Green Homes" certification from the Romanian Green Building Council.

Table 1. Residential developments

Project Name	Start date	Completion date	Total apartments	Total built area (sqm)	Built residential area (sqm)	Built commercial area (sqm)	GDV (EUR'm)	Gross profit (EUR'm)
<b>Completed projects</b>								
Madrigalului Residence	Oct '13	Sep '14	14	3,130	2,271	-	3.2	0.9
One Floreasca Lake	Sep '11	May '15	68	15,000	8,333	-	14.8	5.7
One Herastrau Park	Aug '15	May '17	109	27,050	17,806	-	34.4	6.9
One Charles de Gaulle	Oct '15	Jun '18	33	9,197	5,378	-	22.7	5.9
One Herastrau Plaza	Jun '16	Jan '19	169	32,414	15,494	2,507	33.5	3.2
One Mircea Eliade	Mar '18	May '21	244	60,735	30,949	3,732	117.3	53.4
One Mamaia Nord - phase I	Sep '18	Jul '21	50	8,523	6,285	-	15.3	1.6
One Herastrau Towers	Oct '18	Jan '22	147	33,007	16,985	4,996	54.8	24.3
<b>Projects in progress</b>								
One Floreasca Vista	2Q '20	1Q '23	63	11,719	9,232	-	31.5	16.4
One Timpuri Noi	Apr '19	1Q '23	147	18,372	13,148	964	26.5	8.1
One Verdi Park	Nov '19	1Q '23	325	62,722	35,155	3,127	125.3	63.2
One Modrogan	Oct '20	2Q '23	48	14,803	9,739	-	68.7	45.1
One Peninsula	Oct '20	Q4 '23	168	52,959	36,087	-	143.0	73.9
One Cotroceni Park	Jun '21	Q4 '23	868	132,978	64,651	17,708	155.9	53.8
One North Lofts	1Q '23	1Q '24	137	20,000	n.a.	n.a.	30.0	n.a.
One Floreasca Towers	Jul '22	2Q '25	208	44,000	20,237	973	61.8	16.9
One Herastrau Vista	3Q '22	3Q '24	117	18,031	11,463	2,112	38.1	18.0
One Mamaia Nord - phase II	3Q '22	Q4 '24	86	19,800	10,039	-	23.3	5.6
One Lake District	1Q '23	1Q '27	2,076	251,663	177,068	979	322.2	131.2
One Lake Club	Jul '22	3Q '25	663	122,479	67,704	2,012	219.6	50.2
One Lake Club - phase II			137					
V-Lago	2Q '22	Aug '24	135	16,601	10,359	67	31.9	9.7
One High District	Q4 '22	Q4 '25	786	146,045	66,992	6,024	154.2	45.8
One Athenee	Jul '22	Jun '24	0	2,896	-	-	24.0	14.3
One Cotroceni Towers	Mar '23	2027	1,296	282,000	n.a.	n.a.	400.0	n.a.
<b>Projects in planning</b>								
One City Club								
One Herastrau City								
<b>Total</b>			<b>6,661</b>	<b>1,406,124</b>	<b>635,375</b>	<b>45,201</b>	<b>2,151.9</b>	<b>654.1</b>

Source: Company data

## Office segment – portfolio to reach over 100k sqm

In 2017, One United Properties made its debut in the office real estate market by acquiring the One North Gate development. Ever since, it grew its portfolio to 136k sqm in completed projects, with a further 60k sqm of offices already announced (One Cotroceni Park Phase III & IV). After completion, the consolidated portfolio should reach EUR 604.4m

The real estate developer owns and develops Grade A office buildings in Bucharest. The target customers comprise medium and large companies, including multinationals. Current tenants include companies such as Ford, DB Cargo Romania, CBRE, Saint-Gobain, and Superbet.

The Company's office projects are either certified or in the process of obtaining WELL and (or) LEED Platinum certification from the US Green Building Council. One United Properties aims to reach carbon neutrality of its office portfolio by the end of 2022 and to obtain LEED Zero Carbon certification for all new projects.



In Oct 2022, the real estate developer announced that one of the two buildings composing One North Gate was to be reconverted into a residential development named One North Lofts, thus reducing the leasable office area from 22.5k sqm to 4.5k sqm.

**Table 2. Office developments**

Project Name	Start date / Acquisition date	Completion date	Total leasable area	Leasable offices area (sqm)	Estimated market value (EUR'm)	Stake	Annual rental income (EUR'm)
One Tower	Mar '18	Dec '20	24,039	23,287	99.5	70.24%	6.2
One North Gate	Nov '17	-	4,500	4,500	42.5*	63.83%	3.3*
One Herastrau Office	Jun '20	-	8,074	7,673	24.2	20.00%	1.6
One Cotroceni Park Office - phase I	Sep '19	Dec '21	46,252	43,261	137.3	57.25%	8.9
One Cotroceni Park Office - phase II	Jun '21	Dec '22	34,456	32,075	108.0	57.25%	7.0
One Victoriei Plaza	Jul '22	-	12,000	12,000			1.9
Eliade Tower	Oct '22	-	8,000	8,000			
One Cotroceni Park Office phase III	Mar '23	n.a.	48,000	n.a.	n.a.	n.a.	n.a.
<b>Total/weighted average</b>			<b>185,321</b>	<b>130,796</b>	<b>411.5</b>	<b>58.88%</b>	<b>28.9</b>

Source: Company data

\*Before conversion

## Retail and accommodation segments

One United Properties took additional steps to diversify its activity and revenue streams. For example, after acquiring the building of the former Ford factory located on Calea Floreasca in Bucharest dating from the 1930s (from Auchan), it signed a pre-lease agreement with Auchan (for a part of the leasable area). Once completed, which the Company estimates will happen in 2024, it will have a gross leasable area of 13.5k sqm and will host shops, a food market, and restaurants on the ground floor and exclusive office spaces on the first floor.

In 4Q '21, it acquired a 66.7% interest in One Carpathian Lodge, a 1,000 sqm boutique hotel surrounded by forest located in Buzau county. This marked a departure from its focus on urban-only developments. The Group intends to transform the development – which will be operated on a ten-year lease by fine dining firm Le Manoir and is expected to become operational by the end of 2023 – into the first Relais & Châteaux property in Romania. The development includes, in addition to the building, 49 ha of forest and 7 ha of development land.

In the first quarter of 2022, the Group gained control of Bucur Obor, acquiring a 54.44% stake in the shopping center located in central Bucharest, which first opened in 1975, and is listed on the Multilateral Trading System of the local stock exchange. Bucur Obor hosts stores of various sizes, both local businesses and international brands.

Other smaller projects that have been recently announced include One Downtown, for which the final use has not been decided (the Company is considering turning the acquired buildings either into a residential development or a hotel), and One Plaza Athenee, which after renovation works are complete will host a five-star lifestyle hotel.

## Landbank

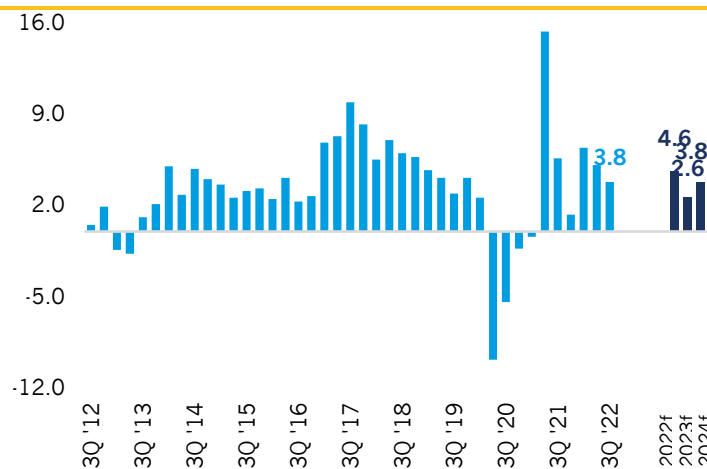
As of 01 Mar, the Group's investment property for further development ("landbank") – i.e., land plots for projects in the permitting and (or) planning phase – totaled 106k sqm (of which the Group estimates construction of 2.8k apartments). In addition, buildings due for restoration and further development add up to 40k sqm. Moreover, the Company says it has a "strong pipeline" of potential additions to the landbank portfolio. In Nov, it was in advanced stages of negotiations for seven developments, while an additional 20 projects were said to be in the early discussion or negotiation stages.

Industry overview

Residential real estate market

Romania’s macroeconomic outlook looks solid despite the slight deceleration in GDP growth from a 5.8% y/y increase in 2021 to 4.8% in 2022 as the accumulation of the inflationary pressures harmed the real disposable income of the population and consequently for the dynamics of the private consumption. Although for 2023 a slowdown in economic growth is expected, due to high inflationary pressures that hurt the real disposable income of the population, in the medium-long term, we expect the economy to accelerate as gross fixed capital will continue to accelerate, in the context of the implementation of the EU programs and the affordable level of the real financing costs.

Graph 3. Romanian GDP growth and prospects (%)

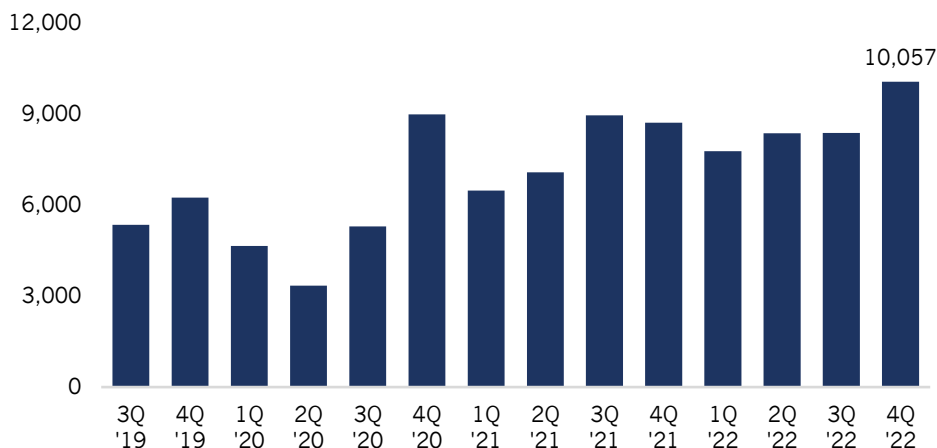


Source: National Institute of Statistics, BT forecasts

Household demand rebounds fast despite the challenging economic environment

Despite the potential slowdown in economic growth, there are still positive signs in Romania's economy, and this is reflected in the steady growth of the residential segment in Bucharest which continued to increase steadily at a 5% CAGR over the last three years in terms of new units transactions. Although the geopolitical tensions challenged the status quo of the region’s economy at the beginning of the last year (-10.7% q/q in the number of transactions in 1Q '22), the acquisitions managed to rebound in the last quarter of 2022 (+16% y/y in 4Q '22).

Graph 4. New units transactions\* quarterly evolution Bucharest (1Q '19 – 4Q '22)

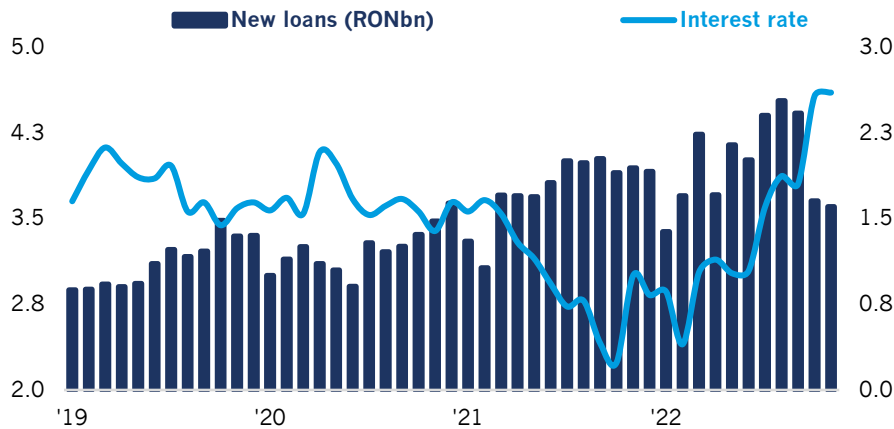


Source: JLL, ANCPI

\*assuming that 60% of the transactions in Bucharest officially registered by the National Agency for Cadastre and Land Registration were with new units.

While the residential segment in Bucharest has shown steady growth in recent years, there are still concerns about the broader economic picture in Romania. One area of concern is the mortgage market, which experienced a significant downturn in the last quarter of the year due to rising inflation and changes in the monetary policy. However, the high- and ultra-high-end housing market should remain relatively stable, which includes ONE's properties, due to the financial stability of the individuals who can afford such properties and who are also less inclined to take out a mortgage loan.

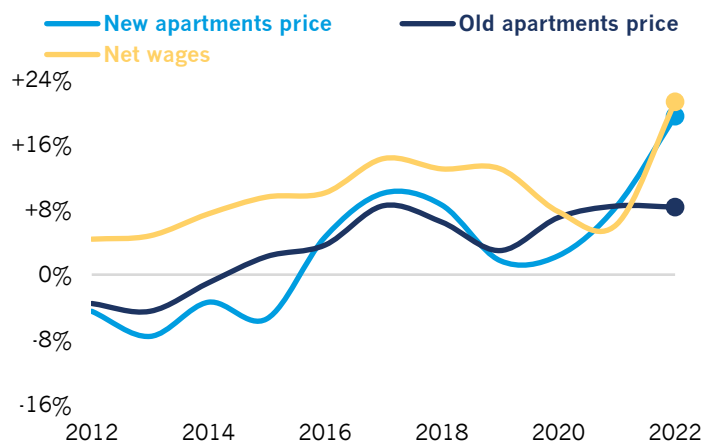
Graph 5. New mortgage loans and interest rates on mortgages



Source: C-Bank

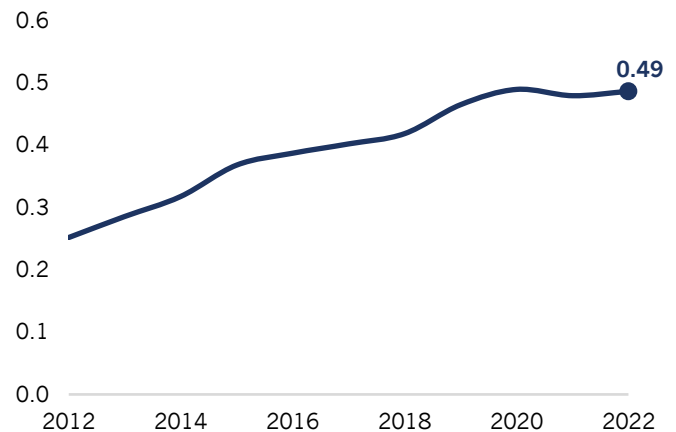
Despite the recent downturn in the mortgage market, there is still a high demand for apartments in Bucharest, particularly in areas with good infrastructure and amenities. The demand was supported by the growth in net wages, which towards the end of 2022 managed to outpace slightly even the prices for new apartments. This can also be seen from the affordability of apartments, which continued to improve over the last decade as the country saw steady economic growth, sustaining even further the market demand. Moreover, due to the growing urban population and the desire for more modern living spaces, developers like ONE are still seeing interest in their properties and continue to invest in new projects to meet the demands of the market.

Graph 6. Apartment prices and net wages growth rates (y/y)



Source: Imobiliare.ro, National Institute of Statistics  
Calculated using announcement prices, not transaction prices.  
2022 net wages data up to 11M '22.

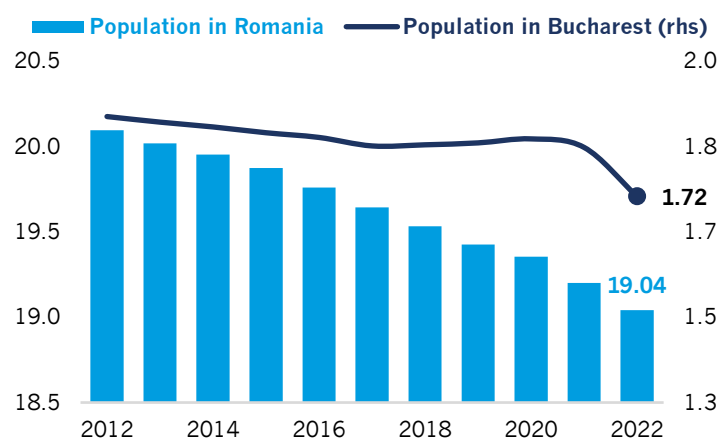
Graph 7. Affordability ratio



Source: Imobiliare.ro, National Institute of Statistics  
\*The price of the apartment was calculated by using an apartment size of 55 sqm and the announcement prices (not the transaction prices), which was afterward divided by the monthly net wages from NISE to arrive at the affordability ratio  
Calculated using announcement prices, not transaction prices.  
2022 net wages data up to 11M '22.

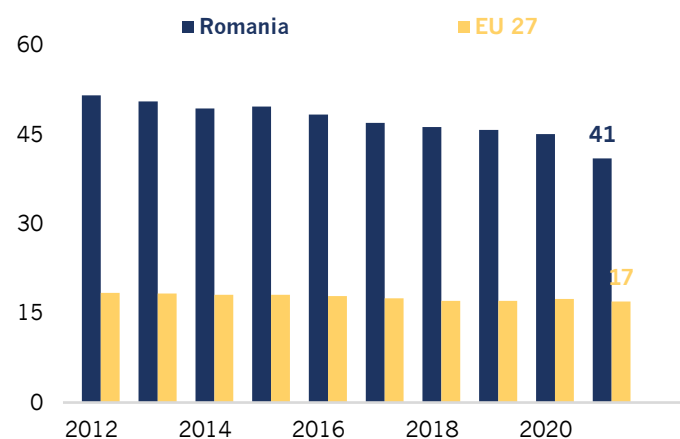
Speaking of population, at a demographical level, the population of Romania continued to decrease at a 0.5% CAGR over the last decade, and UN estimates that Romania would be among a group of several Eastern Europe countries that are set to experience a decline of over 15% in their population by 2050. However, the demographic factor is counteracted by the high overcrowding rate, which in Romania is almost two and a half times higher than the European average, leaving room for growth in demand in the future.

**Graph 8. Population in Romania and Bucharest (m)**



Source: National Institute of Statistics

**Graph 9. Overcrowding rate (%)**



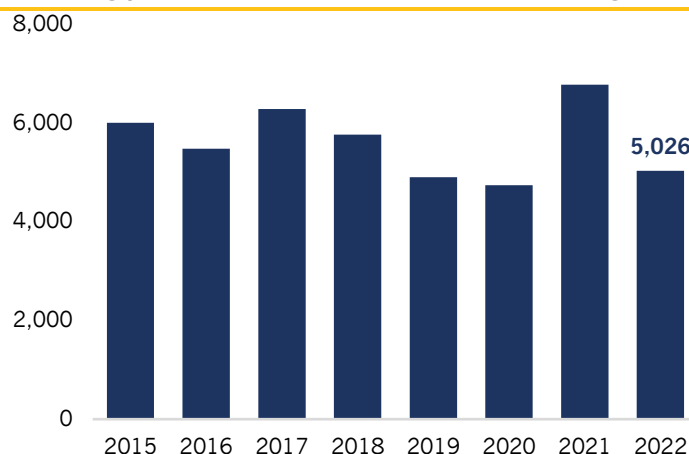
Source: Eurostat

Based on the information provided, it seems that the decrease in population in Romania, and particularly in Bucharest, may not have a significant negative impact on ONE's operations in the premium housing market. Despite the overall decrease in population, the demand for modern living spaces in areas with good infrastructure and amenities remains high, and developers like ONE are continuing to invest in new projects to meet that demand. Additionally, the high and high-end housing market has remained relatively stable, due to the financial stability of the individuals who can afford such properties and are less likely to be impacted by changes in the mortgage market.

Furthermore, the overcrowding rate in Romania is high, which leaves room for growth in demand in the future, and the steady growth of the residential segment in Bucharest over the last three years in terms of new unit transactions indicates a positive trend. While the potential slowdown in economic growth due to inflationary pressures may pose some challenges in the short term, the implementation of EU programs and affordable financing costs in the medium to long term may accelerate the economy and potentially drive further growth in the premium housing market. Overall, it appears that ONE's focus on the premium market and the steady demand for modern living spaces in Bucharest may help to mitigate the potential negative effects of population decline and the challenging economic environment on real estate demand.

On the supply side, building permits experienced a downward trend because, at the moment, the approval for permits in Bucharest suffers from the change of the leadership of the General City Hall, which is stricter with the granting of building permits. Several zonal urban plans have been permanently canceled (i.e., for Sectors 3,5,6) or are in the process of cancellation (i.e., Sectors 2 and 4), as according to the opinion of present authorities in Bucharest, the previously approved urbanistic plans were non-compliant. Even so, ONE managed to secure most of its building permits for its residential projects (most recently One Lake District, which has a total of 2,076 apartments), as the Company applied very early to obtain the necessary building permits, leaving them considerable room for further development, considering that most of the recently authorized projects are planned to be completed in 2025. The situation should ameliorate by the end of 2023, when the new general urban plan is expected to be completed, according to the Bucharest mayor.

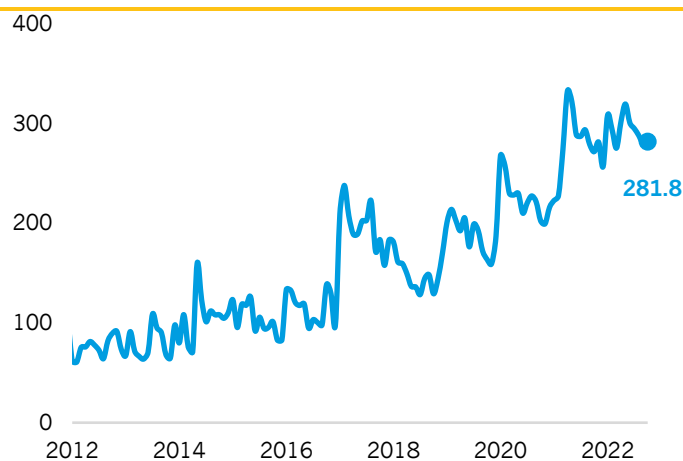
Graph 10. Number of residential building permits issued in the Bucharest – Ilfov region



Source: National Institute of Statistics  
\*2022 data as of 11M '22

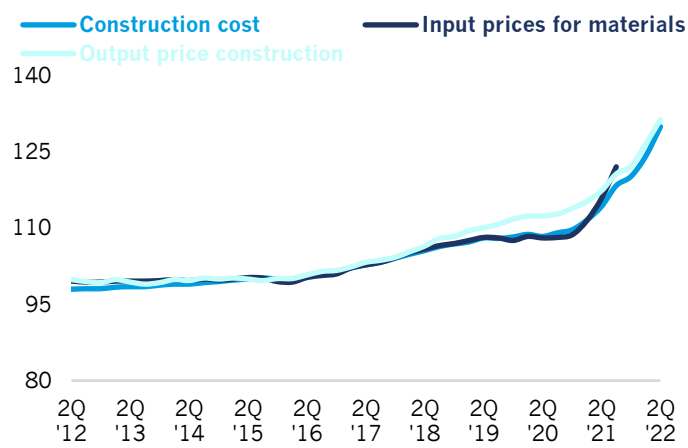
Another challenge for real estate developers concerns the building costs. In the last years, there has been a trend of rising construction costs, influenced by factors such as increased labor and material costs coming from recent inflationary pressures, as well as the slow recovery of the supply chains that have been disrupted by the COVID-19 pandemic and the high energy costs caused by the Russia-Ukraine war. Therefore, rising costs will take their toll on gross margins, harming real estate developers. Despite the market’s costs pressures, ONE’s business model helped them in hedging the arising costs, by developing properties with outsourced constructors at fixed prices. However, for future projects, we expect the margins to get lower, as the new contracts will be settled according to the new market conditions.

Graph 11. Index of construction works adj. for working days and seasonality ('15 = 100)



Source: National Institute of Statistics

Graph 12. EU Construction prices, costs, unadj. ('15 = 100)



Source: Eurostat

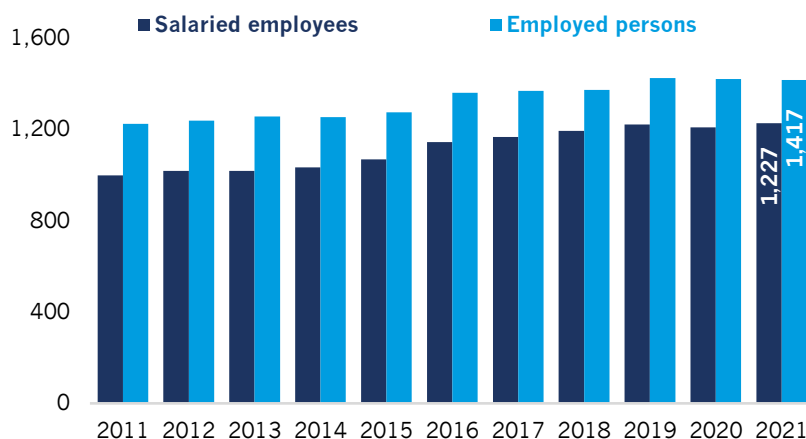
As a conclusion, ONE is well-positioned in the residential market in Bucharest as it serves the high-end segment of the market. The Company's financial stability and ability to offer modern living spaces in desirable locations are advantages that help it stand out in the market. However, similar to other developers, ONE is also impacted by the broader economic factors affecting the residential market in Romania, including inflation and changes in monetary policy that can impact the mortgage market and the affordability of properties. The potential slowdown in economic growth in the short to medium term due to high inflationary pressures may also affect the demand for residential properties. Additionally, the demographic trend of a declining population in Romania may have an impact on the demand for residential properties in the long term. However, the high overcrowding rate in the country and the interest for modern living spaces may offset this trend and provide opportunities for growth in the market. Overall, ONE is well-positioned in the high-end residential market in

Bucharest, but it still faces risks and challenges in the short to medium term due to economic uncertainty and demographic factors that may impact the broader residential market in Romania.

### Bucharest office letting market

The number of the employed population and salaried employees in the Bucharest – Ilfov region appear to have plateaued after 2019 at 1.42m and 1.23m, respectively. Between 2011 and 2019, the number of employed persons in the region rose by an average of 1.9% per year, while that of salaried employees increased by 2.5% per year.

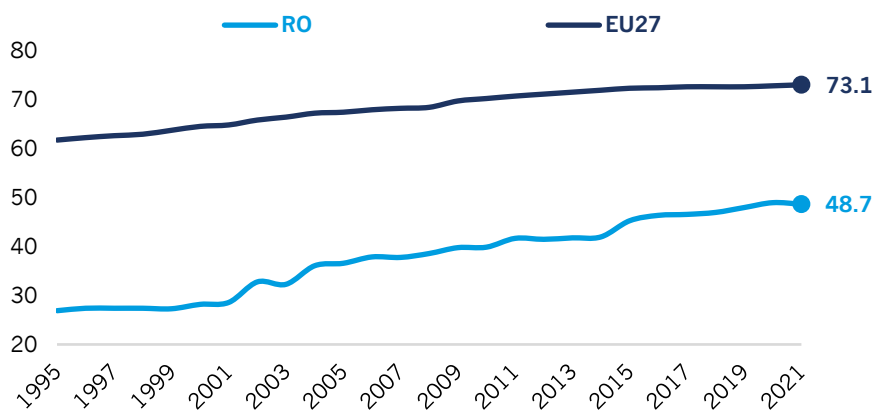
**Graph 13. Number of employed and salaried persons in the Bucharest – Ilfov region (k)**



Source: National Institute of Statistics

Demand for office space is strongly linked to the level of employment in the services sector. Over the past more than two decades, as the economy developed, the percentage of people employed in the tertiary sector has risen markedly, from around 27% in 1999 to just under 49% in 2021. Nevertheless, Romania still sits well below the European Union average of 73%, indicating there is significant room for further increase.

**Graph 14. Employment in the services sector (% of total employment)**



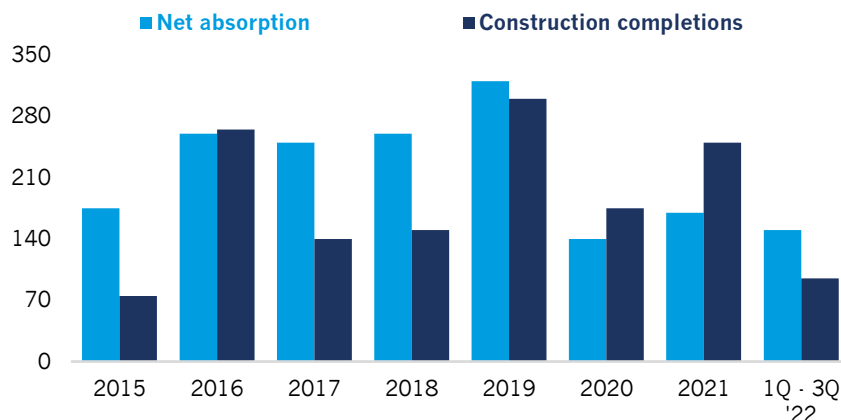
Source: Eurostat

On the other hand, the pandemic has led to the increased popularity of hybrid or full work-from-home (WFH) arrangements, which in turn have lessened demand for office space – probably irreversibly. However, as modern, high-quality office buildings (e.g. Class A) are being increasingly favored, we believe One United Properties may be shielded to a certain extent from the decline in demand.

According to Colliers, total demand increased by 6% y/y in 2022 to c. 279k sqm, with new spaces demand going up 17% y/y to 122k sqm. The agency notes that, while in recent years IT&C companies accounted for at least half of total demand,

in 2022 the share dropped to 37% of gross take-up. Colliers cites the continued tightening of the labor market and the impact of the new hybrid work regime as possible causes behind this decrease. Nevertheless, the sector still has the highest share of total demand, followed by business services (18%), and consumer goods / FMCG (14%).

**Graph 15. Space demand and deliveries (k sqm)**

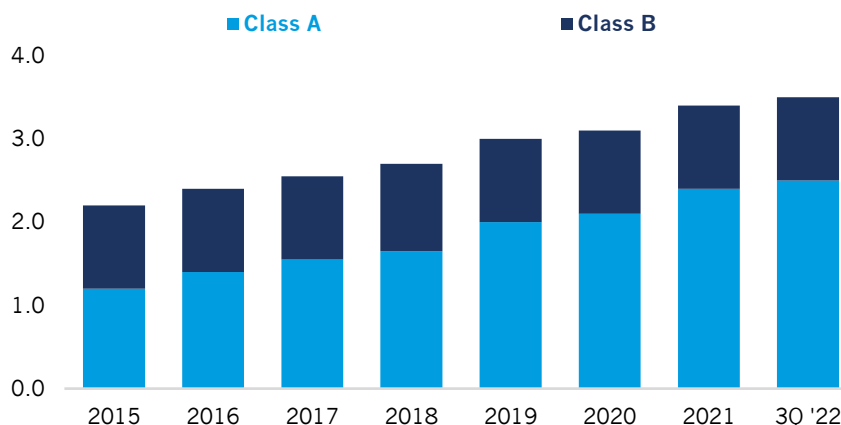


Source: Cushman & Wakefield Echinox

Colliers estimated that around 125k sqm of new modern offices were delivered in 2022, taking the total stock to almost 3.3m sqm. On the other hand, according to Avison Young modern office spaces totaled 3.5m sqm as of 3Q '22, of which 2.5m sqm class A and the rest class B.

Landlords are paying increasing attention to ESG compliance. Several older buildings are being retrofitted, which brings benefits both in terms of higher energy efficiency and increased attractiveness to potential and existing tenants.

**Graph 16. Cumulative modern office stock evolution**



Source: Avison Young

CBRE figures show that the prime rent has only increased marginally starting 2014, from EUR 18/sqm. According to JLL, the prime office rent in Bucharest rose from EUR 19/sqm to EUR 20/sqm in 4Q '22. CBRE estimates the figure at EUR 19.5/sqm (+4% y/y), and an average rent of EUR 17.6/sqm (+3.5% y/y).

Collier's data show that the vacancy rate at end-2022 reached 15.25%, down from 16.5% at end-2021. The vacancy rate for class A office space was in the single digits, excluding recently delivered buildings.

Table 3. Office vacancy by submarkets (%)

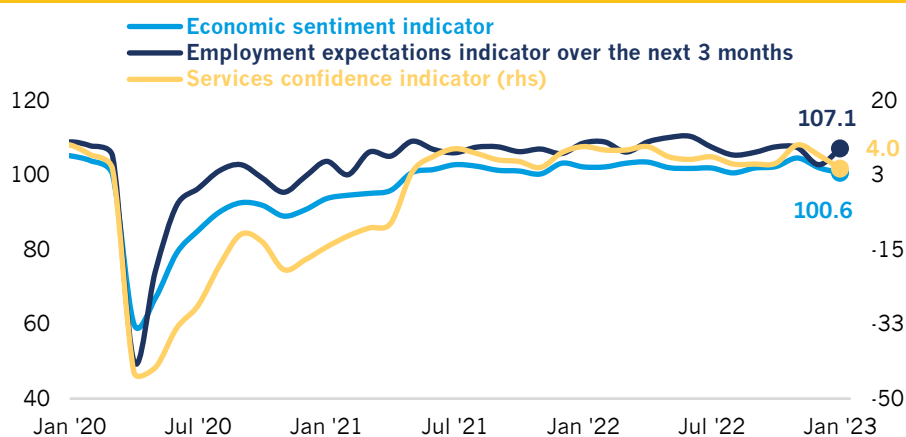
Submarket	4Q '21	1Q '22	2Q '22	3Q '22	4Q '22
1. CBD	9.5	8.5	7.5	9.3	10.2
2. Center	9.1	8.6	7.2	8.5	8.4
3. Dimitrie Pompeiu	11.3	11.4	11.4	10.4	9.3
4. Floreasca – BV	9.6	8.8	8.9	9.2	12.6
5. Center – West	13.1	18.1	14.7	17.4	14.3
6. East	15.8	15.3	16.6	24.7	23.7
7. South	11.7	11.7	8.6	3.6	3.5
8. West	6.8	6.8	5.5	5.5	8.9
9. North – West (Expozitiei)	26.8	27.8	22.8	29.1	23.2
10. Baneasa – Otopeni	12.0	9.3	6.2	9.3	9.9
11. Pipera North	36.8	37.8	37.5	17.6	15.6
<b>Total</b>	<b>13.7</b>	<b>14.3</b>	<b>12.8</b>	<b>13.0</b>	<b>12.5</b>

Source: JLL

Just like demand, deliveries of new buildings have been negatively impacted by the pandemic and increased WFH propensity. In addition, permitting has slowed down significantly as many zonal urban plans have been suspended or canceled. The new general urban plan is currently being drawn up and is expected to be completed in Dec '23, which should help in speeding up construction permits.

These factors, in turn, should drive up rents in the short term, as additions are expected to decline. CBRE forecasts completions amounting to 113k sqm and 43k sqm in 2023 and 2024, respectively, down from its estimate of 124k sqm for 2022. As One United Properties leases office space for at least five-year periods, this allows it a higher degree of stability and predictability in terms of cash flows from rents.

Graph 17. Romanian economic sentiment indicators and employment expectations



Source: Eurostat

The current economic uncertainty makes businesses more reluctant to expand in the short term, but we believe that demand should recover over the medium term, while supply may be slower to do so. This is caused by current hurdles regarding permitting and, more generally, a lower appetite to undertake new office developments given the shift in working arrangements. Considering these, over the medium term, market conditions may eventually change to favor office developers, including the Company. In the meantime, we may see increased refurbishment activity bringing older buildings up to date.



## Financials

### Residential segment

#### Revenue recognition

ONE's revenues from apartment sales are recognized under overtime criteria, which entitles the Company to recognize revenue in advance for the performance that has already been accomplished with the development of the pre-sold apartments, based on the completion rate of the projects which is measured using an input method. Although most of the CEE developers have a revenue recognition policy based upon handing over the apartments, ONE represents an exception, as the minimum level of advance required by the Company is 30%, which is higher than the minimum level required by the CEE developers, thus permitting the application of such revenue recognition policy.

#### Revenues key assumptions

To get a sense of the revenues that ONE might generate, a couple of assumptions were made. First, the average price per apartment was taken by dividing the GDV of each project (ONE's estimates) by the respective number of apartments per project. Second, we assumed for each project a cost of land between 20-25%, based on the project's location and its respective size (sqm). Third, based on past sales evolution, our revenues projection revolves around a sales pattern of 2-55-25-10, meaning 2% of the total apartments are pre-sold before the building permit is issued, 55% are sold in the first year of construction, 25% in the second year and 10% in the third. Additionally, due to reduced visibility on future projects (beyond 2026), we have limited the revenues forecast only to the main projects announced, therefore revenues display a downward trend as the number of apartments available diminishes.

To determine the evolution of the completion rate for each project, we used the estimated number of months given by the Company for each project and applied a linear trend by dividing the number of months passed to the total number of months needed to complete the project. Although this method is rather a close approximation of the Company's real completion rate for each project, considering that most probably the development of a residential area follows more of an exponential trend (a slow start, followed by a quick acceleration in the middle of the project, which finally tapers off towards the end due to the remaining small details that need to be finished, such as electrical installations, it is challenging to estimate the real completion rate due to the complexity of factors that might affect the development. However, the method used gives us a solid proxy and more importantly, an objective one, since it distributes the Company's revenue over the years, canceling out possible scenarios in which the real completion rate might be lower at the beginning of projects or higher towards the end of the project.

Although we have limited the revenues forecast only to the main projects announced, it is important to mention that our valuation is based on a going concern approach and also includes a terminal value (TV) estimate for sales that the Company will achieve after the current planned or under construction projects are finalized.

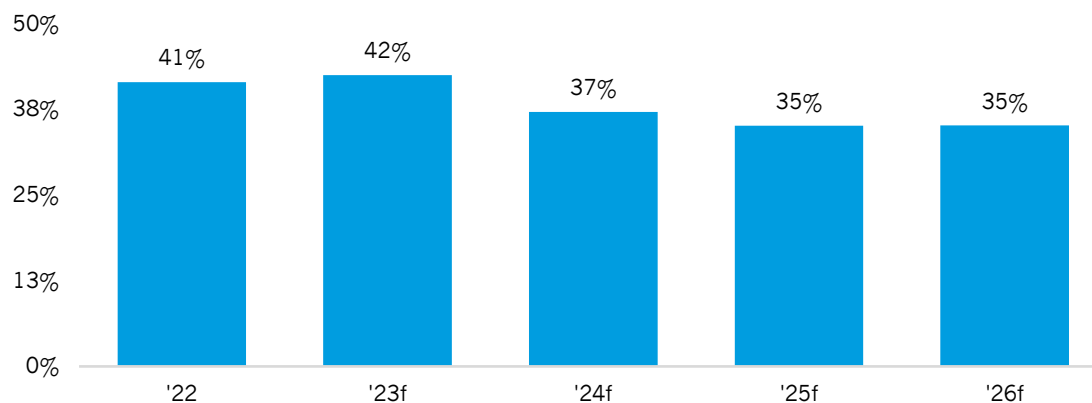
Table 4. Revenue projections for announced residential projects FY '22 - FY '26f (RONths)

Project Name	FY '20	FY '21	FY '22	FY '23f	FY '24f	FY '25f	FY '26f
<b>Completed projects</b>							
One Herastrau Towers							
Units sold	11	4	3	5	5	-	-
Revenues	81,477	50,310	43,525	23,123	23,123	-	-
One Mamaia Nord - phase I							
Units sold	15	1	(1)	2	1	-	-
Revenues	44,384	9,605	(1,466)	8,227	4,114	-	-
One Mircea Eliade							
Units sold	28	22	4	5	4	-	-
Revenues	189,410	79,925	28,309	27,936	22,349	-	-
<b>Projects in progress</b>							
One Timpuri Noi							
Units sold	49	12	-	8	7	-	-
Revenues	38,840	27,313	29,538	15,201	10,680	-	-
One Mamaia Nord - Phase II							
Units sold	-	-	4	47	22	7	3
Revenues	-	-	695	34,911	63,905	9,558	4,096
One Floreasca Vista							
Units sold	16	23	4	4	5	-	-
Revenues	12,588	57,749	54,298	21,278	21,326	-	-
One Verdi Park							
Units sold	11	103	92	20	16	-	-
Revenues	16,048	138,468	228,943	172,469	30,622	-	-
One Modrogan							
Units sold	13	22	(1)	-	7	2	-
Revenues	19,120	94,972	74,712	43,378	81,956	23,416	-
One Peninsula							
Units sold	23	33	3	17	12	11	12
Revenues	24,987	115,142	127,016	241,308	49,983	46,093	50,283
One Cotroceni Park							
Units sold	18	479	101	83	38	38	38
Revenues	-	127,828	187,651	304,527	35,673	35,887	35,887
One Floreasca Towers							
Units sold	-	-	19	114	52	21	1
Revenues	-	-	-	106,253	146,615	50,067	1,497
One Herastrau Vista							
Units sold	-	28	50	30	12	-	1
Revenues	-	1,967	11,899	87,711	83,617	-	1,587
One Lake District							
Units sold	-	-	-	1,142	519	208	104
Revenues	-	-	-	353,552	398,110	439,325	351,688
One Lake Club							
Units sold	-	-	47	365	166	66	10
Revenues	-	-	11,284	253,529	331,681	281,055	12,970
One High District							
Units sold	-	-	274	215	215	86	35
Revenues	-	-	42,168	138,681	262,123	265,660	31,666
One North Lofts							
Units sold	-	-	-	75	34	14	7
Revenues	-	-	-	68,507	51,732	15,451	7,726
One Cotroceni Towers							
Units sold	-	-	-	26	713	324	130
Revenues	-	-	-	13,360	595,245	551,292	575,911
<b>Total apartments sold</b>	<b>184</b>	<b>727</b>	<b>599</b>	<b>2,158</b>	<b>1,828</b>	<b>777</b>	<b>341</b>
<b>Total revenue</b>	<b>426,854</b>	<b>703,278</b>	<b>838,574</b>	<b>1,912,800</b>	<b>2,192,302</b>	<b>1,733,998</b>	<b>1,078,462</b>

Source: BTCP estimates

Regarding costs, we expect the Company's gross profit margin to progressively deteriorate in the future, as the upcoming projects will have to adjust to the current market conditions regarding construction materials costs. Therefore, we envisage an overall 38.5% gross profit margin (2.5% below FY '22 results) for the remaining apartments. As we can see from the graph below, the margin will start to shrink starting with 2024 as the construction costs will be more up-to-date for the new projects, and in our vision, will stabilize around 35% in accordance with the Company's general guidelines.

**Graph 18. Gross profit margin evolution FY '22 – FY '26f (%)**



Source: BTCP estimates

**Table 5. Gross development value (GDV) and gross profit margin (GPM) estimates (RONm)**

Project Name	GDV (ONE's estimation)	GDV (BTCP's estimation)	%	% GPM (ONE's estimation)	% GPM (BTCP's estimation)	%
<b>Completed projects</b>						
One Herastrau Towers	270.2	261.5	-3.2%	44.3%	62.8%	18.5%
One Mamaia Nord – phase I	75.5	78.8	4.4%	10.4%	23.3%	12.8%
One Mircea Eliade	578.9	423.8	-26.8%	45.5%	54.1%	8.6%
<b>Projects in progress</b>						
One Timpuri Noi	130.5	132.3	1.4%	30.6%	36.3%	5.7%
One Mamaia Nord – Phase II	114.9	117.3	2.1%	24.0%	31.0%	7.0%
One Floreasca Vista	155.1	167.4	7.9%	52.1%	46.5%	-5.7%
One Verdi Park	617.9	588.5	-4.8%	50.4%	35.1%	-15.3%
One Modrogan	338.8	337.6	-0.4%	65.6%	63.2%	-2.5%
One Peninsula	705.2	701.2	-0.6%	51.7%	53.3%	1.6%
One Cotroceni Park	768.8	762.4	-0.8%	34.5%	25.3%	-9.2%
One Floreasca Towers	304.8	305.9	0.4%	27.3%	30.4%	3.0%
One Herastrau Vista	187.9	186.8	-0.6%	47.2%	43.2%	-4.1%
One Lake District	1,588.9	1,624.0	2.2%	40.7%	43.1%	2.3%
One Lake Club	886.4	903.5	1.9%	27.9%	32.2%	4.3%
One High District	760.4	772.0	1.5%	29.7%	34.9%	5.2%
One North Lofts	147.9	151.1	2.2%	n.a.	47.9%	n.a.
One Cotroceni Towers*	1,972.6	2,009.5	+1.8%	n.a.	30%	n.a.
<b>Total revenue</b>	<b>9,604.7</b>	<b>9,523.3</b>	<b>-0.8%</b>	<b>38.4%</b>	<b>38.5%</b>	<b>0.1%</b>

Source: ONE, BTCP estimates

\*We assumed a 30% gross profit margin

## Office & Commercial segment

We expect revenues to increase at a 32% CAGR over the next five years to RON 255.7m, supported by the multiple recent acquisitions, the end of fit-out periods and the moving of tenants to ONE Cotroceni Park – Phase II, and the Company's active policy of indexing the rental contracts with the Harmonised Index of Consumer Prices. In our model, we assume that the average rent will grow at a 4.4% CAGR over the next five years, reaching EUR 18.4/sqm by 2027, while the occupancy rate will be at around 98% for the current portfolio, the difference coming from the fact that ONE's headquarter is located in one of the owned offices, One Tower.

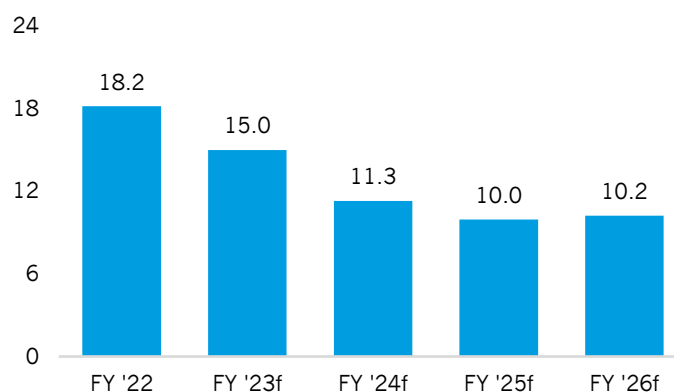
**Table 6. Revenue projections for the office & retail segment FY '22 - FY '26 (RONm)**

Project name	FY '23f	FY '24f	FY '25f	FY '26f	FY '27f
<b>One Cotroceni Park - Phase I</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	100%	100%	100%	100%	100%
Revenues	50.6	52.7	54.2	55.4	56.5
<b>One Cotroceni Park - Phase II</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	56%	90%	93%	100%	100%
Revenues	21.1	35.3	37.3	41.2	42.1
<b>One Tower</b>					
Rent (€/sqm)	20.7	21.9	22.4	23.0	23.5
Occupancy rate (%)	90%	90%	90%	90%	90%
Revenues	29.7	31.0	31.8	32.5	33.2
<b>One North Gate</b>					
Rent (€/sqm)	10.9	11.5	11.8	12.1	12.4
Occupancy rate (%)	73%	100%	100%	100%	100%
Revenues	3.2	4.5	4.6	4.7	4.7
<b>One Victoriei Plaza</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	100%	100%	100%	100%	100%
Revenues	12.5	12.5	12.9	13.2	13.5
<b>One Eliade Tower</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	70%	90%	100%	100%	100%
Revenues	5.8	7.7	8.9	9.1	9.3
<b>Bucur Obor</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	100%	100%	100%	100%	100%
Revenues	25.8	27.0	27.9	28.5	29.2
<b>One Verdi Park</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	0%	100%	100%	100%	100%
Revenues	-	2.1	2.1	2.2	2.2
<b>One Gallery</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	0%	0%	50%	63%	90%
Revenues	-	-	7.2	9.3	13.6
<b>One Cotroceni Park – Phase III</b>					
Rent (€/sqm)	16.4	17.3	17.7	18.1	18.6
Occupancy rate (%)	0%	0%	0%	0%	100%
Revenues	-	-	-	-	51.2
<b>Average rent</b>	<b>16.3</b>	<b>17.2</b>	<b>17.6</b>	<b>18.0</b>	<b>18.4</b>
<b>Total Revenue</b>	<b>148.6</b>	<b>172.8</b>	<b>186.8</b>	<b>195.9</b>	<b>255.7</b>

Source: BTCP estimates

At the same time, the Company’s level of expenses on the office segment will stabilize as the projects will approach maximum occupancy, considering that the main costs are either re-invoiced to the tenants or are related to administrative costs for the buildings’ operation until tenants are found. Moreover, we do not expect renovation costs in the forecast period, considering that most of the buildings are modern and refurbishments in the forecasted period are less likely to occur.

**Graph 19. Operating expenses FY '22 – FY '26f (RONm)**

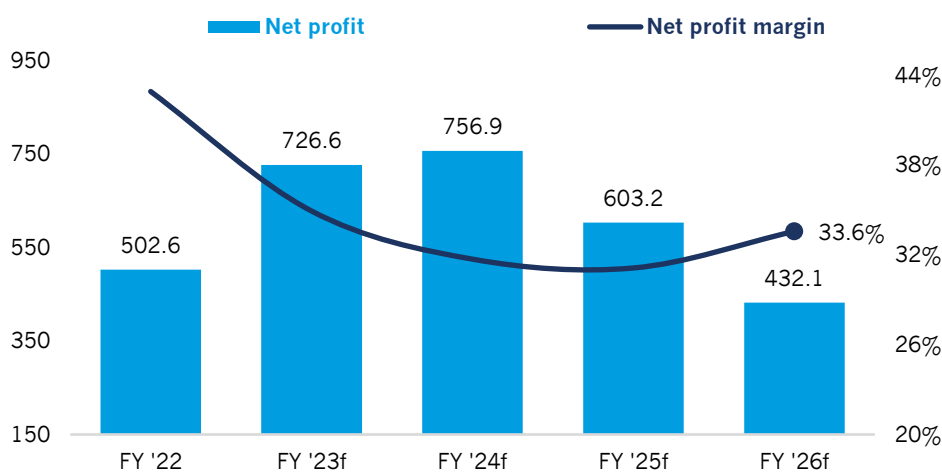


Source: BTCP estimates

Although our model assumes that no additional debt will be contracted over the forecasted period, we still expect that net financial result will be in the negative territory, despite an increase in the interest rate on deposits, but it will start to slowly taper off towards the end of the first half of the decade, overall alleviating the pressure on the Company’s net profit.

In our financial projections, we did not forecast any gains from the revaluation of investment properties besides those already recorded by the Company at 9M '22 (RON 255m). In a tight office market, we believe that significant gains are less likely to occur. Moreover, these gains are non-monetary items and do not impact the real cash flow generation ability of the Company. Revaluation of office buildings might be relevant in a scenario of an exit and the Company has not announced any such plans to sell office buildings.

**Graph 20. Net profit (RONm) and margin forecast (%) FY '22 – FY '26f**



Source: BTCP estimates

## Valuation

### The sum of the parts yields a Neutral recommendation with an implied price of RON 0.998/share

To perform a comprehensive valuation of ONE, we utilized a Sum of the Parts (SOTP) valuation, evaluating the residential and office segment separately. Thus, to evaluate the residential segment we estimated the Free Cash Flows to Equity through Discounted Cash Flow (DCF) method over the 2022-2027 period, while for the office segment, we used the DCF method (75% weight), and a relative valuation based on a P/B multiple (25% weight). Consequently, our results from both segments cumulated a value of RON 3.9bn (that would imply a share price of RON 0.998/share).

### Residential segment valuation

Due to the complexity of the residential segment, where projects have different financing structures, different timeframes for completion, and other particularities, we decided that a more objective approach would be a cash-based analysis where we take each project that has either remaining unsold apartments or it has not been completed yet and consider that for all the apartments sold before the completion date, the Company would receive from customers a 30% up-front payment, with the rest of 70% being delivered once the project is completed. Although this approach does not perfectly reflect ONE's business model, because more cash might have been received than the 30% up-front payment during the completion of a project, it provides a good starting point for evaluating the Company given the complex dynamics of cash flows, which we can later detail in our sensitivity analysis. Also, we are aware that the sales pace and 2-50-25-10 sales pattern presumed by us might be different from what the Company might experience, with a significant impact on the cash flow generation ability. The Company might deplete faster or slower its available apartments, which in turn, would impact the valuation.

Table 7. FCFEs per project over 2023f-2027f (RONm)

Project Name	2023f	2024f	2025f	2026f	2027f	PV of FCFEs 2022 - 2027
<b>Completed projects</b>						
One Herastrau Towers	7.3	7.3	-	-	-	12.1
One Mamaia Nord – phase I	2.6	1.3	-	-	-	3.3
One Mircea Eliade	8.2	6.5	-	-	-	12.3
<b>Projects in progress</b>						
One Timपुरi Noi	48.4	(14.5)	-	-	-	31.7
One Mamaia Nord – Phase II	(11.3)	35.0	7.4	3.0	3.0	25.0
One Floreasca Vista	91.2	10.9	-	-	-	89.3
One Verdi Park	236.0	23.4	-	-	-	227.2
One Modrogan	133.7	41.1	11.6	-	-	157.8
One Peninsula	224.9	34.4	36.7	39.4	36.1	290.9
One Cotroceni Park	(89.8)	297.4	25.9	23.8	23.3	186.2
One Floreasca Towers	(24.7)	(50.4)	174.2	1.1	1.1	56.4
One Herastrau Vista	(29.7)	86.3	-	1.2	-	40.7
One Lake District	33.9	(89.5)	(157.9)	796.5	53.7	341.3
One Lake Club	(27.7)	(103.8)	430.0	9.5	9.5	191.7
One High District	(73.8)	(76.7)	325.4	21.4	21.5	114.9
One North Lofts	(28.3)	(3.1)	82.5	5.5	5.5	33.2
One Cotroceni Towers	(226.9)	(22.0)	(200.6)	(279.2)	1,140.6	56.2
<b>Total FCFEs</b>	<b>274</b>	<b>184</b>	<b>735</b>	<b>622</b>	<b>1,294</b>	<b>1,870</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%	
Discount period	0.8	1.8	2.8	3.8	4.8	-
Discount factor	0.9	0.8	0.7	0.6	0.5	-
<b>PV of FCFEs</b>	<b>243</b>	<b>141</b>	<b>489</b>	<b>358</b>	<b>645</b>	<b>1,870</b>

Source: BTCP estimates

For the residential segment, we employed a cost of equity (CoE) of 15.5% to discount the FCFEs, based on the following parameters:

- A risk-free rate of 7.71% was computed as the average yield of the 10y Romanian Gov't bonds over the last month.
- An equity risk premium of 9.73% based on Damodaran's rating, which was published at the beginning of this year, comprising the risk premium for a mature market like the U.S. of 5.79% and Romania's country risk premium of 3.79%.
- A beta of 0.8, representing the European average for the residential development industry based on Damodaran's data, which was published at the beginning of the year.

To determine our terminal value (TV), we have employed the following key assumptions. First, the Company will be able to deliver 900 apartments per year, in line with the average no. of apartments that will be delivered between 2022-2027. Second, an average price per apartment of EUR 150k was assumed for the TV as, in our view, the Company will focus more on large scale medium-priced projects in the future. Third, we assumed that the Company will be able to maintain a 30% GPM, considering upcoming construction costs and the tendency to shift towards the medium-high residential segment.

Fourth, a perpetuity growth rate of 2% was employed, as a proxy for the long-term increase in apartment prices. We also projected the interest expenses and debt repayments for several projects (more details in Annex 2) Thus, implementing the above assumptions, we have reached a PV of the TV of RON 740m for the residential segment.

**Table 8. TV calculation**

Project Name	Assumptions
No. of apartments/year	900
Avg. price/apartment (EURk)	150
FX rate	5.02
Avg. price/apartment (RONk)	752
<b>Total revenue (RONm)</b>	<b>678</b>
Gross profit margin	30%
<b>Gross profit (RONm)/year</b>	<b>203</b>
FCFE	196
Perpetuity growth rate (g)	2%
Cost of Equity	15.5%
TV	1,485
Discount factor	0.49
<b>PV of TV (RONm)</b>	<b>740</b>

Source: BTCP estimates

Finally, we arrived at a total value for the residential segment of RON 2,610m by putting together the PV of FCFEs for 2022-2027 of RON 1,870m and the PV of the TV of RON 740m, which would imply a per share value for the segment of RON 0.705/sh.

### Office segment valuation

To evaluate the office segment, we used the DCF method (75% weight), and a relative valuation based on the P/B multiple (25% weight). Given the greater predictability of cash flows compared to the residential segment, since the Company concludes contracts on a minimum of five years with tenants, we could perform a standard DCF for the office segment. For the rental business, we employed the FCFF approach with a WACC of 13.6%, while also taking into account cash, minorities (40%), debt and other smaller projects. Our terminal value was computed based on the 2027 FCFF prime yield for the Bucharest market of 6.75% (for 2022 according to the latest report issued by Colliers). We arrived at a PV of the TV of RON 1,996m, that together with a PV of 2023-2026 FCFFs of RON 182m led to a total estimated equity value of RON 1,171m (implying a per share value of RON 0.316/sh.).

The total estimated value (RON 1,171m) also took into consideration a deduction of minorities (40%), debt (RON 587.8m) and adding the segment cash (RON 195.5) and other stakes in smaller projects (RON 99.6m) such as One Athenee and One Carpathian Lodge.



Table 9. FCFFs per project over 2023f -2027f (RONm)

Project Name	2023f	2024f	2025f	2026f	2027f
<b>Rental income</b>	153.4	177.6	191.6	200.7	260.5
One Mircea Eliade*	4.8	4.8	4.8	4.8	4.8
One Cotroceni Park Office – Phase I	50.6	52.7	54.2	55.4	56.5
One Cotroceni Park Office – Phase II	21.1	35.3	37.3	41.2	42.1
One Tower	29.7	31.0	31.8	32.5	33.2
One North Gate	3.2	4.5	4.6	4.7	4.7
One Verdi Park	0.0	2.1	2.1	2.2	2.2
One Victoriei Plaza	12.5	12.5	12.9	13.2	13.5
One Eliade Tower	5.8	7.7	8.9	9.1	9.3
One Bucur Obor	25.8	27.0	27.9	28.5	29.2
One Gallery	0.0	0.0	7.2	9.3	13.6
One Cotroceni Park Office – Phase III	0.0	0.0	0.0	0.0	51.2
<b>Operating expenses</b>	<b>(15.0)</b>	<b>(11.3)</b>	<b>(10.0)</b>	<b>(10.2)</b>	<b>(11.0)</b>
<b>Capex</b>	<b>(227.2)</b>	<b>(202.5)</b>	<b>(66.8)</b>	<b>(66.8)</b>	<b>-</b>
<b>FCFFs</b>	<b>(88.8)</b>	<b>(36.2)</b>	<b>114.9</b>	<b>123.7</b>	<b>249.4</b>
Discount rate	13.6%	13.6%	13.6%	13.6%	13.6%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.90	0.79	0.70	0.61	0.54
<b>PV of FCFFs</b>	<b>(79.9)</b>	<b>(28.7)</b>	<b>80.0</b>	<b>75.9</b>	<b>134.7</b>

Source: BTCP estimates

\*31 residential units at One Mircea Eliade were reclassified to investment property and are currently rented out

Table 10. Enterprise value – perpetuity growth method (RONm)

<b>Cumulative PV of FCFF 2023-2027</b>	<b>182</b>
Terminal value	3,695
Prime yield	6.75%
Discount factor	0.54
<b>PV of TV</b>	<b>1,996</b>
% of Enterprise Value	91.64%
<b>Enterprise value</b>	<b>2,178</b>
+ Minority stakes in other businesses	100
- Minority stakes of others in ONE	714
- Debt	587
+ Cash	195
Equity value	1,172
<b>Value per share</b>	<b>0.316</b>

Source: BTCP estimates

For the office segment, we utilized a WACC of 13.6% to discount the FCFFs, based on the following parameters:

- A risk-free rate of 7.71% was computed as the average yield of the 10y Romanian Gov't bonds over the last month.
- An equity risk premium of 9.73% based on Damodaran's rating, which was published at the beginning of this year, comprising the risk premium for a mature market like the U.S. of 5.79% and Romania's country risk premium of 3.79%.
- An after-tax cost of debt of 10.24%, reflecting the current market borrowing costs, using a synthetic bond rating based on Damodaran's methodology, that resulted in a triple AAA+ rating (which indicates a default spread of 0.75%) and a 10y Gov't bond yield reflecting the average maturity of debt contracted by the Company.
- A beta of 0.947, representing a relevered beta from an unlevered 3y beta of the selected peers of 0.515.
- A debt-to-capital of 40.2% based on the 9M '22 segment results reported by the Company after adjusting for minorities.

As stated earlier, we also performed a relative valuation based on the P/B multiple. We identified several comparable companies in terms of business model within the European real estate companies that rent properties in the office and retail segments. Following the selection, we obtained a median from the peers for the P/B multiple of 0.75x to which we applied a 10% premium to account for superior prime yields, premium locations and buildings quality. The P/B multiple applied to the attributable book value at 9M '22 would lead to an equity value of RON 823m.

**Table 11. P/B valuation of the office & retail segment based on 9M '22 figures (RONm)**

Investment properties	2,213
PP&E and their assests	18
Current assets	302
<b>Total assets</b>	<b>2,533</b>
Loans & borrowings	588
Trade payables	53
Advance payments from customers	248
Total liabilities	1,078
Book value	1,454
<b>Book value attributable</b>	<b>873</b>
Premium/discount	10%
<b>P/B median</b>	<b>0.75</b>
Equity value	823
<b>Value per share</b>	<b>0.222</b>

Source: BTCP estimates, ONE

Table 12. Peer comparison

Company name	Country of HQ	Market cap (EURm)	P/B
ONE	Romania	702.8	1.74
<b>Peer median</b>		<b>753.2</b>	<b>0.75</b>
CA Immobilien Anlagen	Austria	2,935.9	0.76
Immofinanz	Austria	1,679.6	0.43
S Immo	Austria	1,123.7	0.61
WCM Beteiligungsund Grundbesitz	Germany	547.8	1.29
Globe Trade Centre	Poland	753.2	0.67
Polski Holding Nieruchomosci	Poland	139.6	0.27
Capital Park	Poland	209.8	0.77
REALIA Business	Spain	865.0	0.74
Hufvudstaden	Sweden	2,786.8	0.97
Wihlborgs Fastigheter	Sweden	2,478.3	1.1
Atrium Ljungberg	Sweden	2,161.7	0.78
Helical PLC	United Kingdom	505.6	0.62
Appennin Vagyonkezele Holding Nyrt	Hungary	18.7	0.23
Budapesti Ingatlan Hasznositasi es Fejlesztési Nyrt	Hungary	157.2	1.05

Source: BTCP, Refinitiv

Table 13. Total equity value calculation for the office &amp; retail segment

	RONm	RON/sh.	weight
Equity value through DCF valuation	1,171	0.316	75%
Equity value through peer valuation	823	0.222	25%
<b>Total equity value</b>	<b>1,084</b>	<b>0.293</b>	<b>100%</b>

Source: BTCP estimates

## Sensitivity analysis

In this section, we'll examine how our valuation models responds to various inputs, including g, CoE, WACC, exit multiples, sales patterns, and the number of sold apartments, among others.

**Table 14. Sensitivity to CoE and perpetuity growth of the Office segment**

		Cost of equity				
		14.5%	15.0%	15.5%	16.0%	16.5%
Perpetuity growth	1.0%	3,773	3,703	3,636	3,573	3,513
	1.5%	3,807	<b>3,733</b>	<b>3,664</b>	<b>3,598</b>	3,537
	2.0%	3,843	<b>3,766</b>	<b>3,694</b>	<b>3,626</b>	3,562
	2.5%	3,882	<b>3,801</b>	<b>3,726</b>	<b>3,655</b>	3,589
	3.0%	3,924	3,840	3,761	3,687	3,618

Source: BTCP estimates

We additionally evaluated how the Company's value might react to changes in the assumptions related to the TV of the residential segment. The results are presented below:

**Table 15. Sensitivity to no. of apartments and average price**

		No. of apartments				
		700	800	900	1000	1100
Average price (RONk)	€135k	3,472	3,546	3,620	3,694	3,768
	€143k	3,501	<b>3,579</b>	<b>3,657</b>	<b>3,735</b>	3,813
	€150k	3,529	<b>3,612</b>	<b>3,694</b>	<b>3,776</b>	3,858
	€158k	3,558	<b>3,644</b>	<b>3,731</b>	<b>3,817</b>	3,903
	€165k	3,587	3,677	3,768	3,858	3,949

Source: BTCP estimates

As mentioned earlier, the advance payment from clients might be higher than our assumption of 30%, therefore we have tested out the below additional scenarios with 50% and 70% advance payment, together with different sales pattern that the Company might experience, with 100% or 75% apartments sold during the first three years after completion of the project.

**Table 16. Sales pattern assumptions**

	Sales pattern scenarios			
	Pre-sales	Year 1	Year 2	Year 3
Base scenario	2%	55%	25%	10%
Best scenario	7%	60%	30%	3%
Worst scenario	0%	50%	20%	5%

Source: BTCP estimates

Table 17. Sensitivity to sales pattern and advance payment received from clients

Advance payment received	Sales pattern scenarios			
		Base	Best	Worst
30%		3,694	3,728	3,598
50%		3,602	3,654	3,473
70%		3,488	3,547	3,328

Source: BTCP estimates

Moving to the office segment, some of the key assumptions that we have tested is the prime yield assumption for the Bucharest market, as of course, there can be discrepancies between the realised yield of ONE's offices and the average of the market and the exit P/B multiple.

Table 18. Sensitivity to prime yield and WACC

WACC		Prime yield				
		6.25%	6.50%	6.75%	7.00%	7.25%
12.6%		3,812	3,773	3,737	3,704	3,673
13.1%		3,789	3,751	3,715	3,682	3,652
13.6%		3,766	3,728	3,694	3,662	3,632
14.1%		3,743	3,707	3,673	3,641	3,612
14.6%		3,721	3,686	3,652	3,622	3,593

Source: BTCP estimates

Table 19. Sensitivity to P/B multiple and WACC

WACC		Exit P/B multiple				
		0.4x	0.6x	0.8x	1.0x	1.2x
12.6%		3,641	3,689	3,737	3,785	3,833
13.1%		3,619	3,667	3,715	3,763	3,811
13.6%		3,598	3,646	3,694	3,742	3,790
14.1%		3,577	3,625	3,673	3,721	3,769
14.6%		3,556	3,604	3,652	3,700	3,748

Source: BTCP estimates

## Annexes

## Annex 1. Financial Statements (actual and BTCP Research estimates)

## Income Statement (Consolidated, RONm)

	2020	2021	2022	2023f	2024f	2025f
Revenues from sales of residential property	437.5	703.3	769.5	1,912.8	2,192.3	1,734.0
Cost of sales of residential property	(284.3)	(451.6)	(445.5)	(1,087.0)	(1,363.6)	(1,113.5)
Other property operating expenses - residential	.	.	(5.1)	(13.4)	(15.3)	(12.1)
<b>Net income from residential property</b>	<b>153.2</b>	<b>251.7</b>	<b>318.9</b>	<b>812.4</b>	<b>813.3</b>	<b>608.3</b>
Gains from office buildings under development	58.3	298.6	67.1	.	.	.
Gains from completed investment property	3.7	44.4	90.3	.	.	.
Gains from bargain purchase			94.1	.	.	.
Gains from investment property for further development (landbank)	34.2	56.2	62.9	.	.	.
<b>Gains from investment property</b>	<b>96.3</b>	<b>399.2</b>	<b>314.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
Rental income	1.3	6.5	60.3	145.4	169.6	183.6
Revenues from services to tenants	0.4	5.3	16.6	39.4	46.0	49.8
Expenses from services to tenants	(0.4)	(5.3)	(16.6)	(39.4)	(46.0)	(49.8)
Other property operating expenses	(0.7)	(4.9)	(10.9)	(7.3)	(3.4)	(1.8)
<b>Net rental income</b>	<b>0.6</b>	<b>1.7</b>	<b>49.5</b>	<b>138.1</b>	<b>166.2</b>	<b>181.8</b>
Commissions for brokerage real estate	(1.1)	(3.1)	(9.3)	(15.8)	(18.1)	(14.3)
Administrative expenses	(30.0)	(32.4)	(90.5)	(57.2)	(61.0)	(55.7)
Other operating expenses	(3.7)	(10.7)	(15.5)	(9.3)	(9.7)	(9.1)
Earnings from the sale of financial assets	.	.	0.0	0.0	0.0	0.0
Profit on disposal of investment property	0.6	0.5	0.0	0.0	0.0	0.0
Other operating income	1.4	5.7	8.2	13.9	15.9	12.6
<b>Result from operating activity</b>	<b>217.3</b>	<b>612.7</b>	<b>575.7</b>	<b>882.1</b>	<b>906.6</b>	<b>723.6</b>
Financial income	3.8	12.1	18.3	7.9	8.4	7.2
Financial expenses	(15.2)	(21.9)	(21.9)	(26.0)	(14.9)	(13.8)
<b>Net financial result</b>	<b>0.7</b>	<b>1.5</b>	<b>(3.6)</b>	<b>(18.1)</b>	<b>(6.5)</b>	<b>(6.6)</b>
Share of result of associates	0.7	1.5	1.1	1.1	1.1	1.1
<b>Result before tax</b>	<b>206.7</b>	<b>604.4</b>	<b>573.2</b>	<b>865.0</b>	<b>901.1</b>	<b>718.0</b>
Tax on profit	(29.7)	(94.7)	(70.6)	(138.4)	(144.2)	(114.9)
<b>Net result of the period</b>	<b>176.9</b>	<b>509.7</b>	<b>502.6</b>	<b>726.6</b>	<b>756.9</b>	<b>603.2</b>
Attributable to owners of the Group	168.7	391.3	460.8	680.7	711.0	557.2
Attributable to non-controlling interests	8.3	118.4	41.7	45.9	45.9	45.9

Source: BTCP estimates

## Balance Sheet (Consolidated, RONm)

	2020	2021	2022f	2023f	2024f	2025f
<b>Assets</b>						
<b>Non-current assets</b>						
Goodwill	19.3	19.3	19.3	19.3	19.3	19.3
Intangible assets	0.2	0.6	15.3	15.6	16.1	16.5
Investment properties	1,010.4	1,449.5	2,252.0	2,359.9	2,359.9	2,359.9
Right of use assets	1.2	3.5	2.7	3.5	3.5	3.5
Investments in associates	1.4	3.0	4.0	3.0	3.0	3.0
Property, plant and equipment	16.1	17.0	51.1	23.9	26.4	29.0
<b>Total non-current assets</b>	<b>1,048.6</b>	<b>1,492.8</b>	<b>2,344.4</b>	<b>2,425.1</b>	<b>2,428.1</b>	<b>2,431.1</b>
<b>Current Assets</b>						
Inventories	257.3	344.0	663.3	859.5	740.4	360.4
Advance payments to suppliers	50.9	93.3	116.3	116.3	116.3	116.3
Trade receivables	104.6	201.4	394.6	740.3	902.6	1,019.2
Other receivables	70.8	128.4	129.6	129.6	129.6	129.6
Prepayments	0.5	19.5	24.7	0.0	0.0	0.0
Other financial assets	-	9.4	0.0	9.4	9.4	9.4
Cash and cash equivalents	171.0	508.3	567.0	189.5	1,577.6	2,799.2
<b>Total current assets</b>	<b>655.2</b>	<b>1,304.3</b>	<b>1,895.5</b>	<b>2,044.6</b>	<b>3,476.0</b>	<b>4,434.1</b>
<b>Total assets</b>	<b>1,703.8</b>	<b>2,797.2</b>	<b>4,239.9</b>	<b>4,469.7</b>	<b>5,904.1</b>	<b>6,865.2</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Share capital	259.8	514.8	740.6	740.6	740.6	740.6
Share premium	0.0	4.3	28.0	28.0	28.0	28.0
Legal reserves	-	11.4	17.4	17.4	17.4	17.4
Own shares	(26.8)	-	0.0	0.0	0.0	0.0
Other reserves	0.5	1.4	51.8	51.8	51.8	51.8
Retained earnings	498.2	791.8	1,184.0	1,754.5	2,257.1	2,595.3
<b>Equity attributable to owners of the Group</b>	<b>731.8</b>	<b>1,323.8</b>	<b>2,021.9</b>	<b>2,592.3</b>	<b>3,094.9</b>	<b>3,433.1</b>
Non-controlling interests	92.3	323.2	509.5	555.5	601.4	647.3
<b>Total equity</b>	<b>824.0</b>	<b>1,647.0</b>	<b>2,531.4</b>	<b>3,147.8</b>	<b>3,696.3</b>	<b>4,080.4</b>
<b>Non-current liabilities</b>						
Loans and borrowings from banks and others	70.7	390.3	652.8	364.4	236.6	202.4
Loans and borrowings from minority shareholders	120.1	7.5	3.5	3.5	3.5	3.5
Provisions	0.7	0.6	1.5	1.5	1.5	1.5
Lease liabilities - long term portion	-	2.6	2.6	2.6	2.6	2.6
Deferred tax liabilities	100.9	180.0	273.1	388.7	509.2	605.1
<b>Total non-current liabilities</b>	<b>292.4</b>	<b>581.0</b>	<b>933.5</b>	<b>760.8</b>	<b>753.4</b>	<b>815.1</b>

<b>Current liabilities</b>						
Employee benefits	0.4	0.6	0.0	0.6	0.6	0.6
Loans and borrowings from banks and others	156.1	34.3	173.8	96.9	62.9	53.8
Loans and borrowings from minority shareholders	37.5	0.1	0.0	0.1	0.1	0.1
Lease liabilities	1.2	1.3	0.8	1.3	1.3	1.3
Trade and other payables	96.2	123.6	295.5	262.0	254.2	149.8
Accrued income	-	1.1	11.5	11.5	11.5	11.5
Current tax liabilities	2.0	2.0	0.6	0.6	0.6	0.6
Advance payments from customers	293.9	406.3	292.6	188.2	1,123.3	1,752.1
<b>Total current liabilities</b>	<b>587.3</b>	<b>569.2</b>	<b>774.9</b>	<b>561.1</b>	<b>1,454.4</b>	<b>1,969.7</b>
<b>Total liabilities</b>	<b>879.7</b>	<b>1,150.2</b>	<b>1,708.5</b>	<b>1,321.9</b>	<b>2,207.8</b>	<b>2,784.8</b>
<b>Total equity and liabilities</b>	<b>1,703.8</b>	<b>2,797.2</b>	<b>4,239.9</b>	<b>4,469.7</b>	<b>5,904.1</b>	<b>6,865.2</b>

Source: BTCP estimates

**Cash Flow Statement (Consolidated, RONm)**

	2020	2021	2022f	2023f	2024f	2025f
<b>Cash flows from operating activities</b>						
<b>Result for the year</b>	<b>176.9</b>	<b>509.7</b>	<b>502.6</b>	<b>726.6</b>	<b>756.9</b>	<b>603.2</b>
Non-monetary adjustments	(290.7)	(66.1)	(130.5)	153.8	153.2	121.7
<i>Changes in working capital</i>						
(Increase)/Decrease in trade and other receivables	14.7	(240.3)	(194.4)	(345.7)	(162.3)	(116.6)
(Increase)/Decrease in inventories	(9.0)	148.4	(343.0)	(61.9)	168.5	429.5
Increase/(Decrease) in trade and other payables	18.6	(7.4)	171.9	(33.5)	(7.9)	(104.4)
Increase/(Decrease) in advance payments from customers	(132.7)	112.4	(113.6)	(104.4)	935.1	628.8
Income tax paid	(5.2)	(15.6)	(11.6)	(22.8)	(23.7)	(18.9)
<b>Net cash from operating activities</b>	<b>10.0</b>	<b>216.5</b>	<b>-118.7</b>	<b>312.1</b>	<b>1,819.8</b>	<b>1,543.2</b>
<b>Investing activities</b>						
Acquisition of property, plant and equipment	(0.7)	(3.0)	(6.3)	(4.7)	(4.7)	(4.7)
Acquisition of intangible assets	(0.1)	(0.7)	(14.8)	(0.6)	(0.6)	(0.6)
Acquisition of investment property	(34.4)	(50.0)	(255.6)	0.0	0.0	0.0
Expenditure on investment property under development	(148.6)	(184.2)	(142.9)	(25.3)	0.0	0.0
Expenditure on completed investment property	(0.7)	(3.0)	(6.3)	(4.7)	(4.7)	(4.7)
Others	30.9	-8.5	11.2	7.4	5.3	5.3
<b>Net cash flows used in investing activities</b>	<b>(153.8)</b>	<b>(272.1)</b>	<b>(466.8)</b>	<b>(23.1)</b>	<b>0.0</b>	<b>0.0</b>
Proceeds from loans and borrowings	290.1	373.2	-	-	-	-



Repayment of borrowings	(89.7)	(208.0)	402.0	(365.3)	(161.7)	(43.4)
Proceed/(repayment) of loans and borrowings from minority shareholders	-	-	(4.0)	-	-	-
Dividends paid	(62.1)	(54.8)	(90.6)	(175.9)	(254.3)	(264.9)
Proceeds from issue of share capital and share premium	112.9	259.1	249.4	0.0	0.0	0.0
Others	(28.1)	23.4	(14.0)	(24.0)	(15.6)	(13.3)
<b>Net cash from financing activities</b>	<b>223.0</b>	<b>393.0</b>	<b>542.9</b>	<b>(565.2)</b>	<b>(431.6)</b>	<b>(321.6)</b>
Net changes in cash and cash equivalents	79.2	337.4	(42.6)	(276.3)	1,388.1	1,221.6
<b>Cash and cash equivalents at the beginning of the year</b>	<b>91.7</b>	<b>171.0</b>	<b>508.3</b>	<b>465.8</b>	<b>189.5</b>	<b>1,577.6</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>171.0</b>	<b>508.3</b>	<b>465.8</b>	<b>189.5</b>	<b>1,577.6</b>	<b>2,799.2</b>

Source: BTCP estimates

## Annex 2. Discounted cash flow for each residential project

### One Herastrau Towers – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>8.9</b>	<b>8.9</b>	-	-	-
No. of apartments sold	5	5	-	-	-
Price/apartment	1.8	1.8	1.8	1.8	1.8
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	-	-	-	-	-
Completion rate	100%	100%	100%	100%	100%
Costs incurred	-	-	-	-	-
<b>Gross profit</b>	<b>8.9</b>	<b>8.9</b>	-	-	-
Other operating expenses	0.2	0.3	-	-	-
Tax expenses	1.4	1.4	-	-	-
<b>Free Cash Flow to Equity</b>	<b>7.3</b>	<b>7.3</b>	-	-	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>6.5</b>	<b>5.6</b>	-	-	-

Source: BTCP estimates

### One Mamaia Nord Phase I – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>3.2</b>	<b>1.6</b>	-	-	-
No. of apartments sold	2	1	0	0	0
Price/apartment	1.6	1.6	1.6	1.6	1.6
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	-	-	-	-	-
Completion rate	100%	100%	100%	100%	100%
Costs incurred	-	-	-	-	-
<b>Gross profit</b>	<b>3.2</b>	<b>1.6</b>	-	-	-
Other operating expenses	0.1	0.1	-	-	-
Tax expenses	0.5	0.2	-	-	-
<b>Free Cash Flow to Equity</b>	<b>2.6</b>	<b>1.3</b>	-	-	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>2.3</b>	<b>1.0</b>	-	-	-

Source: BTCP estimates

**One Mircea Eliade – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>9.9</b>	<b>8.0</b>	-	-	-
No. of apartments sold	5	4	0	0	0
Price/apartment	2.0	2.0	2.0	2.0	2.0
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Completion rate	100%	100%	100%	100%	100%
Costs incurred	-	-	-	-	-
<b>Gross profit</b>	<b>9.9</b>	<b>8.0</b>	-	-	-
Other operating expenses	0.2	0.2	-	-	-
Tax expenses	1.6	1.2	-	-	-
<b>Free Cash Flow to Equity</b>	<b>8.2</b>	<b>6.5</b>	-	-	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>7.3</b>	<b>5.0</b>	-	-	-

Source: BTCP estimates

**One Timpuri Noi – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>90.4</b>	<b>6.3</b>	-	-	-
No. of apartments sold	8	7	-	-	-
Price/apartment	0.9	0.9	0.9	0.9	0.9
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Completion rate	100%	100%	100%	100%	100%
Costs incurred	1.7	-	-	-	-
<b>Gross profit</b>	<b>88.6</b>	<b>6.3</b>	-	-	-
Other operating expenses	0.3	0.4	-	-	-
Tax expenses	14.1	1.0	-	-	-
Interest	1.4	0.4	-	-	-
Debt additions	-	-	-	-	-
Debt repayments	24.6	19.2	-	-	-
<b>Free Cash Flow to Equity</b>	<b>48.4</b>	<b>(14.5)</b>	-	-	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>42.9</b>	<b>(11.1)</b>	-	-	-

Source: BTCP estimates

**One Mamaia Nord Phase II – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>19.2</b>	<b>78.7</b>	<b>9.5</b>	<b>4.1</b>	<b>4.1</b>
No. of apartments sold	47	22	7	3	3
Price/apartment	1.4	1.4	1.4	1.4	1.4
Prepayment share	30%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>28.8</b>	<b>35.9</b>	<b>-</b>	<b>-</b>	<b>-</b>
Completion rate	44%	100%	100%	100%	100%
Costs incurred	28.8	35.9	-	-	-
<b>Gross profit</b>	<b>(9.5)</b>	<b>42.7</b>	<b>9.5</b>	<b>4.1</b>	<b>4.1</b>
Other operating expenses	1.8	1.1	0.7	0.5	0.5
Tax expenses	-	6.7	1.4	0.6	0.6
<b>Free Cash Flow to Equity</b>	<b>(11.3)</b>	<b>35.0</b>	<b>7.4</b>	<b>3.0</b>	<b>3.0</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(10.0)</b>	<b>26.8</b>	<b>4.9</b>	<b>1.7</b>	<b>1.5</b>

Source: BTCP estimates

**One Floreasca Towers – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>50.3</b>	<b>22.9</b>	<b>221.4</b>	<b>1.5</b>	<b>1.5</b>
No. of apartments sold	114	52	21	1	1
Price/apartment	1.5	1.5	1.5	1.5	1.5
Prepayment share	30%	30%	100%	100%	100%
<b>Cash costs incurred</b>	<b>70.7</b>	<b>70.7</b>	<b>11.8</b>	<b>-</b>	<b>-</b>
Completion rate	52%	93%	100%	100%	100%
Costs incurred	70.7	70.7	11.8	-	-
<b>Gross profit</b>	<b>(20.4)</b>	<b>(47.7)</b>	<b>209.6</b>	<b>1.5</b>	<b>1.5</b>
Other operating expenses	4.3	2.6	2.2	0.2	0.2
Tax expenses	-	-	33.2	0.2	0.2
<b>Free Cash Flow to Equity</b>	<b>(24.7)</b>	<b>(50.4)</b>	<b>174.2</b>	<b>1.1</b>	<b>1.1</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(21.9)</b>	<b>(38.7)</b>	<b>115.7</b>	<b>0.6</b>	<b>0.5</b>

Source: BTCP estimates

## One Verdi Park – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>402.6</b>	<b>28.7</b>	-	-	-
No. of apartments sold	20	16	0	0	0
Price/apartment	1.8	1.8	1.8	1.8	1.8
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>78.5</b>	-	-	-	-
Completion rate	100%	100%	100%	100%	100%
Costs incurred	78.5	-	-	-	-
<b>Gross profit</b>	<b>324.1</b>	<b>28.7</b>	-	-	-
Other operating expenses	0.7	0.8	-	-	-
Tax expenses	51.7	4.5	-	-	-
Interest	0.7	-	-	-	-
Debt additions	-	-	-	-	-
Debt repayments	35.0	-	-	-	-
<b>Free Cash Flow to Equity</b>	<b>236.0</b>	<b>23.4</b>	-	-	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>209.3</b>	<b>18.0</b>	-	-	-

Source: BTCP estimates

## One Modrogan – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>177.2</b>	<b>49.2</b>	<b>14.1</b>	-	-
No. of apartments sold	0	7	2	0	0
Price/apartment	7.0	7.0	7.0	7.0	7.0
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>18.1</b>	-	-	-	-
Completion rate	100%	100%	100%	100%	100%
Costs incurred	18.1	-	-	-	-
<b>Gross profit</b>	<b>159.1</b>	<b>49.2</b>	<b>14.1</b>	-	-
Other operating expenses	-	0.4	0.2	-	-
Tax expenses	25.5	7.8	2.2	-	-
<b>Free Cash Flow to Equity</b>	<b>133.7</b>	<b>41.1</b>	<b>11.6</b>	-	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>118.5</b>	<b>31.5</b>	<b>7.7</b>	-	-

Source: BTCP estimates

## One Peninsula – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>380.4</b>	<b>48.9</b>	<b>44.8</b>	<b>48.9</b>	<b>44.8</b>
No. of apartments sold	17	12	11	12	11
Price/apartment	4.1	4.1	4.1	4.1	4.1
Prepayment share	100%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>102.3</b>	-	-	-	-
Completion rate	100%	100%	100%	100%	100%
Costs incurred	102.3	-	-	-	-
<b>Gross profit</b>	<b>278.1</b>	<b>48.9</b>	<b>44.8</b>	<b>48.9</b>	<b>44.8</b>
Other operating expenses	0.6	0.6	1.2	2.1	1.8
Tax expenses	44.4	7.7	7.0	7.5	6.9
Interest	0.6	0.2	-	-	-
Debt additions	-	-	-	-	-
Debt repayments	7.7	6.0	-	-	-
<b>Free Cash Flow to Equity</b>	<b>224.9</b>	<b>34.4</b>	<b>36.7</b>	<b>39.4</b>	<b>36.1</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>199.4</b>	<b>26.4</b>	<b>24.4</b>	<b>22.6</b>	<b>18.0</b>

Source: BTCP estimates

## One Cotroceni Park – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>22.8</b>	<b>471.6</b>	<b>34.8</b>	<b>34.8</b>	<b>33.9</b>
No. of apartments sold	83	38	38	38	37
Price/apartment	0.9	0.9	0.9	0.9	0.9
Prepayment share	30%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>199.5</b>	-	-	-	-
Completion rate	100%	100%	100%	100%	100%
Costs incurred	199.5	-	-	-	-
<b>Gross profit</b>	<b>(176.7)</b>	<b>471.6</b>	<b>34.8</b>	<b>34.8</b>	<b>33.9</b>
Other operating expenses	3.1	1.9	4.0	6.5	6.2
Tax expenses	-	75.2	4.9	4.5	4.4
Interest	5.4	3.1	-	-	-
Debt additions	162.4	-	-	-	-
Debt repayments	67.8	94.5	-	-	-
<b>Free Cash Flow to Equity</b>	<b>(89.8)</b>	<b>297.4</b>	<b>25.9</b>	<b>23.8</b>	<b>23.3</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(79.6)</b>	<b>228.4</b>	<b>17.2</b>	<b>13.7</b>	<b>11.6</b>

Source: BTCP estimates

**One Floreasca Towers – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>50.3</b>	<b>22.9</b>	<b>221.4</b>	<b>1.5</b>	<b>1.5</b>
No. of apartments sold	114	52	21	1	1
Price/apartment	1.5	1.5	1.5	1.5	1.5
Prepayment share	30%	30%	100%	100%	100%
<b>Cash costs incurred</b>	<b>70.7</b>	<b>70.7</b>	<b>11.8</b>	-	-
Completion rate	52%	93%	100%	100%	100%
Costs incurred	70.7	70.7	11.8	-	-
<b>Gross profit</b>	<b>(20.4)</b>	<b>(47.7)</b>	<b>209.6</b>	<b>1.5</b>	<b>1.5</b>
Other operating expenses	4.3	2.6	2.2	0.2	0.2
Tax expenses	-	-	33.2	0.2	0.2
<b>Free Cash Flow to Equity</b>	<b>(24.7)</b>	<b>(50.4)</b>	<b>174.2</b>	<b>1.1</b>	<b>1.1</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(21.9)</b>	<b>(38.7)</b>	<b>115.7</b>	<b>0.6</b>	<b>0.5</b>

Source: BTCP estimates

**One Herastrau Vista – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>13.9</b>	<b>135.2</b>	-	<b>1.5</b>	-
No. of apartments sold	30	12	0	1	0
Price/apartment	1.5	1.5	1.5	1.5	1.5
Prepayment share	30%	100%	100%	100%	100%
<b>Cash costs incurred</b>	<b>42.4</b>	<b>31.8</b>	-	-	-
Completion rate	63%	100%	100%	100%	100%
Costs incurred	42.4	31.8	-	-	-
<b>Gross profit</b>	<b>(28.6)</b>	<b>103.4</b>	-	<b>1.5</b>	-
Other operating expenses	1.1	0.6	-	0.2	-
Tax expenses	-	16.4	-	0.2	-
<b>Free Cash Flow to Equity</b>	<b>(29.7)</b>	<b>86.3</b>	-	<b>1.2</b>	-
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(26.3)</b>	<b>66.3</b>	-	<b>0.7</b>	-

Source: BTCP estimates

**One Lake District – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>268.0</b>	<b>121.8</b>	<b>48.8</b>	<b>1,104.8</b>	<b>81.4</b>
No. of apartments sold	1,142	519	208	104	104
Price/apartment	0.8	0.8	0.8	0.8	0.8
Prepayment share	30%	30%	30%	100%	100%
<b>Cash costs incurred</b>	<b>185.0</b>	<b>185.0</b>	<b>185.0</b>	<b>138.7</b>	<b>-</b>
Completion rate	31%	56%	81%	100%	100%
Costs incurred	185.0	185.0	185.0	138.7	-
<b>Gross profit</b>	<b>83.0</b>	<b>(63.2)</b>	<b>(136.2)</b>	<b>966.1</b>	<b>81.4</b>
Other operating expenses	42.7	26.4	21.8	17.9	17.5
Tax expenses	6.5	-	-	151.7	10.2
<b>Free Cash Flow to Equity</b>	<b>33.9</b>	<b>(89.5)</b>	<b>(157.9)</b>	<b>796.5</b>	<b>53.7</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>30.1</b>	<b>(68.8)</b>	<b>(104.9)</b>	<b>458.2</b>	<b>26.7</b>

Source: BTCP estimates

**One Lake Club – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>149.2</b>	<b>67.9</b>	<b>641.3</b>	<b>12.9</b>	<b>12.9</b>
No. of apartments sold	365	166	66	10	10
Price/apartment	1.4	1.4	1.4	1.4	1.4
Prepayment share	30%	30%	100%	100%	100%
<b>Cash costs incurred</b>	<b>163.2</b>	<b>163.2</b>	<b>122.4</b>	<b>-</b>	<b>-</b>
Completion rate	42%	75%	100%	100%	100%
Costs incurred	163.2	163.2	122.4	-	-
<b>Gross profit</b>	<b>(14.0)</b>	<b>(95.4)</b>	<b>518.9</b>	<b>12.9</b>	<b>12.9</b>
Other operating expenses	13.6	8.4	6.9	1.6	1.6
Tax expenses	-	-	81.9	1.8	1.8
<b>Free Cash Flow to Equity</b>	<b>(27.7)</b>	<b>(103.8)</b>	<b>430.0</b>	<b>9.5</b>	<b>9.5</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(24.5)</b>	<b>(79.7)</b>	<b>285.7</b>	<b>5.5</b>	<b>4.7</b>

Source: BTCP estimates



**One High District – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>58.0</b>	<b>58.0</b>	<b>520.2</b>	<b>31.5</b>	<b>31.5</b>
No. of apartments sold	215	215	86	35	35
Price/apartment	0.9	0.9	0.9	0.9	0.9
Prepayment share	30%	30%	100%	100%	100%
<b>Cash costs incurred</b>	<b>123.7</b>	<b>123.7</b>	<b>123.7</b>	-	-
Completion rate	38%	69%	100%	100%	100%
Costs incurred	123.7	123.7	123.7	-	-
<b>Gross profit</b>	<b>(65.8)</b>	<b>(65.8)</b>	<b>396.4</b>	<b>31.5</b>	<b>31.5</b>
Other operating expenses	8.0	10.9	9.0	6.0	5.9
Tax expenses	-	-	62.0	4.1	4.1
<b>Free Cash Flow to Equity</b>	<b>(73.8)</b>	<b>(76.7)</b>	<b>325.4</b>	<b>21.4</b>	<b>21.5</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(65.4)</b>	<b>(58.9)</b>	<b>216.2</b>	<b>12.3</b>	<b>10.7</b>

Source: BTCP estimates

**One North Lofts – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)**

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>24.8</b>	<b>11.3</b>	<b>99.6</b>	<b>7.7</b>	<b>7.7</b>
No. of apartments sold	75	34	14	7	7
Price/apartment	1.1	1.1	1.1	1.1	1.1
Prepayment share	30%	30%	100%	100%	100%
<b>Cash costs incurred</b>	<b>50.4</b>	<b>12.6</b>	-	-	-
Completion rate	80%	100%	100%	100%	100%
Costs incurred	50.4	12.6	0	0	0
<b>Gross profit</b>	<b>(25.5)</b>	<b>(1.3)</b>	<b>99.6</b>	<b>7.7</b>	<b>7.7</b>
Other operating expenses	2.8	1.7	1.5	1.2	1.2
Tax expenses	-	-	15.7	1.0	1.0
<b>Free Cash Flow to Equity</b>	<b>(28.3)</b>	<b>(3.1)</b>	<b>82.5</b>	<b>5.5</b>	<b>5.5</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(25.1)</b>	<b>(2.4)</b>	<b>54.8</b>	<b>3.2</b>	<b>2.7</b>

Source: BTCP estimates

## One Cotroceni Towers – Discounted Cash Flow projections for FY '23 – FY '27 (RONm)

	2023f	2024f	2025f	2026f	2027f
<b>Cash sales received</b>	<b>12.1</b>	<b>331.7</b>	<b>150.7</b>	<b>60.5</b>	<b>1,454.5</b>
No. of apartments sold	26	713	324	130	103
Price/apartment	1.6	1.6	1.6	1.6	1.6
Prepayment share	30%	30%	30%	30%	100%
<b>Cash costs incurred</b>	<b>238.0</b>	<b>317.4</b>	<b>317.4</b>	<b>317.4</b>	<b>79.3</b>
Completion rate	19%	44%	69%	94%	100%
Costs incurred	238.0	317.4	317.4	317.4	79.3
<b>Gross profit</b>	<b>(226.0)</b>	<b>14.3</b>	<b>(166.7)</b>	<b>(256.9)</b>	<b>1,375.2</b>
Other operating expenses	1.0	36.2	33.9	22.3	17.3
Tax expenses	-	-	-	-	217.3
<b>Free Cash Flow to Equity</b>	<b>(226.9)</b>	<b>(22.0)</b>	<b>(200.6)</b>	<b>(279.2)</b>	<b>1,140.6</b>
Discount rate	15.5%	15.5%	15.5%	15.5%	15.5%
Discount period	0.84	1.83	2.84	3.84	4.84
Discount factor	0.89	0.77	0.66	0.58	0.50
<b>Present value of FCFE</b>	<b>(201.2)</b>	<b>(16.9)</b>	<b>(133.3)</b>	<b>(160.6)</b>	<b>568.1</b>

Source: BTCP estimates

## Annex 3. Key Financial Ratios

## Key Financial Ratios

	2020	2021	2022	2023f	2024f	2025f
<b>Return</b>						
ROE	26.8%	38.1%	27.5%	29.5%	25.0%	17.1%
ROA	11.7%	22.6%	14.3%	16.7%	14.6%	9.4%
<b>Profitability ratios</b>						
EBIT margin	40.6%	55.2%	50.3%	42.9%	38.4%	37.7%
EBITDA margin	40.9%	55.4%	50.5%	43.0%	38.5%	37.9%
Net profit margin	31.5%	35.3%	40.3%	33.1%	30.1%	29.1%
<b>Indebtness</b>						
Net debt/EBITDA	0.98	-0.12	0.46	0.31	-1.40	-3.50
Debt/Equity	0.47	0.26	0.33	0.15	0.08	0.06
<b>Per share fundamentals</b>						
EPS	0.046	0.106	0.124	0.184	0.192	0.150
SPS	0.170	0.278	0.452	0.623	0.768	0.881
BVPS	0.145	0.300	0.309	0.556	0.638	0.518
<b>Price multiples</b>						
P/E	19.6	8.5	7.2	4.9	4.7	5.9
P/B	5.3	3.2	2.0	1.4	1.2	1.0
EV/EBITDA	15.1	5.4	5.7	3.7	3.6	4.6

Source: BTCP estimates

## Analyst coverage universe

Analyst	Ticker	Company	Recommendation	Current price (RON)	Target price (RON)
Irina Railean	SNP	OMV Petrom	OUTPERFORM	0.477	0.652
Irina Railean	SNG	Romgaz	OUTPERFORM	40.50	50.4
Irina Railean	TGN	Transgaz	NEUTRAL	314.0	246.84
Vlad Podea	BRD	BRD Societe Generale	NEUTRAL	13.10	11.49
Vlad Podea	DIGI	Digi Communications	UNDER REVIEW	32.8	UNDER REVIEW
Alexandru Stroila	EL	Electrica	UNDERPERFORM	9.14	7.38
Alexandru Stroila	SNN	Nuclearelectrica	UNDERPERFORM	44.15	35.23
Vlad Podea	SIFs	SIF Banat Crisana; Evergent Investments; Transilvania Investments Alliance; SIF Muntenia; SIF Oltenia	RESTRICTED	-	RESTRICTED
Adrian Hornea	WINE	Purcari Wineries	OUTPERFORM	8.88	12.26
Adrian Hornea	SFG	Sphera Franchise Group	OUTPERFORM	15.25	18.44
Adrian Hornea	M	MedLife	UNDER REVIEW	18.00	UNDER REVIEW
Alexandru Stroila	ONE	One United Properties	NEUTRAL	0.895	0.998
Adrian Hornea	AQ	Aquila Part Prod Com	NEUTRAL	0.680	0.607

Source: EquityRT, BT Capital Partners

## Rating history | One United Properties

Type	Date	Price	TP	Rating	Type	Date	Price	TP	Rating
Coverage Initiation	02 Mar '23	0.895	0.998	Neutral					

Source: BT Capital Partners

Updated: 02 Mar '23

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Rating	General Equities
<b>OUTPERFORM</b>	The stock is expected to yield absolute returns in excess of 15% over a 12-month investment horizon in terms of price and we recommend increased exposure relative to its blue-chip benchmark peers (BET index).
<b>NEUTRAL</b>	The stock is expected to yield absolute returns ranging from -15% to 15% over a 12-month investment horizon in terms of price and we recommend maintaining current exposure relative to its blue-chip benchmark peers (BET index).
<b>UNDERPERFORM</b>	The stock is expected to yield negative absolute returns of more than -15% over a 12-month investment horizon in terms of price and we recommend reduced exposure relative to its blue-chip benchmark peers (BET index).
<b>RESTRICTED</b>	The rating of the stock is restricted from disclosure owing to compliance or other regulatory/legal reasons.
<b>NOT-RATED</b>	The stock is not currently rated by BTCP Equity Research.
<b>COVERAGE IN TRANSITION</b>	The rating of the stock is temporarily suspended due to changes in the research team.

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Outperform	4	16%
Neutral	4	16%
Underperform	2	8%
Under Review	2	8%
Restricted	6	24%
Not rated	7	28%
In transition	0	0%
<b>Total</b>	<b>25</b>	<b>100%</b>

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