

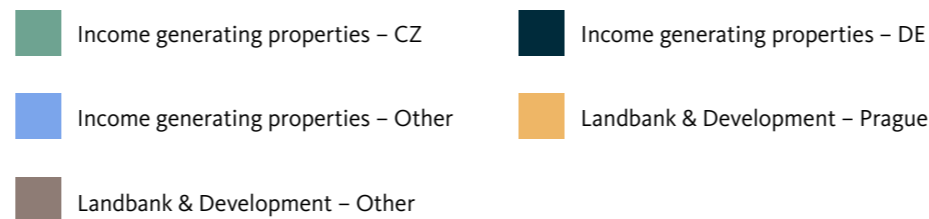


CPIPG's new RCF and cash pooling arrangements further reinforce our liquidity and treasury management.

Jan Galečka, Head of Treasury

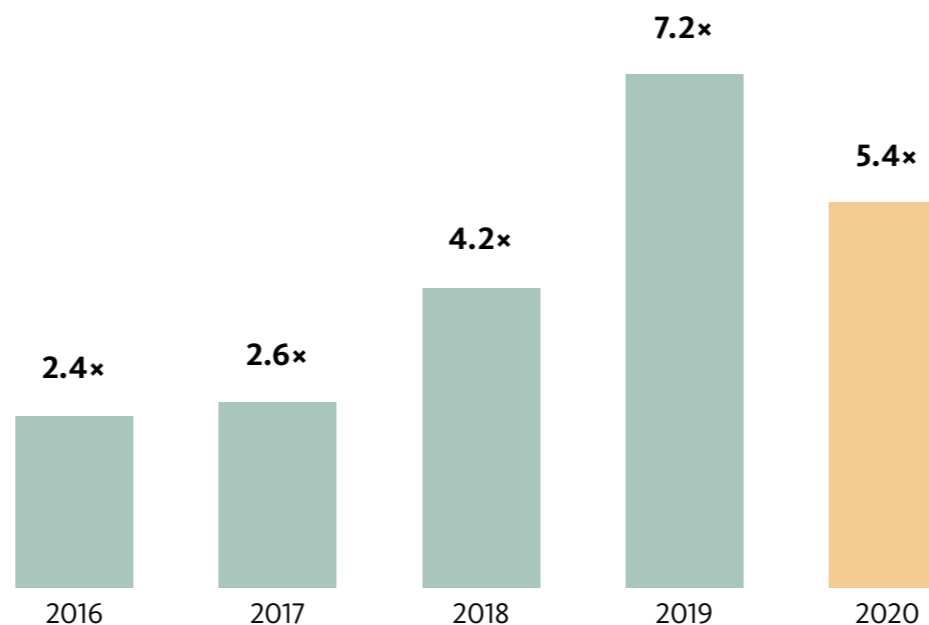
Luxembourg Plaza, Prague, Czech Republic

Composition of unencumbered asset portfolio



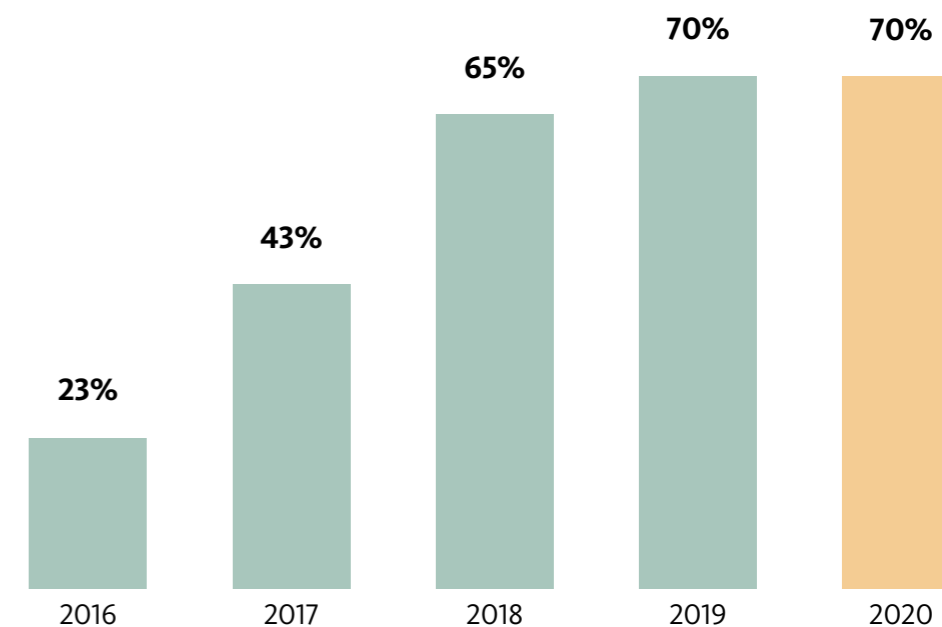
Robust net interest coverage (ICR)

Net ICR remained strong at 5.4x in 2020. Significant historical refinancing activity to reduce average interest costs, combined with continual increases in EBITDA, have led to consistent improvement in the Group's Net ICR, peaking at 7.2x in 2019. The lower level in 2020 is due to the combined effect of the annualised interest from debt issued in 2019, higher debt in 2020, and the lower-than-expected growth in EBITDA, mainly due to the temporary impact of tenant discounts and significantly reduced income from the Hotels & resorts segment in 2020. **If hotels had performed normally and no discounts were provided, Net ICR would have been 6.3x.**



High level of unencumbered assets

The Group's unencumbered assets ratio remained stable at 70% compared to 2019. Unencumbered assets primarily consist of retail and office properties in the Czech Republic, along with high-quality landbank, residential assets and selected assets in Germany and other geographies of the Group. CPIPG intends to maintain a high level of unencumbered assets at all times and believes it to provide a significant source of liquidity and flexibility for the Group.



Strong liquidity (€ million)

Cash as at 31 December 2020	632
(+) RCF – fully undrawn	700
(+) Other undrawn lines	21
Total liquidity as at 31 December 2020	1,353

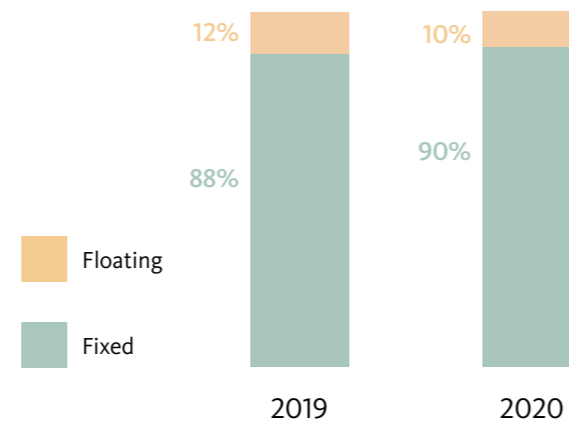
At the end of 2020, the Group had €1.35 billion of available liquidity between cash and undrawn revolving credit facilities.

In November 2020, the Group successfully improved its liquidity position by signing a new €700 million revolving credit facility that expires in 2026, with ten international banks, replacing the €510 million three-year facility arranged in March 2019. Revolving credit facilities offer CPIPG significant flexibility to access cash quickly and at a low cost. The strong liquidity maintained by the Group at all times meant that even at the peak of the COVID-19 pandemic, the facility has remained undrawn.

In addition, during 2020 CPIPG implemented a cash pooling facility that will enable more efficient management of the Group's liquidity and treasury function in future.

Fixed versus floating rated debt

The Group's fixed-rate debt level was approximately 90% at the end of 2020, relative to 88% at the end of 2019. We target a **minimum of 80% fixed-rate debt**. The Group, therefore, has a **high degree of protection against interest rate volatility**. If interest rates on all of our variable borrowings increase by 3 p.p., the cost of the Group's external debt will rise only by 0.3 p.p. In addition to our bonds which carry fixed coupons, many of our loan agreements include arrangements that convert the loan to a fixed-rate obligation. The Group can also make use of hedging instruments as required to manage the level of fixed and floating rate debt.

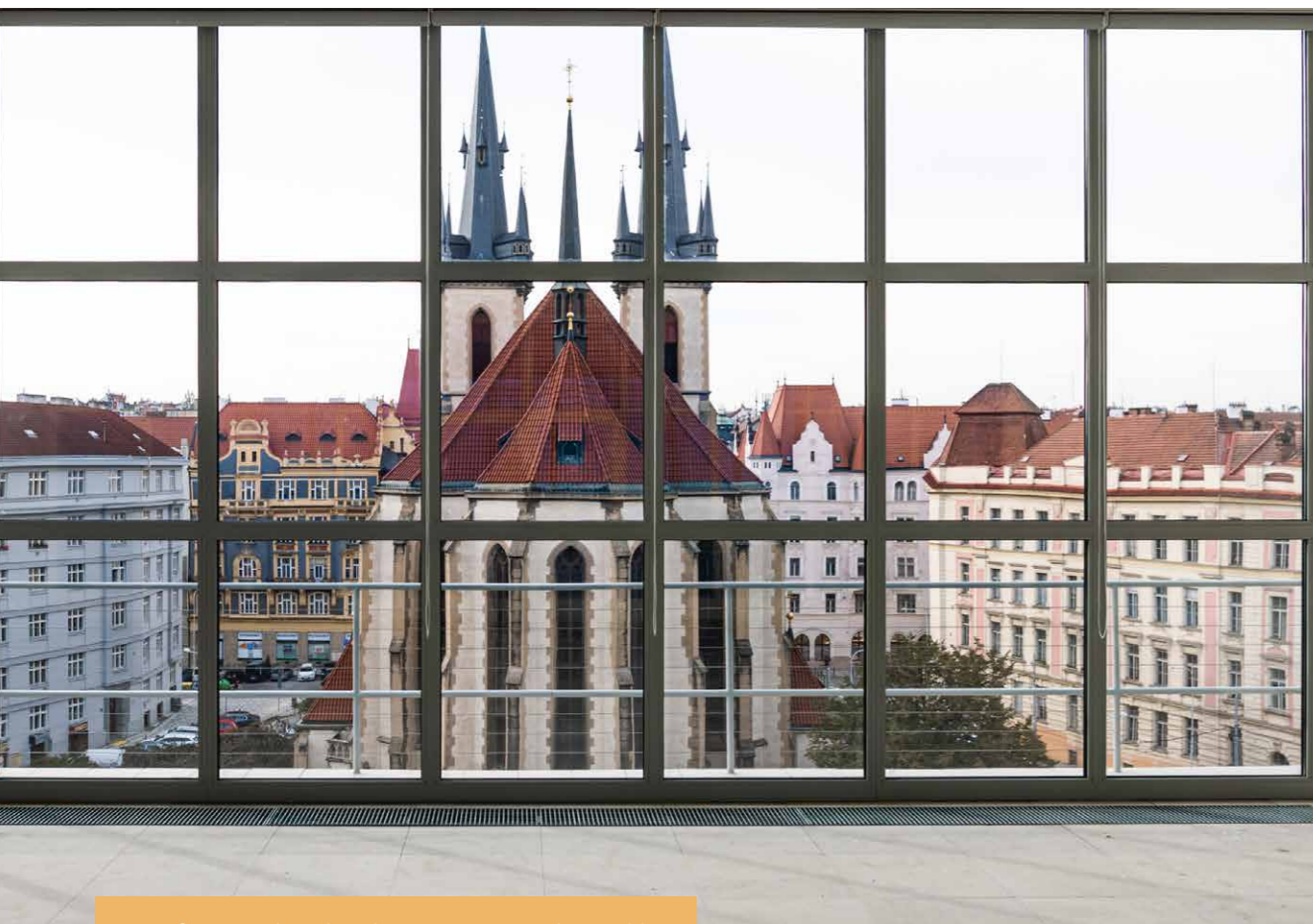


Average interest rate sensitivity

(% p.a.) as at 31 December 2020*

Type of liability	Share of external debt	Average interest rate as at 31 Dec 2020	if market interest rate +1 p.p.	if market interest rate +2 p.p.	if market interest rate +3 p.p.
Bonds/Schuldschein	70%	2.0%	2.0%	2.0%	2.1%
Bank loan	29%	1.2%	1.3%	1.5%	1.8%
Leasing	1%	0.6%	0.8%	1.0%	1.1%
Non bank loan	0%	1.6%	1.6%	1.7%	1.7%
Total	100%	1.7%	1.8%	1.9%	2.0%

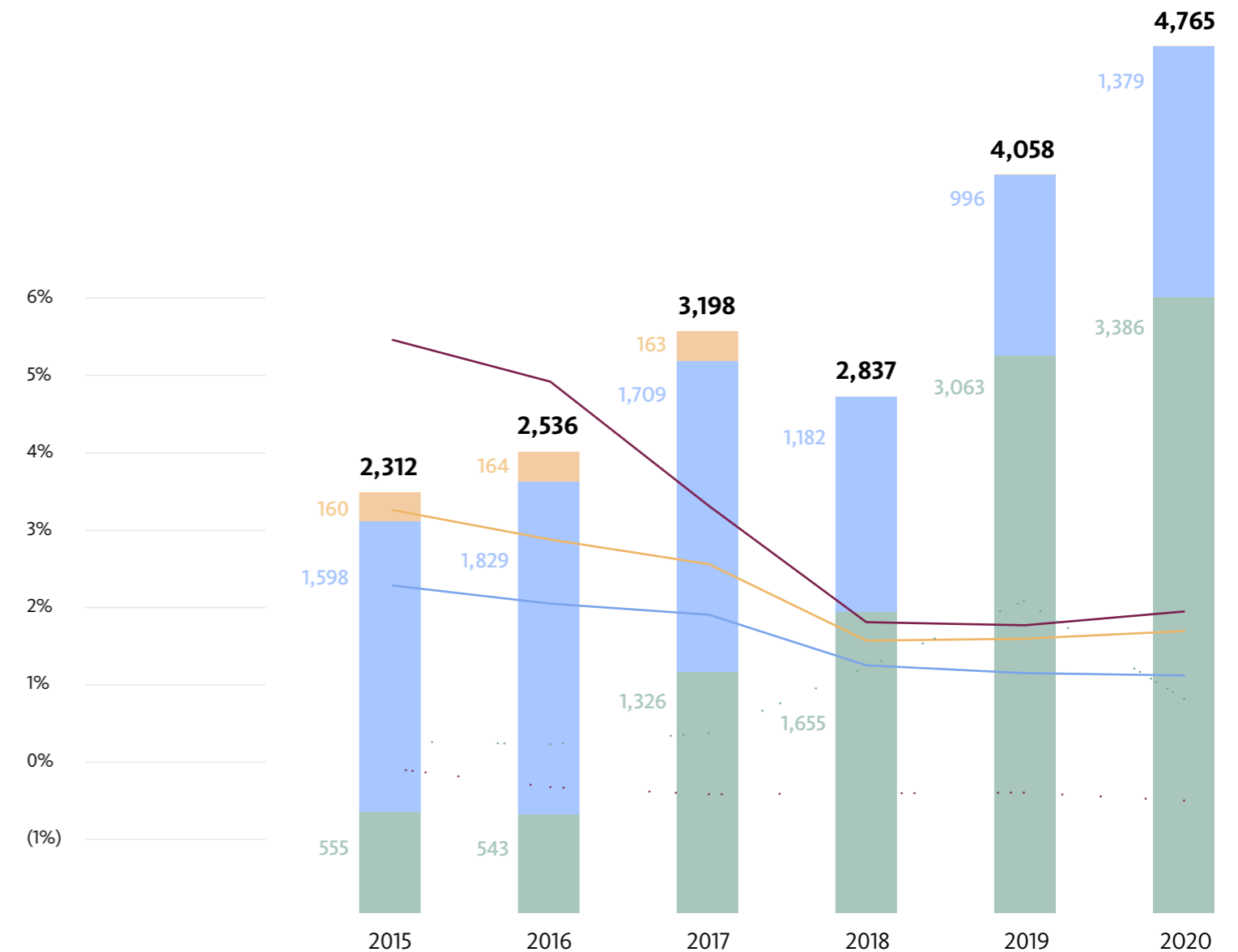
* Includes impact of contracted interest rate swaps.



View from inside Bubenská 1, Prague, Czech Republic

Structure of external debt, average interest rates and market rates (€ million)

At the end of 2020, the Group's average cost of debt increased slightly compared to the end of 2019 to 1.73%, primarily as a result of the Group's objective in 2020 to issue new unsecured bonds with longer maturities, which had slightly higher coupons on average compared to shorter-dated bonds issued historically.



Project bonds	160	164	163	0	0	0
Bank loans	1,598	1,829	1,709	1,182	996	1,379
Corporate bonds/Schuldschein	555	543	1,326	1,655	3,063	3,386
Avg. bank loan interest rate	2.32%	2.10%	1.96%	1.29%	1.19%	1.16%
Avg. bond/Schuldschein interest rate	5.46%	4.93%	3.34%	1.84%	1.81%	1.98%
Total average interest rate	3.29%	2.89%	2.60%	1.61%	1.65%	1.73%
.. Average 3m EURIBOR	-0.02%	-0.27%	-0.33%	-0.32%	-0.36%	-0.43%
.. Average 3m PRIBOR	0.31%	0.29%	0.41%	1.27%	2.12%	0.86%

Adalbertstraße, Berlin, Germany

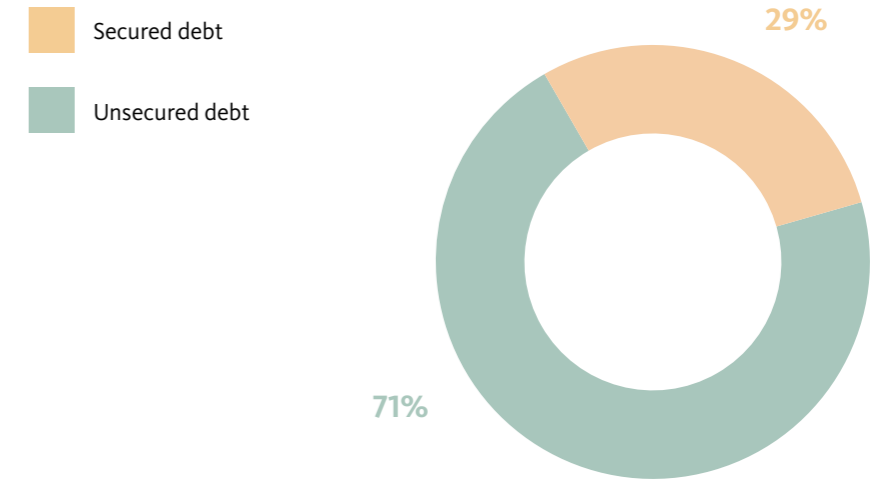
Senior unsecured debt a majority of funding

The proportion of secured debt to total debt increased slightly compared to the end of 2019 to 29%, mainly due to the increase in the size of the loan facility in Berlin by €259 million to a total of €750 million, together with additional secured loans in the Czech Republic raised in the first half of the year.

CPIPG intends to pursue a simple, flexible capital structure focused primarily on senior unsecured financing. Nevertheless, we also believe retaining access to secured bank financing is an essential element of liquidity and financial flexibility for the Group, supporting strong interest cover given historically low base rates in Europe.

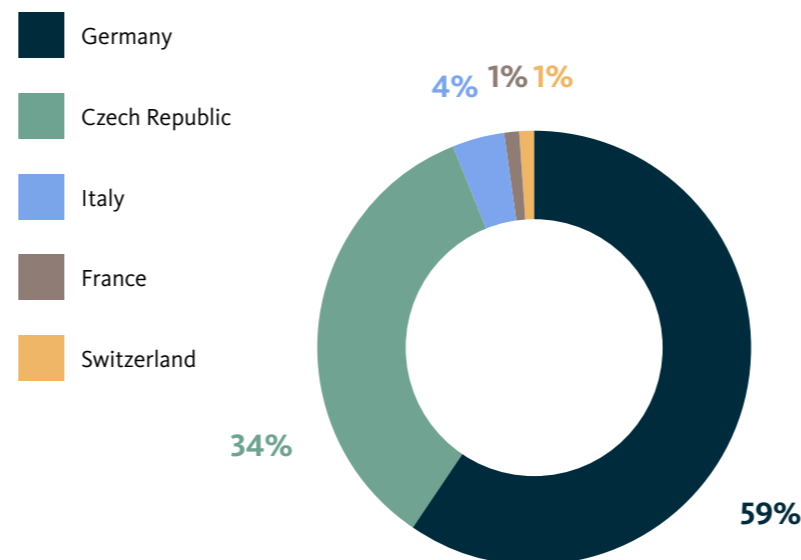
The vast majority of the Group's bank loans are denominated in Euros (99%). The most considerable portion of the Group's secured loans (59%) relate to Berlin, mainly due in 2024. 96% of outstanding secured bank loans are drawn from six banks. In total, the Group has secured loans from 16 banks that are active in the CEE region and Germany.

Split of secured versus unsecured debt as at 31 December 2020

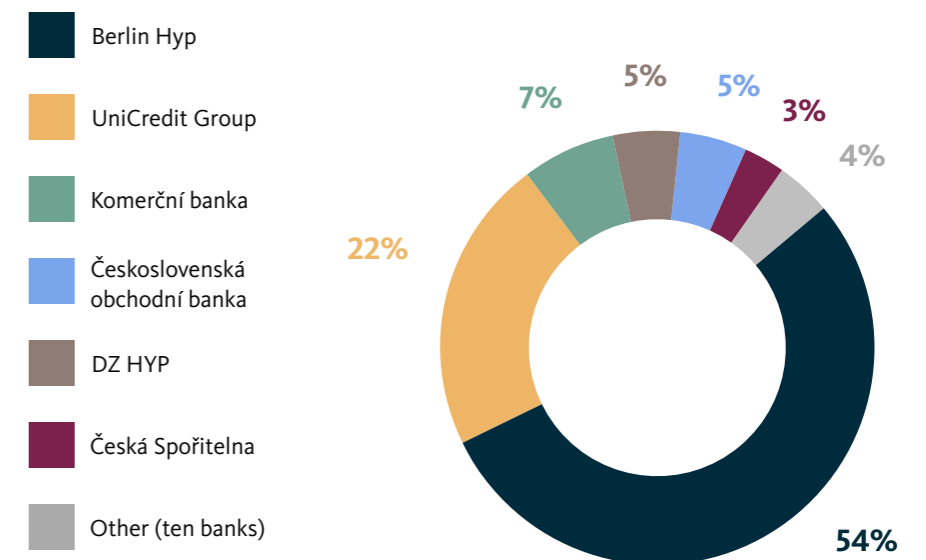


Breakdown of secured bank debt by principal

Secured bank debt by geography as at 31 December 2020



Secured bank debt by bank as at 31 December 2020



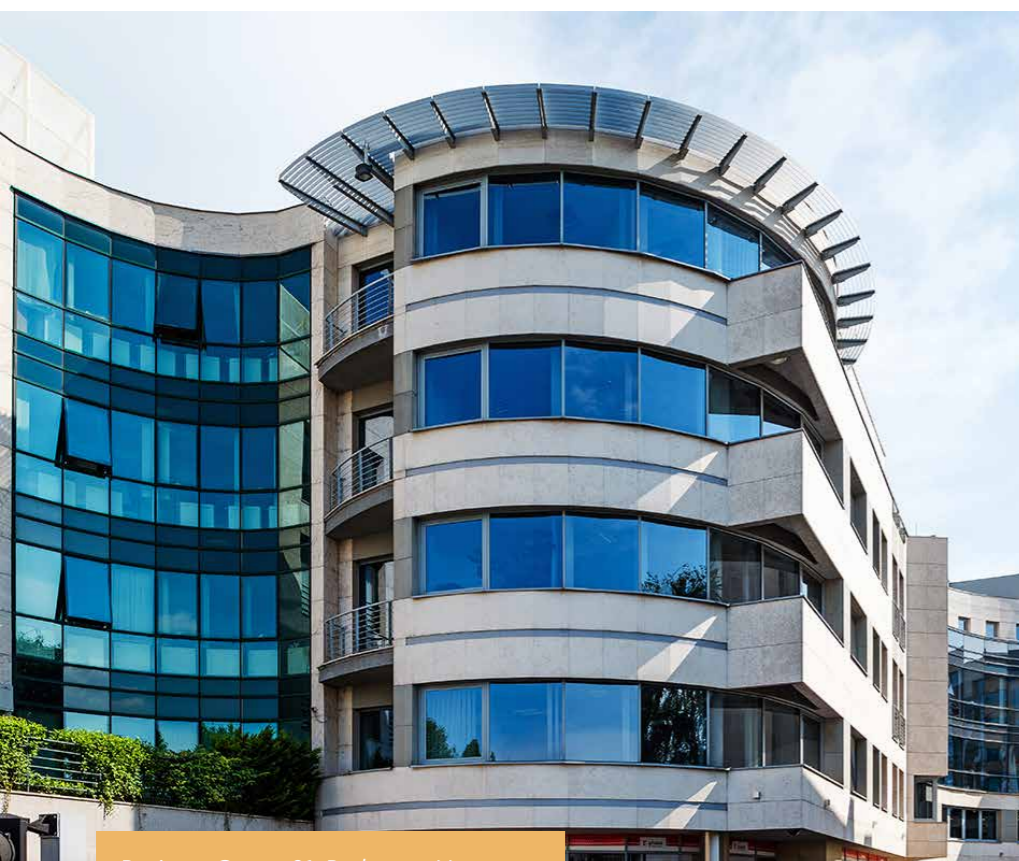
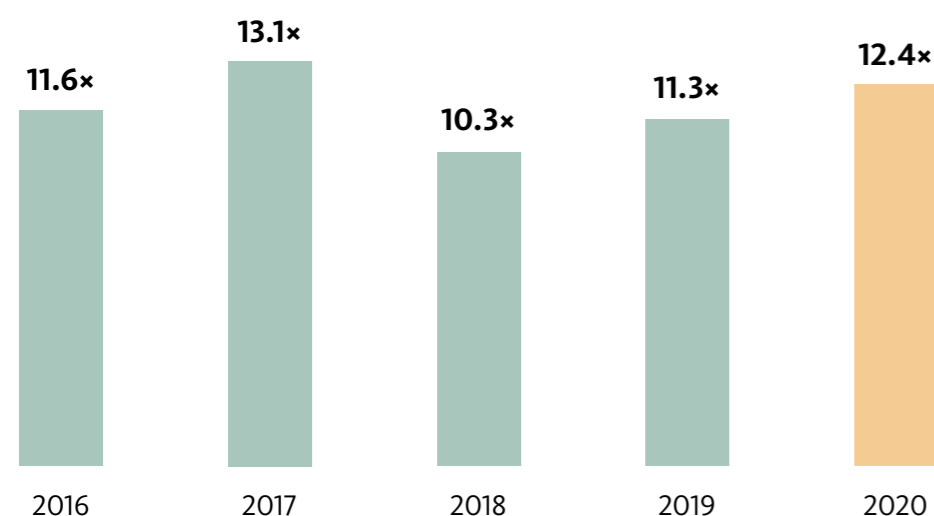
We appreciate our active dialogue with bond investors and banks.

Joe Weaver, Director of Capital Markets

EBITDA and Net debt/EBITDA measurements

The level of Net debt/EBITDA increased from 11.3x in 2019 to 12.4x in 2020. The increase was largely due to a rise in net debt year-on-year, as existing cash, together with the proceeds of new debt issuance, was used for acquisitions in the first quarter of the year. Also, the temporary impact of COVID-19 on EBITDA – specifically discounts provided to tenants and a sharp drop in the contribution from hotels – offset the increases in EBITDA from recent acquisitions and cost reductions. **If hotels had performed normally and no discounts were provided, Net debt/EBITDA would have been closer to 10.6x.** The Group anticipates that EBITDA generation and hence Net debt/EBITDA will improve as the effects of the COVID-19 pandemic subside.

In terms of financial KPIs, the Group focuses on both Net LTV and Net Debt/EBITDA over time through disciplined debt reduction and improvement of EBITDA through acquisitions, organic rental growth, and costs reduction.



Business Center 91, Budapest, Hungary

Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies, primarily the Czech Koruna (CZK). The impact of foreign exchange is mostly unrealised (non-cash) and arises whenever there is a mismatch between the currency in which a property is valued and the functional currency of the entity into which the property is consolidated. 26% of the property portfolio is valued in CZK and consolidated through sub-holdings into CPIPG, a Euro functional currency company. To a lesser extent, there is also an effect related to intra-group loans.

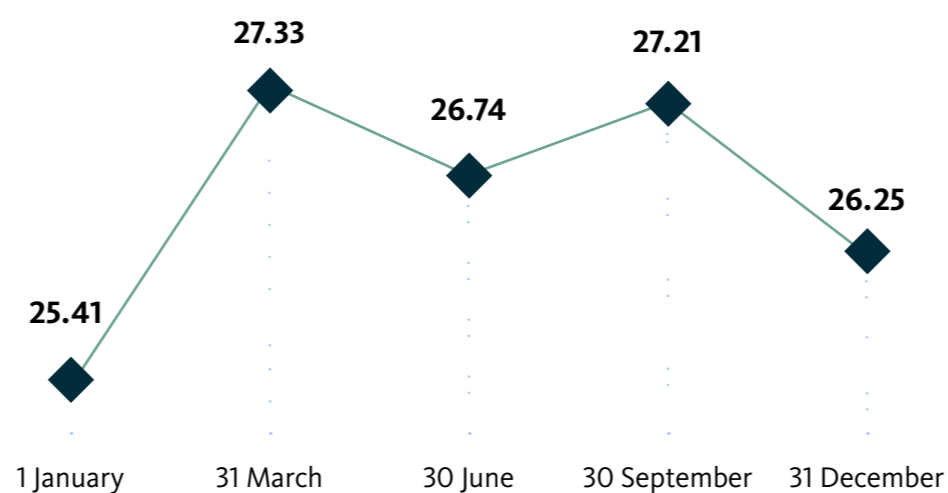
In addition to the non-cash effects, the Group is exposed to foreign currencies (primarily CZK) through rental income and expenses. In 2020, 24% of the Group's gross rental income was received in CZK. However, 57% of the Group's property operating expenses and 35% of administrative expenses were also denominated in CZK. As a result, the remaining net exposure to CZK is limited.

In 2020, CZK depreciated 3.3% relative to EUR. We estimate the impact on the Group's Net LTV was about 0.3 p.p., which is consistent with estimates provided in our 2019 FX sensitivity analysis. An updated picture on the estimated impact of CZK depreciation is included below.

FX sensitivity (CZK depreciation against EUR)

	5%	10%	15%	20%	25%
LTV	+0.5 p.p.	+1.1 p.p.	+1.5 p.p.	+2.0 p.p.	+2.4 p.p.
Net ICR	(0.04x)	(0.08x)	(0.12x)	(0.15x)	(0.18x)
EBITDA	(€2.0 m)	(€3.9 m)	(€5.6 m)	(€7.1 m)	(€8.5 m)

Development of CZK vs EUR in 2020



Note: The Group's exposure to other currencies is limited since almost 99% of the Group's annualised headline rent at the end of 2020 was denominated in EUR or CZK.

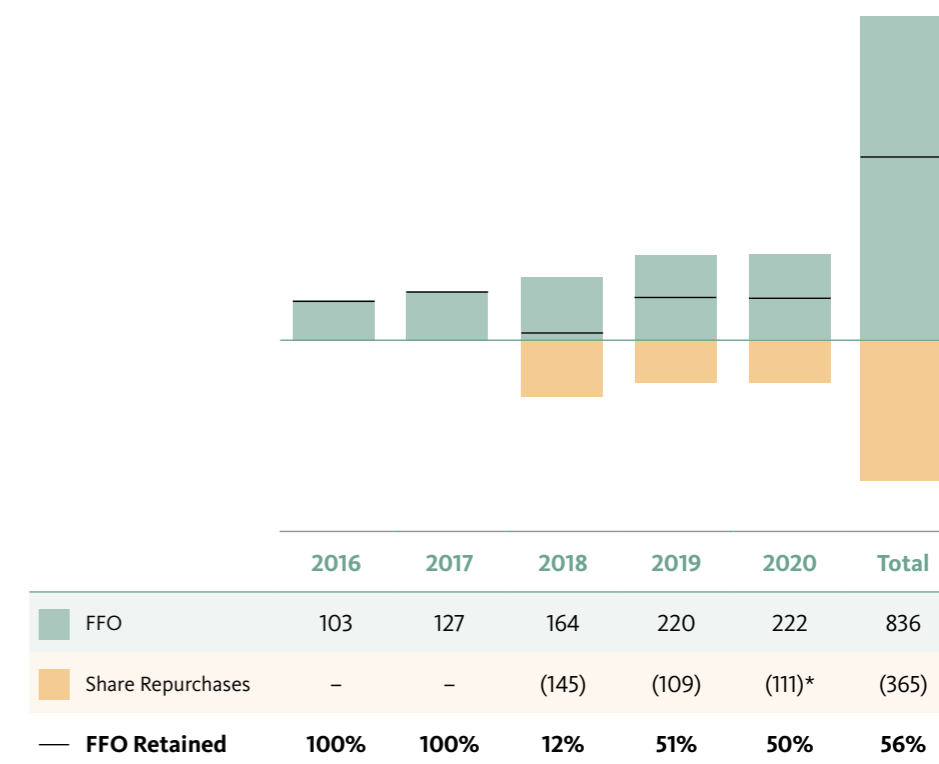
Commitment to retain FFO

CPIPG does not pay dividends. Unlike many of our peers who are required to pay out 90–100% of FFO each year as dividends, CPIPG is able to retain and reinvest the majority of income generated. The Group has conducted several share repurchases on an ad-hoc basis to facilitate shareholder returns. **The Group's financial policy currently stipulates that CPIPG will retain at least 50% of FFO.**

In 2019, the Group distributed 49% of FFO through share repurchases. **In 2020, the Group did not conduct any share repurchases given the uncertainties around COVID-19.** However, following the end of the year, given the anticipation of an improving backdrop in 2021, the Group announced the repurchase of 641,658,176 shares in February 2021, at a price of €0.616 per share, for an aggregate amount of €395.3 million. The Group's primary shareholder, Radovan Vitek and the Company's subsidiary CPI FIM SA represented approximately 94% of shares tendered combined, tendering 350,500,000 and 252,302,248 shares, respectively. The rest of the tenders were from third parties. **The total distribution to Mr. Vitek plus third parties is expected to be less than 50% of the Group's FFO for 2020 and anticipated for 2021. No further share repurchases are envisaged for the remainder of 2021.**

The effect of the repurchase was primarily non-cash: Radovan Vitek, our primary shareholder, participated in the offer and applied cash received towards repayment of shareholder loans, thereby returning cash to the Group. The Group's subsidiary, CPI FIM SA, also held shares in CPIPG and participated in the offer, with the objective to reduce group complexity, which was also a non-cash transaction for the Group. The only cash impact for the Group related to the portion of shares tendered by third parties, equating to €23.9 million.

FFO retained



* Share repurchase conducted in Q1 2021 was equivalent to 50% of FFO for 2020 and 2021

Results & net assets

Net rental income grew by 15% to €338 million, versus €294 million in 2019.

The positive development in net rental income was predominantly driven by an increase in our gross rental income together with a decrease of property operating expenses.

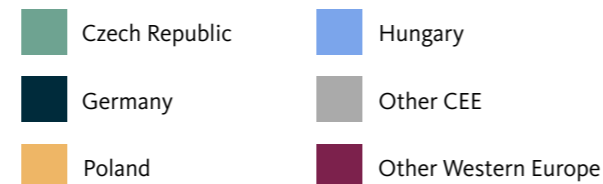
Net hotel income was -€3 million, versus €40 million in 2019, reflecting the impact of COVID-19 on the hospitality sector.

Income statement (part 1)

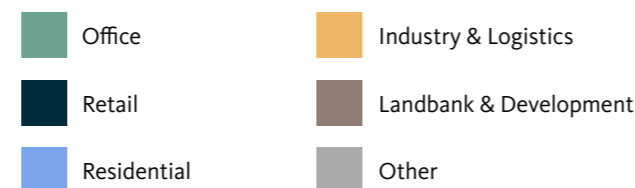
€ million	2020	2019
Gross rental income	356	319
Service charge and other income	140	123
Cost of service and other charges	(107)	(88)
Property operating expenses	(51)	(60)
Net rental income	338	294
Development sales	34	50
Development operating expenses	(30)	(46)
Net development income	4	4
Hotel revenue	44	134
Hotel operating expenses	(47)	(94)
Net hotel income	(3)	40
Other business revenue	49	46
Other business operating expenses	(43)	(39)
Net other business income	5	7
Total revenues	623	672
Total direct business operating expenses	(278)	(327)
Net business income	344	345
Administrative expenses	(47)	(53)
Consolidated adjusted EBITDA (excl. Other effects)	297	292

In 2020, the Group generated gross rental income of €356 million, representing a y-o-y increase of 12% compared to €319 million in 2019, reflecting the impact of properties acquired in 2019 and in 2020 and also the resilient performance of the Group's rental properties in the face of the COVID-19 pandemic.

Gross rental income by country



Gross rental income by segment



Our focus to continually improve the performance and quality of our assets is reflected in the 0.8% increase in gross rental income on a like-for-like basis (excluding impact of COVID-19 rent discounts). Including one-time discounts, like-for-like rents declined by 3.3%.

The greatest increase (5.7%) was realised in our Berlin's office properties.

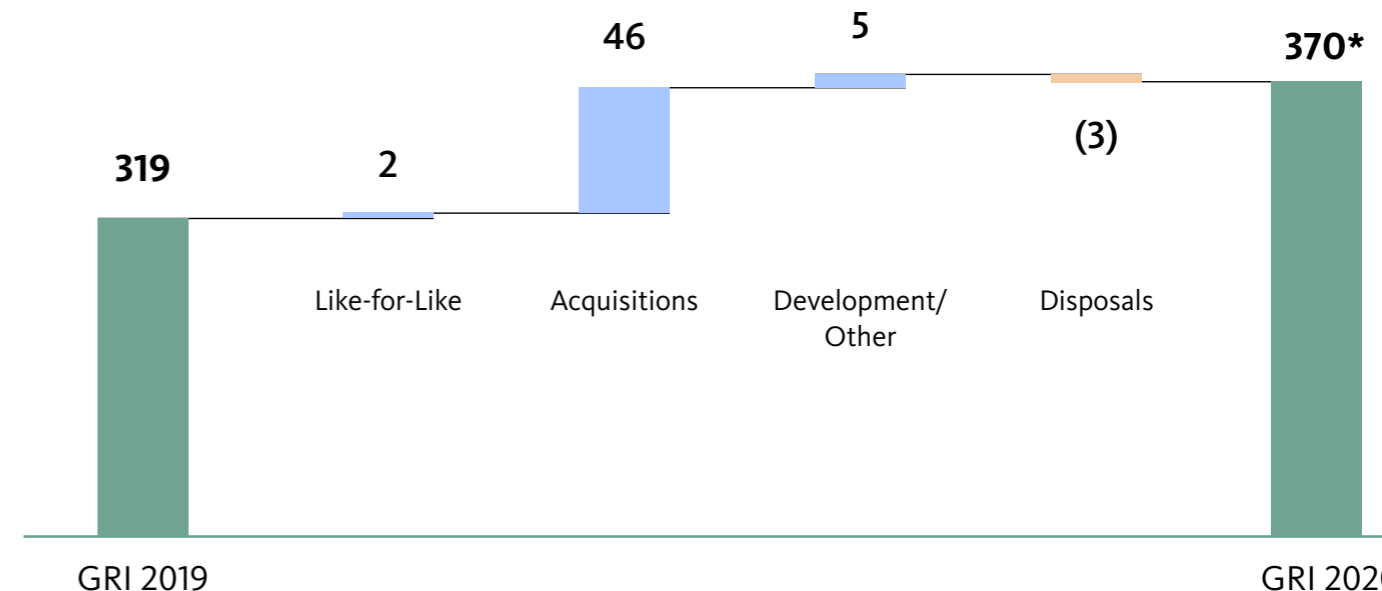
The like-for-like growth was fully driven by an increase of rents, while occupancy slightly decreased on a like-for-like basis.

	2020 € m	2019 € m	Increase/ (decrease)
Like-for-like gross rental income			
Czech Republic	132.8	133.1	(0.3%)
Germany	74.1	70.1	5.7%
Hungary	36.0	36.4	(1.0%)
Poland*	20.1	22.2	(9.6%)
Slovakia	8.1	7.8	4.1%
Other	3.7	3.2	16.8%
Total like-for-like gross rental income (excl. impact of COVID-19 rent discounts)	274.8	272.7	0.8%

Not like-for-like gross rental income

Acquisitions/Transfers	49.8	3.7	
Disposals	12.0	14.6	
Development	28.6	23.9	
Other	4.6	4.2	
Total gross rental income	369.8	319.1	15.9%

* The majority of the Group's office portfolio in Poland was acquired in late Q4 2019 and early 2020 and are not included in Lfl.



* Includes one-time rent discounts.

Income Statement (part 2)

€ million	2020	2019
Consolidated adjusted EBITDA (excl. Other effects)	297	292
Net valuation gain*	173	561
Net gain or loss on the disposal of investment property and subsidiaries	1	2
Amortisation, depreciation and impairments	(88)	(42)
Other operating income	23	10
Other operating expenses	(3)	(7)
Operating result	404	816
Interest income	18	14
Interest expense	(81)	(54)
Other net financial result*	10	(11)
Net finance income / (costs)	(53)	(51)
Share of profit of equity-accounted investees (net of tax)	(11)	(0)
Profit / (Loss) before income tax	340	765
Income tax expense	(96)	(80)
Net profit / (Loss) from continuing operations	244	685

*Adjusted, refers to paragraph 2.4 of Consolidated Financial Statements as at 31 December 2020

Net valuation gain of €173 million results mainly from the valuation gain in office (principally Berlin), residential and landbank in the Czech Republic. Negative revaluations of hotels (-€105 million) are recognised between impairment and depreciation (-€59 million) and other comprehensive income in shareholder's equity (-€46 million).

These exclude the negative impact of FX (-€104 million) which is recognised between other net financial result and translation differences in shareholder's equity.

Interest expense was €81 million in 2020 compared to €54 million in 2019.

This increase reflects the Group's active presence on the international capital markets in 2019 and 2020.

Interest expense (€ million)	2020	2019
Interest expense from bank and other loans	(19.3)	(18.2)
Interest expense on bonds issued	(60.6)	(35.2)
Interest expense related to leases	(1.0)	(0.5)
Other interest expense	-	(0.3)
Total interest expense	(80.9)	(54.2)

Change in share of profit of equity-accounted investees reflects the acquisition of the stake in Globalworth.

The following tables show the split of net valuation gain 2020 by country and segment.

Valuation gain by country (€ million)

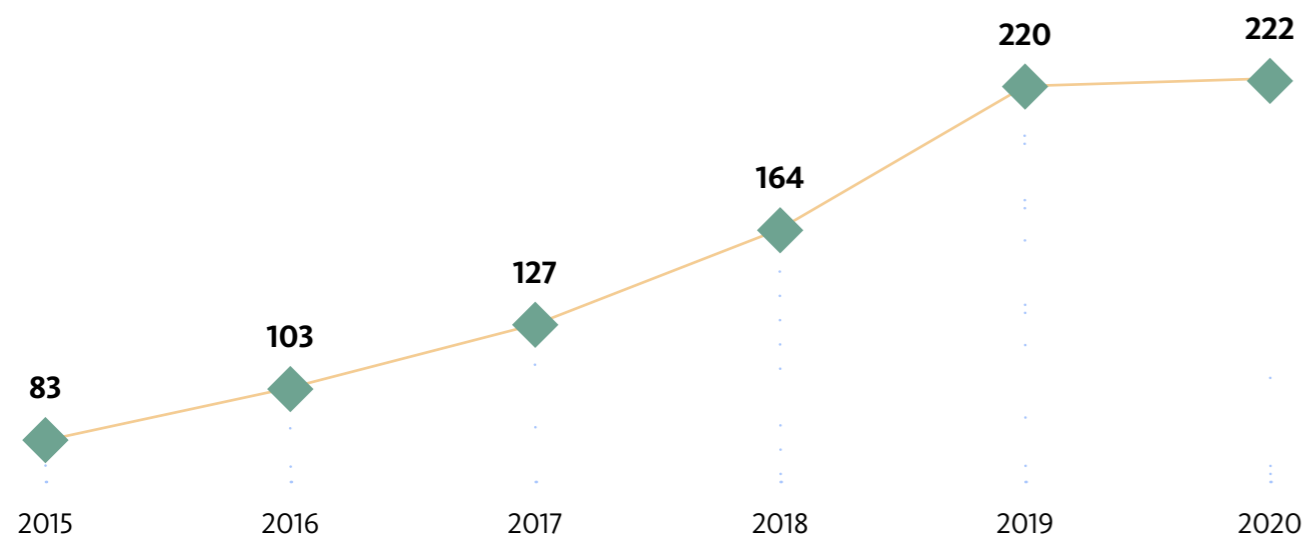
Czech Republic	144
Germany	54
United Kingdom	8
Other CEE	(11)
Other Western Europe	(22)
Total	173

Valuation gain by segment (€ million)

Landbank	125
Office	78
Residential	37
Other	11
Retail	(78)
Total	173

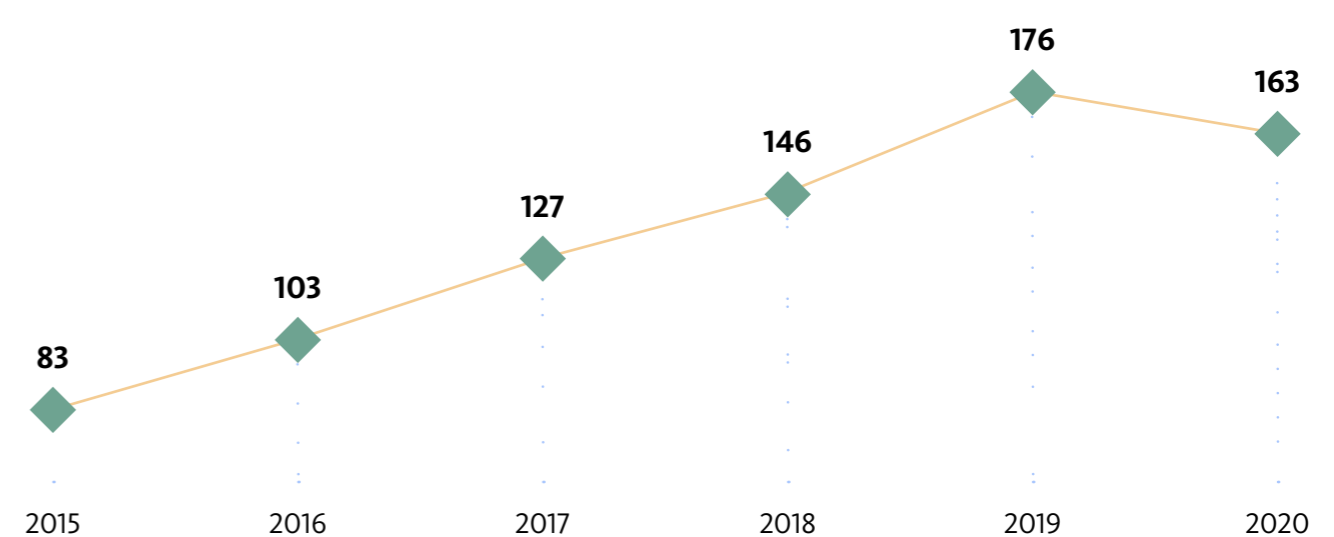
Funds from Operations – FFO (€ million)

Funds from operations (FFO) slightly increased to €222 million, up 1% relative to 2019.



Funds from Operations – FFO II (€ million)

FFO II, which includes the effect of coupon payments on hybrid bonds, decreased by 8% to €163 million in 2020 relative to 2019, reflecting new issues of perpetual notes in 2019 and in 2020.



Balance Sheet

€ million	31 Dec 2020	31 Dec 2019
Non-current assets		
Intangible assets and goodwill	107	107
Investment property	8,793	8,157
Property, plant and equipment	779	886
Equity accounted investees	658	4
Deferred tax asset	156	168
Other non-current assets	331	242
Total non-current assets	10,824	9,564
Current assets		
Inventories	39	51
Trade receivables	85	81
Cash and cash equivalents	632	805
Assets held for sale	38	22
Other current assets	183	151
Total current assets	978	1,109
Total assets	11,801	10,673
Equity		
Equity attributable to owners of the company	4,321	4,334
Perpetual notes	1,370	1,085
Non controlling interests	96	50
Total equity	5,787	5,469
Non-current liabilities		
Bonds issued	3,195	2,871
Financial debts	1,270	1,165
Deferred tax liabilities	842	806
Other non-current liabilities	117	74
Total non-current liabilities	5,424	4,916
Current liabilities		
Bonds issued	109	21
Financial debts	253	48
Trade payables	71	86
Other current liabilities	159	133
Total current liabilities	591	287
Total equity and liabilities	11,801	10,673

Property Portfolio (IP, PPE, INV, AHFS)

Change in PP by €1,205 million primarily due to:

- Acquisitions of €1,153 million, mainly relating to the stake in Globalworth, six office properties in Warsaw, Poland; and the acquisition of Nova RE;
- CAPEX and development of €216 million;
- Disposals of €79 million;
- Decrease in fair value of €58 million.

Total Assets

Total assets increased by €1,128 million (11%) to €11,801 million as of 31 December 2020, primarily driven by higher equity accounted investees (€654 million) and investment property (€636 million) and reduced by a decrease in cash and cash equivalents (€173 million) and PPE (€107 million).

Equity

- + €607 million hybrid bonds issued;
- – €331 million hybrid bonds repaid;
- – €132 million hedging and translation reserves;
- – €37 million revaluation reserve.

Financial Debts

Financial debts increased due to:

- + €435 million of new bank loans;
- – €89 million of Schuldschein repaid;
- – €48 million of bank loans repaid.

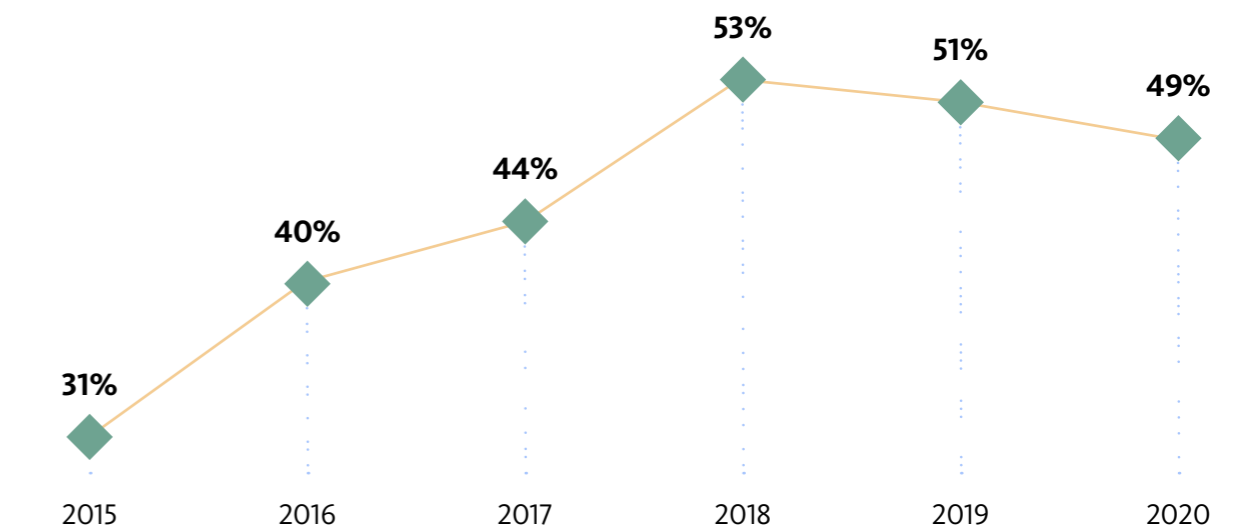
Bonds Issued

Bonds issued increased due to:

- + €743 million of EUR green bonds issued;
- + €391 million of GBP green bonds issued;
- + €84 million of HUF bonds issued;
- + €27 million of HKD bonds issued;
- – €732 million of EUR bonds repaid;
- – €68 million of USD bonds repaid;
- – €14 million of CHF bonds repaid;

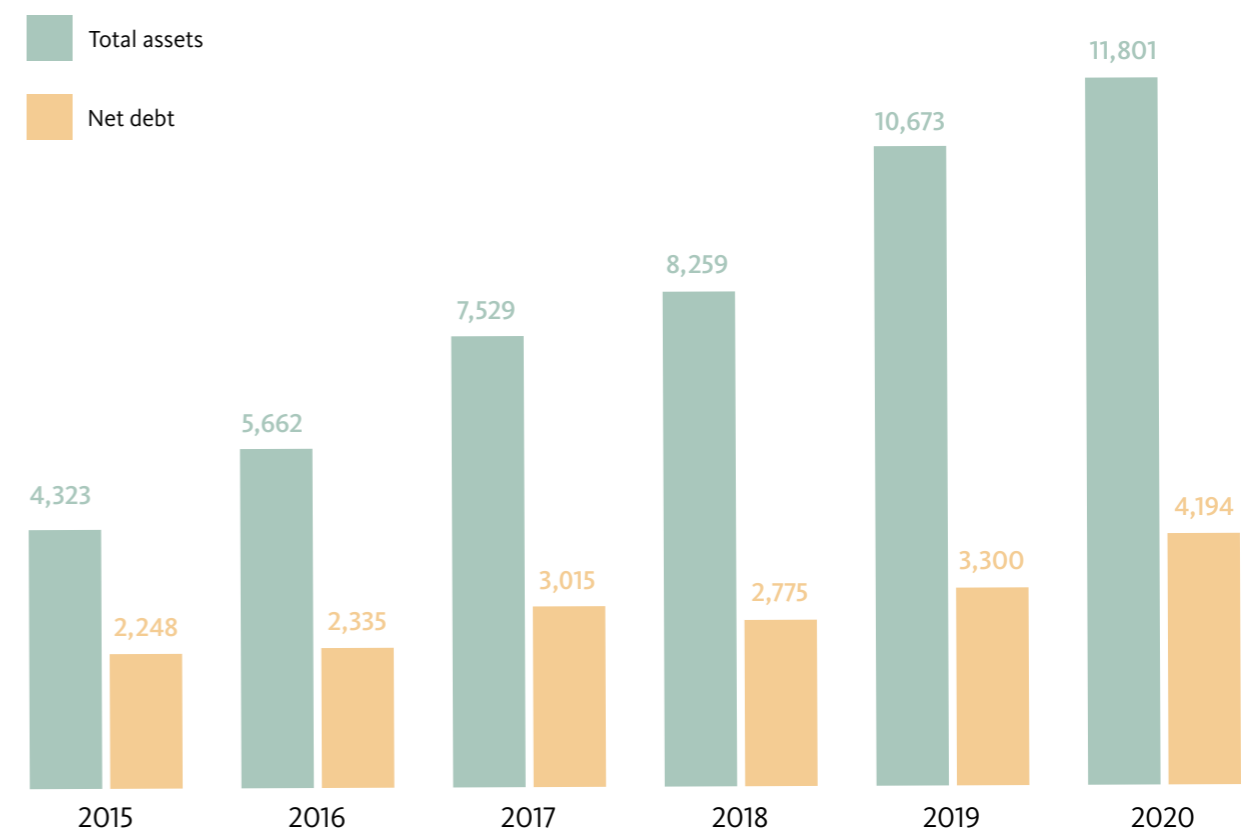
Equity ratio

Despite the Group's retention of profit and hybrid bond issuance in 2020, CPIPG's equity ratio slightly decreased in 2020 compared to 2019 due to stable equity attributable to owners of the company and higher total debt.



Total assets and Net debt

In 2020, the Group continued increasing total assets through acquisitions, while also increasing total debt via new bank loans and senior unsecured bonds issues with proceeds partially used for repurchase of senior unsecured bonds due in 2022, 2023 and 2024.





Group management

Quadrio Offices lobby, Prague, Czech Republic



Martin Němeček

Chief Executive Officer

Martin Němeček was appointed CEO of CPI Property Group in March 2014. Martin is responsible for the Group's corporate strategy, business development and legal matters. He led the integration of CPI and GSG into CPIPG in 2014, and has overseen the foreign expansion of the Group in recent years. Martin has well over 20 years of real estate experience and previously spent 10 years at Linklaters and Dentons law firms.



Zdeněk Havelka

Executive Director

Zdeněk Havelka was appointed Executive Director of CPI Property Group in June 2014. Zdeněk is responsible for the Group's property management, operational risk management, communications and information technology. Zdeněk has been at CPIPG since 2002, during which time he has held Chief Financial Officer and Chief Executive Officer roles.



Tomáš Salajka

Director of Acquisitions, Asset Management & Sales

Tomáš Salajka was appointed Director of Acquisitions, Asset Management & Sales of CPI Property Group in June 2014. Tomáš is responsible for asset management and transactions across all countries within the Group's portfolio. Prior to joining the Group, Tomáš worked for GE Real Estate CEE/Germany and ČSOB for 10 years. Tomáš is also a member of CPIPG's CSR Committee.



David Greenbaum

Chief Financial Officer

David Greenbaum was appointed CFO of CPI Property Group in February 2018. David is responsible for the Group's capital structure, external financing, corporate finance and other strategic matters. David joined CPIPG after 16 years at Deutsche Bank, where he was most recently co-head of Debt Capital Markets for the CEEMEA region. David is also a member of CPIPG's CSR Committee.



Pavel Měchura

Group Finance Director

Pavel Měchura was appointed Group Finance Director of CPI Property Group in February 2018. Pavel is responsible for the Group's accounting and reporting, consolidation, valuations, and strategic planning. Pavel joined CPIPG in 2010 and prior to that spent six years with KPMG.



Jan Kratina

Director of CPI Hotels

Jan Kratina has served since 2008 as Chief Executive Officer and Chairman of the Board of CPI Hotels. He is responsible for the strategic development and expansion of the Group's hotel portfolio over recent years. Jan joined CPIPG in 2006 as Executive Director and has a long track record of over 20 years in the hospitality industry.

Board of Directors



Edward Hughes

Chairman, independent, non-executive member

Edward has been the member of the Board of Directors since March 2014. He has been engaged in real estate investment, consultancy and brokerage activities in Central Europe for more than 20 years. Edward is an experienced real estate and finance professional having engaged in many significant asset acquisition, and development projects in the region. Edward is a Chartered Accountant, after starting his career with Arthur Andersen (London – 1988), in September 1991 he transferred to the Prague office. Since this time, he has been almost exclusively focused on Central Europe including during his employment as an Associate Director of GE Capital Europe. Edward is a graduate of Trinity College, Dublin where he majored in Business and Economics with Honours (1988).



Jonathan Lewis

Independent, non-executive member

Jonathan has been a member of the Board since 6 December 2020. He is an independent real estate consultant who practised for 40 years as a solicitor, most recently as a real estate partner at international law firm CMS. He started his career at law firm DJFreeman where he became chief executive. During his career as a solicitor he has advised both developers and institutional investors on major office developments in the City of London and in the UK as well as portfolio acquisitions and financings. He has been involved on the remuneration committee of substantial law firms as well as performing management roles. He is currently adviser to a number of family offices with significant property portfolios as well as a lending fund. Outside of his business interests he is on the international board of Israel Bonds and chairman of UK Jewish Film. Jonathan is a graduate of Manchester University where he obtained a degree in Economics.



Philippe Magistretti

Non-executive member

Philippe has been a member of the Board of Directors since 28 May 2014. End of 2020 Philippe retired from his executive functions with CMA (Crans Montana Ski Resort). Before joining CPI Property Group, Philippe acted as Chairman of Seveneast, a private wealth management firm in Switzerland, from 2009 to 2015. He was a Member of the Executive Committee and Head of Wealth Management at Renaissance Investment Management in Moscow from August 2006 to January 2008. Prior to joining Renaissance Investment Management, Philippe worked with UBP for two years where he was a Member of the Executive Committee and Head of Private Banking. Philippe worked for Lazard Group for more than ten years, as a General Partner of Lazard Frères & Co., New York (from January 1994 to January 2002), Managing Director of Lazard Brothers, London (from January 2002 to February 2004) and CEO of Crédit Agricole Lazard Financial Products Bank, London, a derivatives subsidiary of Lazard Group (from April 1995 to June 2003). Prior to that, Philippe held executive positions at AIG Financial Products, Credit Suisse First Boston and Solomon brothers in New York. Philippe was a member of the board of Fellows at Harvard Medical School for ten years (1992–2002). He holds an MBA from IMD (Lausanne) and a Doctorate in Medicine from the University of Geneva (1982–1984) (Nuclear Medicine), is Fellow of the Harvard Medical School (1978–1981), received an MD degree from the University of Geneva in 1980 and holds a Masters in Philosophy from the University of Geneva.



Martin Němeček

Executive member

Martin has been the member of the Board of Directors since 10 March 2014. Martin is responsible for the Group's corporate strategy, business development and legal matters. He led the integration of CPI and GSG into CPIPG in 2014, managed the foreign expansion of the Group and has completed acquisitions with a total value exceeding €5 billion. Martin also oversees the bank project financing and legal affairs of CPI Group. From 2001 to 2011, he worked for Salans (today Dentons), Linklaters and Kinstellar law firms. Martin graduated from the Faculty of Law of the Charles University in Prague and from the University of Economics, Prague.



Tomáš Salajka

Executive member

Tomáš has been the member of the Board of Directors since 10 March 2014. Tomáš is responsible for asset management of the Group's portfolio, including all the transactions and platforms in Germany, Poland and Hungary. Before joining CPI Property Group, Tomáš was CEO of Orco Property Group and also was working over the last 10 years for GE Real Estate Germany/CEE where his latest position was the Head of Asset Management & Sales CEE and before that for CSOB in the Restructuring Department. He studied foreign trade at the University of Economics in Prague, Czech Republic (VSE).



Omar Sattar

Independent, non-executive member

Omar has been the member of the Board of Directors since 29 May 2019. Omar is a seasoned property professional and a RICS qualified Chartered Surveyor with over 25 years of experience. Omar is from the UK, but has spent most of his career working in the CEE region in roles such as the Managing Director of Colliers International and DTZ Zadelhoff in the Czech Republic and has also held senior Director positions at both Avestus Capital Partners and the Orco Property Group. Omar currently runs his own independent real estate advisory business and holds a BSc (Hons) degree in Land Economics from the University of West of Scotland.



Oliver Schlink

Executive member

Oliver has been the member of the Board of Directors since 28 May 2014. Oliver has been working for GSG Berlin for more than ten years. Oliver is solely responsible for finance areas (accounting, controlling, tax, financing), legal, HR and financially driven communication of GSG Berlin and has shared responsibility, with the other GSG Berlin managing directors, for the areas of IT and development. Oliver started his career at KPMG in 1998, where he worked for four years. In 2001 he joined Deutsche Annington (today Vonovia), where he worked for almost ten years, mostly as the Head of Controlling. In 2001, Oliver was responsible for managing one of the four regions of the Deutsche Annington group, comprising 43,000 flats in Westphalia. Oliver holds a dual degree in Business Administration and Engineering from TU Berlin, where he graduated as Diplom Wirtschaftsingenieur in 1997.

photo: GSG Berlin © Marc-Steffen Unger

Governance & sustainability

Governance principles

CPIPG believes that good corporate governance safeguards the interests of our stakeholders including shareholders, bondholders, lenders, tenants and employees. Our objectives are excellence and transparency in our management controls, external reporting and internal procedures. We believe this supports a corporate culture which is balanced between entrepreneurial spirit and the identification, control and prevention of risk.

CPIPG continually reviews and implements industry best practices with respect to corporate governance and has adjusted our internal practices to meet international standards. CPIPG aims to communicate regularly with our shareholders and stakeholders regarding corporate governance and to provide regular updates on our website.

Sustainability principles

CPIPG's key sustainability principles are:

- promoting a sustainable approach towards real estate development and management;
- contributing to environmental protection and the development of local communities in which the Group operates;
- pursuing a sustainable business model that allows the Group to achieve its business objectives without placing an excessive burden on the environment;
- actively managing the Group's assets to continually improve environmental performance, quality and resilience; and
- encouraging proactive contributions from all employees, tenants, customers and stakeholders of the Group to meeting all objectives in compliance our principles.

Further information on the Group's sustainability and environmental strategy, initiatives and performance can be found in the "Environmental strategy and performance" section of this report.



Our governance standards are already high, but CPIPG never stops elevating our goals and expectations.

CPIPG's approach to corporate governance

The Group believes that good corporate governance is critical to safeguard the interests of all our stakeholders: shareholders, bondholders, lenders, tenants, employees, suppliers and contractors, communities and local authorities.

The Group's corporate governance practices primarily follow the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (the "The X Principles"). The Group's equity and debt securities are listed on several regulated exchanges including Frankfurt, Luxembourg, Dublin, Tokyo, Warsaw, Zurich and Budapest. In each listing venue, the Group must also comply with applicable disclosure and governance rules.

CPIPG has implemented industry best practices with respect to corporate governance policies and external reporting. In 2019, the Group approved the "Code of Business Ethics and Conduct of CPI Property Group" (the "Code of Ethics") and also newly updated policies governing procurement, supplier and tenants' conduct, anti-bribery and corruption, anti-money laundering, sanctions and export controls, whistleblowing, human capital and employment and corporate social responsibility (CSR). Beginning of 2021, the Group adopted two new policies governing (i) non-discrimination and diversity and (ii) political involvement.

The X Principles

CPIPG primarily follows the X Principles of Corporate Governance of the Luxembourg Stock Exchange.

The X Principles provide companies with guidance in the application of corporate governance rules and have evolved over time in line with changes in regulations and market practices. The X Principles are based on Luxembourg legislation regarding commercial companies, and specifically on the financial regulations that are applicable to companies listed on the Luxembourg Stock Exchange (and in general to all companies listed in the EU). The X Principles can be summarized as follows:

I. Corporate Governance Framework

The Company has adopted the X Principles as its main corporate governance framework. The Board of Directors considers corporate governance as vital for the Company's operation and progress. The Board regularly reviews the governance policies, works of its committees and communications with shareholders and investors. The Board of Directors has adopted the Code of Ethics and a set of Group applicable policies regulating the corporate governance framework, business ethics, diversity, human capital, suppliers and tenants conduct as well as anti-bribery, corruption, anti-money laundering.

II. The Board of Directors' Remit

The Board is responsible for the management and supervision of the Group. It acts in the best corporate interest of the Company, its shareholders and other stakeholders. The key goal of the Board is to ensure the long-term success of the Company.

The Board takes into account the Group's corporate social responsibility and the interests of all stakeholders in its deliberations. The Board of Directors' conduct, operation and relations with management are evaluated twice a year. The first evaluation is made by the Remuneration, Nomination and Related Party Transaction Committee (the "Remuneration Committee"), which reports its conclusion to the Board of Directors.

III. Composition of the Board of Directors and Committees

The Board is composed of highly experienced and qualified real estate and finance professionals with an excellent track record and thorough knowledge of the Group and its business. During 2020 the composition of the Board of Directors changed, and independence was further enhanced. In December 2020, two non-executive directors representing shareholders resigned and a new independent non-executive director was co-opted. As at 31 December 2020, the Board of Directors was composed of three executive directors, one non-executive director, and three independent non-executive directors.

The Board has established the following committees: (i) Audit Committee, (ii) Remuneration Committee, (iii) Investment Committee, and (iv) Corporate Social Responsibility ("CSR") Committee. The majority of members of the Audit Committee and the Remuneration Committee are independent. The Investment Committee is composed of two executive members and two independent members. The CSR Committee is presided by an independent member but given its specific role, the majority comprises executive members.

IV. Appointment of Members of the Board of Directors

Candidates for appointment to the Board are carefully evaluated. The candidates are initially reviewed by the Remuneration Committee. Independence, past conduct, qualification and benefit for the Group are factors considered. The Board, before submitting candidates to be voted on at a shareholders' general meeting, conducts interviews and evaluations of all prospective candidates to ensure that candidates are competent, honest, and qualified persons with relevant professional background and experience.

V. Professional Ethics

The Board, as a governing body, as well as each of the directors, exercises their respective mandates with integrity and commitment. The Board represents the shareholders as a whole and makes decisions in the Company's interest. A director who has a direct or indirect conflict between their interests and those of the Company in any business or matter to be resolved upon by the Board (i) must promptly inform the Board of such potential conflict; (ii) must request that it is stated in the minutes of the Board meeting; and (iii) cannot take part in such deliberations, nor vote in relation to the matter in which such director is conflicted.

The Code of Ethics, as an integral part of our internal rules, together with our Group policies, form a framework for our Corporate Governance and Compliance. The Code of Ethics states basic standards of conduct for all employees and agents acting on behalf of the Group, as well as for all members of the Group's corporate bodies and management (employees, agents and members of the Group's corporate bodies and management hereinafter the "Representatives"). The Code of Ethics and the Group policies are intended to prevent illegal, unethical or otherwise socially improper conduct across the Group.

VI. Executive Management

The Company has become a very successful real estate group, which has experienced significant growth in recent years. A swift decision-making process and co-operative atmosphere are among the Company's competitive advantages. To ensure a seamless continuation of this success, the Company has formally established an Executive Board comprised of its top executives. The Executive Board reports to the Investment Committee and the Board of Directors respectively. The Executive Board receives instructions therefrom and is responsible for managing all day-to-day matters of the Group.

In order to streamline the decision-making process and clarify responsibilities, the members of the Executive Board manage and supervise divisions and departments under their direct reporting lines. The co-ordination and communication among various divisions and departments are vital for the Company's success and have the full support of management.

VII. Remuneration Policy

The Directors and the members of the Company's Executive Board are remunerated in a manner that is compatible with the long-term interests of the Company. To attract and also maintain best talent, the Group strives to provide employees with competitive wages and other employment-related benefits, while ensuring observance of the equal pay for equal work rule.

Aside from cash remuneration, the Group uses various other tools to retain staff, which are set out in more detail in the "Employees and stakeholder involvement" section of this report.

VIII. Financial Reporting, Internal Control and Risk Management

The Company has established a set of rules and procedures designed to protect the Group's interests in the areas of financial reporting, internal control and risk management, including cyber risks. The Group's overall approach to risk is conservative. Key risks are assessed by ranking exposure on the basis of probability and magnitude and are closely managed. Analysis of sensitivity to these key risks is conducted at Group level.

IX. Corporate Social Responsibility (CSR)

The Board has created the CSR Committee focusing on the supervision of sustainability, environmental, corporate social responsibility, green financing, and compliance matters for the Group.

The Group is fully committed to shared responsibility with the communities and environments wherever it is active. It strives to act transparently, ensure accountability and promote accessibility, inclusivity and smart livelihoods through its assets. The Group considers itself a reliable, responsible, equitable and proactive partner for all stakeholders and communities. In this spirit, it actively seeks relevant stakeholders, develops communication channels and addresses grievances.

Further detail on the Group's CSR initiatives and activities can be found in the "Employees and stakeholder involvement" section of this report, while further detail on the Group's sustainability and environmental strategy and initiatives can be found in the "Environmental strategy and performance" section of this report.

X. Shareholders

The Company's primary purpose is the creation of value for its shareholders. The Company respects the rights of its shareholders and ensures that they are treated equally. The Company constantly improves its communication with shareholders and the transparency of its reporting and conducts regular communication with its investors through our semi-annual and annual management reports, press releases, presentations, investor roadshows and semi-annual investor webcasts.

Involvement of stakeholders

CPIPG maintains a continuous dialogue with a wide range of stakeholders including tenants, employees, investors, and members of local communities. The Board of Directors, through the CSR Committee, supervises and directs these efforts.

The Group's Key Principles of Stakeholders' Involvement:

- Commitment to maintain strong relationships with our tenants;
- Open communication with our investors and financial stakeholders;
- Active dialogues with local governments and authorities;
- Participation in industry-level working groups (such as the CZGBC) and public inquiries with respect to sustainability, regulatory and financial topics;
- Actively collecting and responding to feedback from our tenants, employees, and investors.

Further detail on the Group's stakeholder involvement and local community initiatives and activities can be found in the "ESG: Employees and stakeholder involvement" section of this report.



The Code of Ethics sets the following standards of conduct towards stakeholders:

Towards Customers

We endeavour to build a partnership with our customers (including tenants) that operates in a manner consistent with our values, including ethical, social and environmental aspects. We strive to ensure that our customers share our values. At the same time, our priority is to satisfy the needs and expectations of our customers. Therefore, we conduct our business with due care and focus on protection and support of our customers' interests. We avoid any steps and actions which could damage our trustworthiness in our customers' eyes or distort their perception of our services.

Because Assurance of Infrastructural Health and Safety Compatibility is a Prerequisite to Our Customers' Satisfaction, we:

- Comply with the highest customer general safety and fire safety standards;
- Regularly monitor and assess safety-related issues as part of our extensive due diligence activities;
- Carry out regular on-site customer property management; and
- Ensure transparency of all measures and work conducted for customers.

We also pay attention to customers' complaints and inform them on handling of complaints, including remedial steps and measures to be taken. We always prefer an amicable solution to any disputes. If such an amicable solution cannot be reached, we inform the customer on all available out-of-court solutions to the respective dispute.

Towards Business Partners

We endeavour to build a partnership with our business partners (including suppliers and lenders) in a manner consistent with our values, including ethical, social and environmental aspects. We place the same ethical, social and environmental requirements on our business partners as on ourselves and our Representatives.

We establish and develop honest relationships with our business partners based on mutual trust and respect for contractual obligations. We prefer long-term relationships with our business partners and enter into relationships only with those adhering to applicable laws and using financial resources not resulting from illegal activities. In contractual negotiations and invoicing, we act in a fair and transparent manner. We respect the rights of our business partners to protect their trade secrets and other confidential information.

Towards Employees

We recognise and respect all legitimate rights of employees, including participation in trade unions. We create safe working conditions and an environment of trust and mutual respect, enabling each employee to develop his/her knowledge and skills. We strictly adhere to applicable laws on a healthy and injury-free workplace. We invest in continual education of our employees and participate in their professional development. We provide adequate remuneration for the work completed and, in addition, reward exceptional performance.

We neither support nor tolerate any kind of discrimination or harassment; we support diversity and create conditions for work engagement of disabled individuals. We respect the personal lives of our employees by facilitating work-life balance. We conduct background checks of candidates as to previous breaches of applicable laws or ethical rules.

On the other hand, our employees are expected to advance the Group's legitimate business interests. They shall not enter into competition with the Group, provide unjustified advantages to any third party to the detriment of the Group or take advantage of business opportunities available to the Group for themselves or for their family members.

Towards Shareholders and Investors

We strive for continuous long-term increasing value for our shareholders and investors (including bondholders). We apply Corporate Governance rules in order to achieve balanced relationships between shareholders, investors, corporate bodies, executive management, employees, customers and other stakeholders. We provide our shareholders and investors with information on a regular basis in transparent and non-discriminatory manner.

Towards Public Authorities and Regulators

We respect powers and competences of all relevant public authorities and regulators (including the respective stock exchanges), and their rules, decrees, decisions and other acts. We provide them with due and appropriate cooperation and information.

Towards Communities and Society as a Whole

We strive to contribute to friendly and peaceful cohabitation within our communities. We are committed to high standards in environmental, social and ethical matters. Our staff receive training on our policies in these areas and are informed when changes are made to these policies. Our environmental policy is to comply with applicable laws, while pursuing energy efficient solutions wherever possible.



Omar Sattar, Chairman of the CSR Committee

CSR governance and management

CSR Committee

In early 2019, CPIPG's Board of Directors created the CSR Committee focusing on the supervision of sustainability strategy, social and environmental risks management, corporate social responsibility, green financing, and compliance matters for the Group.

The main task of the CSR Committee is the supervision, oversight and active promotion of CSR principles across the Group.

In relation to the sustainability and environmental risks the CSR Committee monitors and enhances:

- (a) active use and promotion of energy efficiency and energy savings in line with current strategies and objectives;
- (b) consideration of the life cycle implications at all stages of investments and planning;
- (c) optimisation of usage of natural and other resources in order to benefit from efficient and responsible use, minimize waste, prevent pollution and promote reusing and recycling of raw materials;
- (d) active promotion and encouragement of environmentally friendly conduct both internally and externally;
- (e) increase of the share of the renewable energy sources in all Group's operations, such as equipping existing assets with solar panels;
- (f) high-standard performance, including green LEED/BREEAM certifications, as well as other relevant external certifications, where possible;
- (g) strengthened commitment to electro mobility, development of biking infrastructure, ensuring proximity to public transport and access to amenities, and support of the concept of smart cities;
- (h) increase of the share of green buildings in the Group's portfolio in line with the current strategy and seeking to apply real estate life cycle assessment on new projects;
- (i) application of innovative approaches in the Group's undertakings, including green roofs and net zero buildings; and
- (j) setting verifiable and measurable goals in pursuit of improvement of the ESG performance.

In relation to the Group's corporate social responsibility, the CSR Committee monitors and enhances:

- (a) transparency and accountability within the Group and vis-à-vis its stakeholders. The CSR Committee promotes active interaction with relevant stakeholders, development of communication channels across the Group;
- (b) promotion of accessibility, inclusivity and smart livelihoods through Group's assets;
- (c) achievement of Group's sustainability, social and business objectives through proper supply chain monitoring, sensible and sustainable procurement, as well as engagement in relevant social development matters;
- (d) promotion of personal and professional development of Group's employees.
- (e) promotion of diversity and equal opportunity in the workspace in line with the Group's policies and applicable legal standards.
- (f) proper disclosures in relation to corporate social responsibility efforts on regular basis.

The members of the CSR Committee are appointed by the Board of Directors. The CSR Committee shall have at least five members. Any member of the CSR Committee may be removed with or without cause (ad nutum) by a simple decision of the Board of Directors.

The CSR Committee shall be composed of highly experienced and qualified professionals with an excellent track record, thorough knowledge of the Group and its business, and experience in CSR-related matters. The CSR Committee shall be composed of a balanced mix of executive and independent directors as well senior managers across various functions and jurisdictions of the Group, including finance, asset management and legal departments.

The members of the CSR Committee shall always act in the best corporate interest of the Group, its shareholders and other stakeholders. The CSR Committee shall ensure that the Group takes into account corporate social responsibility and the interests of all stakeholders.

As at 31 December 2020, the CSR Committee is comprised of the following members:

- Sebastian Blecke, COO, GSG Berlin;
- David Greenbaum, CFO;
- Martin Matula, General Counsel;
- Tomáš Salajka, Director of Acquisitions, Asset Management & Sales, executive member of the Board of Directors; and
- Omar Sattar, Chairman of the CSR Committee, independent, non-executive member of the Board of Directors;

In 2020, the CSR Committee held two meetings. In 2021, it is expected that the CSR Committee will hold four meetings, each on a quarterly basis. Within mandate given by the Board of Directors, the CSR Committee approved that 5% of any discretionary annual bonus compensation of the Group top management will be linked to the CSR Committee's judgement of whether management is meeting the Group's environmental targets.

Responsible procurement policy

The Group introduced a procurement policy, the aim of which is to set out universal standards for Group procurement processes, so that all procurement within the Group is conducted in a cost-effective, transparent and non-discriminatory manner and in compliance with applicable laws, and to ensure that the Representatives understand all their responsibilities relating to the procurement and procurement processes.

The Main principles in Relation to Procurement Within the Group are the following:

- **Legality:** The procurement and procurement processes shall be conducted in accordance with applicable laws and the Group's internal rules.
- **Non-Discrimination:** The procurement and procurement processes shall be conducted in a non-discriminatory manner, and all current and potential suppliers shall be treated equally and without any special preference. The suppliers may be placed upon the black list for material reasons only.
- **Transparency:** The procurement and procurement processes shall be conducted in a transparent manner. All relevant processes, qualifications, evaluations and communications shall be conducted in a way which does not raise doubts about proper selection of the most suitable supplier for the Group. The relevant documentation must be properly archived to allow subsequent reconstruction of each procurement process.

- **Cost-Efficiency:** The purpose of the procurement shall be to optimise value-for-money, i.e., to determine which supplier can provide the Group with the best price, quality and added value.
- **Binding Nature:** The procurement policy or the principles relating to the procurement and procurement processes, as the case may be, shall not be circumvented. The Representatives are prohibited to split or manipulate any relevant documents (including orders or invoices) or in any other way distort the processes prescribed herein in order to avoid application of procurement policy or the principles relating to the procurement and procurement processes, as the case may be.
- **Confidentiality:** The Representatives are prohibited to provide any third party with information related to specific terms and conditions, especially prices, under which the Group procures or intends to procure goods or services from its suppliers or potential suppliers.

CPIPG expects suppliers and business partners to meet the same ethical, social and environmental standards as the Group. Relationships with business partners are governed by the Group's suppliers and tenants' codes of conduct and the procurement policy. Compliance with these policies is monitored through on-site visits and periodic reviews of suppliers. The Group reserves the right to exclude suppliers from new projects if breaches of policy are identified.

Ensuring business ethics

At CPIPG ethical practice is a core component of our corporate philosophy and we are committed to transparency in our management structure, corporate reporting and internal procedures and rules. We believe that this supports a corporate culture which is balanced between entrepreneurial spirit and core ethical values. An ethical approach combined with proper corporate governance enables us to conduct our European-wide business with the highest ethical and legal standards, which we owe to our stakeholders, communities and public authorities.

The Group's essential tenet is to comply with applicable laws, industry standards and best practices. Therefore, we obey applicable laws, both in letter and in spirit, and continually review and implement industry standards and best practices, including those relating to Corporate Governance and Compliance. This approach ensures that our internal procedures and rules comprise all pivotal pillars of Corporate Governance and Compliance, including environmental issues, conduct of employees, suppliers and tenants,

sanctions and export controls, whistle-blowing, procurement, data and information protection, conflict of interests, as well as prevention of insider trading, bribery, corruption, fraud, money laundering, terrorist financing and anti-competitive practices. The Group also endorses principles of the UN Global Compact.

The Code of Ethics, as an integral part of our internal rules, together with our Group policies, form a framework for our Corporate Governance and Compliance. The Code of Ethics sets basic standards of conduct for all employees and agents acting on behalf of the Group, as well as for all Representatives, and is intended to prevent illegal, unethical or otherwise socially improper conduct.

We also expect our shareholders, investors, customers and other business partners to comply with the Code of Ethics.

The Code of Ethics helps us build openness and trust by explaining our core values:

- Compliance with applicable laws, industry standards and best practices – In all countries where we operate, our primary concern is to comply with applicable laws, industry standards and best practices. Therefore, we prevent conflict of interest, money laundering and terrorist financing and neither support, nor tolerate any insider trading, sanctions circumventing, bribery, corruption or fraud, anti-competitive conduct, discrimination or harassment. We protect the environment and support sound social values and good relationships with our employees, shareholders, investors, customers, business partners and stakeholders.
- Fairness, Integrity and Professionalism – We promote the highest standards of integrity by always conducting our affairs in an honest and ethical manner. Each of us makes a commitment not to allow any kind of situation to undermine our standards for fairness and integrity in dealing with employees, shareholders, investors, customers and other business partners, public authorities, communities and other stakeholders. We always keep the highest standards of professional correctness and courtesy in any interaction and communication with our employees, shareholders, investors, customers and other business partners, public authorities, communities and other stakeholders.
- Experience, Quality and Entrepreneurship – We have excellent know-how in our field of expertise, understand our business thoroughly and intend to deliver solely top-quality performance to our customers. We actively support a culture of empowerment and accountability, in which our employees can thrive personally and professionally, enhancing creativity in every discipline of the Group.
- Pro-Active Approach and Teamwork – Each of us is committed to take a pro-active approach in relation to our shareholders, investors, customers and other business partners, public authorities and communities, as well as our fellow employees. We try to satisfy wishes and needs of other people, and to recognize and understand their problems. The Group is proud to comprise a Europe-wide team of people who are aligned, motivated and rewarded for contributing to the team and to the long-term value of the Group.
- Stability – We are a strong, successful and stable Group, standing as a symbol of reliability to our employees, shareholders, investors, customers and other business partners and stakeholders.
- Safety – We are committed to a healthy and injury-free workplace and to the safety of our employees, contractors, visitors and communities in which we operate. Safety is fundamental to our overall operational and managerial excellence.
- Community – As our corporate culture is centred around respect and professionalism, we believe in giving back to our communities. We contribute to the sustainable economic, social and environmental development of our communities.

It is our policy to comply with applicable laws of each country where we operate. Our Representatives* shall be aware of applicable laws that impact our business, comply therewith and refrain from any activity which is unethical, illegal or would endanger the safety of others. Our Representatives shall also ensure that their actions

cannot be interpreted as being, in any way, in violation of applicable laws. The Group will not condone any activity of any Representative who achieves results through violation of applicable law or through non-ethical business dealings.

Conflicts of Interest

A conflict of interest may arise when a Representative's personal interests (or personal interests of his/her family members) interfere or appear to interfere with his/her ability to act in the best interest of the Group.

We respect the rights of our Representatives to manage their personal affairs and investments, and we do not wish to impinge on their personal lives. However, any activities that create or may create a conflict of interest are prohibited, unless specifically approved in compliance with applicable laws and the Group's internal rules. In turn, our Representatives may not engage in transactions directly or indirectly which lead to or could lead to a conflict of interest.

Even the appearance of a conflict of interest, where none exists, can be detrimental to the Group and shall be avoided. This also means that, as in all other areas of their duties, Representatives working with customers, business partners, competitors or any other persons cooperating with the Group shall act in the best interests of the Group to exclude consideration of personal preferences or benefits.

We expect our Representatives to be free from influences that conflict with the best interests of the Group or might deprive the Group of their undivided loyalty in business dealings. Our Representatives are required to refuse any intervention, coercion or influence that could jeopardize the impartiality of their decision-making relating to our business affairs and, at the same time, to inform their supervisor and the Compliance Officer of the Group (the "Compliance Officer"). The same notification duty applies if such Representative is uncertain whether a conflict of interest exists or will exist. Members of the Group's corporate bodies and management shall in such cases report to, and consult with, the Audit Committee of CPIPG.

Whistle-blowing

We expect our Representatives, as well as shareholders, investors, customers and other business partners and stakeholders to speak out if they have any concerns about breaches of applicable laws, the Code of Ethics, the Group's internal rules or any other illegal or unethical matters. We have a whistle-blowing procedure which enables anyone to raise in confidence, whether anonymously or otherwise, concerns on such possible improprieties relating, but not limited, to:

- Conduct, which is an offence or breach of applicable laws, the Code of Ethics, other Group's internal rules;
- Alleged miscarriage of justice;
- Health and safety risks;
- Unauthorised use of public funds;
- Possible fraud, corruption and bribery;
- Sexual, physical or verbal harassment;
- Bullying or intimidation of employees, customers or other persons;
- Abuse of authority; or
- Other illegal or non-ethical conduct.

Reports can be made to the e-mail whistleblowing@cpipg.com. All reports made in good faith shall be kept confidential and no

person making a report will be subject to discrimination or adverse treatment by virtue of making that report.

Under the whistle-blowing procedure, arrangements are in place for independent investigations and for appropriate follow-up actions to be taken.

Prohibition of Corruption, Bribery and Fraud

We do not tolerate corruption, bribery or fraud in any form. Regardless of our geographic location, the Group and its Representatives shall comply with applicable anti-corruption, anti-bribery and anti-fraud laws (including the UK Bribery Act of 2010 and US Foreign Corrupt Practices Act of 1977). No Representative shall directly or indirectly:

- Offer, make, promise or authorize the transfer of anything of value to a public official (or his/her family member) to obtain or retain a business advantage or to influence any decision by such official in his/her official capacity, unless authorised by applicable laws;
- Offer, make, promise or authorize the transfer of anything of value to any private person or entity to improperly influence that person in the legitimate performance of his/her expected duties and obligations; and
- Accept or receive anything of value from any person, where such a thing is offered, promised or given with the intention of improperly influencing that Representative to obtain or retain business for the Group or secure an improper business advantage.

Our Representatives are required to report any actual or suspected corruption, bribery or fraud to the Compliance Officer or through the whistle-blowing procedure. For the purposes of combating corruption, our employees have an anti-corruption clause in their employment contracts. Any violation of the above rules is considered a gross violation of work discipline.

Further, as giving gifts or entertainment to public officials is highly regulated and very often prohibited, each Representative shall avoid any activity that may be construed as a bribe, corruption or improper payment. In such cases, the Representatives shall always obtain relevant approval within the Group, and never offer gifts or entertainment to public officials without first checking with the Compliance Officer.

Procurement within the Group shall be conducted in a cost-effective, transparent and non-discriminatory manner and in compliance with applicable laws. Therefore, we expect our suppliers and other business partners to compete fairly and vigorously for our business and endorse the principles of the Code of Ethics and other relevant Group's internal rules. We select our suppliers and other business partners strictly on merit, rather than on improper benefit given or offered. Our Representatives may neither give to, nor accept from, anyone who conducts or seeks to conduct business with the Group, any gift, service or special treatment of any kind, unless:

- It is provided with good intentions and for legitimate business purposes;
- It is consistent with good business practices and ethical standards;
- It is permitted by applicable laws and the Group's internal rules;
- It is permitted by the counterparty's own business policies;
- It is of value not exceeding normal business practices, not in the form of cash payment and cannot be interpreted as a bribe or reward;

- There is no expectation that such special treatment will follow;
- It does not create an appearance of impropriety;
- Potential publicizing the information on providing such gift, service or special treatment of any kind would not be detrimental to the Group's reputation; and
- Providing such gift, service or special treatment of any kind was approved within the Group, if required.

We always treat our customers honestly, fairly and objectively. Our Representatives may provide gifts or entertainment to, or receive gifts or entertainment from, existing or potential customers only if conditions set out in the preceding paragraph are met.

Otherwise, our Representatives are obliged to refuse any such gift, entertainment, service or special treatment of any kind, warn the counterparty of the inadmissibility of such conduct and inform the Compliance Officer. If a Representative cannot avoid accepting such gift, entertainment, service or special treatment of any kind above the value of normal business practices, he/she must report it to the Compliance Officer, who will decide on further steps and measures to be taken.

Finally, any Representative may never try to induce by any means any business partner to give him/her any gift, entertainment, service or special treatment of any kind.

Anti-Money Laundering and Counter-Terrorism Financing

The Group's business activities are to be conducted in accordance, and all Representatives shall at all times comply, with applicable laws on the prohibition and prevention of money laundering and terrorism financing. This means, among others, that we must always have thorough knowledge of the business partners we do business with. In addition, we take steps and measures to prevent misusing our services for money laundering and terrorism financing.

Prohibition of Securities Fraud and Insider Trading

The Group's equity and debt securities are listed on several regulated exchanges including Frankfurt, Luxembourg, Dublin, Tokyo, Warsaw, Zurich and Budapest. In each listing venue, the Group must also comply with applicable disclosure and governance rules. Accordingly, preventing security fraud and insider trading is of paramount interest.

In particular, our Representatives may have access to material information that is not public and that would be likely to have a significant effect on the price of those instruments, if it were made public.

As we comply with applicable laws on prohibition of securities fraud and insider trading, neither the Group, nor its Representatives may trade in the shares or other securities of any company in question, either directly or through another person, as long as such information has not been made public, and may not disclose such information, other than in the normal course of business.

In addition, within the Group any inside information shall only be disseminated to other Representatives on a need to know basis, such as a business purpose, and each Representative shall exercise care to keep such information secure from unnecessary or

* defined as employees, agents and members of the Group's corporate bodies

unintended disclosure, including disposal of documents containing such information.

International Sanctions and Export Controls

A number of countries have adopted laws regulating the import and export of goods, services, software and technology. Failure to comply with foreign economic and trade sanctions, export controls, embargoes and international boycotts of any type may constitute a crime and the sanctions for non-compliance can include fines and imprisonment. An entity that does not comply may also be denied the right to participate in foreign trade with the state whose laws were breached.

Therefore, the Group and its Representatives comply with applicable laws of the European Union, USA, United Kingdom and other countries concerning the import and export of goods, services, software and technology, foreign economic and trade sanctions, export controls, embargoes and international boycotts of any type.

Participation in Public Procurement and Public Tenders

We comply with laws on public procurement and public tenders, if applicable to us. We have a zero-tolerance policy in respect of any illegal or unethical practices relating to public procurement and public tenders, including bribery, corruption and fraud.

Prohibition of Cartels and Anti-Competitive Practices

Our policy is to conduct business honestly and fairly, and to comply with applicable competition and antitrust laws. This means that (i) the Group utilises competitive advantages while treating competitors appropriately, (ii) neither the Group, nor any of its Representatives may participate in illegal anti-competitive acts, including abuse of dominance or agreements to fix prices, manipulate or divide markets, limit production or otherwise unfairly restrict competition, and (iii) neither the Group nor any of its Representatives may exchange any commercially sensitive information with the Group's competitors.

Violations of competition and antitrust laws may result in severe penalties and significant fines against the Group. There may also be sanctions against individual Representatives, including substantial fines and prison sentences.

Protection of Intellectual Property

We recognise and respect the intellectual property rights of other persons and entities and fulfil all ethical and legal obligations concerning use of intellectual property.

The Group requires Representatives to respect copyrights, trademarks, patents and other intellectual property rights of all persons and entities to any material (including material downloaded from the internet and computer software), through:

- Using all proprietary information, property and rights only for the purposes for which they are intended and approved for use; and
- Avoiding copying, improper use or distribution of any work subject to intellectual property rights without the owner's prior permission, as violations of the above may result in civil or criminal liability for the Group or the Representatives.

Additionally, software purchases on behalf of the Group are permitted only with the appropriate approval granted within the Group, and any software shall be installed only by employees designated by the Information Technology department of the Group or through processes and resources dedicated by the Information Technology department of the Group. In the majority of cases, computer software is licensed to the Group by the software developer, thus such software and related

documentation is not owned by the Group. Unless authorized by the software developer, neither the Group, nor any Representative have the right to reproduce or copy the software or related documentation.

On the other hand, the Group reserves all rights to any intellectual property, including patents, trademarks and copyrights, developed by the Representatives on the Group's time or utilising the Group's resources during the course of their relationship to the Group.

Protection of Confidential Information

One of our most important assets is confidential (or otherwise privileged) information, including our internal information and trade secrets. Such information, whether developed by us or provided to us by our customers, suppliers or other business partners, may include the list of current and prospective customers, suppliers or assets of the Group, financial and technical information concerning the Group's assets (e.g., period of renewal of leases, rents and expenses, financial projections, maintenance level of buildings and projects, or information relating to future disposals or acquisitions of assets), as well as training and organisational documents.

Each Representative shall comply with applicable information protection laws, which implies that each Representative has a duty to refrain from disclosing confidential information, unless and until such information is released to the public through approved channels, or unless he/she obtained the approval of the responsible member of the Group's management to disclose the confidential information. Additionally, before disclosing such information, the individual or entity receiving the information shall enter into a confidentiality or non-disclosure agreement with the Group. The aforesaid also requires that Representatives shall refrain from discussing confidential information with outsiders and even with other Representatives, unless those fellow Representatives have a legitimate need to know the information in order to perform their duties.

Unauthorised posting or discussion of any confidential information concerning the Group's business or prospects on the internet is prohibited, and all e-mails, voice mails and other communications within the Group are presumed confidential and shall not be forwarded or otherwise disseminated outside the Group, except where required for legitimate business purposes. Representatives leaving the Group shall return to the Group all confidential information in their possession as unauthorised keeping, use or distribution of such information could be illegal and result in civil liability and/or criminal penalties.

Finally, the Representatives shall take care not to inadvertently disclose confidential information. For this reason, all materials that contain confidential information, such as memos, notebooks, computer disks and laptop computers shall be stored securely.

Protection of Personal Data

We comply with applicable laws on privacy and data protection, including Regulation (EU) No. 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR).

We collect and retain personal data only to the minimum extent and for proper purposes as required by applicable laws and the Group's operational requirements. We also take all necessary or appropriate steps and measures to comply with applicable laws to safeguard and fairly process personal data, to maintain the confidentiality of

personal data and prevent any accidental destruction, alteration, modification, loss, misuse, unlawful use or processing of, or unauthorised access to, personal data.

Certain Group companies have appointed Data Protection Officers with the functional and organisational responsibility for compliance with applicable laws and the Group's internal rules on personal data protection. The Group companies and their Representatives shall report any alleged breach of applicable laws or the Group's internal rules on personal data security to the relevant Data Protection Officer.

Use of Group's Assets

The Group's assets, facilities and services provided to the Representatives are for professional use only. Without prior authorization it is forbidden to take possession of or use the Group's assets for personal gain or advantage, to alter, remove or destroy the Group's assets, or to use the Group's services or equipment for personal purposes. Also, the Group's landlines and cell phones, e-mail services, internet access and other equipment and subscriptions must be used primarily for professional purposes. Concerning access to the internet, it is forbidden to download non-professional data or to visit websites whose content is unlawful or could be otherwise detrimental to the Group's reputation.

Use of Agents

Honesty and integrity are key standards for the selection and retention of those who represent, or act on behalf of, the Group. Our policy is that agents acting on our behalf must be willing to certify their compliance with our internal rules and procedures, including the Code of Ethics, and may never be retained to circumvent our ethical and business standards.

Political Involvement, Lobbying and Public Policy

The Group holds political neutrality and does not support any political groups, parties or activities through donations or otherwise, even if permitted by applicable laws. The Group also respects Representatives' freedom of political participation and encourage its Representatives to become involved in civic affairs and to participate in the political process. This way, we can all practice good citizenship and make meaningful contributions to our communities. However, any political activity on the Representative's own behalf must occur strictly in an individual and private capacity, not on behalf of the Group, strictly in the Representative's own time and may not be detrimental to the reputation of the Group.

Moreover, use of the Group's resources or funds to campaign for an elected position or make a contribution to a political party or candidate is strictly prohibited. The Representatives interested in serving in an elected or appointed public position shall advise the Compliance Officer to ensure understanding of the Group's Political Involvement Policy rules and other internal rules and possible legal ramifications and to manage possible conflicts of interest, including anti-bribery and anti-corruption compliance requirements.

Any lobbying activities on behalf of the Group are prohibited unless pursued by persons duly authorised thereto by the the Remuneration, Nomination, and Related Party Transaction Committee. Any such activities may never be detrimental to the reputation of the Group or conflict with rules concerning the prohibition of corruption, bribery and fraud (as specified in the above section on Prohibition of Corruption, Bribery and Fraud).

Protecting Our Reputation

In order to avoid inappropriate or inaccurate publicity related to the Group, we disclose information concerning the Group and its work to the media (whether printed, broadcasted or on the internet) or otherwise to the public only through authorised persons and specific limited channels. We disclose only true, accurate and not misleading information. We also use only decent and ethical marketing and advertising. Representatives may not provide any information to the media or public about the Group on or off-the-record, for background only, confidentially or secretly. All inquiries or calls from the press shall be referred to the PR and Marketing Director of the Group.

Accounts on social networks under the Group's brand can be established only with prior consent of the Group. Information published by Representatives on social networks via their private accounts may not be detrimental to the Group's reputation.

Rules for Gifts and Hospitality

Giving gifts to or accepting gifts from, as well as providing hospitality to or accepting hospitality from, individuals or entities that we do business with may be a valuable way for the Group to establish and maintain good business relationships. However, it may never conflict with rules concerning prohibition of corruption, bribery and fraud (as specified in the above section on Prohibition of Corruption, Bribery and Fraud).

Rules for Charity and Sponsorship

We believe that charity and sponsorship are important to the communities where we operate. We respect our local communities and do our best to broaden recognition of the Group's capabilities and improve community relations. We provide financial support to specific sport, cultural, charitable and social projects and activities; however, never in order to obtain illegal or unethical benefit or advantage. We always keep an apolitical position and never provide financial or other support to political parties or movements.

Diversity and Non-Discrimination

We are committed to creating an environment of respect for and appreciation of individual differences that is free from direct or indirect discrimination, harassment, retaliation and/or sexual assault. The Group rejects any form of discrimination and harassment based on sex, sexual orientation, race, gender or gender identity or expression, colour, creed, religion, age, national origin, ethnicity, disability, ancestry, veteran or military status, pregnancy, genetic information, marital status, citizenship status, philosophical, religious or political beliefs, wealth, social background, state of health, and any other characteristic protected by law. Any such discrimination is not tolerated.

Diversity and inclusion initiatives are being applied across all HR functions, including, but not limited to, recruitment and selection, compensation and benefits, mobility, professional development, training and terminations. The Group seeks to ensure that all employees are paid fairly reflecting their capabilities and performance and that gender or other irrelevant characteristics are never a factor. The Group provides reasonable accommodation to the known physical or mental limitations of qualified individuals with disabilities.

Further detail on the Group's diversity and anti-discrimination initiatives and activities can be found in the "Employees and stakeholder involvement" section of this report.

Board of Directors

The Company is administered and supervised by the Board of Directors appointed as a collegiate body by the general meeting of shareholders. The Board of Directors represents the shareholders as a group and acts in the best interests of the Company. All members, and in particular the independent and non-executive members, are guided by the interests of the Company's stakeholders including shareholders, bondholders, creditors, tenants, and employees.

Appointment of Directors

The members of the Board of Directors are elected by the general meeting of shareholders for a period not exceeding six years. The Board of Directors shall be composed of the number of members determined by the general meeting of the shareholders and shall amount to at least three (3) members. The members of the Board of Directors are eligible for re-election and may be removed at any time by a resolution adopted by a simple majority of votes of the general meeting of shareholders. The Directors may be either natural persons or legal entities. In the event of a vacancy on the Board of Directors, the remaining members may co-opt a new member.

Powers of the Board of Directors

The Board of Directors is empowered to perform any acts necessary or useful in achieving the Company's objectives. All matters not expressly reserved to the general meeting by law or by Company's articles of association are within the competence of the Board of Directors.

Deliberations

Meetings of the Board of Directors may be convened by any Director. The Board can validly deliberate and act only if the majority of its members are present or represented. Resolutions shall require a majority vote. In the case of an equality of votes, the chairman of the meeting (if designated) will have a second or casting vote.

Delegation of Powers

The Board of Directors may delegate all or part of its powers concerning the day-to-day management and the representation of the Company in connection therewith to one or more Directors, corporation's directors, chief operating officers, chief executive officers, managers or other officers, who need not be shareholders of the Company. Currently, Martin Němeček, has been appointed as the Company's Managing Director.

Current Board of Directors

The current Board members were appointed during the Company's annual general meeting held on 28 May 2020 and their term expires at the annual general meeting of 2021 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2020.

In 2019, the Board of Directors proposed to the Company's annual general meeting a second independent board member, Mr. Omar Sattar, a former managing director of Colliers International in the Czech Republic and a long-time CEE real estate specialist.

In December 2020, Mr. and Mrs. Vitek decided to retire from the Board of Directors of CPIPG. Jonathan Lewis was co-opted to the board of CPIPG and became the Group's third independent director. Based in London, Mr. Lewis is an independent real estate consultant who practised for 40 years as a solicitor, most recently as a partner at international law firm CMS.

As at 31 December 2020, the Board of Directors consists of the following members:

Edward Hughes (1966), independent, non-executive member. Chairman of the Board of Directors, president of the Audit Committee, president of the Remuneration Committee, and member of the Investment Committee.

Jonathan Lewis (1955), independent, non-executive member. Member of the Remuneration Committee.

Philippe Magistretti (1956), non-executive member.

Martin Němeček (1975), executive member. CEO & Managing Director. Member of the Investment Committee.

Tomáš Salajka (1975), executive member. Director of Acquisitions, Asset Management & Sales. Member of the Investment Committee and of the CSR Committee.

Omar Sattar (1971), independent, non-executive member. Chairman of the CSR Committee, member of the Audit Committee, Remuneration Committee, and of the Investment Committee.

Oliver Schlink (1970), executive member. CFO and Managing Director of GSG Berlin.

Board of Directors meetings in 2020

During 2020 the Board of Directors held a total of sixteen meetings, out of which four were quarterly meetings, and twelve were ad hoc board meetings, dealing with transactions and ongoing business matters of the Group. The average participation rate during the 2020 meetings of the Board of Directors was 100%, of which 88% represents personal attendance and 12% representation by another director pursuant to a proxy.

Independence

The Group is committed to continual enhancements to board transparency and independence. In 2019, the Board proposed to the Company's annual general meeting a second independent board member, Omar Sattar, a former managing director of Colliers International in the Czech Republic and a long-time CEE real estate specialist. Omar has been appointed to the Audit Committee and the Remuneration Committee and in 2020 he became the president of the CSR Committee. These committees are comprised of independent and non-executive members, whereas the majority is independent. In December 2020, the Board of Directors co-opted a third independent non-executive Board member, Jonathan Lewis. Jonathan became member of the Remuneration Committee.

The independence criteria are revised semi-annually, and is assessed in line with The X Principles of Corporate Governance. An independent director must not have any significant business relationship with the company, close family relationship with any member of the executive management, or any other relationship with the company, its controlling shareholders or members of the executive management which is liable to impair the independence of the director's judgment.

The potential conflict of interest is taken very seriously. In accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended, a director who has a direct or indirect patrimonial conflict between his interests and those of the Company in any business or matter to be resolved upon by the Board of Directors (i) must promptly inform the Board of Directors of such potential conflict; (ii) must request that it is stated in the minutes of the Board of Directors' meeting; and (iii) cannot take part in these deliberations nor vote in relation to the matter in

which such Director is conflicted. These provisions are strictly enforced by the Board of Directors.

Any related party transaction must be approved by the Board of directors. In addition, the Group requests the members of the Board of Directors and senior management lists of their related parties for review and check of related parties transactions and potential conflict.

Audit Committee

The Audit Committee reviews the Company's accounting policies and the communication of financial information. In particular, the Audit Committee follows the auditing process, reviews and enhances the Group's reporting procedures by business lines and reviews risks factors and risk control procedures.

As at 31 December 2020, the Audit Committee is comprised of the following members:

- Zdeněk Havelka, executive member.
- Edward Hughes, independent, non-executive member. Chairman of the Audit Committee.
- Iveta Krašovicová, independent, non-executive member.
- Omar Sattar, independent, non-executive member.

Following the appointment Omar Sattar in 2019 as the new independent, non-executive member of the Board of Directors, the Board agreed to appoint Omar to the Audit Committee. This appointment further strengthened the composition of the Audit Committee and the number of independent members. In the first quarter of 2020, the Board appointed Zdeněk Havelka to the Audit Committee. Zdeněk supervises internal audit across the Group, so his appointment directly includes internal audit matter within the scope of the Audit Committee. The current composition of the Audit Committee ensures the proper mix of audit, accounting and real estate experience.

During 2020, the Audit Committee focused mainly on the ongoing review of the Group's financial statements: review of the Annual Management Report and consolidated financial statements for the years ended 31 December 2020. The Audit Committee also dealt with the impact of COVID-19 on property portfolio valuations and revenue recognition.

The Audit Committee focused on valuations of the property portfolio and reviewed the outcomes of the valuation on quarterly basis. The Audit Committee was involved in the Group's financing and capital structure, mainly in relation to senior unsecured bonds, hybrid bonds and green bonds and their accounting treatment.

Lastly, the Audit Committee dealt with external and internal audit matters. In 2020, the Audit Committee held five meetings with five absences.

Remuneration, Nomination, and Related Party Transaction Committee

The Remuneration, Nomination, and Related Party Transaction Committee (the "**Remuneration Committee**") presents proposals to the Board of Directors concerning remuneration, nomination, and incentive programs to be offered to the management and Directors of the Company.

The Remuneration Committee also deals with the related party transactions. Any related party transaction must be presented to the

Remuneration Committee prior to the submission for an approval by the Board of Directors. Where the related party transaction involves a director, that director must not take part in the deliberations and approval by the Board of Directors.

As at 31 December 2020, the Remuneration Committee is comprised of the following members:

- Edward Hughes, independent, non-executive member. Chairman of the Remuneration Committee.
- Jonathan Lewis, independent, non-executive member.
- Omar Sattar, independent, non-executive member.

All members of the Remuneration Committee are independent.

During 2020, the Board of Directors took over the role of the Remuneration Committee. In particular, the Board of Directors discussed and agreed to increase the number of independent members of the Board.

The Board also discussed and reviewed its composition and composition of the committees, checked related party transactions and cross-board mandates of the members. No case of individual misconduct by any member of the Board of Directors, failure of business practices, or material remuneration controversy was reported to the Remuneration Committee.

Investment Committee

The Investment Committee was created at the end of 2020 to advise the Board of Directors concerning investment, acquisitions and transactional matters. Given the large number of transactions, the Board created this special committee to help operatively with investment decisions.

As at 31 December 2020, the Investment Committee is comprised of the following members:

- Edward Hughes, independent, non-executive member.
- Martin Němeček, executive member.
- Omar Sattar, independent, non-executive member.
- Tomáš Salajka, executive member.

Shareholding of Board members and senior management in CPIPG

As at 31 December 2020, certain members of the Board of Directors and senior management held in aggregate 47,577,830 CPIPG shares. Following their participation in the 2021 share buyback, the aggregate number of CPIPG shares held by certain members of the Board of Directors and senior management amounts to 33,721,902 as at 31 March 2021.