Issuer Filing Information

CPI Property Group

ISSUER FILING INFORMATION

Type of Information:	Issuer Filing Information
Date of Submission (DD/MM/YY)	4 April 2022
Issuer Name:	CPI Property Group
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Matters related to Financial Instruments Exchange Market, etc.:	Not applicable
Address of Website for Announcement:	https://www.jpx.co.jp/equities/products/tpbm/announcement/index.html

Notes to Investors:

1. TOKYO PRO-BOND Market is a market for professional investors, etc. (*Tokutei Toushika tou*) as defined in Article 2, Paragraph 3, Item 2(b)(2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**Act**") (the "**Professional Investors, Etc.**"). Notes listed on the market ("**Listed Notes**") may involve high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Notes on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions after having carefully considered the contents of this Issuer Filing Information.

2. Where this Issuer Filing Information (a) contains any false statement on important matters, or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content, a person who, at the time of announcement of this Issuer Filing Information, is an officer (meaning an officer stipulated in Article 21, Paragraph 1 of the Act (meaning a director of the board (*torishimari-yaku*), accounting advisor (*kaikei-sanyo*), company auditor (*kansa-yaku*) or executive officer (*shikkou-yaku*), or a person equivalent to any of these) (each an "**Officer**") of the issuer) that announced this Issuer Filing Information shall be liable to compensate persons who acquired the Notes for any damage or loss arising from the false statement or lack of information in accordance with the provisions of Article 21, Paragraph 1, Item 1 of the Act applied mutatis mutandis in Article 27-33 of the Act and the provisions of Article 22 of the Act applied mutatis mutandis in Article 27-34 of the Act. However, this shall not apply to cases where the person who acquired the Notes was aware of the existence of the false statement or the lack of information at the time of subscription for acquisition of the Notes. Additionally, the Officer shall not be required to assume the liability prescribed above, where he/she proves that he/she was not aware of, and was unable to obtain knowledge of, even with reasonable care, the existence of the false statement or the lack of information.

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5. All prospective investors who consider purchasing the Notes of CPI Property Group issued or to be issued under the Program Information dated 27 September 2021 (as amended and/or supplemented, the "**Program Information**") (the "**Notes**") should read the Program Information and relevant Specified Securities Information (as amended, the "**Specified Securities Information**") before making an investment decision. Among other things, all prospective investors should be aware that the Notes are subject to certain selling restriction as set forth in the Program Information and the relevant Specified Securities Information.

CPI Property Group

2021 Management Report

On the cover:
Warsaw Financial Center, Poland
Prinzessinnen-Höfe, Berlin, Germany
Quadrio, Prague, Czech Republic

photo: GSG Berlin © Thomas Hillig Architekten

Eurocentrum, Warsaw, Poland

Contents

> *CPIPG believes that Central and Eastern Europe is a* **land of opportunity.**

Edward Hughes, Chairman of the Board

Letter from the Chairman

Dear stakeholders,

I joined the board of directors in 2014, when CPIPG was already a regional leader from the Czech Republic with a track record for smart acquisitions and talented local management.

Since that time, the strong economic and real estate backdrop in Central Europe has supported consistent local and international demand for real estate investments. However, few foreign or “fly in” investors have been consistently successful over the long run. In that regard, CPIPG’s local roots have always been a key advantage. Due to much common shared history, our management feel at home across the region with its tenants, property mix, laws and market norms. This combined with the readiness to seize opportunity at speed has been a key element in the development of our Group. Today CPIPG has become a unique success story from Central Europe, and is now one of Europe’s largest real estate companies with a portfolio of €13 billion.

With size comes responsibility, and CPIPG is proud of our track record. The Group has an active presence in the international bond markets, achieving many “firsts” for a company from our region, while also demonstrating a consistent commitment to financial policy. CPIPG was the first company from our region to issue green bonds in 2019, and was the first European real estate company to issue a sustainability-linked bond in early 2022. CPIPG has committed to ambitious environmental targets including 100% green electricity purchases by 2024 and a 30% reduction in greenhouse gas intensity by 2030. The board of directors has become increasingly independent, and our governance procedures have been strengthened.

Looking to the future, CPIPG continues to see Central and Eastern Europe as a land of opportunity. The vast majority of our acquisitions in recent years have focused on our core region, such as the Group’s expansion into Warsaw offices in 2019 and 2020 and the acquisition of Globalworth in 2020 and 2021. CPIPG’s recent investments in Vienna-listed IMMOFINANZ and S IMMO, both large and highly respected owners of quality real estate in our region, significantly increase the Group’s scale while drawing on our core strengths as a hands-on property owner.

So far, 2022 has brought fresh challenges. While CPIPG is monitoring interest rates and inflation, the Group is very comfortable with our predominantly long-dated fixed-rate financing and high level of rent indexation to inflation. With regard to the conflict in Ukraine, I am proud of our team’s heartfelt response and the warmth and generosity extended from homes across our region. While Ukrainians have long worked and settled across Central Europe, the influx of refugees along with international investment creates an uncertain but potentially supportive backdrop for real estate in cities like Warsaw and Bucharest. We will continue to watch this very closely.

Thank you again for your interest in CPIPG, and I hope you enjoy reading our 2021 Management Report.

Sincerely,

Edward Hughes
Chairman of the Board

In 2021, CPIPG entered a **new stage of growth** while maintaining **our strong capital structure.**

Martin Němeček, CEO

The CEO's message

Dear stakeholders,

2021 was a year of successful performance and growth for CPIPG. Throughout the year, we made smart acquisitions which enhanced our property portfolio. The Group strengthened our capital structure and expanded our equity investor base. Our local asset management teams once again delivered best in class performance as we worked closely with our tenants to move on from COVID-19.

The Group's property portfolio totalled €13.1 billion as of 31 December 2021, a 27% increase from 2020, driven by €1.5 billion of strategic investments and new property acquisitions and €1.4 billion of positive revaluations. In 2021, CPIPG successfully acquired significant stakes in IMMOFINANZ and S IMMO, two large owners of real estate in Central Europe. We also completed property and landbank acquisitions in Italy, the UK, and Berlin. Strength in the real estate markets where we operate resulted in fair value increases, mainly in our office properties in Berlin and Warsaw and our residential assets and landbank in the Czech Republic.

CPIPG recorded stellar income performance as net rental income increased by +7%, EBITDA by +9% and FFO by +12%. These figures reflect the solid operational performance of the Group's property portfolio with modest like-for-like rental growth of +3.3% and high rental collection rates of 97%. It shows that COVID-19 had a limited impact on CPIPG's performance.

Occupancy across the Group's portfolio remained high at 93.8%. While office occupancy registered a slight decline to 91.9%, this is essentially a temporary impact due to a few large lease expiries in Budapest, which will be mitigated by leases due to commence in the coming months. The Berlin and Prague office portfolios recorded higher occupancy driven by robust tenant demand and leasing activity. **Furthermore, our retail and residential segments maintained high occupancy in 2021, increasing to 97.0% and 95.5%, respectively.**

CPIPG has a high-quality tenant mix and a well-balanced lease maturity profile. The Group's tenancy profile consists of top international and regional companies from a well-diversified sector mix, with the top 10 tenants accounting for only 10.1% of total gross rental income. In 2021, **the Group's WAULT increased to 3.8 years,** driven by lease extensions in the retail segment during COVID. Less than 20% of leases are due to expire each year through 2026, as our asset management teams proactively negotiate with tenants well ahead of expiry.

Despite a challenging start to 2021, CPIPG's **hotels & resorts segment recorded positive net income, clearly on the path to recovery.** Our in-house operating structure allows us to be nimble in response to changes, optimise operations, and minimise costs. The Group's mix of city and leisure destination hotel properties positions us well to capture the recovery in travel demand.

In 2021, CPIPG took specific actions **to strengthen our liquidity position, extend our debt maturity profile, and recharge the capital structure.** At the end of 2021, CPIPG had **€1.2 billion of liquidity** (cash and an undrawn €700 million revolving credit facility). The Group also issued a total of €1.4 billion equivalent of bonds during the year, which were primarily used to repay more than €800 million of bonds well in advance of the maturity dates. As a result, the Group's **weighted average debt maturity increased to 5.2 years** at the end of 2021. In addition, CPIPG was pleased that Apollo Global Management, a leading global real estate investor, participated alongside the Group's majority shareholder Radovan Vítek in a subscription of **new ordinary shares totalling €550 million.**

As ever, CPIPG is strongly committed to our financial policy. Net LTV declined to a record low of 35.7% at the end of 2021. Also, in 2021, the Group signed disposals that will raise gross proceeds of about €700 million. Today, CPIPG has mostly completed those transactions and is **on track to meet our disposal target of €1 billion**, with nearly €200 million of sales since the start of 2022.

All the measures taken by the Group in the past year position us well for future **strategic growth opportunities while providing solid support for our credit ratings and long-term financial strength.** We continue to invest in our existing platforms from the advantageous positon of being leading players in each location, particularly in Berlin, Prague, and Warsaw. Furthermore, **our recent strategic investments in IMMOFINANZ and S IMMO,** two leading owners of real estate in our region, further strengthen the Group's market position.

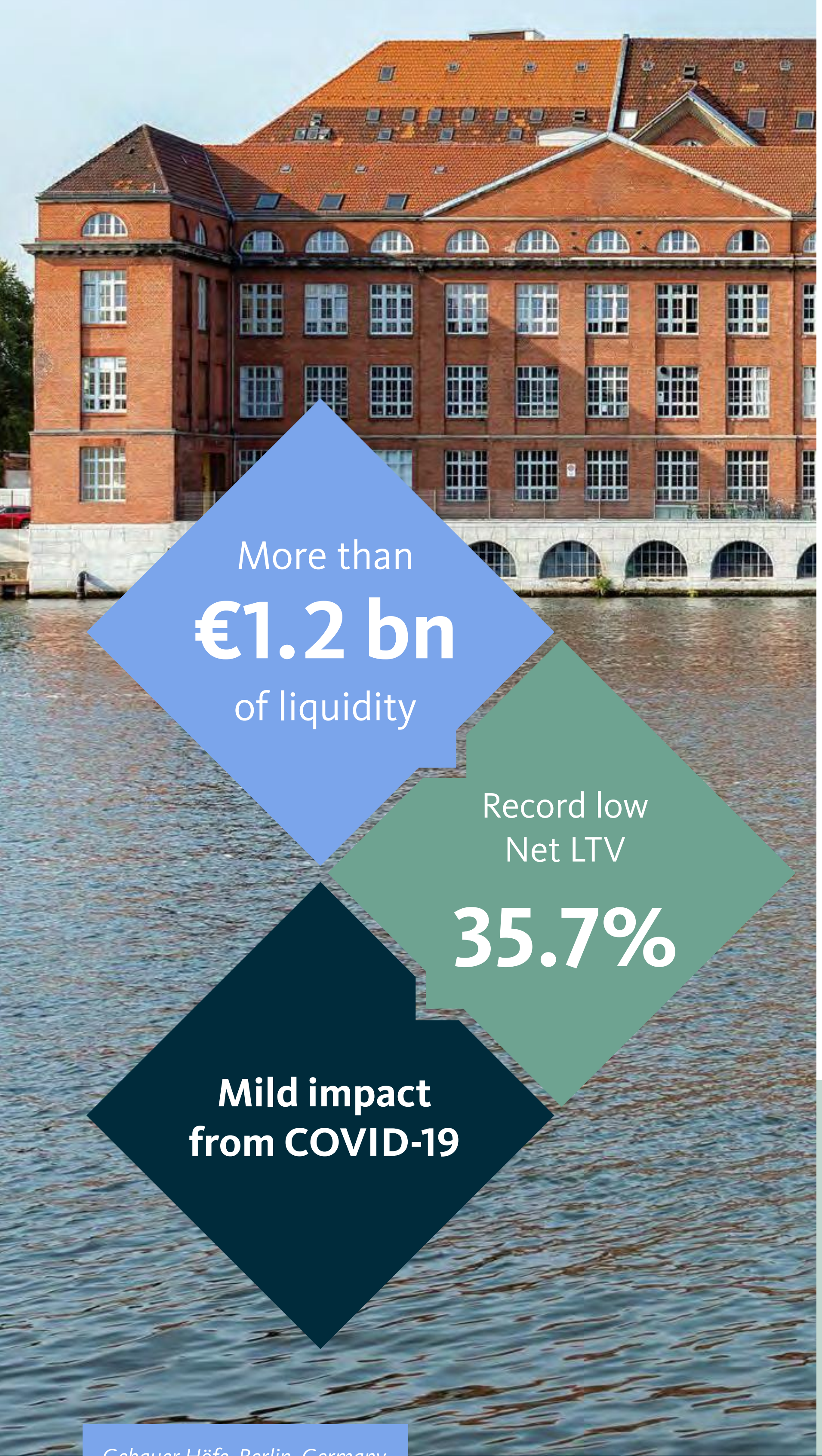
Core to CPIPG's values is our commitment to ESG. In 2021, we **stepped up our ambitious environmental strategy targets** to reduce greenhouse gas emissions intensity by 30% by 2030 (up from 20%) and to transition all electricity purchased by the Group to 100% renewable sources by 2024. At the beginning of 2022, we updated the Group's Sustainable Finance Framework and **issued our inaugural Sustainability-Linked Bond.** CPIPG continues to champion sustainable financing in our region and the European real estate sector as a whole. The Group is also dedicated to proactive engagement with our stakeholders – employees, tenants, investors, and the local community, and constantly updates our governance policies.

Overall, 2021 was an excellent year. As the geopolitical events of 2022 have unfolded, CPIPG remains proud to own property in Central and Eastern Europe. More importantly, we are proud of how so many of our colleagues have stepped up to help those in need. Across our region, we have developed a reputation as a landlord who cares for our employees, tenants, and communities. As the Group continues to grow, this is a principle we will continue to follow.

Sincerely,

Martin Němeček

Key figures


Gebauer Höfe, Berlin, Germany

More than **€1.2 bn** of liquidity

Record low Net LTV **35.7%**

Mild impact from COVID-19

TOTAL ASSETS	PROPERTY PORTFOLIO	NET LTV
€14.4 bn	€13.1 bn	35.7%
+22% versus end of 2020	+27% versus end of 2020	-5.0 p.p. versus end of 2020

NET RENTAL INCOME	CONSOLIDATED ADJUSTED EBITDA	FUNDS FROM OPERATIONS (FFO)
€363 m	€368 m	€254 m
+7% versus 2020	+9% versus 2020	+12% versus 2020

OCCUPANCY	LIKE-FOR-LIKE RENTAL GROWTH	WAULT
93.8%	3.3%	3.8 years
+0.1 p.p. versus end of 2020	versus 0.8% in 2020 *(excl. one-time rent discounts)*	+0.2 years versus end of 2020

UNENCUMBERED ASSETS	NET ICR	EPRA NRV (NAV)
70%	4.6×	€7.0 bn
stable versus end of 2020	-0.8× versus 2020	+38% versus end of 2020

CREDIT RATINGS

Baa2	BBB	A-
by Moody’s	by Standard & Poor’s	by Japan Credit Rating Agency

CPIPG is proud of our performance during 2021, with positive developments across our key business measures.

David Greenbaum, CFO

Balance Hall, Budapest, Hungary

Performance

		2021	2020	Change
Gross rental income (GRI)	€ million	402	356	12.7%
Net rental income (NRI)	€ million	363	338	7.4%
Net hotel income	€ million	14	(3)	545%
Total revenues	€ million	664	623	6.6%
Net business income (NBI)	€ million	385	344	11.9%
Consolidated adjusted EBITDA	€ million	368	338	8.8%
Funds from operations (FFO)	€ million	254	227	11.8%
Net profit for the period	€ million	1,292	244	430%

Assets

		2021	2020	Change
Total assets	€ million	14,369	11,801	21.8%
Property portfolio	€ million	13,119	10,316	27.2%
Gross leasable area	m^2	3,667,000	3,636,000	0.9%
Occupancy	%	93.8%	93.7%	0.1 p.p.
Like-for-like rental growth*	%	3.3%	0.8%	2.5 p.p.
Total number of properties**	#	367	343	7.0%
Total number of residential units	#	11,755	11,929	(1.5%)
Total number of hotel rooms***	#	7,025	6,753	4.0%

* *Based on gross rent, excluding one-time discounts*
** *Excluding residential properties in the Czech Republic*
*** *Including hotels operated, but not owned by the Group*

Financing structure

		2021	2020	Change
Total equity	€ million	7,695	5,787	33.0%
EPRA NRV (NAV)	€ million	7,039	5,118	37.6%
Net debt	€ million	4,682	4,194	11.6%
Net loan-to-value (Net LTV)	%	35.7%	40.7%	(5.0 p.p.)
Net debt to EBITDA	×	12.7×	12.4×	0.3×
Secured consolidated leverage	%	9.8%	12.0%	(2.2 p.p.)
Secured debt to total debt	%	27.0%	29.0%	(2.0 p.p.)
Unencumbered assets to total assets	%	70.4%	70.0%	0.4 p.p.
Unencumbered assets to unsecured debt	%	267%	241%	26 p.p.
Net interest coverage (Net ICR)	×	4.6×	5.4×	(0.8×)

Group overview

CPIPG has a 31-year track record of owning superb income-generating real estate.

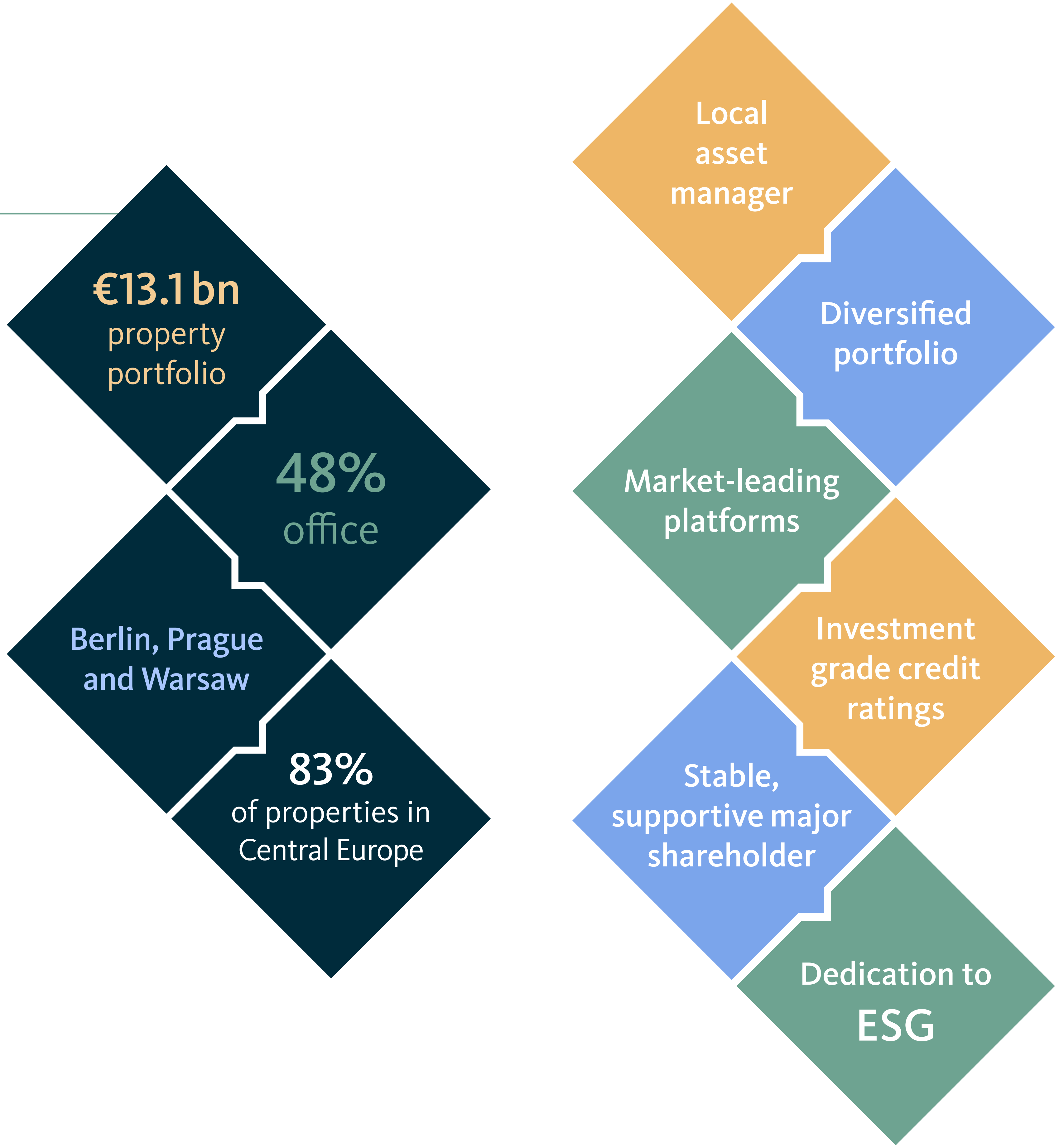
CPIPG is the leading owner of real estate in Central and Eastern Europe. 48% of the Group's €13.1 billion property portfolio relates to offices in key **capital cities of Berlin, Prague and Warsaw.** 83% of the Group's total portfolio is located in Central and Eastern Europe.

Diversification is a key element of CPIPG's strategy. With 367 commercial properties and **more than 4,000 international and local tenants,** no individual asset or tenant represents more than 3% of CPIPG's portfolio or rental income.

The Group is proud of our active asset management and local teams: in every country where CPIPG operates, our teams have **daily contact and close relationships with tenants.** The advantage of this model was clearly demonstrated through excellent performance during COVID-19.

As CPIPG's property portfolio has grown, the Group has maintained a conservative financial profile and a steadfast commitment to our credit ratings. **ESG has been a core focus of the Group for many years;** CPIPG has strengthened our governance and become a leader in sustainable financing.

CPIPG is proud to be a family-owned company. Our founder and primary shareholder, Radovan Vítek, **is fully aligned with management** on CPIPG's strategic objectives and fully supports the Group's plans for the future.



Group management

Growth and financial policy discipline

The value of CPIPG's property portfolio reached **€13.1 billion** at year-end 2021, increasing by €2.8 billion or 27% from year-end 2020. Consistent with previous years, CPIPG's growth was driven by a combination of acquisitions and revaluations.

Acquisitions primarily relate to the Group's **stakes in IMMOFINANZ and S IMMO,** two leading owners of real estate in Central and Eastern Europe, along with investments in Italy and the UK. Acquisitions in 2021 were primarily funded on an unencumbered basis via equity and disposals. Revaluations are primarily attributable to Czech residential, Prague landbank and Berlin offices.

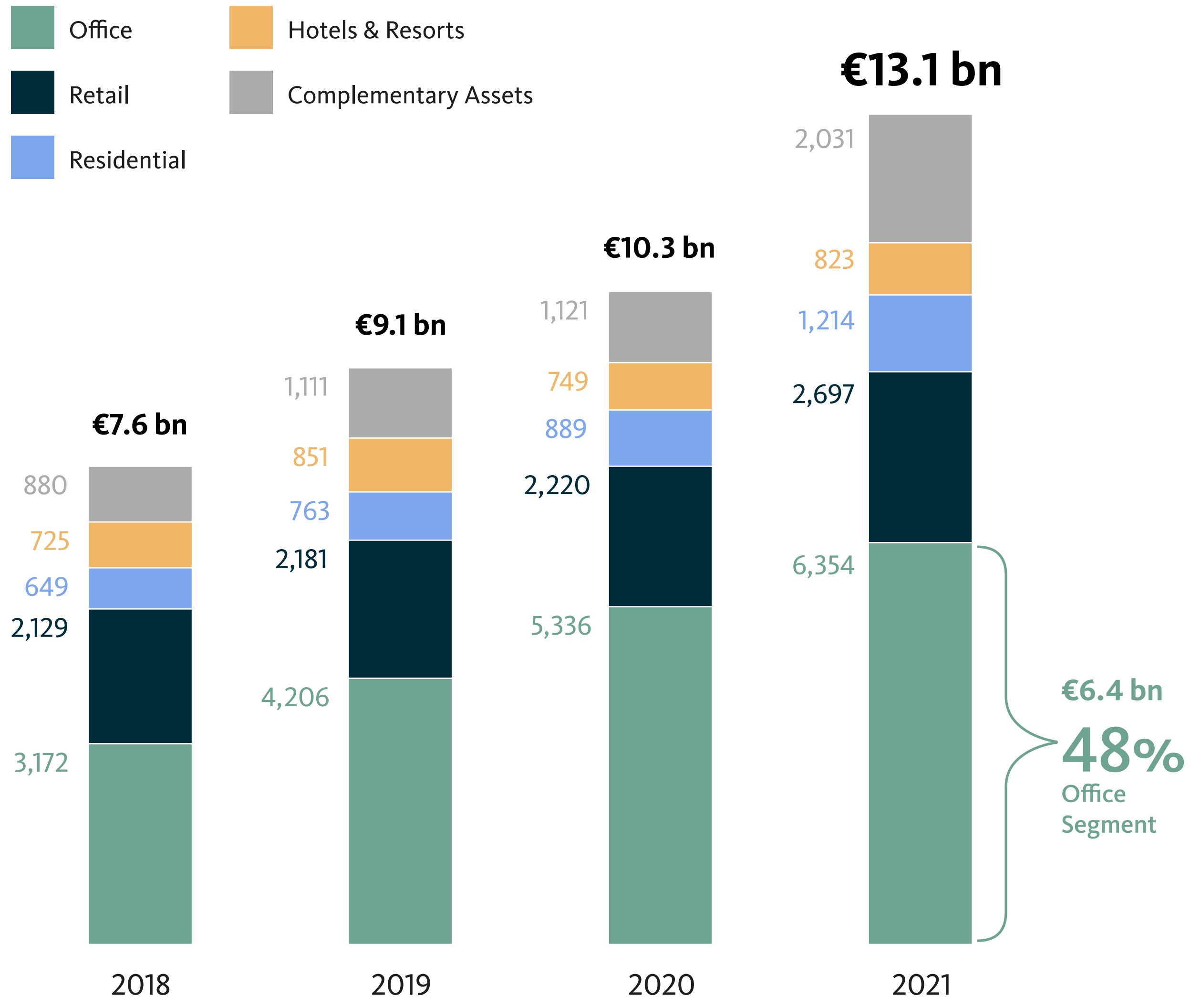
As CPIPG's portfolio grows, financial policy discipline is maintained. Net LTV dropped to a record low of 35.7% at year-end 2021, resulting primarily from CPIPG's targeted actions to strengthen our capital structure.

Key capital structure initiatives announced and executed during 2021 included:

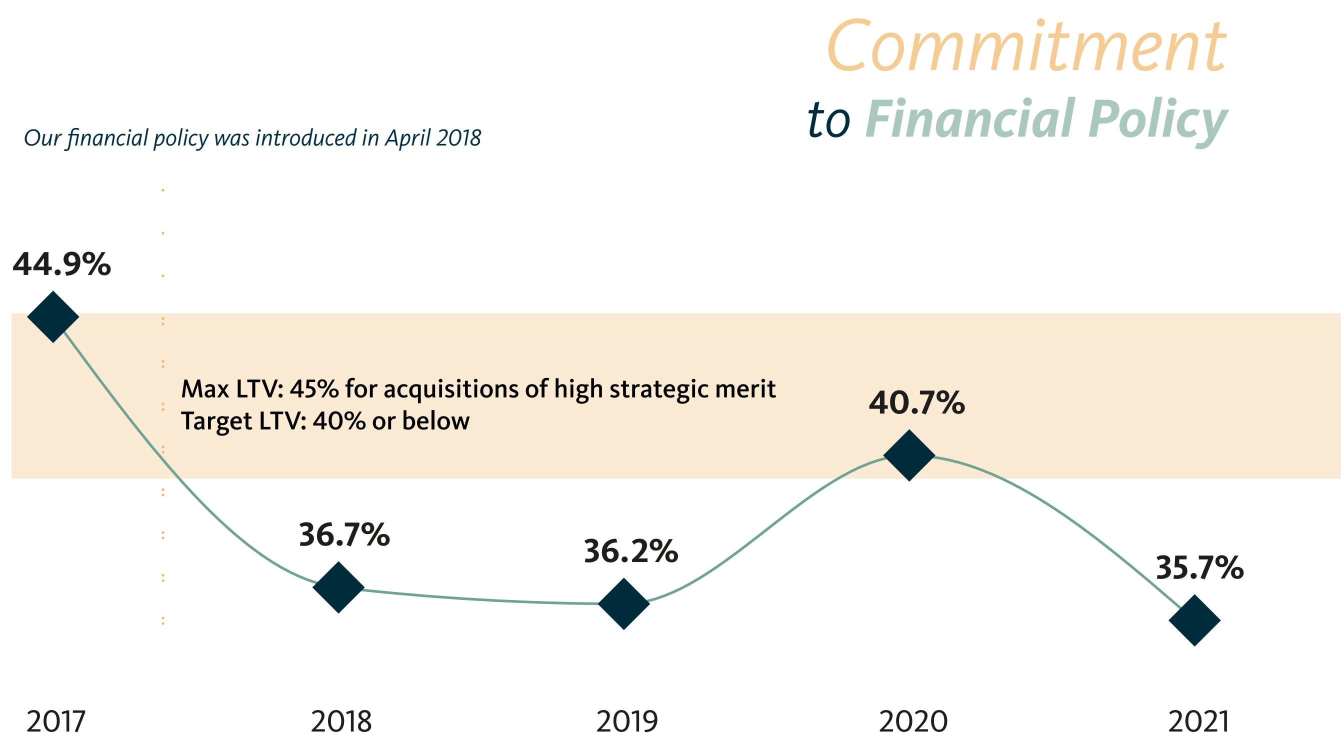
- €550 million of new equity raised in share capital increases, including €250 million subscribed by our primary shareholder Radovan Vítek and €300 million subscribed by funds managed by Apollo Global Management;
- €1 billion of disposals announced in August 2021 for completion within six to twelve months, of which €700 million were partially closed before year-end 2021 with the rest expected to close before mid-2022;
- Issuance of nearly €900 million of senior unsecured bonds due primarily in 2031 and prepayment of about €535 million of bonds due in 2022, 2023 and 2024;
- Issuance of €475 million of hybrid bonds callable in 2028, along with the prepayment of about €222 million of hybrid bonds which were callable in 2023.

Zlatý Anděl, Prague, Czech Republic

Value of the Group's property portfolio (€ million)



LTV evolution (%)



Higher income and occupancy

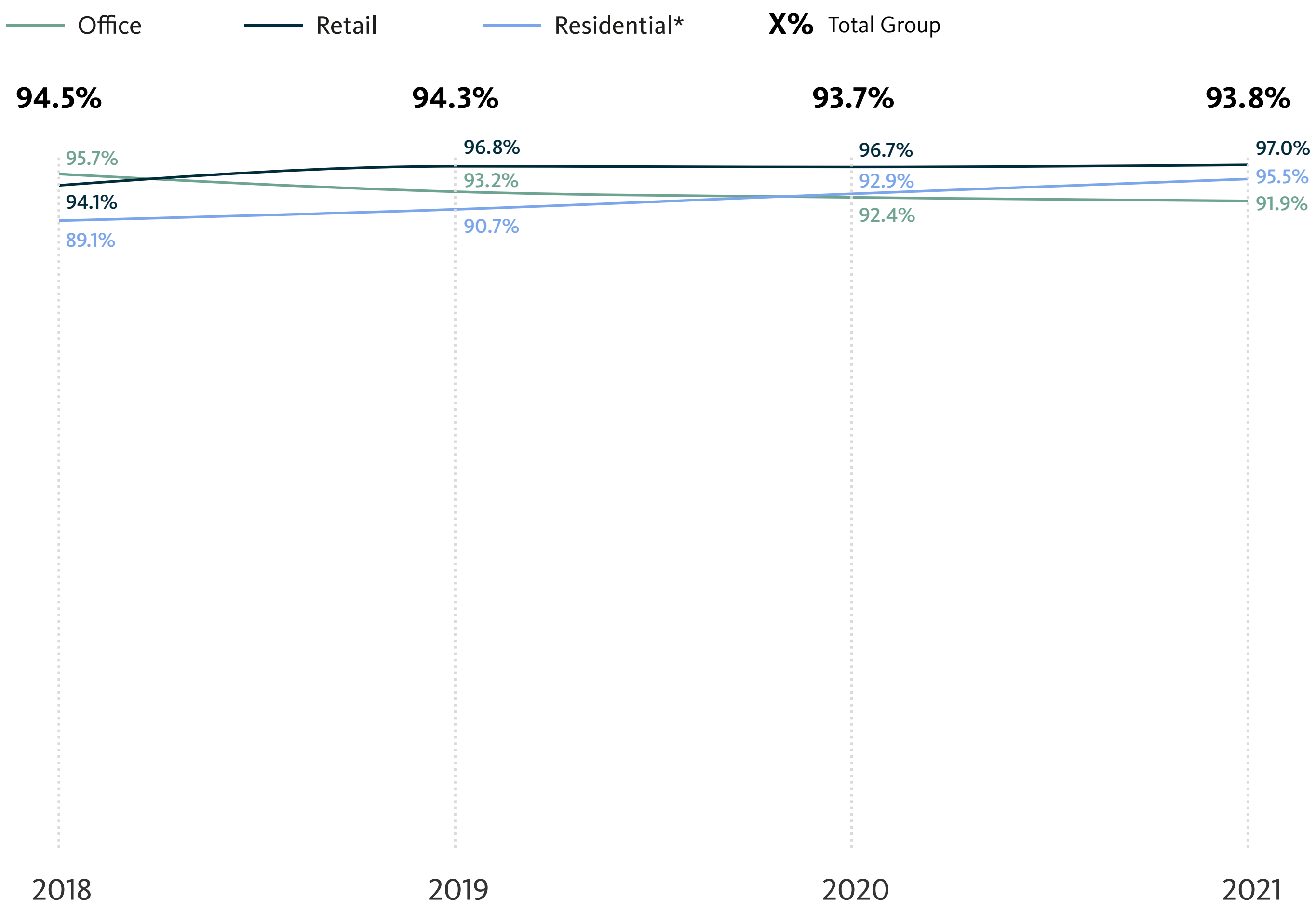
The strength of CPIPG's portfolio and the merit of our acquisitions have been clearly demonstrated by **consistent increases in rental income, EBITDA and net business income.** Overall like-for-like rental growth was 3.3% in 2021, and 9.1% in Berlin offices. A combination of factors should support future income growth, including acquisitions, a contribution from recent developments and recovering hotel income.

Group EPRA occupancy increased to 93.8%. The Group registered a slight decrease in total office occupancy due to a handful of lease expiries, primarily in Budapest. Occupancy in Warsaw, Prague and Berlin increased due to positive leasing activity as the world began to move on from COVID-19.

Retail occupancy increased to 97.0% in 2021. The essential nature of the Group's retail assets proved beneficial, considering temporary closure of non-essential retail across much of Europe due to COVID-19. Retail parks in particular experienced robust performance, with Czech retail park occupancy reaching 100%.

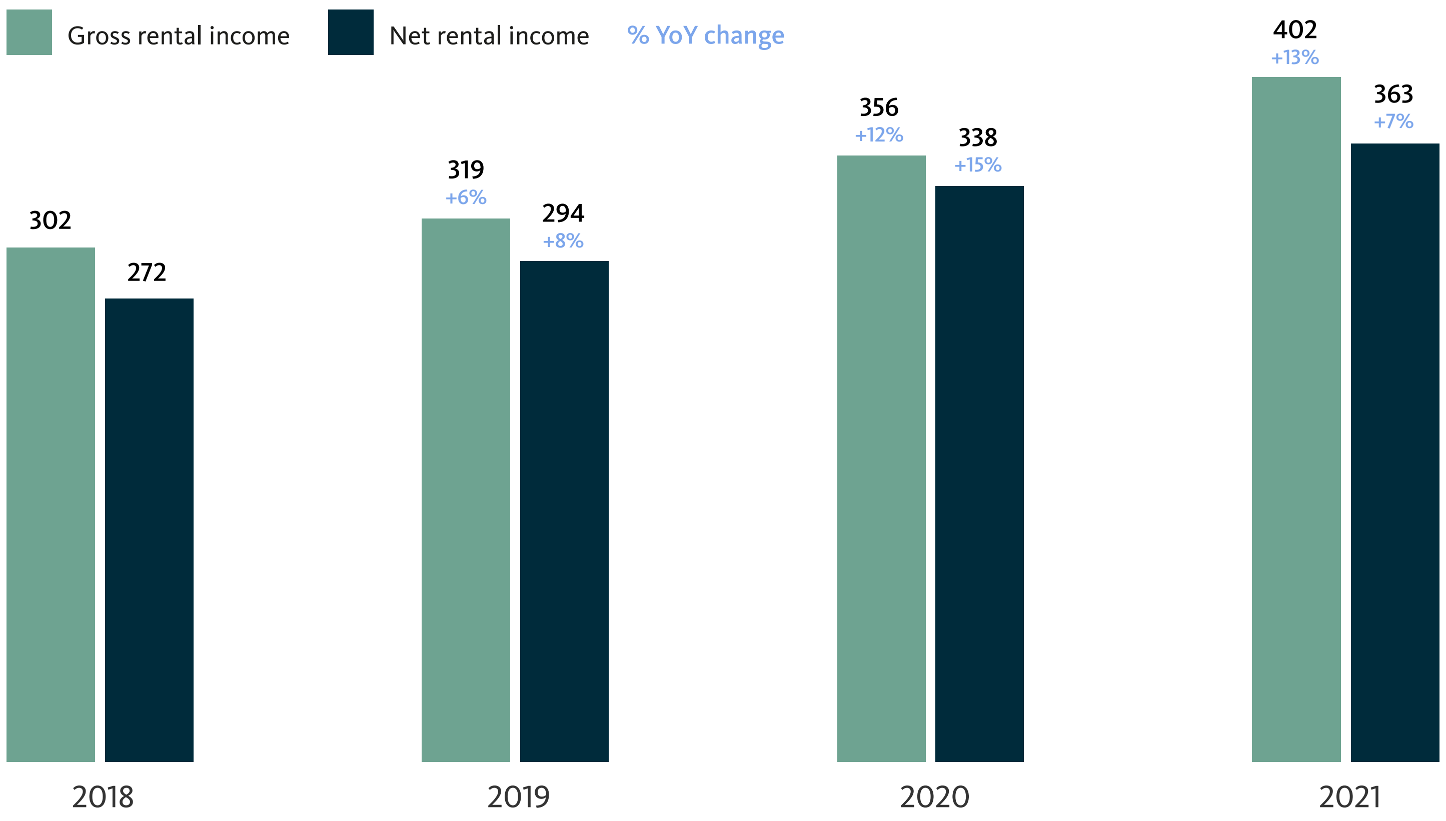
Residential occupancy increased to 95.5%, **up +2.6% p.p** from 2020. High collection rates and strong demand in Prague and regional cities also resulted in higher rents and revaluations.

Occupancy rate (%)

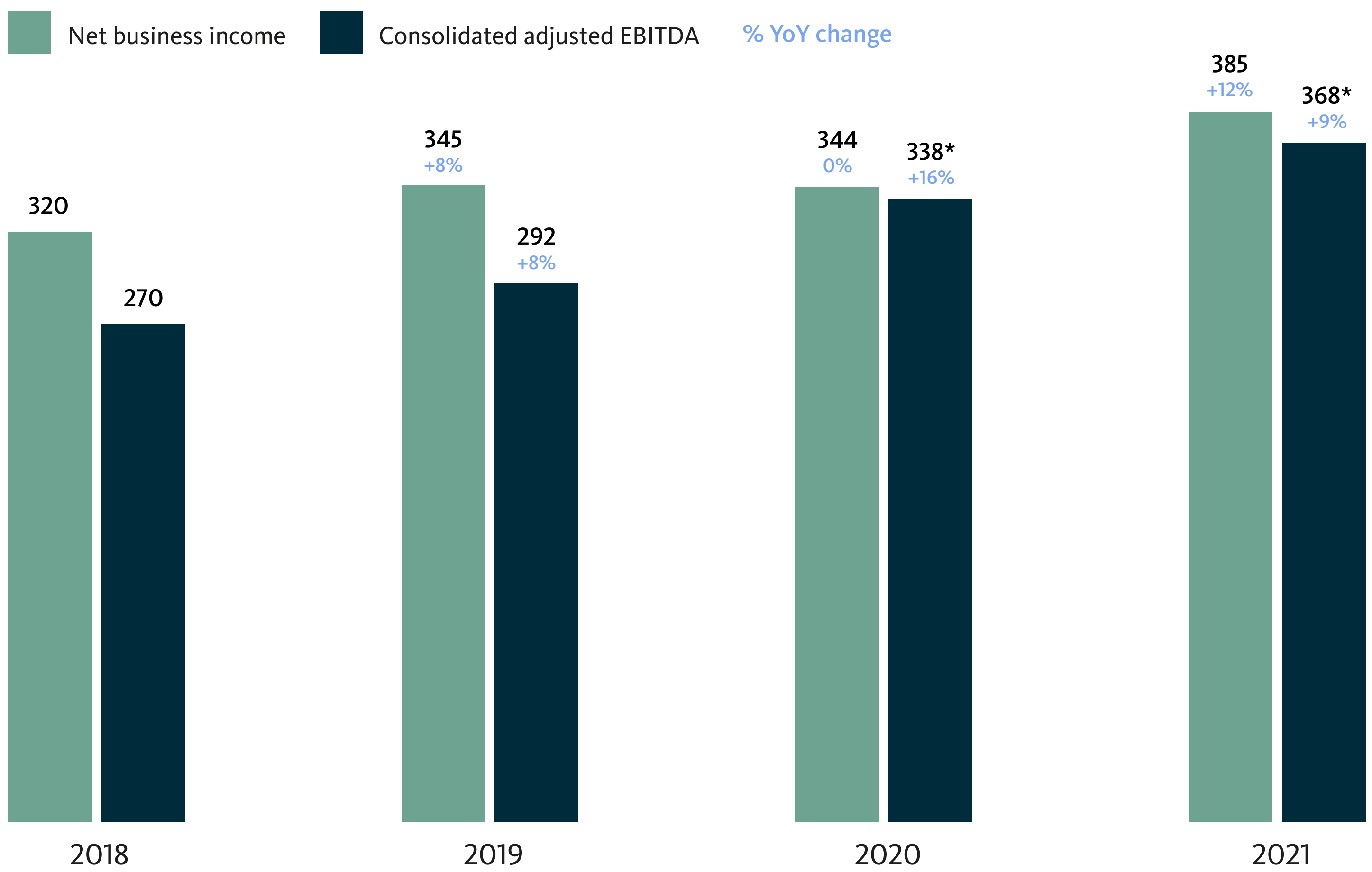


** Occupancy based on rented units.*

Gross and net rental income (€ million)



Net business income and EBITDA (€ million)



** Includes pro-rata EBITDA of equity accounted investees and other financial assets.*

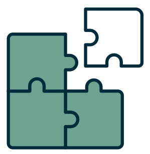
The Group operates in five key segments

Office
Czech Republic, Germany, Poland, Hungary and other European countries, including Italy

Retail
Primarily in the Czech Republic, with platforms across CEE and Italy

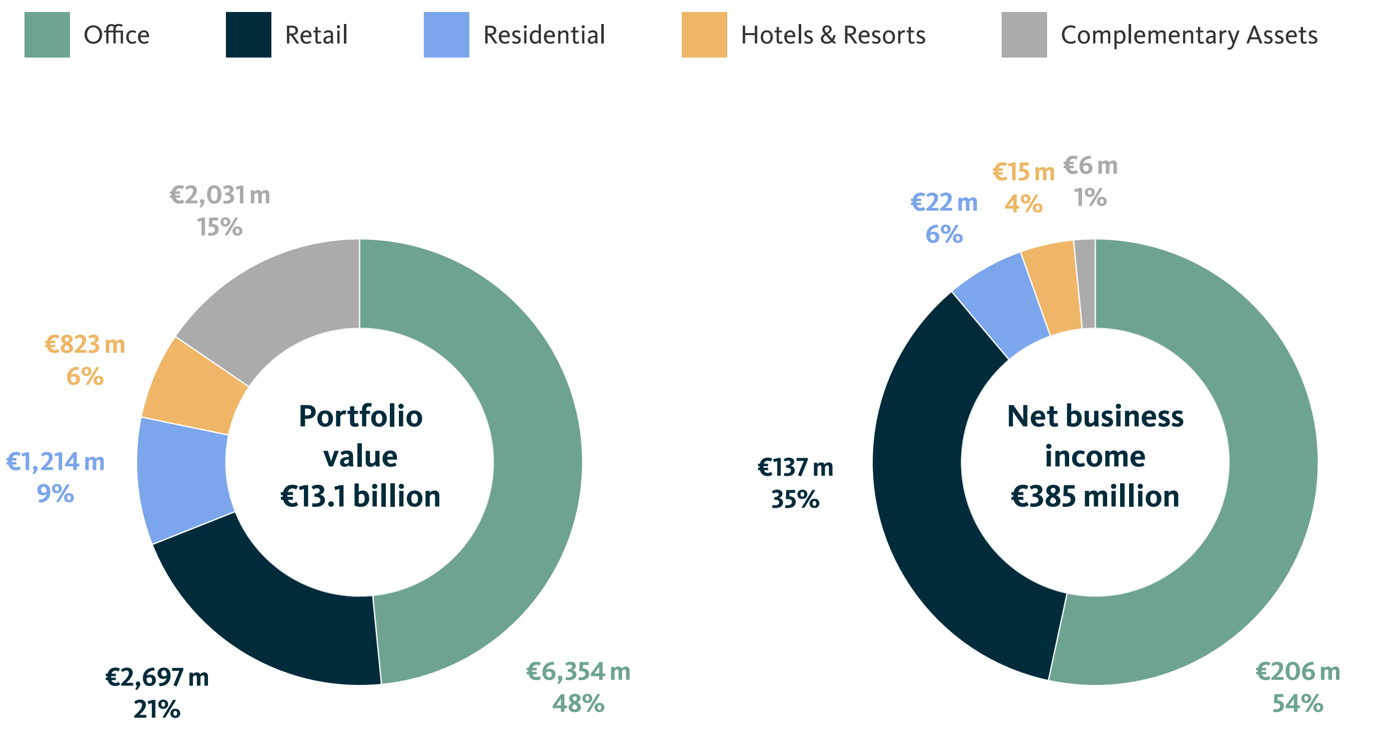
Residential
Large portfolio in the Czech Republic with platforms in the UK and selected other European countries

Hotels & Resorts
Congress and convention hotels, city hotels and mountain resorts primarily in the Czech Republic, with platforms across Europe

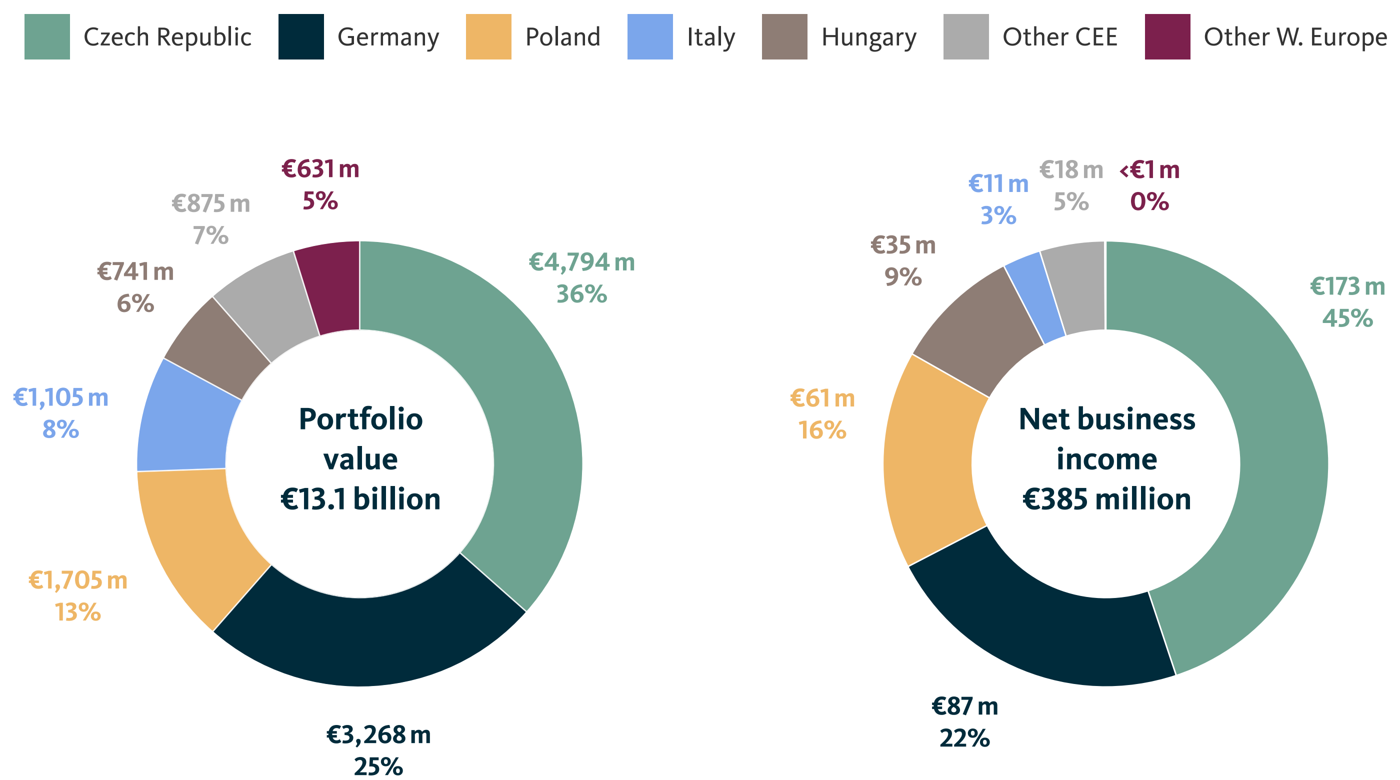


Complementary Assets
Landbank, development and other assets

Property portfolio by segment



Property portfolio by geography



Data disclosed in this report might include differences due to rounding.
Data includes the value of the Group's 30.3% stake in Globalworth, a 21.6% stake in IMMOFINANZ and a 12.4% stake in S IMMO according to the geographic and segment split percentages of Globalworth's (as at 31-Dec 2021), IMMOFINANZ's (as at 30-June 2021) and S IMMO's portfolio (as at 30-Sep 2021).

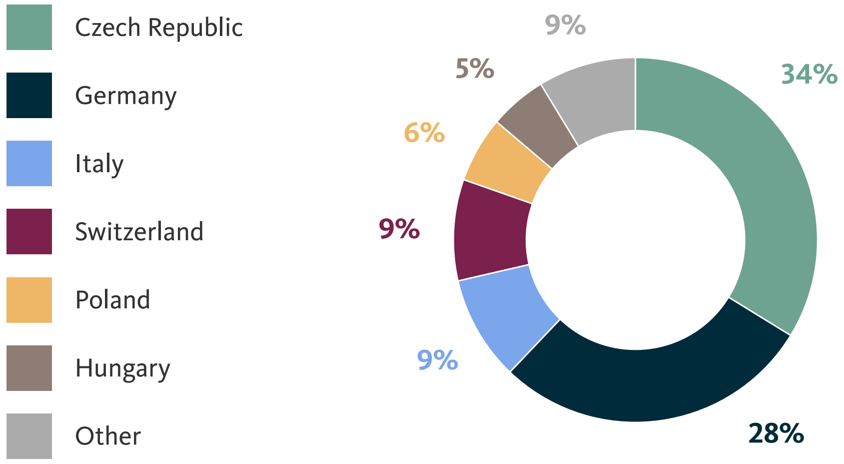
Segment	Country	€ million	Share of total
Office		6,354	48.4%
	Germany	2,934	22.4%
	Poland	1,062	8.1%
	Czech Republic	890	6.8%
	Globalworth	589	4.5%
	Hungary	310	2.4%
	IMMOFINANZ	297	2.3%
	Italy	185	1.4%
	S IMMO	87	0.7%
Retail		2,697	20.6%
	Czech Republic	1,498	11.4%
	Italy	423	3.2%
	Hungary	227	1.7%
	IMMOFINANZ	181	1.4%
	Poland	159	1.2%
	Slovakia	115	0.9%
	S IMMO	34	0.3%
	Globalworth	31	0.2%
	Romania	30	0.2%
Residential		1,214	9.3%
	Czech Republic	733	5.6%
	United Kingdom	247	1.9%
	France	108	0.8%
	S IMMO	60	0.5%
	Italy	51	0.4%
	Globalworth	14	0.1%
Hotels & Resorts		823	6.3%
	Czech Republic	380	2.9%
	Croatia	168	1.3%
	Italy	91	0.7%
	Hungary	67	0.5%
	Switzerland	51	0.4%
	Poland	25	0.2%
	Russia	17	0.1%
	S IMMO	15	0.1%
	Slovakia	10	0.1%
Complementary Assets		2,031	15.5%
Landbank		1,524	11.6%
	Czech Republic	973	7.4%
	Italy	347	2.6%
	Germany	157	1.2%
	Hungary	23	0.2%
	Slovakia	14	0.1%
	Romania	4	<0.1%
	S IMMO	4	<0.1%
Industry & Logistics		223	1.7%
Development		138	1.0%
Agriculture		121	0.9%
Other		25	0.2%
Total		13,119	100.0%

Tomáš Salajka, Director of Acquisitions, Asset Management & Sales

ZET.office, Brno, Czech Republic

Stable CAPEX focused on existing properties

Additions by country



Additions by type (€ million)

	Total 2021	Total 2020
Maintenance-related CAPEX	77	66
Refurbishment and redevelopment	69	65
New development / additional leasable area	69	85
Total	**214**	**216**

Changes to the property portfolio in 2021

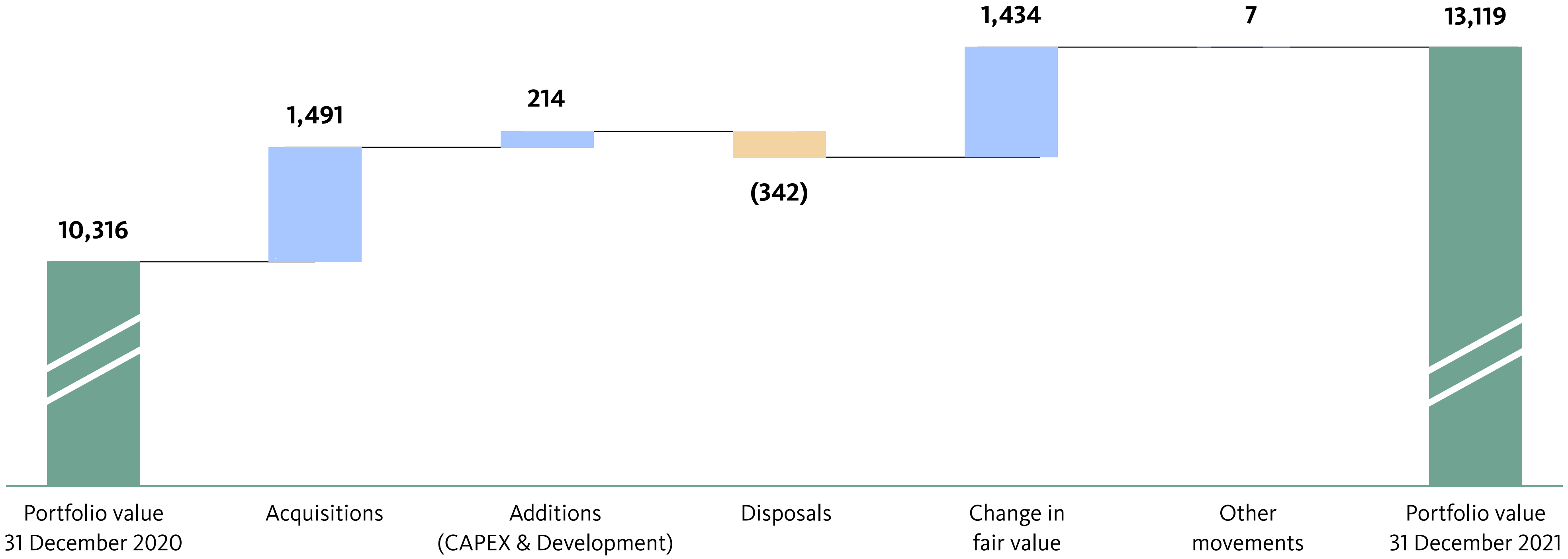
- Acquisitions of **€1,491 million**, primarily relating to the properties in Italy for €617 million, a **21.6% stake in IMMOFINANZ** for €535 million, a **12.4% stake in S IMMO** for €199 million and a property in London for €62 million;
- Capital expenditure and development of **€214 million;**
- Disposals of **€342 million**, including the sale of two shopping centres in the Czech Republic, the Česká Pojištovna office in Prague and a small property in Germany;
- Other movements include other transfers and the change in value of equity accounted investees;
- Increase in fair value of **€1,434 million** (13.9% versus 2020). Positive revaluations were recorded in almost all countries and segments; the majority of the increase relates to Berlin and Warsaw office, landbank and residential in the Czech Republic, and acquisitions in Italy which were purchased at large discounts to fair value and subsequently revalued.

Change in portfolio fair value (€ million)

Investment property revaluation	1,276
Hotels / PP&E revaluation and depreciation	(29)
Total valuation impact	**1,247**
FX impact	**187**
Total	**1,434**

Investment property includes office, retail, residential, landbank, industry & logistics and development. Other PP&E includes mountain resorts and agriculture.

Property portfolio growth in 2021 (€ million)



Our tenants

A key feature of the Group's portfolio is the **quality and diversity of our tenant base.** Our office properties in Prague, Warsaw and Budapest are the headquarters of many multinational and regional tenants. Our largest retail tenants are multinational grocery leaders; on the other hand, our largest overall tenant (Ahold Delhaize) accounts for just under 2% of gross rental income, while **our top 10 tenants represent only 10% of gross rental income.** In Berlin, our unique office platform caters to a granular portfolio of around 1,800 tenants, many of which are in the dynamic technology and creative sectors.

CPIPG's asset management teams work actively with our tenants to renew and prolong lease contracts well before they expire. The Group's lease maturity profile is well balanced, with a WAULT of 3.8 years and less than 20% of leases due to expire each year through to 2026. While the Group typically prefers longer lease terms across the portfolio, maintaining a slightly shorter WAULT in Berlin has historically allowed us to capture **consistent increases in rents.**

Top 10 tenants by rental income

	€ million	Rent as % of GRI*	WAULT** (years)
Ahold Delhaize	7.7	1.8%	5.7
TESCO	6.7	1.5%	6.1
CEZ GROUP	4.8	1.1%	5.2
OVS	4.4	1.0%	4.9
BILLA	3.8	0.9%	3.2
SIEMENS	3.8	0.9%	5.5
PENNY	3.8	0.9%	12.5
Continental	3.2	0.7%	13.3
dm	3.2	0.7%	3.2
WPP	3.1	0.7%	16.8
Total	**44.3**	**10.1%**	**7.1**

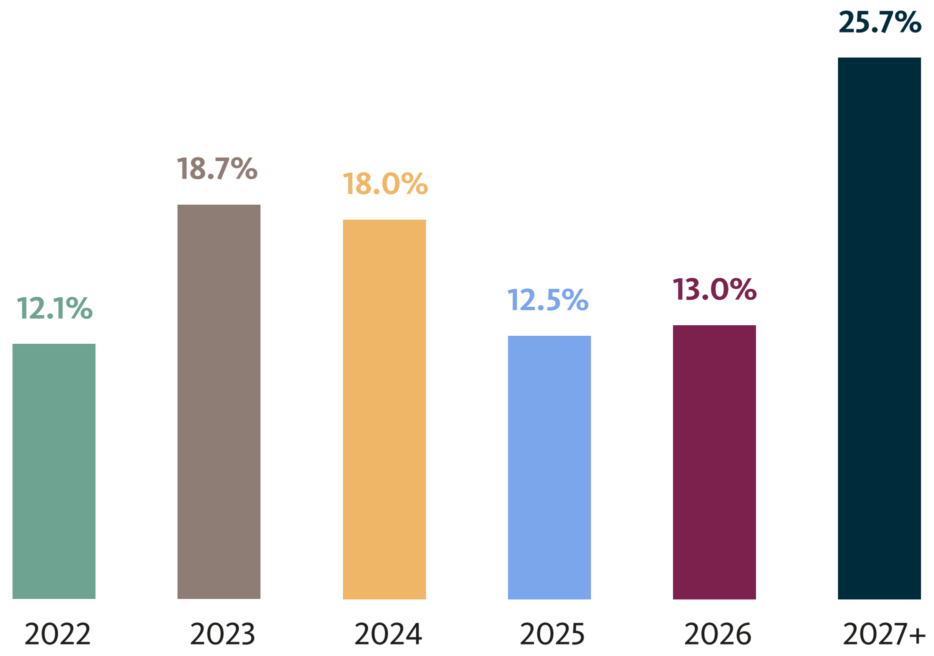
* *Based on annualised headline rent.*
** *WAULT reflecting the first break option.*

WAULT by country and segment

Segment	Country	WAULT (years) 2021	2020
Office	Germany	3.2	3.5
	Poland	3.0	2.9
	Czech Republic	4.7	4.9
	Hungary	3.0	2.8
Total Office		**3.5**	**3.5**
Retail	Czech Republic	4.1	3.6
	Italy	7.0	4.8
	Hungary	2.9	3.0
	Poland	4.1	3.9
Total Retail		**4.5**	**3.7**
Total Group		**3.8**	**3.6**

CityMarket, Svitavy, Czech Republic

Maturity profile of fixed rental agreements



Excluding residential properties and reflecting the first break option.

Key milestones

Undisputed leader in Central European region real estate

CPIPG acquires a controlling stake of 54.9% in IMMOFINANZ and 16.1% stake in S IMMO

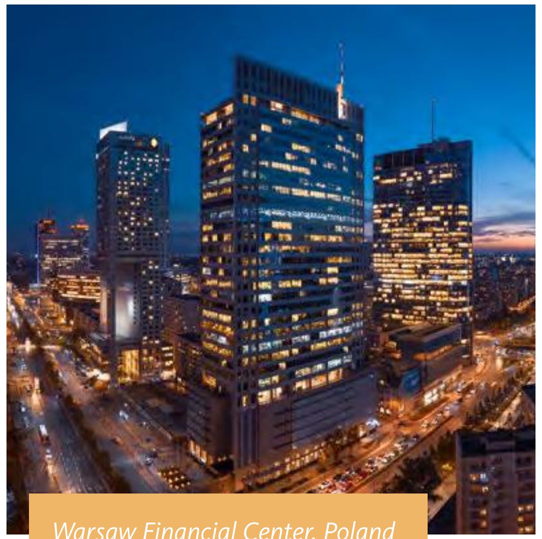
2022

CPIPG issues inaugural Sustainability-Linked Bond

2022

CPIPG improves its environmental strategy

2021



Warsaw Financial Center, Poland

Green bond champion

Four green bonds issued in three currencies

2020

Office expansion in Warsaw and CEE

Leading position in Warsaw office market;
29.6% stake acquired in Globalworth

2019–2020

Nisa, Liberec, Czech Republic

Capital structure transformation

Hybrid and unsecured bond issuance in multiple currencies, inaugural green bond

2018–2019

Positive rating developments

BBB by S&P, Baa2 by Moody's, A- by JCR

2018

Acquisition of CBRE retail portfolio

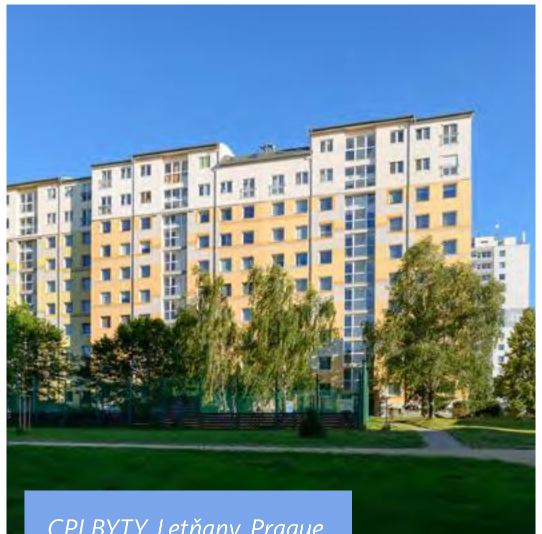
2017

Investment-grade rating and inaugural bond issues

2017

Local bond leader and active issuer

2016



CPI BYTY, Letňany, Prague

Integration of CPI a.s. & GSG and establishment of CPIPG

2014

Expansion abroad into the CEE region

2013

Czech residential portfolio expansion

2003

Issuance of bonds in the Czech Republic

2002

Foundation of Czech Property Investments a.s. (CPI a.s.)

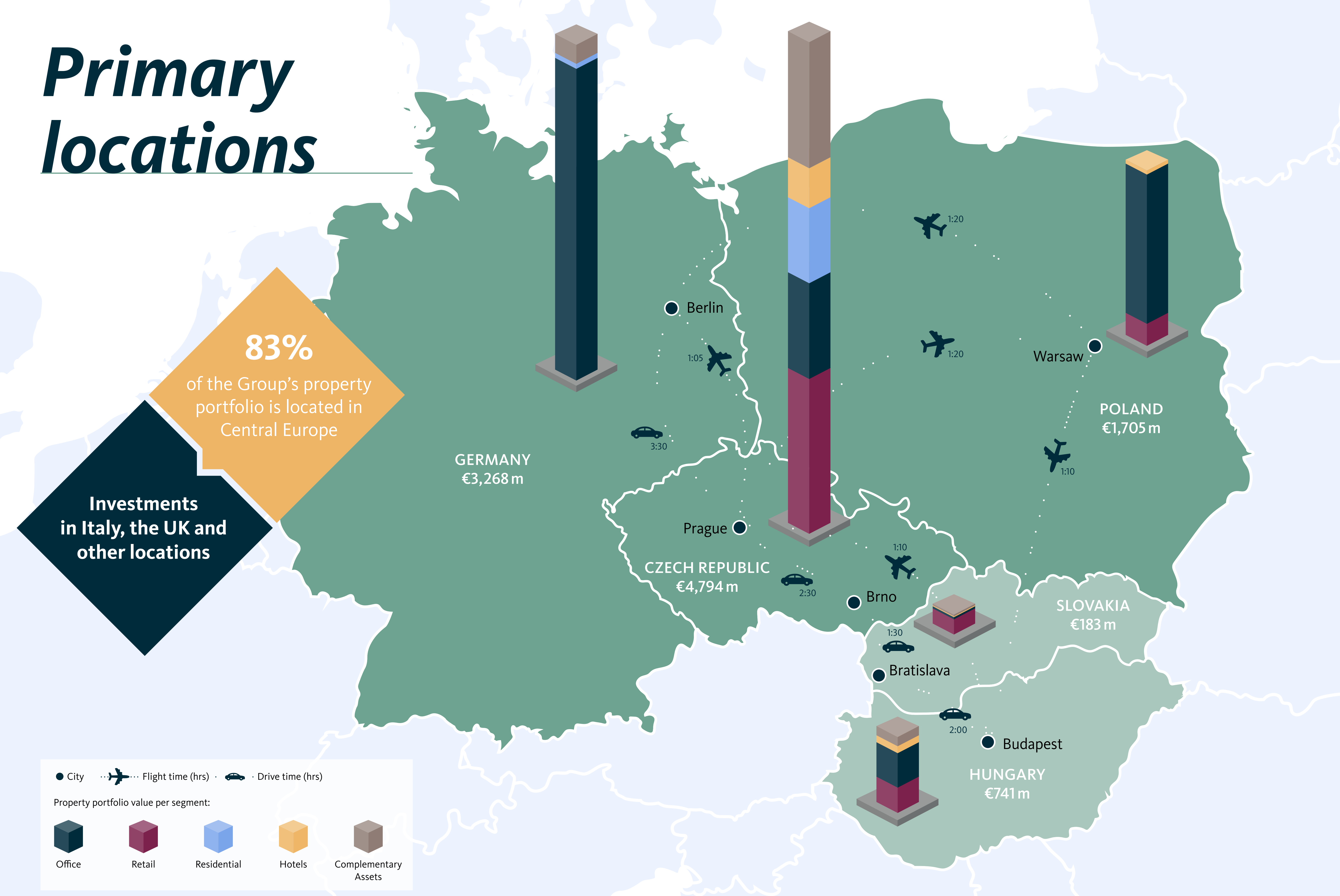
1991

Foundation of GSG by the city of Berlin

1965

GSG BERLIN

Primary locations



Notes:
Includes pro-rata shares of assets owned by Globalworth, IMMOFINANZ and S IMMO.

Team spotlight: GSG Berlin

GSG Berlin management team: Nico Knäusel, Gabriela Els, Steffen Lezim, Sebastian Blecke, Oliver Schlink, Wolfgang Falk

photo: GSG Berlin © Marc-Steffen Unger

The GSG Berlin team delivered excellent operational performance in 2021 and is a champion of ESG initiatives.

Once again, our leasing and asset management teams at GSG Berlin delivered exceptional results. In 2021, the Group's property portfolio recorded **+9.1% like-for-like rental growth** reaching an average rent of €9.55 per m^2, and signed a total of 107,000 m^2 of new leases, renewals and prolongations.

In October 2021, GSG Berlin successfully completed the extension development of **TorHaus^2 – the largest development in GSG's most recent history.** The team delivered over 8,000 m^2 of additional GLA ahead of schedule and under budget with outstanding quality.

GSG Berlin was **an active investor** in 2021, acquiring a land plot near the new Schönefeld airport and 50% stakes in three development projects in central Berlin. In addition, the team executed a series of disposals of non-strategic assets above book value prices.

The team is **highly focused on ESG.** Initiatives undertaken by GSG Berlin include:

- Our Reichenberger asset received the Platinum status for Connectivity by WiredScore – the first existing building in Berlin to achieve this status.
- Electricity for all the common areas of our property portfolio is now **100% renewable.**
- All newly leased company cars in 2021 were hybrid, and GSG's major properties are now equipped with e-charging stations.
- GSG hosts beehives in several locations; our employees collected money to support a reforestation in Africa, planting over 200 trees.

Moving on from COVID-19

CPIPG's portfolio successfully passed the COVID-19 "stress test", with a 96.6% overall rent collection rate in 2021.

Similar to parts of 2020, the first few months of 2021 saw a new wave of COVID-19 infections leading to lockdowns and restrictions across Europe until April/May.

The overall effect of COVID-19 on CPIPG's portfolio was mild, because of a number of key factors:

- The quality of CPIPG's office assets and tenants in Berlin, Prague, and Warsaw meant that tenants continued paying rent without interruptions.
- The strength of the Czech housing market meant that residential collections were normal.
- In retail, about 50% of CPIPG's retail units were deemed essential during the pandemic, with many experiencing strong sales. Government aid to the retail sector was swift and effective.
- Hotels posed perhaps the greatest challenge, but as an owner/operator, CPIPG was able to manage costs effectively.

Total one-off discounts amounted to €11. 5 million, less than 3% of the Group's gross rental income, and were primarily provided to retail tenants.

Summary of collection rates during COVID-19

	FY 2021 before discounts	FY 2021 after discounts	FY 2020 before discounts	FY 2020 after discounts
Group	**96.6%**	**99.3%**	**95.3%**	**98.5%**
Office	98.7%	99.1%	98.4%	98.9%
Retail	92.2%	99.6%	89.4%	97.7%
Residential	99.4%	99.4%	99.3%	99.3%
Industry & logistics	100%	100%	99.0%	99.4%

96.6% collections in 2021 before discounts

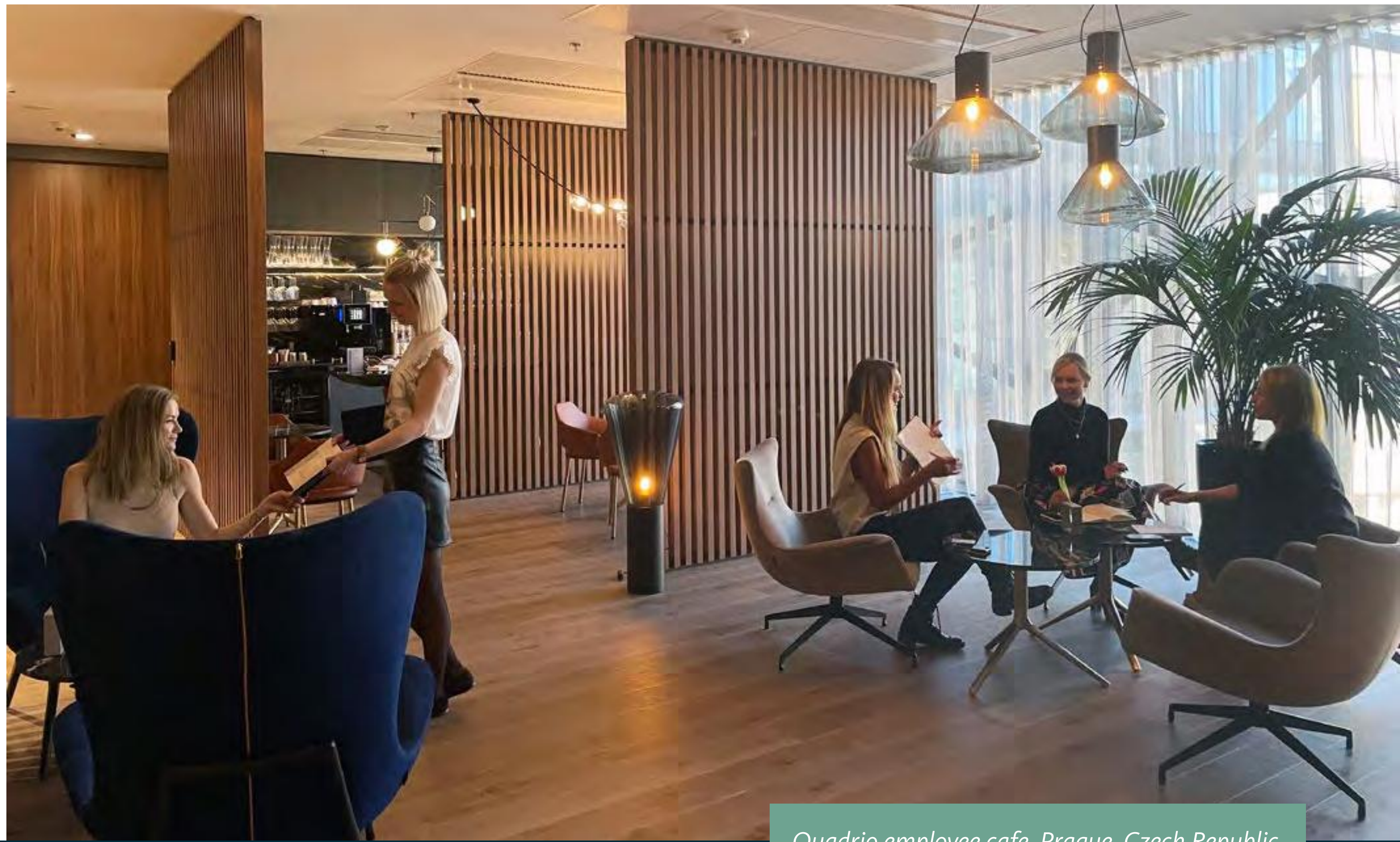
Large share of essential retail

Discounts **<3%** of GRI

As COVID restrictions eased, CPIPG's **retail tenant sales increased by 14.5% in 2021.** While footfall was slightly below pre-COVID levels (2019), the **trend for larger basket sizes** proved persistent.

The introduction of an EU vaccine passport led to a resurgence in travel activity reflected in a 45% YoY improvement in total revenues in the third quarter for our hotel business, while the fourth quarter was 267% above the previous year.

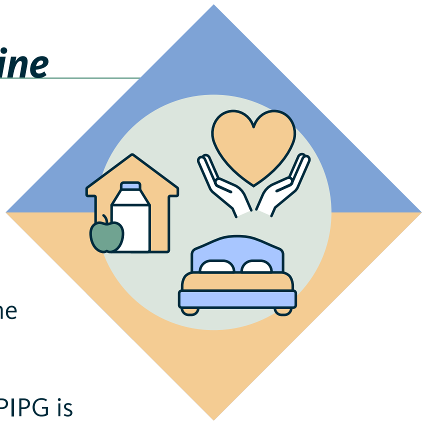
Employees and companies in our region mostly returned to the office full time after May. As workers are welcomed back, our tenants are rethinking office designs to include more spaces for collaboration and are focused mostly on optimising or expanding, not reducing space.



Quadrio employee cafe, Prague, Czech Republic

Corporate news & portfolio highlights

Support for Ukraine



CPIPG is supporting the humanitarian response, partnering with local authorities and charities to deliver impactful support to the families affected by the war in Ukraine.

- In the Czech Republic, CPIPG is providing nearly 450 hotel beds to refugees, in coordination with the Association of Hotels and Restaurants and the Ministry of the Interior.
- CPI Poland donated PLN 1 million to the humanitarian aid program organised by the capital City of Warsaw.
- GSG Berlin contributed the use of 1,400 m² at econopark Wolfener Straße to the Ukraine-Hilfe Berlin eV.
- CPI Hungary has donated to various charities, including the Food Bank Association, Migration Aid, and SOS Children's Village, and has organised for employees to cook for refugees at Food Bank sites.
- In our office buildings, the Group is also coordinating the collection of goods and donations.

Acquisitions and partnerships

Globalworth joint venture with Aroundtown

On 14 April 2021, CPIPG formed a consortium with Aroundtown SA ("Aroundtown") and announced a cash offer by Zakiono Enterprises Limited ("Zakiono") for the entire issued share capital of Globalworth Real Estate Investments Limited ("Globalworth"). CPIPG and Aroundtown together held more than 51% of Globalworth's issued share capital upon launch of the tender offer.

Upon the conclusion of the offer's acceptance period, the consortium owned 60.63% of Globalworth shares.

Strategic partnership with DeA Capital in Italy

On 5 August 2021, a framework agreement was signed between CPIPG, certain companies of the DeA Capital Group ("DeA Capital") and Nova RE SIIQ S.p.A. ("Nova RE"). CPIPG is the majority owner of Nova RE, which is an Italian SIIQ (REIT) listed on the Milan Stock Exchange. DeA Capital is the leading independent platform for alternative asset management in Italy, with a combined AUM of nearly €25 billion, including more than €10 billion invested in real estate. The framework agreement includes a plan to transform Nova RE into Italy's leading SIIQ and prepare Nova RE for a primary equity offering. DeA Capital Real Estate SGR S.p.A. is Nova RE's exclusive external asset management advisor and will provide a broad range of services to enhance the investment, financial and operational capabilities of Nova RE. In connection with the framework agreement, DeA Capital also agreed to purchase approximately 1.1 million shares (about 5%) of Nova RE from CPIPG. In November 2021, the Nova RE's Board of Directors approved the change of name to Next RE SIIQ S.p.A. (henceforth "Next RE").

On 22 December 2021, CPIPG, including its subsidiaries, signed an investment framework agreement with DeA Capital Real Estate SGR S.p.A. to establish and commit to a closed-ended alternative investment fund, named Generation Fund, to invest in real estate assets located in Italy. Generation Fund will be professionally managed by DeA Capital Real Estate SGR S.p.A., a licensed asset management company.

IMMOFINANZ and S IMMO acquisitions

During 2021, CPIPG acquired shares in IMMOFINANZ and S IMMO in the public market and through block purchases. As of 31 December 2021, CPIPG owned 21.6% in IMMOFINANZ and a 12.4% stake in S IMMO.

On 3 December 2021, CPIPG announced the intention to launch a mandatory takeover offer for IMMOFINANZ. Upon the conclusion of the offer's initial acceptance period on 23 February 2022, CPIPG owned 54.9% of IMMOFINANZ shares. An additional acceptance period remains open until 28 May 2022. CPIPG expects to fully consolidate IMMOFINANZ in our financial statements as of Q1 2022.

On 31 March 2022, an extraordinary general meeting of IMMOFINANZ was held. The general meeting appointed Martin Němeček and Miroslava Greštiaková to the Supervisory Board of IMMOFINANZ. Four members of the Supervisory Board also resigned. Accordingly, the Supervisory Board of IMMOFINANZ now comprises of Miroslava Greštiaková (Chairwoman), Martin Němeček (Vice-Chairman), Gayatri Narayan, Stefan Guetter, and two representatives of the IMMOFINANZ workers council.

During the first quarter of 2022, the Group also continued to acquire shares in S IMMO, resulting in a current shareholding of 16.1% (or 42.6% including IMMOFINANZ's stake of 26.5% in S IMMO).

Key assets acquired in 2021

Maximo shopping centre, Rome – On 25 June 2021, the Group acquired a portfolio of assets in Italy, primarily consisting of Maximo shopping centre, which opened in October 2020 as the first new shopping centre in Rome for more than 15 years. Maximo boasts nearly 100% occupancy, a 60,578 m² location along Via Laurentina in the South of Rome. The acquisition originated from the restructuring of loans from UniCredit to an Italian family company.

Hibiscus, Rome – Hibiscus is an office in Rome that was purchased from the Armellini Family in April 2021. The property is located near major transport and infrastructure hubs. The tenant base is diversified and includes mainly Italian public and private sector companies, including SOSE, a company owned by the Ministry of Economy and Finance and the Bank of Italy.

Berlin landbank – The Group invested in landbank plots in Berlin in the first half of 2021 by acquiring an 81,500 m² plot in Schönefeld, directly adjacent to the new airport, together with 50% stakes in three future developments in central Berlin locations.

27 Savile Row in London – The Group continued its highly selective approach to investing in the UK by acquiring 27 Savile Row in Mayfair, London. Recently decommissioned as London's West End Central Police Station and comprising over 5,500 m² of space, 27 Savile Row was purchased from the police as a development opportunity which may be converted into offices, residential or a mixed-use scheme in line with the building's heritage and prime location.

Disposals pipeline

In August 2021, CPIPG's board of directors approved a plan to complete up to €1 billion of disposals, with proceeds intended to reduce leverage and recharge CPIPG's financial profile for future growth. The pipeline consists of assets across our geographies that were generally considered non-core, and which would fetch highly attractive prices.

At the end of 2021, the Group has signed disposals that would raise gross proceeds of approximately €700 million, and has since completed on most of these transactions. Some of the assets included in the pipeline include:

- The Česká Pojištovna office and BB Centrum E, the headquarters of ČEZ, in Prague;
- Three retail properties in the Czech Republic;
- A portfolio of six office properties in Berlin, and a small office building in Ettlingen;
- Airport City logistics asset and a small office property in Budapest; and
- A land plot in Lambrate, near Milan, Italy.

Furtermore, since the beginning of 2022, CPIPG has signed nearly €200 million of additional disposals relating to our logistics assets and landbank in the Czech Republic.

The Group is confident to close pending transactions in the coming weeks and is on track to meet our disposal plan.

Financing activities

Senior unsecured and hybrid issuance and refinancing

During 2021, the Group issued senior unsecured and hybrid bonds totalling €1,369 million equivalent across multiple currencies.

- In January 2021, the Group issued €650 million of 10-year bonds and €400 million of hybrid bonds callable in 2028. The Group used the proceeds to repay more than €750 million of senior unsecured and undated subordinated bonds between January and February 2021, which were callable or maturing in 2022, 2023, and 2024 as follows:
  - Make-whole call to redeem the full amount outstanding of the 2022 senior unsecured notes of €335.1 million;
  - Tender offer for €213.2 million of the 4.375% hybrid callable in 2023, with the remaining €8.6 million repaid in March, after which the instrument was fully redeemed;
  - Tender offer for €128.9 million of the 2024 senior unsecured notes;
  - In March, repayment of €71.5 million of Schuldschein maturing in 2023;
- In February 2021, CPIPG also issued a private placement of ¥3 billion (approximately €24 million);
- In September 2021, CPIPG issued an additional €100 million of the 1.50% senior unsecured bonds due January 2031 and €75 million of the 3.75% hybrid bonds callable in 2028;
- In October 2021, the Group issued a private placement of ¥2.6 billion (approximately €20 million);
- And finally, in December 2021, CPIPG again issued an additional €100 million of the 1.50% senior unsecured bonds due January 2031, bringing the total outstanding notional amount to €850 million.

In January 2022, the Group issued its inaugural sustainability-linked bond for an amount of €700 million with a coupon of 1.75% maturing in January 2030. CPIPG is proud to be the first European real estate company to issue a benchmark sustainability-linked bond. The issue includes a step-up margin of 0.25% from 2028 if CPIPG does not meet the sustainability performance target, i.e., a reduction of greenhouse gas emissions intensity by 22% by year-end 2027. Proceeds from the issuance were used primarily to fund the full repayment (via a make-whole call) of two bonds: $376.9 million (approximately €333 million) outstanding 4.75% notes due 8 March 2023, and the 2.125% notes due 4 October 2024 with €239.4 million outstanding.

Also in January 2022, CPIPG issued an additional £50 million of the 2.75% senior unsecured green bonds due January 2028.

EMTN programme update and expansion

In April 2021, CPIPG updated its EMTN programme with the approval for the base prospectus received in May 2021. The previous €8 billion limit under the programme was removed.

Next RE capital increase and mandatory tender offer

In November 2020, CPIPG acquired more than 50% of Next RE SIIQ S.p.A. ("Next RE"). A mandatory tender offer for the remaining shares was launched in December 2020 and concluded in January 2021. A total of 9,348,018 shares were tendered for a consideration of €2.36 per share and a total value of €22.061 million. Following the mandatory tender offer, CPIPG held in total 20,360,573 ordinary shares of Next RE, approximately 92.44% of the relevant share capital (or 92.62% including treasury shares). As of year-end 2021, the Group held 5,971,020 listed ordinary shares and 11,012,055 unlisted Category B shares without voting rights. This results in the Group's shareholding in Next RE decreasing to approximately 54% of voting rights in the short term in order to preserve the Company's SIIQ status.

Apollo as a new shareholder

In November 2021, funds managed by Apollo Global Management, Inc ("Apollo"), a leading global real estate investor, subcribed to the issuance of 487,012,987 new ordinary shares of CPIPG for a total of €300 million, resulting in a stake of approximately 5.5%.

The investment by Apollo diversifies and strengthens CPIPG's access to external sources of equity and underscores the Group's commitment to corporate governance. CPIPG's Board of Directors also welcomed Tim Scoble as a non-executive director acting as Apollo's representative.

General meetings of shareholders

The annual general meeting of the shareholders of CPIPG was held on 28 May 2021 in Luxembourg (the "AGM"), with approximately 93.6% of the voting rights present or represented. The AGM approved the statutory and consolidated annual accounts and the allocation of financial results for the financial year ending 31 December 2020. The AGM also granted a discharge to the Company's Board of Directors and the auditor for the performance of their duties during the financial year ending 31 December 2020. The AGM further resolved to re-appoint the following persons as members of the Company's Board of Directors until the AGM of 2022: Edward Hughes, Philippe Magistretti, Martin Němeček, Tomáš Salajka, Omar Sattar, Jonathan Lewis and Oliver Schlink. Martin Němeček was appointed as the managing director (administrateur délégué) of the Company. The AGM also approved EY as an auditor of the Company until the AGM of 2022.

The AGM also approved the Company's buy-back programme's terms and conditions, enabling the Company's repurchase of its own shares. In particular, the AGM authorised the Board of Directors of the Company to repurchase, in one or several steps, a maximum of one billion (1,000,000,000) shares in the Company, for a purchase price in the range of one euro cent (€0.01) to five Euros (€5).

The extraordinary general meeting of the shareholders of CPIPG was held on 16 December 2021 in front of a notary public (the "EGM"), with shareholders holding approximately 89% of the Company's shares entitled to vote present or represented.

The EGM resolved to modify the Company's articles of association and to appoint Tim Scoble, non-executive director representing shareholder Apollo, to the Board of Directors of the Company.

Share buy-back and cancellation of treasury shares

On 15 February 2021, CPIPG announced a share buy-back of up to 650,000,000 shares under the Company's share buy-back programme. The buy-back was completed on 26 February 2021 with a total of 641,658,176 shares tendered for an aggregate amount of €395,261,436 (or €0.616 per share tendered). About 94% of the shares tendered were by CPIPG's primary shareholder, Radovan Vítek (350,500,000 shares) and the Company's subsidiary CPI FIM SA (252,302,248 shares). The rest of the tenders were from management and third parties. Proceeds from shares tendered by CPIPG's primary shareholders were used to repay shareholder loans, having a broadly cash-neutral impact on the Group.

The tendered shares were cancelled by the extraordinary general meeting of the shareholders held on 31 March 2021. The EGM resolved to decrease the corporate capital of the Company.

Partnership with Czech Olympic team

CZECH OLYMPIC TEAM
OFFICIAL PARTNER
2021 – 2024

In H1 2021, CPIPG signed an agreement to become the official partner of the Czech Olympic Team for the next three Olympic Games. The 2021 Olympic Games in Tokyo were the most successful in the Czech team's history, as they came away with a tally of 11 medals. Prior to the commencement of the official games, CPIPG employees were fortunate to meet and participate in Olympic "events" with Czech athletes.

Environmental strategy and renewable energy commitment

CPIPG updated our environmental strategy and targets in March 2021. CPIPG's revised target is to reduce greenhouse gas ("GHG") emissions intensity by 30% by 2030 versus baseline 2019 levels (across all scopes 1-3), up from the previous 20% target covering scopes 1-2 only. **In support of this objective, the Group also committed to transition all electricity purchases by the Group to 100% renewable sources by 2024.** CPIPG has begun working with the Science Based Targets initiative to verify alignment to Paris Agreement climate goals, especially limiting global temperature increase to well below 2 degrees centigrade versus pre-industrial levels.

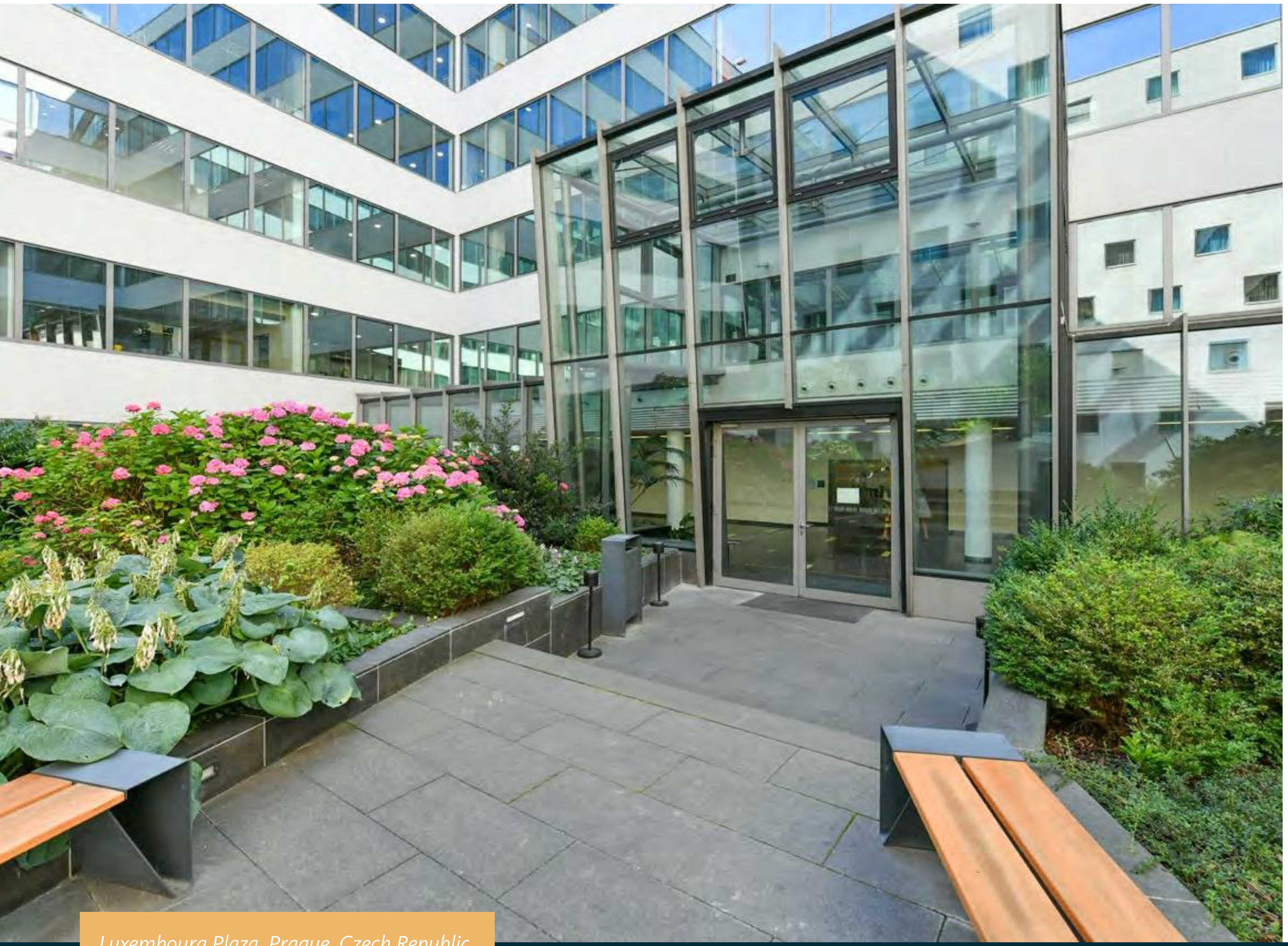
Economic review

Key macro figures for group core economies

	Annual GDP growth (%)	Annual inflation rate (%)	Unemployment rate (%)	Gross public debt (% of GDP)
Czech Republic	3.3	6.6	3.5	40.5
Germany	2.9	5.3	5.2	69.4
Poland	5.7	8.6	5.4	56.6
Italy	6.6	3.9	9	155.3
Hungary	7.1	7.4	3.7	80.3
EU average	**5.3**	**5.3**	**6.4**	**90.1**

Sources: Trading Economics, Eurostat

The table uses December 2021 GDP growth, inflation rates and unemployment rates. Q3 2021 data on Gross public debt as a percentage of GDP were used due to data limitations.



Luxembourg Plaza, Prague, Czech Republic

Eurozone

The Euro Area economy grew strongly in 2021 by 5.2% year-on-year as economies partly recovered from the 6.4% decline in the previous year. Therefore, the average GDP in the Eurozone remains below the pre-pandemic levels of 2019. The rebound was the strongest in southern European countries such as Italy or Spain, which had seen the strongest contraction in the previous year. As the largest economy in the Eurozone, Germany grew by a moderate 2.9%. Its export-orientated economy continued to be impacted by restrictions on the movement of goods and people.

The first months of 2021 continued to be impacted by distancing and lockdown measures that curbed growth. A sharp decline in household consumption was partially offset by an increase in fixed investment and positive contributions from net trade and inventories. More positively, growth started to kick in from Q2 2021 onwards as restrictions were mostly lifted and vaccination rollouts progressed across Europe. Private consumption experienced catch-up effects during the summer. Growth could have been even higher but was slowed down by ongoing supply-chain bottlenecks and the spread of the omicron coronavirus variant towards the end of the year.

The historic drop in GDP in 2020 has had a limited impact on employment levels, with the Euro Area seasonally-adjusted unemployment rate dropping to 7.0% as of December 2021, the lowest level since the start of the pandemic. Despite the sharp rise in employment, rising backlogs of work, supply shortages, and a lengthening of supply chains meant that input and output costs rose at record rates, while average prices charged for services rose the most in 20 years. In addition, energy prices jumped in the second half of the year due to supply and demand imbalances across markets. The consumer price inflation rate in the Euro Area consequently reached a high of 5.0% at year-end 2021, levels that have not been seen since the introduction of the Euro.

The IHS Markit Eurozone Manufacturing PMI closed at 58.0 in December 2021, the lowest level within the last ten months. Production growth was sharpest in Italy, while France lagged the rest of the region. Nevertheless, expansion of production and job creation accelerated again towards the year-end as supply constraints eased.

The IHS Markit Services PMI rose to 53.1 in December 2021, marking an eighth successive monthly increase. This led to an expansion of the workforce numbers among service providers. Towards the year-end growth slowed due to falling new business from foreign clients.

In December 2021, the ECB's governing council decided to lower the pace of its asset purchase program while remaining flexible in the event of renewed impact from the pandemic. ECB President Christine Lagarde also communicated that the ECB is prepared to tolerate moderately and temporarily higher inflation levels while raising interest rates by a step-by-step approach going forward if required.

Sources: Markit Economics, Trading Economics, European Central Bank

Czech Republic

During 2021, GDP in the Czech Republic grew by 3.3%. The first months of 2021 were heavily affected by COVID-19 as the Czech government enforced a lockdown that lasted until April. The second quarter saw a sharp rebound in GDP growth of 8.7%, driven by increases in services and household consumption. During the second half, quarter-on-quarter GDP grew in Q3 by 3.5% and in Q4 by 3.6%. Manufacturing and production activities expanded again, while continuing to face headwinds by supply bottlenecks.

As the country emerged from almost five months of lockdown in April, employment levels and consumer activity increased significantly. The Czech unemployment rate declined to 3.5% by December, boasting one of the lowest unemployment rates in the Euro Area. It fell from its recent high in January when a rate of 4.3% was recorded. The tertiary sector mainly drove job creation. Consumer confidence climbed intra-year from its March 91.2 low to 104.9 in August before dropping in October again showing a pattern closely correlated to the COVID-19 infection waves.

The IHS Markit Manufacturing PMI climbed to a record level of 62.7 in June and ended the year on a clear expansion outlook with 59.1. Output growth and new orders were at 5-month highs providing good visibility on future business, while input cost inflation and supply chain issues put constraints on output.

Inflation reached record heights, with the inflation rate reaching 6.6% at year-end. The Czech central bank raised its benchmark rate several times during the year to 3.75% at year-end 2021, becoming a frontrunner in Europe fighting inflation. The Czech Koruna appreciated in value, reaching EUR/CZK 24.9 at the end of the year. The appreciation of the Czech Koruna was reversed in March 2022 following the outbreak of the Ukraine war.

Sources: Czech Statistical Office, Trading Economics, Ministry of Labour and Social Affairs

Chałubińskiego 8, Warsaw, Poland

Germany and Berlin

The GDP of Europe's largest economy grew by 2.9% during 2021, partly offsetting the previous year's decline of 4.6%. Reasons for the moderate growth were twofold, with supply-side bottlenecks impacting the country's industrial base while pandemic-related restrictions impacted the service sector's full recovery. Private consumption stagnated compared to the previous year.

Unemployment continued to decline, reaching 5.2% at the year-end, down from a recent pandemic high of 6.1% at the end of 2020 but remaining above the pre-pandemic level.

Business sentiment in Germany showed a mixed picture during 2021. The IFO Business Climate Index strongly rose to 101.7 points in June, hitting its highest level during the coronavirus pandemic, followed by a decline in the second half of the year ending at 94.8 points, a 2.1 points year-on-year improvement. The IHS Markit BME Manufacturing PMI closed at 57.4 in December with manufacturing output growing but supply shortages weighing on the absolute output levels. The IHS Markit Services PMI was at 48.7 in December 2022 after signalling growth in each of the previous seven months due to tighter restrictions. Both indicators experienced similar Intra year movements to the IFO Business Climate Index, reflecting the ongoing impact of the pandemic on business sentiment.

Berlin is the largest and most densely populated city in Germany. However, Berlin is still in the process of catching up to the national average in economic terms, and the city's thriving digital economy has played a vital role in this, with average growth rates of around 9.3% per annum until 2020. GDP is estimated to have grown by 3% in 2021, following a 3.4% decline in the previous year.

In 2021, Berlin's unemployment rate declined to 8.8%, although significantly higher than the national average, steady growth in employment across many sectors continued, especially in the booming IT, fintech, and creative sectors, which have fared relatively well during the pandemic. Berlin's share of the start-up/venture capital industry is well beyond any other city in Germany, attracting 60% of all VC funding in 2021. It is also the leading city in Europe for fintech companies – well ahead of Paris, Amsterdam, and Dublin.

The digital economy employs a total of 118,172 people in Berlin, more than in any other major city in Germany, with employment growing at an average annual rate of 11.1%. Berlin experienced over the last decade significant population growth driven by young people between the ages of 18 and 30 who relocate to the German capital. Compared to other German cities, the increased availability of trained specialists and managers is one of the most critical factors for companies establishing themselves in Berlin. The opening of the new Berlin Brandenburg Airport in October 2020 with improved transport links should further support the city's attractiveness in the future.

Sources: German Central Bank, Markit Economics, Trading Economics, Investitionsbank Berlin

CEE

In recent years, CEE countries have generally benefitted from solid fundamentals, including young and well-educated labor forces, low levels of unemployment, increasing domestic consumption, and strong levels of local business activity and foreign investment. Until 2019, all CEE countries achieved GDP growth rates above the EU27 average, with Hungary, Romania, and Poland in the top five fastest-growing economies in the EU28 bloc in 2019.

Following a widespread and historic GDP fall in nearly all CEE countries in 2020 due to the coronavirus pandemic, economic activity in CEE economies rebounded sharply since the third quarter of 2020 and recorded healthy growth during 2021, albeit to varying degrees across the region.

While absolute growth rates varied across the region, intra-year growth experienced similar patterns in each country. In the first months of 2021 growth rates remained slightly negative to zero due to the ongoing impacts of pandemic restrictions. All countries experienced high growth rates in the double digits during the second quarter. In the second half of the year, growth remained positive at healthy rates, albeit normalizing from the second quarter record levels. Overall GDP growth was the strongest in Hungary (7.1%), followed by Romania (5.9%) and Poland (5.7%). In all three countries, GDP is exceeding 2019 levels.

Poland experienced its peak unemployment in January 2021, followed by a strong 1.1% decline over the year ending at pre-pandemic levels with 5.4%. Positive developments were also observed in Hungary, where unemployment declined to 3.7% around its pre-pandemic levels. Romania's rate declined by 0.7% to 5.7% at year-end though remaining above the levels at the beginning of 2020.

Inflation rates in the CEE region accelerated during the year as in other regions of the World. Poland saw the most substantial increase in inflation to 8.6%, its highest level over the last 20 years, and above the National Bank of Poland (NBP) target (2.5% +/- 1%). Romania and Hungary recorded similar rises in inflation rates which increased to 8.2% and 7.4% over the year. Consequently, the central banks in each country increased their base rates several times during the year.

Sources: Euler Hermes, Trading Economics, Erstegroup.com

Italy

Italy experienced its strongest GDP expansion over the last four decades, growing by 6.6% in 2021 following a 9% contraction in the previous year. The country benefited from a strong economic rebound in Q2 2021 with a record 17% GDP jump followed by sustained growth rates on lower levels in the second half of 2021. Particularly the service sector benefited from a recovery in tourism over the summer season. Consequently, the unemployment rate declined to 9% below pre-pandemic levels continuing with the positive trend seen in the years from 2015 to 2020.

The IHS Markit Manufacturing PMI closed 2021 with 62.0 points. Until November, the index experienced eighteenth successive monthly improvements for the sector's health, reaching its record. The average PMI reading over the fourth quarter is the highest since data collection began in 1997. The IHS Markit Services PMI stood at 53.0 points in December 2021, its eight consecutive monthly expansion, while declining on a month-on-month basis. Like other European economies, output growth was stalled by input price inflation and ongoing supply delays combined with the spread of the omicron variant. Inflation picked up during the year, reaching a 3.9% annual inflation rate in December and continues to rise.

Overall, 2021 was a remarkably successful year for the Italian economy, being picked as "The country of the year" by the renowned international newspaper the Economist. The election of Mario Draghi, former President of the European Central Bank, as prime minister of a technocratic Italian government, by one of the largest ever majorities in the history of the Italian Republic, notably shifted sentiments. The large majority allowed the government to introduce reforms to the existing economic, legal, and political system that could stimulate future economic growth. A significant milestone was the endorsement of Italy's investment and reform plan by the European Commission, which is expected to provide €191.5 billion in grants and loans under the EU Recovery and Resilience Facility distributed over several years.

Sources: Trading Economics, the Economist

Business segments

The Group operates in five segments: **Office, Retail, Residential, Hotels & Resorts and Complementary Assets.** In each segment, we have market-leading platforms that benefit from **scale, active local asset management and a long track record.**

Office

- Leading landlord in Berlin, Prague and Warsaw
- Strategic investments in Globalworth, IMMOFINANZ and S IMMO

48%
of portfolio

21%
of portfolio

Retail

- #1 shopping centre and retail park landlord in the Czech Republic

Residential

- #2 residential landlord in the Czech Republic
- Platforms in the UK and Western Europe

9%
of portfolio

6%
of portfolio

Hotels & Resorts

- #1 congress & convention hotel owner in the Czech Republic
- #1 resort owner in Hvar, Croatia with 88% market share

Complementary Assets

- Strategic landbank plots, development, logistics and other assets

16%
of portfolio

Office

CPIPG is a leading office landlord in Central and Eastern Europe.

At €6.4 billion, offices are CPIPG's largest business segment representing 48% of the property portfolio.

The Group primarily owns offices in Berlin, Prague, Warsaw, and Budapest. In each city, we have a leading platform.

As a result of recent investments in Globalworth, IMMOFINANZ and S IMMO, CPIPG expanded our commitment to Warsaw, Prague and Budapest, while also gaining exposure to top platforms in Vienna and Bucharest.

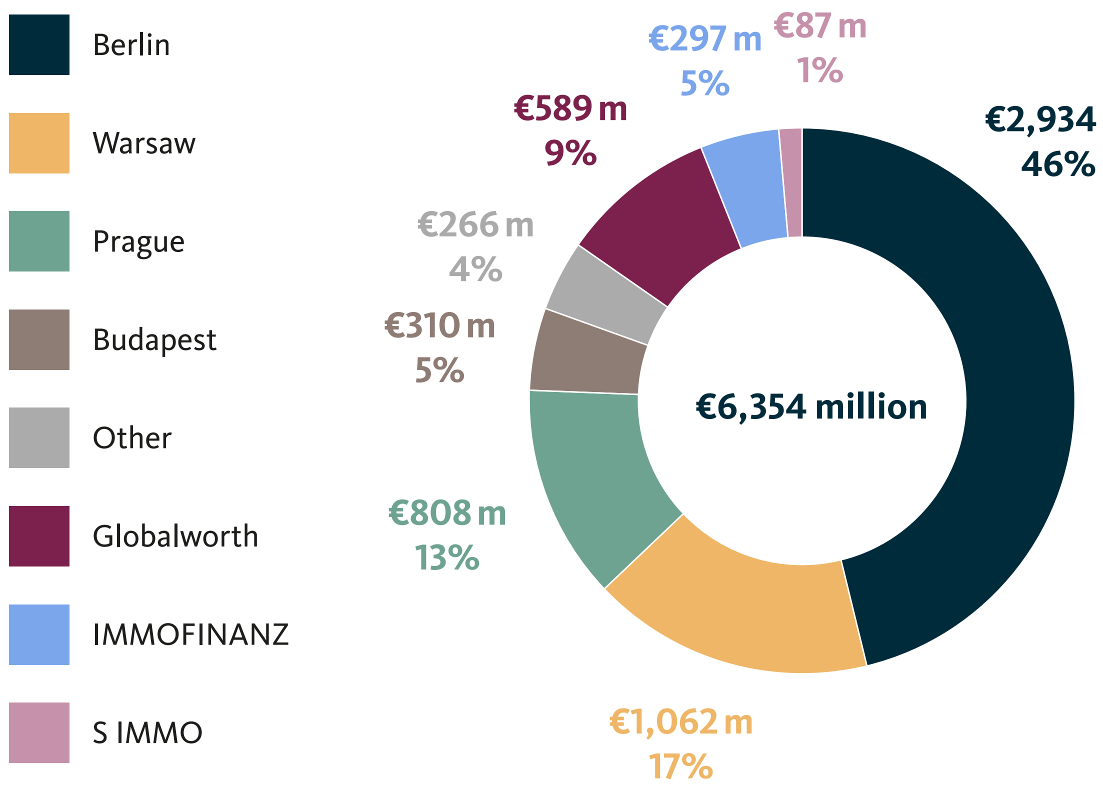
CPIPG is a strong believer in local asset management, and has dedicated office leasing and asset management teams on the ground in all our key locations.

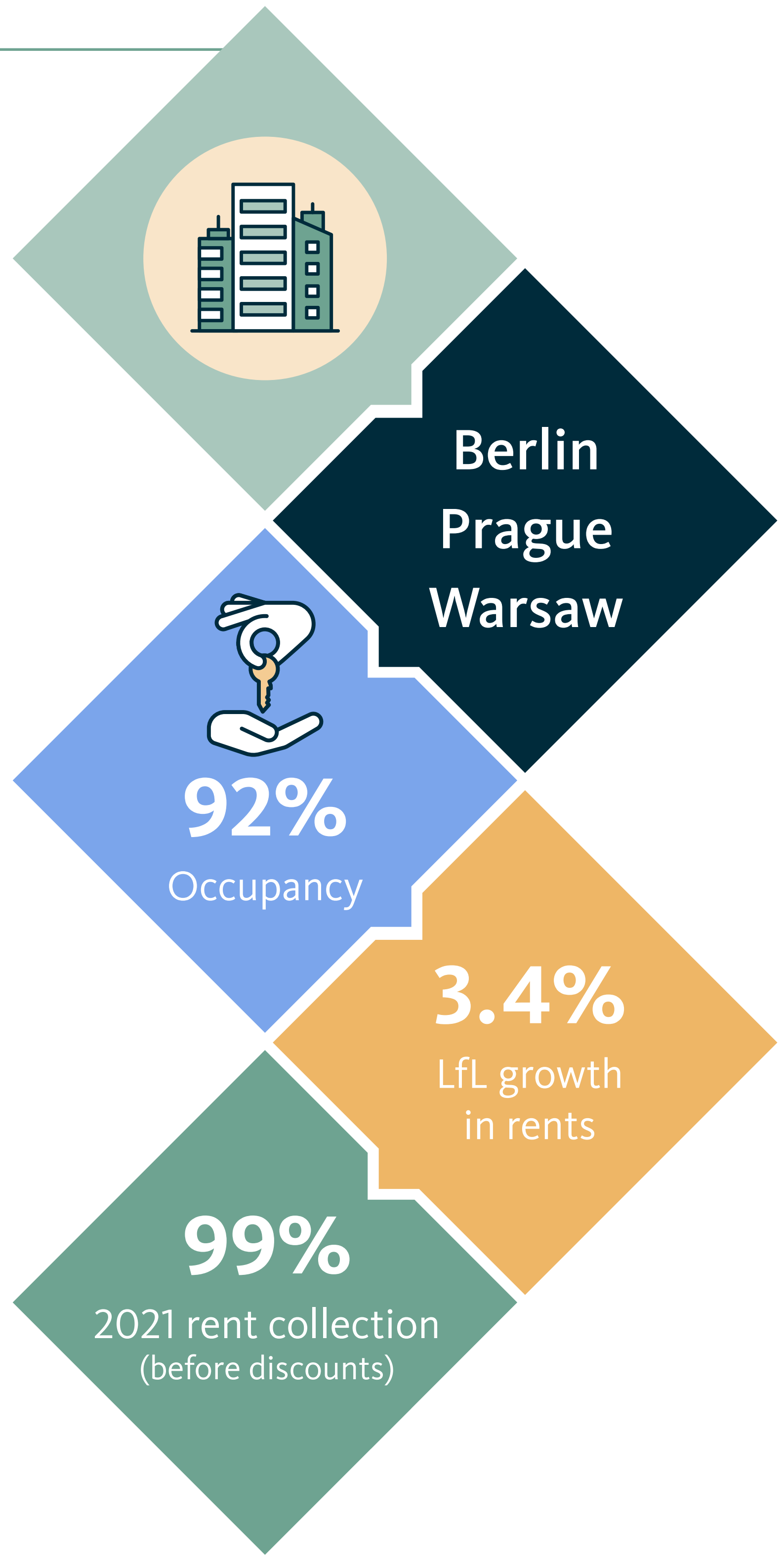
Overall, like-for-like rental growth was 3.4%, reflecting a strong performance by our teams and robust demand, particularly in Berlin.

The Group was pleased to see that "office life" in our region returned mostly to normal from May 2021. On the other hand, we see tenants investing to ensure that the office remains an attractive and enjoyable destination for employees.

- A leading landlord in **Berlin**
- #1 office landlord in **Prague**
- #1 office landlord in **Warsaw**
- Markets with robust dynamics
- High-quality, diversified portfolio

Office property portfolio split





Office segment summary

Net rental income increased by 5% to €207 million in 2021, primarily due to continued improvements in like-for-like rents, acquisitions, and the contribution from developments in Prague, Berlin and Budapest completed during the year.

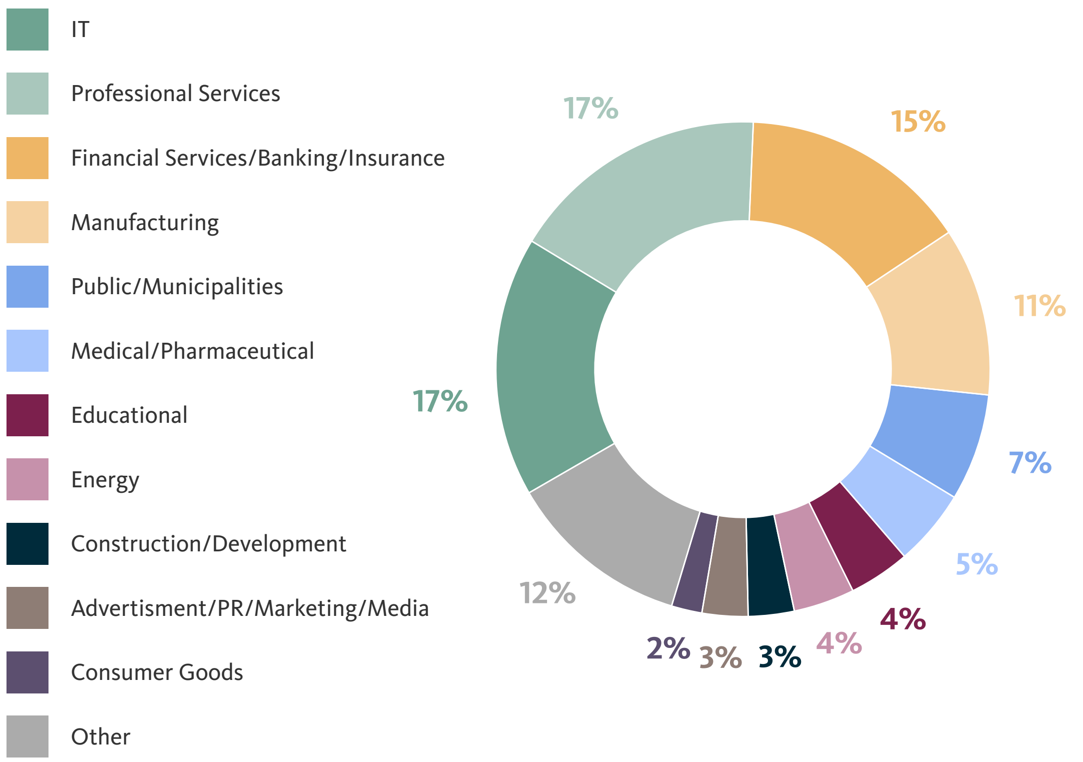
Like-for-like rents across the office portfolio increased by 3.4% with Berlin at 9.1%.

Total occupancy declined slightly in 2021 to 91.9%. **Nearly all office segments saw higher occupancy,** while Budapest recorded a drop related to two tenants. The Budapest team has already signed leases due to commence in the coming months, which will offset most of the drop in occupancy. On the other hand, the Group achieved **a slight uptick in occupancy in Prague, Berlin and Warsaw as the demand take-up remains robust.**

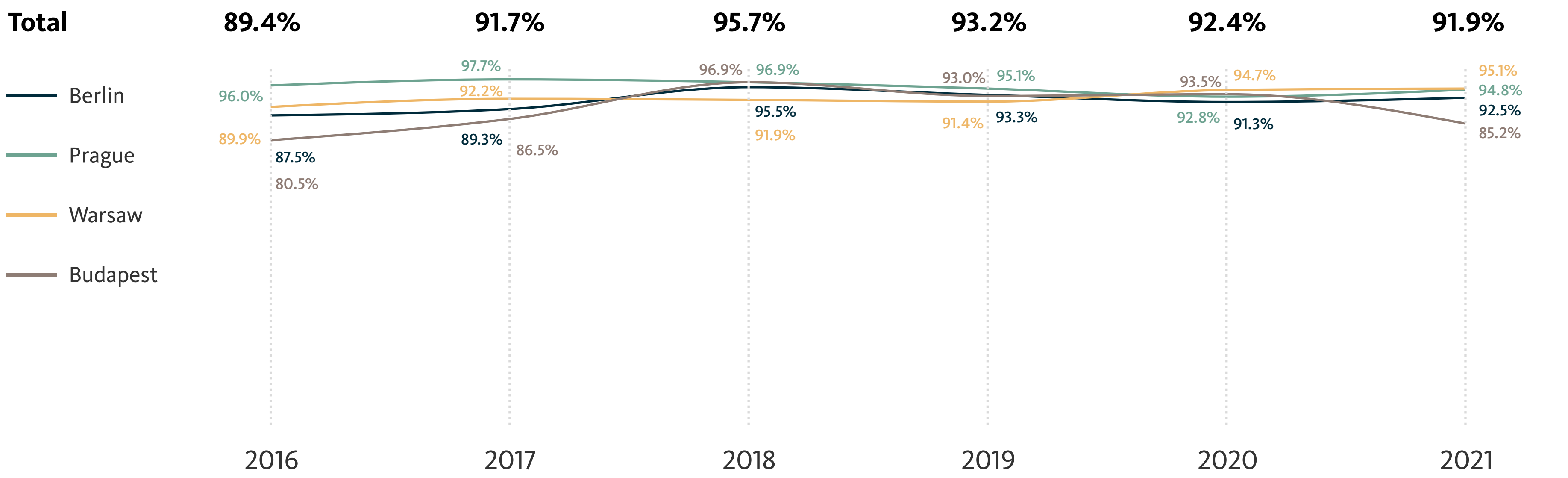
The Group's clear outperformance is reflected in the fact that average market vacancy rates rose in each of the Group's key office geographies in 2021.

Our office tenants are well diversified across industries with about half of our tenants from IT, professional services and financial services firms, reflecting the high quality of our office properties located in major European service hubs.

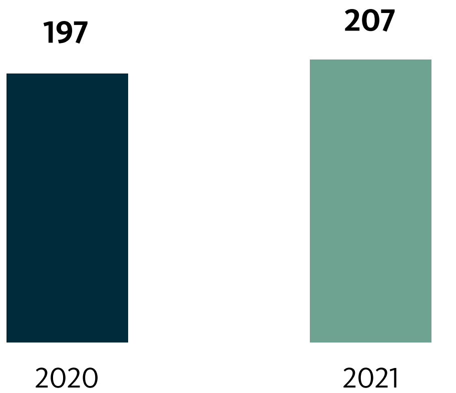
Office tenants by type (according to headline rent)



Office occupancy rate by city (%)



Office net rental income
(€ million)



Strong and diverse tenant base

5% increase in rental income

Robust leasing activity

Office segment summary in figures

	Office 2021				Office 2020			
	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (in m²)	No. of properties
Berlin	2,934	92.5%	903,000	46	2,471	91.3%	896,000	46
Warsaw	1,062	95.1%	316,000	14	998	94.7%	316,000	14
Prague	808	94.8%	256,000	18	834	92.8%	295,000	20
Budapest	310	85.2%	131,000	8	303	93.5%	130,000	8
Other	266	77.7%	153,000	17	168	87.4%	100,000	10
Globalworth	589	–	–	–	562	–	–	–
IMMOFINANZ	297	–	–	–	–	–	–	–
S IMMO	87	–	–	–	–	–	–	–
Total	**6,354**	**91.9%**	**1,759,000**	**103**	**5,336**	**92.4%**	**1,737,000**	**98**

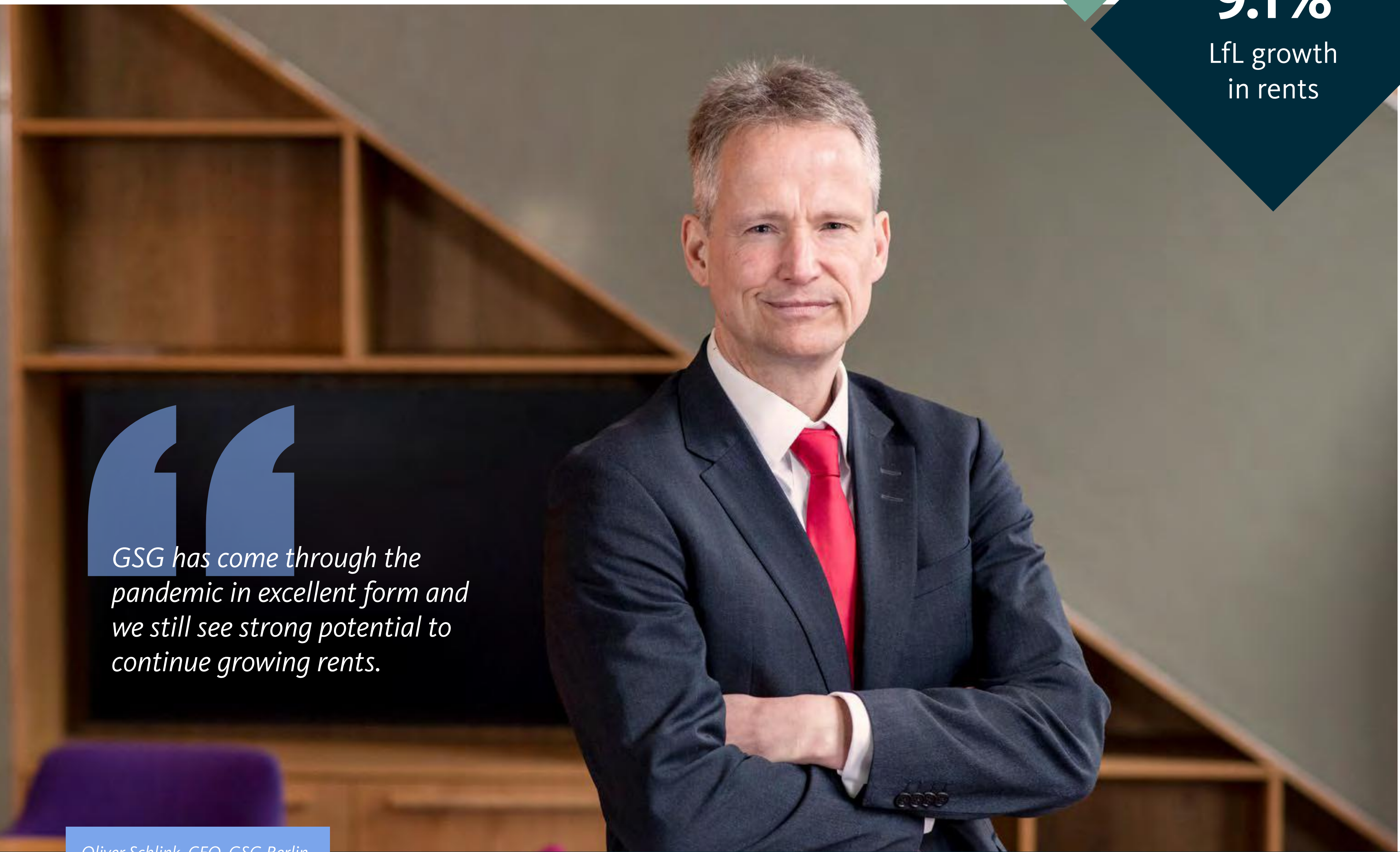
GSG | BERLIN

- A leading commercial real estate platform in Berlin
- Portfolio uniquely suited to creative and IT sectors
- About 1,800 tenants
- Strong market with 2.5% overall vacancy

46
Assets across Berlin

92.5%
Occupancy

9.1%
LfL growth in rents



GSG has come through the pandemic in excellent form and we still see strong potential to continue growing rents.

Oliver Schlink, CFO, GSG Berlin

photo: GSG Berlin © Marc-Steffen Unger

Berlin

The value of the Berlin portfolio was €2.9 billion at the end of 2021, representing 46% of the Group's office segment. GSG is one of the leading landlords in Berlin, catering to about 1,800 tenants, many of which are SMEs in dynamic and high-growth IT, technology, creative and start-up industries. In recent years, the **strong market for office space in Berlin** combined with GSG's active local asset management has driven **consistently improving performance.** GSG's performance has remained robust throughout the COVID-19 pandemic, with **continued growth in the portfolio and like-for-like rents.**

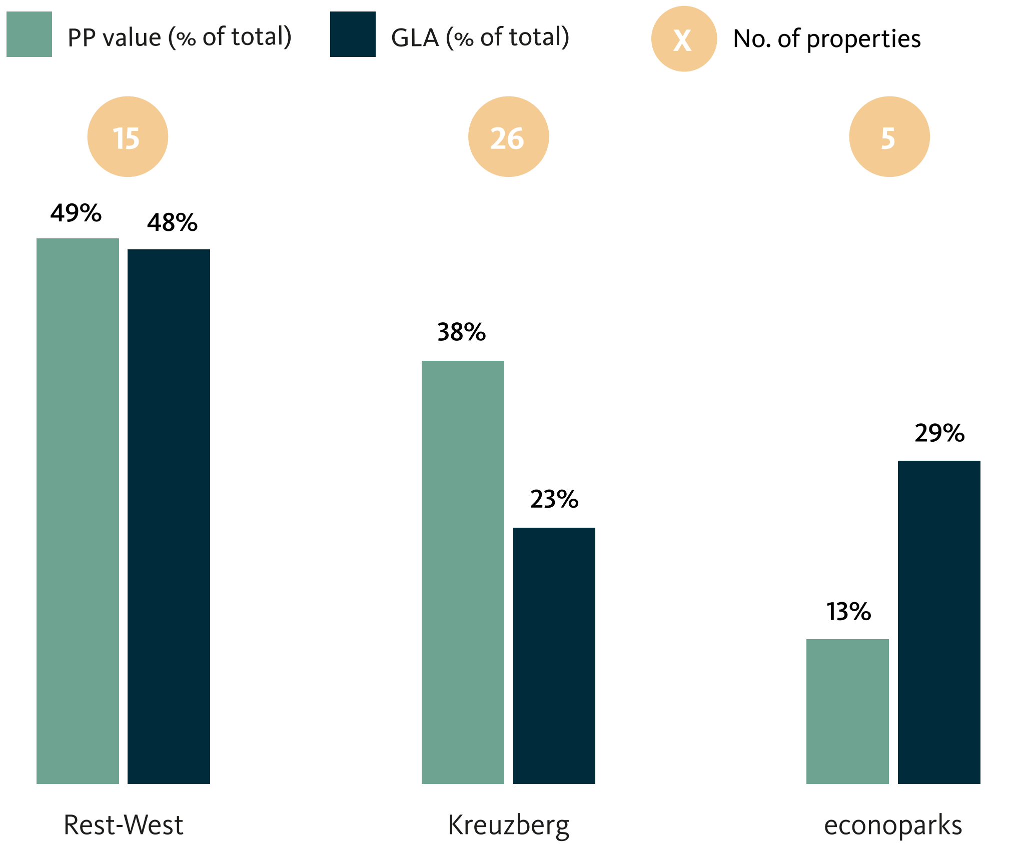
Occupancy increased during 2021 compared to the end of 2020 by 1.2%, standing at 92.5%. Part of the vacancy in the portfolio relates to space strategically vacated for refurbishment in order to support GSG's ability to secure higher rents in the future. Since the end of 2020, occupancy has increased in GSG's Rest-West portfolio, with a modest increase in the econoparks and a minor decline in Kreuzberg.

Leasing activity picked up across the portfolio following a slowdown in the prior year due to the COVID-19 pandemic. GSG has been able to sign a large number of leases at materially higher rent levels during the year. In 2021, **GSG signed new leases, extensions and prolongations across over 107,000 m² of leasable area, where headline rents increased by nearly 45% on average.**

The pace of rental growth picked up again in 2021; **like-for-like rents grew by an impressive 9.1% increase for total portfolio,** with positive growth in all clusters.

GSG is future-proofed and connected. In 2021, the last optic fibre connections were laid, which provide state-of-the-art connectivity across all GSG assets. WiredScore, a leading independent global certification for building's digital infrastructure, has accredited its Platinum, Gold, and Silver certifications to fifteen GSG buildings covering 666,000 m² since May 2021. GSG intends to certify all mid-to-large size commercial parks in the medium term.

GSG Berlin portfolio



GSG's portfolio is comprised of three clusters:

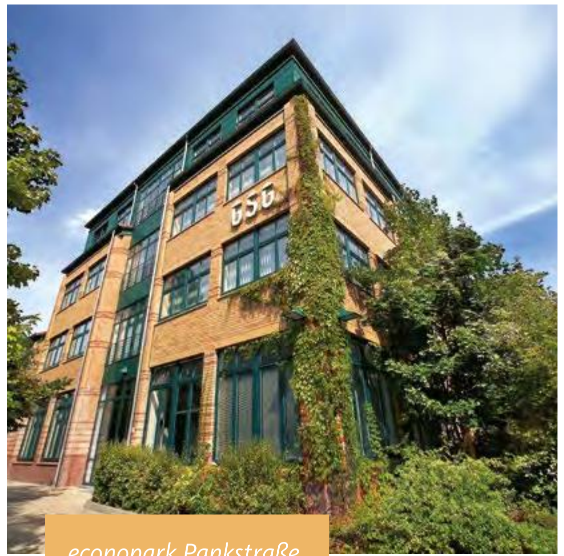
Rest-West: Several western districts in Berlin enjoy strong demand from tenants in the service, technology and creative industries

Kreuzberg: A district in Berlin that caters to the dynamic technology and start-up industries and has experienced substantial growth in recent years

econoparks: Eastern districts of Berlin with good inner-city connections and more competitively priced space, supporting tenant rotation

Reuchlinstraße 10-11, Rest-West

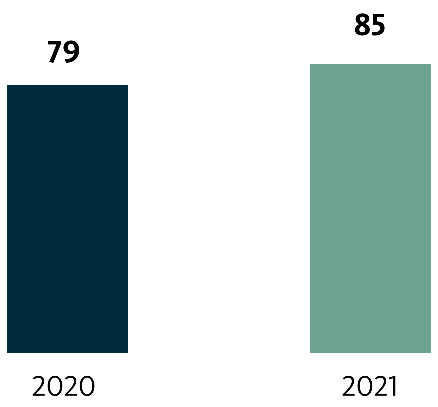
AQUA-Höfe, Kreuzberg



econopark Pankstraße

Sebastian Blecke, COO, GSG Berlin

Berlin office net rental income (€ million)



Net rental income increased by 8.1% to €85.3 million in 2021 compared to the prior period, driven mainly through organic growth in like-for-like rents combined with the contribution of developments completed towards the end of 2020 (The Benjamin and Prinzessinnenstraße) and 2021 (Torhaus²).

Berlin office segment summary in figures

	Berlin office 2021				Berlin office 2020			
	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties
Rest-West	1,435	93.6%	434,000	15	1,185	90.9%	428,000	15
Kreuzberg	1,112	91.1%	210,000	26	961	91.6%	210,000	26
econoparks	387	92.4%	259,000	5	325	91.7%	259,000	5
Total	**2,934**	**92.5%**	**903,000**	**46**	**2,471**	**91.3%**	**896,000**	**46**

Key office properties in Berlin

Gustav-Meyer-Allee 25
PP value: €158 million
GLA: 75,000 m²

Voltastraße 5
PP value: €124 million
GLA: 33,000 m²

Pankstraße 8–10
PP value: €81 million
GLA: 41,000 m²

Wolfener Straße 32–34
PP value: €106 million
GLA: 75,000 m²

Reuchlinstraße 10–11
PP value: €200 million
GLA: 49,000 m²

Helmholtzstraße 2–9
PP value: €224 million
GLA: 45,000 m²

Plauener Straße 163–165
PP value: €104 million
GLA: 82,000 m²

Schlesische Straße 26
PP value: €130 million
GLA: 25,000 m²

Franklinstraße 9–15a
PP value: €210 million
GLA: 35,000 m²

Genestraße 5
PP value: €124 million
GLA: 33,000 m²

Zossener Straße 55–58
PP value: €80 million
GLA: 18,000 m²

AQUA-Höfe
PP value: €129 million
GLA: 19,000 m²

photos: GSG Berlin © CHL

Bechstein-Höfe, Berlin, Germany

photo: GSG Berlin © CHL

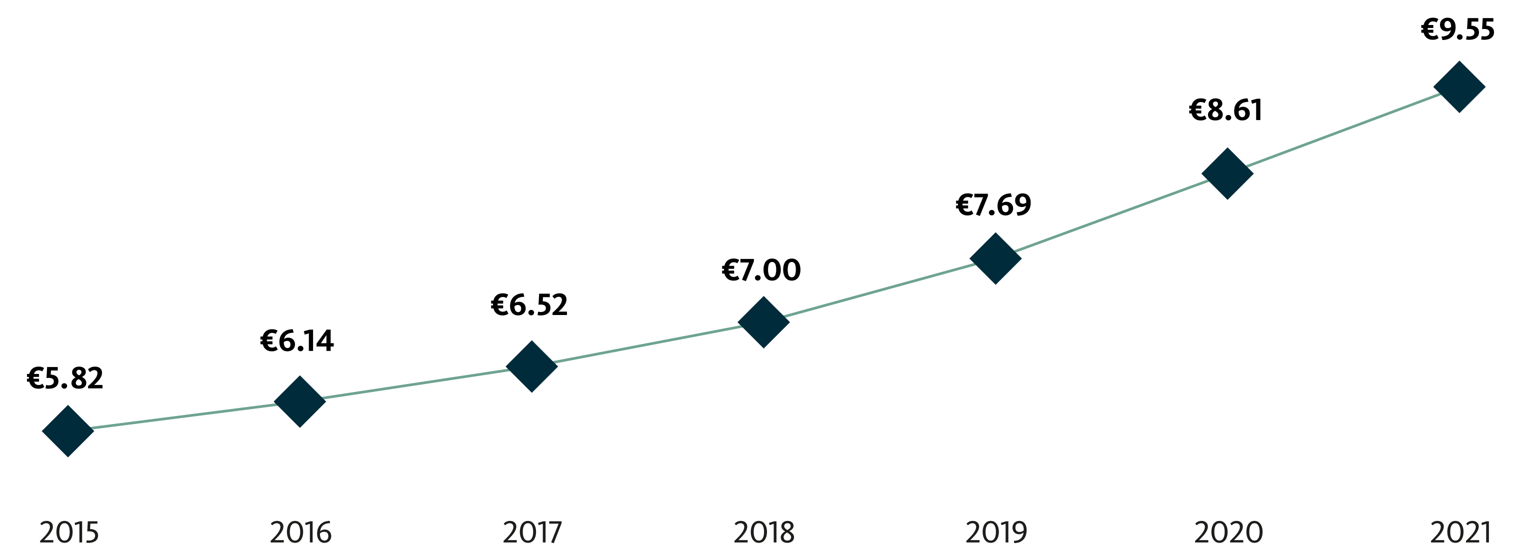
Significant upside potential in GSG's rents

According to management analysis in consultation with external advisors, **GSG's average rents are well below the Berlin market average.** Combined with the continued structural supply/demand imbalance in the city, GSG's average rents have consistently increased since 2015, even as growth decelerated slightly in 2020. **GSG's average rents increased a further 10.8%** compared to the end of 2020, rising to €9.55/m² (versus €8.61/m²).

A recent analysis by Savills suggests that average rents for the portfolio could potentially be €15/m², in contrast to the overall market average rent of around €28/m² and the average rent for the portfolio of €9.55/m² at the end of 2021.

The Group is optimistic that rents can continue to rise toward the market average over time, supported by continued like-for-like growth, strategic refurbishments, and new developments rented at prevailing market levels.

GSG's average rents have continued to increase and still have significant upside



Note: Data relates to (€/m²/month)

Average rent (per m² by Berlin clusters)

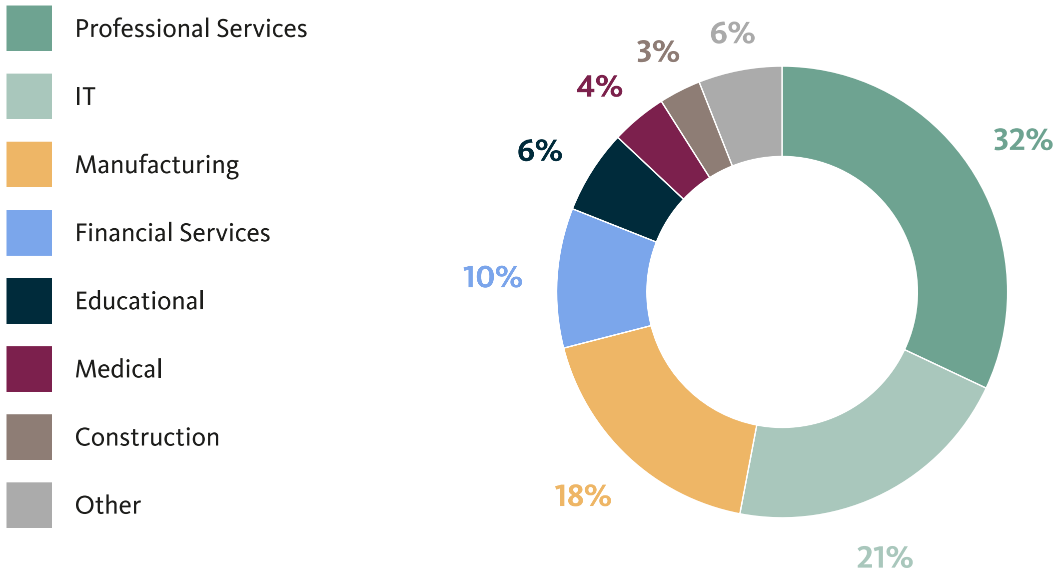
	2015	2016	2017	2018	2019	2020	2021
Rest-West	5.95	6.30	6.62	6.80	7.43	8.34	9.43
Kreuzberg	7.22	8.00	9.00	10.44	11.98	14.00	15.43
econoparks	4.41	4.44	4.48	4.56	4.78	5.06	5.44
Total	**5.82**	**6.14**	**6.52**	**7.00**	**7.69**	**8.61**	**9.55**

Our tenants in Berlin

GSG has about 1,800 tenants across nearly one million square meters of office space in Berlin. Healthy markets and active asset management allow us to retain tenants, even as rents rise across the portfolio. However, naturally, an element of "churn" occurs as we can increase rents, particularly in West Berlin, where existing tenants are occasionally relocated to more affordable locations in our portfolio in East Berlin.

Our offices cater to strong demand from dynamic, creative IT and professional services-focused companies and other small businesses. At the same time, tenant diversity and granularity are key strengths as GSG also attracts large international companies.

GSG tenants by type (according to headline rent)



Aqua-Höfe, Berlin, Germany

photo: GSG Berlin © CHL

Berlin office market

The Berlin office market kept its dynamic development in 2021. Total take-up volume for the year was 870,800 m², representing a 17% increase compared to the prior year. Notably, the fourth quarter saw a substantial increase with 322,600 m², up 77% from the previous quarter. Eight large transactions with take-ups of above 10,000 m² significantly contributed to the increase in the last quarter. The strongest submarkets were Kreuzberg/Friedrichshain and Wedding/Prenzlauer Berg, while most demand came from tenants in the public sector (16.8%), business services sector (16.1%) and ICT firms (11.8%).

The vacancy rate in the Berlin office market increased slightly by 0.5% over the year to 2.5% due to completions of developments with a total area of 721,800 m², while the overall available stock remains low. Prime rents further increased by 6% to €41/m²/month year-on-year. Average rents remained unchanged at €28/m²/month.

In recent years, the strength of the Berlin office market is partly attributed to the consistent growth of dynamic industries and start-ups in the city, from IT, fintech, and creative sectors. Based on 2021 data, despite only representing 4.4% of the German population and 4.3% of national GDP, around 60% of all investment in German start-ups was invested in Berlin-based companies in 2021. Additionally, the overall investment volume in German start-ups tripled to more than €17 billion. Out of the top 10 biggest funding rounds, seven went to Berlin-based start-ups. Berlin was the top-ranked for Fintech/InsurTech, E-Commerce and Health.

Investment markets in Berlin recovered with a total volume of €6.4 billion, representing an increase of 23% to the prior year. The largest purchaser group was asset managers, property firms, and special-purpose funds. Prime yields further compressed by 15 basis points to 2.5% in CBD locations and within the S-Bahn ring or its buffer zone below 3.0%.

Sources: JLL, Savills, CBRE, EY: Start-up-Barometer Deutschland, BNP Paribas Real Estate

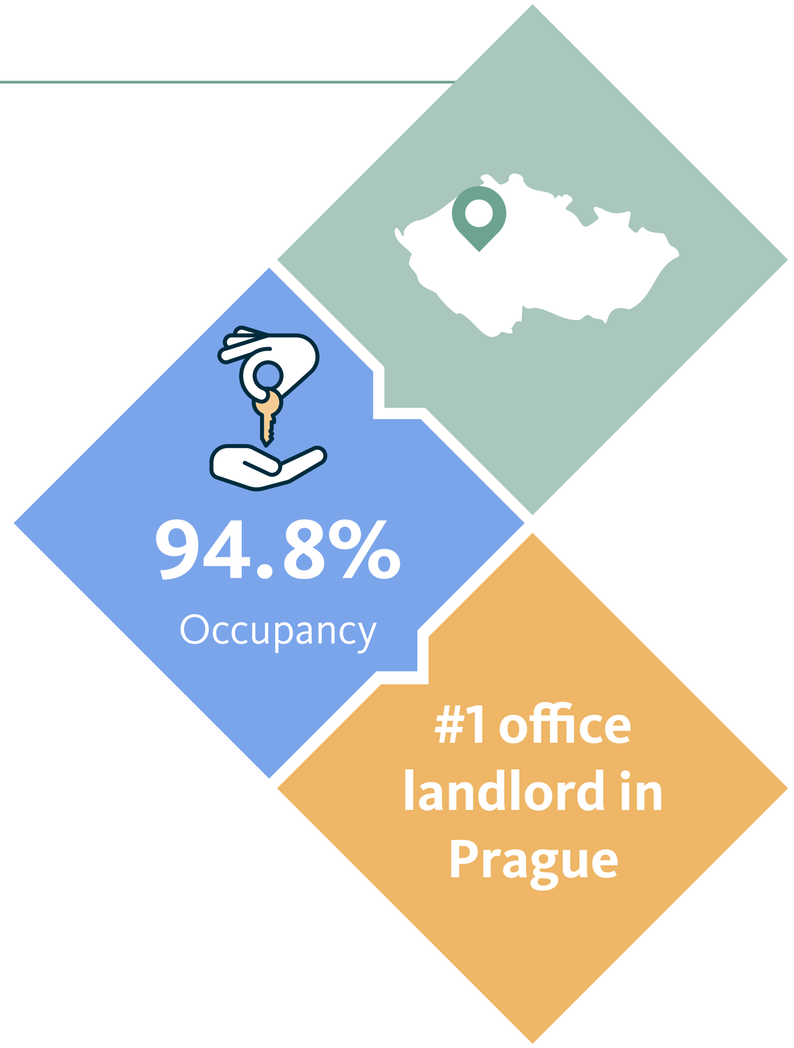
Prague

The value of our office portfolio in Prague stood at €808 million at the end of 2021, comprising 13% of the Group's office segment. Occupancy in the portfolio **increased in 2021 by a healthy 2.0 p.p. since the end of 2020 to 94.8%.** The increases can be mainly attributed to the letting of remaining spaces to Wolt and Kantar in our recent major refurbishment Bubenská 1 resulting in full occupation for the office spaces in the building. CPIPG also leased a significant portion of the remaining space in the MAYHOUSE building. In addition, several major leases were prolonged such as the lease with NN Management as anchor tenant in the Zlatý Anděl building.

Net rental income increased by 3% to €43 million, due mainly to the contribution from Bubenská 1, combined with resilient occupancy and like-for-like rents across the rest of the portfolio.

Due to COVID-19, physical occupancy was estimated to be below 30% during periods of lockdown. This was largely due to some larger corporate tenants taking precautionary measures requiring their employees to work from home or leave the decision to each individual. **However, with the easing of restrictions, many tenants reverted to pre-COVID arrangements and increased physical occupancy, estimated at approximately 75% at the end of the year.** Larger domestic and international tenants continue to implement a hybrid office and work from home model.

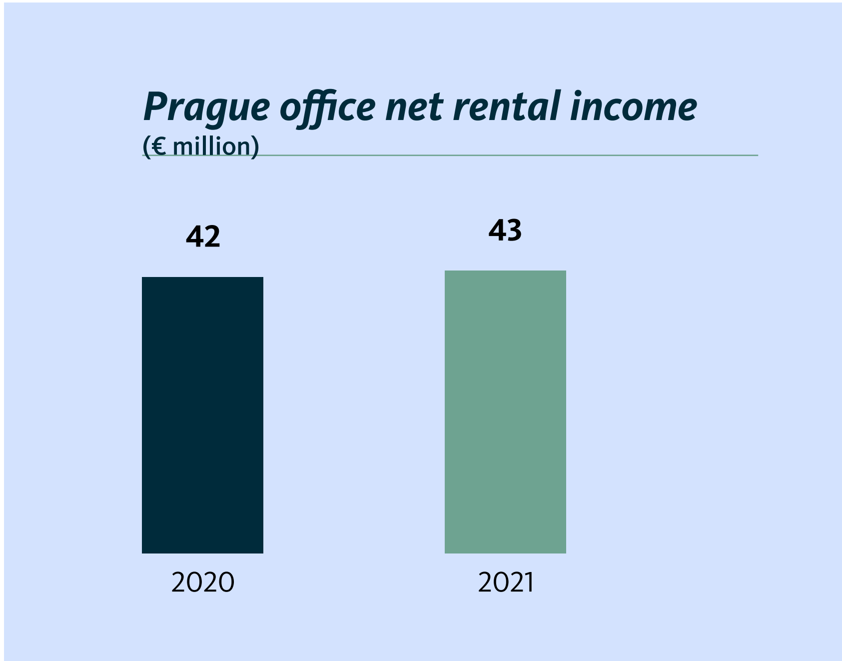
Office space remains a vital factor for most occupiers. The Group recorded solid leasing activity in 2021, with only a handful of tenants requesting reduction in space or sub-letting. **Over 56,000 m² of new leases, extensions and prolongations were signed with an average increase on existing headline rents of over 2%.**



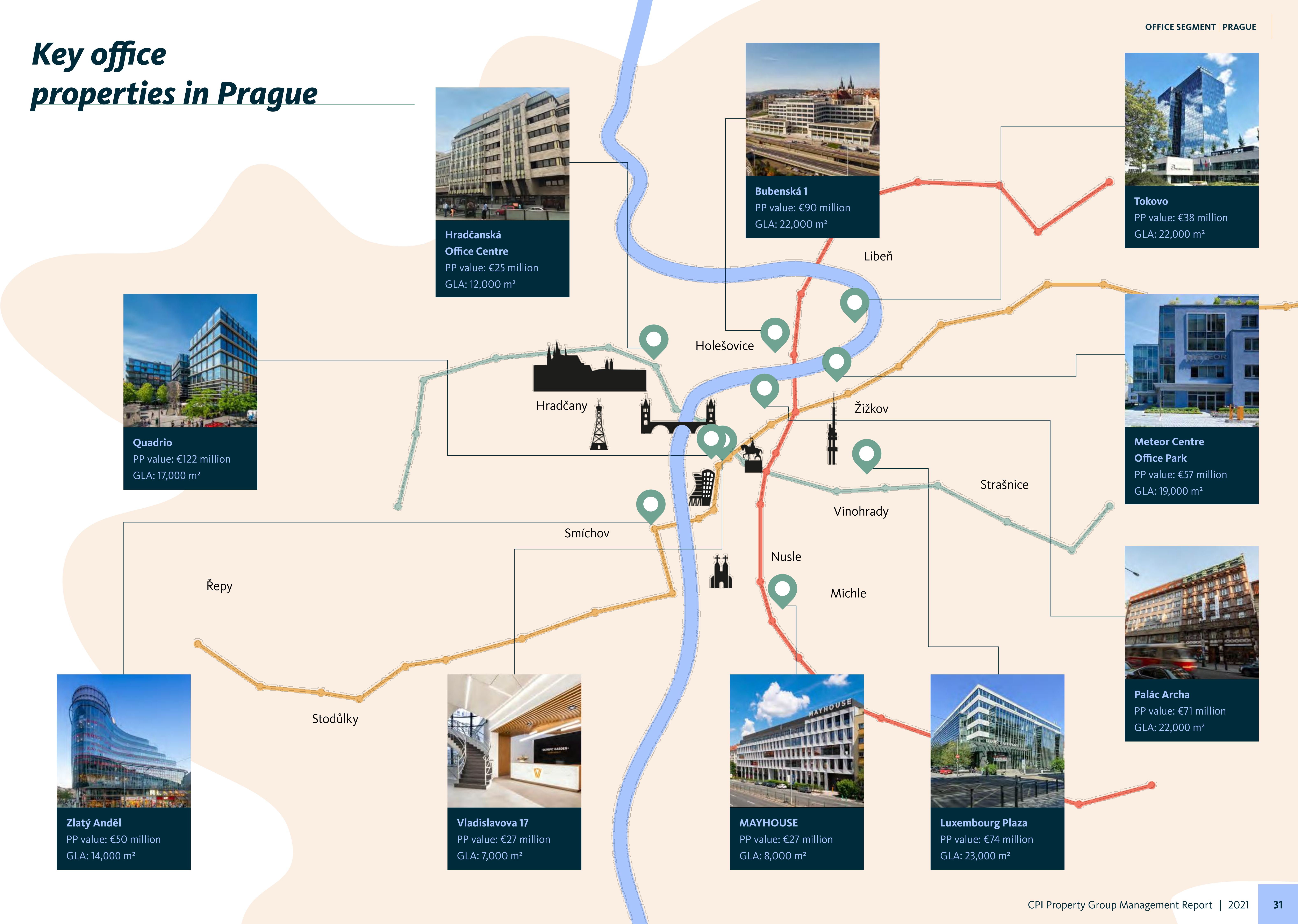
Strong leasing activity and resilient market conditions helped us increase occupancy in Prague during COVID-19.

David Votřel, Head of Office Asset Management CZ

MAYHOUSE, Prague, Czech Republic



Key office properties in Prague



Hradčanská Office Centre
PP value: €25 million
GLA: 12,000 m²

Bubenská 1
PP value: €90 million
GLA: 22,000 m²

Tokovo
PP value: €38 million
GLA: 22,000 m²

Quadrio
PP value: €122 million
GLA: 17,000 m²

Meteor Centre Office Park
PP value: €57 million
GLA: 19,000 m²

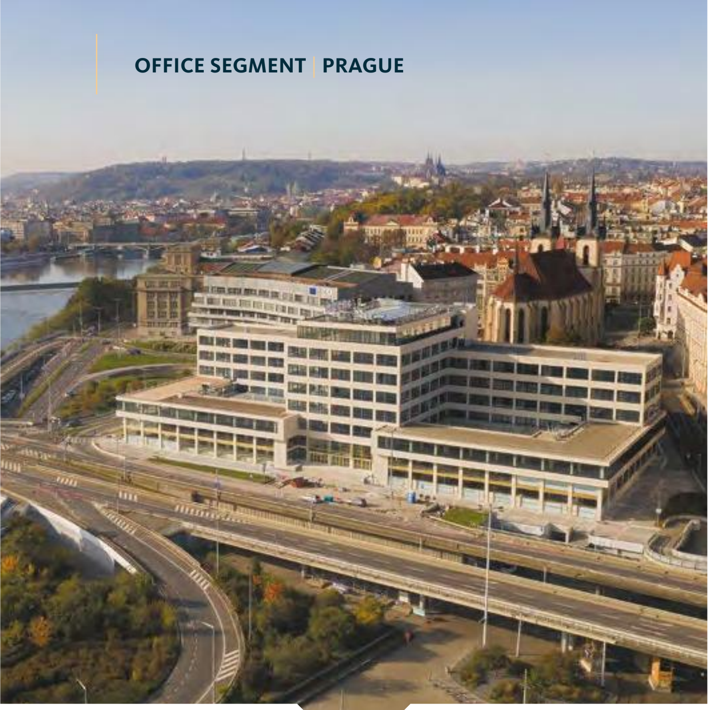
Palác Archa
PP value: €71 million
GLA: 22,000 m²

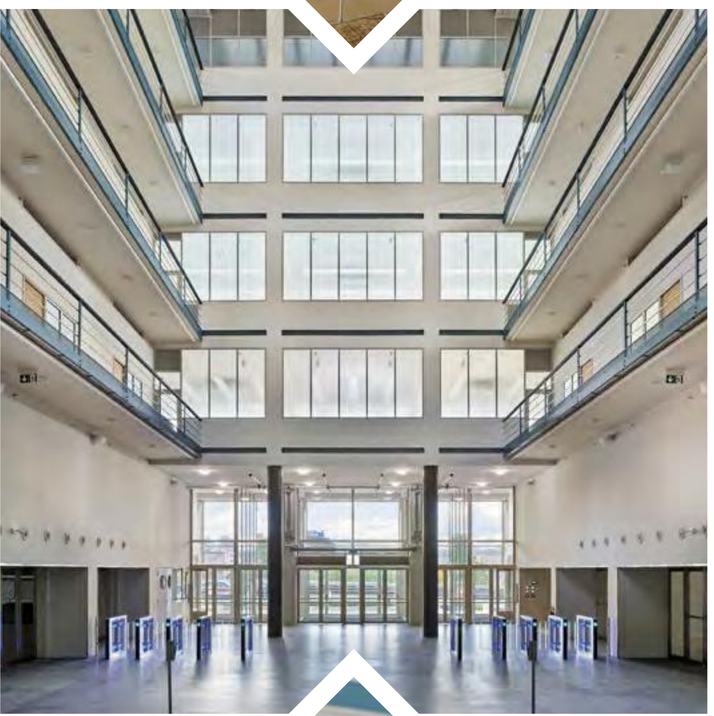
Zlatý Anděl
PP value: €50 million
GLA: 14,000 m²

Vladislavova 17
PP value: €27 million
GLA: 7,000 m²

MAYHOUSE
PP value: €27 million
GLA: 8,000 m²

Luxembourg Plaza
PP value: €74 million
GLA: 23,000 m²





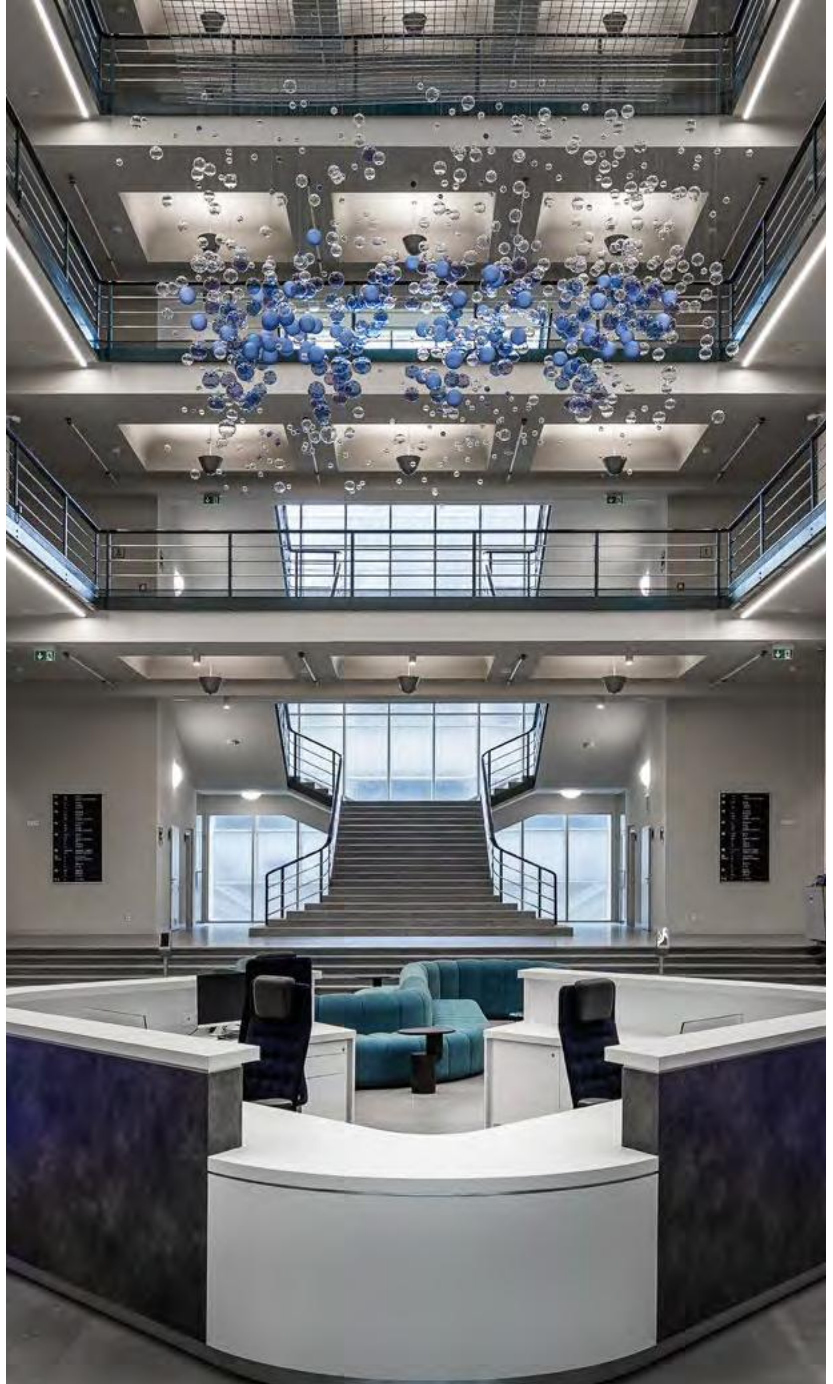
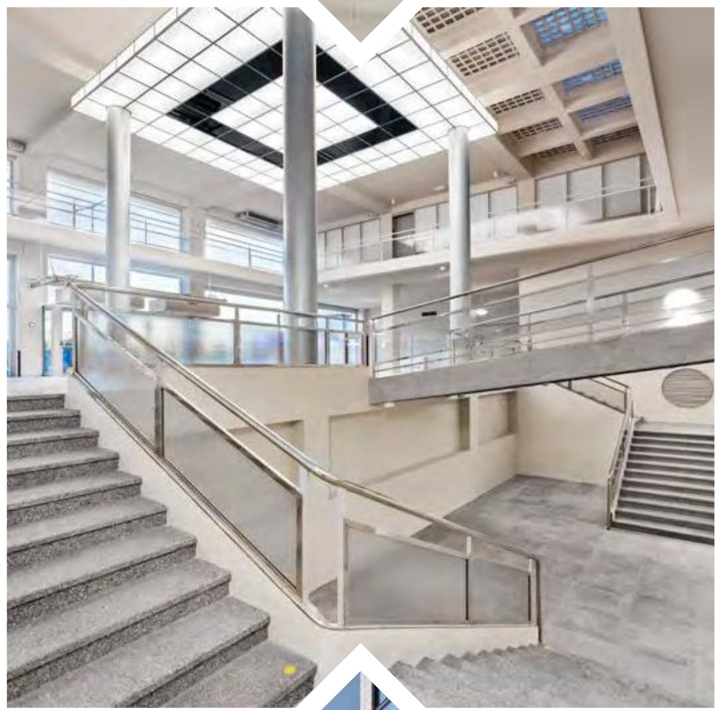
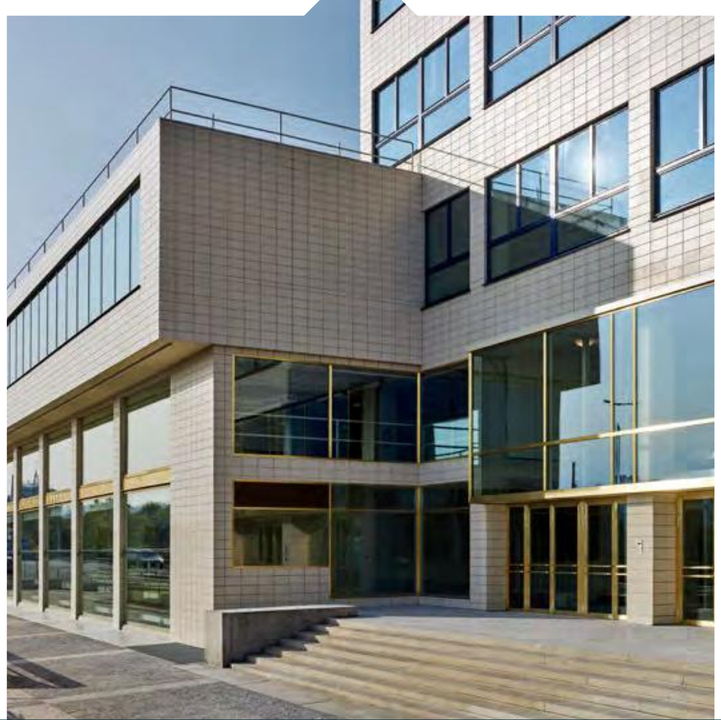


photo: Roman Mlejnek



Bubenská 1 development team: Antonín Spáčil, Petra Kottová, Kateřina Řeháková, Jitka Vítková and Pavel Tošovský



Bubenská 1

Successful collaboration delivers award-winning redevelopment

Bubenská 1 is one of the largest and most important interwar monuments in Prague. The former headquarters of the Prague Electric Company, completed in 1935, is a building with three underground floors and seven above-ground floors, of which construction and equipment were beyond its lifetime.

The reconstruction of the building was carefully managed to ensure the preservation of the original heritage elements while striving to achieve a fully modernised functional office for today's generation.

Today, Bubenská 1 serves as WPP's Prague Campus housing 12 agencies operating under the umbrella of the world's biggest communication group. The hanging art installation in the atrium features 797 hand-blown glass balls in different shades of blue, symbolising the cohesion and cooperation of the individual agencies within WPP.

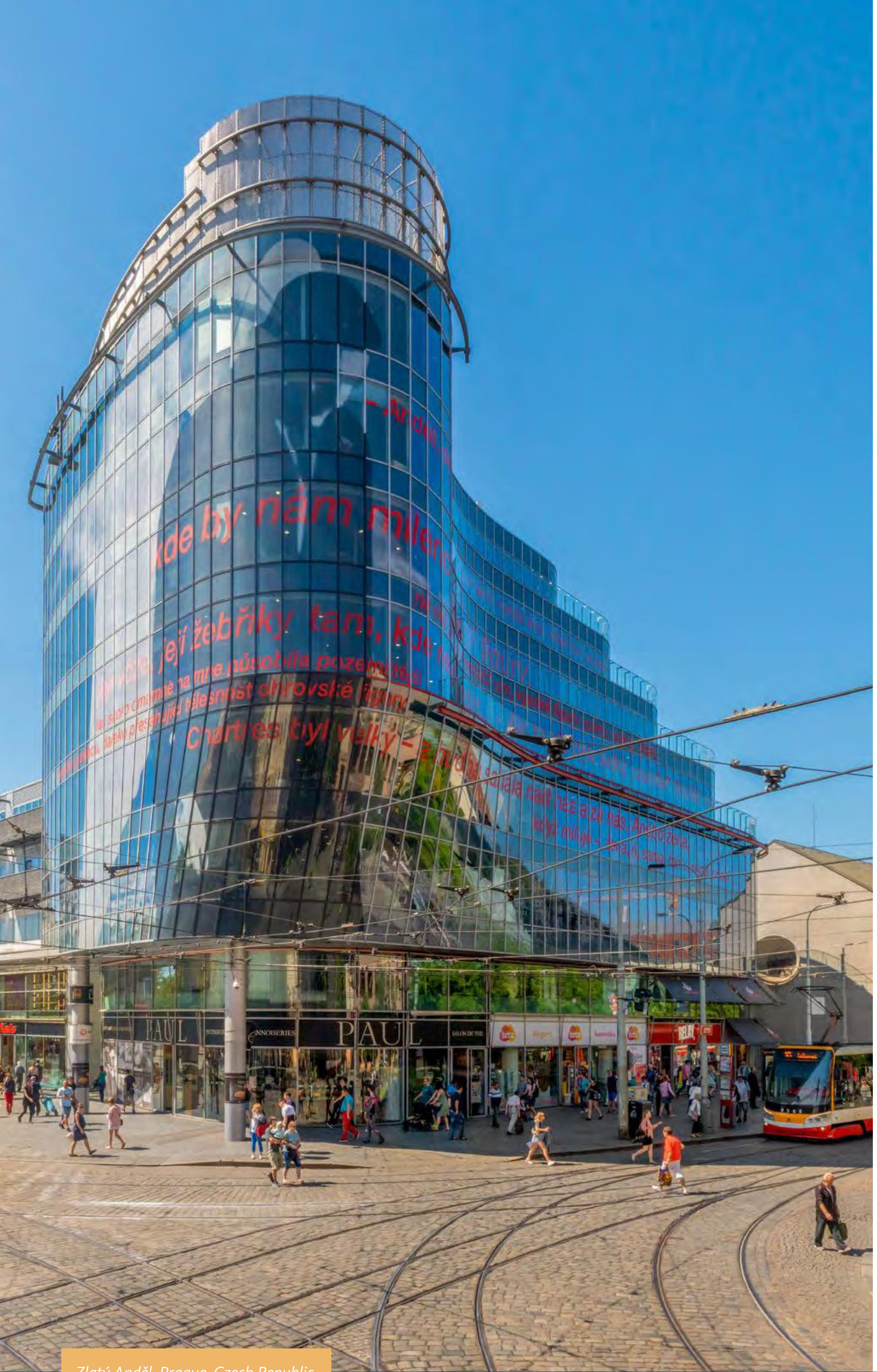
Bubenská 1 won multiple awards post-completion in 2021, including the top award in the competition **Building of the Year,** absolute winner in the **Estate Awards 2021,** and **1st Place** in the category **Renovated Offices** in popular business competition **Best of Realty,** and the **People's Choice** from **Patrimonium for the Future.** Congratulations to the development team!

STAVBA ROKU

ESTATE AWARDS 2021

Best of Realty
Nejlepší z realit

NÁRODNÍ PAMÁTKOVÝ ÚSTAV



Zlatý Anděl, Prague, Czech Republic

Prague office market

At the end of 2021, the total Prague modern office stock reached 3.73 million m², with only a total of 56,800 m² of new office stock added to the market – the lowest annual new supply since 2016. Currently, there is approximately 195,200 m² of office space under construction with around 76,300 m² planned for completion in 2022, with c.30% pre-leased. However, this depends on the ability of developers to deliver on time with rising risks stemming from shortages of labour and materials supply.

In general, the office sector does not reflect any significant structural changes in the occupational market, although the pandemic has shifted occupancy strategies. Tenants are increasingly looking for more flexibility in workspace to accommodate hybrid working patterns and emphasise wellness and sustainability in their building selection. In 2021, the office leasing activity in Prague recorded a recovery compared to 2020 with net take-up increasing by 23% YoY. A total of 208,000 m² have been newly leased and almost 180,000 m² leased in renegotiations/renewals.

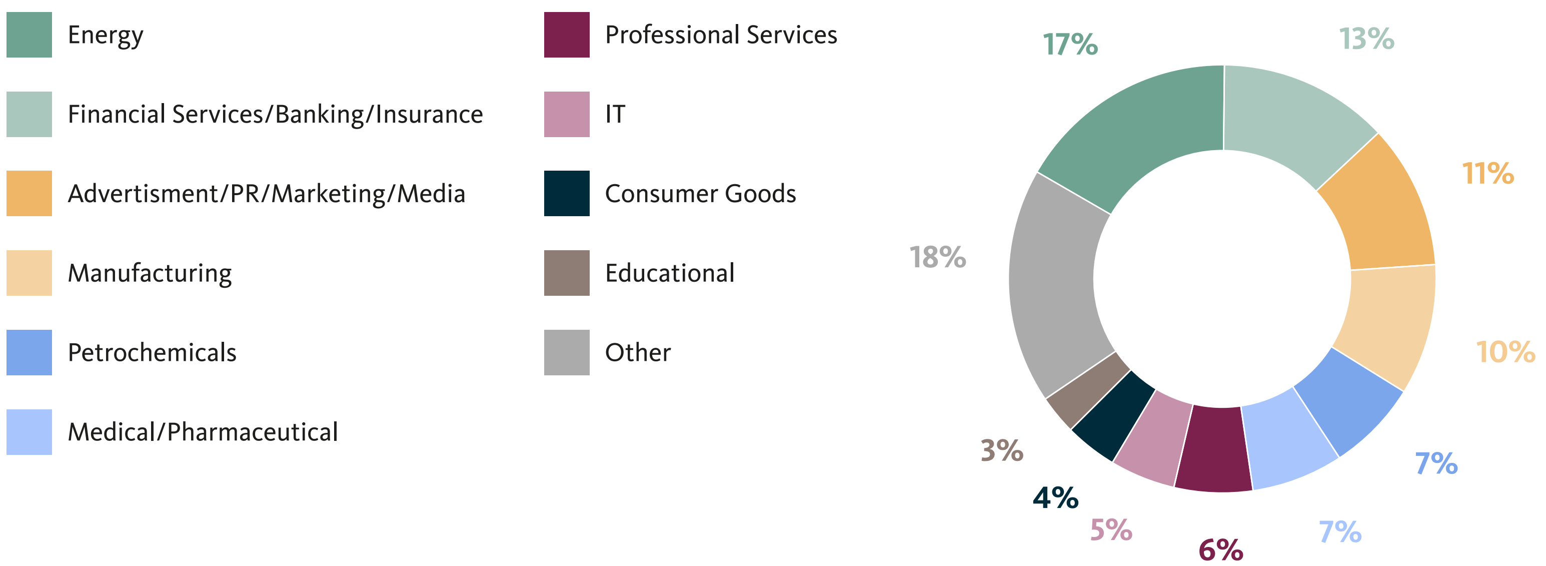
The majority of the total take-up was observed in Prague's 4, 5 and 8, which accounted for over 61% of the total in 2021. Of the known lease transactions, tenants from the IT sector were the most active (16%) followed by professional services companies (12%) and the pharmaceutical sector (12%).

In the last 18 months, cautious tenant demand and weaker leasing activity pushed vacancy upwards. However, this trend has since stabilized at 7.8% at the end of 2021 and is expected to flatten in 2022. Vacancy rates are expected to trend lower at a faster pace for high-quality space in good locations.

Despite the high vacancy rate, at the end of 2021, prime rents in Prague increased to a new record as developers incur higher construction costs. City centre prime rents increased by 9% ranging between €23.50 and €24.00/m²/month. Inner-city prime rents ranged from €16.00 to €18.00/m²/month and €13.50 to €15.00/m²/month in the outer city. Further upward pressure on prime rents in the CBD is expected in 2022, albeit landlords will also be pressed to improve incentives.

Sources: Cushman & Wakefield, CBRE, Savills

Prague office tenants by type (according to headline rent)



Warsaw

CPIPG is the **leading office landlord in Warsaw,** with a portfolio valued at over €1 billion, comprising 14 properties and 316,000 m² of space. Our portfolio in Warsaw comprises 17% of the Group's office segment.

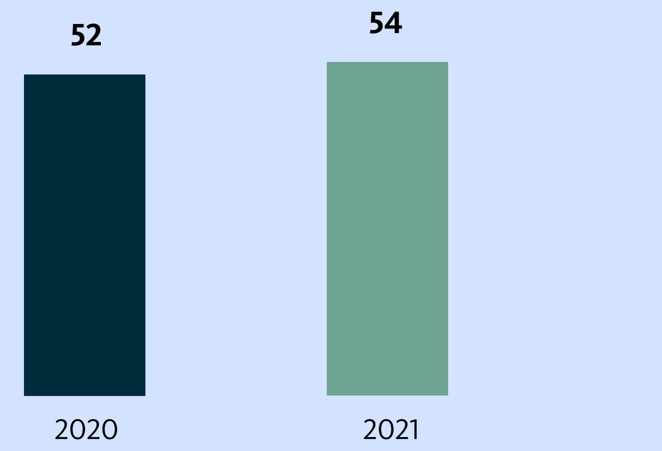
Net rental income increased in 2021 by 5.2% to €54 million compared to 2020, driven primarily by improvements in leasing activity. In addition, like-for-like rents have remained robust across the portfolio.

CPIPG's team in Poland has continued to see positive leasing activity with increases recorded in headline rents. **In 2021, the Group signed almost 75,000 m² of new leases, extensions and prolongations with an average increase in headline rents of 14.5%.**

Occupancy temporarily fell in H1 2021 to 90.6%, driven by temporary fit-out works and some departures. However, the team in Warsaw managed to sign new leases and the occupancy recovered to 95.1% at the end of 2021. CPIPG's office portfolio vacancy in Warsaw remains well below the market average of 12.7% – a testament to our strong asset and property management teams in Warsaw.

While tenant demand has been relatively cautious in the past 18 months, CPIPG has been able to capture opportunities by utilising a flexible and balanced approach in lease prolongations and increasing rents. The average WAULT slightly declined reflecting our teams strategy to prolong leases for shorter periods to keep incentives low and net effective rents high. **This may allow us to capture additional rental growth from 2023 onwards, when a supply gap for the Warsaw office market is expected.** Furthermore, we observe that tenants are increasingly asking for expansion of space to provide safe working environments for their employees coming back to the office.

Warsaw office net rental income
(€ million)

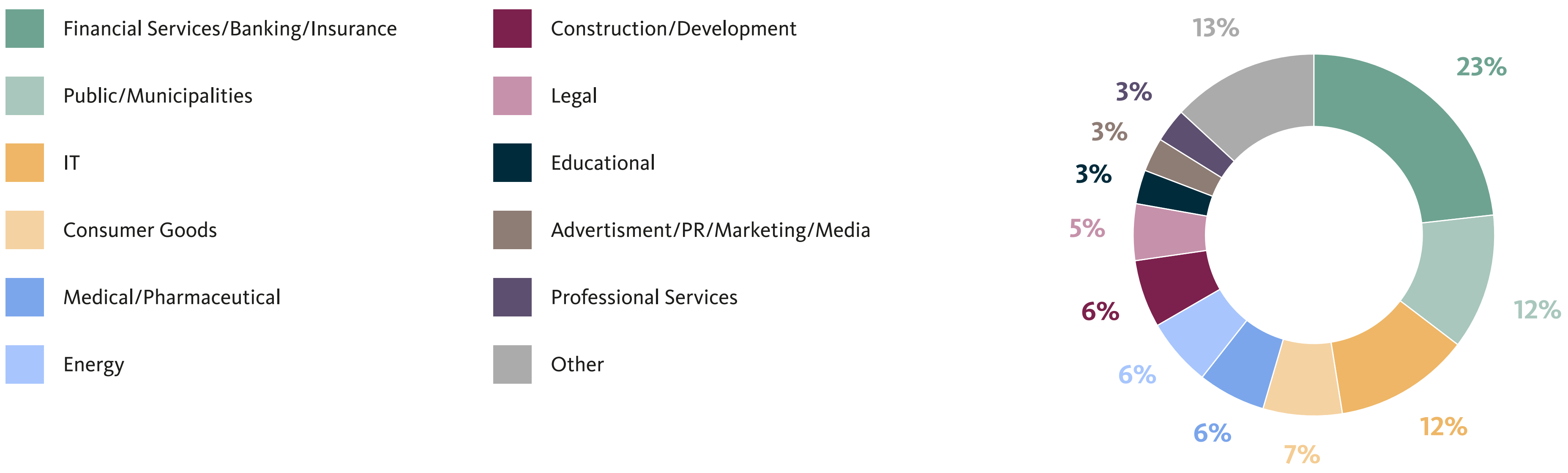



Atrium Centrum and Plaza, Warsaw, Poland

CPIPG is optimistic about the outlook for occupancy and rents in 2022, driven by strengths of our portfolio and local team.


Barbara Topolska, Country Manager, Poland

Warsaw tenants by type (according to headline rent)



Green Corner A, Warsaw, Poland

Warsaw office market

At the end of 2021, Warsaw's total modern office stock amounted to 6.2 million m². The total new supply delivered to the Warsaw office market in 2021 was 325,000 m² as 16 buildings were completed. The largest new developments included: Warsaw Unit (59,300 m², Ghelamco Poland), Skyliner (44,700 m², Karimpol) and Generation Park Y tower (44,000 m², Skanska Property Poland).

Currently, there is only 310,000 m² of office space under construction, the lowest level since 2010. This slowdown in development activity is forecasting a supply gap in 2023, putting downward pressure on future vacancy rates.

Leasing activity in Warsaw showed an improvement versus 2020, with a total of 646,500 m² signed in 2021, representing a 7% YoY growth. Due to the pandemic, tenants are increasingly looking for attractive spaces and seeking flexible spaces to bring their employees back to the office. Companies are also taking a more conservative approach to leasing and renegotiating existing leases rather than moving to new locations. As a result, renegotiations accounted for 45% of total office take-up – the highest annual figure on record.

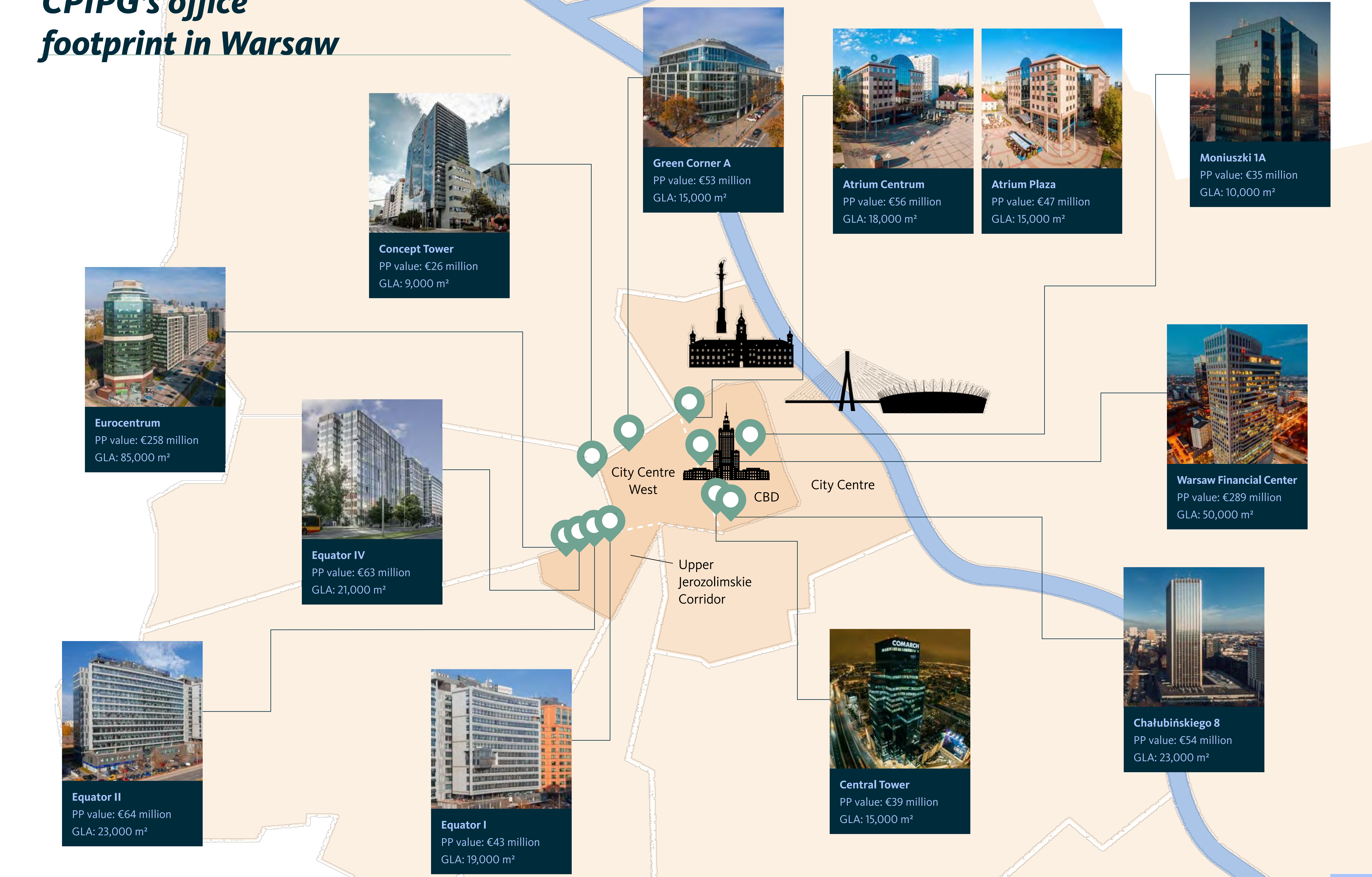
The combination of high supply brought to the Warsaw market and the lower demand for new office space translated into lower absorption and a rising average vacancy rate, which climbed to 12.7% at the end of 2021. While the number of sublease offers increased during the start of the pandemic, this trend saw a marked slowdown in 2021. Currently, there are approximately 110,000 m² of office space available for subleasing – 20,000 m² less than in 2020.

Prime office properties rent remained stable in 2021, ranging between €18 and €24/m²/month in the city centre and up to €16/m²/month outside of the area. Rental rates are expected to rise in 2022 and continue in 2023 due to the new supply gap leading to severely limited rental opportunities.

The office sector remains one of the key segments of Poland's investment market. A total of €1.7 billion was transacted in 2021 and was dominated by Warsaw office transactions as investors are keen to secure prime locations in the capital city. Robust investor demand led to yield compression, with Warsaw office prime yields reaching 4.5% in Q4 2021.

Sources: JLL, CBRE, PINK

CPIPG's office footprint in Warsaw



Budapest

As of December 2021, CPIPG's modern and high-quality office portfolio in Budapest was valued at €310 million, accounting for 5% of the Group's office segment.

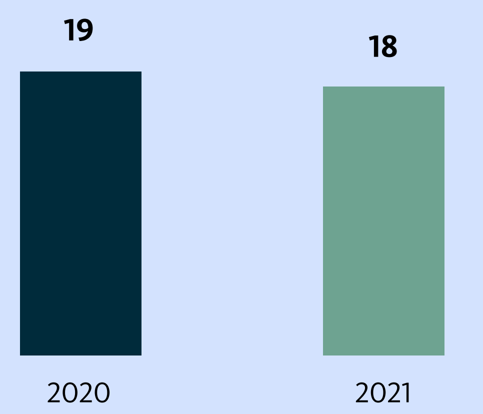
Occupancy of the portfolio decreased from 93.5% at the end of 2020 to 85.2% as of December 2021, primarily driven by two anchor tenants vacating the space as their leases expired and reorganisation of the tenant's regional operations – Vodafone in Arena Corner and LogMeIn in Andrássy 9. In Andrássy 9, our team has already signed leases with three tenants to fill the majority of the space vacated by LogMeIn during the second half of 2021 and have executed two new leases in 2022. Meanwhile, in Arena Corner, we expect to fill the vacant space in the coming months based on promising tenant discussions.

Because of the temporary drop in occupancy, **the portfolio's net rental income decreased slightly in 2021 to €18.5 million.** Like-for-like rents were effectively stable, and headline rents growth of c.4% from leases signed in 2020 and 2021 compensated for the drop in occupancy in 2021.

CPIPG's team in Budapest **signed close to 32,000 m² of new leases, extensions and prolongations in 2021.** Of the leases signed, around 10,500 m² related to new leases with a term of 5 years or longer, driven by leasing activity to fill up vacant spaces at Andrássy 9 and Arena Corner.

Headline rents remained stable; however, lease incentives are generally more prevalent in discussions with tenants in 2021 than in the prior year. There are also significant differences in the pressure on net rents experienced varying by submarkets; for example, the CBD, Central Pest North and Váci Corridor, where CPIPG's properties are primarily located, is more resilient than Central Pest South or Buda South. Leasing activity remained robust in 2021, and tenant demand is stable with a limited decrease in office space as occupiers navigate hybrid office use formats.

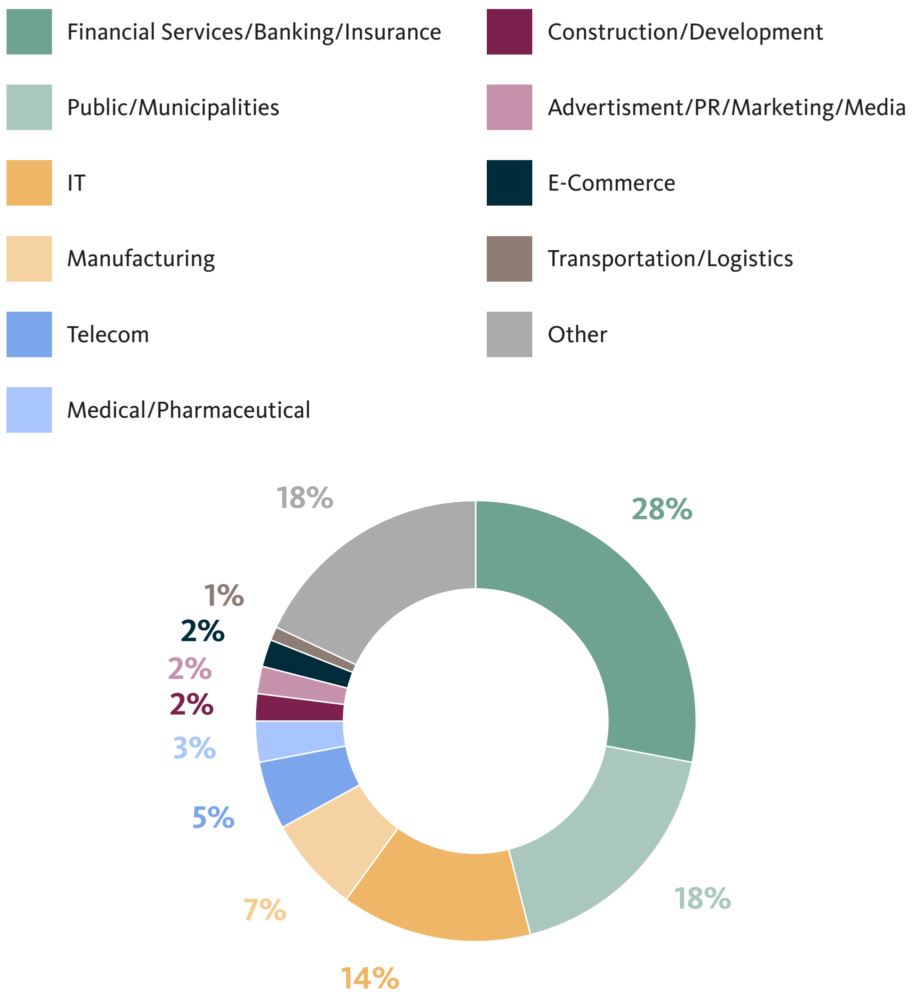
Budapest office net rental income
(€ million)

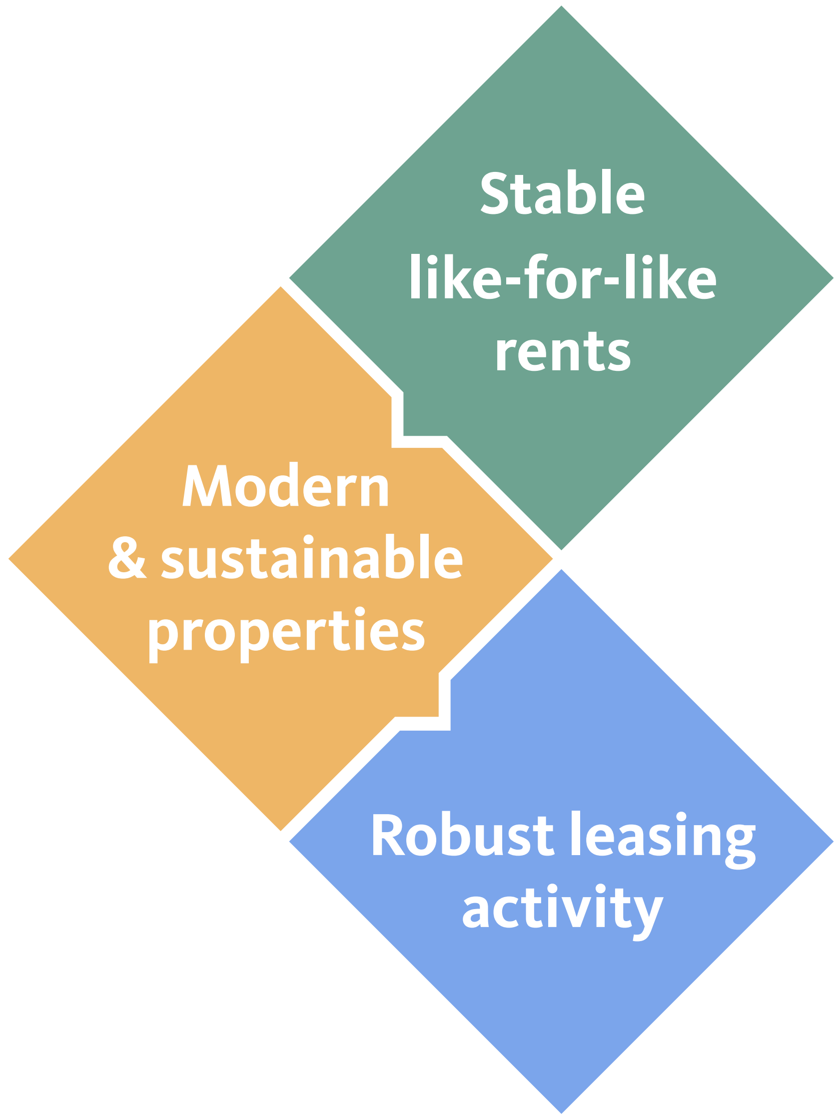


Leasing activity in Budapest remains robust; our properties are well positioned.

Mátyás Gereben, Country Manager, Hungary

Budapest office tenants by type
(according to headline rent)





Arena Corner, Budapest, Hungary

Budapest office market

The office market in Budapest demonstrated signs of recovery in 2021. Budapest's proximity to Western Europe's developed economies attracts office tenants, and its concentration in finance and banking with new IT centres will be an advantage going forward.

Budapest's total modern office stock stood at 3.96 million m² at the end of 2021. The supply of new office space remained muted, with only 44,460 m² delivered in the entire year of 2021, as most projects planned to be delivered in 2021 were pushed to the first half of 2022. The pipeline for 2022 includes over 368.000 m² of new space in 19 schemes. However, pre-leasing remains limited, and construction bottlenecks may cause delays in the development timelines.

Total demand amounted to 365,780 m² in 2021, representing an increase of 9.3% year-on-year. Net take-up, including new and pre-leases, accounted for 59% of total demand. The technology & telecom and manufacturing & energy sectors were again the main drivers of office take-up, with 20% and 21% share, respectively.

In 2021, the Budapest office vacancy rate stabilised after a considerable uptick in the previous year. The average vacancy rate in Budapest ended the year at 9.2% (-0.1% YoY), mainly due to new completions being delayed. In light of the elevated forecast in 2022, vacancy is expected to peak at c.11 – 12% by the end of 2023. There is a significant variance in the vacancies among the submarkets, with Central Buda (5.5%), North Buda (6.0%) and Váci Corridor (5.9%) having the lowest vacancy rates while the Periphery lags at 31%.

Despite the uncertain market fundamentals, asking rents remained stable in 2021. Average asking rents on existing stock were €13.6/m² at the end of 2021, while prime CBD rents reached €24-25/m². Rents are expected to remain broadly stable in 2022 as discounts will be priced into any incentive packages.

Finally, the investment market in Hungary amounted to €1.17 billion, up 15% YoY, falling short of forecast only due to several transactions dragging over the new year. The office sector remains the dominant segment amounting to €966 million or 82% of total annual volume. Domestic investors accounted for 70% of the capital source in 2021, with cross-border activity picking up in the latter part of the year, especially in core to secondary offices and logistics.

Sources: The Budapest Research Forum, JLL, CBRE, Cushman & Wakefield

Retail

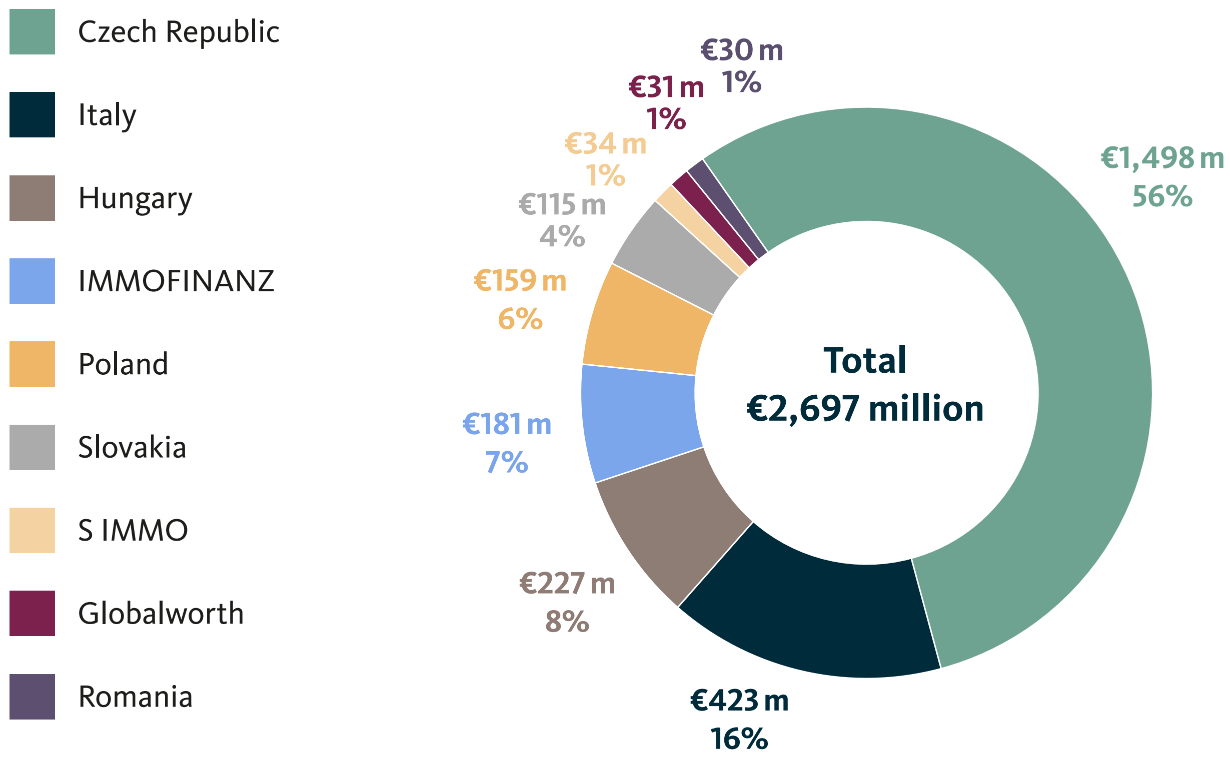
CPIPG is the **leading retail landlord in the Czech Republic** and mostly owns **dominant regional shopping centres, retail parks, hypermarkets and supermarkets.** Our assets and tenants are part of people's daily lives.

CPIPG has a long track record as a retail landlord in the Czech Republic since the founding of the Group in the early 1990s. In early 2017, CPIPG's footprint significantly expanded by acquiring a retail portfolio from CBRE Global Investors, which solidified the Group's position in the local market and established a regional presence with platforms in other CEE markets, including **Poland, Hungary and Romania**. In 2021, the Group's retail footprint expanded to Italy through the acquisition of Maximo in Rome, a flagship shopping centre that opened in late 2020.

The Czech Republic represents 56% of the Group's retail segment, where we have a leading market share domestically. The portfolio comprises **13 dominant shopping centres** in regions of the Czech Republic where competition is limited, and retail dynamics remain strong, in addition to a few high-quality, well-located retail assets in Prague. The portfolio also includes **20 resilient and well-located retail parks** spread across the country, which have performed exceptionally well throughout the COVID-19 pandemic. In addition, this segment consists of a portfolio of **stable hypermarkets and supermarkets,** many of which are adjacent to our shopping centres and retail parks.

Petr Brabec, Asset and Property Management Director CZ/SK

Retail property portfolio by country



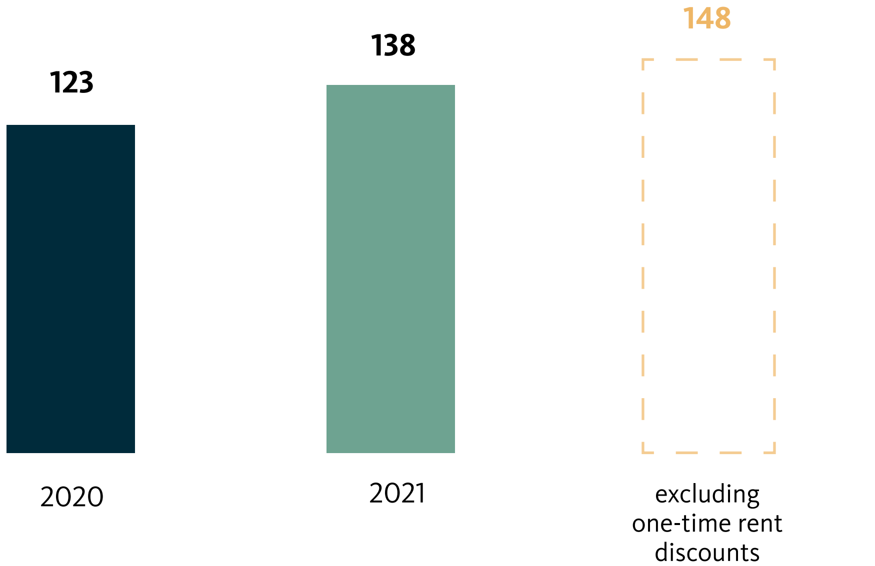
Retail segment summary

The total value of the retail segment stood at €2.7 billion at the end of 2021, increasing by €477 million primarily due to the acquisition of Maximo shopping centre in Rome, Italy.

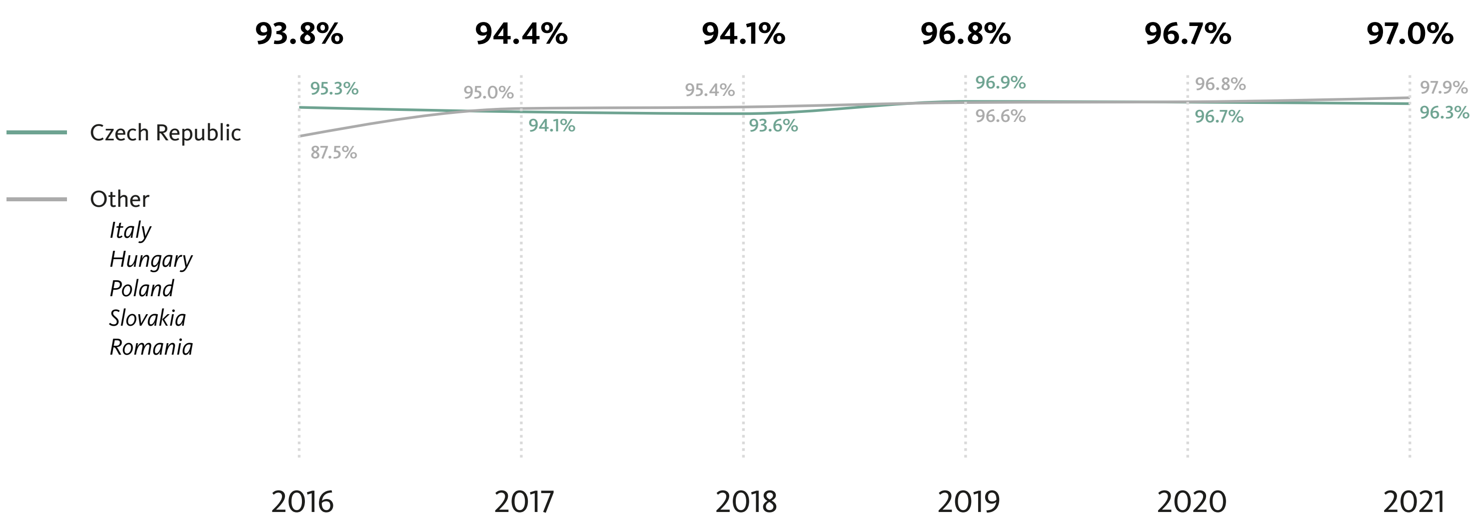
Net rental income **increased by 12.0%** for the full year of 2021, increasing from €123.1 million to €137.9 million, primarily due to **stable occupancy and limited discounts** provided to tenants, **like-for-like rents** and contributions from Italy. An increase in net rental income was recorded at the Group's shopping centres. In contrast, retail warehouses recorded slightly lower income due to the provided discounts in the H1 2021, with the H2 2021 returning back to net rental income growth.

Occupancy has been remarkably stable throughout the pandemic despite multiple lockdowns and closure of non-essential retail extended periods, particularly in H1 2021. At the end of 2021, the occupancy of our retail portfolio was 97.0%. In the Czech Republic, government support was provided to tenants throughout the pandemic to subsidise rents and support wages. Combined with targeted support from CPIPG, this has underpinned tenant credit quality and supported occupancy. In addition, **a significant portion of the Group's retail portfolio was deemed essential and never closed,** which has driven resilient performance, particularly in the Group's retail parks, hypermarkets and supermarkets.

Net rental income (€ million)



Occupancy rate (%)



OCCUPANCY

97%

Higher net rental income

Over 92% collection rate in 2021 before discounts

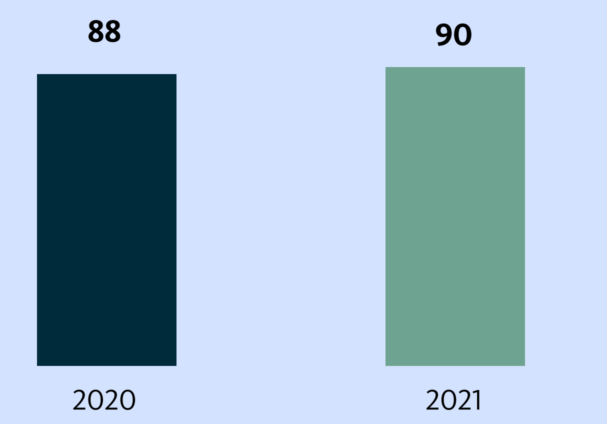
Stable occupancy

Retail segment summary in figures

	Retail 2021				Retail 2020			
	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (m²)	No. of properties
Czech Republic	1,498	96.3%	595,000	121	1,586	96.7%	636,000	122
Italy	423	99.8%	82,000	5	81	100.0%	12,000	3
Hungary	227	93.9%	138,000	7	219	95.5%	139,000	7
Poland	159	97.8%	68,000	8	162	95.4%	68,000	8
Slovakia	115	99.9%	76,000	15	113	98.0%	77,000	15
Romania	30	100.0%	11,000	1	30	100.0%	11,000	1
IMMOFINANZ	181	–	–	–	–	–	–	–
S IMMO	34	–	–	–	–	–	–	–
Globalworth	31	–	–	–	29	–	–	–
Total	**2,697**	**97.0%**	**970,000**	**157**	**2,220**	**96.7%**	**943,000**	**156**

Fénix Shopping Centre, Prague, Czech Republic

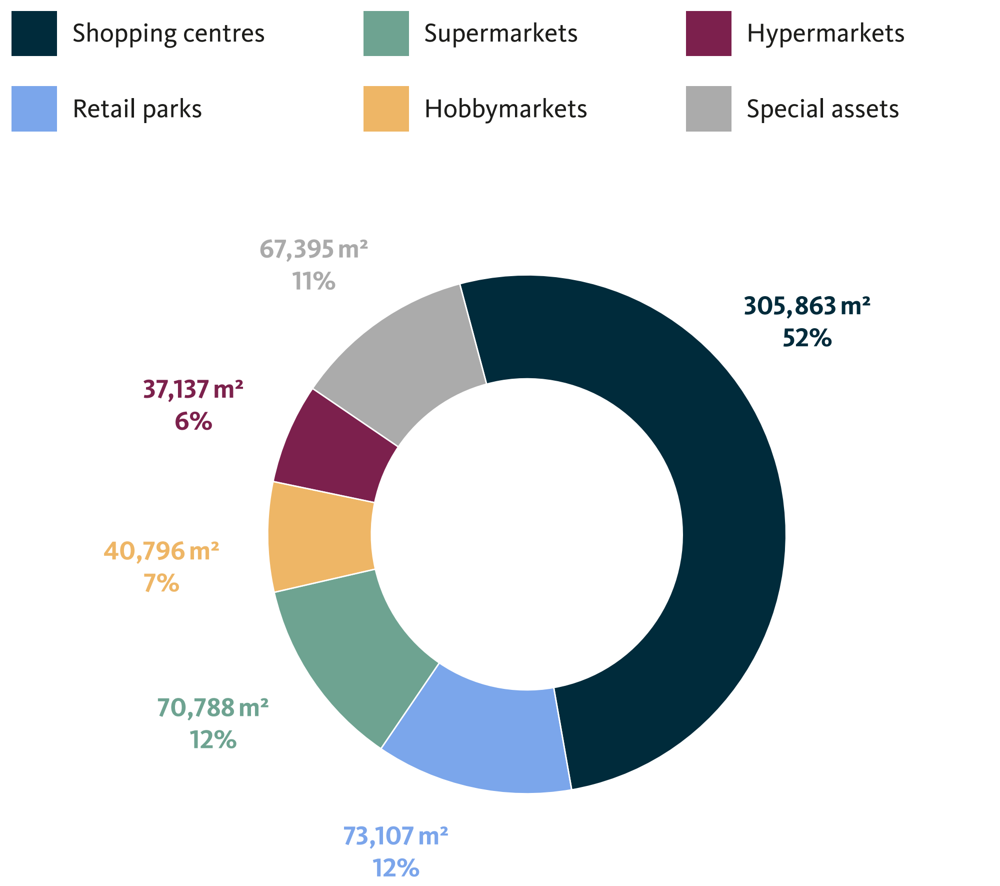
Czech retail net rental income
(€ million)



Czech Retail summary

Czech retail net rental income **increased slightly in 2021** compared to the prior period, rising from €88.1 million to €89.6 million **(+1.6%),** primarily reflecting stable occupancy and rents, plus a slightly reduced level of discounts provided to tenants. **Like-for-like rents have seen positive developments,** supported by solid lease activity, one-time discounts provided to selected tenants in need of support, and the resilient performance of tenants in the Group's retail parks, hypermarkets, and supermarkets. Rent reductions were mostly provided in H1 2021 when the lockdowns were most intense and, in most cases, provided in exchange for lease prolongation and the settlement of rent receivables as a precondition. Occupancy rates in the Czech retail portfolio decreased slightly at the end of 2021. Still, they remained at a **very high level of 96.3%,** including in shopping centres where occupancy remained at 95.7%, clearly demonstrating the strength of our platform and the benefits of support measures. In addition, occupancy in the Group's retail parks, supermarkets and hypermarkets **stood at 100%.**

Retail assets by type (according to GLA)



Retail parks are multi-store assets with no common areas/common indoor space.
Special assets include small retail assets (i.e. individual shops).

Shopping centres in the Czech Republic

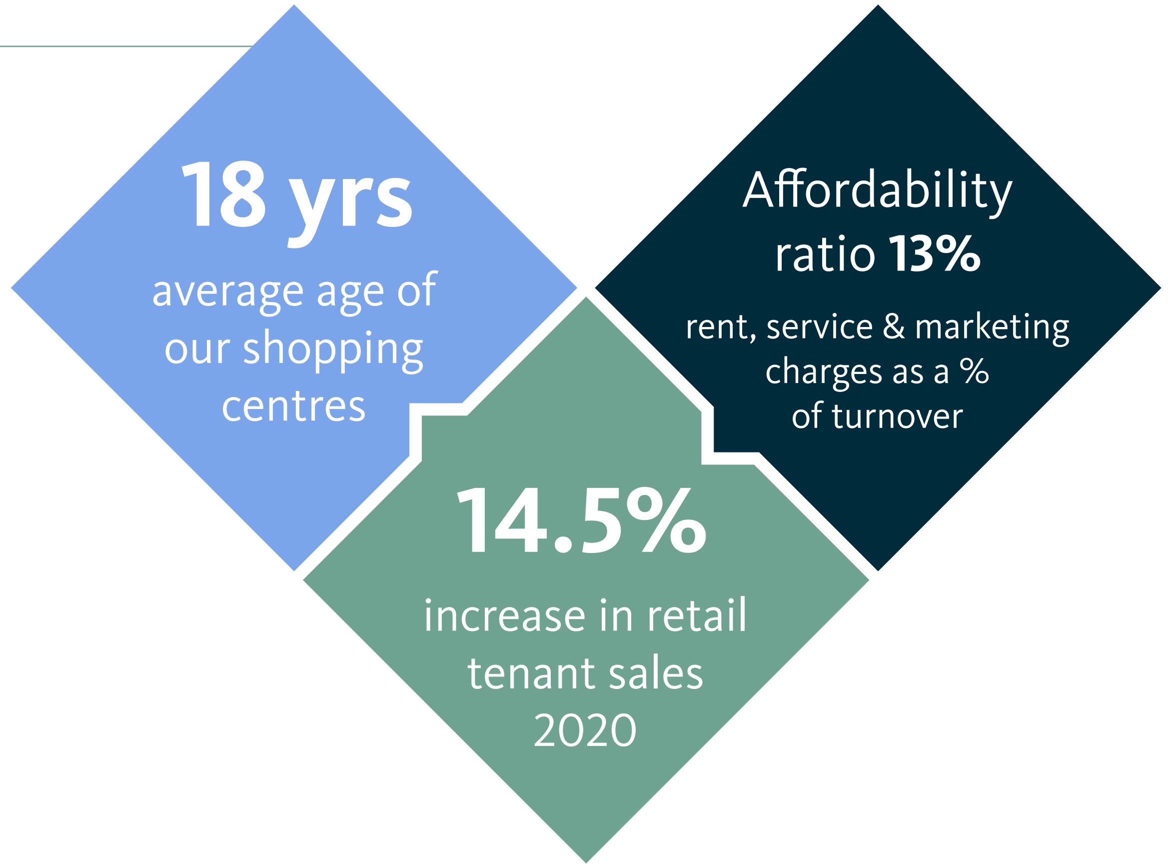
Like-for-like rents in the shopping centre portfolio were resilient in 2021, recording a positive development. Similar to the prior year, the main impact on net rental income in the first half was related to selective one-time discounts provided to tenants. Total discounts provided to shopping centre tenants in 2021 amounted to €6.2 million, compared to €5.8 million in 2020. Leasing activity remained constructive despite the closure of non-essential retail until May – leases comprising nearly 42,000 m² of total leasable area (around 13.4% of total) were agreed on during the year, representing 18% of total annual rent. **Like-for-like headline rents increased by 1.5%,** mainly driven by indexation.

The impact of the COVID-19 pandemic on Czech retailers has been heavily mitigated by two-pronged support from the government and CPIPG. The government's "COVID Rents" programme subsidised **50% of the rent for tenants affected by forced closures initially in Q2 2020** and was subsequently extended twice in Q4 2020 and Q1 2021 to cover periods when tenants entered further lockdowns. New programmes were introduced in early 2021 to cover a significant portion of tenant fixed costs while non-essential retail remained shut, which lasted until the end of May when shops and the economy largely reopened again. Further subsidy programmes were also provided in Q4 2021, aimed at covering fixed costs and employee costs during the lockdown. Nevertheless, on top of government support, the Group provided ad hoc discounts and lease incentives to tenants that required support throughout the pandemic, usually in return for lease extensions.

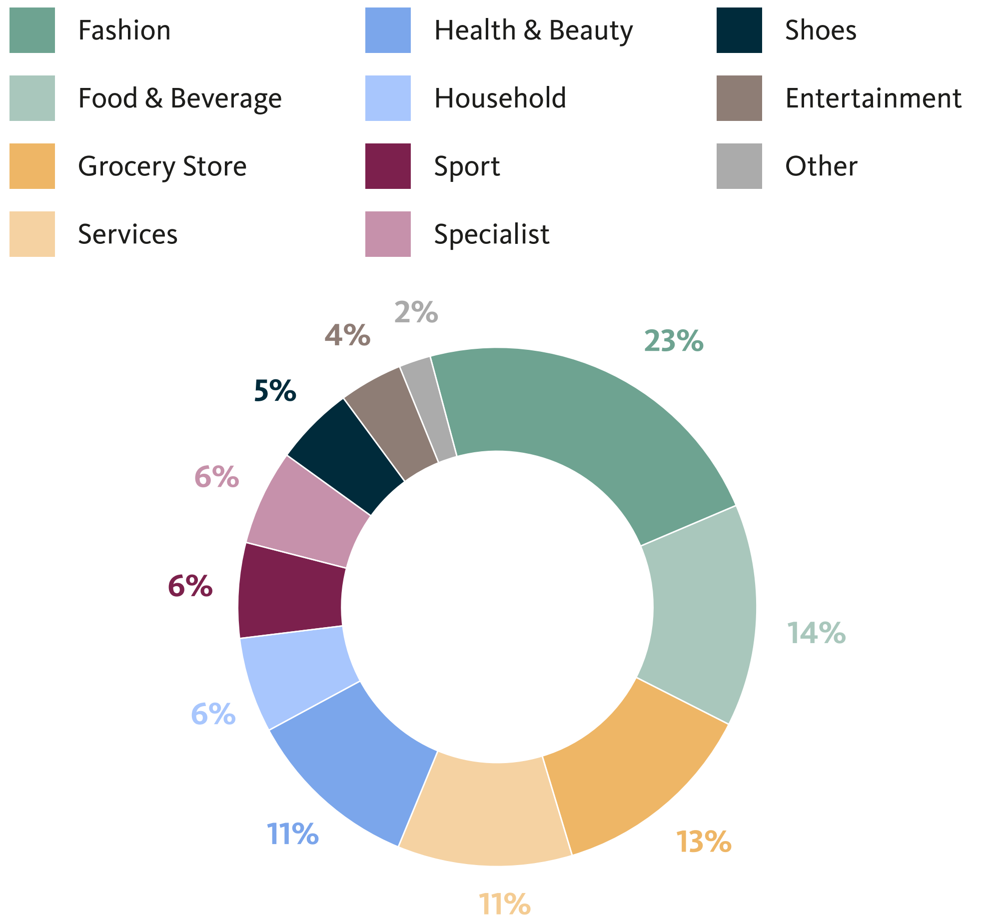
When non-essential retail reopened in the Czech Republic on 10 May 2021 following four months of lockdown, **footfall and sales quickly rebounded in our shopping centres.** Total footfall for the entire year of 2021 is marginally lower by 2% compared to 2020. Return of footfall varied significantly in Prague versus the regional cities, as the visitors are somewhat tied to office occupiers such as at Quadrio and Zlatý Anděl. Excluding the Prague shopping centres, the total footfall for 2021 was 1% higher than in 2020.

COVID-19 restrictions affected occupancy mainly in the first half of 2021, while the second half saw a gradual easing of measures. Despite that, **occupancy in the shopping centre portfolio remained very solid, falling only 0.3% to 95.7%,** including the Group's recently opened development Spektrum.

Tenant quality is solid – in 2021, there were a few exceptional cases of retailer bankruptcies and departures. In general, these tenants were already facing significant challenges or had decided to exit the Czech market before COVID-19. Furthermore, in 2021, the Group terminated lease contracts with fashion retailer C2H Group (Pietro Filipi, Kara, ETAM) that was already struggling before the pandemic. Most of the units vacated were re-let during the year.

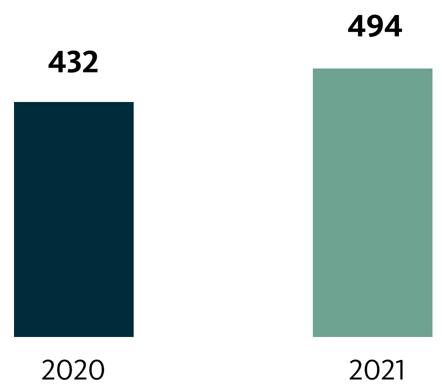


Czech Shopping Centre tenants by type
(according to headline rent)

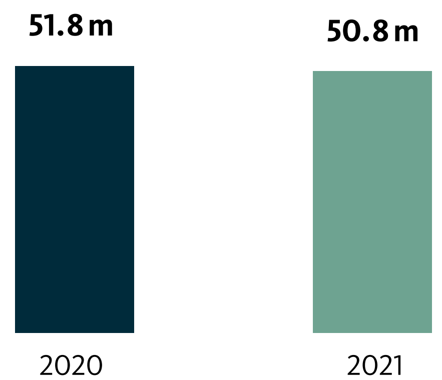


Note: Specialist include Books and Stationery, Toys, Presents and E-commerce.

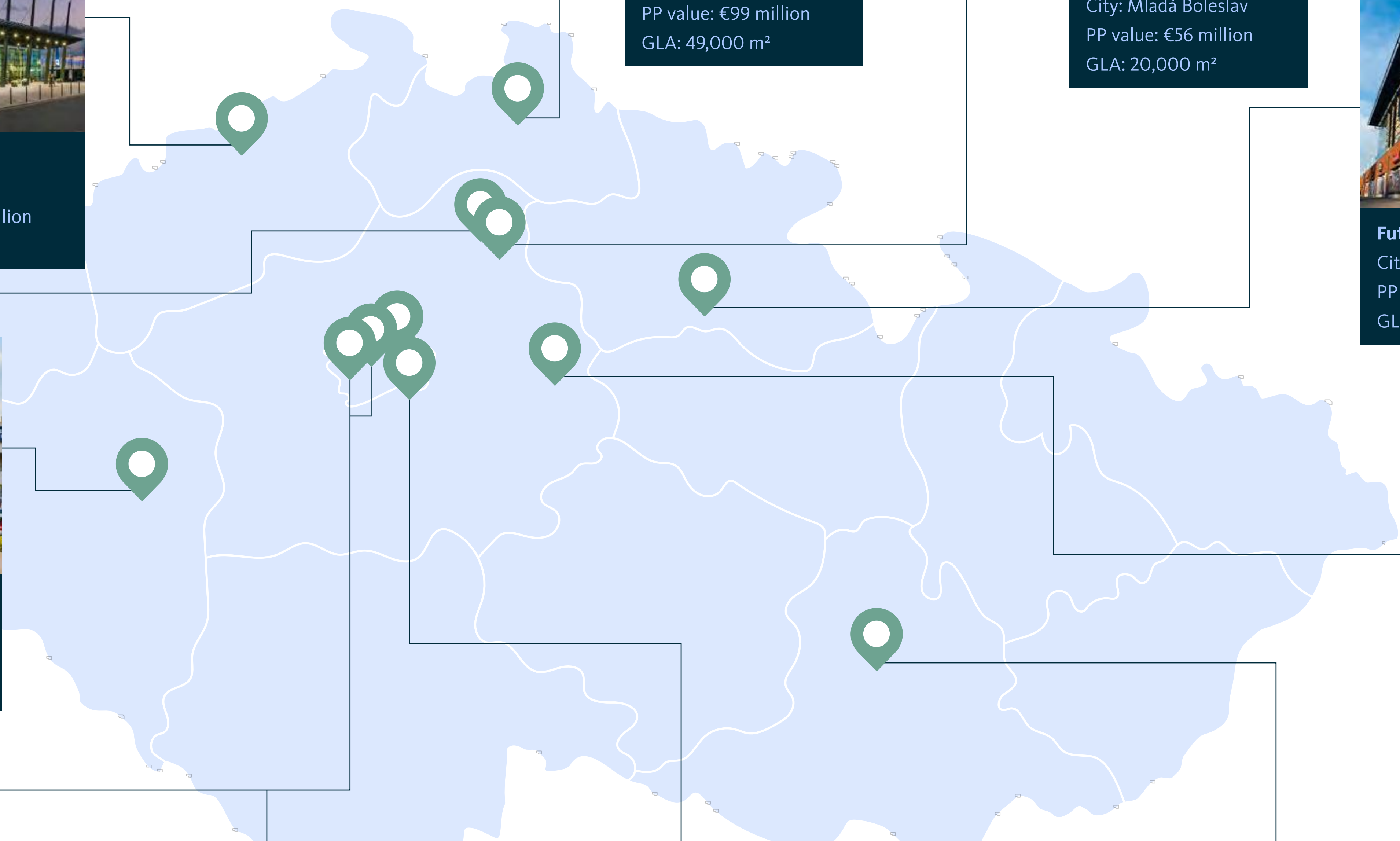
Increase in tenant sales (€m)



Slight decrease in footfall



Regional shopping centre footprint in the Czech Republic



Nisa
City: Liberec
PP value: €99 million
GLA: 49,000 m²

Olympia Mladá Boleslav
City: Mladá Boleslav
PP value: €56 million
GLA: 20,000 m²

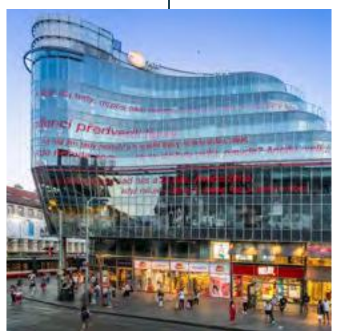
Olympia Teplice
City: Teplice
PP value: €62 million
GLA: 29,000 m²

Futurum Hradec Králové
City: Hradec Králové
PP value: €128 million
GLA: 39,000 m²

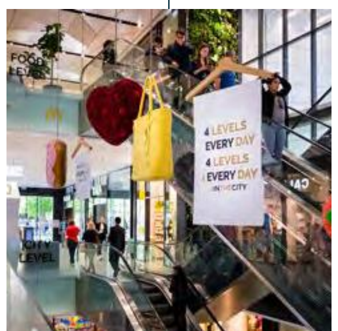
Bondy
City: Mladá Boleslav
PP value: €64 million
GLA: 21,000 m²

Olympia Plzeň
City: Plzeň
PP value: €155 million
GLA: 41,000 m²

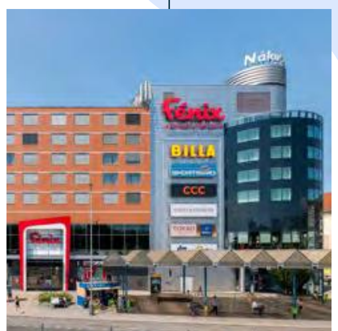
Futurum Kolín
City: Kolín
PP value: €33 million
GLA: 10,000 m²



Zlatý Anděl
City: Prague
PP value: €91 million
GLA: 7,000 m²



Quadrio
City: Prague
PP value: €135 million
GLA: 8,000 m²

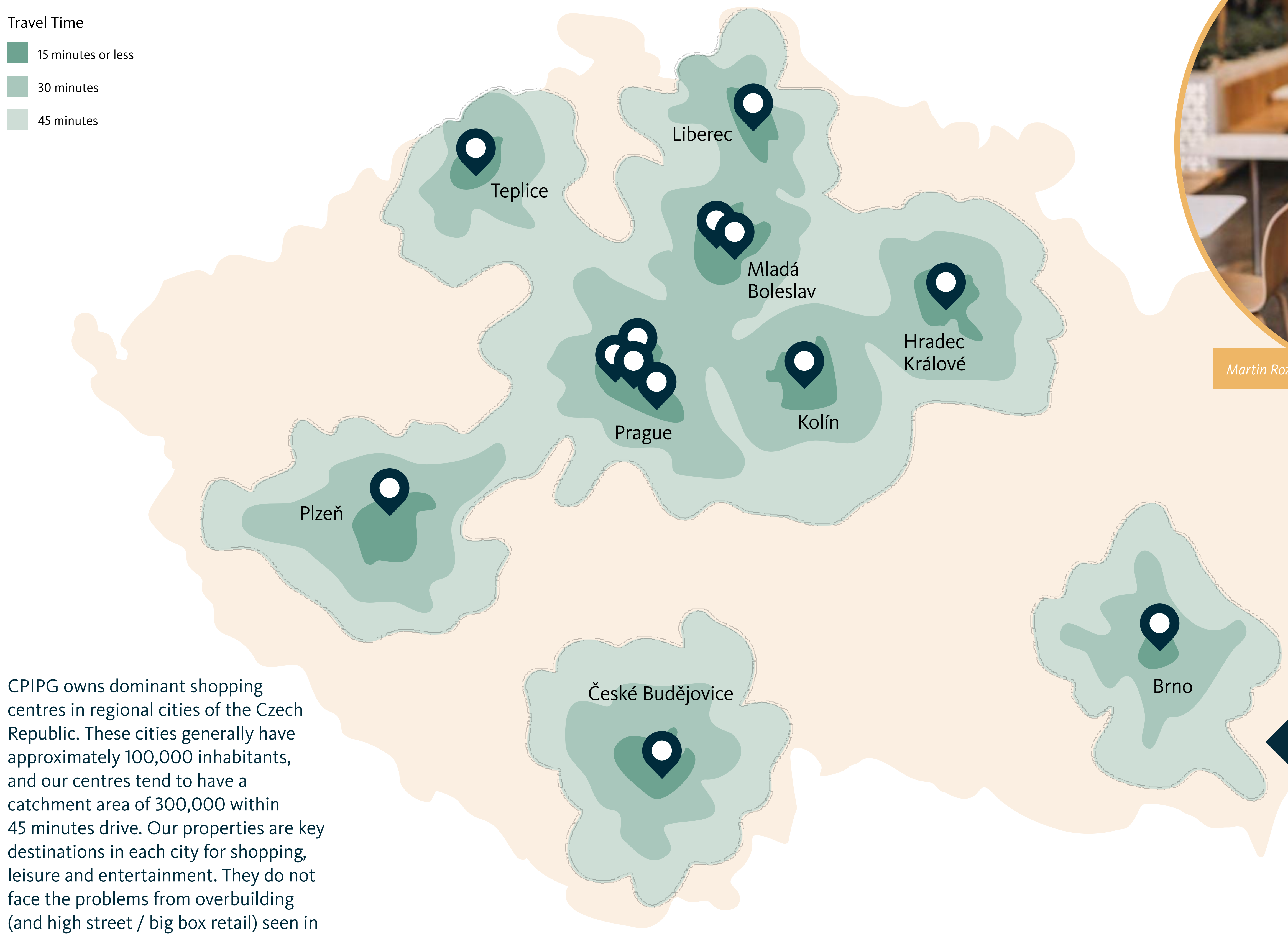


Fénix
City: Prague
PP value: €57 million
GLA: 13,000 m²

Spektrum
City: Čestlice
PP value: €20 million
GLA: 7,000 m²

Královo Pole
City: Brno
PP value: €68 million
GLA: 27,000 m²

Catchment of regional shopping centres in the Czech Republic



Martin Rozhoň, Head of Shopping Centres Asset Management CZ

12%

Market share in Czech Republic shopping centres

CPIPG owns dominant shopping centres in regional cities of the Czech Republic. These cities generally have approximately 100,000 inhabitants, and our centres tend to have a catchment area of 300,000 within 45 minutes drive. Our properties are key destinations in each city for shopping, leisure and entertainment. They do not face the problems from overbuilding (and high street / big box retail) seen in many Western European countries and the USA.

*GfK for CPIPG, 2021

Retail parks

The discount-focused and convenience-oriented retail park format proved its resilience throughout the pandemic when most physical retail faced severe challenges. During the spring lockdown in the Czech Republic, retail parks became a safe haven, partly because the accessible store formats were able to enact social distancing measures more easily than shopping centres – which meant that after the spring lockdown, retail parks were able to remain operational for the remainder of the year, even when other non-essential retail was forced to close. As a result, almost all retail park tenants reported higher year-to-date turnovers in 2020 compared to 2019, and this meant that tenants entered 2021 in relatively strong health. Consequently, the Group has not experienced any retail park tenants entering bankruptcy in 2021.

Occupancy in the Group's retail parks was 100% at the end of 2021. In 2021, retail parks faced similar measures and restrictions as shopping centres, with non-essential stores remaining closed until May. Given the relative success of our retail parks, no relevant discounts were provided during 2021.

100% occupancy

Increase in tenant turnovers

Stable platforms

Hypermarkets and supermarkets

Hypermarkets and supermarkets also represent a very stable part of the Group's retail segment, which was clearly demonstrated during the COVID-19 pandemic.

Even though this segment was still partly affected by government restrictions around social distancing and hygiene measures, **turnovers of hypermarkets and supermarkets continued to grow throughout the pandemic.** This can be attributed to essential retail continuing to operate throughout the year despite lockdowns, also leading to specific periods of the year punctuated by heightened activity due to panic buying.

Shopping trends also adapted to the pandemic as shoppers decreased the frequency of supermarket/hypermarket visits but increased average basket sizes per visit. According to research by Nielsen IQ based on shopper behaviour in the Czech Republic during 2020, the volume of transactions decreased by 8% in hypermarkets and even 19% in supermarkets; however, the average shopping basket increased by around 15%, a trend that continued in 2021 as well. An increase in e-commerce also occurred; however, the share remains relatively low compared to, e.g., Western European markets.

In light of the buoyant activity during the year, the portfolio continued to be **100% occupied**.

CityMarket retail park, Náchod, Czech Republic

Pavel Jirásek, Head of Retail Warehouse & Logistics Asset Management

Retail parks and stand alone retail in the Czech Republic

Retail parks

Stand-alone supermarkets, hypermarkets and hobby markets

Spektrum Shopping Centre, Čestlice, Czech Republic

Czech retail market

The Czech retail market was affected by the COVID-19 pandemic in early 2021. At the beginning of the year, severe protective measures resulted in the closure of all non-essential stores until mid-May. After that, there were no further mandated store closures during the year; however, limitations or verification obligations were imposed on food & beverage outlets, leisure and entertainment activities.

Similar to other countries, pent-up savings and deferred consumption led to a strong rebound in footfall and sales when shops eventually reopened. For the full year, footfall was almost 30% below that of 2019, and turnover was down approximately 20%. However, when comparing only the period without lockdown measures (May-December), turnover figures were in line with 2019 levels.

According to Oxford Economics, overall retail spending increased by 4.8% YoY, largely driven by a 20% YoY increase in **e-commerce that reached its highest penetration of over 18%.** CBRE expects retail sales to increase by 6.6% YoY, with e-commerce penetration reaching 20% of total retail sales; however, the e-commerce growth trend will likely slow to 10% YoY.

Despite the negative impact of COVID-19 measures on the retail market, tenant activity in the Czech market was highly positive with more than 30 international new retailers entering the market in 2021. Most new entrants were European brands, with Fashion brands being the largest segment. Furthermore, pop-up store formats are increasingly attractive to both landlords and tenants as an effective use of vacant space and enable brands to test the market with limited investments.

There were only three new developments delivered in 2021, all located in Prague or its surrounding, including CPIPG's Spektrum in Čestlice. The Czech shopping centre market grew by only 30,700 m² and stood at 2.3 million m² at the end of 2021.

Shopping centre development will remain limited in the near term, with two shopping centres under development expected to deliver 11,200 m². Planned construction commencement in 2022 is expected to be opened in 2023 or 2024; however, developments will continue to be affected by persistently rising construction costs.

Retail park development activity is expected to continue, especially in smaller towns up to 40,000 inhabitants, given the resilient performance of the format throughout the pandemic. In addition, some retailers traditionally present in shopping centres now consider retail park locations more often when planning expansion or relocation of their stores. This is likely due to the shift in customer preferences towards consumer and household goods that led to the solid performance of grocery and convenience retail – a trend that is likely to continue.

Prime rents showed positive improvements YoY as of Q4 2021, with high street rents in Prague growing 3.8% YoY, retail park rents averaging 2.5% YoY and flat growth in shopping centre rents. At the end of 2021, prime rents in Prague stood at €220m²/month for the high street and €140 m²/month for shopping centres, respectively. Nevertheless, inflation concerns, supply chain disruption and lack of staff may put downward pressure on rents in the Czech retail market this year.

In the investment market, retail parks have proven to be an attractive product. However, there is a lack of supply to meet the investors' demand. The retail sector in the Czech Republic remained stable throughout 2021, with prime yields holding steady at 4.50% for high street and 5.75% for shopping centres. Retail segment investment activity is expected to rebound in 2022 as retail sales recover and transactions that were put on hold due to pricing expectations gap.

Sources: Cushman & Wakefield, CBRE, Savills

Italian retail market

The Italian retail sector's performance continued to be driven by COVID-19 restrictions but overall saw improvements during the second half of 2021. While October recorded turnover volumes above 2019 levels, the overall turnover and footfall for the year remain below 2019 levels. The best performing segments were electronics, household goods and sportswear, while restaurants and food courts continued to be heavily impacted. Out-of-town retail parks showed their resilience and essential nature, with sales mostly back to pre-pandemic levels.

Rents for shopping centres remained stable at around €75m²/month, while prime high street rents in the top cities slightly increased.

Italy recorded an investment volume of €1.4 billion for retail assets in 2021, of which 68% represented high street retail. Yields for prime shopping centres stood at 6.15%, a 75bps increase compared to year-end 2019 levels.

Sources: CBRE, Cushman & Wakefield, Savills

Hungarian retail market

The trend of larger basket sizes despite lower footfall can also be observed in the Hungarian retail market. Nominal retail sales are up by 12% compared to December 2019, partly driven by higher inflation. Apparent differences can be observed between various categories with Food, Pharmaceuticals and Cosmetics 12-months rolling sales clearly above December 2019 levels, while Furniture, Houseware and Electrical Equipment sales declined in 2021. Fashion & Shoe saw a recovery during 2021 but remained well below the pre-pandemic levels.

Limited new space supply came into the market, with around 15% of shopping centre stock is currently under refurbishment. In regional locations, small-scale new projects and new retail spaces, as part of residential buildings' ground floors, were delivered.

The number of new retail entries is increasing with brands such as Jimmy Choo and The Gap entering the market. Rent levels remained mainly stable. Prime shopping centre yields are at 6.25%, according to JLL.

Sources: CBRE, JLL

Polish retail market

The Polish retail sector experienced very similar patterns to the Czech market. Footfall improved year-over-year while remaining 29% below 2019 levels, with September the most favourable month recording footfall levels close to pre-pandemic levels. Turnovers recovered significantly better, remaining only 16% below 2019 results while nearly recovering in December following a positive trend during the H2 2021.

The supply of modern retail spaces grew by circa 300,000 m² in 2021, according to CBRE. Retail parks continued to be favoured by investors and developers, representing around half of the new supply. Other popular convenience led retail projects can be found in mix-used projects and ground floors of residential developments. Overall supply was focused on towns with a population of below 100,000 inhabitants.

Demand for spaces was driven by discount stores and grocery chains, while fashion and sports retailers' needs seem to be saturated. International brands continue to expand into Poland with the arrival of brands such as Rituals Cosmetics, Half Price and Colynn. Headline rents remained stable with €100–130 m²/month for shopping centres in Warsaw and €40–60 m²/month in regional cities. Tenants increasingly demand shorter leases and turnover dependent rents. Healthy occupier-cost ratios will be particularly important in a more inflationary environment.

According to Cushman & Wakefield, current prime shopping centre yields stood at 5.0% in Warsaw city centre. In comparison, regional cities recorded levels of 5.8% in the Silesian Conurbation up to 6.5% in Szecin.

Sources: CBRE, Cushman & Wakefield

Slovak retail market

The Slovak retail market is split by shopping centres in Bratislava and other larger cities, representing around 66.5% of the total retail area, with retail parks dominating outside Bratislava. Like in its neighbouring markets, Slovak footfall and tenant sales continue to be driven by government regulations. In addition, the Government of Slovakia no longer provides support for tenants in the form of rent reliefs and financial aid to businesses.

Slovakia saw new supply in spaces from a major shopping centre opening in Bratislava and the extension of existing schemes. The pipeline is currently filled with only one large-scale project in the capital. Eleven new foreign brands entered the market in Bratislava and Novum Prešov. Rents remained stable at around €65 m²/month.

Investment demand mainly stems from domestic investors with retail parks and standalone retail warehouses in particular demand. Prime shopping centre yields remain stable with around 6.0% in Bratislava and other major cities, while retail parks yields are narrowing towards 7.0%. Total investment volumes in Slovakia reached €765 million, of which 44% represented retail (c.€337 million). The sale of the Aupark shopping centre dominated the transaction with the first payment of €270 million in 2021, with six other retail transactions recorded in 2021.

Sources: Cushman & Wakefield, CBRE

Ogrody Shopping Centre, Elbląg, Poland

A fresh new shopping centre in Rome

Maximo shopping centre, located in the southern part of Rome along Via Laurentina, is Rome's first new shopping centre in over 15 years and the third-largest in the city. It opened in November 2020 and is fully occupied with over 150 tenants with a Gross Leasable Area of slightly over 60,000 m². Maximo boasts a balanced mix of tenants such as Panorama, UCI Cinemas, Primark, H&M, Decathlon and Maison du Monde. The shopping centre serves the local community providing daily life amenities, including McFit gym, JoyVillage game centre, a medical centre and a vet and pet shop.

Maximo shopping centre is well located in a large catchment area with above-average incomes and home to more than 880,000 inhabitants within a 20-minute drive. It also has excellent public bus and metro transportation connections and dedicated cycle paths.

Improvements in confidence among consumers and businesses in Italy has been relatively strong in H2 2021. With support from the EU Recovery Fund and ongoing reform changes, CPIPG sees growth opportunities captured in the retail sector in Italy, as rents stabilise and consumer spending trends positively.

Maximo shopping centre, Rome, Italy

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Very Good 2021

★★★★☆☆