

Issuer Filing Information

CPI Property Group

ISSUER FILING INFORMATION

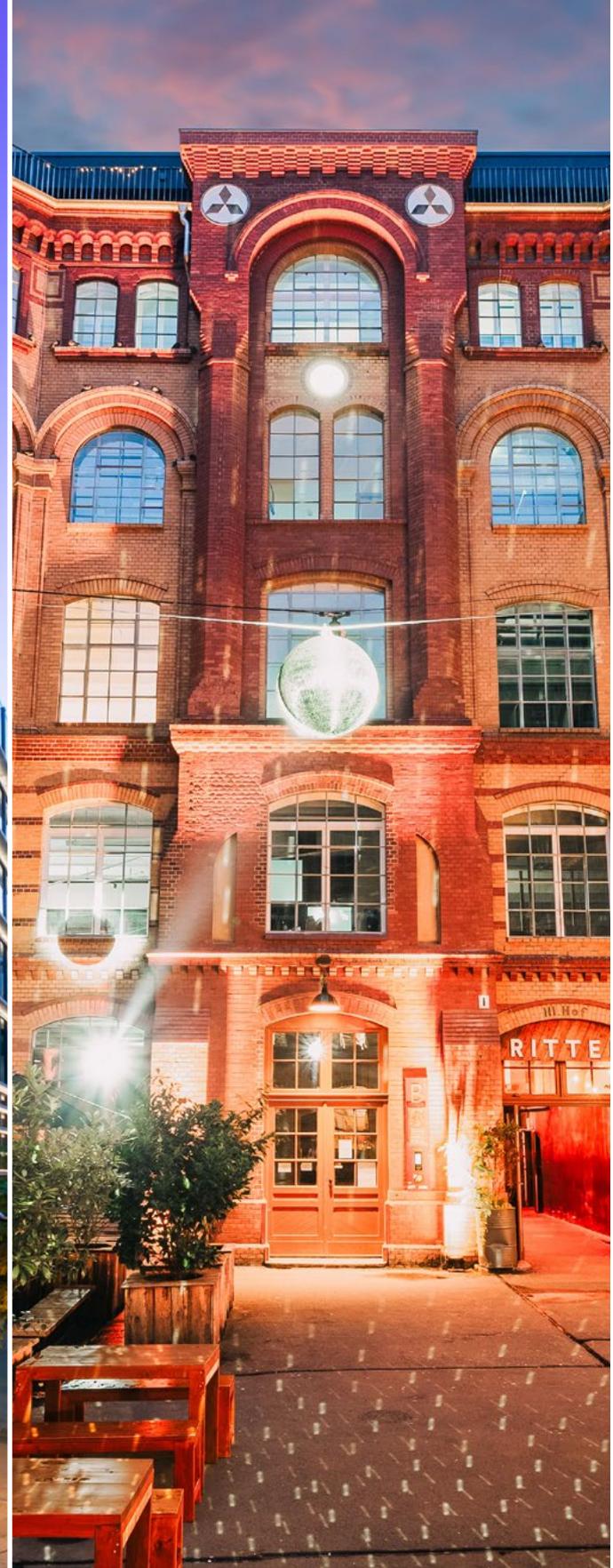
Type of Information:	Issuer Filing Information
Date of Submission (DD/MM/YY)	4 April 2024
Issuer Name:	CPI Property Group
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5. All prospective investors who consider purchasing the Notes of CPI Property Group issued or to be issued under the Program Information dated 25 September 2020 (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.

2023 Management Report



Contents

Interactive PDF

This report has embedded bookmarks enabling quick and easy navigation.

The contents page is linked to corresponding page numbers and the top bar is linked to sections.

This symbol ☰ will bring you back to the contents page.

INTRODUCTION

- 3 Letter from the Chairman
- 4 A message from the CEO
- 5 Financial highlights for 2023
- 6 Key segments
- 7 Primary locations
- 8 Property portfolio
- 9 Portfolio scale and income
- 11 Capital structure initiatives
- 14 Summary of CPIPG's 2023 results
- 16 Key milestones

BUSINESS REVIEW

- 18 Economic review
- 19 Our tenants
- 20 Business segments
 - 20 **Office**
 - 36 **Retail**
 - 44 **Residential**
 - 48 **Hotels & Resorts**
 - 52 **Complementary Assets**

FINANCE REVIEW

- 55 EPRA performance
- 58 CPIPG's valuation approach
- 60 Financing
- 67 Results & net assets
- 70 Group structure
- 71 Glossary of terms
- 72 Key ratio reconciliations

ESG

- 75 Group ESG strategy
- 81 Environmental
- 92 Social
- 97 Governance

FINANCIAL STATEMENTS

- 107 Declaration letter
- 107 Consolidated financial statements

myhive Metrooffice, Bucharest, Romania

On the cover:
myhive Warsaw Spire
Quadrio, Prague
AQUA-Höfe, GSG Berlin photo: © GSG Berlin



Letter from the Chairman

Dear stakeholders,

Ten years ago, I joined CPIPG's board of directors. At the time, in 2014, the Group had just expanded beyond the Czech Republic and Slovakia into Germany, Hungary, and Poland. We were optimistic, enthusiastic, and ready to show that a local company could become a widely respected European landlord by utilising our local knowledge and hands-on approach to managing real estate.

A decade later, I am extremely proud of what the Group has achieved. CPIPG is the leading landlord in Central and Eastern Europe with a portfolio of about €20 billion generating nearly €1 billion of income from more than 700 commercial properties and 13,000 apartments. Our portfolio has been resilient through COVID-19, the invasion of our regional neighbour Ukraine, gyrating interest rates, rising inflation, capital markets disruption and other challenges.

The Group's success is anchored in the performance of our properties and our people, including Martin Němeček, CEO and managing director of the Group from 2014 until November 2023. Under Martin's leadership, the Group expanded into the international bond markets, welcomed Apollo as a shareholder, transformed our ESG profile, and more than doubled in size. After so much work and achievement, the board of directors understood why Martin requested a break to rest and recharge. We are delighted that Martin will remain with CPIPG as an advisor and look forward to working with Martin for years to come.

*“The Group's success is anchored
in the performance of our properties
and our people.”*

Edward Hughes, Chairman of the Board

I am confident that our new CEO, David Greenbaum, will continue CPIPG's success story. David's leadership was tested early, as the Group was subjected to a short seller attack less than 24 hours after the CEO change was announced. Our responses to the short seller were swift, detailed, clear, and professional. The Group engaged White & Case and other third parties to conduct independent reviews of the allegations raised, along with our governance practices, valuation methodologies and data including occupancy and rents. While the process of responding to the short seller was time-consuming and stressful, we welcomed the scrutiny. I am pleased that all third-party checks to date have reconfirmed the quality of CPIPG's reporting and demonstrated that the short-seller's allegations are baseless.

CPIPG has much to achieve in 2024. Operational performance is a top priority, with more than 8,000 tenants in our properties. The Group will continue to address leverage, which remains above target, by continuing our disposal pipeline: we sold €2 billion of properties in the last 19 months and expect to sell up to €2 billion in the coming 24 months. The Group remains focused on financing and liquidity: CPIPG raised over €2.5 billion of secured and unsecured financing in 2023 and repaid more than €3.1 billion of debt. Addressing complexity is another important topic, as the Group will focus on further integration of the acquisitions of IMMOFINANZ and S IMMO.

I am confident that under David's leadership, CPIPG will continue to deliver on all these priorities. We appreciate the continued support of our tenants, banks, investors and other stakeholders.

Sincerely,

Edward Hughes
Chairman of the Board

A message from the CEO

Dear stakeholders,

After nearly 20 years as a banker, I joined CPIPG in 2018 as CFO. I had many great relationships across three continents, but **CPIPG was the only client I ever wanted to join.**

As CEO, Martin Němeček helped draw me to the Group. Under Martin's leadership, CPIPG entered the Eurobond markets, made transformational acquisitions and strengthened the Group's international reputation. **I am glad that in his new role as senior advisor, Martin will continue to play an important role at CPIPG.** As the new CEO, I have big, stylish shoes to fill!

For CPIPG, 2023 was a year of action. Faced with higher interest rates and following our acquisitions of IMMOFINANZ and S IMMO, the Group focused on reducing leverage through disposals. **CPIPG closed €930 million of disposals during 2023 and signed nearly €900 million of additional disposals that should close in early 2024.** Our €2 billion disposal pipeline, announced in August 2022, will be completed months ahead of schedule at average prices equivalent to book value. CPIPG is not stopping there: we now have a **fresh target of €2 billion to be executed over the next 12 to 24 months.**

The quality of CPIPG's real estate portfolio makes the Group unique. Our nearly **€20 billion of real estate** (€17 billion of which is income-generating) produces more than **€900 million of rent and almost €800 million of EBITDA.** The portfolio is high yielding, with an EPRA topped-up net initial yield of 5.4%. **Like-for-like rental growth was a healthy 7.9%**, driven by inflation and higher market rents. Unfortunately, strong rental growth was not enough to offset market forces, resulting in a **modest portfolio valuation decline of €1.1 billion (-5%),** primarily in office, partially offset by more than €370 million of value-enhancing CapEx.

The Group raised **more than €2.5 billion of secured and unsecured external financing** in 2023, including €1.2 billion of fresh cash. **Net debt was reduced by more than €400 million,** and the Group's bridge financing was reduced from €1.6 billion to €530 million today. **Net LTV was 52.3% at year-end 2023,** above our target, but was **49.8% pro-forma for disposals already signed.** Total liquidity was €1.4 billion and provides ample cover for debt maturities.

Reducing leverage remains a key priority for the Group. At the end of 2023, our primary shareholder contributed about €300 million of residential assets to CPIPG in a non-cash transaction. We continue to explore external equity investment and have received significant investor interest in our portfolios in Berlin, Poland, and Italy. However, a decision to proceed with any transaction will be closely linked to our credit rating: **CPIPG is ready to take big steps to protect our investment grade ratings,** but only if we are confident that the outcome will be positive.

Our portfolio benefits from high occupancy of 92.1%. Occupancy declined somewhat (-0.7% YoY) because of the weaker economic environment affecting the office sector. Fortunately, office occupancy remains around 90%; **working from home has not taken hold in our region,** and new construction is limited. In retail, limited construction and a strong post-pandemic recovery in consumer spending have supported excellent operational results and **occupancy over 97%.** Hotels have delivered record performance, demonstrating a full recovery from the pandemic.

In late 2023 and early 2024, CPIPG was targeted by a short seller who published "research" reports which **drew selectively from disclosure and twisted facts to suit a negative narrative.** These reports initially caused considerable market noise and prompted questions from our stakeholders, auditors, and

other third parties. However, **CPIPG welcomed the opportunity to prove the quality of our reporting and disclosure.** We responded in detail to the short seller, engaged third parties to review our practices and disclosures, and are confident that CPIPG has demonstrated the qualities we value most: transparency, openness and solid business logic.

The Group is proud to be a closely held company and is open about our relationship with our founder Radovan Vítek, **who has contributed more than €1.4 billion to the Group over the past 10 years.** However, the Group also understands the importance of reducing the volume of related party transactions and achieving the right balance of shareholder distributions. **In 2023, the Group distributed less than 25% of FFO via share buybacks, versus our policy of 65%.** We expect to maintain a conservative approach to distributions in the near-to-medium term.

Looking to 2024, we are cautiously optimistic. **The ECB appears poised to cut rates, and the real estate supply versus demand balance remains healthy in our region.** A more supportive backdrop should help CPIPG achieve our key objectives: reducing leverage, maintaining operational excellence, and reducing complexity by further integrating IMMOFINANZ and S IMMO.

We have lots of work to do!

Sincerely,

David Greenbaum



“The quality of CPIPG's real estate portfolio makes the Group unique.”

David Greenbaum, CEO

Financial highlights for 2023

- One of Europe’s largest landlords
- Substantial recurring income and cashflows
- High occupancy and strong rental growth
- Leverage above target at year end, offset by significant sales in Q1
- Firmly committed to reaching our financial policy targets
- €1.4 billion of available liquidity

TOTAL ASSETS

€21.9

billion

PROPERTY PORTFOLIO

€19.5

billion

NET LTV

52.3/49.8%

pro-forma for signed disposals

CONTRACTED GROSS RENT

€929

million

CONSOLIDATED ADJUSTED EBITDA

€778

million

FUNDS FROM OPERATIONS (FFO)

€390

million

OCCUPANCY

92.1%

LIKE-FOR-LIKE RENTAL GROWTH

7.9%

UNENCUMBERED ASSETS

48%

WAULT

3.5

years

NET ICR

2.5/3.3x

excluding bridge financing

EPRA NRV (NAV)

€7.0

billion

The Group operates in five key segments

CPI
Property
Group



Office – 45% of portfolio

- Leading landlord in Berlin, Prague, Warsaw, Vienna, and Budapest
- CEE office market advantages: low vacancy, limited construction, short commute times



Retail – 25% of portfolio

- #1 retail landlord in the Czech Republic, top owner of retail parks across CEE
- Focus on retail offerings that are part of consumers' daily lives



Residential – 7% of portfolio

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



Hotels & Resorts – 6% of portfolio

- #1 congress & convention hotel owner in the Czech Republic
- Flexible owner-operator model



Complementary Assets – 17% of portfolio

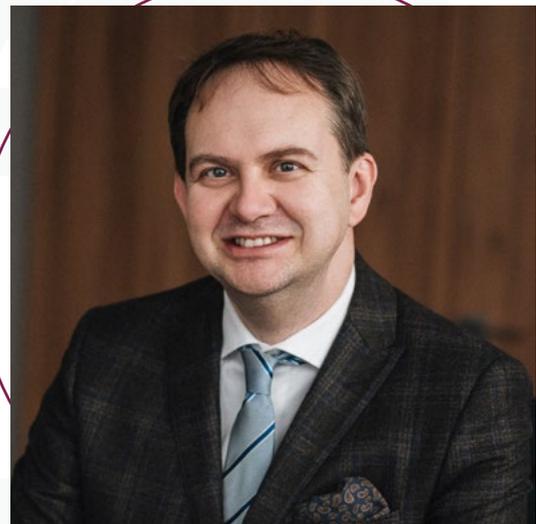
- Strategic landbank plots, development, logistics, and other assets

Leading platforms in Central Europe

Property portfolio value per segment:



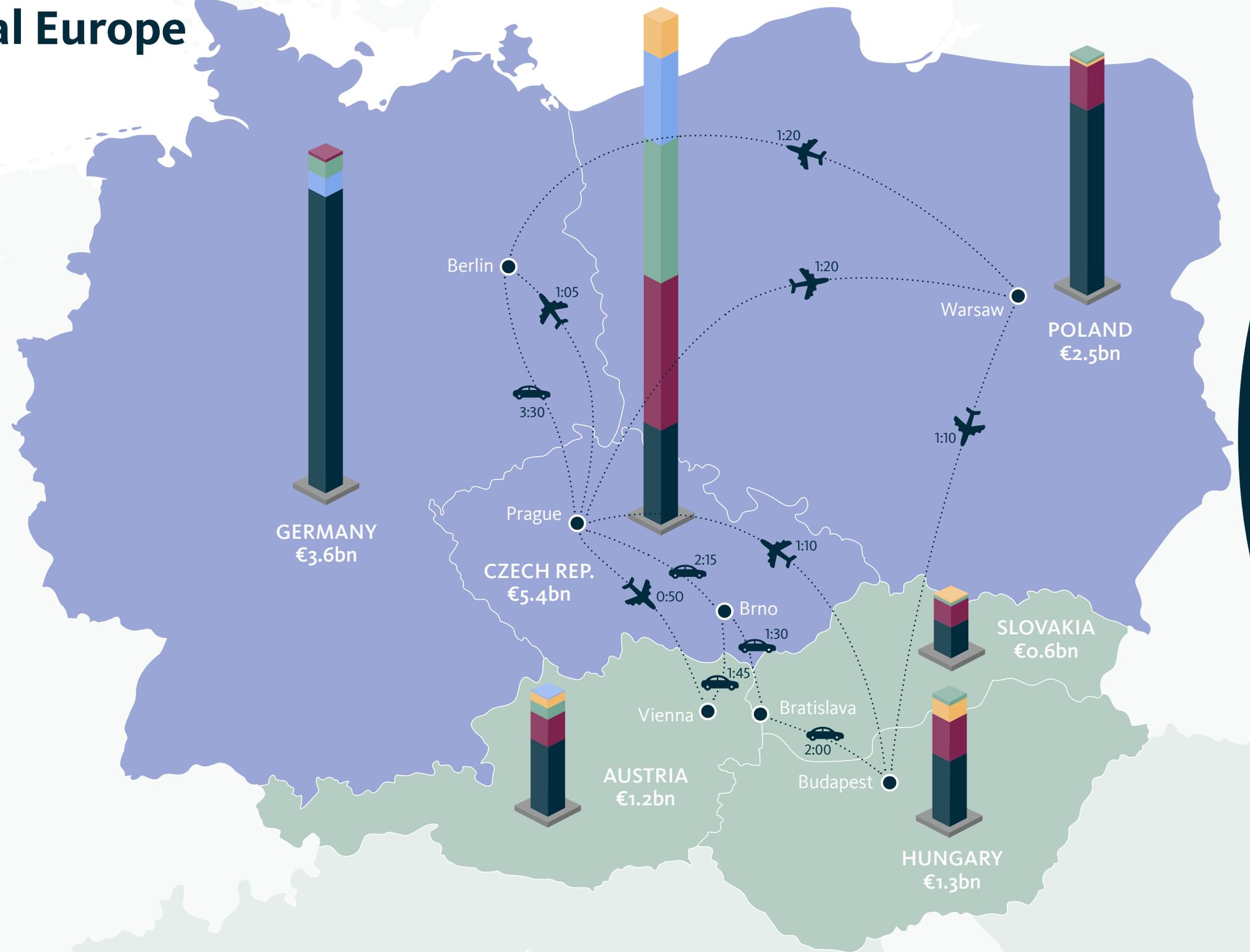
● City ✈ Flight time (hrs) 🚗 Drive time (hrs)



“CPIPG originated from the Czech Republic but is now recognised as a regional leader with unbeatable local knowledge.”

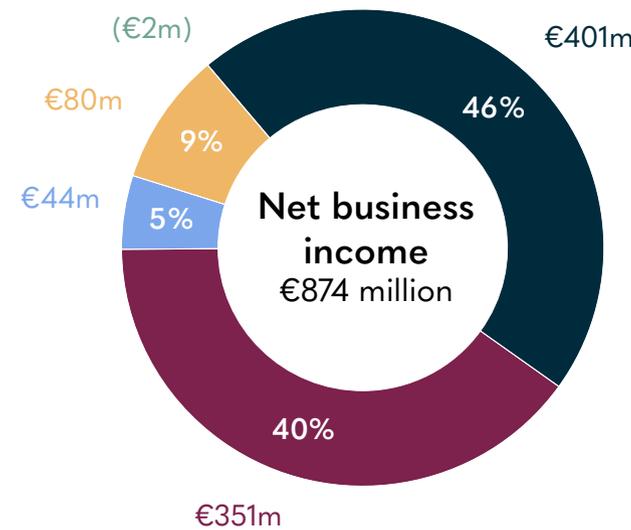
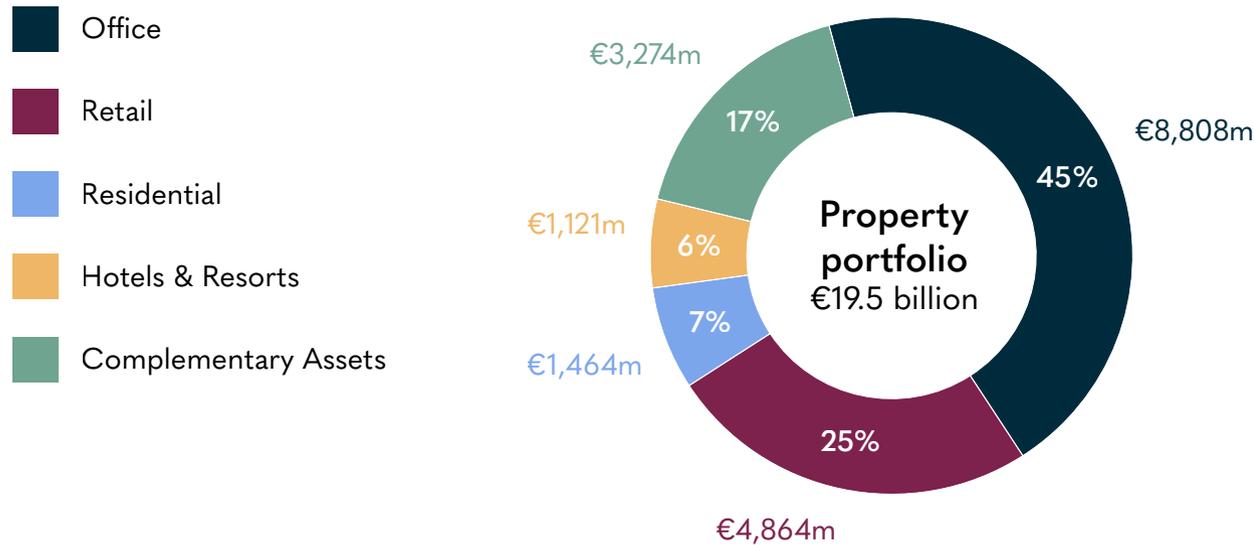
Zdeněk Havelka, Chief Operating Officer

Includes pro-rata shares of assets owned by Globalworth.

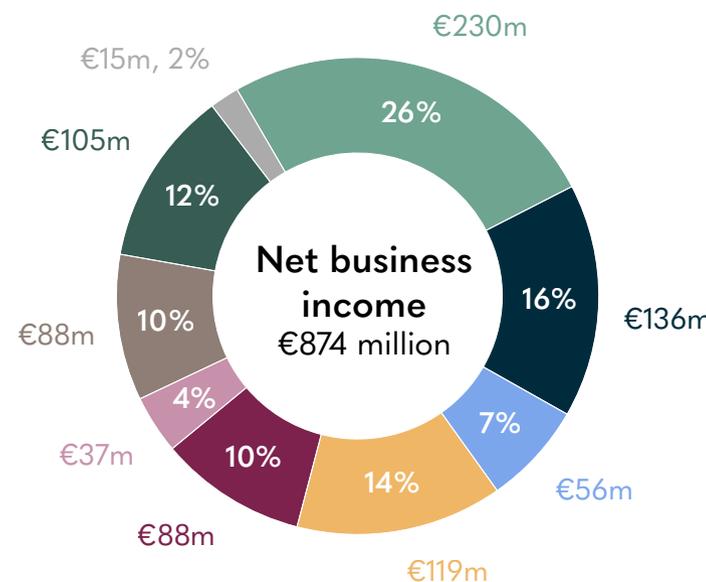
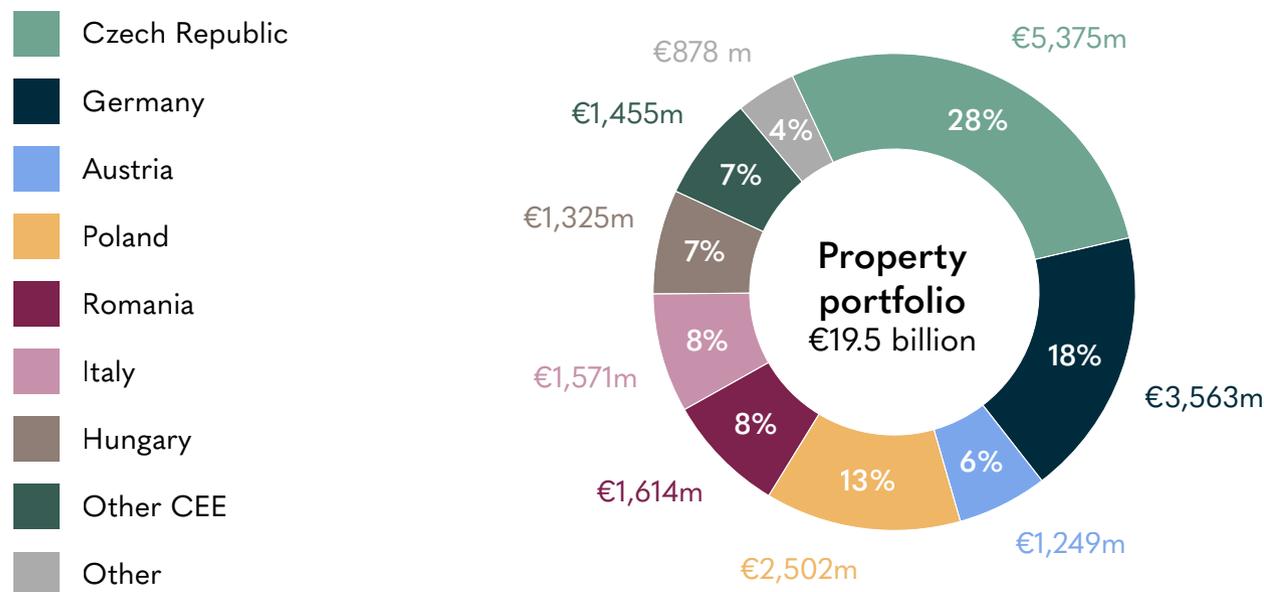


Diversification anchored in our CEE expertise

Property portfolio by segment (as at 31 December 2023)



Property portfolio by geography (as at 31 December 2023)



Property portfolio detail

Segment	Country	€ million	Share of total
Office		8,808	45.1%
	Germany	3,159	16.2%
	Poland	1,663	8.5%
	Czech Republic	996	5.1%
	Austria	728	3.7%
	Hungary	688	3.5%
	Globalworth	563	2.9%
	Romania	536	2.7%
Retail		4,864	24.9%
	Czech Republic	1,581	8.1%
	Italy	610	3.1%
	Romania	598	3.1%
	Poland	440	2.3%
	Hungary	425	2.2%
	Slovakia	397	2.0%
	Other	813	4.2%
Residential		1,464	7.5%
	Czech Republic	930	4.8%
	Germany	198	1.0%
	Other	336	1.7%
Hotels & Resorts		1,121	5.7%
	Czech Republic	389	2.0%
	Croatia	220	1.1%
	Other	511	2.6%
Complementary assets		3,274	16.8%
	Landbank	1,979	10.1%
	Development	806	4.1%
	Other hospitality	157	0.8%
	Agriculture	155	0.8%
	Industry & Logistics	107	0.5%
	Other	70	0.4%
	Total		19,531

Growing income while optimising our portfolio

CPIPG's property portfolio was valued at €19.5 billion at the end of 2023. The Group is one of Europe's largest landlords, and generated gross rental income of €934 million.

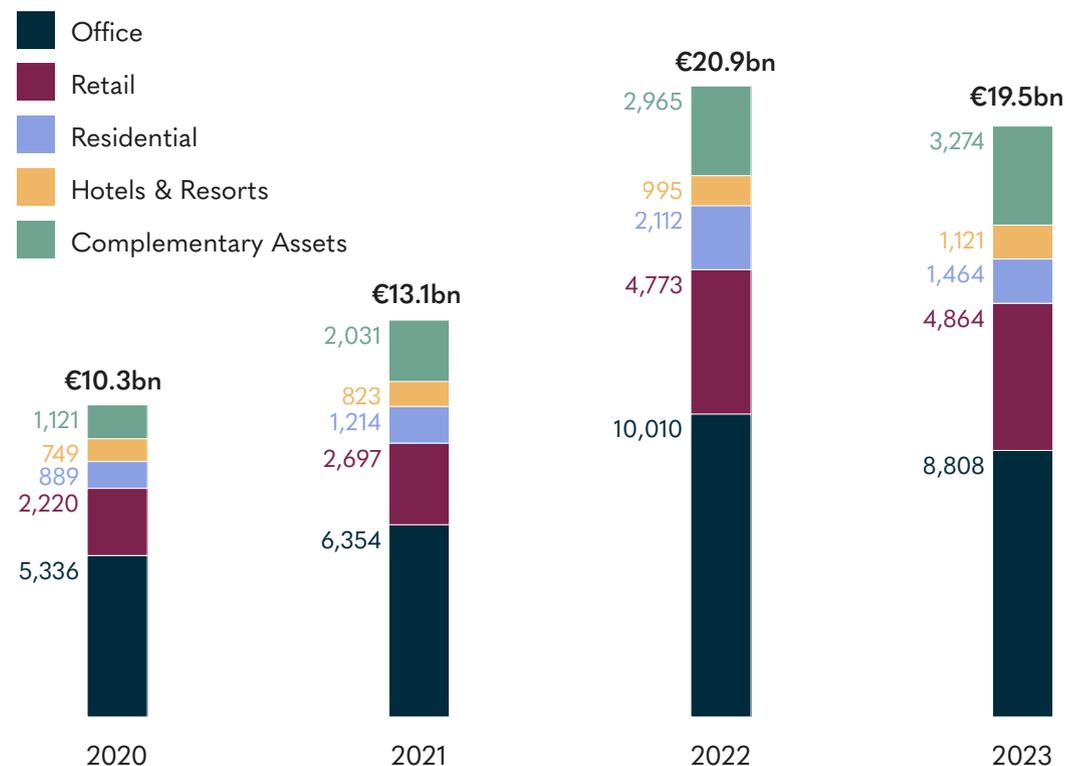
Overall, the property portfolio declined by €1.3 billion (6.3%). The main driver was a negative revaluation result of €1.1 billion. In addition, the Group completed €930 million of disposals. On the other hand, the Group invested €376 million of CapEx into our portfolio. CPIPG also completed a small number of acquisitions, including a non-cash contribution of residential assets from our primary shareholder.

Asset disposals are an important objective for the Group. In total, the Group has signed €2 billion of disposals since August 2022, achieving our target in a challenging market environment. Nearly €900 million of disposals have closed, or are expected to close, during Q1 and Q2 2024.

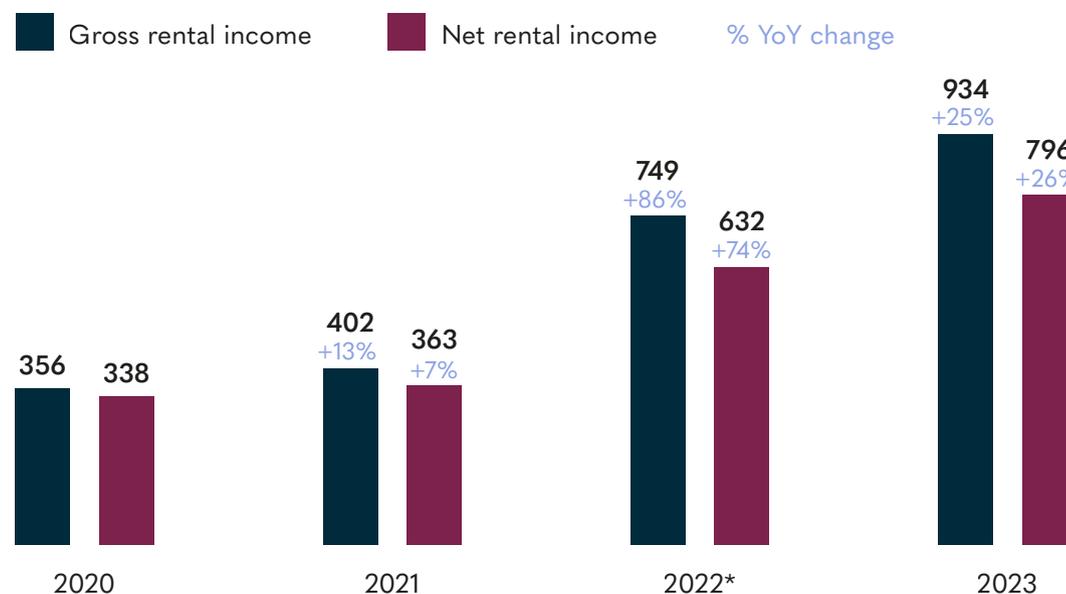
The geographic and sector split of CPIPG's portfolio was broadly stable. The Group continues to focus on selling low-yielding assets in Germany, Austria and other locations, while maintaining a strong core of higher-yielding assets in the CEE region and Berlin.

Net rental income increased by 26% to €796 million, attributable to the full effect of the acquisitions of IMMOFINANZ and S IMMO. Like-for-like rental growth of 7.9% reflects a strong contribution from inflation indexation and a stable market environment. Annualised topped-up net rental income increased by 2.7% to €801 million despite the loss of income from disposals.

Property portfolio (€ million)



Gross and net rental income (€ million)



* Rental income in 2022 reflects ten months of contribution from IMMOFINANZ and six months of contribution from S IMMO.

myhive S-Park, Bucharest, Romania



High occupancy and growing cash flows

The occupancy of CPIPG’s portfolio is quite stable.

Office occupancy declined due to somewhat lower leasing activity as economic growth was less dynamic across Europe during 2023, while rents continued to grow. Higher GDP growth is expected for 2024, in particular for the CEE region. While CPIPG is not immune to the hybrid working trend, workers in our region have generally returned to the office at least three days a week. Also, office construction across CEE remains muted.

Retail occupancy remained high and is close to 100% in our retail parks.

The CEE region has never experienced overbuilding, which has plagued retail in other regions. Therefore, the density of retail remains low, and demand is high. Plus, CPIPG’s retail offering is focused on grocery-anchored retail that is part of daily life. Finally, consumers have also been supported by high wage growth and low unemployment in CEE compared to the rest of Europe.

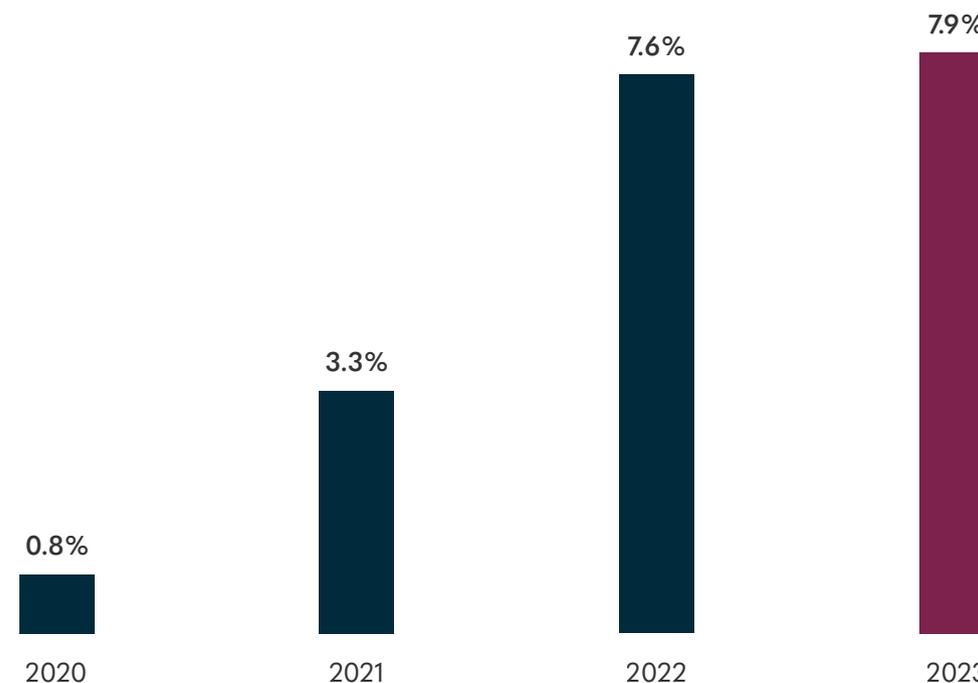
The Group achieved **strong like-for-like rental growth of 7.9%** while maintaining a well-balanced lease maturity profile with an average WAULT to first break of 3.5 years. **FFO I increased by 9.9% to €390 million.** Through our focus on multi-tenant buildings coupled with in-house asset management teams, we proactively manage our tenants and leases, which helps minimise tenant concentration risk while driving rental growth.

Occupancy (%)



* Occupancy based on rented units.

Like-for-like rental income continues to grow*



* CPIPG standalone



“Occupancy levels are stable with robust economic fundamentals supporting the outlook.”

Tomáš Salajka, Director of Acquisitions, Asset Management & Sales

Strong bank relationships and access to financing

The Group raised over €2.5 billion of secured and unsecured external financing in 2023, including €1.2 billion of fresh cash.



“Secured bank financing remains available across the CEE region on attractive terms, reflecting strong bank balance sheets and supportive local markets.”

Mindee Lee, Director, Corporate Strategy & Board Secretary

Notable financing transactions include:

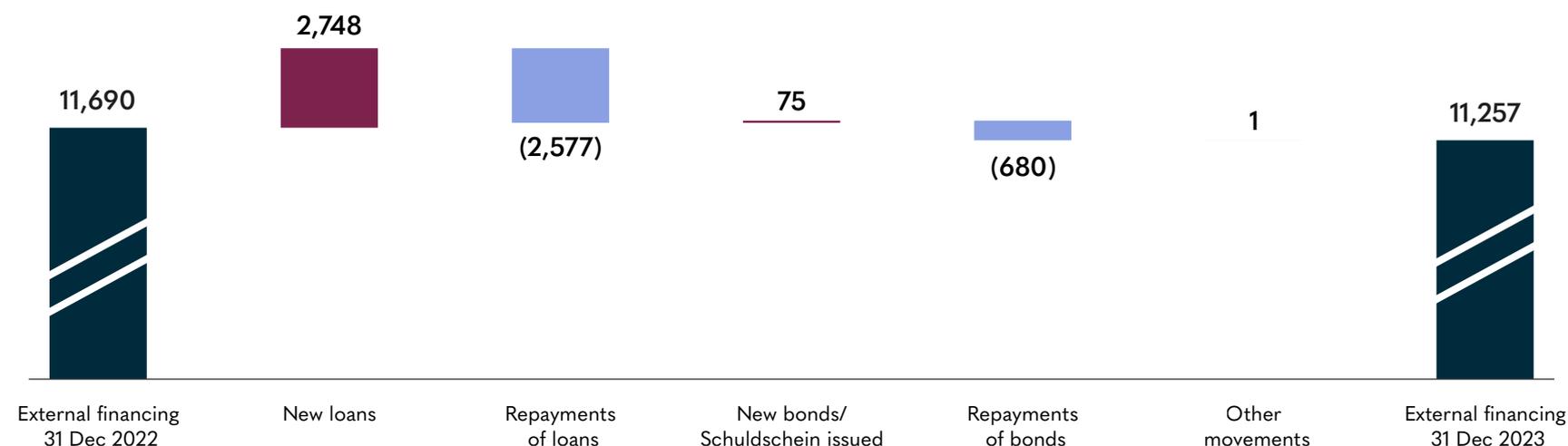
- **€404 million** 7-year refinancing of a loan secured against GSG Berlin assets that was maturing in October 2024.
- **€288 million** of a new 5-year loan from Aareal Bank secured against three office assets in Warsaw.
- **€170 million** from refinancing including a €33 million upsizing of a secured loan from pbb and HVB secured against Düsseldorf office assets.
- **€110 million** of fresh proceeds from a 10-year loan from UniCredit secured against Hungarian office assets.
- **€100 million** of additional funds on a 5-year senior unsecured sustainability-linked loan from MUFG.
- **€90 million** from ČSOB consisting of an €85 million 7-year loan secured against a Czech shopping centre and a €5 million loan for solar projects.
- **€75 million** of 5-year unsecured green bonds issued by S IMMO, and sold primarily to retail investors in Austria.
- **€58 million** of a 4-year loan from Raiffeisen related to a Czech residential development project.

Proceeds were primarily used to repay bridge loans and senior unsecured bonds.

In November 2023, CPIPG drew a new €635 million 3-year bridge loan from Santander, Société Générale, Komerční banka, Raiffeisen, SMBC, Barclays, and Erste Bank.

- The new bridge loan entirely replaced the Group’s €3.75 billion loan related to the IMMOFINANZ and S IMMO acquisitions, of which €2.7 billion were initially drawn.
- The bridge loan balance was €608 million at year-end 2023, and below €530 million as of Q1 2024.

Changes in external financing during 2023 (€ million)



Disposal pipeline: €2 billion target achieved, further €2 billion in execution

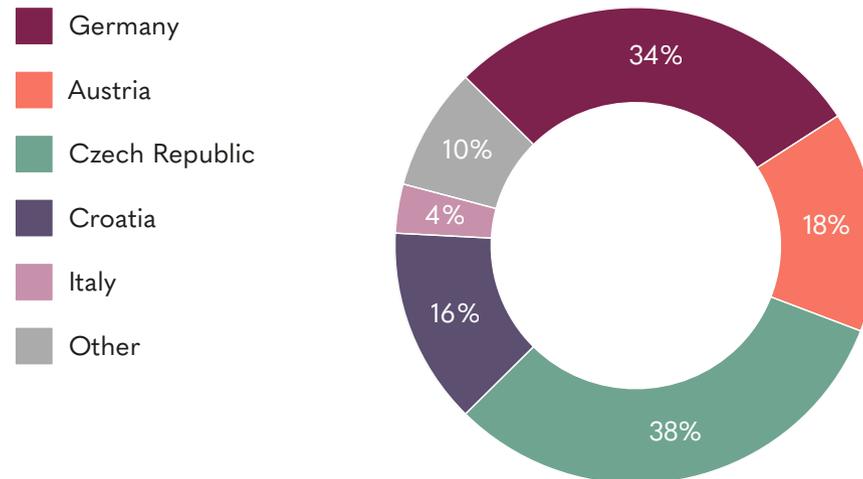
At the end of August 2022, CPIPG announced a disposal pipeline exceeding €2 billion over 12 to 24 months. With more than €2 billion of disposals signed, the pipeline is nearly complete. The Group's disposal strategy focused on low-yielding matured assets, single-tenant properties, and our non-core assets. Sector and geographic diversification benefited CPIPG greatly and allowed us to pivot and scale transaction sizes granularly (disposals ranged in size from €10 million to €200 million+), to meet investor appetite.

In 2023, the Group closed €930 million of disposals and signed nearly €900 million for closing in 2024.

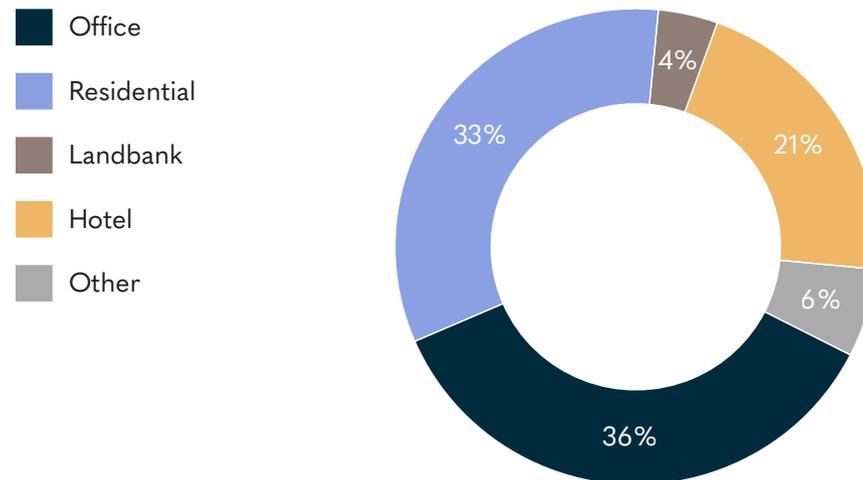
Disposals have been, on average, at book value and the buyers are predominantly local investors, including family offices, local real estate companies, funds and asset managers. Compared to 2022, investor sentiment improved significantly, particularly beginning in Q4 as interest rates peaked and larger international institutional funds engaged more actively in the CEE region.

The Group continues to have a sizable disposal pipeline and aims to dispose an additional €2 billion over the next 12 to 24 months.

Disposals by geography*



Disposals by segment*



*split based on main usage

Crans Montana Ski Resort, Switzerland



Adlerhof, Residential, Vienna, Austria



Sunčani Hvar Hotels, Hvar, Croatia



Franz-Josef-Kai, Office, Vienna, Austria



Concept Tower, Warsaw, Poland



Grand Centre Zagreb, Croatia



Modest valuation declines

The Group's property portfolio is valued annually by leading independent appraisers with subsequent review by our auditor, EY. For 2023, CPIPG also took the extraordinary step of an additional set of valuation reviews by a Big Four accounting firm.

The Group's valuations are also effectively reverified through disposals (€2 billion signed on average at book value), as well as more than €2 billion of secured bank financing, which involves a valuation conducted by the bank.

In 2023, the valuation result was a loss of €1.1 billion, equivalent to a 5.1% decline, with varying results across segments and geographies. The result reflects our diversified, high-quality portfolio.

- **In offices**, the valuation result was -9.4% due to higher market yields not fully offset by rental growth, with the lowest-yielding offices in Germany and Austria most impacted.
- **In retail**, the result was stable due to solid operating performance and lower yield sensitivity, particularly for retail parks and warehouses.
- Czech **residential assets** further increased in value due to excellent performance and ongoing investments, while Germany and the UK, experienced modest declines.
- **For hotels**, valuations were mostly stable while our hotel portfolio in Hvar significantly increased in value based on a disposal signed in 2023 with closing expected in Q2 2024.

Others, including landbank, saw a decline due to higher development cost assumptions partially offset by ongoing investments into developments.

Since the start of 2023, the average portfolio's EPRA topped-up net initial yield has increased by 0.7% to 5.4%.

Note: Others includes Landbank, Industrial, Development, Agriculture, Hotels rented
* Owner-operated hotels only
^ Includes Austria, Romania, other CEE and other Western Europe

Like-for-like valuation movement by segment



Valuation movement of investment properties by geography

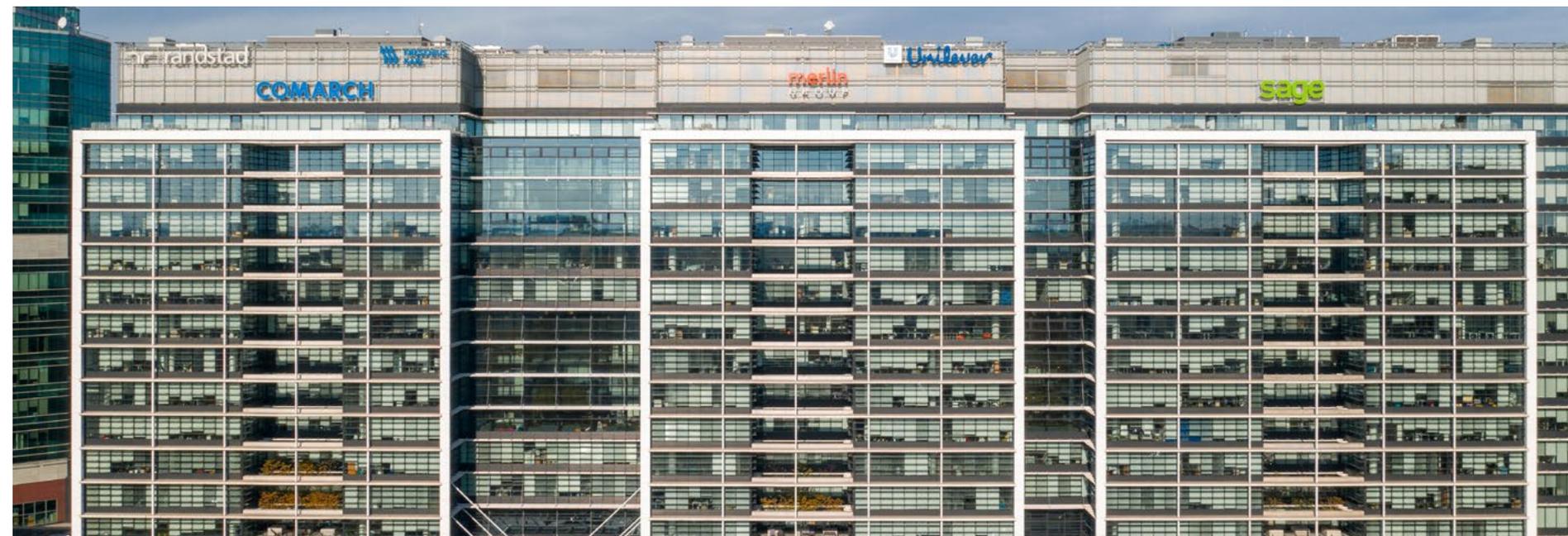


EPRA topped-up net initial yield

5.4%, change +0.7% YoY



Eurocentrum, Warsaw, Poland



Summary of CPIPG's 2023 results



“CPIPG's income, earnings and cashflow metrics improved.”

Pavel Měchura, Group Finance Director

Performance		2023	2022	Change
Total revenues	€m	1,694	1,282	32.1%
Gross rental income (GRI)	€m	934	749	24.8%
Net rental income (NRI)	€m	796	632	25.9%
Net hotel income	€m	76	46	66.2%
Net business income (NBI)	€m	874	676	29.4%
<hr/>				
Consolidated adjusted EBITDA	€m	778	608	28.1%
Funds from operations (FFO)	€m	390	355	9.9%
<hr/>				
Net profit for the period	€m	(877)	557	(257.5%)

Assets		31 Dec 2023	31 Dec 2022	Change
Total assets	€m	21,930	23,521	(6.8%)
Property portfolio	€m	19,531	20,855	(6.3%)
Gross leasable area	m ²	6,462,000	6,784,000	(4.7%)
Share of green certified buildings ¹	%	40.6%	37.5%	3.1 p.p.
Occupancy	%	92.1%	92.8%	(0.7 p.p.)
Like-for-like rental growth ²	%	7.9%	7.6%	0.3 p.p.
<hr/>				
Total number of properties ³	#	711	855	(16.8%)
Total number of residential units	#	13,630	16,767	(18.7%)
Total number of hotel rooms ⁴	#	8,019	7,810	2.7%

¹ According to property portfolio value

² Based on gross headline rent, CPIPG standalone

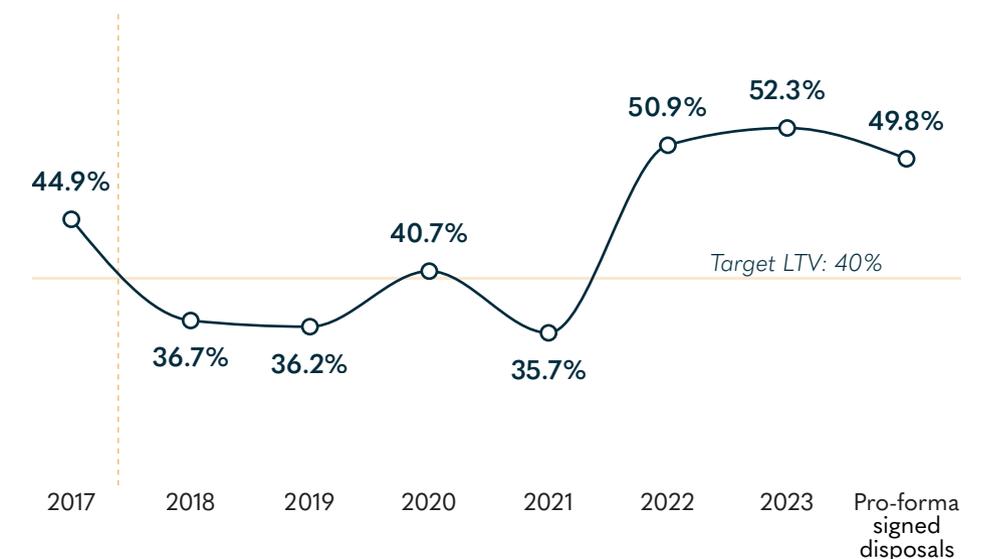
³ Excluding residential properties in the Czech Republic

⁴ Including hotels operated, but not owned by the Group

Financing structure		31 Dec 2023	31 Dec 2022	Change
Total equity	€m	8,257	9,263	(10.9%)
EPRA NRV (NAV)	€m	7,033	8,005	(12.1%)
<hr/>				
Net debt	€m	10,220	10,625	(3.8%)
Net loan-to-value (Net LTV)	%	52.3%	50.9%	1.4 p.p.
Net debt to EBITDA	x	13.1x	17.5x	(4.4x)
Secured consolidated leverage	%	24.0%	19.5%	4.5 p.p.
Secured debt to total debt	%	46.5%	38.9%	7.6 p.p.
Unencumbered assets to total assets	%	47.8%	54.4%	(6.6 p.p.)
Unencumbered assets to unsecured debt	%	174%	179%	(5.0 p.p.)
Net interest coverage (Net ICR)	x	2.5x	3.2x	(0.7x)

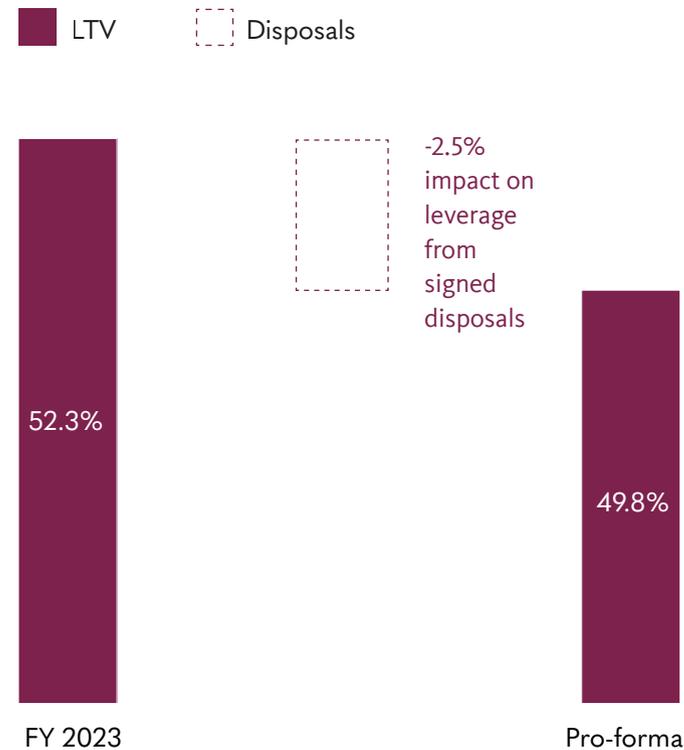
Net LTV evolution (%)

Our financial policy was introduced in April 2018



Focused on leverage, coverage and liquidity

Pro-forma impact from disposals on net LTV

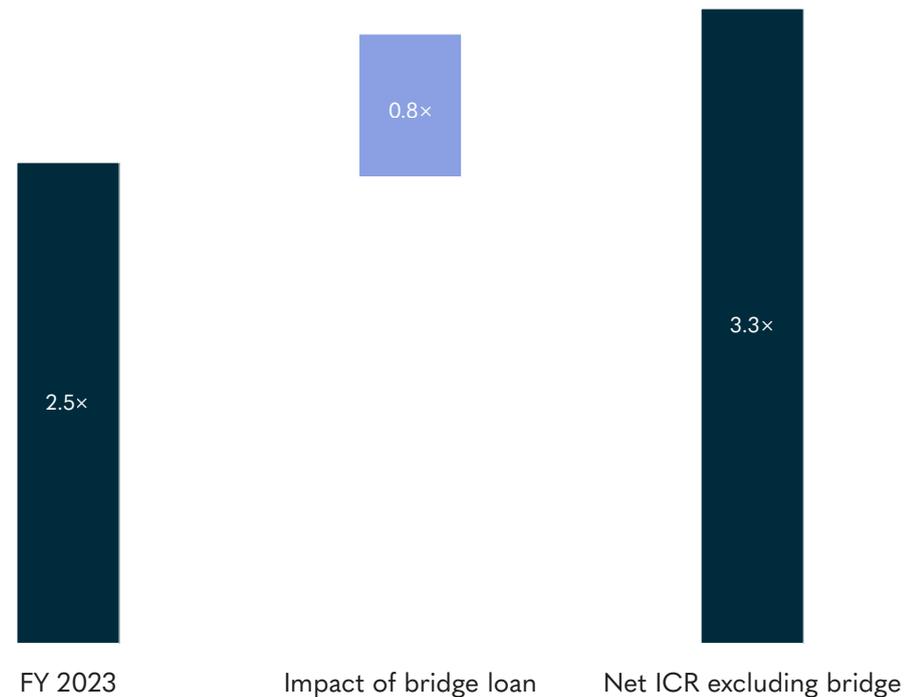


The Group signed nearly €900 million of disposals in 2023 and Q1 2024 that were not reflected in the Group's year-end results due to the timing gap between signing and closing. While the disposal agreements are binding, closings are subject to antitrust approval, tax confirmations and other subsequent conditions.

Key signed disposals not included in the year-end figures are:

- Sunčani Hvar Hotels
- The sale of a 50% stake in a subsidiary owning a portfolio of eight hotel properties in the Czech Republic
- The sale of the mountain resort in Crans Montana

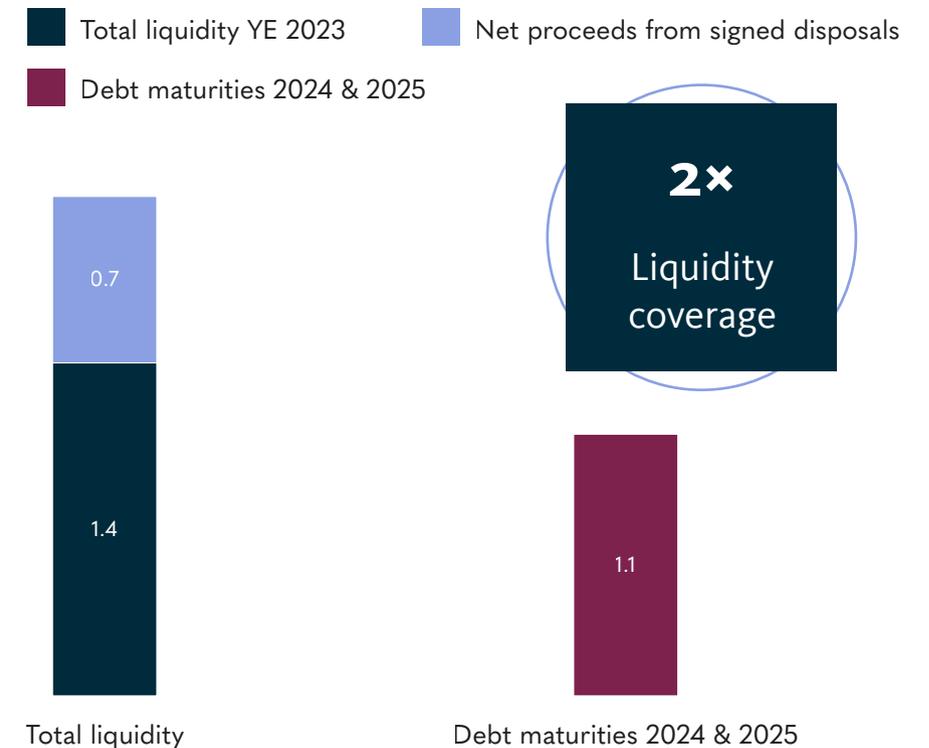
Bridge loan effect on the Group's net ICR



The Group's interest coverage declined over the last 24 months largely because of costs associated with bridge loans related to the acquisitions of IMMOFINANZ and S IMMO.

As of 28 March 2024, CPIPG has repaid over €2.1 billion of bridge loans; the current balance of €530 million is intended to be fully repaid around the end of H1 2024, despite a stated final maturity of October 2026.

Liquidity coverage for the next 24 months (€ bn)



Net proceeds from disposals (after repayment of debt attached to certain properties and fees) will further enhance the Group's liquidity position, which is expected to improve by about €700 million once all signed disposals are closed and proceeds are received.

A history of growth, success, and innovation

Local bond leader and active issuer

2016

Acquisition of CBRE retail portfolio

2017

Investment-grade rating and inaugural bond issues

2017

Capital structure transformation

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

2018–2019

Office expansion in Warsaw and CEE

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

2019–2020

Integration of CPI a.s. and GSG
Establishment of CIPIG

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.) by Radovan Vitek

1991

Portfolio optimisation and leverage reduction

Disposal of mainly lower-yielding assets with €2 billion target achieved

2022–2024

CPIPG issues its inaugural Sustainability-Linked Bond

Acquisitions of IMMOFINANZ and S IMMO

2022

CPIPG revises its environmental strategy

Increased ambition for GHG intensity reduction target of 30% (2021) and to 32.4% (2022), which is validated by SBTi

2021–2022

Green bond champion

Four green bonds issued in three currencies

2020

Nisa, Liberec, Czech Republic



CPI BYTY, Lethany, Prague



Warsaw Financial Center, Poland



BUSINESS REVIEW

- 18 Economic review
- 19 Our tenants
- 20 Business segments
- 20 Office
 - 22 Berlin
 - 27 Warsaw
 - 30 Prague
 - 33 Vienna
 - 34 Budapest
- 36 Retail
- 44 Residential
- 48 Hotels & Resorts
- 52 Complementary Assets

Economic review

Key macro figures for group core economies

	Annual GDP growth (%)	Annual inflation rate (%)	Unemployment rate (%)	Gross public debt (% of GDP)
Czech Republic	-0.4	6.9	3.7	44.2
Germany	-0.3	3.7	5.8	66.1
Poland	0.2	6.2	5.1	49.3
Romania	2.0	6.6	5.4	47.2
Hungary	-0.9	5.5	4.4	73.9
EU average	0.5	3.4	5.9	83.5

Sources: European Commission, Trading Economics, Eurostat as of 27 February 2024
Gross public debt data as of FY 2022.

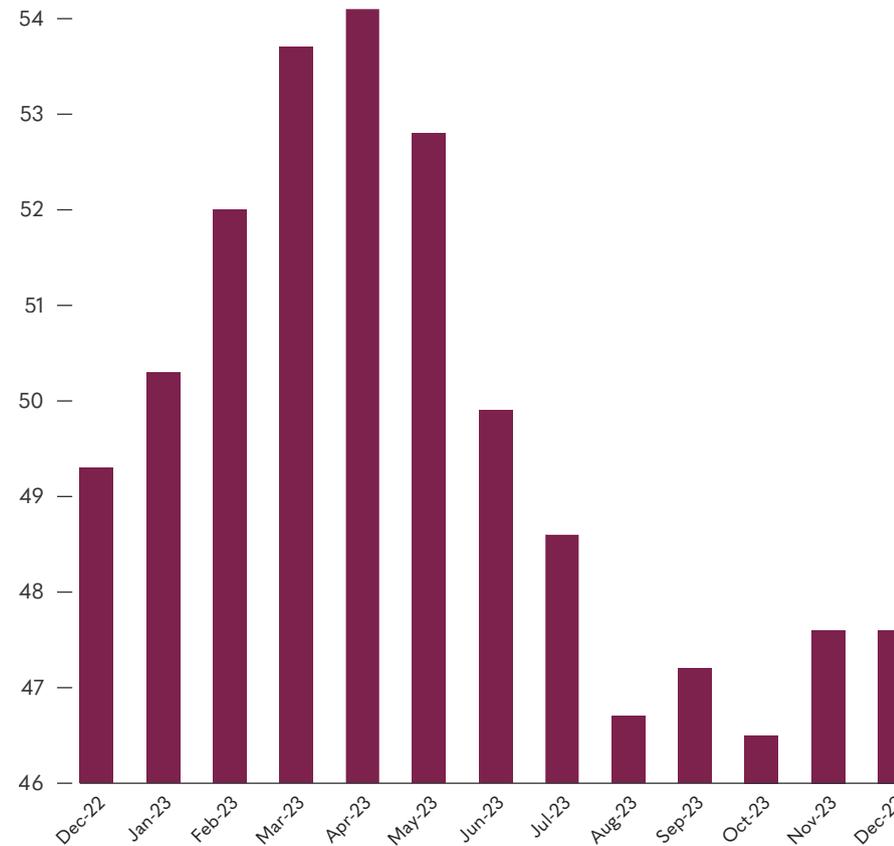
Eurozone

The Euro Area economy grew by 0.5% during 2023 as high inflation, record borrowing costs and weak external demand muted growth.

Within the Eurozone, GDP growth rates saw significant variation across the individual countries. Germany, as the largest economy in Europe with a strong focus on industrial production, saw GDP contract by 0.4% due to high energy costs decreasing industrial sector output and lower export volumes due to weaker demand as well as a decrease in government spending. On the other hand, southern European countries such as Spain, with more service-oriented economies continued to benefit from growth in private consumption driven by tourism.

Since July 2022, the European Central Bank (ECB) has raised its key policy rate several times, with the latest increase in September 2023, raising the deposit interest rate from negative -0.5% to 4.00%. The Eurozone inflation rate consequently decreased from its peak in October 2022 of 10.6% to 2.9% as of December 2023. While the rise in interest rates reduced the availability and attractiveness of financing conditions, unemployment remains very robust in the Eurozone, with a further decrease in unemployment during the year by -0.3% to 6.4% as of December 2023. The resilient labour market supported private consumption, with wages increasing for the ninth consecutive quarter with 5.3% YoY in Q3 2023.

HCOB Eurozone Composite PMI (weighted average Service & Manufacturing PMI)



The HCOB Eurozone Services PMI stood at 48.8 in December 2023, signalling a fifth consecutive contraction in services after signalling an expansion in the first half of 2023.

The HCOB Eurozone Manufacturing PMI stood at 44.2 in December 2023, indicating a contraction in manufacturing output. Higher borrowing costs due to the ECB’s monetary policy tightening continue to impact the manufacturing sector negatively. On the positive side, improved supply and lower raw material input prices resulted in decreased input costs.

Consequently, the weighted average of the service and manufacturing sector, the HCOB Eurozone Composite PMI, indicated a contraction with 47.6. This suggests that economic “soft-landing”, the attempt to slow down inflation with a slow-down in economic growth while avoiding a recession, is a difficult task to achieve for policymakers.

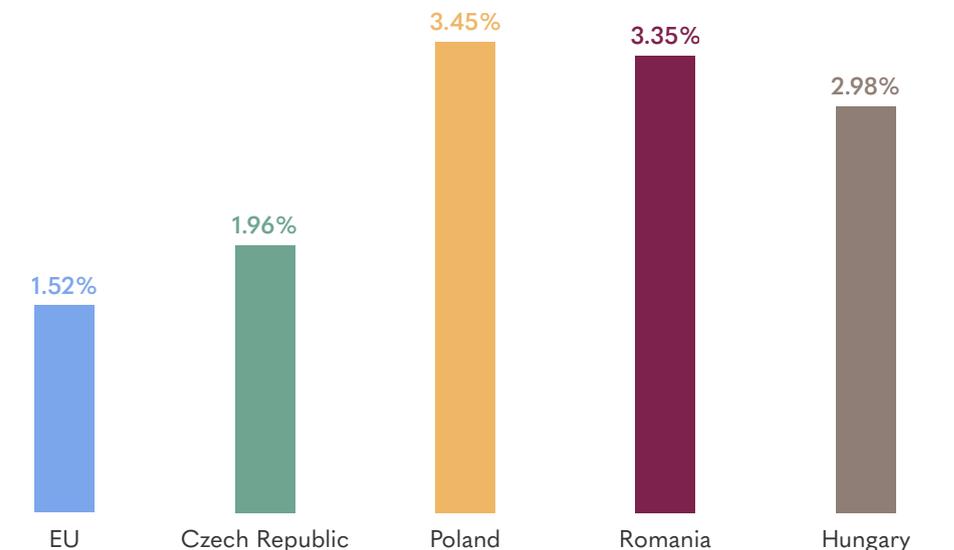
Sources: Trading Economics, European Central Bank, European Commission

CEE (Central and Eastern Europe)

In recent years, CEE countries have benefited from solid fundamentals. Between 2013 and 2023, all CEE countries achieved GDP growth rates above the EU27 average, with Poland, Romania, Hungary and the Czech Republic among the top ten fastest-growing economies in the EU27 bloc.

The region’s economies returned to growth in the second quarter of 2021, with healthy growth throughout 2022. During 2023, the picture for GDP growth was more mixed across the region. While GDP expanded in Romania by 2.0% and was stable in Poland with 0.2%, the Czech Republic and Hungary recorded slight GDP contractions with -0.4% and -0.9%, respectively.

Average annual GDP growth 2013-2023



Unemployment continued to decline slightly from already low levels, with the unemployment rate falling by -0.2% to 3.7% in the Czech Republic, by -0.4% to 5.1% in Poland, and -0.2% to 5.4% in Romania. Hungary recorded a slight increase of 0.4% to 4.4%.

Inflation has been considerably higher in the CEE region over the last 12 to 24 months. Consequently, central banks across the region raised interest rates several times, resulting in a significant decrease in inflation rates during 2023. In the Czech Republic, the annual inflation rate fell to 6.9% by December, in Poland to 6.2%, in Hungary to 5.5% and in Romania to 6.6%. The Czech Koruna has slightly depreciated compared to the Euro since the end of 2022. Countries in the region continue to benefit from low public debt-to-GDP ratios.

Sources: Trading Economics, Eurostat

Our tenants

CPIPG is proud of the **quality and diversity** of our tenant base, with **more than 8,000 international and local tenants**. Our office properties host domestic companies, public sector entities, and multinational household names. CPIPG’s largest tenant (LPP) accounts for just 1% of gross rental income spread across several leases and geographies, while our top 10 tenants represent only 9% of gross rental income.

CPIPG’s asset portfolio is granular. The Group’s top 10 most valuable assets account for only 12.2% of the total portfolio value. The Group’s most valuable assets are spread across capital cities in our regions and include iconic assets such as the Warsaw Spire and Quadrio in Prague.

The Group’s lease maturity profile is well balanced, with a stable WAULT of 3.5 years; on average, 16% of our leases expire annually through 2028. Maintaining a slightly shorter WAULT in our largest portfolios in Berlin and Warsaw has historically allowed us to capture **consistent increases in rents** and manage our tenants more dynamically.

Top 10 income-generating assets

Asset	Value (€ m)	% Total	GLA m ²	EPRA occupancy	Location
myhive Warsaw Spire	373	1.9%	72,000	98.0%	Warsaw, PL
SC Maximo	308	1.6%	60,000	99.7%	Rome, IT
Warsaw Financial Center	258	1.3%	50,000	98.8%	Warsaw, PL
Quadrio	233	1.2%	25,000	97.8%	Prague, CZ
Eurocentrum	225	1.2%	85,000	96.8%	Warsaw, PL
SC Sun Plaza	215	1.1%	81,000	99.6%	Bucharest, RO
Helmholtzstraße	200	1.0%	46,000	83.1%	Berlin, DE
myhive am Wienerberg Twin Towers	189	1.0%	66,000	92.4%	Vienna, AT
FLOAT	189	1.0%	30,000	96.9%	Düsseldorf, DE
Franklinstraße	188	1.0%	38,000	90.6%	Berlin, DE
Top 10 as % of total property value	€2,378m	12.2%	553,000		

Top 10 tenants by rental income

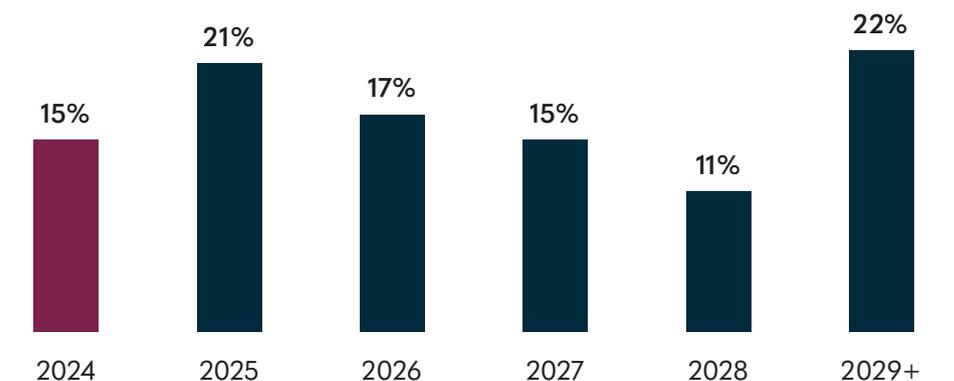
	€ million	Rent as % of GRI*	WAULT** (years)
LPP	9.5	1.0%	2.7
	9.2	1.0%	5.6
	8.8	0.9%	2.5
	8.7	0.9%	3.4
	8.7	0.9%	2.8
	8.6	0.9%	9.2
DEICHMANN	8.3	0.9%	2.6
	8.3	0.9%	5.3
	7.6	0.8%	6.0
	7.2	0.8%	3.1
Total	84.9	9.1%	4.3

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

WAULT by country and segment

Segment	Country	WAULT (years)	
		2023	2022
Office	Germany	2.9	3.2
	Poland	3.2	2.9
	Czech Republic	4.0	4.0
	Austria	4.9	4.7
	Hungary	3.5	2.7
	Romania	4.6	4.1
	Italy	3.0	3.2
	Slovakia	2.9	3.2
	Croatia	1.9	1.8
Total Office		3.4	3.3
Retail	Czech Republic	4.1	4.0
	Italy	4.8	5.5
	Romania	3.2	3.1
	Poland	3.5	3.4
	Hungary	3.0	2.8
	Slovakia	3.5	4.1
	Austria	3.0	2.7
	Serbia	3.6	3.6
	Slovenia	3.6	3.5
Croatia	4.7	3.9	
Total Retail		3.8	3.8
Total Group		3.5	3.4

Maturity profile of fixed rental agreements



Excluding residential properties and reflecting the first break option.

Office segment: leading CEE office landlord

The Group primarily owns offices in **Berlin, Warsaw, Prague, Vienna, and Budapest**. In each city, we are the dominant landlord with market-leading platforms.

CPIPG strongly believes in local expertise and has **dedicated office leasing and asset management teams on the ground in all our key locations**, actively managing our multi-tenant offices.

In 2023, like-for-like rental growth was 5.5%, reflecting a solid performance by our teams and robust demand.

Healthy occupier demand in our region

“Office life” in Europe returned to near pre-pandemic levels, with the office re-entry rate exceeding 70% with positive net absorption across European markets.

This compares with a re-entry rate of around 50% for US offices with negative net absorption.

The overall vacancy rate in Europe stood at around 8% at year-end 2023, about half of the Global average and well below the 21% observed in North America.

The differences in office demand and utilisation across countries and cities can be attributed to various social and economic factors.

In a study by the McKinsey Global Institute on the pandemic’s impact on real estate published in July 2023, respondents’ top reason for working at home was to save commuting time. **Central European offices benefit from lower commuting times** compared to other regions, with CPIPG’s core cities, **Berlin and Prague, having some of the best public transportation systems in the world.**

The separation of work and private life is another critical aspect. **Average dwelling size and housing quality** in Europe, particularly in Central and Eastern Europe, is below other regions and countries, with the average number of rooms per person in our regions ranging from 1.1 in Poland to 1.8 in Germany compared to 2.4 in the US.

The Stanford Institute for Economic Policy Research **concluded in a recent study that fully remote work is associated with about 10% lower productivity than full-time in-person work** due to challenges with communicating remotely, barriers to mentoring, building culture and issues with self-motivation. Leading global companies such as BlackRock, PwC, Google and even video conferencing software provider Zoom have implemented policies that fully or partially require employees to return to the office.

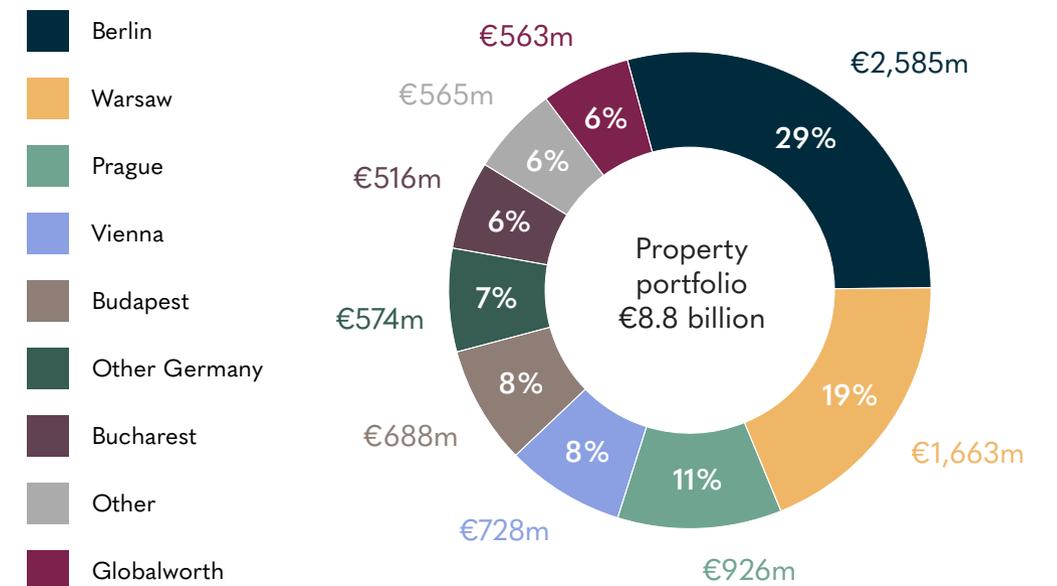
At the same time, **the cost of office spaces for tenants remains affordable in our regions**, with net effective costs for prime offices in Midtown Manhattan at \$176 per square foot, or Paris at \$117 compared to Berlin at \$63 and even lower rents in CEE capitals.

Sources: JLL, McKinsey Global Institute, Time Out Magazine, Oliver Wyman Urban Mobility Readiness Index, OECD Better Life Index, Stanford Institute for Economic Policy Research, Savills Research



- #1 office landlord in Berlin, Warsaw, Prague, Vienna, and Budapest
- Markets with solid fundamentals
- Focus on CBD and central locations

Office property portfolio split



Office segment summary

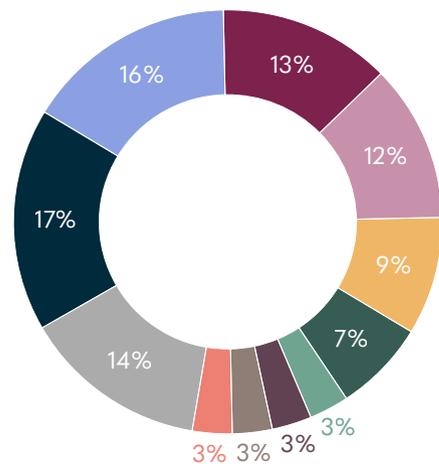
Net rental income increased by 20% to €401 million in 2023 due to acquisitions, solid like-for-like rental growth and contributions from developments. At the same time, the Group sold several small- and medium-sized offices as part of our disposal strategy. **Like-for-like rents across the office portfolio increased by 5.5% YoY.**

Total occupancy decreased slightly in 2023 to 89%. The key driver for the decline in occupancy can be attributed to Berlin, where, despite the decline, rents continued to grow. Also, Warsaw, Prague and Vienna saw some declines in occupancy as part of regular tenant churn. At the same time, occupancy increased in Bucharest and Düsseldorf.

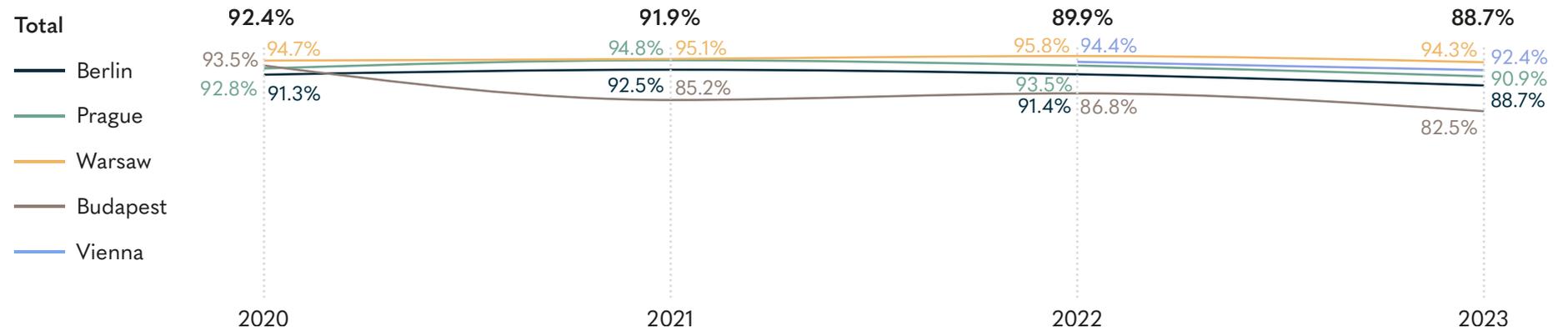
Our office tenants are well-diversified across industries. Close to half of our tenants are from IT, professional services, and financial services firms, reflecting the high quality of our office properties located in major European service hubs. Public sector tenants represent around 13% of our office headline rents.

Office tenants by type (according to headline rent)

- IT
- Professional Services
- Public/Municipalities
- Financial Services/Banking/Insurance
- Manufacturing
- Medical/Pharmaceutical
- Energy
- Telecom
- Consumer Goods
- Educational
- Other



Office occupancy rate by city (%)



Office net rental income (€ million)



Office segment summary in figures

	Office 2023				Office 2022			
	PP value (€ million)	Occupancy (%)	GLA (m ²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (in m ²)	No. of properties
Berlin	2,585	88.7%	937,000	48	3,000	91.4%	932,000	48
Warsaw	1,663	94.3%	526,000	21	1,789	95.8%	561,000	24
Prague	926	90.9%	300,000	19	1,012	93.5%	316,000	22
Vienna	728	92.4%	216,000	18	900	94.4%	244,000	22
Budapest	688	82.5%	326,000	20	700	86.8%	332,000	20
Bucharest	516	89.2%	278,000	12	570	84.2%	278,000	12
Düsseldorf	468	77.6%	88,000	3	568	71.3%	88,000	3
Other	672	83.1%	428,000	42	880	83.1%	518,000	60
Globalworth	563	-	-	-	591	-	-	-
Total	8,808	88.7%	3,097,000	183	10,010	89.9%	3,270,000	211



Our GSG Berlin office portfolio was valued at €2.5 billion at the end of December 2023, representing 28% of the Group’s office segment.

Rents on a like-for-like basis grew by a healthy 4.5% across the portfolio, with positive growth in all clusters.

Occupancy stood at 88.9%, a decline versus the previous year due to lower letting volumes in the Berlin office market as tenants take a more cautious approach given the softer economic environment in Germany. In addition, GSG terminated some lease agreements with existing tenants in order to start redevelopment construction works. **Occupancy would be around 2.1% higher when accounting for spaces strategically vacated for refurbishment to support GSG’s ability to secure higher rents in the future.**

During 2023, GSG signed new leases, extensions and prolongations across over 68,000 m² of leasable area. Headline rents increased by over 32% on average.

GSG has about 1,700 tenants, many dynamic IT and professional services companies, and other small businesses. Healthy markets and active asset management allow us to retain tenants even as rents rise across the portfolio. Existing tenants are occasionally relocated to more affordable locations within our portfolio in East Berlin.

- A leading commercial real estate platform in Berlin
- Portfolio uniquely suited to creative and IT sectors
- Diversified tenant base of c.1,700
- Healthy market with 4.4% overall vacancy

GSG tenants by type (according to headline rent)

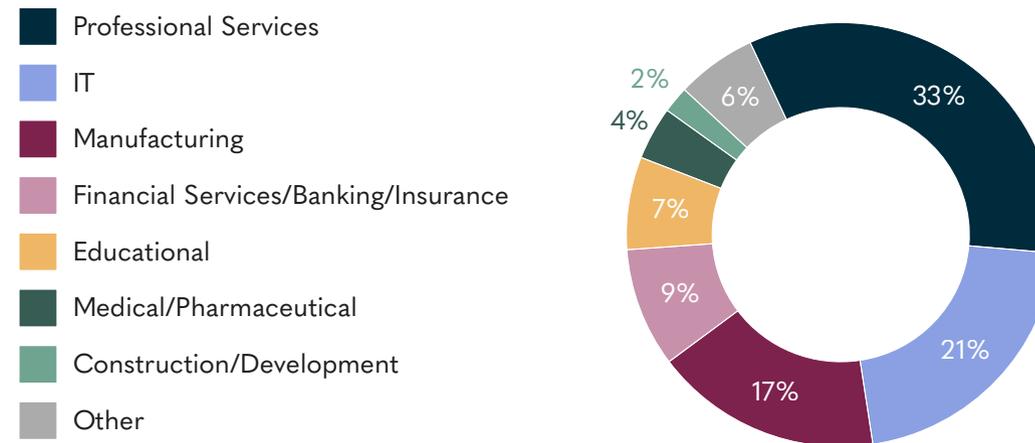


photo: © Marc-Steffen Unger

“GSG achieved robust rental growth across all of our clusters.”

Oliver Schlink, CFO, GSG Berlin

Amperium am Humboldtthain, Berlin, Germany photo: © CHL



41 Assets across Berlin

88.9% Occupancy

4.5% LfL growth in rents

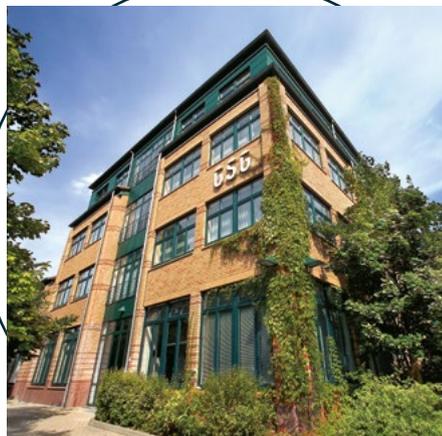
GSG's portfolio is comprised of three clusters:



Reuchlinstraße 10-11, Rest-West



Aqua-Höfe, Kreuzberg



econopark Pankstraße

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

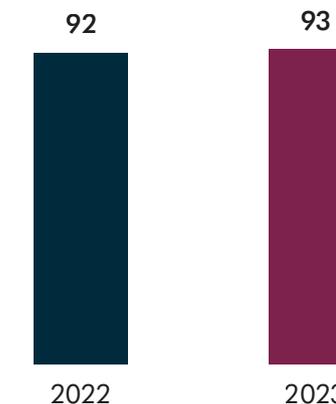
econoparks: Eastern districts of Berlin with good inner-city connections and more competitively priced space, supporting tenant rotation

GSG Berlin office segment summary in figures

	GSG Berlin office 2023				GSG Berlin office 2022			
	PP value (€ million)	Occupancy (%)	GLA (m ²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (m ²)	No. of properties
Rest-West	1,243	88.5%	426,000	15	1,423	90.4%	423,000	15
Kreuzberg	839	87.0%	193,000	21	1,033	91.9%	191,000	21
econoparks	370	93.6%	259,000	5	400	95.9%	259,000	5
Total	2,453	88.9%	878,000	41	2,856	91.9%	873,000	41

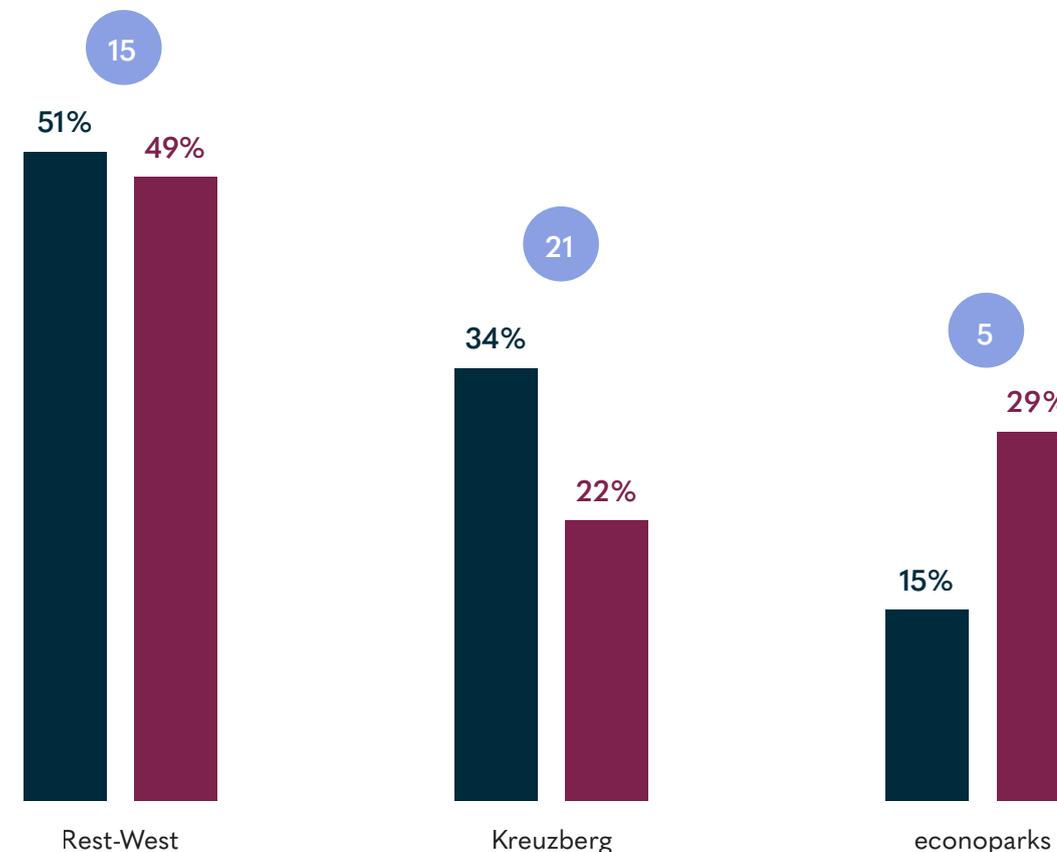
GSG Berlin office net rental income (€ million)

Net rental income increased by 0.8% to €93 million in 2023, driven mainly by organic growth in like-for-like rents, partially offset by the sale of six smaller assets in Berlin above book value at the end of Q1 2022. At the end of Q2 2023, our small-scale development, Adil & Berta, was completed, contributing additional rental income.



GSG Berlin portfolio by cluster

■ PP value (% of total) ■ GLA (% of total) X No. of properties



Key office properties of GSG Berlin



Reuchlinstraße 10–11
PP value: €174 million
GLA: 49,000 m²



Helmholtzstraße 2–9
PP value: €200 million
GLA: 46,000 m²



Franklinstraße 9–15a
PP value: €188 million
GLA: 38,000 m²



Geneststraße 5
PP value: €112 million
GLA: 33,000 m²



Gustav-Meyer-Allee 25
PP value: €141 million
GLA: 77,000 m²



Voltastraße 5
PP value: €106 million
GLA: 33,000 m²



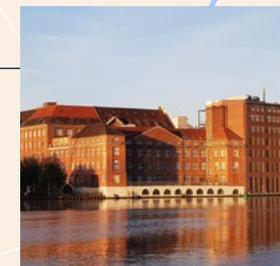
Schlesische Straße 27
PP value: €68 million
GLA: 11,000 m²



AQUA-Höfe
PP value: €108 million
GLA: 19,000 m²



Plauener Straße 163–165
PP value: €107 million
GLA: 82,000 m²



Schlesische Straße 26
PP value: €111 million
GLA: 25,000 m²



Wolfener Straße 32–34
PP value: €108 million
GLA: 74,000 m²



Significant upside in GSG’s rents

Due to Berlin’s continued structural supply/demand imbalance and our ongoing investments, GSG’s average rents have consistently increased since 2015. **GSG’s average monthly rent increased by 6.7%** in 2023, rising to €11.03/m² (versus €10.34/m²).

Analysis by Savills suggests that average rents for the portfolio could potentially be €15.2/m², in contrast to the **overall market average rent of around €28.6/m²** at the end of 2023. The Group is optimistic that rents can continue to rise towards the market average over time, supported by continued like-for-like growth, strategic refurbishments, and new developments rented at prevailing market levels.

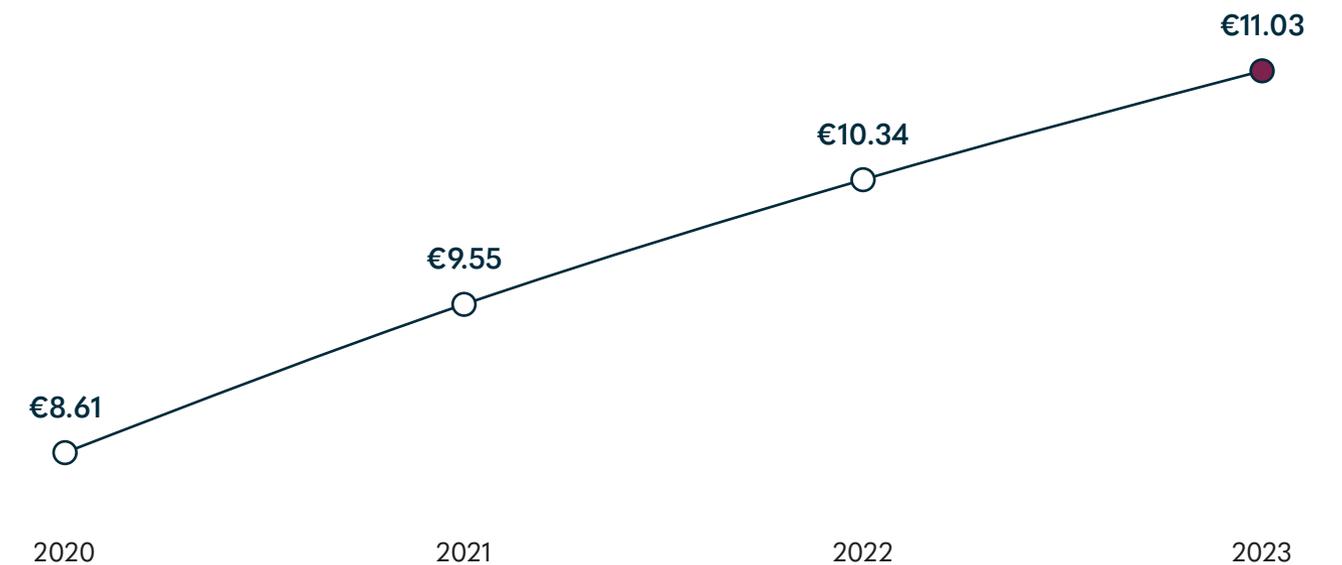


“Average rents continue to grow in 2023 and there is still further upside potential to unlock.”

Sebastian Blecke, Chief Operating Officer,
GSG Berlin



GSG’s average rents have continued to increase



Average rent (per m² by Berlin clusters)

	2020	2021	2022	2023
Rest-West	8.34	9.43	10.31	10.94
Kreuzberg	14.00	15.43	17.23	18.39
econoparks	5.06	5.44	5.93	6.51
Total	8.61	9.55	10.34	11.03

Note: Data relates to (€/m²/month)

Berlin office market

The Berlin office market recorded a lower take-up volume of 546,100 m², about a quarter below the previous year. While the number of lettings remained in line with the average of the past five years, the absence of large lettings above 10,000 m² led to the decline.

The **vacancy rate remains low but increased to 4.4% from 3.1%** during the year due to the completion of developments. More than 300,000 m² of new office space was delivered in 2023. Prime rents increased to €47.00/m²/month, a 4.4% increase year-on-year. Average rents increased by 4.8% year-on-year to €28.55/m²/month.

The strength of the Berlin office market over the last years is partly attributed to the consistent growth of dynamic industries and start-ups in the city, from IT, fintech, and creative sectors. **Despite only representing 4.4% of the German population and 4.6% of the national GDP, 33% of all German start-up investments were invested in Berlin-based companies during 2023.** In addition, Berlin benefits from the public and the associated service sector as stable anchor tenants.

The investment volume for commercial real estate reached €3.27 billion in 2023. Retail was the most traded segment, with offices accounting for €675 million in investments.

Sources: JLL, Savills, CBRE, EY: Start-up-Barometer Deutschland, Cushman & Wakefield

Geneststraße 5, Berlin, Germany photo: © CHL



Warsaw

CPIPG is the **leading office landlord in Warsaw**, with a €1.7 billion portfolio, comprising 21 properties and 526,000 m² **CBD-focused, modern, green assets**.

Rental income increased by 9% to €88 million, driven primarily by the acquisition of IMMOFINANZ and solid leasing activity. In addition, like-for-like rents have remained robust across the portfolio.

During 2023, CPIPG signed over 101,400 m² of new leases, extensions, and prolongations. Notably, several larger leases above 1,000 m² for both prolongation and new leases have been signed as larger occupiers plan with hybrid work with three or more days at the office. Location and office amenities are critical factors for tenants' decisions.

Occupancy remains well above the average in Warsaw, with CPIPG's office portfolio at 94.3% compared to the market average of 89.6% – a testament to our strong asset quality and management teams in Warsaw. Occupancy declined by 1.5%, mainly due to the acquisition of further vacant spaces in Oxford Tower, which have since been partially leased. At the same time, the Group agreed to sell Concept Tower in 2023, and closing only in Q1 2024.

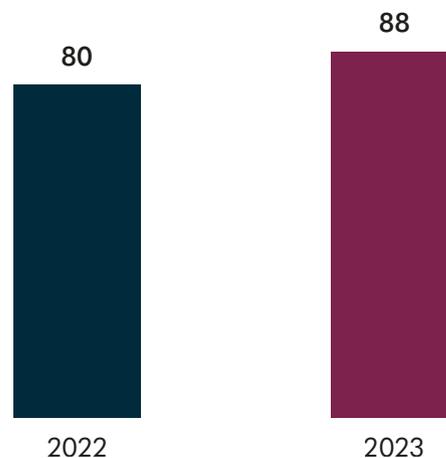
Our strategy of actively managing a sizeable multi-tenant portfolio allows us to capture additional rental growth while keeping occupancy above market levels.



“Our centrally located products offer an excellent price-performance ratio for tenants.”

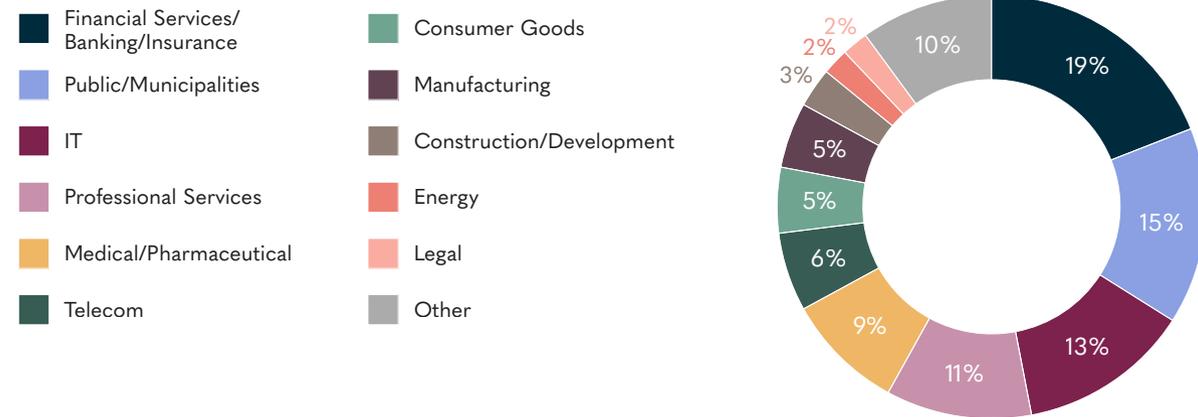
Barbara Topolska, Country Manager, Poland

Warsaw office net rental income (€ million)



myhive Nimbus, Warsaw, Poland

Warsaw tenants by type (according to headline rent)



Warsaw office market

At the end of 2023, Warsaw’s modern office stock amounted to 6.2 million m². The new supply delivered to the Warsaw office market in 2023 was modest, with 60,870 m² across six projects, the lowest total since 2010.

Currently, there is only 238,000 m² of office space under construction between 2024 and 2026, which is around a third of previous years. The supply is relatively evenly split, with around 100,000 m² to be delivered in 2024.

Leasing activity was high, with over 748,800 m² with the most active tenants from Manufacturing & Energy (22%), Business Services (21%) and IT (12%). Companies are also taking a more conservative approach to leasing, renegotiating existing leases rather than moving to new locations.

Since the start of the year, **Warsaw’s vacancy rate has declined by 1.2% p.p. to 10.4%**, with lower rates inside central zones at 8.5%.

Prime office property rents increased by 3.8% YoY to €27.00/m²/month in the city centre. Average rents increased by 4.2% YoY to €20.64/m²/month.

Poland’s commercial real estate investment market recorded €2.1 billion in transactions, with office properties accounting for €429 million.

Poland also currently hosts nearly one million Ukrainian refugees, many whom are working or otherwise contributing an estimated 0.7% to 1.1% to the GDP in 2023.

Sources: PINK, CBRE, BNP Paribas Real Estate

Warsaw Financial Center, Poland



Key office properties in Warsaw



Eurocentrum
PP value: €225 million
GLA: 85,000 m²



Equator IV
PP value: €57 million
GLA: 21,000 m²



Equator II
PP value: €58 million
GLA: 23,000 m²



myhive Nimbus
PP value: €55 million
GLA: 21,000 m²



myhive Park Postępu
PP value: €64 million
GLA: 35,000 m²



Green Corner
PP value: €52 million
GLA: 15,000 m²



Atrium Centrum
PP value: €55 million
GLA: 18,000 m²



Atrium Plaza
PP value: €39 million
GLA: 15,000 m²



Warsaw Financial Center
PP value: €258 million
GLA: 50,000 m²



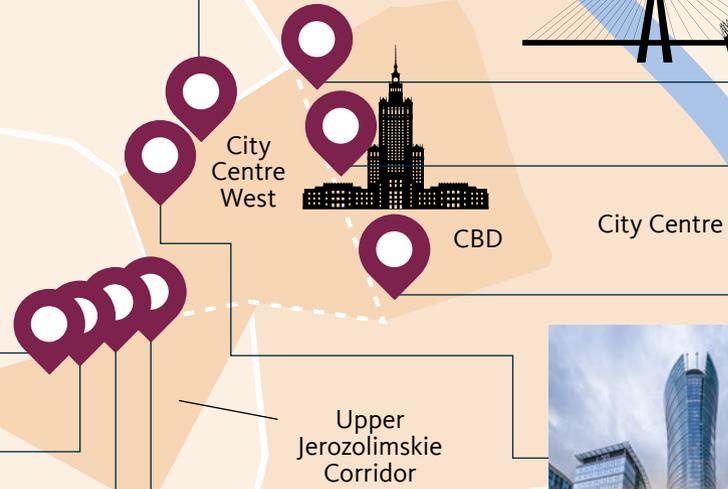
myhive Warsaw Spire
PP value: €373 million
GLA: 72,000 m²



myhive IO-1
PP value: €57 million
GLA: 22,000 m²



Chałubińskiego 8
PP value: €114 million
GLA: 42,000 m²



Prague

The value of our office portfolio in Prague stood at €926 million at the end of 2023, comprising 11% of the Group's office segment. **Occupancy in the portfolio is high at 90.9% with a stable average WAULT to first break of 3.9 years.** Overall occupancy decreased mainly due to the move out of two tenants at Tokovo with spaces requiring some refurbishments before re-letting.

Net rental income increased by 2.7% to €48 million due to the acquisition of the IMMOFINANZ Prague portfolio combined with positive like-for-like rents, partially offset by the BBC Gamma office disposal in September 2022. At the end of 2023, we agreed to sell our Olympic Garden office in Prague.

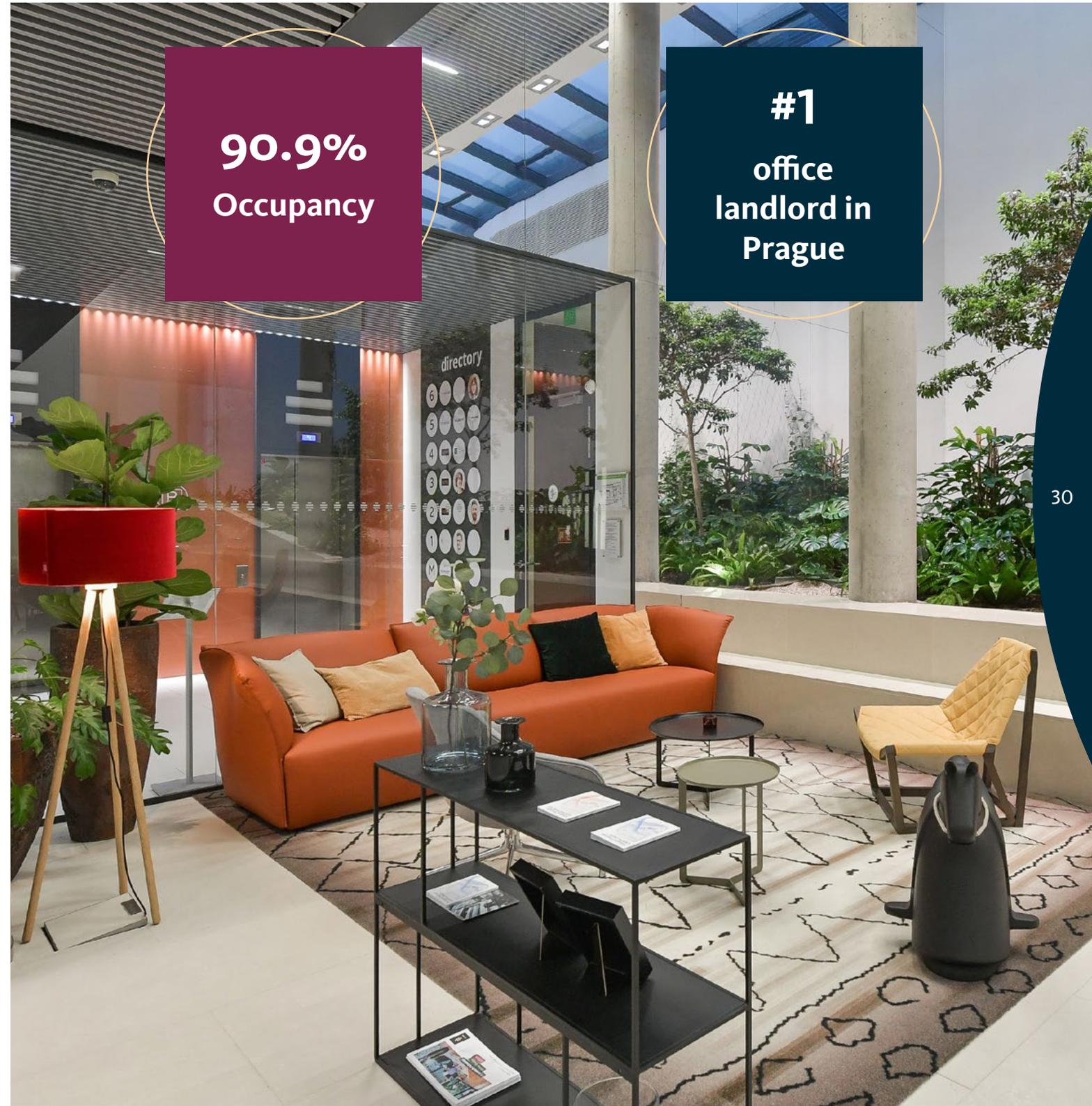
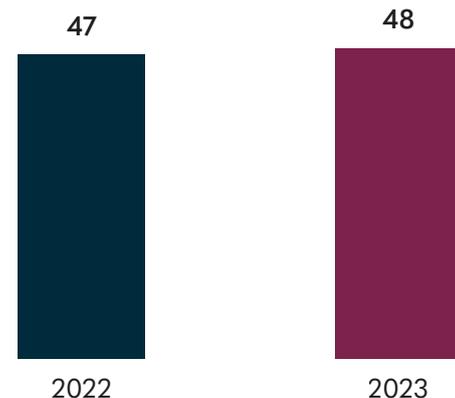
The Group recorded solid leasing activity in 2023, **with only a handful of tenants requesting a reduction in space.** Tenants tend to extend existing leases due to the limited availability of high-quality office spaces as well as the relocation and fit-out costs and the long lease terms for new leases. **The Group signed over 67,400 m² of new leases, extensions and prolongations,** significantly above the 2022 total leasing volume reflecting the increased portfolio size and solid demand for our offices.



“Our high level of leasing activity reflects demand from tenants looking to secure space for their office needs.”

David Votřel, Head of Office Asset Management CZ

Prague office net rental income
(€ million)

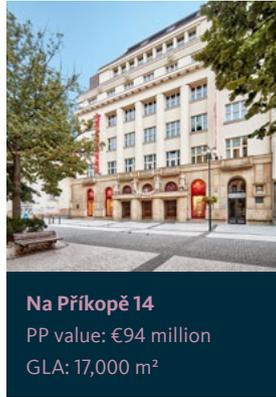


90.9%
Occupancy

#1
office landlord in Prague

myhive Jungmannova, Prague, Czech Republic

Key office properties in Prague



Na Příkopě 14
PP value: €94 million
GLA: 17,000 m²



Quadrio
PP value: €120 million
GLA: 17,000 m²



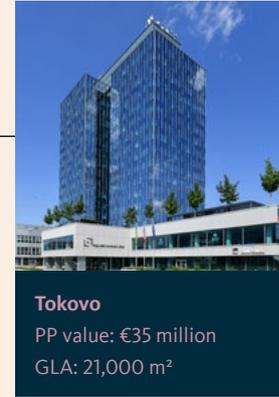
City West
PP value: €78 million
GLA: 29,000 m²



Bubenská 1
PP value: €80 million
GLA: 22,000 m²



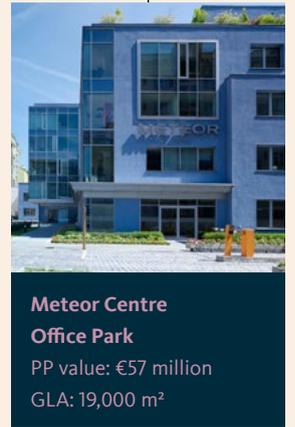
Zlatý Anděl
PP value: €47 million
GLA: 14,000 m²



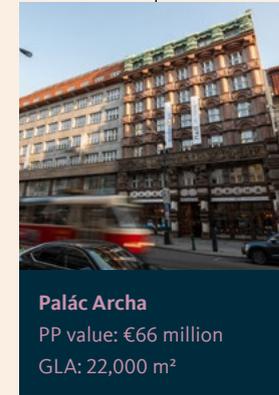
Tokovo
PP value: €35 million
GLA: 21,000 m²



myhive Palmovka
PP value: €81 million
GLA: 26,000 m²



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



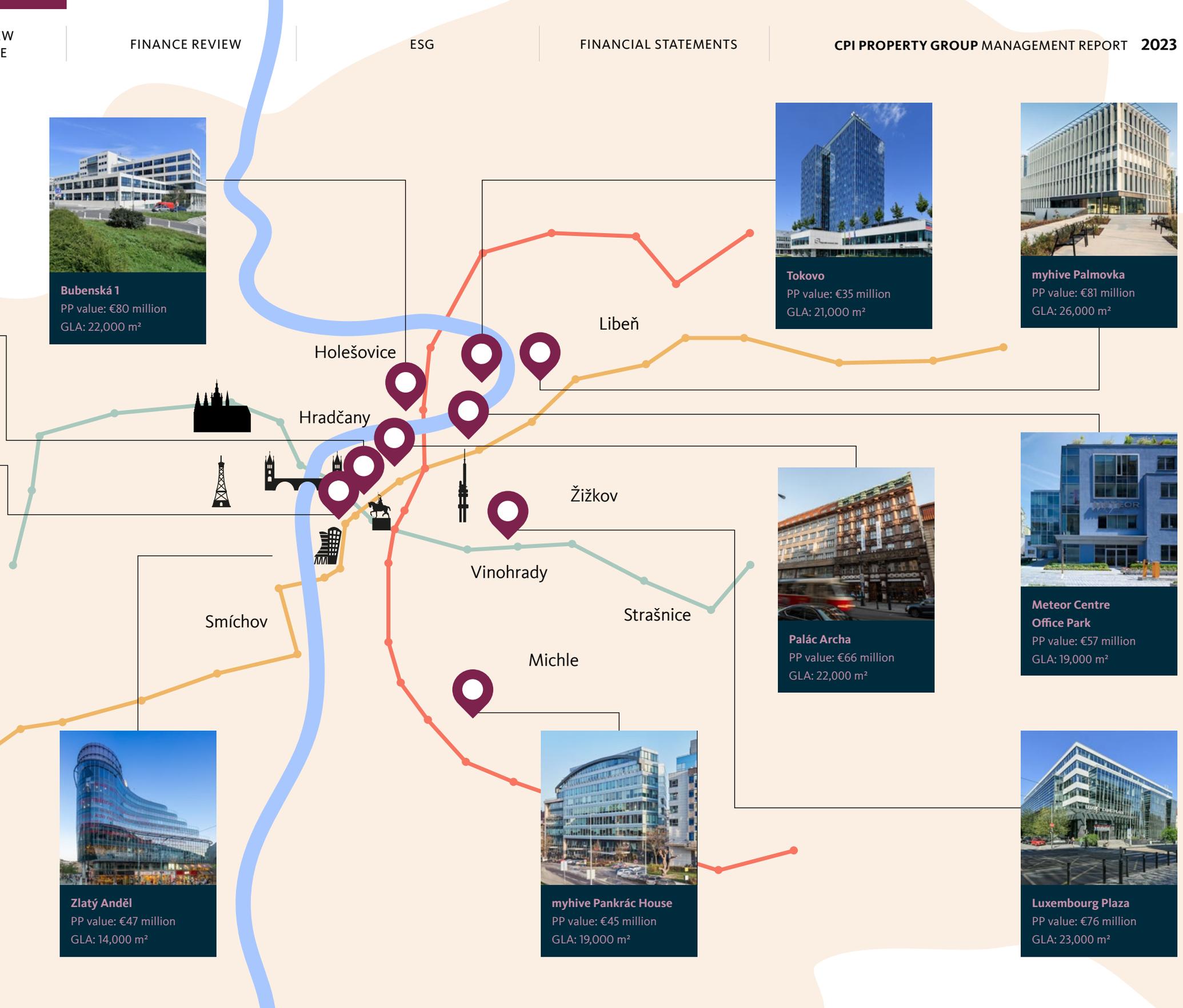
Palác Archa
PP value: €66 million
GLA: 22,000 m²



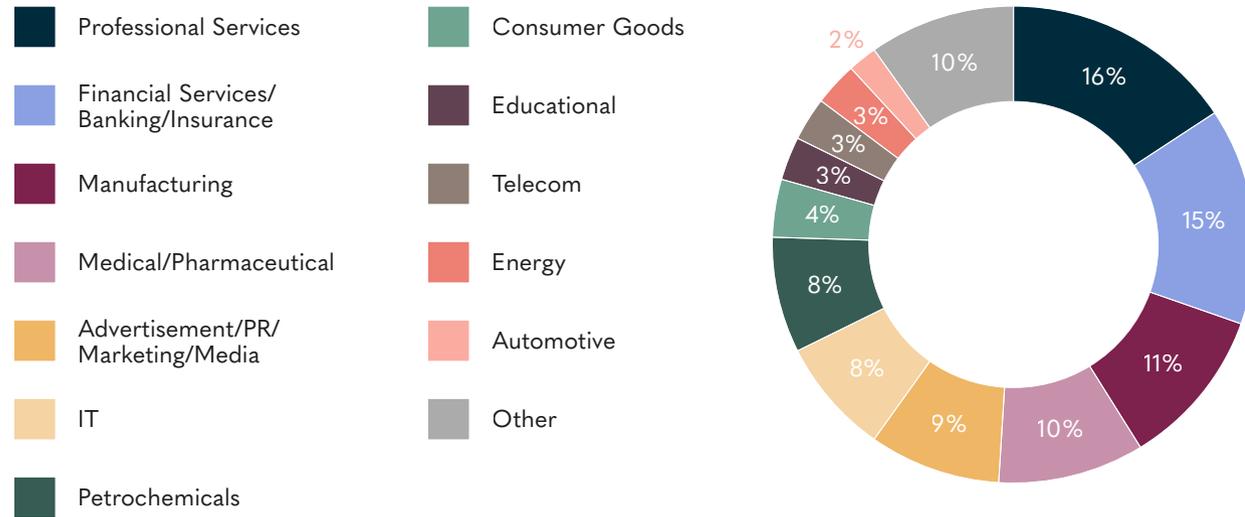
Luxembourg Plaza
PP value: €76 million
GLA: 23,000 m²



myhive Pankrác House
PP value: €45 million
GLA: 19,000 m²



Prague office tenants by type (according to headline rent)



Prague office market

At the end of 2023, Prague’s total modern office stock stood at 3.9 million m² with 98,700 m² of new stock added to the market. Currently, close to 84,000 m² of office space is under construction. This is well below the long-term annual average of approximately 130,000 m² over the last years.

Total gross take-up reached 521,600 m² during 2023, a slight decrease of 3% to the previous year, while leasing activity in Q4 was up by 10% YoY.

Tenants from the IT sector (33%) and the pharmaceutical industry (17%) were the main drivers of demand. New leases and expansions accounted for 32% of the take-up, while renewals represented 60% and pre-lettings for new buildings 6%.

The vacancy rate decreased by 0.5% to 7.2% during 2023. The variation across sub-markets remains substantial, with the lowest vacancy rate in Prague 8 (2.9%) compared to the highest in Prague 3 (18.9%).

Prime rents increased by 3.8% YoY ranging between €27.00 to 27.50/m²/month, and average rents at good locations ranged from €17.75 to €18.50/m²/month. The investment volume in Prague offices amounted to €298 million in 2023.

Sources: Prague Research Forum, CBRE

Zlatý Anděl, Prague, Czech Republic



Vienna

Through our acquisitions of IMMOFINANZ and S IMMO, **CPIPG became a leading office owner in Vienna with two well-established platforms.** The Vienna office portfolio is valued at €728 million, representing 8% of the Group’s office segment. Properties include several prominent buildings such as the Twin Towers myhive am Wienerberg. On the other hand, three assets were sold during 2023.

Net rental income in the Vienna office segment was €29 million. Occupancy remained high at 92.4%, a 2% decline compared to the previous year, mainly due to spaces that were previously occupied by S IMMO being renovated before re-letting and some tenant churn around the reporting date.

The Vienna portfolio has an exceptionally high share of public and municipality tenants (49%), which have a high credit quality and tend to be stickier.

Vienna office market

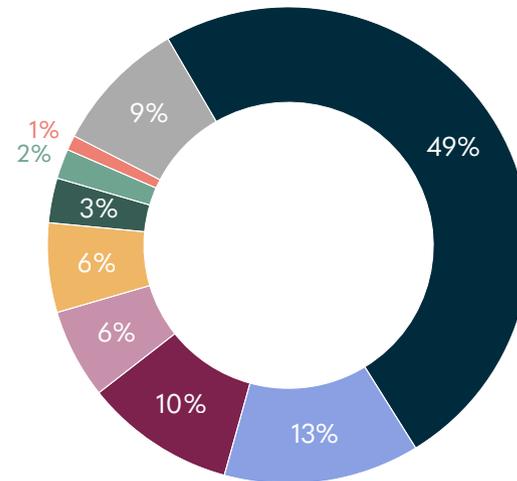
The office market in Vienna had 6.0 million m² of modern space at the end of 2023. Take-up was similar to the previous year at 174,000 m². New office completions dropped to 45,800 m². The vacancy rate fell slightly again to 3.6% an all-time low, while prime rents increased marginally to €28.00/m²/month, a record high.

The transaction volume in the Austrian real estate market was around €2.8 billion in 2023.

Sources: Vienna Research Forum, CBRE

Vienna office tenants by type (according to headline rent)

- Public/Municipalities
- Manufacturing
- Medical/Pharmaceutical
- Advertisement/PR/Marketing/Media
- IT
- Automotive
- Construction/Development
- Other
- Professional Services



Vienna office net rental income (€ million)

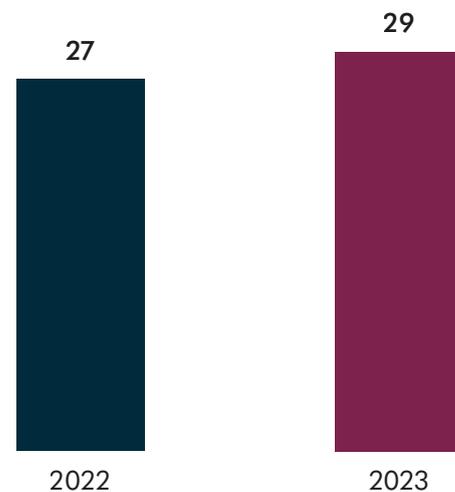


photo: © Staudinger/franke
myhive Ungargasse, Vienna, Austria

Budapest

CPIPG’s high-quality office portfolio in Budapest consists of 20 properties valued at €688 million, accounting for 8% of the Group’s office segment.

Occupancy declined to 82.5%, reflecting the market trend as several new projects were delivered to the market while some tenants reduced their space requirements. However, our team managed to **increase the average WAULT by 0.8 to 3.5 years as new leases and key prolongations were signed.**

During 2023, our team in Budapest **signed over 53,000 m² of new leases, extensions and prolongations.** Around two-thirds were lease renewals, while one-third consisted of new leases or expansions.

Net rental income increased in 2023 to €45 million (+40%). This is due to the contribution from the S IMMO and IMMOFINANZ portfolios, together with positive like-for-like rent developments driven by indexation. The portfolio benefits from a high share of public tenants (35%), followed by IT (13%) and financial services/banking/insurance tenants (11%).

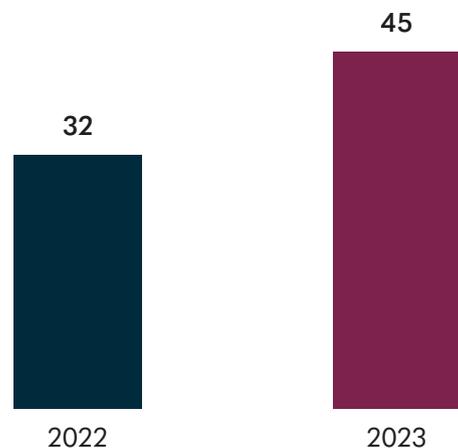
Budapest office market

Modern office stock in Budapest reached nearly 4.4 million m² at the end of 2023. There were approximately 102,800 m² of new completions during the year, with parts of the new stock being owner-occupied. The expected new office supply for 2024 amounts to 178,500 m². Demand was strong in 2023, with a total leasing activity of 464,570 m², 19% above the prior year. Net absorption turned positive in the last quarter, amounting to 6,590 m².

The office vacancy rate increased to 13.5%, representing a 2.2% increase since the end of 2022 due to new completions. Average rents increased by 4.6% YoY to €14.6/m²/month, and prime rents equalled €25 m²/month. The transaction volume in the Hungarian commercial real estate market reached €441 million in 2023 with offices accounting for about €300 million.

Sources: Budapest Research Forum (BRF), CBRE, Avison Young

Budapest office net rental income (€ million)

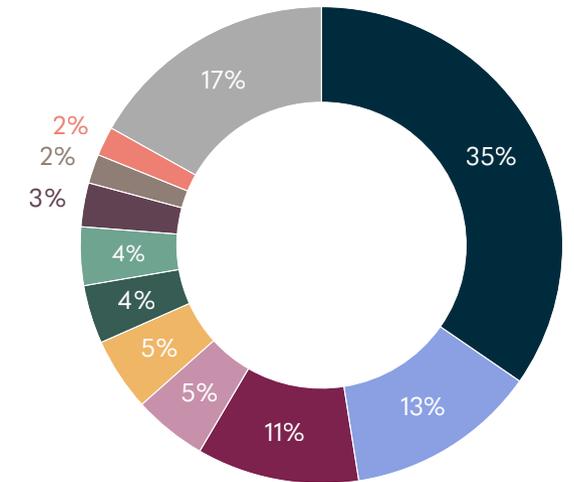
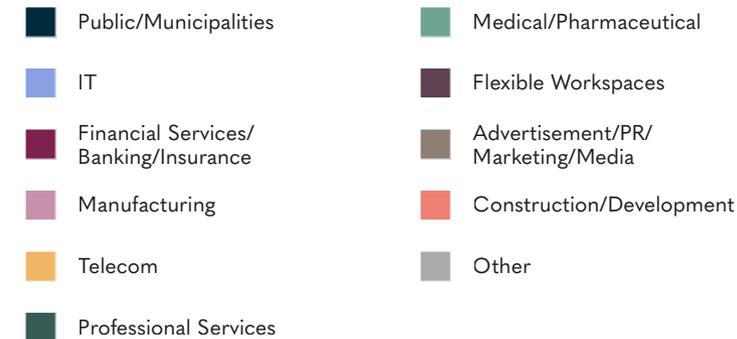


Growing
like-for-like
rents

3.5 years
average
WAULT

Modern
& sustainable
properties

Budapest office tenants by type (according to headline rent)



“Our high-quality in-house services are a competitive advantage in the market.”

Mátyás Gereben, Country Manager, Hungary

Globalworth

Globalworth owns an income-generating property portfolio valued at €3 billion consisting of high-quality, green properties in Poland and Romania.

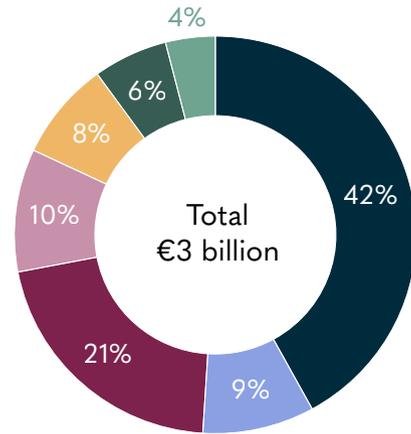
In early 2020, CPIPG became the largest shareholder in Globalworth. In 2021, CPIPG formed a consortium with Aaroundtown SA and gained majority ownership of Globalworth via our jointly owned Zakiono Enterprises Limited.

CPIPG fully supports the superb efforts of the Globalworth team to invest in portfolio quality, maintain strong leasing velocity, and strengthen the company's capital structure.

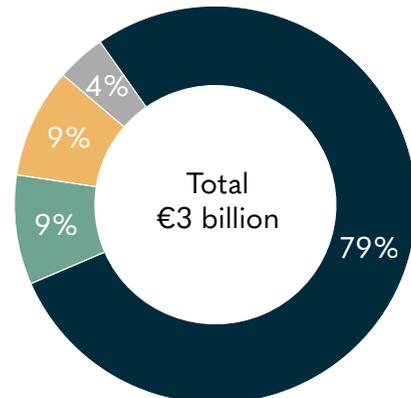
Globalworth at a glance (as at 31 December 2023)

Portfolio value	€3.0 billion
EPRA NRV	€1.75 billion
Net LTV	42.2%
Standing properties	71
Annualised contracted rent	€201.2 million
Occupancy rate	88.3%
GLA	1,386k sqm
Credit ratings (S&P / Fitch)	BB+ / BBB-

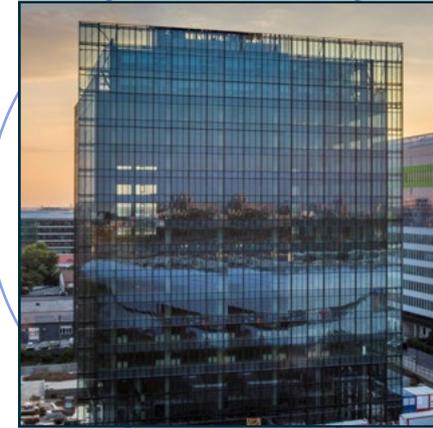
Globalworth assets by location (as at 31 December 2023)



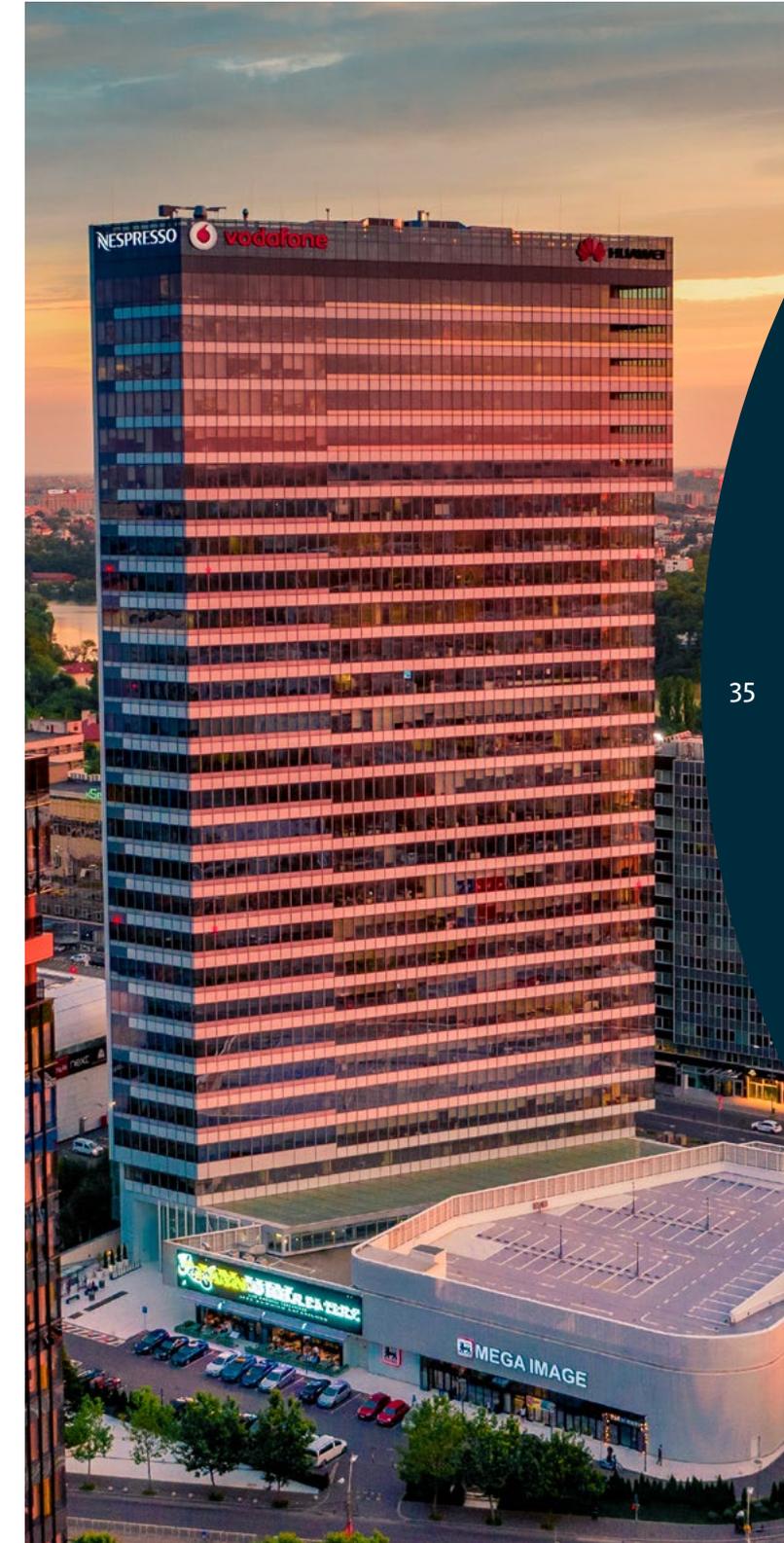
Globalworth assets by type (as at 31 December 2023)



Globalworth Square, Bucharest, BREEAM Outstanding



Globalworth Tower, Bucharest, LEED Platinum



86%
of portfolio
with green
certifications



Spektrum Tower, Warsaw

Retail

CPIPG is the leading retail park landlord in CEE and the retail market leader in the Czech Republic.

CPIPG has a long track record as a retail landlord in the Czech Republic since the founding of the Group in the early 1990s.

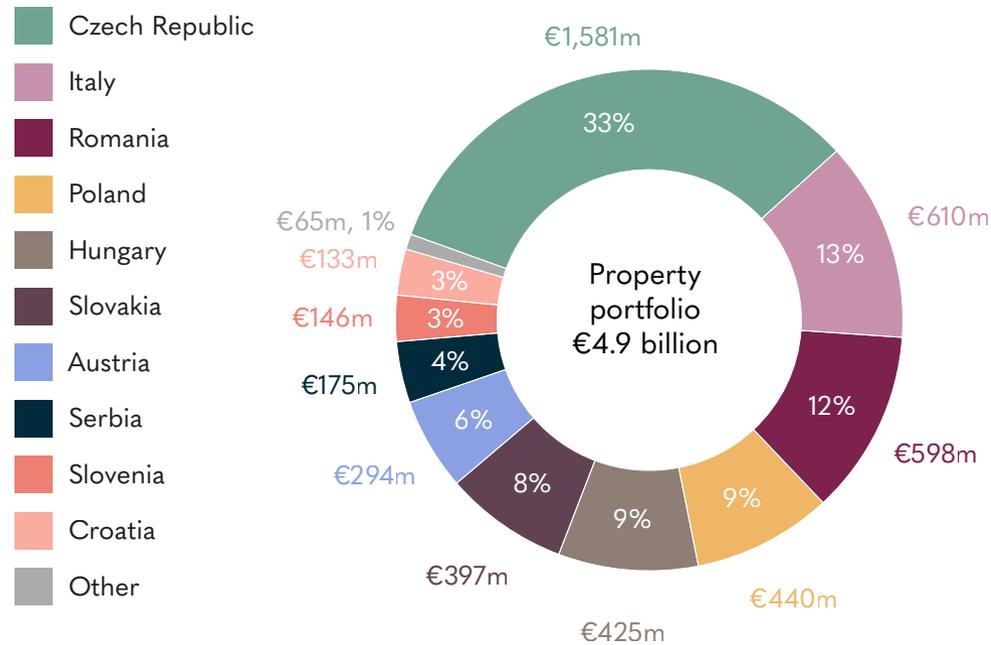
During 2022, our footprint was further expanded through the acquisitions of IMMOFINANZ and S IMMO, which owned assets including STOP SHOP retail parks and VIVO! shopping centres.

The portfolio includes **157 resilient and well-located retail parks**, which performed exceptionally throughout the COVID-19 pandemic and remain in strong demand.

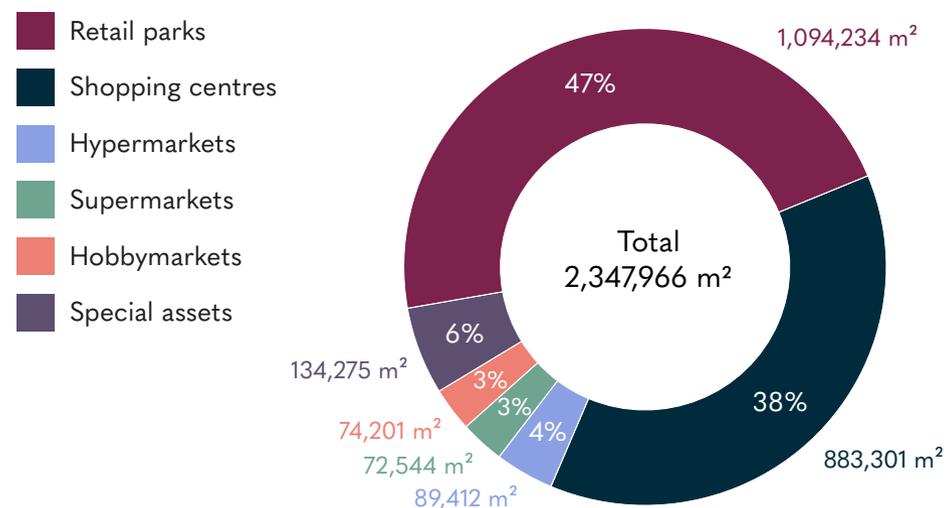
The portfolio also comprises **25 dominant shopping centres located in regional cities** across Central Europe, where supply is well-below Western markets and retail dynamics remain strong, and **ten retail assets in core city locations in Prague, Bratislava, Rome and Bucharest** some of which are part of mixed-use developments.

In addition, this segment benefits from a portfolio of **stable hypermarkets, supermarkets and DIY markets**, many of which are adjacent to our shopping centres and retail parks.

Retail property portfolio by country



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).

#1

Retail landlord in the Czech Republic

97.5% Occupancy

8.9% LfL growth in rents

“Increasing tenant sales and footfall confirm our long-held belief in the strength of CEE retail.”

Petr Brabec, Asset and Property Management Director CZ/SK

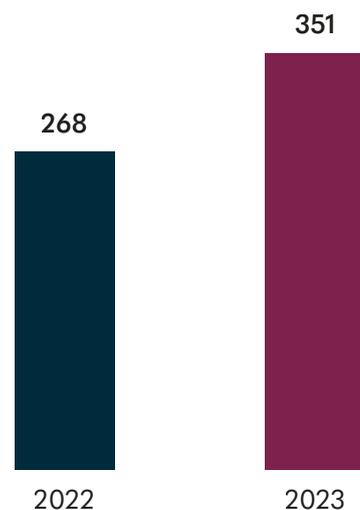
Retail segment summary

The total value of the retail segment stood at €4.9 billion at year-end. **Occupancy in our retail portfolio remained high at 97.5%**, a slight decrease compared to year-end 2022 with 97.9%. Occupancy has been remarkably high and steady despite e-commerce and the pandemic. Net rental income **increased by 31%** year-on-year, increasing from €268 million to €351 million, primarily due to the acquisition of IMMOFINANZ and S IMMO, solid like-for-like rental growth and stable high occupancy.

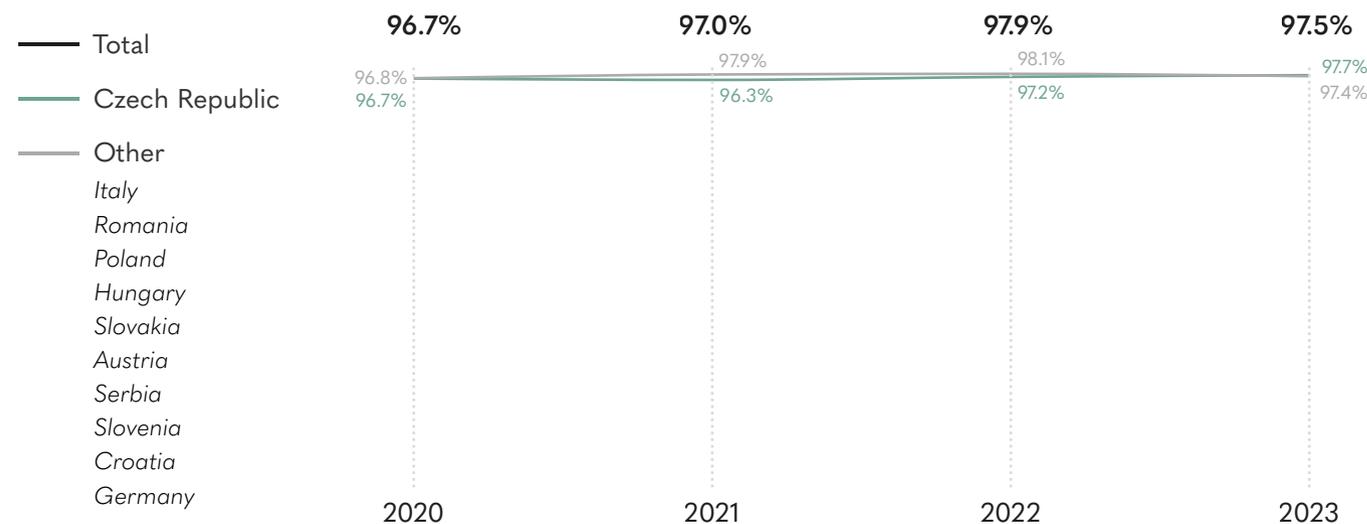


VIVO! Krosno, Poland

Net rental income (€ million)



Retail occupancy rate by country (%)



Retail segment summary in figures

	Retail 2023				Retail 2022			
	PP value (€ million)	Occupancy (%)	GLA (m ²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (in m ²)	No. of properties
Czech Republic	1,581	97.7%	665,000	133	1,563	97.2%	650,000	132
Italy	610	97.9%	198,000	20	616	99.1%	198,000	20
Romania	598	98.3%	245,000	8	578	99.0%	244,000	8
Poland	440	98.9%	260,000	23	428	98.5%	253,000	22
Hungary	425	96.3%	274,000	21	423	96.2%	274,000	21
Slovakia	397	95.9%	249,000	34	418	96.7%	255,000	35
Austria	294	98.8%	112,000	20	303	97.8%	112,000	20
Serbia	175	100.0%	126,000	14	164	100.0%	124,000	14
Slovenia	146	100.0%	95,000	14	145	99.2%	95,000	14
Croatia	133	100.0%	90,000	12	56	98.0%	39,000	6
Germany	32	49.3%	34,000	6	49	91.9%	44,000	7
Globalworth	32	-	-	-	31	-	-	-
Total	4,864	97.5%	2,348,000	305	4,773	97.9%	2,290,000	299

Shopping centres in the Czech Republic

Rents in our Czech shopping centres **grew by 7.3% on a like-for-like basis**, driven by inflation indexation. Leasing activity, primarily lease extensions, typically prolonged by five years, reached over 44,410 m².

Retail sales for CPIPG fully recovered from the pandemic in 2022 and continued to increase in 2023 by 5.7% on a like-for-like basis. The increase can be attributed to higher footfall, up 6.2% on a like-for-like basis, and higher inflation. Footfall remains 10.0% below pre-pandemic levels, cementing the trend of higher average basket sizes from previous years. Regional shopping centres continue to perform better than inner-city locations, which are slightly more affected by lower footfall from office workers due to hybrid work.

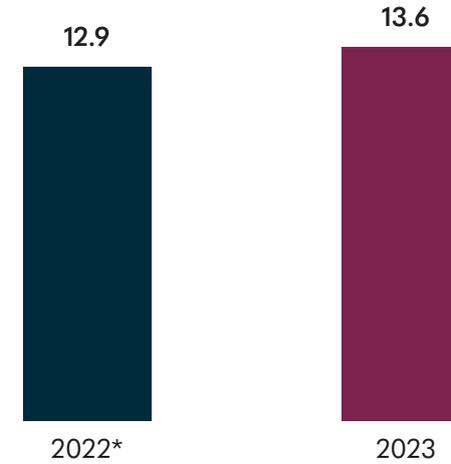
Through our active leasing and asset management approach, **occupancy increased by 0.5% to 97.3%**, reflecting a strong relationship with tenants and the quality of our assets.

It also reflects our steady investments in existing properties, such as the refurbishment of the food court in our Futurum Hradec Králové and the ongoing refurbishment of areas at OC Nisa and OC Quadrio.

Our shopping centres continue to benefit from being **highly competitive and attractive for our tenants, with the affordability ratio improving over the last few years, to a record low of 9.9% (vs 12% in 2019)**, despite rising energy and labour costs. Aside from increasing sales, a positive impact on tenants' costs was due to the ease of supply chains, more stable energy markets and the overall decline in inflation rates from previous high levels.

Tenant quality remains solid, reflected in a 99% collection rate.

Increase in tenant sales (bn CZK)

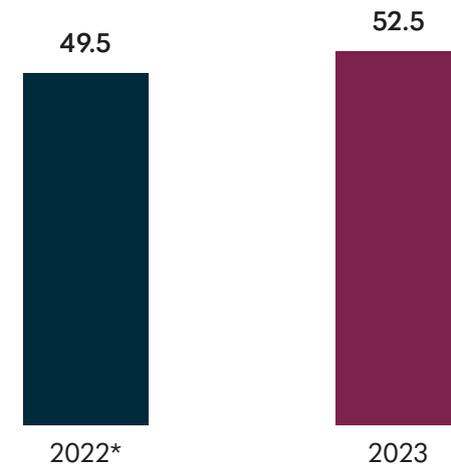


* incl. VIVO! Hostivař, excl. shopping centres sold in 2022

5.7%
increase in
tenant sales on a
LfL basis

6.2%
increase in
footfall on a LfL
basis

Increase in footfall (million)



* incl. VIVO! Hostivař, excl. shopping centres sold in 2022

Affordability
ratio **9.9%**
rent, service &
marketing
charges as a %
of turnover

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



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

Shopping centres in the Czech Republic

📍 Shopping centres



Olympia Plzeň
City: Plzeň
PP value: €159 million
GLA: 41,000 m²



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



Zlatý Anděl
City: Prague
PP value: €80 million
GLA: 7,000 m²



Quadrio
City: Prague
PP value: €113 million
GLA: 8,000 m²



Fénix
City: Prague
PP value: €58 million
GLA: 13,000 m²



VIVO! Hostivař
City: Prague
PP value: €47 million
GLA: 23,000 m²



Spektrum
City: Čestlice
PP value: €23 million
GLA: 7,000 m²



Královo Pole
City: Brno
PP value: €71 million
GLA: 27,000 m²



Futurum Kolín
City: Kolín
PP value: €34 million
GLA: 10,000 m²



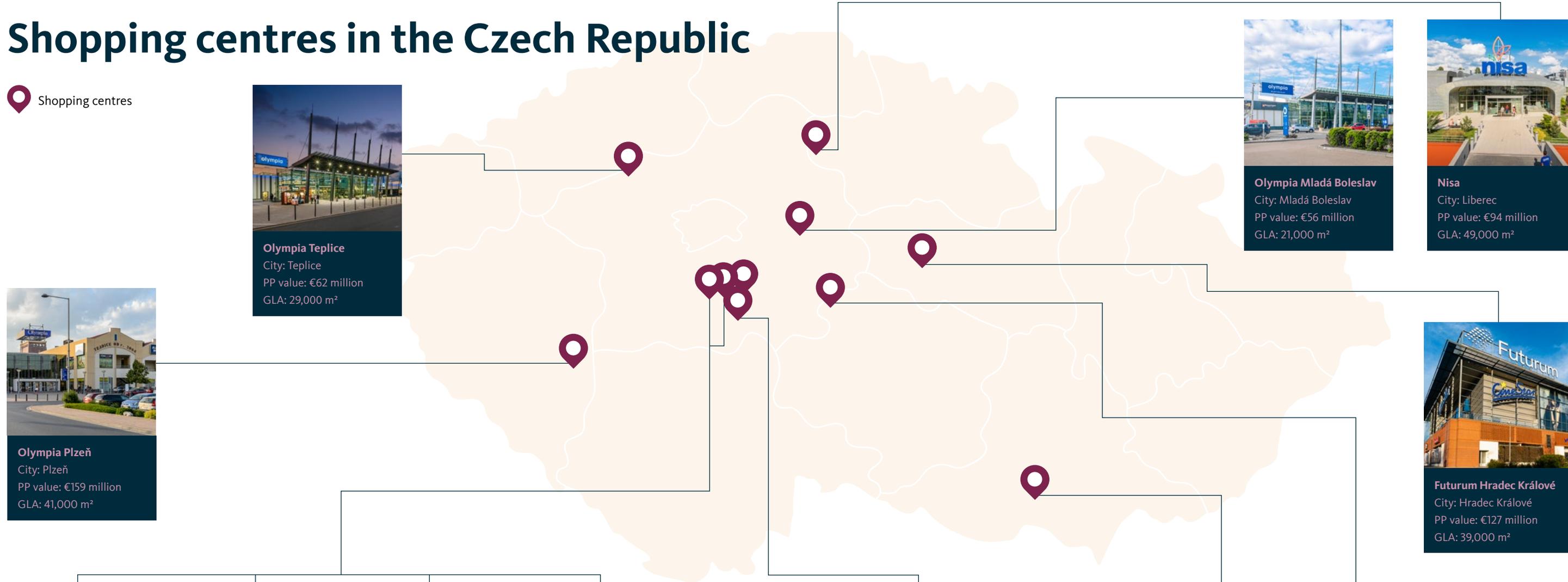
Olympia Mladá Boleslav
City: Mladá Boleslav
PP value: €56 million
GLA: 21,000 m²



Nisa
City: Liberec
PP value: €94 million
GLA: 49,000 m²



Futurum Hradec Králové
City: Hradec Králové
PP value: €127 million
GLA: 39,000 m²



Retail parks

The discount-focused and convenience-oriented retail park format is a star performer in CPIPG’s portfolio. **Our retail park concepts are highly efficient in keeping occupier costs low** and have proven resilient in times of higher inflation as our tenants provide customers with day-to-day essentials. Some of the largest tenants include brands such as KiK, Pepco and Deichmann.

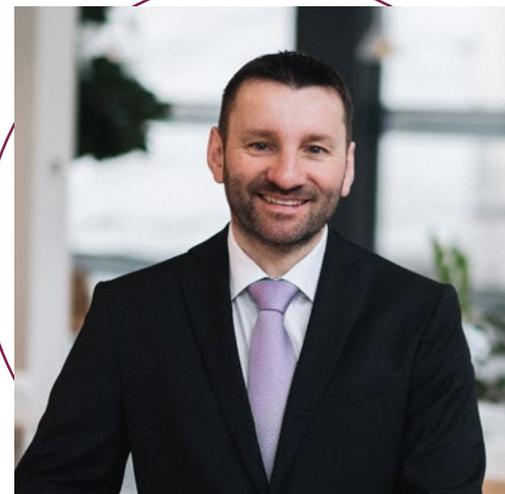
CPIPG’s retail park portfolio spans the CEE region with nearly 1.1 million m² of GLA, making the Group the largest retail park landlord in the region. The portfolio’s footprint and reach make the Group a preferred landlord for leading national and international retailers.

The retail parks are branded with our well-known STOP SHOP and CityMarket brands, which provide price-conscious “smart shoppers” with a consistent and attractive mix of everyday products. Together with excellent accessibility and plenty of parking spaces, our retail parks are the dominant retail concept in secondary and tertiary cities in the regions. **Occupancy in the Group’s retail parks was 99% at the end of December 2023, while we also see increased interest from tenants that previously only considered shopping centres.**

Hypermarkets and supermarkets

Hypermarkets and supermarkets also represent a highly stable part of the Group’s retail segment, as demonstrated during the pandemic.

Turnovers of hypermarkets, supermarkets and DIY markets continued to grow throughout the pandemic and 2023, albeit at a slower pace. This can be attributed to the essential nature of food retailers passing on inflations to consumers and the trend of higher spending on home improvements over the last years, albeit slowing. In light of the buoyant activity over the last years, the portfolio remained practically **100% occupied.**



*“Our retail parks offer tenants and consumers **exceptional value for money.**”*

Pavel Jirásek, Head of Retail Warehouse Asset Management CZ, SK

STOP SHOP Gmünd, Austria

photo: © Christian Stemper



98.8%
Retail park occupancy

Largest retail park owner in the CEE region

157
retail park properties

Group retail

📍 Retail parks



The STOP SHOP brand for retail parks in Central and Eastern Europe are pleasant, practical neighbourhood shopping centres with a catchment area of 30,000 to 150,000 residents and offer a wide range of everyday products.

Characterised by attractive price-performance ratios, the concept is particularly suited to secondary and tertiary cities in regions with comparatively lower incomes.

With their good transport links and extensive parking, these locations appeal to price-conscious “smart shoppers” who value easy accessibility. STOP SHOPS also offer their customers impressively consistent quality standards.

photo: © Christian Stemper



Our CityMarket brand of retail parks can be found in almost every region of the Czech Republic as well as in Slovakia, Poland and Hungary. They all boast excellent locations and accessibility, high-quality tenants and parking spaces in abundant supply.

Our CityMarket retail parks continue demonstrating resilient, stable performance, with occupancy close to 100%.

- AT – Austria
- HR – Croatia
- CZ – Czech Republic
- HU – Hungary
- IT – Italy
- PL – Poland
- RO – Romania
- RS – Serbia
- SI – Slovenia
- SK – Slovakia

Nisa Shopping Centre, Liberec, Czech Republic



Czech retail market

Czech retail sales, in nominal terms, exceeded pre-pandemic levels, partly driven by double-digit inflation. At the same time, consumer spending did not keep up with inflation since the second half of 2022 due to the uncertain economic outlook. When accounting for inflation, retail sales decreased by 4.7% YoY during 2023. For 2024 and 2025, a return to growth is expected.

Supply from new developments or extensions increased during 2023, with approximately 86,700 m² delivered. Currently, 104,200 m² are under construction across the Czech Republic, while the start of any additional projects is uncertain due to significantly higher construction costs, making projects less economically viable. Vacancy rates remain low for shopping centres at around 3.6%. Total shopping centre density remained low at 249 m²/ 1,000 inhabitants, with the total stock at 2.6 million m².

Prime rents remained stable for shopping centres in Prague with €142/m²/month and €225/m²/month for high street retail. Retail Park rents reached €13.5/m²/month, growing by 12.5% YoY.

Retail remains a preferred segment in the investment markets due to its attractive yields and limited supply in the Czech Republic. Total transactions reached approximately €492 million across thirteen transactions, the most significant being a 60 retail park and supermarket portfolio acquisition by Plan B Investments from Trei Real Estate.

Sources: Cushman & Wakefield

Italian retail market

The Italian retail sector saw a stable performance during 2023, reflecting the modest GDP growth while employment continued to grow.

Rents for prime shopping centres remained stable at around €1,000/m²/year, while prime retail park rents increased by 5.2% to €200/m²/year.

Italy recorded €6.3 billion in real estate transactions; retail transactions represented €650 million.

Source: Cushman & Wakefield

Slovak retail market

The Slovak retail market is split by shopping centres in Bratislava and other larger cities, representing around two-thirds of the total retail area, with retail parks dominating outside Bratislava.

Slovakia saw a new supply of spaces from the opening of a 25,000 m² extension of Eurovea 2 in Bratislava, the largest shopping centre in the country, OC Tehelko, and retail parks in Trnava and Sládkovičovo. Currently, over 40,000 m² are under construction.

Rents remained stable for shopping at around €65/m²/month, while retail parks saw rents rising to €10.50/m²/month from previously €9.50/m²/month.

Source: Cushman & Wakefield

Hungarian retail market

Retail sales in Hungary declined during 2023 as higher inflation reduced households' purchasing power and partly reflected an intra-year decline in the exchange rate for the Hungarian Forint, which mostly reversed towards the year-end, with retail sales remaining marginally lower with 0.2% YoY at the end of December 2023.

Development activity was muted, with only 7,610 m² in new completions in 2023 and 7,300 m² from refurbishment projects. The current pipeline contains about 20,700 m² expected to be delivered at the end of 2024 and in 2025.

Headline rents increased versus year-end by 5.6% YoY to €95/m²/month for Budapest prime shopping centres and by 3.8% YoY to €13.5/m²/month for retail parks.

Source: Cushman & Wakefield

Polish retail market

As of December 2023, retail sales in Poland were down by 2.3% YoY as high inflation weighed on consumption. A return to growth is expected for 2024 and 2025 as Poland's economy returns to a more dynamic growth path.

Approximately 447,000 m² of new retail spaces were delivered in 2023, while at the same time, c. 104,000 m² in space was taken off the market. Retail parks represent c. 80% of the new supply. Poland's total retail stock reached over 16.3 million m².

All retail segments recorded positive year-on-year rental growth, with retail park rents increasing by 12.5% YoY and shopping centres and high streets by around 7% YoY.

Source: Cushman & Wakefield

Campona Shopping Centre, Budapest, Hungary



Romanian retail market

Romania's retail market remains robust, with retail sales growing by 1.6% during 2023.

The total modern retail stock reached 4.34 million m² with around 251,000 m² delivered chiefly in secondary and tertiary cities, with Bucharest accounting for only 13% of the delivered area.

Prime rents for shopping centres increased by 7% YoY to €80/m²/month. The total transaction volume in Romania reached €500 million, of which 57% represented retail properties, with the landmark acquisition of Mitisa REIM's retail park portfolio by M Core representing 44% of the total volume.

Source: CBRE, Cushman & Wakefield



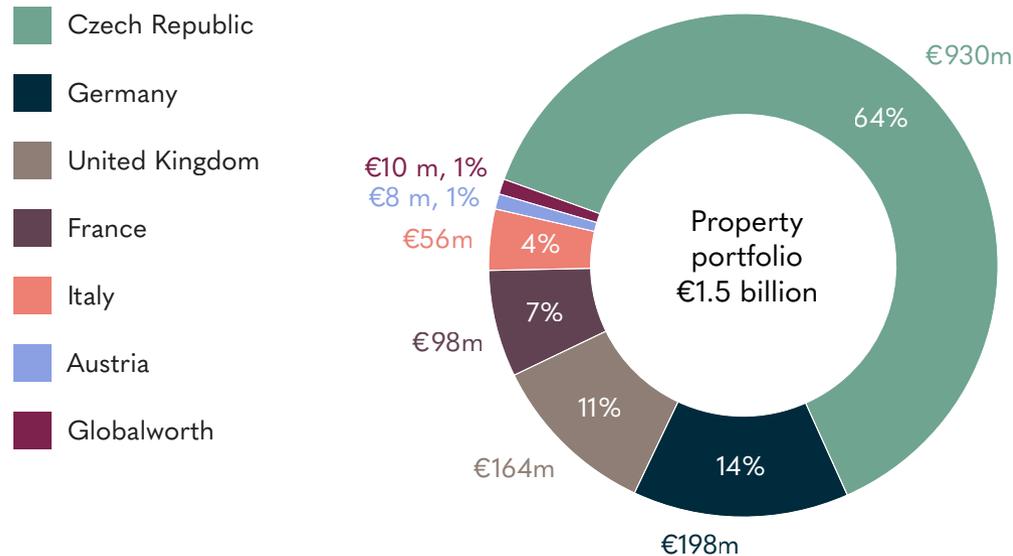
Residential

CPIPG has extensive residential experience in the Czech Republic and makes selective investments in the UK and other locations.

“We will equip all prefabricated houses with thermal insulation by 2030, thereby contributing to the Group’s ambitious environmental targets.”

Petr Mácha, Director of CPI BYTY, Czech Republic

Residential property portfolio by country



Czech Republic

The most significant part of the portfolio relates to CPI BYTY in the Czech Republic, with around 64% of the residential portfolio, where the Group is the second-largest residential property owner in the country. CPI BYTY’s portfolio is very resilient and well-diversified, located around key regional cities and in Prague.

The portfolio’s value stood at **€930 million at the end of 2023**, increasing over the last years due to rental growth per m² with a high occupancy and ongoing demand for the defensive asset class. The Group continuously invests in the portfolio, such as via thermal insulation projects, to improve the energy performance of the assets.

Gross rental income grew significantly in 2023 compared to the prior year, **increasing by 20% to €35 million, driven by like-for-like rental growth from indexation and reletting as well as high occupancy**. This performance is attributed to CPI BYTY’s multi-year strategy to gradually refurbish vacated units and increase occupancy at market rents. Average market rents are still significantly higher than the current rents in our portfolio.

Occupancy remained high at 93.1%, although declining by 1.4% over the year due to higher tenant churn at year-end and the refurbishment of vacated units before re-letting which take more time as the Group increases the quality of the units to capture higher rents.

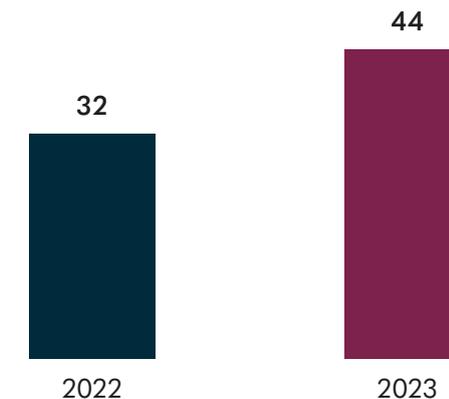
Germany

The German residential property portfolio is valued at €198 million and was acquired through the purchase and subsequent consolidation of SIMMO. The current value is significantly lower versus year-end as S IMMO successfully completed several disposals during the year and due to negative revaluation results. **The intention is to dispose of all German residential properties** over time, use proceeds for debt repayments, and investments in higher-yielding assets.

UK

The value of the UK residential portfolio stood at €164 million at the end of 2023. CPIPG established a small presence in the prime central London residential market beginning in 2018. The Group’s acquisitions primarily relate to prime properties in excellent locations, typically acquired at significant discounts to fair value. During Q1 2024, the Group sold Metrogate House in London.

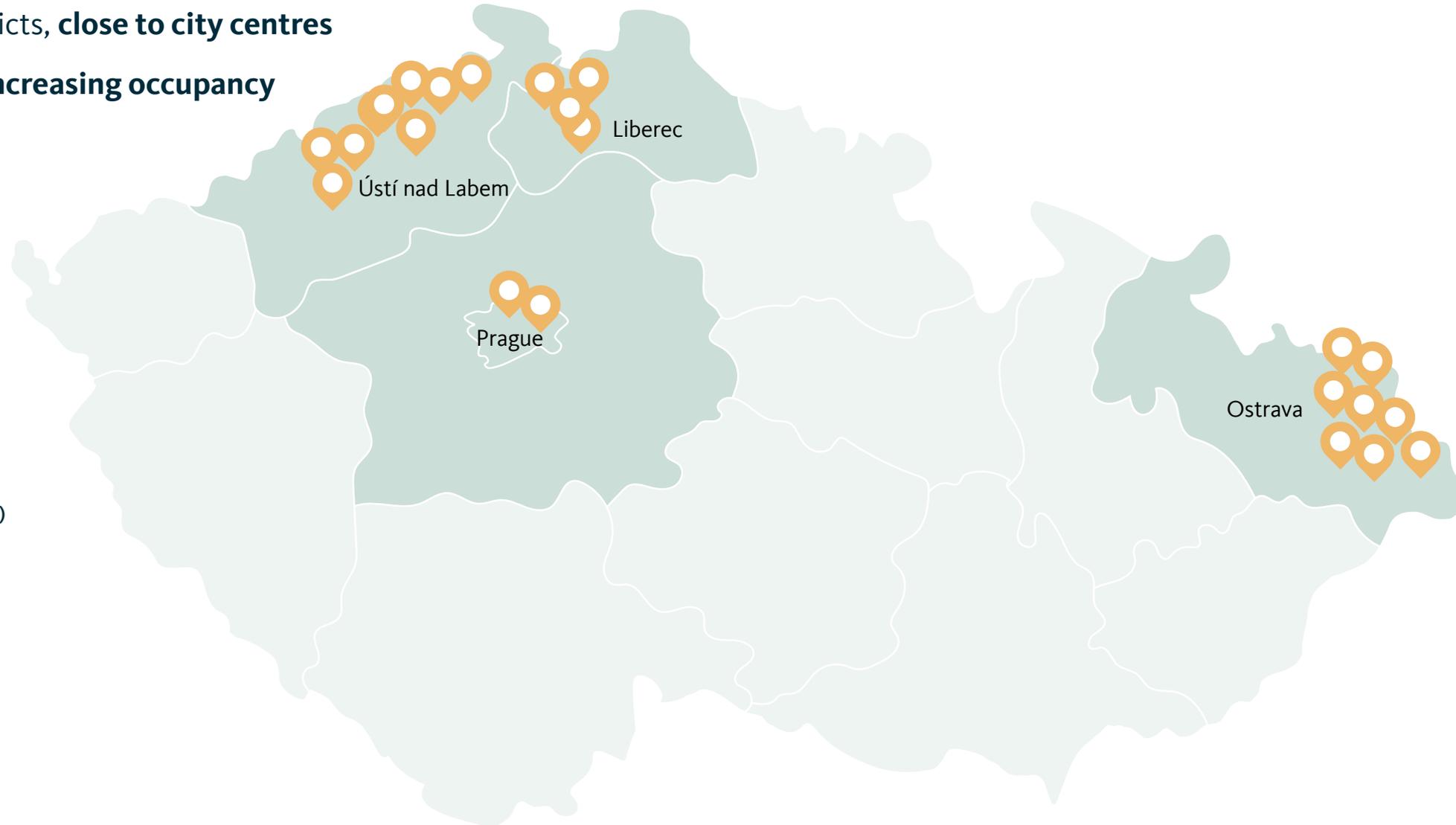
Group residential net rental income (€ million)



CPI BYTY's leading regional platforms

- 2nd largest rental residential property owner in the Czech Republic
- Long-term rental strategy with **significant upside potential**
- **High diversification** of rental income
- Located in popular districts, **close to city centres**
- Strong track record of **increasing occupancy and rental prices**

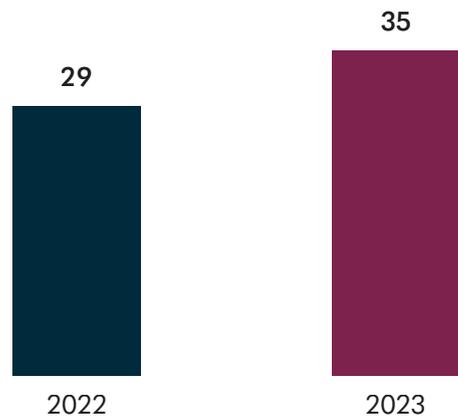
 = cca 500 units



11,667 units
in 14 cities

696,776 m²
area of flats

Czech residential gross rental income (€ million)



CPI BYTY, Český Těšín, Ostrava



Czech residential market overview

Market rents have been consistently rising in Prague and major regional cities for several years, buoyed by economic factors such as low unemployment, rising wages, and inflation. In addition, residential development has not kept pace with population growth in recent decades, especially in regional cities.

Czech residential property values have also grown consistently since 2014 until Q3 2022. A decrease has been recorded between Q4 2022 and Q3 2023 while prices are back on a growth trajectory, increasing by 6.9% in Q4 2023. The average sales price increased by 150% since 2014 to CZK 95,500/m² at the end of 2023.

The lack of affordable housing in the country underpins the Czech residential rental market. In 2023, the Czech Republic was the country with the second lowest housing affordability among 21 countries participating in a survey conducted by Deloitte, with an average of 13.3 gross annual salaries required to purchase a standardised dwelling of 70 m² size.

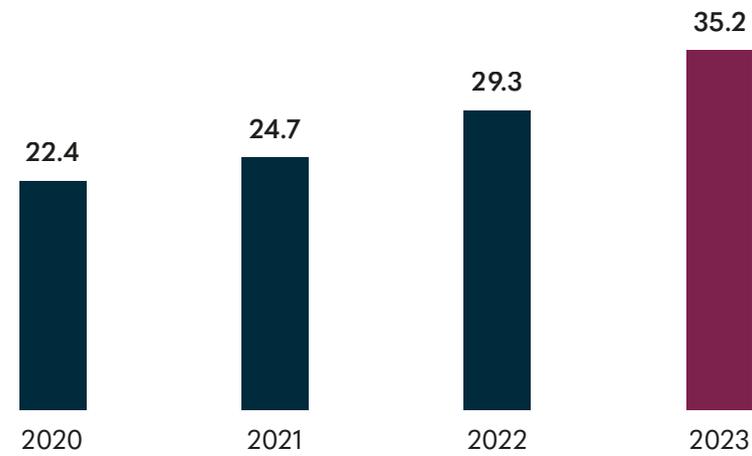
Rents across the Czech Republic stagnated in Q4 2023, with the overall price change at -0.3% after strong growth in Q1 – Q3. Prague remains the most expensive city with an average rent of CZK 395/m²/month, equivalent to about €15.6/m²/month.

The total transaction volume across development projects, brick houses and prefabricated apartment volumes reached around CZK 134 billion in 2023, with Prague accounting for the majority of transactions.

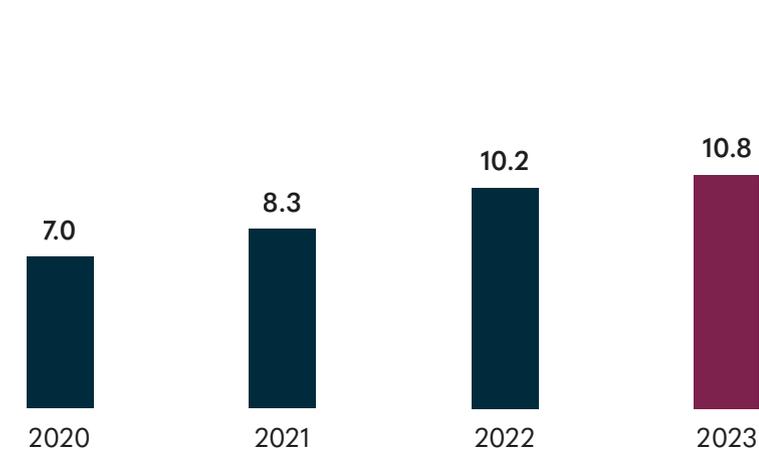
Source: Deloitte Czech Republic



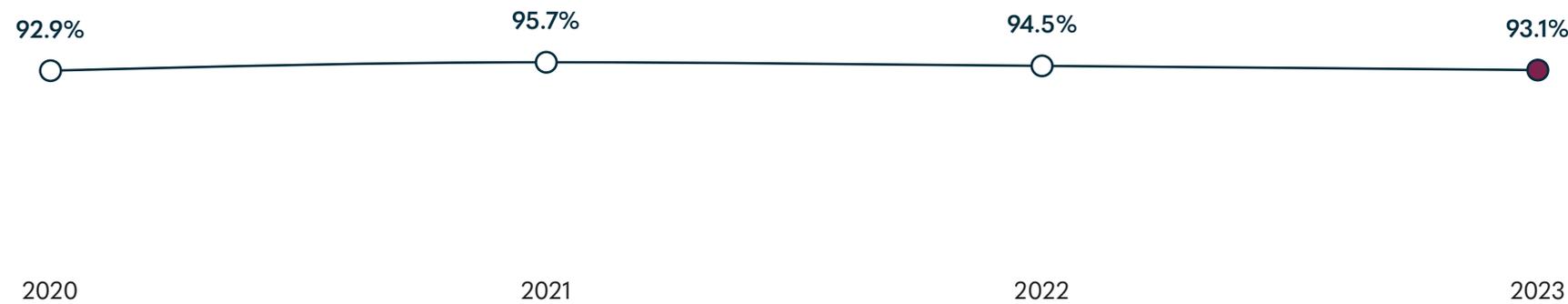
Increases in gross rental income (€ million)



Refurbishment and maintenance costs (€ million)



CPI BYTY portfolio occupancy (based on rented units)



Czech residential summary in figures

Region	Czech residential 2023				Czech residential 2022			
	PP value (€ m)	Occupancy* (%)	No. of units	No. of rented units	PP value (€ m)	Occupancy* (%)	No. of units	No. of rented units
Prague	109	91.8%	463	425	111	95.2%	463	441
Ostrava region	307	92.1%	4,134	3,809	291	93.5%	4,134	3,864
Ústí region	326	92.5%	4,981	4,609	302	94.0%	4,983	4,682
Liberec region	178	96.6%	2,016	1,947	160	97.7%	2,018	1,972
Central Bohemia	10	98.7%	77	76	10	100%	77	77
Total	930	93.1%	11,671	10,866	873	94.5%	11,675	11,036

* Occupancy based on rented units.

CPI BYTY Apartments, Letňany, Prague



Hotels & Resorts

CPIPG owns and operates hotels primarily located in the CEE region. We benefit from local knowledge, scale, and the ability to control costs.

The Group’s hotel business, CPI Hotels, is one of the largest hotel owners in Central Europe and operates in several segments:

Congress & Convention Centres: operating under the Clarion, Quality, Comfort, Holiday Inn and Marriott brands, these hotels are primarily designed for conferences and corporate events.

Resort Hotels: the Group owns Sunčani Hvar, which is the leading owner and operator of hotels on the Croatian resort island of Hvar.

Boutique Hotels & Residences: hotels operating under renowned brands Mamaison Hotels & Residences and Buddha-Bar Hotel, focused on premium quality accommodation and service.

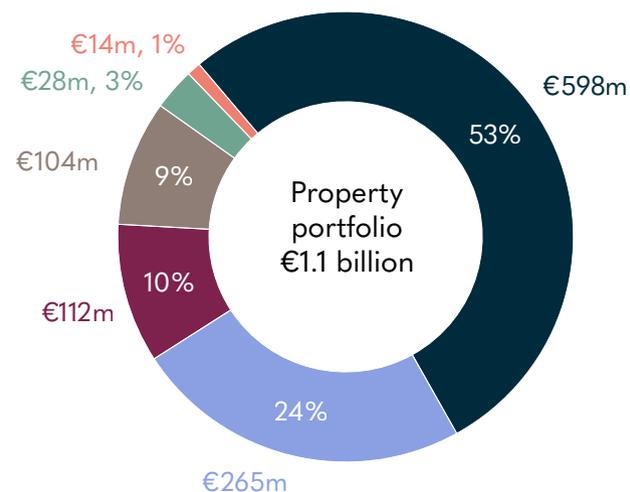
Residential Hotels: hotels primarily located in Prague catering for long-stay accommodation, popular with business travellers and tourists.

Mountain Resorts: the Group operates and maintains the ski lifts, pistes, shops and restaurants in the Swiss ski resort of Crans-Montana.

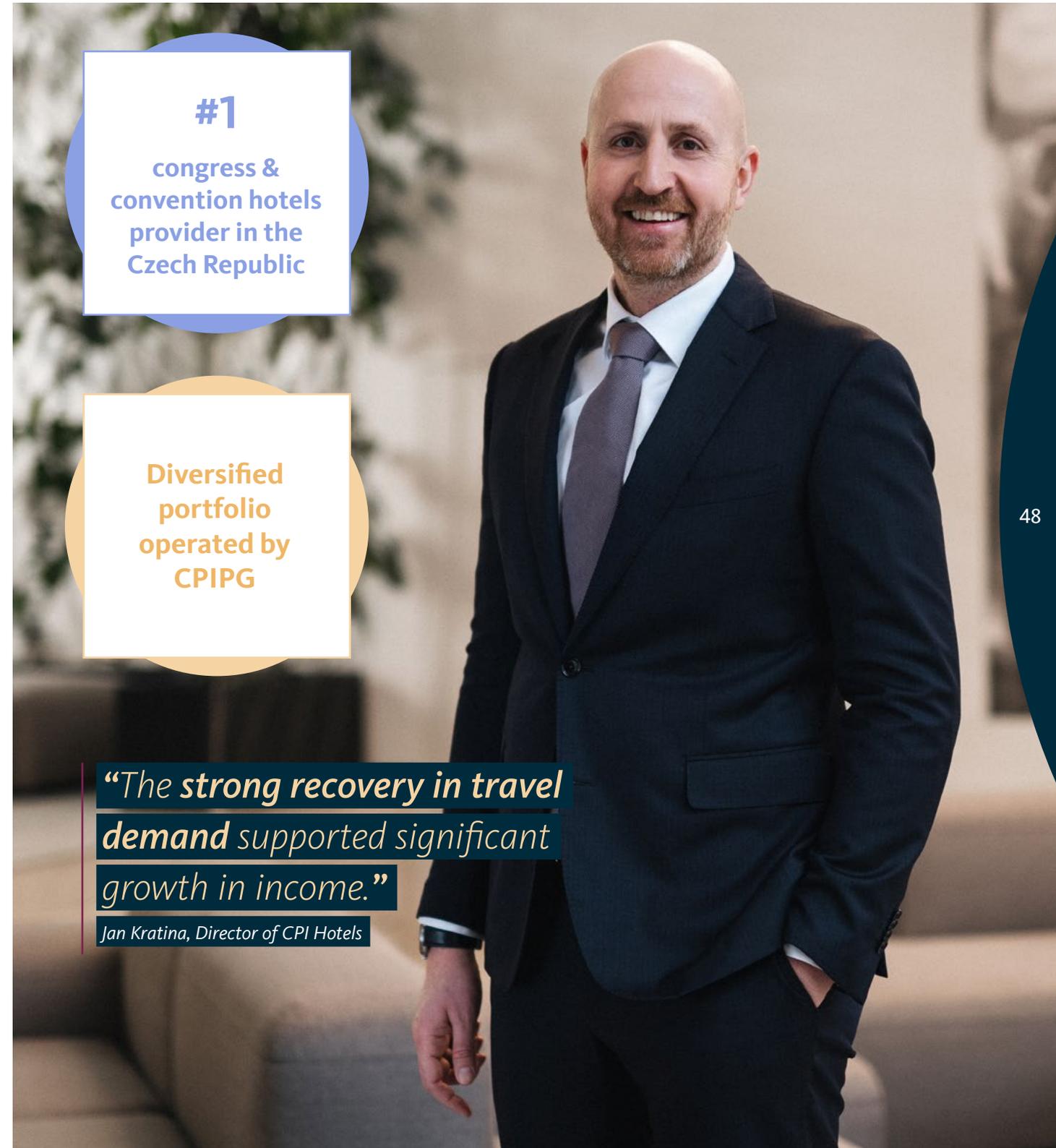
Spa Hotels: the independently developed brand, Spa & Kur Hotels offers wellness and spa treatments located in the world-famous spa city Františkovy Lázně, in the Czech Republic.

Hotels & Resorts by type (based on property portfolio value)

- Conference & Convention Centres
- Resort Hotels
- Boutique Hotels & Residences
- Mountain Resorts
- Residential Hotels
- Spa Hotels



Note: The Group has entered into binding sale agreements to dispose of the Resort Hotels and Mountain Resorts.



#1
congress & convention hotels provider in the Czech Republic

Diversified portfolio operated by CPIPG

“The strong recovery in travel demand supported significant growth in income.”

Jan Kratina, Director of CPI Hotels

Hotels & Resorts segment summary

The Group continues to view this segment as a core strategy, adding diversification to the overall property portfolio. Within this segment, the Group will focus on hotel properties in Central and Eastern European cities, particularly in conference and convention hotels, as well as boutique and long-stay residential hotels.

In November 2023, CPIPG announced the signing of binding agreements relating to the sale of our portfolio of Resort Hotels located on the island of Hvar and our Mountain Resort in Crans

Montana. Both transactions are pending completion conditional on certain regulatory approvals.

Further, earlier in March 2024, the Group completed the formation of a joint venture with Best Hotel Properties (“BHP”), a well-respected Slovak hotel investor and operator. Concurrently, the Group disposed of a 50% stake in a portfolio of eight hotel properties in the Czech Republic, including CPI Hotels, the hotels operator.

Our hotel brands and partnerships

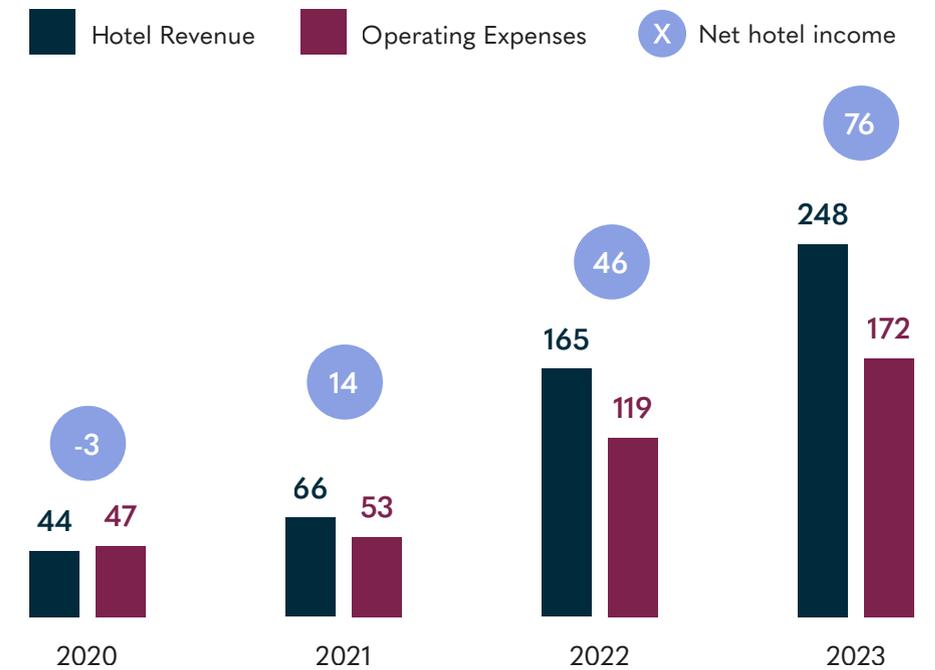


Hotels & Resorts segment summary in figures

	Hotels & Resorts 2023					Hotels & Resorts 2022				
	PP value (€ million)	Hotel rooms	No. of properties	RevPAR YoY change (%)	ADR YoY change (%)	PP value (€ million)	Hotel rooms	No. of properties	RevPAR YoY change (%)	ADR YoY change (%)
Czech Republic	389	4,459	24	45	18	393	4,501	23	175	18
Croatia	220	1,107	7	7	5	171	1,113	7	36	24
Hungary	169	704	4	9	8	162	704	4	314	84
Switzerland	104	-	1	-	-	51	-	1	-	-
Austria	95	328	1	35	24	103	328	1	-	-
Italy	83	752	4	43	26	78	752	4	332	28
Poland	26	106	2	6	6	25	106	2	213	21
Romania	22	257	1	-	-	-	-	-	-	-
Slovakia	13	222	1	26	12	13	222	1	135	20
Russia	0	84	1	21	13	0	84	1	0	9
Total	1,121	8,019	46	31	13	995	7,810	44	184	30

Note: Czech Republic and Slovakia include hotels operated, but not owned by the Group. RevPAR (Revenue Per Available Room). ADR (Average Daily Rate).

Net hotel income versus hotel operating expenses (€ million)



Clarion Grandhotel Zlatý Lev, Liberec, Czech Republic



Mamaison Residence Diana Warsaw, Poland



Hotel performance

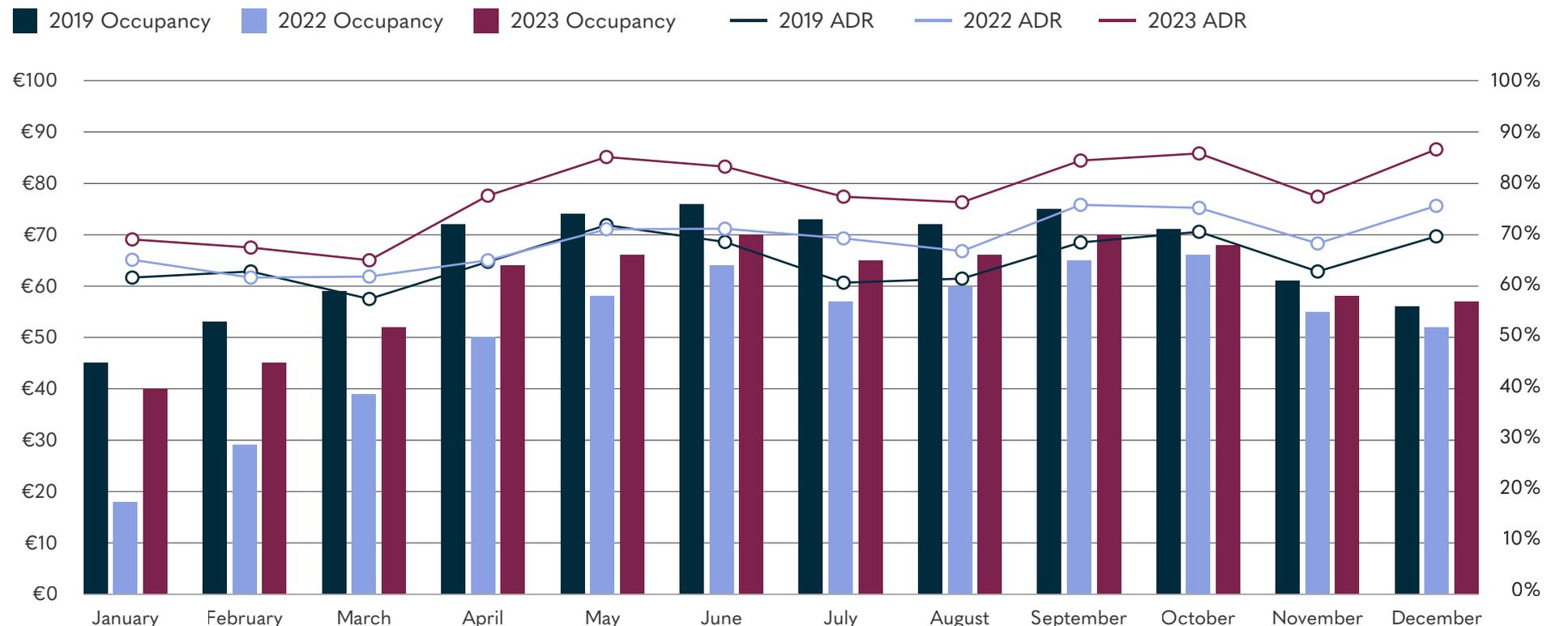
Total hotel revenue for the full year 2023 amounted to €248 million, a significant growth from the previous year’s revenue, as H1 2022 was still somewhat impacted by the pandemic restrictions and acquisition-related income contributions.

The average occupancy of the portfolio improved significantly in 2023 to 60%*, compared to 52% in 2022. While occupancy is still below pre-pandemic levels of 65% in 2019, **the portfolio achieved an Average Daily Rate (ADR) of €78.9 in 2023, an increase of 16.6% vs 2019**. The growth in hotel revenues was driven by a strong bounce back in travel demand in 2023. The rise in leisure travel supported the positive momentum for the sector, particularly from longer-haul international markets such as the US and Asia.

Furthermore, the gradual recovery of corporate, group and MICE segments also provided tailwinds for growth. The luxury and resort segments also outperformed relative to other segments, as demand from high-income consumers is less impacted by macroeconomic headwinds. For example, the portfolio of resort hotels in Hvar achieved an occupancy and ADR of 76% and €206.3, respectively, in 2023, compared to 73% and €187.8 for 2022.

Net hotel income for 2023 totalled **€76 million**, versus €46 million in 2022. Improvements in profitability stem from savings in utility costs and benefits from having a flexible business model by consolidating operations and economies of scale as an owner-operator.

Hotel portfolio average occupancy percentage and ADR*



* Excluding hotels leased or not operated by CPI Hotels, and Hvar resort hotels that are seasonally operated.

Market overview

The hotel industry demonstrated its resilience in 2023, defying the weak sentiment of the broader economy. Performance in many regions have fully recovered from the pandemic setbacks with revenues surpassing 2019 levels. Notably, leisure demand and resort markets rebounded strongly, and city hotels gradually bounced back with the recovery of business and international travel.

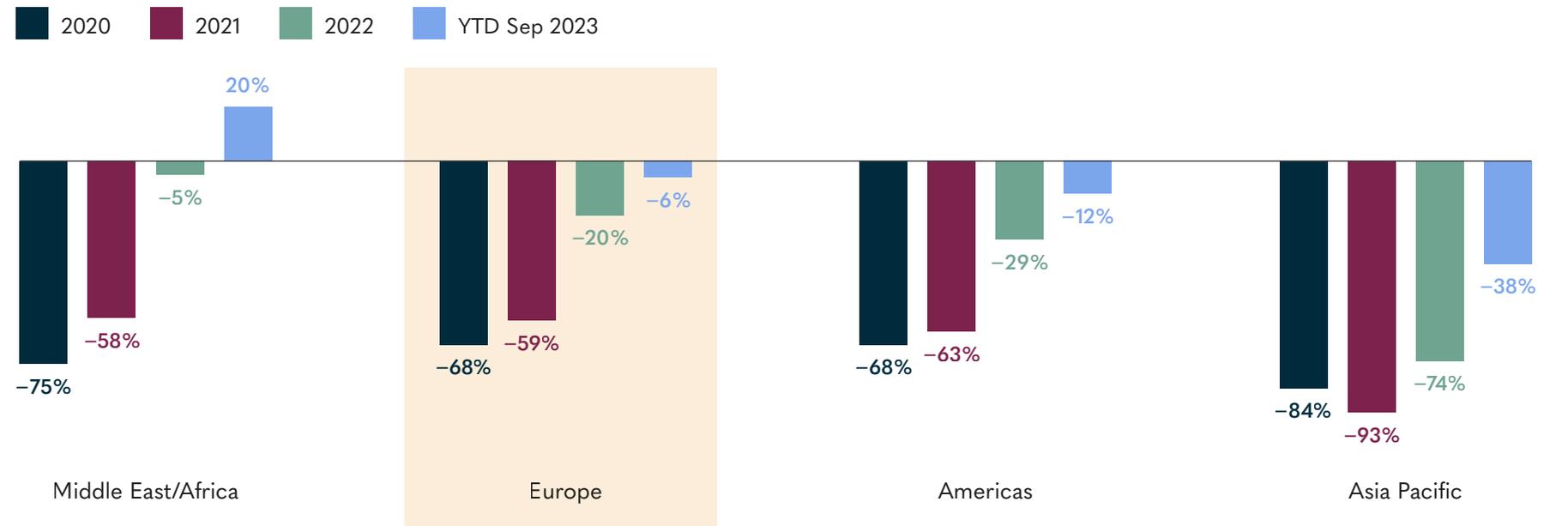
Further acceleration in international travel is expected to fuel hotel demand, particularly in city destinations. Despite ongoing economic uncertainty and geopolitical tensions, Europe will likely be the largest beneficiary of the rebound as Paris hosts the Summer Olympics this year. Due to domestic economic challenges, the reopening of Chinese outbound tourism in mid-2023 has not yet seen its full potential. However, according to Oxford Economics, Chinese arrivals to Europe are forecasted to increase by 82% in 2024.

The Prague hotel market significantly outperformed the region in 2023, with occupancy and ADR reaching 71% and €110, respectively. Prague city’s RevPAR growth was +36% YoY – the second highest among the cities compared – while the European average was 16%. Tourism in the Czech Republic also recorded solid growth 2023, with the number of guests in accommodation establishments reaching over 22 million – a +13.5% YoY growth. In addition, the number of foreign guests in 2023 increased by more than 30% from 7.3 million guests in 2022 to 9.6 million in 2023.

Improvement in travel demand and hotel operating performance has translated to renewed investor optimism in the sector. Transaction volumes in 2023 were predominantly driven by resorts and leisure hotel acquisitions, particularly in Southern Europe. While volumes are still well below historical peaks, transaction activity in the hospitality sector is expected to prevail in 2024 as investors seek higher yields, stabilisation of interest rates in the region, and expectations of further positive operating performance.

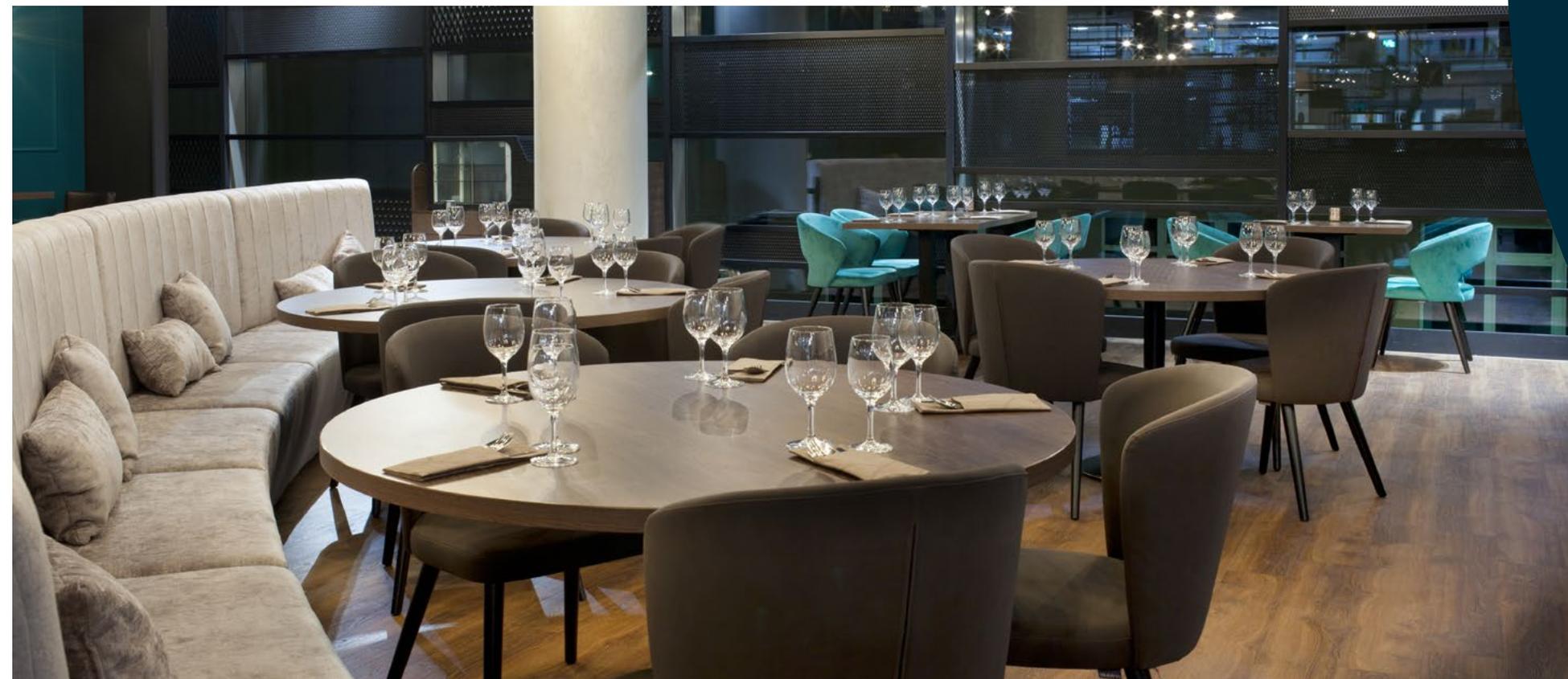
Sources: JLL, Oxford Economics, Cushman & Wakefield, Czech Statistical Office

International tourist arrivals recovery from 2019 by region (% change from 2019)



Source: UNWTO
Note: Data collected by the UNWTO and publish in November 2023.

Clarion Congress Hotel Prague, Czech Republic



Complementary assets

The Complementary assets segment consists primarily of landbanks in the Czech Republic, Berlin and Italy, as well as selective development projects and smaller portfolios that complement CPIPG's overall strategy.

The Group's landbank is a strategic asset that can be held and potentially developed over the long term. These holdings primarily relate to the Czech Republic, Berlin and Italy following the acquisition of attractive plots of land in Rome.

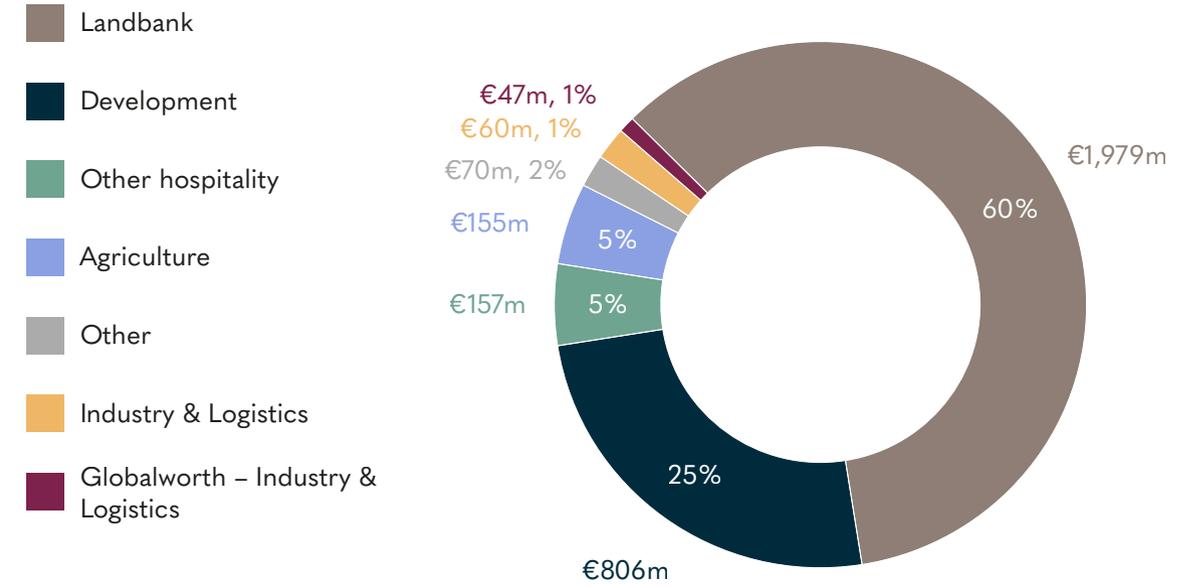
While development remains a relatively small part of CPIPG's portfolio, selective and low-risk development is an attractive way to continue growing our portfolio of income-generating assets. Our approach towards development is conservative, and we typically develop to hold.

Other hospitality assets include properties leased or contracted out to third-party operators, while our agriculture assets consist of organic farmland in the Czech Republic.



Visualisation of STOP SHOP, Dugo Selo, Croatia

Complementary assets property portfolio



Complementary segment summary in figures

	Complementary Assets 2023							Complementary Assets 2022						
	PP value (€ million)	Occupancy (%)	GLA (m ²)	Potential GLA (m ²)	Potential GSA (m ²)	Land area (m ²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (m ²)	Potential GLA (m ²)	Potential GSA (m ²)	Land area (m ²)	No. of properties
Landbank	1,979	-	-	-	-	29,751,000	-	2,245	-	-	-	-	32,289,000	-
Development	806	-	-	152,000	68,000	-	32	311	-	-	120,000	19,000	-	30
Other hospitality	157	99.0%	64,000	-	-	-	7	145	99.6%	68,000	-	-	-	7
Agriculture	155	-	-	-	-	239,555,000*	-	139	-	-	-	-	232,394,000*	-
Other	70	-	-	-	-	-	2	46	-	-	-	-	-	2
Industry & Logistics	60	96.8%	87,000	-	-	-	4	35	94.1%	78,000	-	-	-	4
Globalworth – Industry & Logistics	47	-	-	-	-	-	-	44	-	-	-	-	-	-
Total	3,274	98.4%	151,000	152,000	68,000	269,306,000	45	2,965	98.4%	146,000	120,000	19,000	264,683,000	43

* Includes farmland operated, but not owned by the Group.

Landbank

In the Czech Republic, the majority of the landbank is situated in Prague, mainly relating to **Bubny, a 201,000 m² area strategically located close to the CBD.** The majority of the remainder of the Czech landbank relates to Nová Zbrojovka – one of the largest brownfield redevelopments in Brno. In 2022, the Group sold a smaller land plot in Prague at a meaningful premium to its book value, reflecting the scarcity of available land.

In Berlin, the Group owns **landbank located in attractive areas, often adjacent to existing assets.** This provides opportunities for low-risk extensions and developments. Over recent years, GSG has completed several office developments, where we have been **able to attract blue-chip tenants at prime-level rents.**

The majority of landbanks in Italy are primarily located in the periphery of Rome and are strategically focused on holistic mixed-use (residential and commercial) development. These land plots offer significant upside, having been purchased at exceptional discounts to fair value through acquisitions of non-performing loans.

Developments

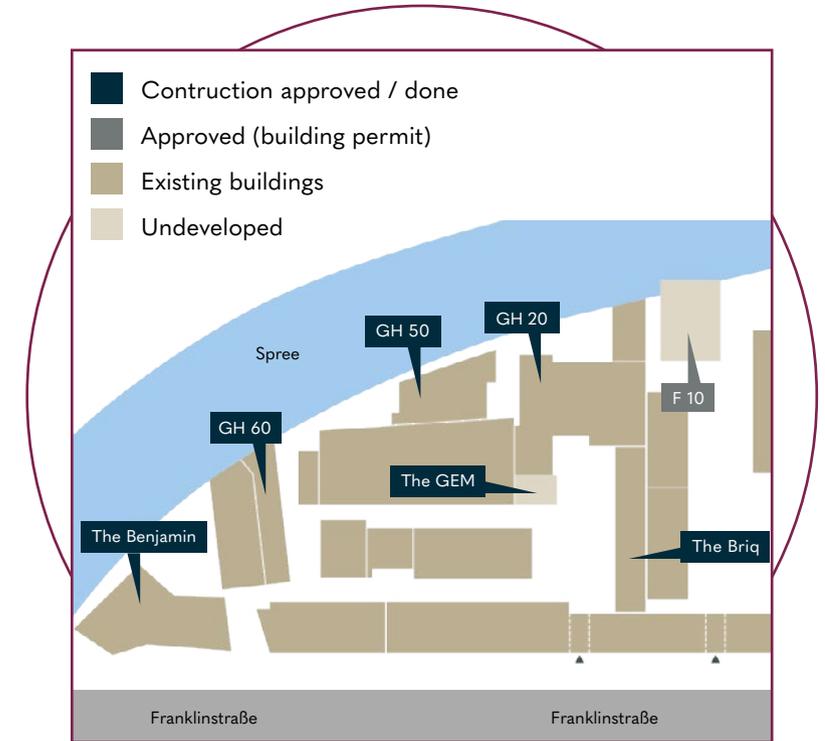
The Group’s development pipeline mainly relates to **extensions of existing properties or small-scale new development,** often on adjacent land plots that will create value for incumbent assets. In addition, the Group owns residential units in Dubai, with the developments carried out by third-party developers.

Selected development projects



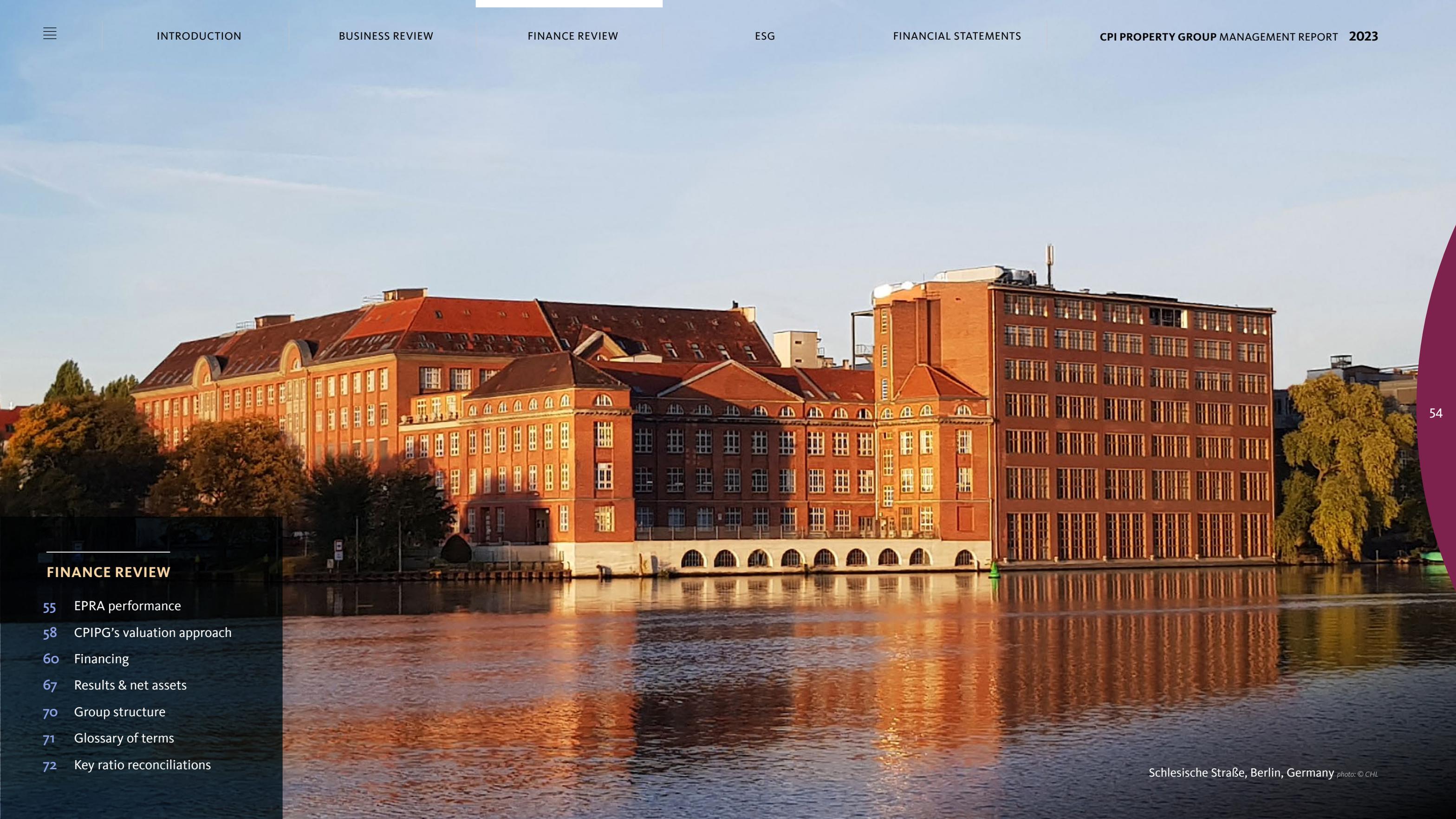
Stop Shop Croatia retail park portfolio (in development pipeline)

- Establish a nationwide footprint of Stop Shop retail parks in Croatia by IMMOFINANZ
- Project volume: up to €293 million
- Roll out of cost-efficient retail parks focused on catchment area of 30,000 to 150,000 residents, offering a wide range of everyday products.
- Modern design with sustainable photovoltaic roofs
- Completion: 2022 – 2027, development in stages



Gebauer Wateryards (in development pipeline)

- Small-scale new construction and extension of existing properties consisting of three buildings, GH20, GH50 and the GEM
- Project volume: €28 million
- Creation of 7,900 m² of new lettable area harmonious fitting to the existing industrial red-brick buildings
- New green building with BREEAM “Very Good” certification
- Completions: Q2 2025



FINANCE REVIEW

- 55 EPRA performance
- 58 CPIPG's valuation approach
- 60 Financing
- 67 Results & net assets
- 70 Group structure
- 71 Glossary of terms
- 72 Key ratio reconciliations

EPRA performance

**EPRA BPR
Gold Award**
recipient for
high-quality
reporting

*“The Group is dedicated to providing our stakeholders with **detailed and comparable financial metrics.**”*

Petr Mizera, Head of External Reporting

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide, available on EPRA's website (www.epra.com).

EPRA earnings

A rationale for using EPRA Earnings is that unrealised changes in valuation, gains or losses on disposals of properties and certain other items do not necessarily provide an accurate picture of the company's underlying operational performance. EPRA Earnings measures the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items that are not considered to be part of the core activity of an investment property company.

€ million	2023	2022
Earnings per IFRS income statement	(877)	557
Adjustments to calculate EPRA Earnings, exclude:		
Changes in value of investment properties, development properties held for investment and other interests	(1,145)	(89)
Profits or losses on disposal of investment properties, development properties held for investment and other interests	(34)	36
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0	(2)
Tax on profits or losses on disposals	0	
Negative goodwill / goodwill impairment	0	318
Changes in fair value of financial instruments and associated close-out costs	(93)	163
Acquisition costs on share deals and non-controlling joint venture interests	0	0
Deferred tax in respect of EPRA adjustments	84	(75)
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(20)	19
Non-controlling interests in respect of the above	0	0
EPRA Earnings	330	187
Weighted average number of shares	8,631,924,740	8,808,784,128
EPRA Earnings per Share (EPS) (in €)	0.038	0.021
Company specific adjustments:		
Impairments	19	(51)
Amortisation, depreciation	(47)	(46)
Net foreign exchange gain – unrealised	62	145
Net foreign exchange loss – unrealised	(140)	(122)
Deferred tax in respect of Company specific adjustments	5	20
Company specific Adjusted Earnings	431	241
Company specific Adjusted EPS	0.050	0.027

EPRA NAV Metrics

The EPRA NAV set of metrics makes adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company under different scenarios.

In October 2019, the European Public Real Estate Association (EPRA) published new Best Practice Recommendations (BPR). EPRA Net Asset Value (NAV) and EPRA Triple Net Asset Value (NNNAV) are replaced by three new Net Asset Valuation metrics: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV).

EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

EPRA NDV represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

€ million	EPRA NRV		EPRA NTA		EPRA NDV	
	2023	2022	2023	2022	2023	2022
IFRS Equity attributable to owners	5,568	6,580	5,568	6,580	5,568	6,580
Include/Exclude:						
Hybrid instruments	0	0	0	0	0	0
Diluted NAV	5,568	6,580	5,568	6,580	5,568	6,580
Include:						
Revaluation of IP (if IAS 40 cost option is used)	0	0	0	0	0	0
Revaluation of IPUC (if IAS 40 cost option is used)	0	0	0	0	0	0
Revaluation of other non-current investments	0	0	0	0	0	0
Revaluation of tenant leases held as finance leases	0	0	0	0	0	0
Revaluation of trading properties	0	0	0	0	0	0
Diluted NAV at Fair Value	5,568	6,580	5,568	6,580	5,568	6,580
Exclude:						
Deferred tax in relation to fair value gains of IP	(1,601)	(1,711)	(1,577)*	(1,663)*		
Fair value of financial instruments	93	243	93	243		
Goodwill as a result of deferred tax	43	43	43	43	43	43
Goodwill as per the IFRS balance sheet			54	56	54	56
Intangibles as per the IFRS balance sheet			33	28		
Include:						
Fair value of fixed interest rate debt					1,233	1,358
Revaluation of intangibles to fair value	0	0				
Real estate transfer tax	0	0	0	0		
NAV	7,033	8,005	6,922	7,873	6,704	7,839
Fully diluted number of shares	8,552,522,791	8,637,850,259	8,552,522,791	8,637,850,259	8,552,522,791	8,637,850,259
NAV per share (in €)	0.822	0.927	0.809	0.911	0.784	0.908

* (1.) The Company classifies Assets held for sale and Inventories as a part of the portfolio which is intended to be sold. (2.) The Company assumes disposals of Assets held for sale and Inventories through asset deals. (3.) The Company considers local tax legislation and incorporation of the "Directive on the Common System of Taxation Applicable in the Case of Parent Companies and Subsidiaries of Different Member States". (4.) The Company considers disposals of material properties.

EPRA vacancy rate

The EPRA vacancy rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces).

The rationale for using the EPRA vacancy rate is that it can be clearly defined, should be widely used by all participants in the direct real estate market and comparable from one company to the next.

(€ million)	2023	2022
Estimated rental value of vacant space	80	72
Estimated rental value of the whole portfolio	1,020	1,004
EPRA Vacancy Rate	7.9%	7.2%

Maximo Shopping Centre, Rome, Italy



EPRA net initial yield and EPRA “topped-up” net initial yield

The EPRA NIY (Net Initial Yield) is calculated as the annualised rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. The EPRA “Topped-up” NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step rents).

EPRA NIY and EPRA “topped-up” NIY are aimed at encouraging the provision of comparable and consistent disclosure of yield measures across Europe. These two yield measures can be clearly defined, widely used by all participants in the direct and indirect European real estate market and should be largely comparable from one company to the next and with market evidence.

(€ million)	2023	2022
Investment property – wholly owned*	17,546	19,046
Investment property – share of JVs/Funds	0	0
Trading property (including share of JVs)	0	0
Less: developments	2,839	2,667
Completed property portfolio	14,707	16,379
Allowance for estimated purchasers’ costs	101	184
Gross up completed property portfolio valuation	14,808	16,563
Annualised cash passing rental income	882	862
Property outgoing**	128	126
Annualised net rents	754	736
Add: notional rent expiration of rent free periods or other lease incentives	46	44
Topped-up net annualised rent	801	780
EPRA NIY	5.09%	4.44%
EPRA “topped-up” NIY	5.41%	4.71%

* Including income producing Investment properties reclassified to Assets held for sale.

** Annualised.

EPRA cost ratio

EPRA cost ratio is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administrative expenses as a percentage of gross rental income.

The EPRA cost ratios are aimed at providing a consistent base-line from which companies can provide further information around costs where appropriate.

(€ million)	2023	2022
Include:		
Administrative/operating expense line per IFRS income statement	307	279
Net service charge costs/fees	(30)	(33)
Management fees less actual/estimated profit element	0	0
Other operating income/recharges intended to cover overhead expenses less any related profits	0	0
Share of Joint Ventures expenses	0	0
Exclude (if part of the above):		
Investment property depreciation	0	0
Ground rent costs	3	3
Service charge costs recovered through rents but not separately invoiced	0	0
EPRA Costs (including direct vacancy costs)	274	243
Direct vacancy costs	13	11
EPRA Costs (excluding direct vacancy costs)	261	232
Gross Rental Income less ground rents – per IFRS	931	746
Less: service fee and service charge costs components of Gross Rental Income (if relevant)	0	0
Add: share of Joint Ventures (Gross Rental Income less ground rents)	0	0
Gross Rental Income	931	746
EPRA Cost Ratio (including direct vacancy costs)	0.29	0.33
EPRA Cost Ratio (excluding direct vacancy costs)	0.28	0.31

CPIPG's valuation approach



“Expanding yields resulted in valuation losses in 2023 only partly mitigated by robust operational performance.”

Jiří Hrabec, Valuation Manager

Property valuation

The consolidated financial statements for the year ended 31 December 2023 have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which include the application of the fair value method. Since the property portfolio owned by the Group must be stated at fair value (present value), the regular valuation of these properties by independent experts is recommended.

Valuation reports are prepared according to RICS Standards (RICS Valuation – Professional Standards January 2014), whilst an immaterial amount is prepared according to Czech valuation standards. The Group revalues the entire portfolio annually; CPIPG revalues properties where performance has been exceptional (positively or negatively) for semi-annual periods. Under the terms of the Group's EMTN programme, 90% of the portfolio must be externally valued by a reputable independent valuation company annually.

The property portfolio valuation as of 31 December 2023 is based on reports issued by:

- **CBRE**
- **iO Partners (former JLL)**
- **Savills**
- **and other appraisers**

Entrusting several independent companies with the task of appraising the Group's real estate assets makes the process of determining the value of the Group's property portfolio transparent and impartial. At the same time, the valuation process is centralised for consistent methodology, reporting, and time frame. The compensation paid to appraisers is entirely independent of their appraisal results but reflects the assigned workload measured by the number and the size of assets whose value should be appraised. For 2023, CPIPG also took the extraordinary step of an additional set of valuation reviews by a Big Four accounting firm.

The following table summarises the number and value of the Group's real estate assets appraised by individual firms and the share of the appraised value in the total valuation. For the purpose of informative value, individual appraisers' workload and valuation results are presented by business segments. The contribution of individual firms to total valuation summarised across business segments is also included.

Split by appraisers and segments

Appraisers	%	Segments	No. of properties / No. of units*	Valuation (€ m)	% of total PP value
CBRE	40%	Office	79	3,845	19.7%
		Retail	206	3,147	16.1%
		Complementary Assets	20	415	2.1%
		Residential	1,871	203	1.0%
		Hotels & Resorts	2	117	0.6%
iO Partners	23%	Office	32	1,244	6.4%
		Complementary Assets	5	1,157	5.9%
		Retail	25	1,016	5.2%
		Residential	11,667	921	4.7%
Savills	13%	Hotels & Resorts	5	144	0.7%
		Office	41	2,437	12.5%
		Complementary Assets	3	91	0.5%
Colliers	8%	Residential	3	34	0.2%
		Complementary Assets	3	622	3.2%
		Retail	18	509	2.6%
Cushman & Wakefield	3%	Office	23	373	1.9%
		Hotels & Resorts	3	62	0.3%
		Residential	22	56	0.3%
		Hotels & Resorts	18	366	1.9%
		Retail	48	127	0.7%
Other	4%	Office	3	90	0.5%
		Complementary Assets	4	68	0.3%
		Complementary Assets	7	456	2.3%
		Residential	30	216	1.1%
		Hotels & Resorts	9	87	0.4%
Acquisition	5%	Office	1	68	0.4%
		Retail	2	14	0.1%
		Globalworth	0	653	3.3%
		Complementary Assets	1	338	1.7%
AHFS	3%	Retail	1	2	0.0%
		Hotels & Resorts	9	346	1.8%
		Office	4	188	1.0%
		Complementary Assets	2	79	0.4%
		Residential	37	23	0.1%
Total				19,531	100%

* Number of units provided for residential properties.

Indexation and inflation

More than 90% of our lease contracts are subject to indexation and are reflected in the Group's like-for-like rental growth. Increased costs from service charges are passed on as incurred to tenants.

Quadrio, Prague, Czech Republic



Quality of the underlying properties and market dynamics

The Group's asset valuations reflect the high quality of the underlying assets. Supply and demand dynamics are key drivers for the underlying real estate assets' medium- and long-term values and value potential. Our portfolio strategies and properties are carefully selected based on the below criteria:

- **Location:** Our offices are in central locations of capital cities, which are the centre of the respective economies. In retail, we have the dominant retail offering in the respective catchment areas. Our landbank assets benefit from the finite character of the land, particularly in large cities.
- **Asset quality:** The Group is a long-term owner of underlying real estate assets, continuously investing in our standing properties with a significant number of green buildings but also unique historic landmark properties, which are frequently upgraded. This is complemented by local asset and facility management teams that continuously improve operational efficiencies within the buildings.
- **Structural demand:** CPIPG's focus is on the economically most dynamic CEE region in Europe. The Group's locations are attractive service hubs for industries such as the financial service or IT sector. Positive net immigration coupled with competitive labour costs continues to support office-based employment growth. At the same time, pent-up demand in consumption remains a key characteristic for retail in our region. Affordable housing remains in high demand across Europe.
- **Supply:** The Group's core markets benefit from limited ongoing supply while market vacancy rates are low. In addition, core countries such as the Czech Republic and Germany are restrictive with new building permits. At the same time, the construction costs in Europe significantly increased, reflected by the increase in the European Construction Cost Index. Future supply in our core markets is below long-term averages. This provides landlords with pricing power.

Yields

Nearly 90% of our leases are EUR-denominated, with offices in CEE markets most frequently transacted in Euros, with pricing following similar trends to Western Europe. The underlying risk-free rate is therefore based on German government bonds.

The spread for each property is then individually determined based on factors such as geography, segment, location, asset quality, tenants and lease maturities.

The Group's net equivalent yield increased from year-end by 0.7% to 6.1%. Yields range between 3.1% for Czech residential assets up to 8.1% for offices in Hungary.

Portfolio net yields

	EPRA Net Initial Yield	EPRA Topped-up Net Initial Yield	Net Equivalent Yield
Office	4.8%	5.2%	5.6%
Germany	4.0%	4.1%	4.7%
Czech Republic	5.1%	5.3%	5.5%
Poland	4.8%	6.5%	5.8%
Hungary	5.9%	5.9%	8.1%
Austria	4.1%	4.1%	4.3%
Other	6.8%	7.0%	7.0%
Retail	7.2%	7.4%	7.6%
Czech Republic	6.6%	6.7%	7.3%
Other	7.6%	7.8%	7.8%
Residential	3.1%	3.1%	3.2%
Czech Republic	3.0%	3.0%	3.1%
Total	5.1%	5.4%	6.1%

The table compares yields across various business segments and countries of the Group. The EPRA NIY (Net Initial Yield) is calculated as the annualised rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. The EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step rents). The Net Equivalent Yield is calculated as a weighted average of the net initial yield and the reversionary yield, representing the return a property will produce. The reversionary yield is based on the ERV (Estimated rental value) of vacant areas stated by appraisers for each property. The relatively lower EPRA "Topped-up" Yields compared to Net Equivalent Yields are mainly due to excluding income on vacant spaces.

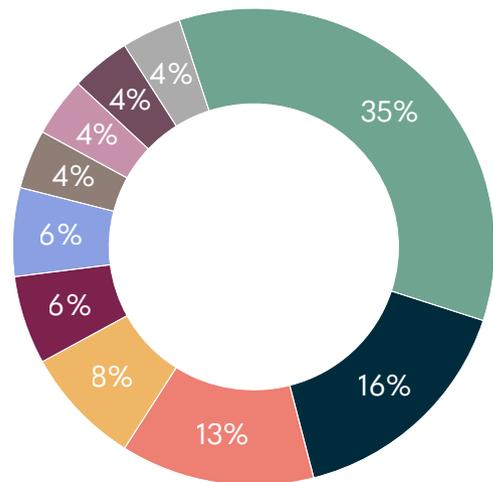
On a Group basis, our portfolio's EPRA Net Initial Yield increased from 4.4% at the end of 2022 to 5.1% at the end of 2023.

Focus on value enhancing CapEx

Additions by type (€ million)	2023	2022
Maintenance-related CapEx	114	91
Refurbishment and redevelopment	106	108
New development / additional leasable area	156	184
Total	376	382

The Group has substantial flexibility to reduce discretionary CapEx as required in the future.

Additions by country



Changes to the property portfolio in 2023

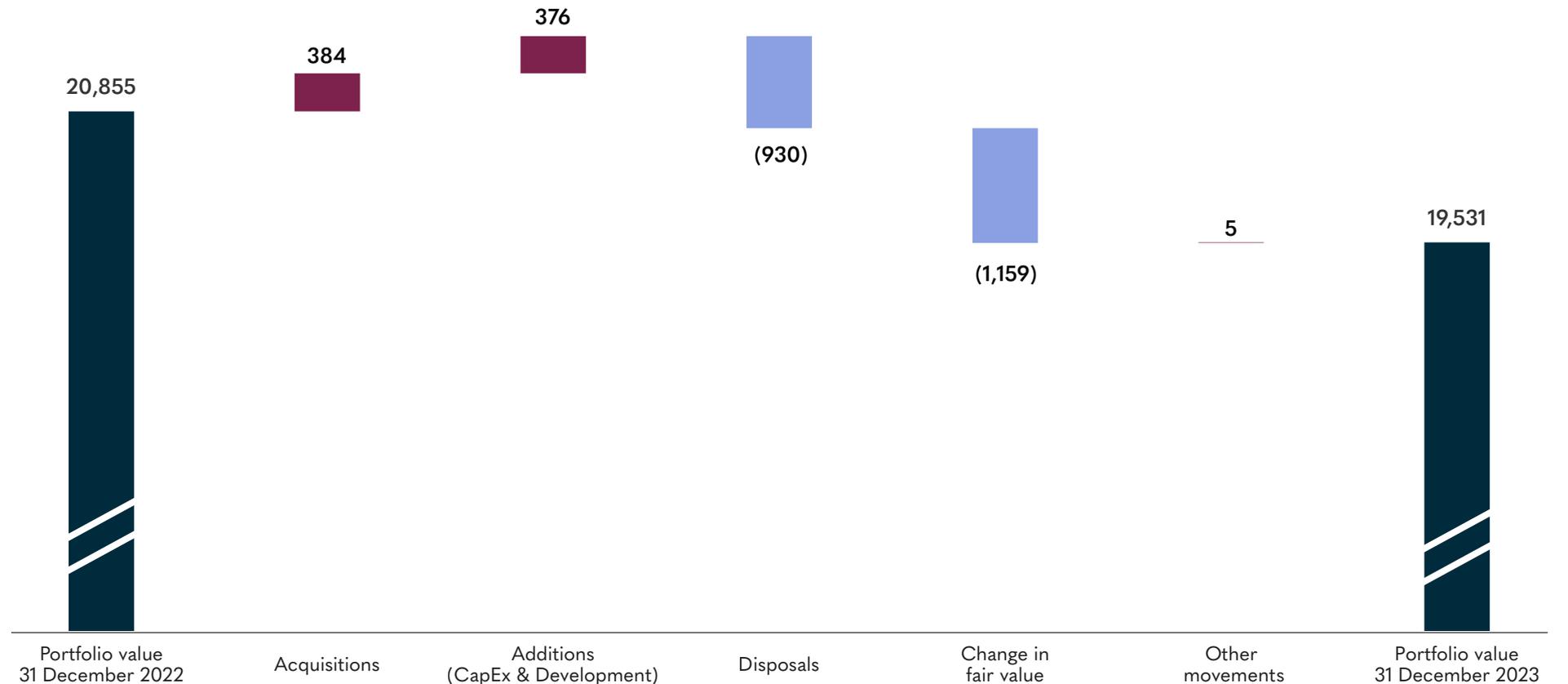
- Acquisitions of €384 million, primarily non-cash and relating mainly to properties in Dubai;
- Capital expenditure and development of €376 million;
- Disposals of €930 million, including primarily the sale of S IMMO's residential and office buildings in Germany, and office properties in Prague and Vienna;
- Decrease in fair value of €1,159 million, driven mainly by negative revaluation of the Group's office portfolio, partially offset by positive revaluation of CPI BYTY, Hvar hotels and Crans Montana ski resort;
- Other movements include other transfers and the change in value of equity accounted investees.

Change in portfolio fair value (€ million)

Investment property revaluation	(1,145)
Hotels / PP&E revaluation and depreciation	77
Total valuation impact	(1,068)
FX impact	(91)
Total	(1,159)

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

Property portfolio in 2023 (€ million)



Capital structure and financial policy

CPIPG's financial ratios were outside our financial policy targets at year-end 2023, mostly due to the negative valuation result and higher interest expense due to our bridge financing. **Fortunately, the Group's ratios have already improved** on a pro-forma basis including disposals that will be completed over the coming months.

CPIPG remains committed to our financial policy and believes the company can restore our ratios through **disposals** and **access to equity**.

Disposals

In August 2022, CPIPG announced a €2 billion disposal pipeline to be completed within 24 months. As of 28 March 2024, **the Group has signed more than €2 billion of disposals**, demonstrating that we can deliver ahead of schedule.

Considering the ongoing need to reduce leverage, CPIPG has prepared a **new €2 billion disposal pipeline to be completed in the next 24 months**, with a focus on residential, landbank, hotels and non-core office properties.

Equity and Hybrids

Hybrid bonds have contributed significantly to the Group's growth. CPIPG sees hybrids as an invaluable source of equity-like financing and an important part of our capital structure. CPIPG has hybrid bonds which are callable in 2025, 2026 and 2028 and will make decisions about calls, replacement or refinancing at the appropriate time.

CPIPG's equity is closely held, with Radovan Vitek owning 88.41% and Apollo owning 4.5%. As part of the Group's efforts to reduce leverage more quickly, CPIPG has actively explored raising fresh equity at the CPIPG level. However, considering the current illiquid nature of our shares, and the diverse nature of the Group's portfolio, CPIPG has found more investor interest in subsidiary-level equity placements.

In March 2024, CPIPG announced that the Group was in discussions about a **potential equity investment** by Apollo in our GSG portfolio. This is just one of several options on the table, including possible equity investments in Poland and Italy. CPIPG is prepared to execute one or more such transactions in order to **protect the Group's investment grade credit rating**.

Target
Net LTV
of **40%**

Target
Net ICR
of **3x**
or above



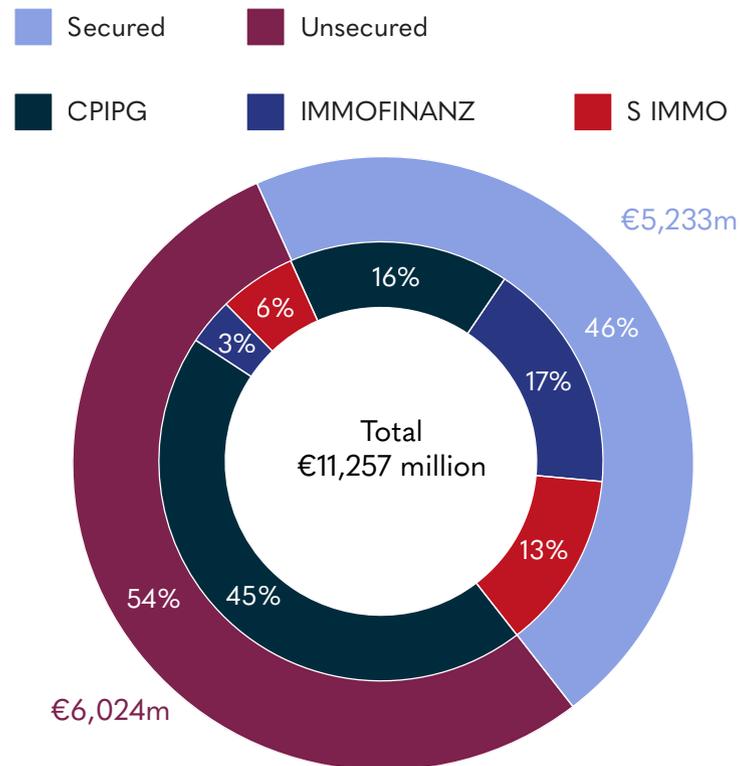
Einsteinova, Bratislava, Slovakia

Unsecured vs secured financing

During 2023, the share of secured debt to total debt increased by 7 p.p. as the Group signed several new secured financing arrangements that were partially used to repay unsecured bridge loans and for a bond buyback in April 2023. In addition, IMMOFINANZ repaid an outstanding bond maturing at the end of January 2023. In February 2024, S IMMO and CPIPG repaid two maturing bonds.

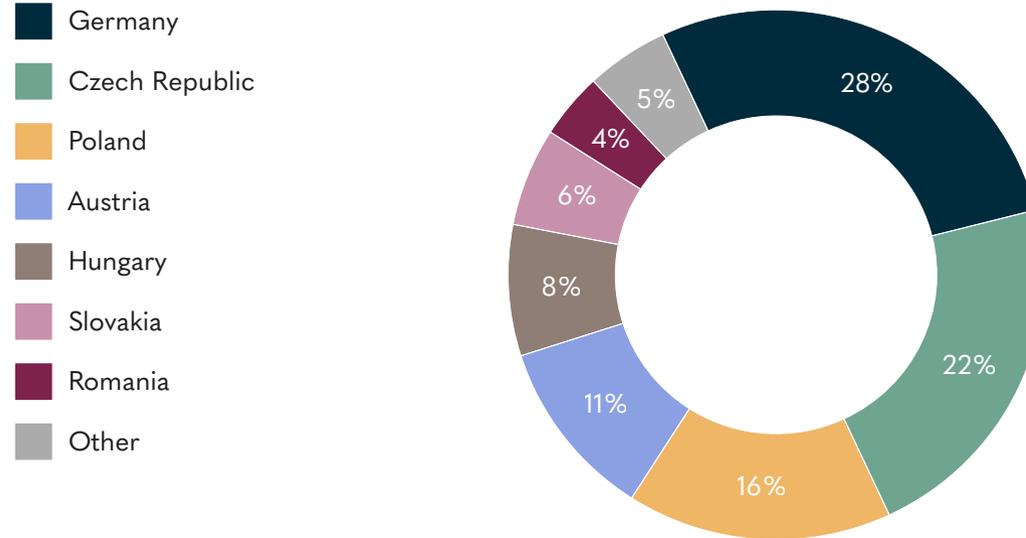
The largest portion of the Group's secured loans (28%) relate to Germany, followed by the Czech Republic (22%) and Poland (16%). The Group has secured loans from 27 banks. Of the total secured loans, 90% are with nine leading banks in our region.

Split of secured versus unsecured debt



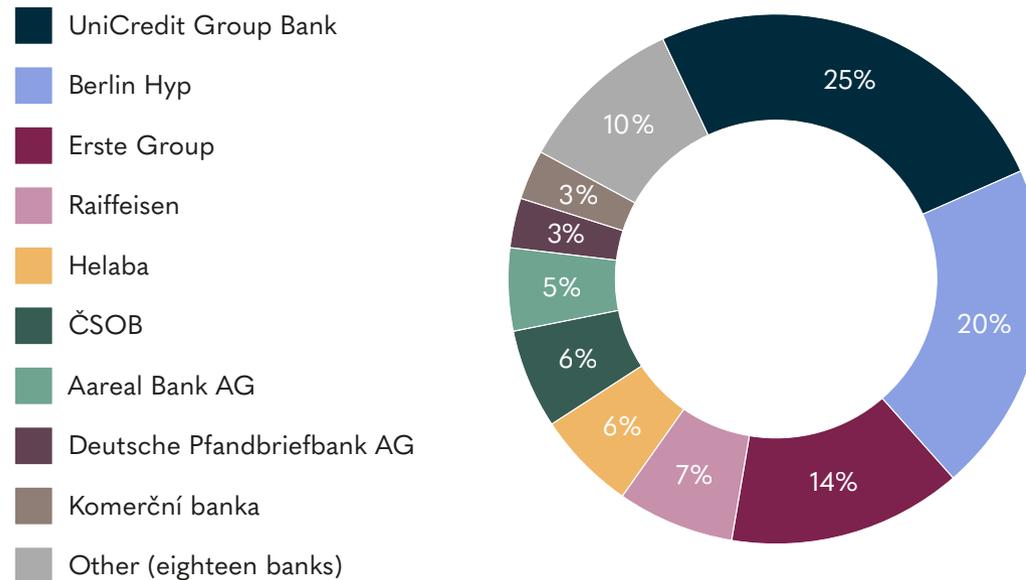
Breakdown of secured bank debt by principal

Secured bank debt by geography



Note: Countries represent location of the pledged properties.

Secured bank debt by bank



*“We continue to see **good appetite for bank lending against high-quality properties across segments and jurisdictions.**”*
 Moritz Mayer, Manager – Capital Markets

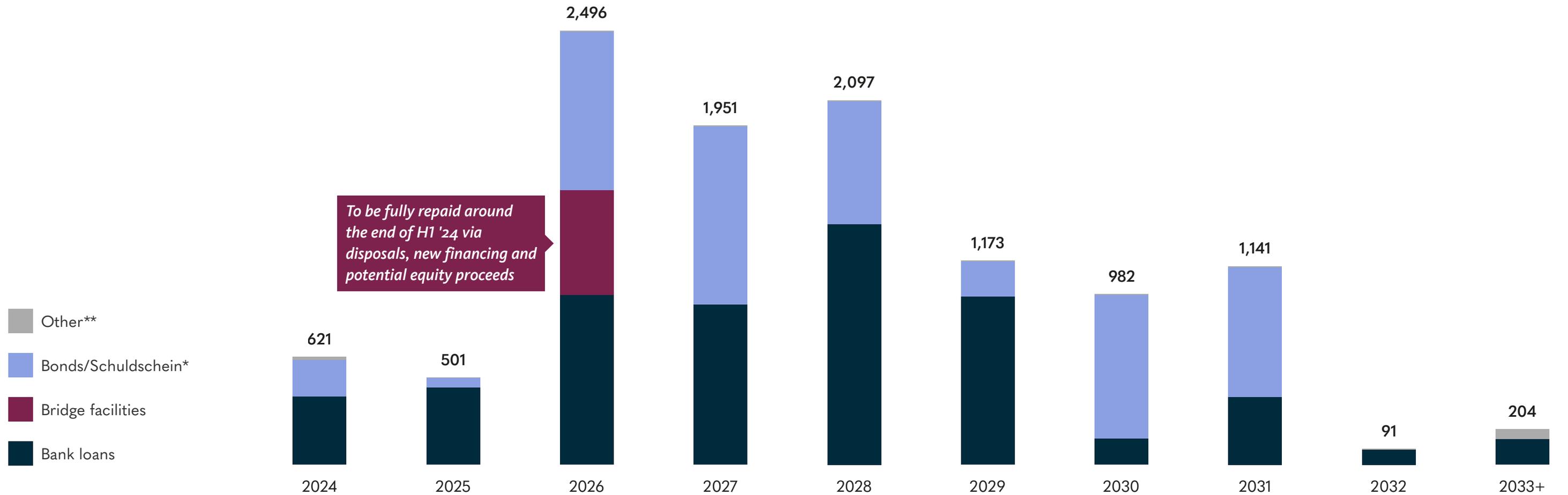
Long dated debt maturity profile (as at 31 December 2023)

4.6 years
2023 weighted average debt maturities
(excl. bridge loan)

3.12%
average cost of debt

Bridge loan

During 2023, CPIPG repaid over €1 billion in bridge loans, with the year-end 2023 balance at €608 million, further reduced to €530 million as of Q1 2024. Also, in 2023, the bridge loan was pro-actively refinanced, now maturing in Q4 2026 despite the Group's plan to repay the entire remaining bridge amount around the end of H1 2024, given its high cost.



* Bonds/Schuldschein 2024 include also accrued interest payable in 2024

** Other debt comprises non-bank loans from third parties and financial leases.

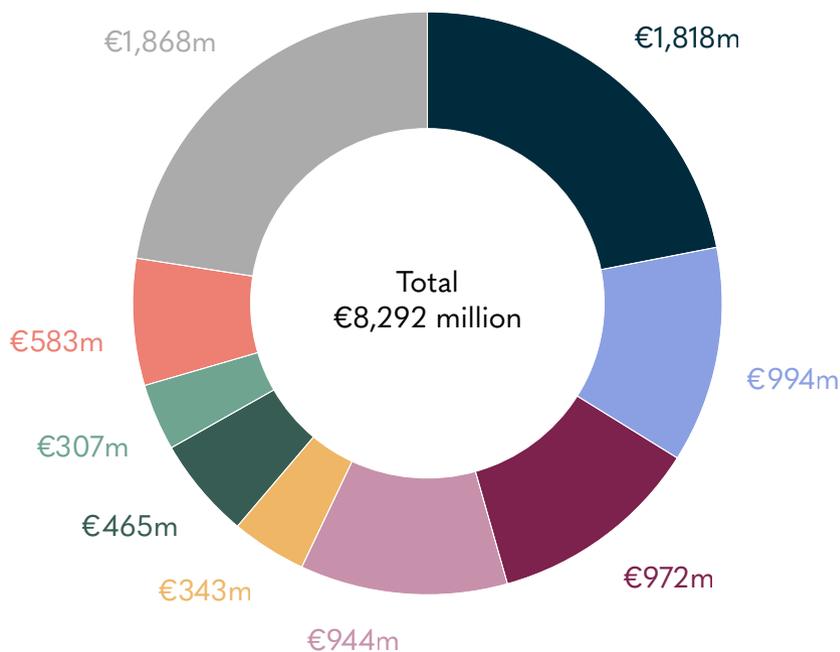


“Our aim is always to ensure best-in-class reporting standards.”

Miroslav Bednář, Head of IFRS & Consolidation

Composition of unencumbered asset portfolio

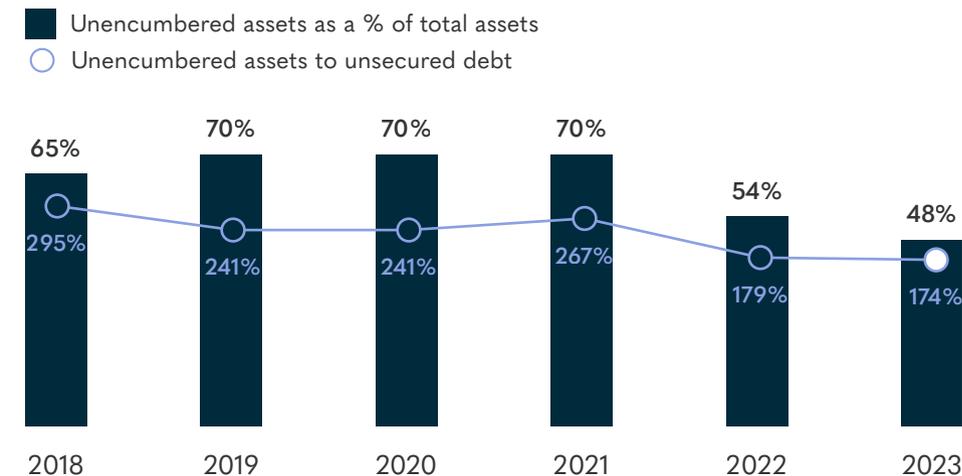
- Income generating – CZ
- Income generating – PL
- Income generating – IT
- Income generating – RO
- Income generating – HU
- Income generating – Other CEE
- Income generating – Other WE
- Landbank & Development – Prague
- Landbank & Development – Other



The Brig, Berlin, Germany photo © Linie Creutzfeldt

Solid level of unencumbered assets

The Group’s unencumbered assets to total assets ratio decreased to 48% as several new secured financings were signed during 2023. Unencumbered assets primarily consist of office properties in the Czech Republic and Poland, Czech retail, and well-located landbank and residential assets across Europe. **Most of the unencumbered asset portfolio is at CIPG level with €6.6 billion**, while IMMOFINANZ and S IMMO have a predominantly pledged asset basis.



The ratio of unencumbered assets to unsecured debt slightly decreased to 174%. The ratio is expected to improve over time as the Group will repay further bridge and other unsecured financing with disposal proceeds.

In a normal market environment, the Group will always prioritise senior unsecured financing and a high level of unencumbered assets. On the other hand, secured bank markets since H2 2022 have provided substantially better pricing and liquidity.

Strong liquidity (€ million)

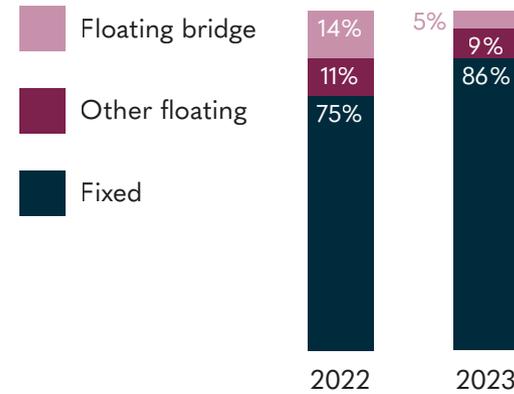
Cash as at 31 Dec 2023*	1,037
(+) RCF - undrawn amount	335
(+) Other undrawn lines	14
Total liquidity as at 31 Dec 2023	1,386

* Incl. cash held by assets held for sale.

At the end of 2023, the Group had €1.4 billion of available liquidity between cash and revolving credit facilities. The Group’s liquidity is supported by a €700 million committed revolving credit facility that expires in 2026 and by a €100 million and a €25 million committed revolving credit facility at the IMMOFINANZ and S IMMO level, respectively.

Fixed versus floating rate debt

During 2023, the portion of fixed-rate debt significantly increased again to 86% (91% excluding the impact of the bridge facility), as the Group repaid significant portions of its outstanding bridge facility. In addition, we further hedged previous floating rate debt at the end of 2023, taking advantage of the inverted yield curve. The high share of fixed-rate debt provides a high degree of protection against interest rate volatility. If interest rates on our variable-rate debt increased by 1 p.p., the Group's external debt cost would rise only by 0.14 p.p. In addition to our bonds, which carry fixed coupons, many of the Group's loan agreements utilise interest rate swaps to convert the loan to a fixed-rate obligation. The Group is also able to carefully make use of a variety of hedging instruments as required to manage the level of fixed and floating-rate debt.



Average interest rate sensitivity (% p.a.)

Type of liability	Share of external debt	Average interest rate as at 31 Dec 2023	if market interest rate +1 p.p.	if market interest rate +2 p.p.	if market interest rate +3 p.p.
Bank loan	57%	3.73%	3.97%	4.20%	4.44%
Bonds/Schuldschein	42%	2.34%	2.37%	2.39%	2.41%
Leasing	1%	0.05%	0.05%	0.05%	0.05%
Non bank loan	0%	1.08%	1.08%	1.08%	1.08%
Total	100%	3.12%	3.26%	3.41%	3.55%

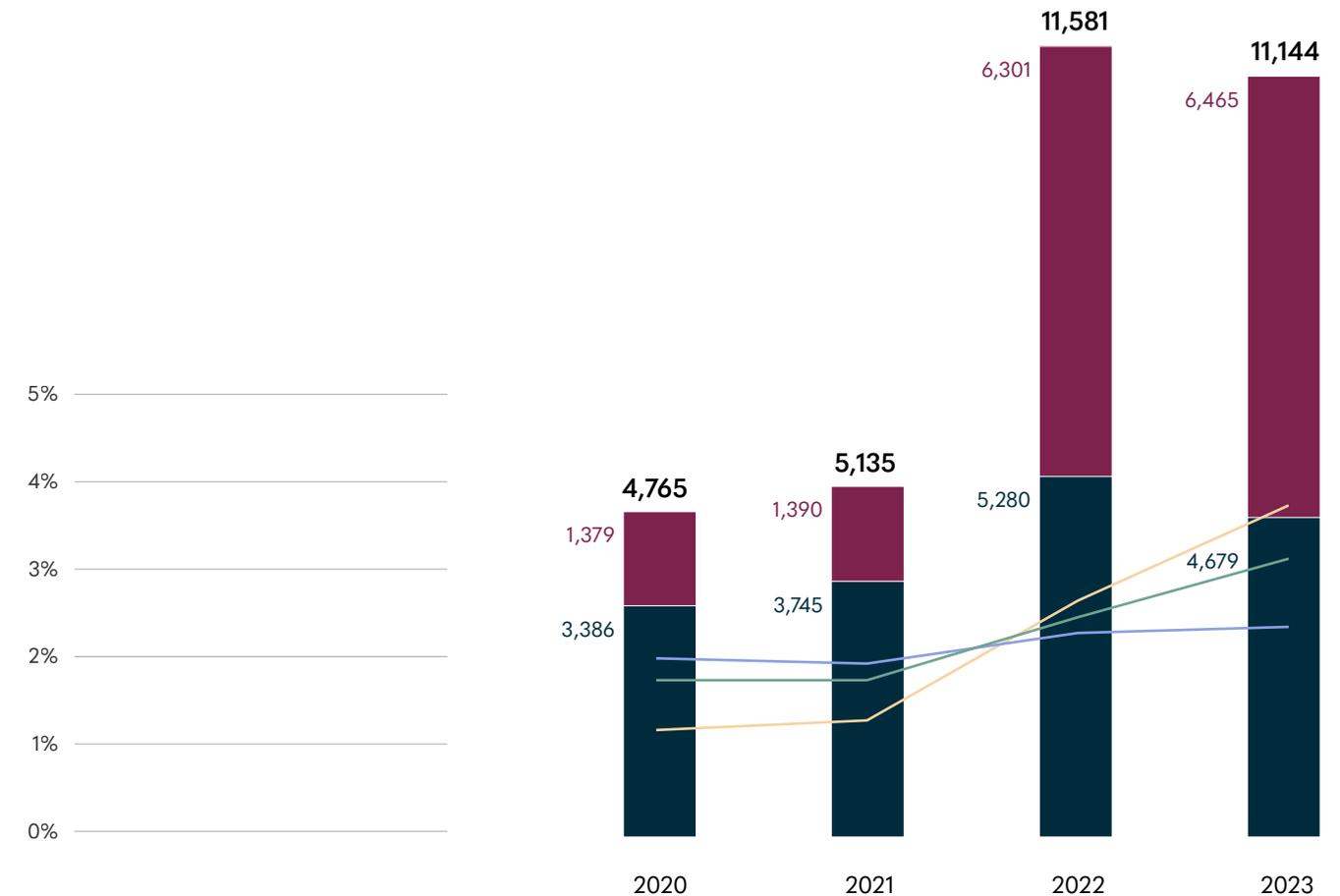
Note: Includes the impact of contracted interest rate swaps.



Atrium Complex, Warsaw, Poland

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

At the end of 2023, the Group's average cost of debt stood at 3.12%.



■ Bank loans	1,379	1,390	6,301	6,465
■ Corporate bonds/Schuldschein	3,386	3,745	5,280	4,679
— Avg. bank loan interest rate	1.16%	1.27%	2.64%	3.73%
— Avg. bond/Schuldschein interest rate	1.98%	1.92%	2.27%	2.34%
— Total average interest rate	1.73%	1.73%	2.45%	3.12%

FX sensitivity (CZK depreciation against EUR)

	5%	10%	15%	20%	25%
Net LTV	+0.4 p.p.	+0.8 p.p.	+1.1 p.p.	+1.4 p.p.	+1.7 p.p.
Net ICR	(0.01x)	(0.01x)	(0.01x)	(0.02x)	(0.02x)
EBITDA	(€1.6m)	(€3.0m)	(€4.3m)	(€5.5m)	(€6.6m)

myhive Vajnorská, Bratislava, Slovakia

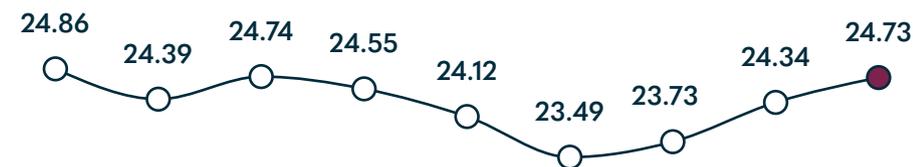


Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies, primarily the Czech Koruna (CZK). The impact of foreign exchange is mostly unrealised (non-cash). It arises whenever there is a mismatch between the currency in which a property is valued and the functional currency of the entity into which the property is consolidated. 15% of the property portfolio is valued in CZK and consolidated through sub-holdings into CPIPG, which is a Euro functional currency company. To a lesser extent, there is also an effect related to intra-group loans.

In addition to the non-cash effects, the Group is exposed to foreign currencies (primarily CZK) through rental income and expenses. In 2023, 10% of the Group's gross rental income was received in CZK. However, 23% of the Group's property operating expenses and 22% of administrative expenses were also denominated in CZK, providing somewhat of a natural hedge. As a result, the remaining net exposure to CZK is limited.

Stable level of CZK vs EUR since 31 December 2021



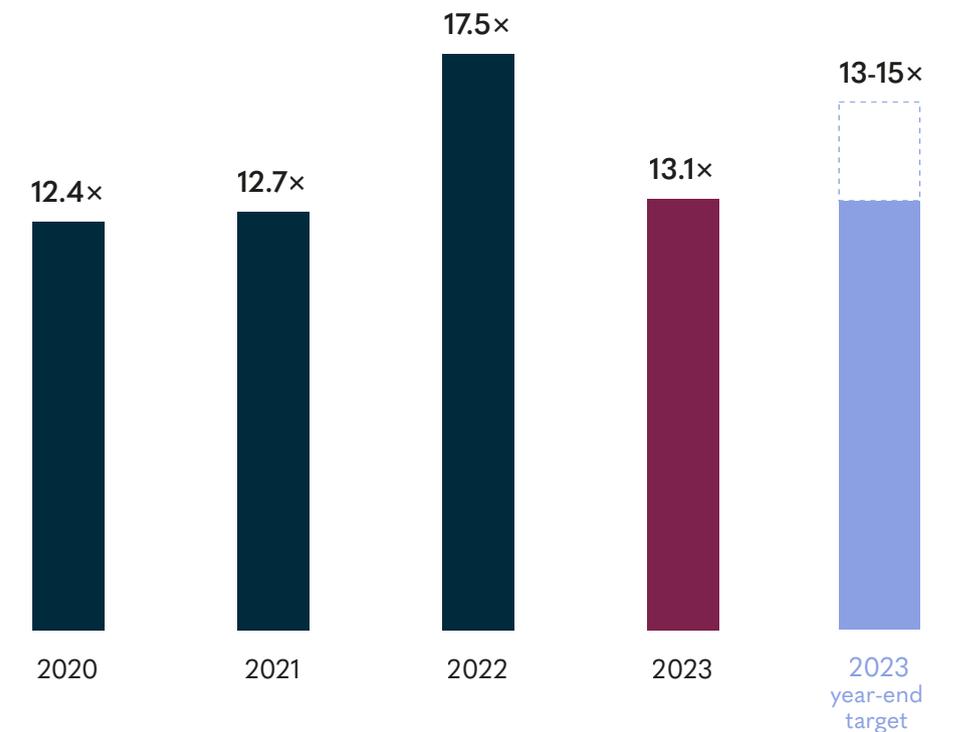
31 Dec 2021 31 Mar 2022 30 Jun 2022 30 Sep 2022 31 Dec 2022 31 Mar 2023 30 Jun 2023 30 Sep 2023 31 Dec 2023

Note: The Group's exposure to other currencies is limited since 98% of the Group's annualised headline rent at the end of 2023 was denominated in EUR or CZK.

EBITDA and Net debt/EBITDA measurements

Net debt/EBITDA decreased in 2023. The decrease has been driven by a combination of factors such as the full earnings contribution from the acquisitions of IMMOFINANZ and S IMMO, positive like-for-like rental growth, the ongoing recovery of our hotel net income and the reduction in net debt.

Net debt/EBITDA evolution



FFO distribution policy

Unlike many of our peers, the Group has retained a substantial portion of our FFO every year. In connection with the investment by Apollo in 2021 via a capital increase, CPIPG raised our payout ratio from 50% to the still-modest 65%. **During 2022 and 2023, CPIPG cut our annual distributions to reduce leverage and preserve cash.**

Results & net assets

Net rental income grew by 26% to €796 million, versus €632 million in 2022.

The positive development in net rental income was driven by an increase in our gross rental income, partially offset by higher property operating expenses.

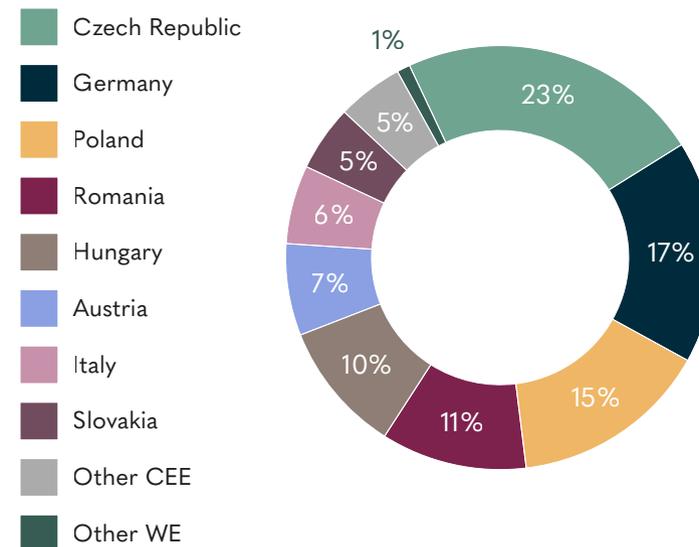
Net hotel income was €76 million, versus €46 million in 2022, reflecting a robust recovery in travel demand across Europe in 2022 and 2023.

Income statement (part 1)

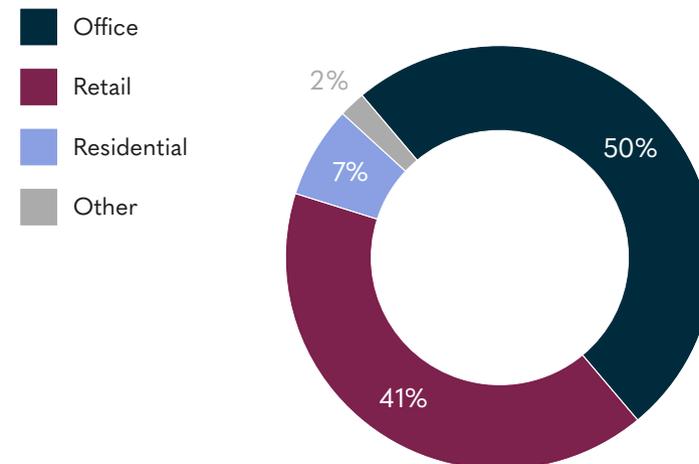
€ million	2023	2022
Gross rental income	934	749
Service charge and other income	427	315
Cost of service and other charges	(397)	(282)
Property operating expenses	(169)	(150)
Net rental income	796	632
Development sales	0	(0)
Development operating expenses	0	(0)
Net development income	0	(0)
Hotel revenue	248	165
Hotel operating expenses	(172)	(119)
Net hotel income	76	46
Other business revenue	85	53
Other business operating expenses	(82)	(55)
Net other business income	3	(2)
Total revenues	1,694	1,282
Total direct business operating expenses	(820)	(606)
Net business income	874	676
Administrative expenses	(138)	(129)
Consolidated adjusted EBITDA (excl. Other effects)	736	547

In 2023, the Group generated gross rental income of €934 million, representing a YoY increase of 25% compared to €749 million in 2022, reflecting the full consolidation of IMMOFINANZ and S IMMO from the beginning of the year; the contribution from rent indexation; and the resilient performance of the Group's rental properties, partially offset by slightly lower occupancy.

Gross rental income by country



Gross rental income by segment



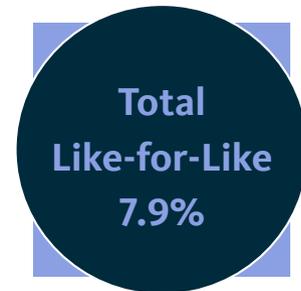
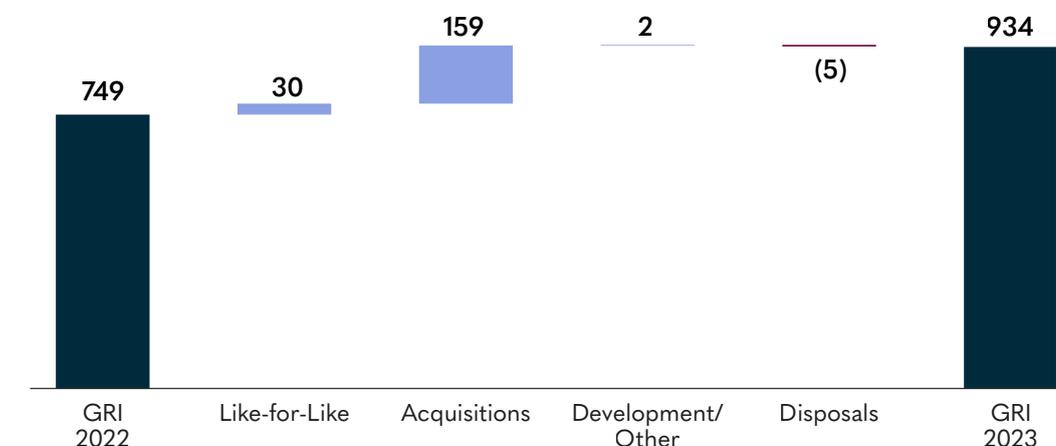
Our focus to continually improve the performance and quality of our assets is reflected in the 7.9% increase in gross rental income on a like-for-like basis.

The greatest increases were realized in the Group's retail portfolio (8.9%) and the Czech residential portfolio (20.0%).

The like-for-like growth was driven by an increase of rents, partially offset by slightly lower occupancy on a like-for-like basis.

Like-for-like gross rental income	2023 € m	2022 € m	Increase/ (decrease)
Czech Republic	168.8	152.6	10.6%
Germany	100.1	95.8	4.5%
Poland	68.9	66.1	4.3%
Hungary	38.7	34.7	11.6%
Slovakia	9.2	8.4	8.9%
Other	30.6	28.4	7.8%
Total Lfl gross rental income	416.3	385.9	7.9%

Not like-for-like gross rental income	2023 € m	2022 € m	Increase/ (decrease)
Acquisitions/Transfers	504.0	345.2	
Disposals	9.6	15.1	
Development/Other	4.3	2.6	
Total gross rental income	934.1	748.8	24.7%



Income statement (part 2)

€ million	2023	2022
Consolidated adjusted EBITDA (excl. Other effects)	736	547
Net valuation gain	(1,145)	(89)
Net gain or loss on the disposal of investment property and subsidiaries	(34)	36
Amortization, depreciation and impairments	(28)	(99)
Other operating income	12	332
Other operating expenses	(28)	(25)
Operating result	(487)	701
Interest income	39	20
Interest expense	(348)	(210)
Other net financial result	(71)	151
Net finance income / (costs)	(380)	(39)
Share of profit of equity-accounted investees (net of tax)	(20)	19
Profit / (Loss) before income tax	(887)	682
Income tax expense	9	(125)
Net profit / (Loss) from continuing operations	(877)	557

Net valuation loss of €1,145 million primarily relates to the Group's office portfolio, partially offset by positive revaluation of CPI BYTY.

The following tables show the split of net valuation loss in 2023 by country and segment.

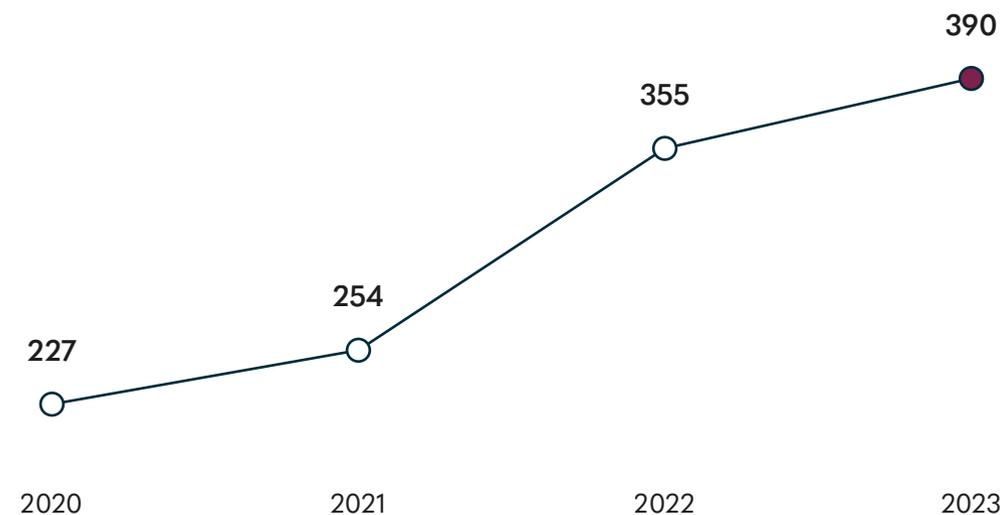
Valuation (Loss)/Gain by Segment (€m)		Valuation (Loss)/Gain by Country (€m)	
Office	(943)	Germany	(740)
Retail	(26)	Italy	(160)
Residential	(14)	Poland	(144)
Other	(161)	Austria	(123)
Total	(1,145)	Romania	(60)
		Czech Republic	129
		Other CEE	(33)
		Other WE	(13)
		Total	(1,145)

Interest expense was €348 million in 2023 compared to €210 million in 2022, reflecting the full consolidation of IMMOFINANZ and SIMMO from the beginning of the year, and a higher average cost of debt.

Interest expense (€ million)	2023	2022
Interest expense from bank and other loans	(242)	(110)
Interest expense on bonds issued	(105)	(92)
Interest expense related to leases	(2)	(2)
Interest expense on other non-current liabilities	-	(7)
Total interest expense	(348)	(210)

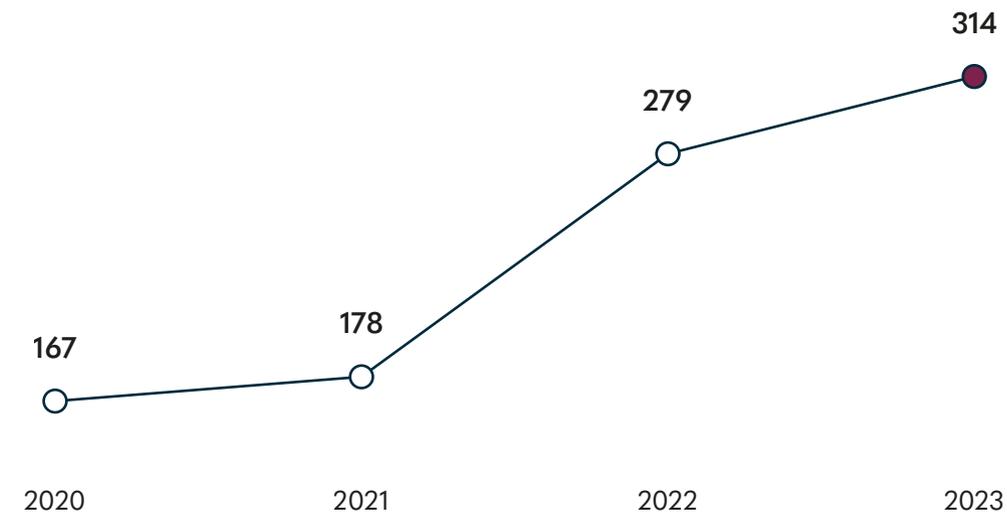
Funds from Operations – FFO (€ million)

Funds from operations (FFO) increased to €390 million in 2023, up 10% relative to 2022.



Funds from Operations – FFO II (€ million)

FFO II, which includes the effect of coupon payments on hybrid bonds, increased by 12% to €314 million in 2023 relative to 2022.



Balance sheet

€ million	31 Dec 2023	31 Dec 2022
Non-current assets		
Intangible assets and goodwill	130	127
Investment property	17,263	18,486
Property, plant and equipment	867	1,100
Equity accounted investees	717	732
Other financial assets	264	423
Deferred tax asset	118	177
Other non-current assets	188	245
Total non-current assets	19,547	21,290
Current assets		
Inventories	74	24
Trade receivables	228	198
Cash and cash equivalents	1,023	1,033
Assets held for sale	723	597
Other current assets	337	380
Total current assets	2,384	2,231
Total assets	21,930	23,521
Equity		
Equity attributable to owners of the Company	5,568	6,580
Perpetual notes	1,585	1,584
Non controlling interests	1,105	1,099
Total equity	8,257	9,263
Non-current liabilities		
Bonds issued	4,274	4,680
Financial debts	6,326	6,166
Deferred tax liabilities	1,548	1,728
Other non-current liabilities	224	208
Total non-current liabilities	12,371	12,782
Current liabilities		
Bonds issued	209	406
Financial debts	412	360
Trade payables	218	232
Other current liabilities	462	478
Total current liabilities	1,302	1,476
Total equity and liabilities	21,930	23,521

Property Portfolio (IP, PPE, EAI, OFA, INV, AHFS)

Decrease in PP by €1.3 billion primarily due to:

- Disposals of €930 million, including primarily the sale of S IMMO residential and office buildings in Germany, and office properties in Prague and Vienna;
- Decrease in fair value of €1,142 million, driven mainly by negative revaluation of the Group's office portfolio, partially offset by positive revaluation of CPI BYTY, Hvar hotels and Crans Montana ski resort;
- CapEx and development of €376 million;
- Acquisitions of €385 million, relating mainly to properties in Dubai.

Total Assets

Total assets decreased by €1.5 billion (-7%) to €21,930 million as of 31 December 2023, primarily driven by lower property portfolio value.

Equity

Total equity decreased by €1,006 million, primarily due to:

- -€877 million of loss attributable to the owners of the Group for 2023;
- -€49 million translation, revaluation and hedging reserve;
- -€80 million share buy back;
- -€75 million paid to perpetual notes holders.

Financial debts and bonds issued

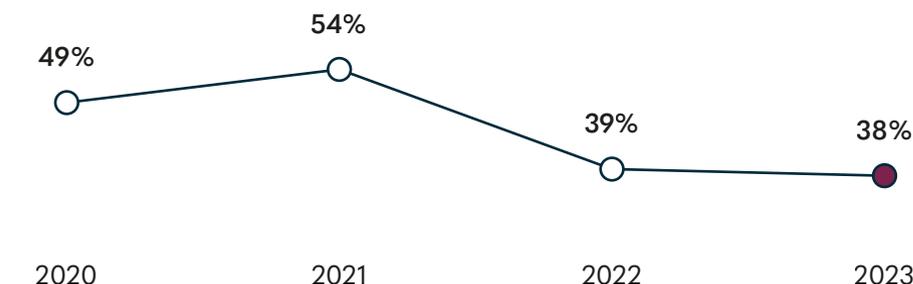
Financial debts (incl. Financial debts linked to AHFS) increased by €170 million, especially due to:

- New secured bank loans of €1.29 billion;
- Offset by the repayment of the bridge facilities of €1.04 billion.

Bonds issued decreased by €603 million.

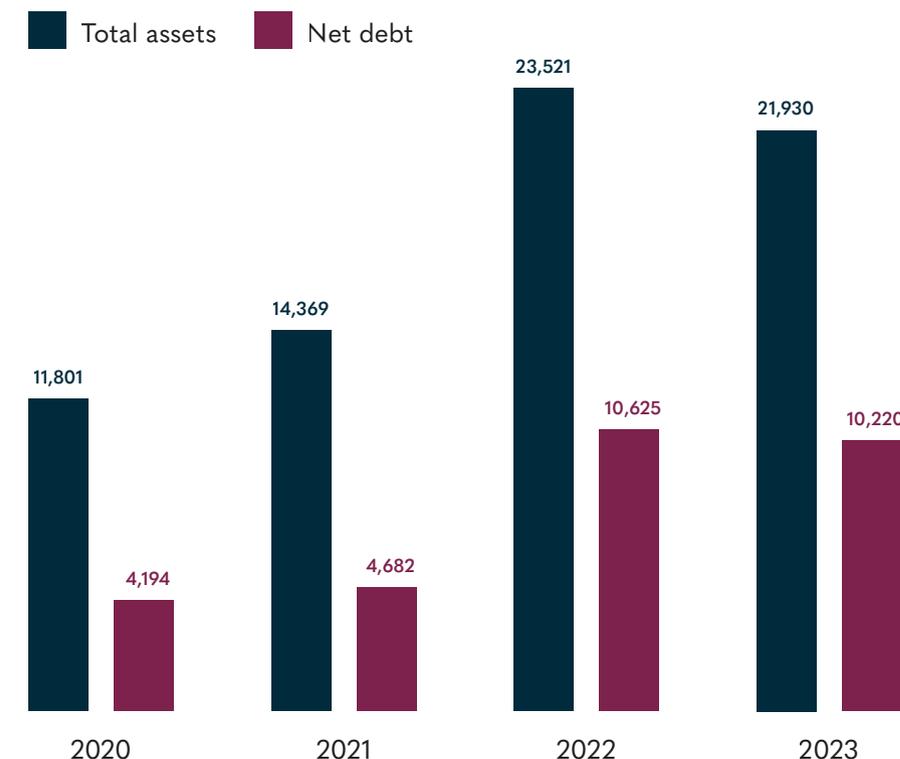
Equity ratio

During 2023, total equity decreased mainly due to valuation loss. Total assets also went down due to valuation loss and disposals, partially offset by acquisitions. As a result, the equity ratio remained stable compared to the end of 2022.



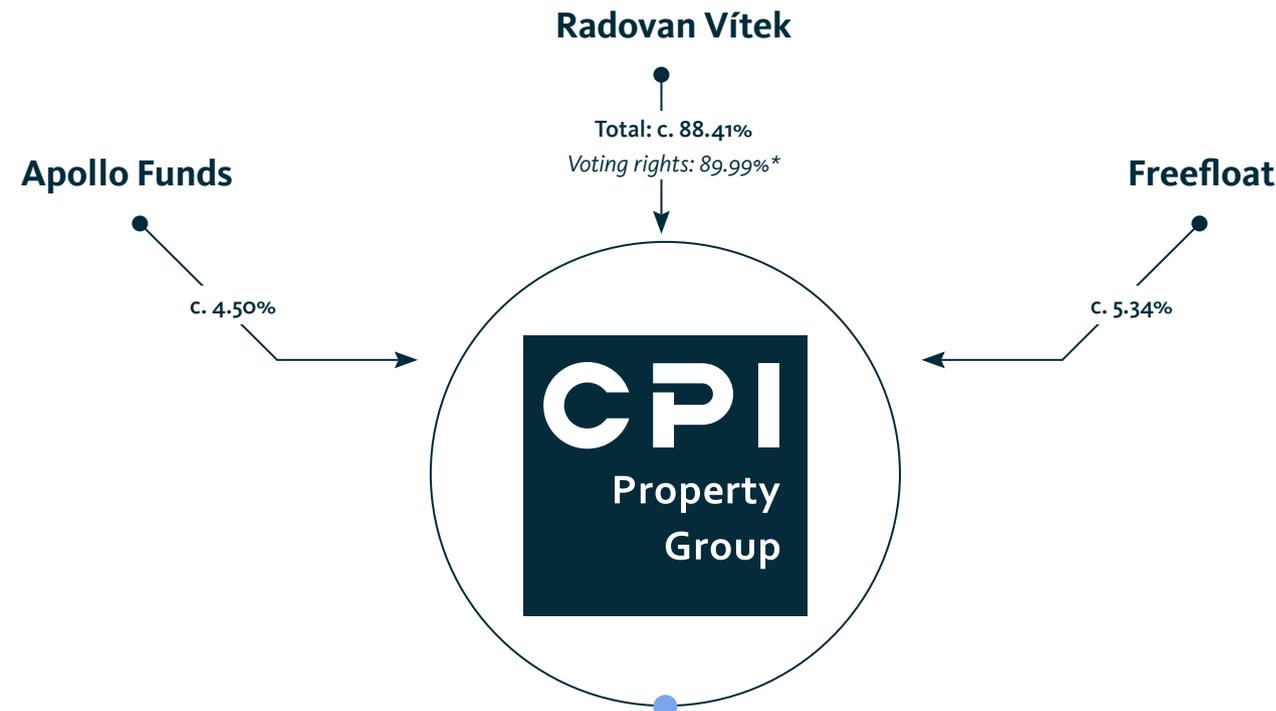
Total assets and Net debt (in € million)

During 2023, the Group decreased net debt by €405 million. Total assets went down due to valuation loss and disposals, partially offset by acquisitions. As a result, the portion of net debt on total assets remained stable compared to the end of 2022, around 45%.

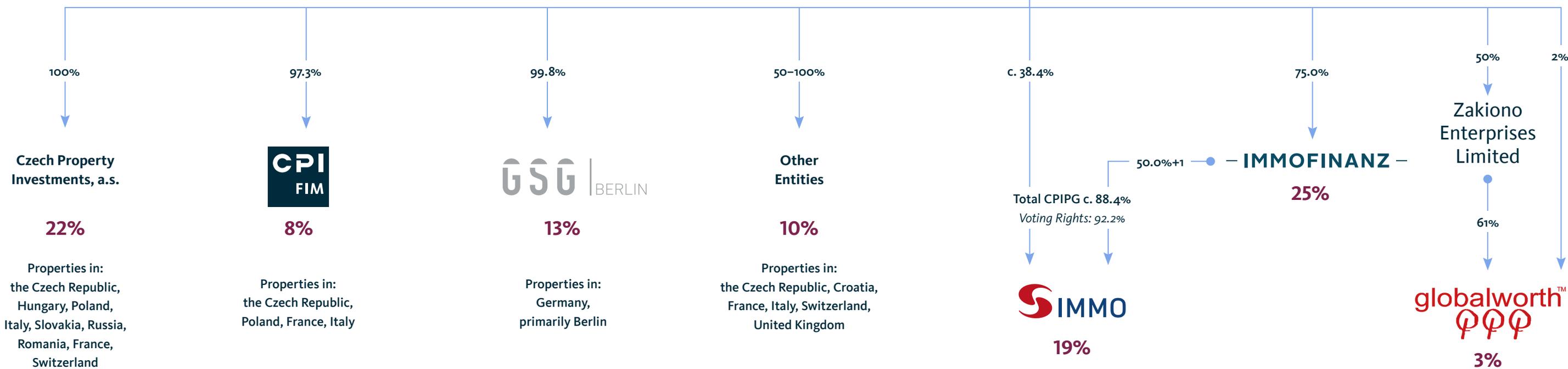


Simplified Group structure

CPI Property Group	– IMMOFINANZ –	IMMO
Property Portfolio: €11.03bn	Property Portfolio: €4.86bn	Property Portfolio: €3.64bn
Unsecured debt: €5.10bn	Unsecured debt: €291m	Unsecured debt: €63m
Secured debt: €1.85bn	Secured debt: €1.92bn	Secured debt: €1.46bn
Unencumbered properties: €6.63bn	Unencumbered properties: €1.29bn	Unencumbered properties: €367m



X% = percentage of CIPG property portfolio value



Note: Figures as at 31 December 2023. A full list of the Group's entities and subsidiaries is available in Appendix I of the Financial Statements.

* CIPG controls 1.75% of own shares

Glossary of terms

Alternative performance measures	Definition	Rationale
Consolidated adjusted EBITDA	Net business income as reported deducted by administrative expenses as reported.	This is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the Group's depreciation and amortisation policy and capital structure or tax treatment. It is one of the fundamental indicators used by companies to set their key financial and strategic objectives.
Consolidated adjusted total assets	Consolidated adjusted total assets is total assets as reported deducted by intangible assets and goodwill as reported.	
EPRA Cost Ratios	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.
EPRA Earnings	Earnings from operational activities.	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.
Company specific Adjusted Earnings	A measure derived from EPRA Earnings and reflecting the Group's specific adjustments.	The rationale for making adjustments other than strictly required by EPRA Earnings is to arrive at an underlying performance measure appropriate for the Group's business model.
Company specific Adjusted EPS	It is calculated as Company specific Adjusted Earnings divided by the weighted average number of shares for the period.	
EPRA Net Reinstatement Value (NRV)	EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.
EPRA Net Tangible Assets (NTA)	EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	
EPRA Net Disposal Value (NDV)	EPRA NDV represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	
EPRA Net Initial Yield (NIY)	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	Comparable measures for portfolio valuations. These measures should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
EPRA 'topped-up' NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	Comparable measures for portfolio valuations. These measures should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
EPRA Vacancy Rate	The EPRA vacancy rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole portfolio (including vacant spaces).	The rationale for using the EPRA vacancy rate is that it can be clearly defined, should be widely used by all participants in the direct real estate market and comparable from one company to the next.
Equity ratio	It is calculated as total equity as reported divided by total assets as reported.	Provides a general assessment of financial risk undertaken.
Funds from operations or FFO	It is calculated as net profit for the period adjusted by non-cash revenues/expenses (like deferred tax, net valuation gain/loss, impairment, amortisation/depreciation, goodwill etc.) and non-recurring (both cash and non-cash) items. Calculation also excludes accounting adjustments for unconsolidated partnerships and joint ventures.	Funds from operations provide an indication of core recurring earnings.
FFO II	It is calculated as Funds from operations (FFO) deducted by interest on perpetual notes as reported.	
Like-for-like gross rental growth	It compares the growth of gross rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.	Information on the growth of rental income other than from acquisitions, disposals and developments, allows stakeholders to arrive at an estimate of organic growth.

Alternative performance measures	Definition	Rationale
Net debt/EBITDA	It is calculated as Net debt divided by Consolidated adjusted EBITDA.	A measure of a company's ability to pay its debt. This ratio measures the amount of income generated and available to pay down debt before covering interest, taxes, depreciation and amortisation expenses.
Net ICR	It is calculated as Consolidated adjusted EBITDA divided by a sum of interest income as reported and interest expense as reported.	This measure is an important indicator of a firm's ability to pay interest and other fixed charges from its operating performance, measured by EBITDA.
Net Loan-to-Value or Net LTV	It is calculated as Net debt divided by fair value of Property Portfolio.	Net Loan-to-value provides a general assessment of financing risk undertaken.
Secured consolidated leverage ratio	Secured consolidated leverage ratio is a ratio of a sum of secured financial debts and secured bonds to Consolidated adjusted total assets.	This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt – properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.
Secured debt to total debt	It is calculated as a sum of secured bonds and secured financial debts as reported divided by a sum of bonds issued and financial debts as reported.	This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt – properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.
Unencumbered assets to total assets	It is calculated as total assets as reported less a sum of encumbered assets as reported divided by total assets as reported.	This measure is an important indicator of a commercial real estate firm's liquidity and flexibility. Properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales. The larger the ratio of unencumbered assets to total assets, the more flexibility a company generally has in repaying its unsecured debt at maturity, and the more likely that a higher recovery can be realized in the event of default.
Unencumbered assets to unsecured debt	It is calculated as unencumbered assets as reported divided by a sum of unsecured bonds and unsecured financial debts as reported.	This measure is an additional indicator of a commercial real estate firm's liquidity and financial flexibility.

Non-financial definitions	Definition
Company	CPI Property Group S.A.
Property Portfolio value or PP value	The sum of value of Property Portfolio owned by the Group
Gross Leasable Area or GLA	Gross leasable area is the amount of floor space available to be rented. Gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the property owner.
Group	CPI Property Group S.A. together with its subsidiaries
Net debt	Net debt is borrowings plus bank overdraft less cash and cash equivalents; and cash escrow deposits.
Occupancy	Occupancy is a ratio of estimated rental value regarding occupied GLA and total estimated rental value, unless stated otherwise.
Property Portfolio	Property Portfolio covers all properties and investees held by the Group, independent of the balance sheet classification, from which the Group incurs rental or other operating income.
Potential Gross Leasable Area	Potential Gross Leasable Area is the total amount of floor space and land area being developed which the Group is planning to rent after the development is complete.
Potential Gross Saleable Area	Potential Gross Saleable area is the total amount of floor space and land area being developed which the Group is planning to sell after the development is complete.

Key ratio reconciliations



Aqua-Höfe, Berlin, Germany photo: @CHL

Property portfolio reconciliation (€ million)

	31 Dec 2023	31 Dec 2022
Investment property – Office	8,035	9,345
Investment property – Retail	4,801	4,733
Investment property – Landbank	1,930	2,179
Investment property – Residential	1,424	1,630
Investment property – Development	726	285
Investment property – Agriculture	139	127
Investment property – Other hospitality	102	123
Investment property – Industry & Logistics	60	35
Investment property – Other	44	27
Investment property – Hospitality	–	2
Property, plant and equipment – Hospitality	775	942
Property, plant and equipment – Other	18	10
Property, plant and equipment – Agriculture	16	12
Property, plant and equipment – Development	11	11
Property, plant and equipment – Residential	6	6
Property, plant and equipment – Office	3	14
Property, plant and equipment – Landbank	1	1
Property, plant and equipment – Retail	1	1
Property, plant and equipment – Mountain resorts	–	51
Property, plant and equipment – Other hospitality	–	23
Equity accounted investees	717	727
Inventories – Development	65	12
Inventories – Landbank	2	1
Assets held for sale	653	560
Total	19,531	20,855

Consolidated adjusted EBITDA reconciliation (€ million)*

Item per Consolidated financial statements	2023	2022
A Net business income	874	676
B Administrative expenses	(138)	(129)
C Other effects	42	61
A+B+C Consolidated adjusted EBITDA	778	608

* Includes pro-rata EBITDA of Equity accounted investees

Unencumbered assets to total assets reconciliation (€ million)

Item per Consolidated financial statements	31 Dec 2023	31 Dec 2022
A Bonds collateral	0	0
B Bank loans collateral	11,440	10,733
Investment property	10,559	9,783
Property, plant and equipment	297	343
Assets held for sale	334	438
Inventories	49	0
Trade receivables	100	106
Bank accounts	42	11
Other financial assets	60	51
C Total assets	21,930	23,521
(C-A-B)/C Unencumbered assets ratio	47.8%	54.4%

Unencumbered assets to unsecured debt reconciliation (€ million)

Item per Consolidated financial statements	31 Dec 2023	31 Dec 2022
A Total assets	21,930	23,521
B Bonds collateral	0	0
C Bank loans collateral	11,440	10,733
D Total debt	11,257	11,690
E Secured bonds	0	0
F Secured financial debts	5,232	4,552
(A-B-C)/(D-E-F) Unencumbered assets to unsecured debt	174%	179%

Net LTV reconciliation (€ million)

Item per Consolidated financial statements	31 Dec 2023	31 Dec 2022
A Financial debts	6,738	6,526
B Bonds issued	4,483	5,086
C Net debt linked to AHFS	22	46
D Cash and cash equivalents	1,023	1,033
E Property portfolio	19,531	20,855
(A+B+C-D)/E Net LTV	52.3%	50.9%

Net interest coverage ratio reconciliation (€ million)

Item per Consolidated financial statements		2023	2022
A	Interest income	39	20
B	Interest expense	(348)	(210)
C	Consolidated adjusted EBITDA	778	608
C/(A+B)	Net ICR	2.5x	3.2x

Like-for-like rental growth (€ million)

Item per Consolidated financial statements		2023	2022
	Gross rental income	934	749
	Like-for-like gross rental income	416	386
	Not like-for-like gross rental income	518	363

Gustav-Meyer-Allee 25, Berlin, Germany



Net debt/EBITDA reconciliation (€ million)

Item per Consolidated financial statements		31 Dec 2023	31 Dec 2022
A	Net debt	10,220	10,625
B	Net business income	874	676
C	Administrative expenses	(138)	(129)
D	Other effects	42	61
A/(B+C+D)	Net debt/EBITDA	13.1	17.5

Equity ratio reconciliation (€ million)

Item per Consolidated financial statements		31 Dec 2023	31 Dec 2022
A	Total assets	21,930	23,521
B	Total equity	8,257	9,263
B/A	Equity Ratio	38%	39%

Secured debt to total debt reconciliation (€ million)

Item per Consolidated financial statements		31 Dec 2023	31 Dec 2022
A	Secured bonds	0	0
B	Secured financial debts	5,232	4,552
C	Total debt	11,257	11,690
	Bonds issued	4,483	5,086
	Financial debts*	6,774	6,604
(A+B)/C	Secured debt as of Total debt	46.5%	38.9%

* Includes Financial debts linked to AHFS.

FFO II reconciliation (€ million)

Item per Consolidated financial statements		2023	2022
A	Funds from operations	390	355
B	Interest on perpetual notes	(76)	(76)
A+B	Funds from operations II	314	279

Funds from operations (FFO) reconciliation (€ million)*

Item per Consolidated financial statements		2023	2022
A	Net profit/(Loss) for the period	(877)	557
B	Deferred income tax	110	(70)
C	Net valuation gain or loss on investment property	(1,145)	(89)
D	Net valuation gain or loss on revaluation of derivatives	(93)	163
E	Net gain or loss on disposal of investment property and subsidiaries	(34)	36
F	Net gain or loss on disposal of PPE/other assets	1	(2)
G	Impairment/Reversal of impairment	19	(53)
H	Amortisation/Depreciation	(47)	(46)
I	Other non-cash items	(50)	12
J	GW/Bargain purchase	0	318
K	Other non-recurring costs	(18)	(47)
L	Other non-recurring income	30	0
M	Share on profit of equity accounted investees/JV adjustments	(20)	19
N	Other effects	22	39
(A-B-C-D-E-F-G-H-I-J-K-L-M+N)	Funds from operations	390	355

* Includes pro-rata FFO of Equity accounted investees

Secured consolidated leverage ratio reconciliation (€ million)

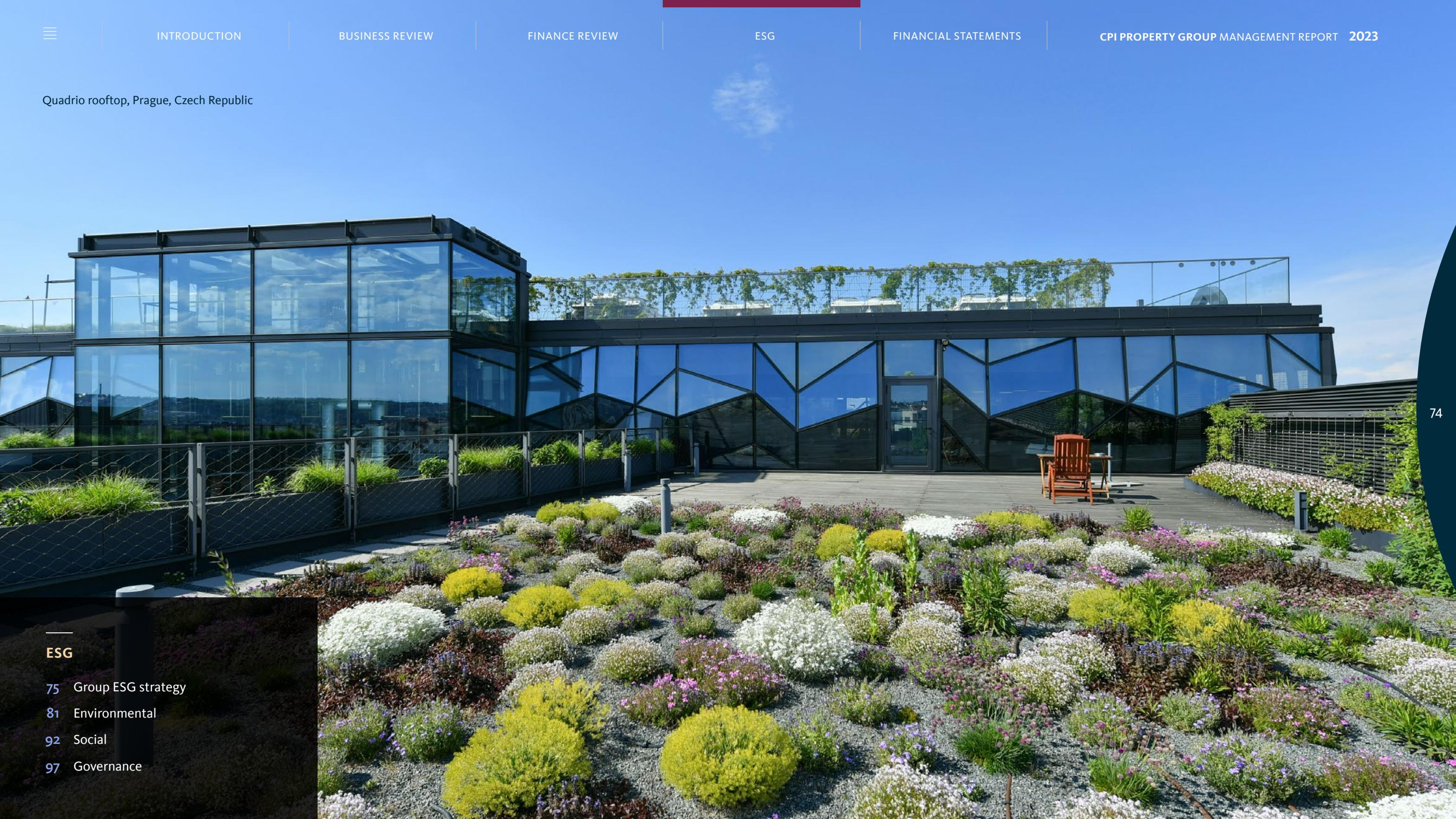
Item per Consolidated financial statements		31 Dec 2023	31 Dec 2022
A	Secured bonds	0	0
B	Secured financial debts	5,232	4,552
C	Consolidated adjusted total assets	21,800	23,394
	Total assets	21,930	23,521
	Intangible assets and goodwill	130	127
(A+B)/C	Secured consolidated leverage ratio	24.0%	19.5%

EPRA NTA deferred tax reconciliation (€ million)

Inventories	Residual tax value of properties	Tax Rate	Fair value of properties	Tax
Total as at 31 Dec 2023	67	19%-33.3%	67	-
Total as at 31 Dec 2022	13	19%-33.3%	13	-



Quadrio rooftop, Prague, Czech Republic



ESG

75 Group ESG strategy

81 Environmental

92 Social

97 Governance

Group ESG strategy

CPIPG understands the importance of a **solid Environmental, Social and Governance (ESG) strategy and framework to align the entire organisation and stakeholders towards our ESG goals.** Under the guidance and supervision of the Board of Directors and its ESG Committee, the Executive Management of CPIPG is responsible for implementing the ESG strategy and ensure the performance of targets and commitments are met.

The Group's ESG principles focuses on **promoting a sustainable approach towards real estate development and management.** Our operations are built upon pursuing a sustainable business model that allows us to achieve our business objectives without placing an excessive burden on the environment and contributes to environmental protection and the development of local communities. Furthermore, the Group assumes an active role in managing our assets to continually improve environmental performance, quality and resilience. Our Group culture is formed to encourage pro-active contributions from all employees, tenants, customers, and stakeholders to meet all our objectives in compliance with our principles.

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

CPIPG continually reviews and implements industry best practices with respect to corporate governance and has adjusted our internal practices to meet international standards. In 2019, we engaged an independent party (Dentons) to review our internal policies, which resulted in improvements in our procedures. Further, at the end of 2023, **CPIPG engaged White & Case to conduct a fresh review of our compliance, governance, related party transactions and other policies.**

CPIPG aims to communicate regularly and transparently with our shareholders and stakeholders and to provide regular updates on our website.



“The Group continuously maintains high standards of governance and sustainability.”

Martin Matula, General Counsel

Group governance summary

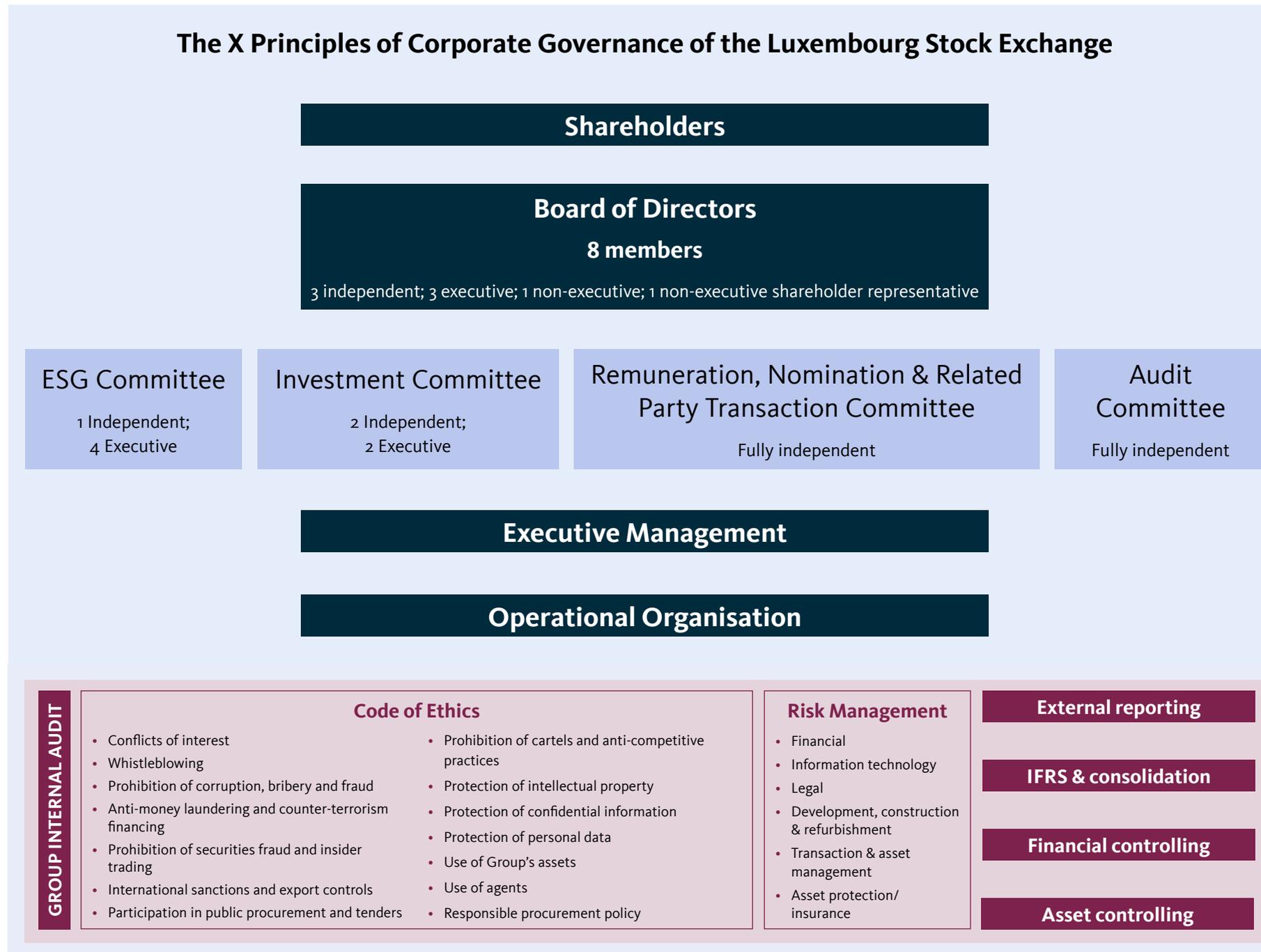
Disclosure & compliance

The Group's securities are listed on the following regulated stock exchanges:



Budapest Stock Exchange

The X Principles of Corporate Governance of the Luxembourg Stock Exchange



Assurance

Current external auditor



Sustainability reporting



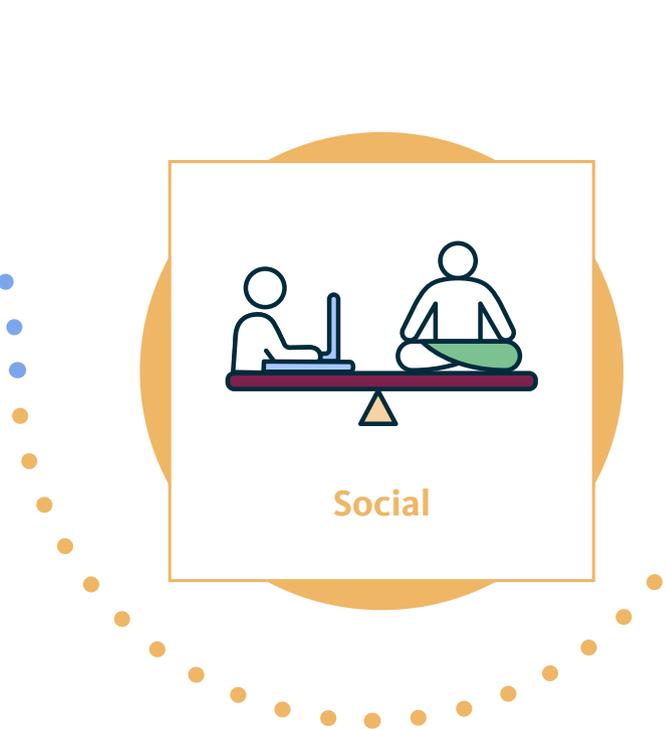
Group ESG goals



- **32.4% reduction in GHG intensity** of property portfolio, incl. bioenergy, by year 2030 versus 2019 baseline (validated by Science-based Target initiative in July 2022 in alignment with the Paris Agreement’s well below 2°C scenario)
- Purchase of electricity exclusively from **100% renewable sources by year end 2024**
- **10% reduction in energy intensity** of property portfolio by year 2030 versus 2019 baseline



- **10% reduction in water intensity** of property portfolio by year 2030 versus 2019 baseline
- Elimination of waste sent to landfill wherever possible, **waste recycling rate of 55%** by year end 2025 and **60% by year end 2030**
- **Increase in EU Taxonomy alignment** of economic activities at consolidated Group level over time



- **Increased share of certified buildings** (Access4you, BREEAM, DGNB, EDGE, Green Key, Green Star, HQE, LEED, WELL)
- **Group-wide green lease agreement** to be offered for all new commercial leases and renewals
- Minimum of **33% share of female senior managers**
- Completion of at least **eight hours of training per employee per year**
- Biennial **employee satisfaction surveys**



- Agreement on the **Code of Conduct** with all employees
- **Mandatory annual employee training** on Code of Conduct and associated policies
- All new suppliers and renewals comply with Group-wide **Code of Conduct for Suppliers**
- Alignment of **Executive Management remuneration to ESG criteria**
- **Group’s compliance and governance policies reviewed by Dentons (2019) and White & Case (2023)**

Executive Management



David Greenbaum
Chief Executive Officer

David Greenbaum was appointed CEO of CPI Property Group in November 2023. David previously held the role of CFO of CPIPG from February 2018. David joined CPIPG after 16 years at Deutsche Bank, where he was most recently co-head of Debt Capital Markets for the CEEMEA region. In November 2023, David was also appointed as Managing Director.



Zdeněk Havelka
Chief Operating Officer

Zdeněk Havelka was appointed Chief Operating Officer of CPI Property Group in November 2023. Zdeněk is responsible for the Group's operational risk management, communications and IT. Zdeněk has been at CPIPG since 2002, during which time he has held Chief Financial Officer, Chief Executive Officer and Executive Director roles.



Pavel Měchura
Group Finance Director

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



Tomáš Salajka
Director of
Acquisitions, Asset
Management & Sales

Tomáš Salajka was appointed Director of Acquisitions, Asset Management & Sales of CPI Property Group from June 2014. Tomáš is responsible for asset management and transactions across all countries within the Group's portfolio. Prior to joining the Group, Tomáš worked for GE Real Estate CEE/Germany for 10 years and ČSOB for 3 years. In November 2023, Tomáš was also appointed as Managing Director.



Jan Kratina
Director of CPI Hotels

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

Board of Directors



Edward Hughes
Chairman of the Board

- Independent, non-executive member
- Age: 57
- Board Tenure: 10 years (since 2014; 10 as Chairman)
- Committee: Audit Chair, Investment, Remuneration



David Greenbaum
CEO and Managing Director

- Executive member
- Age: 46
- Company Tenure: 5 years (since 2018)
- Committee: ESG, Investment



Philippe Magistretti
Chairman of Remontées
mécaniques de Crans
Montana Aminona (CMA)
SA

- Non-executive member
- Age: 67
- Board Tenure: 10 years (since 2014)

3
Independent
members



Jonathan Lewis
Former Real Estate Partner
at CMS UK

- Independent, non-executive member
- Age: 68
- Board Tenure: 3 years (since 2020)
- Committee: Remuneration



Tomáš Salajka
Director of Acquisitions,
Asset Management & Sales
and Managing Director

- Executive member
- Age: 48
- Company Tenure: 10 years (since 2014)
- Committee: ESG, Investment



Tim Scoble
Former CEO of
GuocoLeisure Ltd

- Non-independent, non-executive member
- Age: 67
- Company Tenure: 2 years (since 2021)

Fully
Independent
Audit &
Remuneration
Committees



Omar Sattar
Head of Investments,
Colliers Czech Republic

- Independent, non-executive member
- Age: 52
- Board Tenure: 4 years (since 2019)
- Committee: ESG Chair, Audit, Investment, and Remuneration



Oliver Schlink
CFO of GSG Berlin

- Executive member
- Age: 53
- Company Tenure: 13 years (since Dec 2010)

photo: GSG Berlin © Marc-Steffen Unger

Full bios can be found on the Group website:
<https://cpihg.com/en/about-us#board-of-directors>

Board benchmark matrix

	No. Board Members	% Independent Members	Average Tenure (years)	Average Age (years)
CPI Property Group	8	38 %	6 y	58 y
Peers*	8	36 %	7 y	59 y

* Peers: Altarea, Aroundtown, Branicks Group, British Land Company, Cofinimmo, Covivio, Custodian Reit, Demire Deutsche Mittelstand Real Estate, Hamborner Reit, Harworth Group, Immofinanz, Land Securities Group, Lxi Reit, Merlin Properties Socimi, S IMMO, Shaftesbury Capital, Sirius Real Estate, Tlg Immobilien, UK Commercial Property Reit, Wallenstam. Sources: Company Website, FactSet.

The Group's ESG investments and evolution

- White & Case conducts a fresh review of CPIPG's compliance, governance, related party transactions, and other policies
- CPIPG closed a debut €100 million Sustainability-linked loan

- Environmental targets validated by the Science-Based Target initiative
- CPIPG issues inaugural Sustainability-Linked Bond



2023

2022



- Partnership with Cl2, a regional partner of CDP
- Further improvements in Board and Board committee independence
- Energy Management System implementation
- Leading issuer of green bonds: further issuances in Sterling (£350m), Euros (€750m) and Hungarian Forint (Ft30bn)

- CPIPG joins New Green Deal Declaration
- Inaugural reporting on climate change in CDP
- Radovan and Marie Vitek retired from the board of directors while Jonathan Lewis joined as a third independent member

- CPIPG revises its environmental strategy
- Increased ambition for GHG intensity reduction target of 30% (2021) and to 32.4% (2022)
- Funds managed by Apollo become a new equity investor in CPIPG and appoint Tim Scoble to the board of directors

2020

2020

2021

- New CSR policies
- Debut green bond issuance €750 million
- Increased Board and Board committees' independence
- CPIPG joins the Czech Green Building Council
- Board of Directors establishes a CSR Committee
- Dentons reviewed CPIPG's compliance, procurement and other policies, leading to the implementation of further policies and procedures



- First ESG rating from Sustainalytics
- Sustainability agenda / target-setting commences
- Appointment of a Group Sustainability Officer
- Environmental partnership with UCEEB

- Investment grade ratings achieved with S&P and Moody's
- Establishes EMTN programme
- CPIPG becomes an established issuer of international debt capital markets

2019

2018

2017–2018

Environmental highlights

Constant improvement in ESG scores

In 2023 the Group managed to achieve the CDP score of “B”, this was the first year when IMMOFINANZ and S IMMO were included and the Group reported on the consolidated basis. The score is classified as “Management”, meaning the Group has addressed the environmental impacts of our business and ensure good environmental management.

The “B” score aligns with the Europe regional average of “B” and is higher than the Land & property ownership & development sector average of “B-”. The Group is amongst 39% of companies that reached the “Management” level in this Activity Group.

Sustainalytics’ strong ESG rating of 11.6/100 was achieved in November 2023, placing the Group among the top 4% issuers globally. “The company is at low risk of experiencing material financial impacts from ESG factors due to its low exposure and strong management of material ESG issues”.



“The Group’s environmental targets are validated by SBTi.”

Petra Hajná, Group Sustainability Officer

MSCI ESG rating improved to “BBB” as of February 2023. The upgrade stems from increasing share of green certified buildings in the portfolio.

CPIPG is actively involved in many sustainability initiatives in our local markets

Petra Hajná, our CPIPG’s Sustainability Officer and again-elected member of the CZGBC’s Board of Directors, is directly involved in several working groups of CZGBC. She is as a main garant for Taxonomy and ESG working group, where the essential task is to develop a substantive interpretation of taxonomy at national level. We were in year 2023 deeply involved in development this EU Taxonomy interpretation, which will be finished during 2024.

Petra is also a member of the supervisory board of Rethink Architecture.

Platforms that connect stakeholders in green buildings, as Green Buildings Councils, are very important for our Group, so also our colleague Michal Litewnicki from Poland is acting as a board member of PLGBC from summer 2023 for 3-year period. Colleagues in Hungary continue partnership with the Hungary Green Building Councils (HUGBC) as well, participating in actual topics and involvement in several professional working groups.

The importance of the social aspects

This year, our consolidated Group has committed to comply with the European Sustainability Reporting Standards (ESRS) by reporting data on its workforce. The key disclosures outlined in this directive encompass information regarding employee headcount, diversity, training, health and safety measures, and gender pay gap. These disclosures provide a holistic view of a company’s dedication to its workforce and sustainable initiatives.

As we embark on this inaugural year of data collection under the ESRS Standards, we find ourselves at the threshold of a transformative journey. Our commitment to transparency and accuracy drives us to be as meticulous as possible in our data gathering. However, it is essential to acknowledge that this year’s data cannot always be directly compared to previous years due to a shift in methodology.

We acknowledge the evolving landscape ahead as we prepare for a new directive. This directive highlights the significance of the social aspect, which we are committed to enhancing and promoting. Our Group’s steadfast commitment to social responsibility drives us to examine our processes, collaborate with stakeholders, and create a positive impact.

Prioritising sustainability in the capital markets

The Group is in the forefront of the green financing initiatives and a leader in the region. In 2023, under the Group’s Sustainability Finance Framework, we completed several innovative sustainability-link swap transactions and a loan facility. Furthermore, the Group closed multiple secured loan financings across the region with commitments to spend CapEx to improve the energy efficiency of the assets.

Engagement with tenants

The Group recognises the importance of engaging with occupants, educating them, and cooperating to reduce environmental impacts. Therefore, a Group-wide green lease agreement was introduced in early 2023 and has been offered to all new commercial leases and renewals as part of the Group’s ESG strategy.

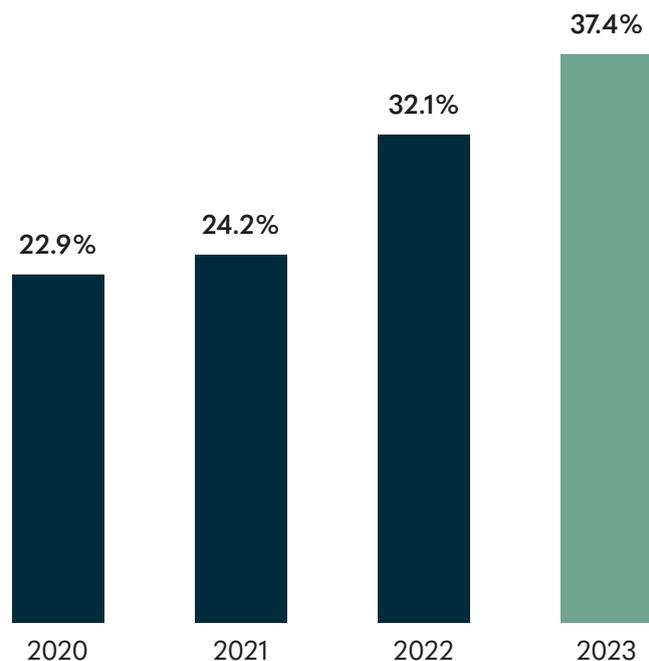
A growing proportion of green-certified buildings in 2023

The percentage of green-certified buildings within our portfolio for 2023 is 40.6% of the total fair value (excluding landbank and agriculture properties, which are not eligible for certification). These certified buildings comprise 37.4% of the total Gross Leasable Area (GLA), demonstrating a solid foundation for ongoing gradual improvement (3.1 p.p. and 5.3 p.p., respectively, over 2022 figures).

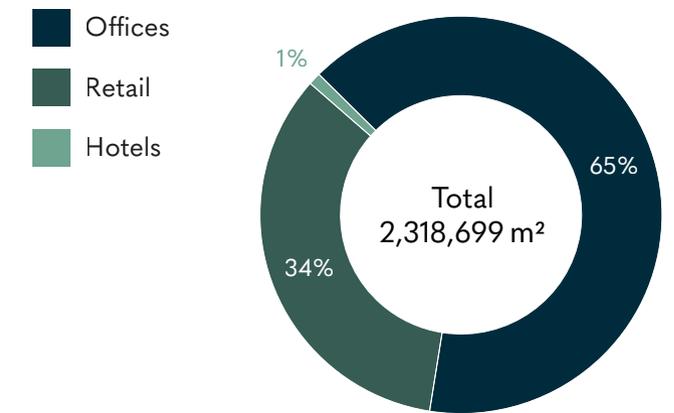
More than 90% of CPIPG’s green buildings have very strong certifications

At the end of 2023, CPIPG’s portfolio without equity share included 122 certified assets with a total GLA of 2,318,699 m². Of our green-certified buildings, 92% were BREEAM “Very Good” and above and LEED “Gold” and above based on GLA. BREEAM or LEED certification is considered for every new development and significant refurbishment and for buildings in operation wherever possible.

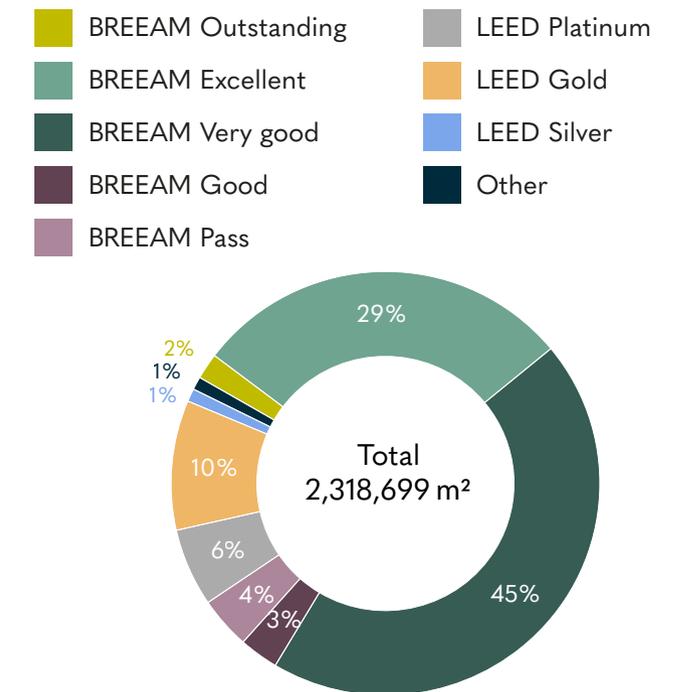
Total GLA certified continues to increase



CPIPG’s certified buildings GLA split by segment



CPIPG’s certification type per GLA



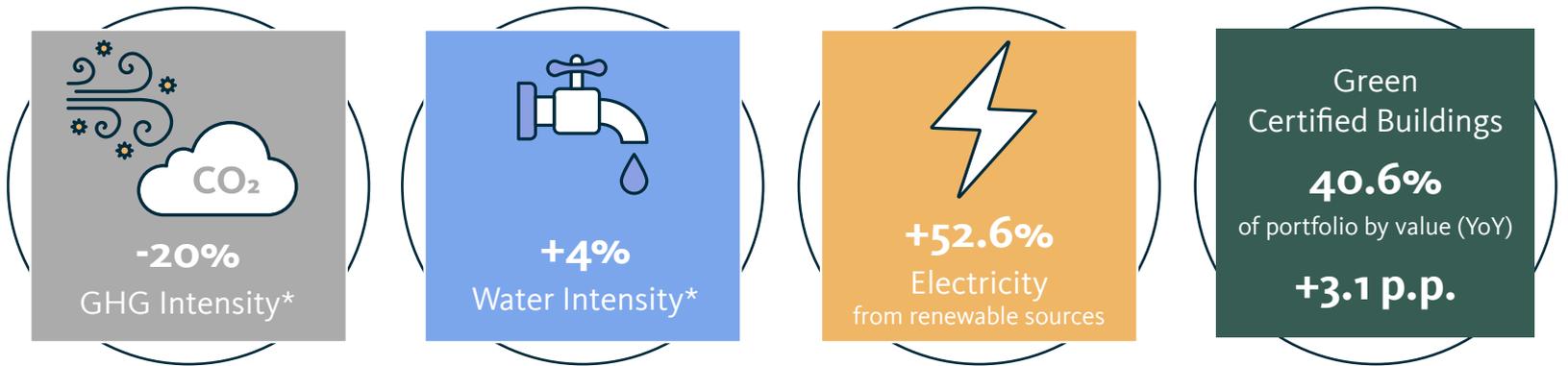
Environmental strategy & performance

CPIPG endorses the UN Sustainable Development Goals

CPIPG backs all the 17 Sustainable Development Goals (SDGs), as defined by the United Nations for 2015–2030. CPIPG sees the SDGs as part of the business decision-making processes at all levels within the Group.

In addition, the Group endorses the 2015 Paris Agreement within the United Nations Framework Convention on Climate Change.

CPIPG has identified priority goals for which it intends to play a key and increasing role:



* Refers to 2023 Group's performance versus 2023 Group's target.

CPIPG has made strong progress against ambitious, long-term targets

In 2023, the Group reported reductions in GHG intensity -20% compared to the 2023 target. The share of electricity from renewable sources increased significantly to 52.6% in 2023.

CPIPG is committed to climate change mitigation and focuses on the environmental impact of its operations. The Group closely monitors new EU legislation and standards and works on aligning its activities with these standards, especially the EU Taxonomy.

Our targets and strategy are continuously tightened and validated by the "SBTi"



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In 2022 CPIPG again tightened its environmental targets for the future to limit global warming according to the Paris agreement climate goals in line with the well-below 2°C trajectory.

The Group announced its commitment to reduce GHG emissions intensity by 32.4% per square metre of property portfolio by 2030 compared with the 2019 baseline across all emissions scopes 1-3 (all relevant categories of scope 3 included except for 3.15 – Investments), including bioenergy and also to transition all electricity purchased by the Group to 100% renewable sources by 2024.

The Group's GHG emissions intensity reduction target has been developed as science-based, aligned with the Paris Agreement climate goals to limit the global temperature increase versus pre-industrial levels to well below 2°C. **In July 2022, the Group's environmental targets were validated by the Science-Based Target initiative. CPIPG is among the first companies in the region to have the targets validated by SBTi.**

Our environmental targets are ambitious and realistic at the same time. In order to achieve it, five key green measures were identified: optimisation of building operations, tenants' involvement, green CapEx, electricity from renewable sources, and new development complying with net zero requirements. The Science Based Targets initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Climate risk assessment and double materiality

Our strategy is founded on a foundational materiality analysis carried out prior to the publication of CPIPG's initial environmental Key Performance Indicators (KPIs). To enhance cohesion among the integrated entities, a comprehensive materiality analysis will be undertaken at a Group-wide level in 2024. This assessment will leverage insights from prior analyses and focus on addressing the environmental, social, and stakeholder impacts.

A Group-wide solution was already used for another assessment, Climate Risk Assessment, which was conducted using a modern software programme called Climcycle, provided by ESG Software. This solution enables us to assess climate-related risks, not only in terms of EU taxonomy alignment.

Internally, all risks and opportunities are thoroughly identified and evaluated within the Group's Risk Universe assessment. Furthermore, the detailed assessment of risks and opportunities associated with climate change having a substantive financial or strategic impact on our business are part of the CDP questionnaire, which is publicly available on our webpage.

Sustainable financing

CPIPG is a leader in sustainable financing

The Group believes sustainable financing is a critical tool that integrates our overarching environmental objectives into our financing strategy and shines a light on the Group’s ESG profile for our stakeholders. CPIPG continues to be an innovator in the sustainable finance space, placing the ESG agenda at the forefront of its overall corporate strategy. The Group began issuing green bonds in 2019 and completed its first sustainability-linked bond in 2022 as the first real estate company from the region.

CPIPG has issued four Green Bonds:

October 2019
€750m
 7-year maturity

January 2020/January 2022
£400m
 (€471 million-equivalent)
 8-year maturity

May 2020
€750m
 6-year maturity

August 2020
HUF 30bn
 (€86 million-equivalent)
 10-year maturity

Sustainability-linked Bond:

January 2022
€700m
 8-year maturity

Sustainability-linked Loan:

March 2023
€100m
 5-year bullet maturity

Expanding the sustainability commitment, we completed an innovative sustainability-linked swap transaction in January 2023. The sustainability linked-swap relates to the Group’s issuance of GBP-denominated green bonds, which were fully hedged to EUR on the issue date in January 2020 via a cross-currency swap (“CCS”). In 2023, CPIPG elected to adjust the terms of the CCS with Sumitomo Mitsui Banking Corporation (“SMBC”) to include sustainability elements. In March 2023, the Group signed a debut Sustainability-linked Loan through a bilateral facility with MUFG. The senior unsecured loan totals €100 million, with a bullet maturity of five years.

Sustainability Finance Framework

In January 2022, CPIPG introduced its Sustainability Finance Framework combining both Sustainability-Linked and Green Bond Frameworks. Second Party Opinion from Sustainalytics was published in January 2022. The targets set by CPIPG in the Framework were assessed by Sustainalytics, as an independent second-party opinion provider, to be “ambitious” with “very strong” key performance indicators that are aligned with the Paris agreement.

The Framework has been developed in alignment with the 2021 Green Bond Principles and the 2020 Sustainability-Linked Bond Principles.

The Sustainability Finance Framework and the Second Party Opinion from Sustainalytics are available on CPIPG’s website.

Green Bond Framework

CPIPG’s Framework is aligned with the core components of the EU Green Bond Standard, as proposed in June 2019. CPIPG is monitoring the EU Green Bond Standard and EU Taxonomy on sustainable activities and Technical Screening Criteria and may make further updates to the Framework in the future accordingly.

At least annually, CPIPG reports on issued Green Bonds in line with the ICMA GBP 2018 Harmonised Framework for Impact Reporting.

Eligible Sector	Eligibility Criteria
Green buildings	Acquisition, construction or refurbishment of portfolio which meet recognised international sustainability standards, such as: <ul style="list-style-type: none"> BREEAM (Excellent and above) BREEAM In-Use (Very Good and above) when certified under the most recent version of the certification scheme LEED (Gold and above)
Energy Efficiency	<ul style="list-style-type: none"> Acquisition, construction or refurbishment of buildings built before 31 December 2020 which qualify for Primary Energy Demand (“PED”) of at least 10% below the threshold set for nearly zero-energy building (“NZEB”) requirements Acquisition, construction or refurbishment of buildings built after 31 December 2020 belonging to the top 15% most energy-efficient buildings in the local market** or have at least an Energy Performance Certificate (“EPC”) class A Renovations or refurbishment of existing buildings, delivering a minimum 30% reduction in carbon emissions intensity or two letter grade improvements according to local EPC
Renewable energy	<ul style="list-style-type: none"> Installation of photovoltaic, solar, wind, biogas (solely from waste sources) and heat pumps (air and ground source), and combined heat and power Dedicated support infrastructure for renewable energy sources across building management systems
Environmentally sustainable management of living natural resources and land use	Promotion of ecological value, biodiversity and organic agriculture, such as: <ul style="list-style-type: none"> Farmland certified against EU standards on organic farming production Installation of green roof gardens Facility and infrastructure new build or upgrades that contribute to the protection of living natural resources, including, for instance, beehive rooftop installations and artificial nesting sites for birds

Project selection and evaluation process

The Project Evaluation and Selection Process ensures that the proceeds of CPIPG Green Bonds are allocated to finance or refinance projects that meet the criteria and objectives set out in Use of Proceeds. It is carried out internally by the **CPIPG Green Bond Team**, composed of the legal, finance and investor relations departments across the Group.

On an ongoing basis, eligible Use of Proceeds from CPIPG’s portfolio of projects are identified and proposed by the Green Bond Team. The Green Bond Team takes the **CSR Principles and Policy** into account. The selected Eligible Projects are presented to the ESG Committee for review. After a thorough inspection, the Committee presents its conclusion to the Board of Directors. While any CPIPG Green Bonds are outstanding, in the case of divestment or cancellation of a project to which proceeds have been allocated, CPIPG reallocates the proceeds to other eligible projects as it happened during the year 2022.

The Green Bond Team also reviews the management of proceeds and facilitates reporting.

The Committee supervises the processes under the Green Bond Framework and requires relevant updates from the Green Bond Team. As part of its reporting to the Board of Directors, its findings, conclusions and recommendations are submitted to the Board of Directors.

Management of proceeds

Proceeds of CPIPG Green Bonds are managed through the **Green Financing Register**. The proceeds of each CPIPG Green Bond are earmarked against the pool of eligible projects and expenditures identified in the Green Financing Register. The Green Financing Register is reviewed annually by the Green Bond Team to account for any reallocation, repayments or drawings on the eligible projects and expenditures within the pool. The conclusion of the Green Bond Team is presented to the ESG Committee.

Reporting

On an annual basis, CPIPG provides reporting in regard to the Green Bonds in line with the ICMA GBP 2018 **Harmonised Framework for Impact Reporting**. The proceeds were fully allocated as of 31 December 2022. Please see the 2022 Management Report for the Green Bond Impact Report.

Green Bond allocation

CPIPG adopted **portfolio reporting for the first time** in the FY2020 Green Bond Financing report and no longer reports Green Bond allocations on a bond-by-bond basis. This facilitates optimal reporting efficiency and clarity for our investors. The following analysis reports on allocations across all four Green Bonds issued by the Group.

Sustainalytics has verified the latest Green Bond allocation as part of the Annual Review process, which concluded that the proceeds from issued Green Bonds have been allocated to assets and projects in accordance with the Use of Proceeds and Reporting Criteria under the Group’s Green Bond Framework. The Sustainalytics Annual Review letter can also be found on CPIPG’s website.



Environmental reporting approach & methodology

We work closely with experts and consultants

Since 2018, the Group has been working closely with the University Centre for Energy Efficient Buildings (“UCEEB”) of the Czech Technical University in Prague (“CTU”). UCEEB acts as a technical support provider and adviser to the Group, supporting the preparation and review of CPIPG’s reporting and ensuring alignment with the requirements of ISO standards, GRI, EPRA and CDP. UCEEB has also supported the Group in establishing and quantifying the Group’s environmental targets as part of the Group’s long-term strategy.

Environmental reporting complies with relevant reporting standards

Since 2019, the Group has reported on KPIs that are composed of Global Reporting Initiative (“GRI”) standards as well as EPRA core indicators. These measures allow the Group to track its environmental performance across segments and Group’s core processes: operation, acquisition, development & refurbishment, and impact reporting. KPIs cover climate change and resource use.

The 2023 environmental report fully complies with EPRA Best Practices Recommendations (“BPR”) on Sustainability Reporting. The Group integrated GRI Guidelines and reports against GRI G4 with a core approach for the reporting on the assets.

Our reporting is aligned with the GHG Protocol/ISO standard 14 064-1: 2018. The ISO standard deals with specific principles and requirements at the organisational level for quantification and reporting of greenhouse gas (GHG) emissions and removals. It includes requirements for the design, development, management, reporting, and verification of an organisation’s GHG inventory. **The GHG is divided into three scopes and six categories.**

In 2023, the Group was preparing to ensure compliance with the Corporate Sustainability Reporting Directive (CSRD, Directive (EU) 2022/2464) and the European Sustainability Reporting Standards (ESRS). Non-financial key figure tables and performance indicators were partially integrated into the environmental report in accordance with current guidelines.

Robust environmental reporting is guaranteed by the use of advanced tools in combination with rigorous data collection

CPIPG has developed and continuously enhanced Environmental Impact Reporting Tool (“ERT”) for data collection and putting in to the database. CPIPG’s objective is to ensure the detail, accuracy, and quality of our environmental performance reporting. The ERT allows disclosure across the Group and all its segments, despite the diversity of our portfolio.

The ERT is tailored to report in line with GHG Protocol/ISO 14064-1: 2018, with the help of an independent third party, the Cl3 organisation. **Since 2020, we expanded the scope of the Group’s collection, monitoring and reporting of GHG emissions and all relevant categories of scope 3 are now measured and disclosed.**

ERT and predominantly database solutions enable **the monitoring of the Group’s environmental performance through greater robustness, scope (activity and geography), efficiency and automation. For our purposes, the Environmental Power BI solution** is utilised due to its efficient ability to track and analyse performance across multiple levels (site, segment, region, group) on a regular basis, assess results against targets, and implement suitable corrective measures. Power BI solution was also utilised for developing key figure tables and performance indicators in accordance with current guidelines of the European Sustainability Reporting Standards (ESRS).

Reporting methodology and scope

Reporting values

Data in this report comprises the following categories of KPIs:

- Absolute values (energy and water consumption, GHG emissions, waste production);
- Intensity values (energy, GHG emissions and water consumption per m² of corresponding floor space);
- Core EPRA KPIs;
- ESRS disclosure requirements (due to variations in disclosure requirements between EPRA and ESRS, the tables are not readily comparable, such as in the case of gas consumption disclosure requirements).

Changes in reporting scope

In 2023, the scope of the portfolio subject to collection, monitoring and reporting of environmental data was expanded as follows:

Developments are out of reporting scope until the first full calendar month after a building goes into operation. The asset will be in-scope for like-for-like analysis following the second full rolling calendar year in operation;

Assets owned and/or operated for less than a full year are excluded from the calculations of like-for-like reporting while included in total intensities.

Major refurbishment is defined as any alteration that affects more than 50% of the total building floor area or causes the relocation of more than 50% of regular building occupants. Absolute consumptions are included for a major refurbishment, while for intensity calculations, GLA values are proportionately reduced to reflect the actual period of full operation in the year.

Disclosure calculations and categorisation

- Buildings in operation, Ski resorts (Crans-Montana) and Farms are reported separately in our disclosures due to having different operating characteristics; only in ESRS key figure tables and performance indicators are all of these disclosed collectively.
- A distinction is made between disclosures of fuels consumed by company cars, business trips, employee commuting and our proportional share of equity investments emissions. EPRA disclosures exclude these categories, while they are included for GHG, CDP, ESRS and ISO-compliant disclosures.
- In 2023, the internal resales of buildings were incorporated into our reporting procedures to accurately allocate emissions to particular companies (CPIPG on a consolidated basis, IMMOFINANZ, S IMMO).
- Our calculation includes the Group’s share of Globalworth’s emissions, representing 32.3% of 2023 GHG scope 1 and 2 emissions.

Reported area

Definitions in the Group’s reporting differ between segments as follows:

- Retail, Offices, Logistics, and Residential segments are reported on the basis of Gross Leasable Area (“GLA”);
- Hotels are reported based on the area that represents space leased to hotel operators;
- Farms are calculated based on the agricultural land area;
- Intensities per area are not reported for Ski resorts.

The Reference Gross Leasable Area is used for the final calculations of indicators and includes not only the GLA of the properties that were part of the portfolio for the entire year, but also the GLA of buildings acquired/sold during the year, normalized on a monthly basis.

Environmental reporting

- Absolute values – include assets owned or operated by the Group in any period of the reported year. Assets entering the portfolio (e.g. acquisitions, completed developments, major refurbishments etc.) are included beginning from the first complete month following the entry into the portfolio, while assets exiting the portfolio (e.g. disposals) are included up to the last complete month prior;
- Like-for-like values – the change in an indicator between the reported year and the preceding year on a constant portfolio basis. This scope includes only assets owned or operated by CPIPG throughout an entire two-year comparison period. Assets that are empty or under major refurbishment are excluded.

Reporting Period

CPIPG publishes environmental KPIs each calendar year, including all data available up to and including 15 March 2024. Certain information pertaining to 2023 was not available within this period. This information is taken from the Group’s 2022 environmental report as a proxy. Data will be updated in subsequent reporting once available.

Revisions to historical disclosures and GHG Recalculation

Revisions to our environmental disclosures in 2022 were made where relevant and based on updated information for correctness and consistency:

- Change in consumption or GLA of some assets due to updated information;
- GHG emission factors have been updated according to the latest information.

In order to provide more accurate reporting, a new methodology was implemented during 2023 to better determine waste emission factors across our diverse portfolio of locations. Following consultation with experts, a unified approach was adopted, utilising a regional emission factor for all of Europe. This new approach also considers the emissions originating from waste itself, rather than its waste disposal processes.

As a result of this updated methodology, significant changes were observed in the emission factors for waste (almost 40% decreasing of emission factors value) – particularly in the incineration of waste without energy recovery and landfill disposal, which represent a significant portion of our waste disposal activities.

To ensure consistency in year-on-year greenhouse gas emissions disclosures, the changes in waste emission factors were retroactively applied to the years 2019 through 2023. This led to a notable decrease in greenhouse gas values for the year 2019, due to the lower emission factor values identified.

Overall, these updates support a more accurate and standardised approach to measuring our environmental impact and due to the change in this emission factors determination methodology, a recalculation process was carried out at the beginning of 2024 concerning the results of 2019 to be comparable with 2023.

It was important to recalculate GHG emissions also due to disposals within the residential portfolio in Germany during 2023 and year-end 2022. Recalculation must be done also when the difference in the total GLA of the built portfolio is higher than 5%.



EPRA environmental performance disclosure

Due to disparity in operational characteristics, EPRA environmental disclosures reported below relate only to built assets in operation, which comprise the majority of the Group's assets. Ski resorts (Crans-Montana) and farms (Spojené farmy a.s.) are reported separately.

EPRA key environmental performance indicators by asset type

EPRA Sustainability Performance Measures (Environment) – impact per segment					Office			Shopping centres			Other retail			Industry & logistics			Hotels			Residential			Total		
Impact area	EPRA Code	Unit	Indicator		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl	
					2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY
Energy	Elec-Abs, Elec-Lfl	MWh pa	Electricity	Building operation	360,206	344,782	(13.3)	213,244	198,167	(9.6)	175,973	163,368	(8.0)	11,406	11,406	527.6	50,376	44,240	(1.6)	41,071	38,651	(0.4)	852,277	800,614	(9.0)
				Proportion of electricity from renewable sources (%)	72.1%	72.5%	39.1	41.3%	44.4%	11.6	48.6%	49.8%	41.6	0.0%	0.0%		29.3%	33.3%	1.1	1.1%	0.8%	3.8	52.6%	54.4%	31.2
	DH&C-Abs, DH&C-Lfl		District heating and cooling	Building operation	136,772	133,992	(10.6)	15,959	12,977	(9.7)	19,266	19,266	(11.2)	0	0		24,808	20,390	(5.3)	81,520	79,015	(13.9)	278,326	265,641	(11.2)
				Proportion of district heating and cooling from renewable sources (%)	12.7%	12.4%	68.1	0.0%	0.0%		6.3%	5.9%	(36.4)	0.0%	0.0%		0.0%	0.0%		0.5%	0.5%	3.4	6.8%	6.9%	60.1
	Fuels-Abs, Fuels-Lfl		Fuels	Building operation	118,590	111,111	(5.6)	70,439	68,233	0.8	39,608	34,896	(6.8)	594	594	(4.3)	37,172	31,636	(2.9)	44,403	38,236	(2.7)	310,806	284,705	(3.6)
				Proportion of fuels from renewable sources (%)	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		21.5%	24.9%	2.8	3.1%	3.3%	3.7
Energy-Int	Intensity	Whole building	190	193	(11.6)	333	342	(6.8)	171	170	(7.6)	340	340	262.3	185	198	(10.2)	178	179	(7.5)	203	207	(8.8)		
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-Lfl	t CO ₂ eq pa	Direct	Fuels and Refrigerants	19,920	18,433	(5.5)	9,061	8,406	(21.5)	3,044	2,794	41.4	109	109		6,820	5,677	(5.4)	2,029	1,501	(18.8)	40,983	36,920	(7.8)
	GHG-Indir-Abs, GHG-Indir-Lfl		Indirect	Elec; DH&C; generation, transm. and distrib.; water; waste; refrigerant refills	110,960	105,801	(36.8)	97,238	87,402	(12.9)	70,279	62,849	(27.1)	7,570	7,570	448.4	33,647	27,911	(7.0)	64,756	61,642	(6.9)	384,451	353,176	(21.8)
	GHG-Int		Intensity	Direct and indirect	0.040	0.041	(33.6)	0.116	0.117	(13.3)	0.053	0.051	(25.2)	0.217	0.217	309.4	0.066	0.069	(13.8)	0.072	0.072	(6.5)	0.059	0.060	(21.0)
Water	Water-Abs, Water-Lfl	m ³ pa		Building operation	1,541,879	1,463,867	10.7	816,992	765,328	(4.8)	521,510	488,325	(5.5)	2,142	2,142	7.0	637,627	555,363	7.0	889,514	832,444	(2.1)	4,409,664	4,107,469	2.3
				Proportion of water obtained from other sources (%)	25.1%	26.5%	(6.5)	6.9%	7.3%	(13.5)	21.6%	23.2%	(9.2)	0.0%	0.0%		4.0%	4.5%	2.5	0.0%	0.0%		13.2%	14.2%	(2.3)
Water-Int	Intensity	Whole building	0.476	0.479	10.5	0.908	0.938	(4.3)	0.383	0.381	(4.9)	0.061	0.061	(21.2)	1.041	1.143	(1.1)	0.950	0.954	(1.3)	0.616	0.628	1.9		
Waste	Waste-Abs, Waste-Lfl	t pa		Building operation	21,128	19,134	(9.5)	14,519	13,593	0.4	20,431	18,791	(3.9)	9	9		3,460	3,115	3.9	12,107	11,651	(0.0)	71,653	66,293	(3.8)
				Proportion of waste diverted from landfill (%)	59.2%	59.4%	6.3	50.9%	49.5%	(0.8)	45.6%	46.5%	(8.5)	4.1%	4.1%		33.5%	30.6%	(6.1)	11.4%	8.1%	(0.1)	44.3%	43.3%	(0.7)
Certifications	Cert-Tot			Number of certified assets	80	71		17	13		27	19		0	0		1	1		0	0		125	104	
				Percentage of the portfolio's gross leasable area (%)	46.6%			64.2%			55.6%			0.0%	0.0%		2.1%			0.0%				32.5%	36.0%

EPRA key environmental performance indicators by geography

EPRA Sustainability Performance Measures (Environment) – impact per region					Czech Republic			Germany			Hungary			Poland			Romania			Slovakia			Austria			Others*			Total		
Impact area	EPRA Code	Unit	Indicator		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl		Abs	Lfl				
					2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY	2023	2023	% YoY			
Energy	Elec-Abs, Elec-Lfl	MWh pa	Electricity	Building operation	212,843	200,373	(2.3)	77,825	71,850	(31.3)	90,440	86,962	(9.9)	132,354	131,784	(0.1)	146,054	142,289	(6.7)	46,439	45,920	0.4	58,039	56,876	(2.3)	88,284	64,560	(24.6)	852,277	800,614	(9.0)
				Proportion of electricity from renewable sources (%)	14.4%	15.3%	0.6	17.8%	17.4%	45.5	95.0%	94.8%	38.4	69.6%	69.5%	42.9	80.8%	80.3%	24.8	76.8%	77.6%	(8.7)	55.2%	55.2%	15.3	27.5%	30.3%	68.1	52.6%	54.4%	31.2
	DH&C-Abs, DH&C-Lfl		District heating and cooling	Building operation	120,377	112,647	(12.9)	51,131	48,515	(6.9)	2,566	2,566	(74.7)	69,479	69,479	1.9	900	900		6,733	6,461	(6.0)	23,409	21,788	(24.3)	3,731	3,285	(13.2)	278,326	265,641	(11.2)
				Proportion of district heating and cooling from renewable sources (%)	0.4%	0.3%	2.2	33.9%	34.4%	69.6	47.0%	47.0%	156.5	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		6.8%	6.9%	60.1
	Fuels-Abs, Fuels-Lfl		Fuels	Building operation	101,440	97,061	7.7	60,309	52,859	(3.4)	38,368	35,161	(13.6)	4,629	4,629	5.0	40,187	38,887	(13.3)	17,763	17,763	(4.0)	6,147	5,767	18.2	41,963	32,578	(21.3)	310,806	284,705	(3.6)
				Proportion of fuels from renewable sources (%)	9.4%	9.8%	(7.2)	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		3.1%	3.3%	3.7
Energy-Int	Intensity	Whole building	206	206	(6.2)	133	134	(18.4)	200	203	(14.6)	260	261	(0.3)	337	355	(7.8)	194	194	1.1	227	227	(8.0)	158	166	(17.4)	203	207	(8.8)		
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-Lfl	t CO ₂ eq pa	Direct	Fuels and Refrigerants	10,378	9,847	(1.7)	9,123	8,296	(13.4)	6,129	5,318	(18.4)	2,037	2,037	10.7	1,774	1,774	(0.1)	2,230	2,226	(18.1)	1,483	1,463	92.4	7,828	5,960	(23.8)	40,983	36,920	(7.8)
	GHG-Indir-Abs, GHG-Indir-Lfl		Indirect	Elec; DH&C; generation, transm. and distrib.; water; waste; refrigerant refills	189,024	177,375	(2.2)	54,724	49,771	(28.4)	10,060	9,758	(56.9)	59,604	59,565	(34.6)	23,128	22,504	(30.7)	8,894	8,706	1.3	5,675	5,189	(24.9)	33,342	20,307	(47.7)	384,451	353,176	(21.8)
	GHG-Int		Intensity	Direct and indirect	0.094	0.094	(5.1)	0.044	0.045	(26.8)	0.025	0.025	(47.8)	0.078	0.078	(34.3)	0.045	0.047	(29.1)	0.030	0.030	(0.9)	0.018	0.018	(13.2)	0.048	0.043	(40.1)	0.059	0.060	(21.0)
Water	Water-Abs, Water-Lfl	m ³ pa		Building operation	1,523,423	1,412,945	2.7	788,988	731,154	2.6	378,231	360,801	(3.8)	385,002	384,510	5.8	391,704	368,259	3.7	258,026	255,420	7.5	176,886	161,838	14.3	507,402	432,542	(4.2)	4,409,664	4,107,469	2.3
				Proportion of water obtained from other sources (%)	1.6%	1.7%	0.3	45.2%	48.8%	(2.5)	0.3%	0.3%	(84.5)	0.4%	0.4%	1,423.8	7.6%	8.0%	165.4	43.5%	44.0%	(10.2)	0.0%	0.0%		11.2%	13.1%	(13.2)	13.2%	14.2%	(2.3)
Water-Int	Intensity	Whole building	0.712	0.708	(0.3)	0.556	0.566	2.2	0.577	0.588	(2.9)	0.484	0.488	4.9	0.705	0.718	3.6	0.707	0.707	10.2	0.436	0.436	14.3	0.620	0.716	(0.3)	0.616	0.628	1.9		
Waste	Waste-Abs, Waste-Lfl	t pa		Building operation	21,555	20,912	(0.3)	12,361	11,289	0.4	7,004	6,764	(3.0)	3,731	3,627	(3.2)	8,087	7,603	(20.6)	3,962	3,960	14.3	3,168	3,057	(11.8)	11,786	9,079	(4.0)	71,653	66,293	(3.8)
				Proportion of waste diverted from landfill (%)	28.3%	27.4%	(3.8)	66.1%	64.3%	0.2	69.72%	70.72%	(0.8)	49.2%	48.2%	(0.8)	33.3%	34.2%	24.8	46.7%	46.7%	7.5	87.7%	87.6%	(9.4)	29.1%	22.9%	(4.8)	44.3%	43.3%	(0.7)
Certifications	Cert-Tot			Number of certified assets	19	15		3	2		18	18		24	23		16	12		14	5		31	29		125	104				
				Percentage of the portfolio's gross leasable area (%)	16.3%			5.6%			46.7%			81.6%			79.6%			0.0%				44.7%			43.4%			32.5%	36.0%

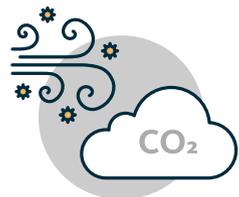
* Include Croatia, France, Italy, Russia, Serbia, Slovenia, UK

LfL energy intensity -8.8%



- Total LfL energy intensity decreased by almost 9% compared to 2022.
- There is a total decrease in LfL district heating and cooling as well as fuel consumption.
- Reductions in energy intensity were recorded mainly in Germany, Hungary, Romania and Austria and in Office segment.

LfL GHG emissions intensity -21%



- Reductions in GHG intensity were recorded in Office and Other retail segments.
- Strong reductions in GHG emission intensity were recorded especially in Hungary, Romania, Poland, and Germany.

LfL water consumption intensity +1.9%



- Reductions in water intensity were recorded in Hungary and the Czech Republic.
- Water intensity decreased in the Industry & Logistics, Shopping centres and Other retail segments.
- Water intensity increased in the office segment in Germany, Poland, Romania, Slovakia and Austria.
- As office upgrades and refits are completed, water consumption is predicted to come in line with targets.

LfL electricity from renewable sources +31.2%



- More assets commenced purchases of electricity from renewable sources in 2023, resulting in a significant increase compared to the previous year.
- The Group aims to increase this proportion more significantly in the future.

EPRA key environmental performance indicators for Farms and Ski resorts

EPRA Sustainability Performance Measures (Environment) – impact per segment					Farms			Ski resort		
Impact area	EPRA Code	Unit	Indicator		Absolute	Like-for-Like		Absolute	Like-for-Like	
					2023	2023	% YoY	2023	2023	% YoY
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Farm/Ski Resort operation	2,968	2,968	(12.3)	4,127	4,127	6.3
				Proportion of electricity from renewable sources (%)	62.3%	62.3%	8.2	85.2%	85.2%	80.7
	DH&C-Abs, DH&C-LfL		District heating and cooling	Farm/Ski Resort operation	32	32		0	0	
				Proportion of district heating and cooling from renewable sources (%)	0.0%	0.0%		0.0%	0.0%	
	Fuels-Abs, Fuels-LfL		Fuels	Farm/Ski Resort operation	12,881	11,326	(16.9)	5,478	5,478	(2.9)
				Proportion of fuels from renewable sources (%)	0.6%	0.6%	22.2	6.2%	6.2%	0.2
Energy-Int	kWh/(ha pa)	Intensity	Farm/Ski Resort operation	923.769	1,016.070	12.9	N/A	N/A	N/A	
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO ₂ eq pa	Direct	Fuels and Refrigerants	31,511	22,704	(26.5)	1,213.22	1,213.22	(2.1)
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	Elec; DH&C; generation, transm. and distrib.; water; waste; refrigerant refills	3,033	2,851	(8.9)	517.75	517.75	(42.6)
	GHG-Int	t CO ₂ eq p/(ha pa)	Intensity	Direct and indirect	2.009	1.822	1.5	N/A	N/A	
Water	Water-Abs, Water-LfL	m ³ pa		Farm/Ski Resort operation	88,715	86,915	(0.4)	550,787	550,787	(0.8)
				Proportion of water obtained from other sources (%)	63.4%	62.6%	(6.9)	99.1%	99.1%	(0.0)
	Water-Int	m ³ /(ha pa)	Intensity	Farm/Ski Resort operation	5.160	6.164	33.9	N/A	N/A	
Waste	Waste-Abs, Waste-LfL	t pa		Farm/Ski Resort operation	67,402	63,237	(4.5)	286	286	9.9
				Proportion of waste diverted from landfill (%)	99.5%	99.5%	(0.1)	99.0%	99.0%	0
Certifications	Cert-Tot			Number of certified farms	58	48		N/A	N/A	
				Percentage of the farm's total area (%)	91.6%	94.0%	2	N/A	N/A	

Third-party independent verification

CPIPG's GHG reporting has been verified by CI2 as complying with ISO 14064-1:2018 and the GHG Protocol.

This report is prepared in cooperation with and through advisory services provided by the University Centre for Energy Efficient Buildings ("UCEEB") of the Czech Technical University in Prague ("CTU").

Since 2019 the Group has been in cooperation with CI2, and from 2021 with its sister company CI3. The CI3 company focuses on issues related to the carbon footprint, its reporting, verification and setting targets to reduce it. CI3 is a regional partner for CDP reporting. Through the review process, CI3 advised on the compatibility with the GHG Protocol and ISO 14064-1:2018 and compatibility with CDP reporting standards.

CI2 acts as a third-party and monitors, reviews, and independently validates the Group's GHG disclosures and methodology used. As the result of this cooperation, CPIPG's GHG footprint was verified, confirmed according to the procedures defined in the ISO 14064 and GHG Protocol and awarded CI2 conformity certificate. Recommendations and guides were prepared and will be incorporated into subsequent environmental reporting.



E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

ESRS	Scope 1 GHG emissions	Unit	2023	2022	base year 2019
E1-6	Gross Scope 1 GHG emissions	t CO ₂ eq	45,690.61	51,719.83	7,441.19
Scope 1 GHG emissions					
E1-6	Gross Scope 2 GHG emissions (location-based)	t CO ₂ eq	95,164.86	111,823.45	99,214.13
E1-6	Gross Scope 2 GHG emissions (market-based)	t CO ₂ eq	86,497.98	108,351.78	101,948.65
Significant Scope 3 GHG emissions					
E1-6	Total gross indirect Scope 3 GHG emissions	t CO ₂ eq	470,454.26	566,488.79	376,326.55
E1-6	1. Purchased goods and services	t CO ₂ eq	53,490.95	55,225.21	38,519.88
E1-6	2. Capital goods	t CO ₂ eq	50,988.78	44,361.18	5,197.00
E1-6	3. Fuel and energy-related activities	t CO ₂ eq	251,682.40	338,045.64	198,133.22
E1-6	4. Upstream transportation and distribution	t CO ₂ eq	3,701.76	1,879.66	201.02
E1-6	5. Waste generated in operations	t CO ₂ eq	27,336.46	30,463.22	15,561.90
E1-6	6. Business traveling	t CO ₂ eq	190.20	880.63	89.73
E1-6	7. Employee commuting	t CO ₂ eq	1,683.49	2,159.00	2,133.90
E1-6	8. Upstream leased assets	t CO ₂ eq	4,972.27	5,677.92	1,489.20
E1-6	9. Downstream transportation	t CO ₂ eq	N/A	N/A	N/A
E1-6	10. Processing of sold products	t CO ₂ eq	N/A	N/A	N/A
E1-6	11. Use of sold products	t CO ₂ eq	1,050.84	1,346.00	377.63
E1-6	12. End-of-life treatment of sold products	t CO ₂ eq	N/A	N/A	N/A
E1-6	13. Downstream leased assets	t CO ₂ eq	22,823.59	26,041.00	54,270.85
E1-6	14. Franchises	t CO ₂ eq	N/A	N/A	N/A
E1-6	15. Investments	t CO ₂ eq	52,533.53	60,409.33	60,352.26
E1-6	Share of emissions calculated from primary data	%	N/A	N/A	N/A
Total GHG emissions					
E1-6	Total GHG emissions (location-based)	t CO ₂ eq	597,315.89	713,657.09	439,244.10
E1-6	Total GHG emissions (market-based)	t CO ₂ eq	602,642.86	726,560.40	505,716.39
GHG intensity					
		Unit	2023	2022	base year 2019
E1-6	Total GHG emissions (location-based) per net revenue	t CO ₂ eq/€ m	352.607	556.674	653.637
E1-6	Total GHG emissions (market-based) per net revenue	t CO ₂ eq/€ m	355.751	566.740	752.554
	Net revenue	€ m	1,694	1,282	672
	Total GHG emissions (location-based) per gross leasable area	t CO ₂ eq/m ²	0.092	0.105	0.127
	Total GHG emissions (market-based) per gross leasable area	t CO ₂ eq/m ²	0.093	0.107	0.146
	Total gross leasable area	m ²	6,462,000	6,784,000	3,456,000

GHG intensity target including recalculation

Year	2019	2022	2023	2030
	1	4	5	12
Target (t CO ₂ eq/m ²)	0.103	0.094	0.091	0.056
Actual performance (t CO ₂ eq /m ² pa)	0.103	0.083	0.073	
Performance vs. target (%)	0.0%	(11.7%)	(20.0%)	

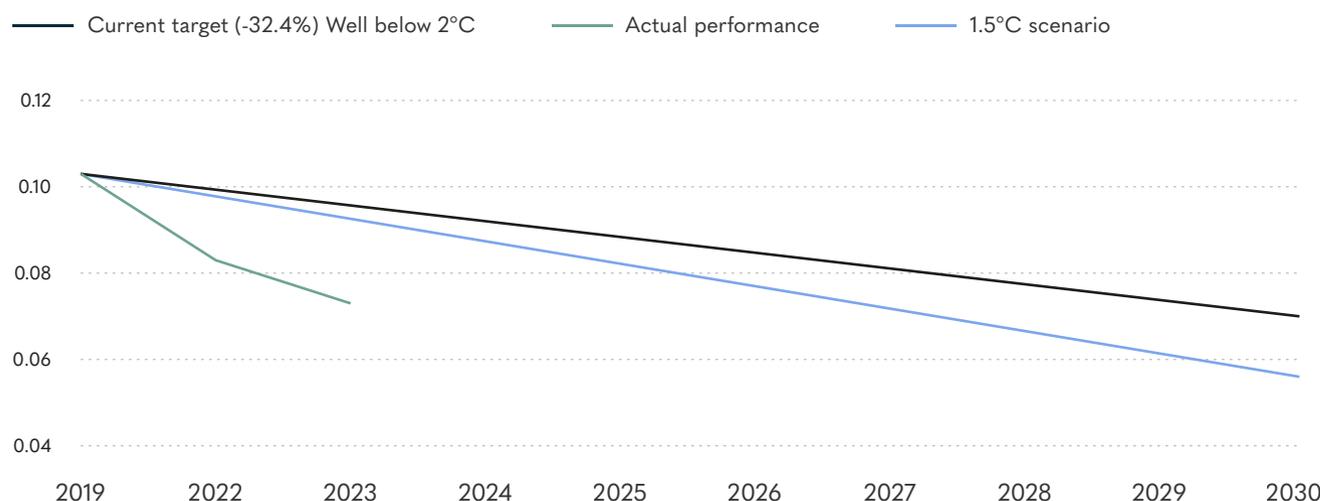
In 2023, total GHG intensity across the property portfolio outperformed the required 2023 target by 20%.

2023 GHG impact (division of GHG according to GHG Protocol)

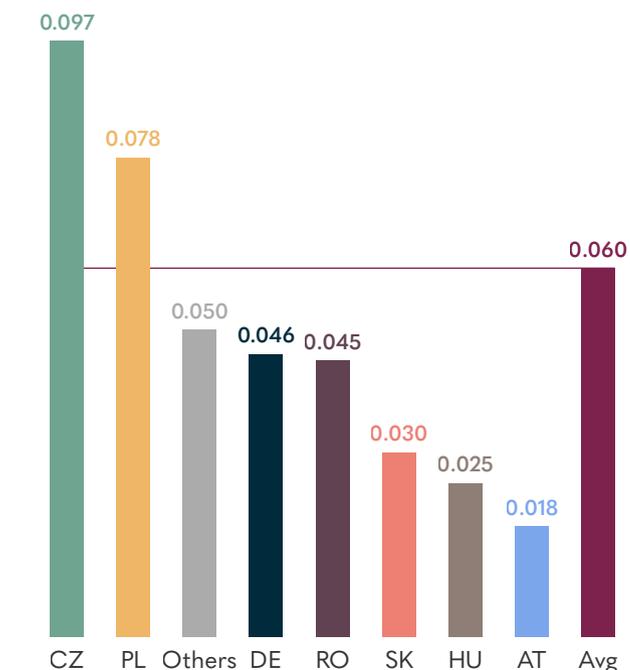
Scope	Property portfolio (including bioenergy)	Ski resorts	Farm	Others	Total	Total in %
t CO₂ eq pa						
					602,642.9	100%
1	41,718.6	1,213.2	2,758.8		45,690.6	7.6%
2	85,923.9	0.0	574.1		86,498.0	14.4%
3	298,773.2	517.8	31,211.4	139,951.9	470,454.3	78.1%
3.01 – Purchased goods and services	361.9	0.9	28,758.1	24,370.1	53,490.9	
3.02 – Capital goods				50,988.8	50,988.8	
3.03 – Fuel and energy related activities	247,056.0	399.9	883.1	3,343.5	251,682.4	
3.04 – Upstream transportation & distribution				3,701.8	3,701.8	
3.05 – Waste generated in operations	23,559.5	117.0	1,570.3	2,089.7	27,336.5	
3.06 – Business travel				190.2	190.2	
3.07 – Employee commuting				1,683.5	1,683.5	
3.08 – Upstream leased assets	4,972.3				4,972.3	
3.11 – Use of sold products				1,050.8	1,050.8	
3.13 – Downstream leased assets	22,823.6				22,823.6	
3.15 – Investments				52,533.5	52,533.5	

Note: GHG calculated with market-based emission factors

GHG intensity target through 2030 (t CO₂eq/m² p.a.)



2023 GHG emissions intensity across the portfolio (t CO₂eq/m² p.a.)



Others include: Croatia, France, Italy, Russia, Serbia, Slovenia, UK

The intensity target relates to the Group's property portfolio, excluding Farms and Ski resorts. The only category of scope 3 which is not included in the intensity calculation is 3.15 – Investments where we have limited control of operation. **The intensity is measured as total GHG emissions in tons of CO₂ equivalent divided by referenced GLA of the property portfolio in square meters, including the biogas power plant.** Previous years (base year 2019 and 2022) were recalculated at the beginning of 2024 in line with the CPIPG's GHG Recalculation policy from January 2022 publicly available at our webpage.

Energy

E1-5 Energy consumption and mix

ESRS	Energy consumption and mix (inside the organisation)	Unit	2023	2022
E1-5	(1) Fuel consumption from coal and coal products	MWh	194.57	317.79
E1-5	(2) Fuel consumption from crude oil and petroleum products	MWh	22,780.32	25,102.54
E1-5	(3) Fuel consumption from natural gas	MWh	166,349.48	176,554.38
E1-5	(4) Fuel consumption from other fossil sources	MWh	148.45	183.89
E1-5	(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	242,547.64	309,220.63
	(a) electricity	MWh	89,939.50	153,061.64
	(b) heat and cooling	MWh	152,608.14	156,158.98
E1-5	(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	MWh	432,020.46	511,379.23
E1-5	Share of fossil sources in total energy consumption	%	64.8	75.3
E1-5	(7) Consumption from nuclear sources	MWh	22,374.58	
E1-5	Share of consumption from nuclear sources in total energy consumption	%	3.4	
	Total non-renewable energy consumption outside the organisation (Scope 3.8, 3.13 and 3.14)	MWh	497,908.41	686,244.90

E1-5	(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	1,966.28	2,057.71
E1-5	(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	206,469.98	160,709.61
	(a) electricity	MWh	193,095.47	148,283.59
	(b) heat and cooling	MWh	13,374.52	12,426.02
E1-5	(10) Consumption of self-generated non-fuel renewable energy	MWh	3,622.73	4,810.27
E1-5	(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)	MWh	212,058.99	167,577.59
E1-5	Share of consumption from renewable sources in total energy consumption	%	31.8	24.7
	Total renewable energy consumption outside the organisation (Scope 3.8, 3.13 and 3.14)	MWh	275,234.84	245,203.80
E1-5	Total energy consumption (calculated as the sum of lines 6, 7 and 11)	MWh	666,454.03	678,956.82
	Total energy consumption inside and outside the organisation	MWh	1,439,597.28	1,610,405.52
E1-5	Self-generated non-renewable energy production	MWh	15,249.71	16,883.21
E1-5	Self-generated renewable energy production	MWh	11,716.22	10,659.92

	Energy intensity	Unit	2023	2022
E1-5	Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/€m	849.821	1,256.167
	Net revenue from activities in high climate impact sectors	€ m	1,694	1,282
	Total energy consumption inside the organisation per gross leasable area	MWh/m ²	0.103	0.100
	Total energy consumption outside the organisation per gross leasable area	MWh/m ²	0.120	0.137
	Total energy consumption per gross leasable area	MWh/m ²	0.223	0.237
	Total gross leasable area	m ²	6,462,000	6,784,000

Strategies for a seamless energy transition

The global energy situation is undergoing a notable transformation, with a shift towards cleaner and more sustainable sources of energy in place of traditional fossil fuels. This transition, driven by concerns such as climate change, energy security, and economic development, presents both opportunities and challenges for stakeholders within the real estate industry. Central to this transition is the focus on enhancing energy efficiency.

The Group’s approach to energy transition focuses on enhancing energy efficiency through a strategic combination of technological advancements, behavioral changes, and systemic improvements. This is particularly significant within the real estate sector.

Furthermore, advancements in innovation, such as emerging technologies and digital solutions, are reshaping the energy efficiency landscape. The integration of data analytics, artificial intelligence, and IoT has proven to be instrumental in optimising energy consumption and improving overall efficiency.

Implementing energy-efficient upgrades in our properties not only improves daily energy usage, but also prolongs the lifespan of our building systems and decreases the need for future capital expenditures. The initial cost of making these efficiency improvements is typically completely offset by the resulting energy savings, making it a financially sound decision.

Therefore, energy efficiency is, along with the utilisation of renewable sources essential for us in our transition towards sustainable energy practices.

Regular reviews of efficiency

The Group regularly reviews the operation of buildings to identify efficiency opportunities. Regular checks on consumption patterns take place throughout the portfolio, utilising the implemented energy management system in line with ISO 50001.

The Energy management system, according to ISO 50001, was successfully certified in Q2 2022 in the Czech Republic, and it is helpful for our continual improvement of energy efficiency and sustainability as well. Starting from 2022 we focused on the proper set up of all technologies. Future plans encompass automated evaluation of consumption based on different types of segments or year periods.

CPIPG also focuses on managing material resources, which relates to embodied emissions and the appropriate use of materials. For example, CapEx projects consider the possibilities of re-use of functional components from refurbishment in other buildings (i.e., boilers). In new developments, the quality aggregate replacement for recycled materials is considered. Life Cycle Assessment (Life Cycle Analysis “LCA”) allows us to measure the environmental impact of this approach.

Life Cycle Analysis (“LCA”)

Life cycle analysis aims to quantify environmental aspects and potential impacts associated with buildings at all the stages of their life cycle and can compare variants in terms of these impacts. In addition, LCA is, together with Life Cycle Cost Analysis (“LCCA”), an important part of the process to identify solutions that meet environmental and economic targets.

For that reason, and in accordance with the Group Policy, LCCA are conducted with external consultants for new real estate projects over 10,000 m² or new real estate projects that would be subject to assessment in sustainability certification schemes (BREEAM, LEED). For other CapEx and development projects, the simplified LCCA is carried out in-house.

During 2022, the LCA for a few ongoing development projects was carried out with the support of external consultants in the Czech portfolio. The outputs were important for quantifying our material efficiency approach in new developments. In 2023, we continued by evaluating other studies as part of the INDICATE project, in which we were active in methodology development and we participated with some of our buildings as a samples.

The international INDICATE project is currently working on developing case studies to gather comprehensive data on the carbon footprint of buildings throughout their entire life cycle. As part of this project, the goal in the Czech Republic is to create 50 sample case studies for calculating the Global Warming Potential (GWP) of typical buildings. The findings from the INDICATE project will be utilized to establish initial benchmarks for the Whole Life Carbon (WLC) of buildings throughout their life cycle. This information will be required for all buildings in the Czech Republic starting in 2027, in accordance with the updated version of the European Performance of Buildings Directive (EPBD).

The implementation of low or zero-carbon technologies

The importance of developing our own low-carbon energy sources is an urgent matter that we must address. By reducing the environmental impact of our energy consumption, we not only protect our planet for future generations, but also strive for self-sufficiency and resilience against dwindling resources.

The Group produced 11.72 MWh of renewable energy and saved 6,186 t CO2 equivalent of carbon emissions in 2023. We continually increase our renewable energy purchases.

Compared to the previous year, there was an increase of nearly 10% in total renewable electricity production.

GSG Solar Berlin is the largest producer of solar energy in Berlin, owning 45,000 m² of photovoltaic (PV) area (25,360 solar modules, 6.2 MWp output). Annual production of renewable energy amounted to 4,562 MWh, representing a savings of 1,451 t CO2eq in 2023. Spojené

farmy acquired a renewable energy plant of biogas with a power output of 600 kWp and annual production of 5,149 MWh, which represents a savings of 4,019 t CO2 eq in 2023. Surplus green electricity of 4,275 MWh was sold to the grid, and heat is utilised on the farm.

Renewable electricity production is also present within the retail segment of portfolio in Austria, Hungary, Romania and newly Serbia and Czech Republic with an annual production of 2,005.4 MWh, representing a savings of 716.3 t CO2 eq in 2023.

Green electricity purchases through green electricity contracts, utilising Guarantees of Origin, increased in 2023. For example, green electricity is used for all common spaces in the Hungarian and German portfolios.

Green transportation

Our properties cater to clean modes of transport

The Group supports green mobility by actively promoting bike transportation, access to public transport and proximity to key amenities and clean modes of individual transportation. Cycling is supported at the CPIPG’s properties with bike racks fitted as standard. Sport facilities providing necessary facilities (i.e., showers, lockers, and restrooms) are available at most office buildings to encourage bicycle commuting among our tenants and employees.

E-vehicle charging points significantly increased by 156% in 2023

At the end of 2023, across the CPIPG portfolio, the electric vehicle charging infrastructure in the portfolio comprised of 906 charging points, primarily located in the office and retail segment. This represents more than a doubling of the infrastructure compared to the previous period, with a total installed charging capacity of 266.57 MW.

Retail segment including shopping centres and retail warehouse are an essential segment for the improvement of electromobility and E-vehicle charging, particularly for fast charging, because of public access and an increasing amount of locations. In 2023 the increase in charging points from 44 to 323 within this sector further highlights its importance in supporting the adoption of electric vehicles.

All the charging points are properly measured to allow future evaluation of the electricity consumption. We aim to supply the electricity for the charging process completely with zero-emission electricity.

Electromobility infrastructure across the portfolio

Building type	% of buildings equipped with charging points	Number of charging points	Installed charging capacity (kW)
Office	30.3%	566	254,957.5
Shopping centres	47.5%	108	4,962.0
Retail	19.3%	215	6,448.0
Hotels	13.8%	17	207.0
Total	24.7%	906	266,574.5

Use of resources

Water

Water is one of the most important resources, while water stress, as an imbalance between water demand and its availability, is the most common climate risk based on the assessment. CPIPG is aware of this, and for that reason, the Group's target for reducing the specific consumption of the freshwater sourced from municipal grids and water sourced on-site was set up – 10% reduction in water intensity of property portfolio by year 2030 versus 2019 baseline.



Low-flow fixtures, ZET.office, Brno

The Group reports municipal water consumption separately from water sourced on-site (extraction or capture) and water reuse. Building in operations represents the largest source of water consumption in the portfolio, representing 87.3%, from which 86.8% is water sourced from the grid and 10.6% is water sourced on-site.

In 2023, total water intensity across the entire portfolio underperformed the required 2023 target by 4%. The increase was mainly in the office segment as the office life in Europe returned to the pre-pandemic levels and thus the water intensity reached almost the same levels as in year 2019.

Water intensity target through 2030 including recalculation (m³/m² pa)

Year	2019	2022	2023	2030
	1	4	5	12
Target (m ³ /m ² pa)	0.625	0.608	0.602	0.563
Actual performance (m ³ /m ² pa)	0.625	0.617	0.626	
Performance vs. target (%)		(1.6%)	(4%)	

The intensity target relates to the Group's property portfolio, excluding Farms and Ski resorts.

E3-4 Water consumption

ESRS	Unit	2023	2022
E3-4 Total water consumption	m ³	4,934,721.83	5,033,674.09
E3-4 Total water consumption in areas at material water risk	m ³	N/A	N/A
E3-4 Total water reused and recycled	m ³	0.00	0.00
E3-4 Total water stored	m ³	112,849.13	117,449.07
E3-4 Share of water consumption derived from direct measurement	%	25.3	14.3
Water intensity		2023	2022
E3-4 Total water consumption per net revenue	m ³ /€ m	2,913.059	3,926.423
Net revenue	€ m	1,694	1,282
Total water consumption per gross leasable area	m ³ /m ²	0.764	0.742
Total gross leasable area	m ²	6,462,000	6,784,000

Biodiversity

Biodiversity plays an important role in various areas of life. It is highly regarded for its contributions to human needs, such as food, fuel, shelter, and medicine), in addition to its natural worth. But due to human activity, including habitat destruction and fragmentation, unsustainable resource management, the introduction of non-native species, pollution, and the effects of global climate change, we are experiencing significant biodiversity loss, which is of critical concern.

For our Group biodiversity is an area that is being reviewed in cooperation with experts, especially for assets located in urban zones with high density buildings, where there is limited potential for improving ecological value.

An accredited ecologist is typically part of the design team for new developments, and green features are also considered during refurbishment as they naturally improve the working environment. The Group constantly reviews integrations of green solutions such as green roofs, walls and facades, or blue-green infrastructure, because these are beneficial for biodiversity, as well as for decreasing the impacts of heat stress in thy cities.



Rooftop bee hives, Eurocentrum, Warsaw

Sustainable agriculture

The Group's agricultural activities under Spojené farmy a.s. consist of 57 organic farms mostly located in North and West Bohemia, in the Czech Republic. Our farmers have been producing sustainable and healthy organic food since 1996. The Group breeds cattle, chickens, and sheep according to sustainable farming practices.

Our sustainable farming practices ensure a positive relationship with animals, soil, plants and nature, the production of natural and healthy foods, an improvement of groundwater quality, and the protection of biodiversity, ecosystems, and the environment.

We actively use soil remediation or organic soil fertility measures to sustain optimal crop yields. A key part of our animal husbandry production is active herd health management so we sustain the reproduction and health of our cattle.

Total organic pasture and arable land (agro-enviro-climate-bio-diversity)	16,414 ha
Pesticide Consumption	0 kg pa
Industrial Fertilizer Consumption	0 t pa
Veterinary Antimicrobials Consumption	71,070 ml pa
Livestock dairy cattle	207
Livestock other cattle	8,183
Livestock poultry	22,534
Organic meat produced	293 t pa
Organic crop production grassland	74,351 t pa
Feed self – sufficiency	92.98%

The entire organic production chain (cultivation, breeding, storage, processing and packaging) – is strictly controlled according to the Act on Organic Farming No. 242/2000 Coll., that complies with strict international requirements and Commission Regulation No. 889/2008 laying down implementing rules to Council Regulation (EC) No 834/2007 on organic production and labelling of organic products. The labelling of organic food is independently controlled by KEZ ops. The authenticity of organic food is guaranteed by a certificate and a trademark for products from controlled organic farming.

Waste

The Group is increasing its focus on waste management

All CPIPG assets fully comply with local legislation and allow waste separation into streams relevant to building operation, recycling and occupant needs beyond local legal requirements.

According to the guidelines of the European Sustainability Reporting Standards (ESRS), key figure tables and performance indicators related to waste have been included. This allows on path to circular economy the Group to better track and monitor all waste disposal activities and focus on our goal to elimination of waste sent to landfill wherever possible. Our approach is to find the solutions like using the composters for biodegradable waste wherever they are appropriate, to reduce the share of waste sent to landfill and increase our recycling rate.

The reduction of total waste is a parallel path to consider. In 2023, the total amount of generated waste decreased compared to 2022.

E5-5 Resource outflows – Waste

ESRS	Unit	2023	2022
E5-5 Total waste generated	t	139,346.20	143,373.70
E5-5 Total hazardous waste generated	t	1,268.64	873.66
E5-5 Total radioactive waste generated	t	0.00	0.00
E5-5 Total non-hazardous waste generated	t	138,059.56	142,500.04
E5-5 Total non-hazardous waste recovery	t	89,966.06	92,252.02
E5-5 Preparation for reuse	t	51,944.97	48,944.80
E5-5 Recycling	t	28,400.10	42,839.41
E5-5 Other recovery operations	t	9,621.00	467.82
E5-5 Total non-hazardous waste disposal	t	48,093.50	50,248.02
E5-5 Total incineration	t	7,502.69	7,357.73
incineration with energy recovery	t	6,597.98	6,356.58
incineration without energy recovery	t	904.71	1,001.15
E5-5 Landfilling	t	38,953.85	40,996.87
E5-5 Other disposal operations	t	1,636.96	1,893.42
E5-5 Total non-recycled waste	t	49,380.14	51,121.68
E5-5 Share of non-recycled waste of total waste generated	%	35.4	35.7

Health and safety, environmental risks & pollution

Environmental criteria represent important aspects of the Group's development and construction projects. Before each potential investment, the Group examines the environmental opportunities and risks. Project timing, progress, and budgets are carefully monitored, mostly with the support of external project monitoring advisors. Health, safety, and environmental risks are monitored before and during construction. Health and safety, as well as technical and security installations, are periodically inspected for conformity with relevant local legislation and regulations.

Fines for environmental breaches

In 2023, the Group was not subject to any fines relating to environmental damage.

EU Taxonomy

The EU Taxonomy is a green classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. It recognises as 'environmentally sustainable' economic activities that make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of the other objectives and meeting minimum social safeguards.

In accordance with the EU Taxonomy Regulation and based on Annex I and Annex II of the supplementary delegated act on the climate targets of the EU Taxonomy and by using the EU Taxonomy Compass, the Group has identified all activities that are deemed eligible for EU Taxonomy based on their descriptions.

- 2.1 – Hotels, holiday, camping grounds and similar accommodation
- 4.1 – Electricity generation using solar photovoltaic technology
- 4.8 – Electricity generation from bioenergy
- 7.7 – Acquisition and ownership of buildings

The economic activities 4.1 – Electricity generation using solar photovoltaic technology and 4.8 – Electricity generation from bioenergy are currently not taxonomy-aligned. As a result, they are only categorized as taxonomy-eligible. Farms, ski resorts, and landbank are considered as Taxonomy non-eligible activities.

With regard to the technical screening criteria relevant to the economic activity 7.7 – Acquisition and ownership of buildings under the environmental goal Climate change mitigation, the buildings of the Group were checked individually for the date of the application for a construction permit and the existence of a valid Class A energy performance certificate, if possible based on the primary

energy efficiency. Czech buildings were analysed on the basis of a corresponding study to determine whether they belong to the top 15% of the national building stock in terms of energy efficiency in operation. If so, this replaced the requirement for a class A energy performance certificate, with the remaining criteria also having to be met.

If a class A energy performance certificate is available and the building is a non-residential building, the nominal capacity of the HVAC systems (heating, ventilation, air conditioning, refrigeration) was recorded and, if the threshold value of 290 kW was exceeded, the efficient operation within the meaning of the EU Taxonomy was verified. The properties in the Czech Republic are covered by certified Energy management system according to ISO 50 001.

In addition, a comprehensive Climate risk assessment of the Group's portfolio was conducted in early 2024 using Representative Concentration Pathways (RCP) including RCP2.6, RCP4.5, RCP6.0, and RCP8.5 to prevent any significant negative impacts.

The Group fundamentally ensures the minimum safeguards required by the EU Taxonomy. The topics of human rights, anti-corruption, taxes and fair competition are covered by organisational policies, processes and grievance mechanisms and employees' training on an annual basis. CPIPG is not involved in the manufacture or sale of controversial weapons.

In total for the year 2023, the Group has identified 77 buildings that currently meet the criteria according to the economic activity 7.7 – Acquisition and ownership of buildings. Turnover, CapEx and OpEx are always considered taxonomy-aligned if the taxonomy-eligible proportions of turnover, CapEx and OpEx are attributable to the buildings classified as taxonomy-aligned.

Turnover (2023)

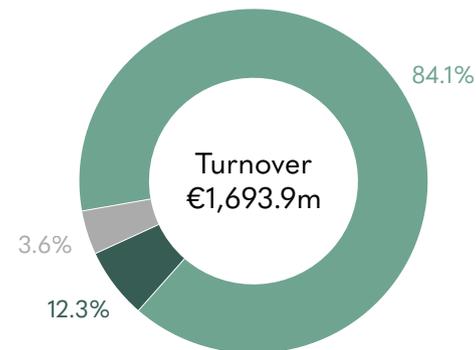
In accordance with the Delegated Act on Art. 8 of the EU Taxonomy, the turnover KPI is based on the consolidated turnover of the Group and relates primarily to gross rental income and service charge charged to tenants. The numerator of the revenue KPI is based on the taxonomy-aligned proportion of the relevant economic activity with reference to making a substantial contribution to the environmental objectives.

Economic activities	Code(s)	Turnover	Proportion of Turnover year 2023	Substantial contribution criteria						DNSH criteria						Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or eligible (A.2), turnover, year 2022	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water	Pollution	Circular economy	Biodiversity				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM7.7 / CCA7.7	151.390	8.9%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	7.4%	
Hotels, holiday, camping grounds and similar accommodation	CCM7.7 / CCA7.7 / BIO2.1	56.639	3.3%	Y	N	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	Y	Y		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		208.029	12.3%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	7.4%	
of which enabling		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y		E
of which transitional		0.0%	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	Y		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM7.7 / CCA7.7	1,228.235	72.5%	EL	EL	N/EL	N/EL	N/EL	N/EL									88.0%	
Hotels, holiday, camping grounds and similar accommodation	CCM7.7 / CCA7.7 / BIO2.1	191.380	11.3%	EL	EL	N/EL	N/EL	N/EL	EL										
Electricity generation using solar photovoltaic technology	CCM 4.1	1.357	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%	
Electricity generation from bioenergy	CCM 4.8	4.399	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,425.371	84.1%	84.1%	0.0%	0.0%	0.0%	0.0%	0.0%									88.2%	
Turnover of Taxonomy eligible activities (A.1 + A.2)		1,633.400	96.4%	96.4%	0.0%	0.0%	0.0%	0.0%	0.0%									95.6%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		60.497	3.6%																
Total		1,693.896	100%																

	Proportion of turnover/ Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	12.3%	96.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

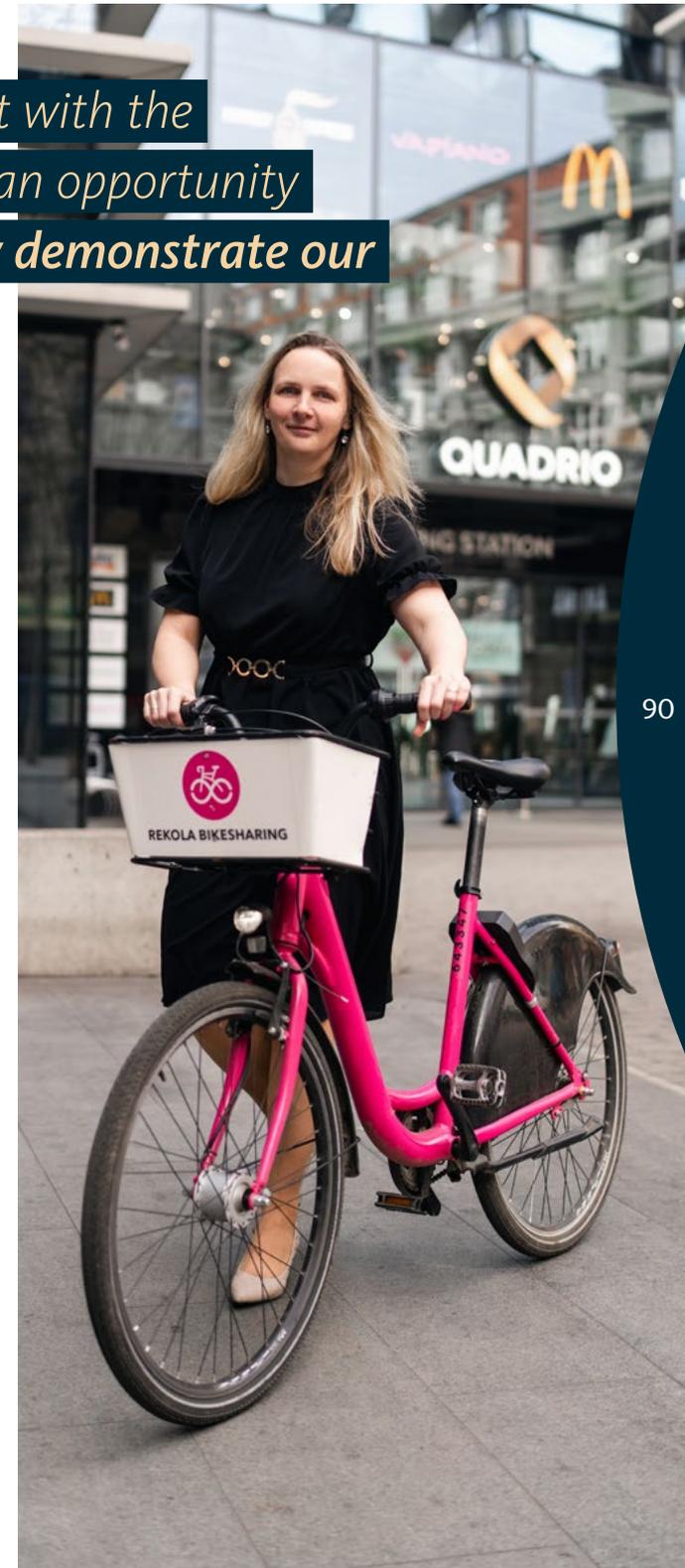
2023 Turnover KPI

Eligible non-aligned Eligible aligned Non-eligible



“Reporting in alignment with the EU Taxonomy presents an opportunity for us to quantitatively demonstrate our sustainable projects.”

Jitka Kubová, Sustainability Manager



CapEx (2023)

The key performance indicator capital expenditure (CapEx) is defined as the proportion of taxonomy-aligned capital expenditures (numerator) divided by the Group's total capital expenditures (denominator).

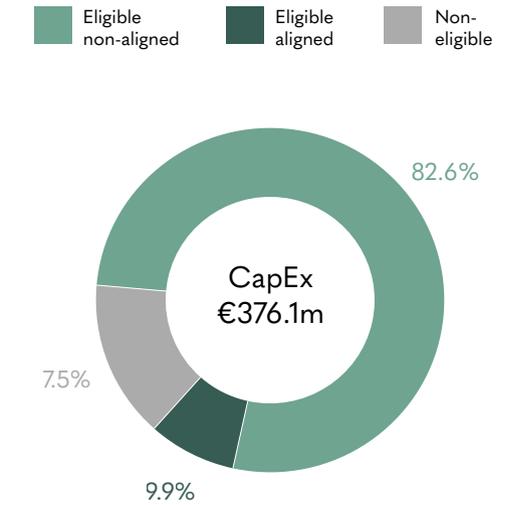
The denominator comprises the Group's additions (CapEx, development costs) to investment property, property, plant and equipment, inventories and other parts of the Group's property portfolio in accordance with paragraph 1.1.2. of Annex 1 of the Disclosures Delegated Act of 6 July 2021 (Ref Commission Delegated Regulation (EU) 2021/2178).

The numerator includes capital expenditures related to assets that are associated with taxonomy-aligned proportions of economic activity. The Group considered capital expenditures that are material to maintaining and performing the economic activity. The principle of allocation here is the generation of external revenues through the relevant economic activities.

Economic activities	Code(s)	CapEx	Proportion of CapEx year 2023	Substantial contribution criteria						DNSH criteria						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, year 2022	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water	Pollution	Circular economy	Biodiversity				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM7.7 / CCA7.7	35.495	9.4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10.6%		
Hotels, holiday, camping grounds and similar accommodation	CCM7.7 / CCA7.7 / BIO2.1	1.761	0.5%	Y	N	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	Y			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		37.256	9.9%	9.9%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	10.6%		
of which enabling		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
of which transitional		0.0%	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y		T	
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM7.7 / CCA7.7	302.784	80.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								73.3%		
Hotels, holiday, camping grounds and similar accommodation	CCM7.7 / CCA7.7 / BIO2.1	7.483	2.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation using solar photovoltaic technology	CCM 4.1	0.000	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from bioenergy	CCM 4.8	0.266	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		310.533	82.6%	82.6%	0.0%	0.0%	0.0%	0.0%	0.0%								73.3%		
CapEx of Taxonomy eligible activities (A.1 + A.2)		347.789	92.5%	92.5%	0.0%	0.0%	0.0%	0.0%	0.0%								83.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		28.330	7.5%																
Total		376.119	100%																

Proportion of CapEx/ Total CapEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	9.9%	92.5%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

2023 CapEx KPI



OpEx (2023)

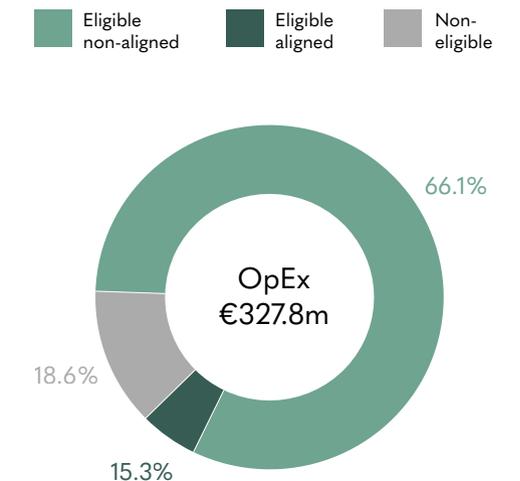
The key performance indicator operating expenditure (OpEx) is defined as the proportion of taxonomy-aligned operating expenditures (numerator) divided by total operating expenditures (denominator). The classification of the operating expenditures can be derived analogously from the categories of capital expenditures.

Total operating expenditures consist of non-capitalised costs associated with operating the property portfolio. These include building maintenance and repairs, real estate tax, utilities, insurance, facility management and other property related services.

Economic activities	Code(s)	OpEx	Proportion of OpEx year 2023	Substantial contribution criteria						DNSH criteria						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, year 2022	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water	Pollution	Circular economy	Biodiversity				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM7.7 / CCA7.7	15.283	4.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.6%		
Hotels, holiday, camping grounds and similar accommodation	CCM7.7 / CCA7.7 / BIO2.1	34.828	10.6%	Y	N	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	Y			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		50.111	15.3%	15.3%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	6.6%		
of which enabling		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
of which transitional		0.0%	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y		T	
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM7.7 / CCA7.7	139.462	42.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								79.7%		
Hotels, holiday, camping grounds and similar accommodation	CCM7.7 / CCA7.7 / BIO2.1	72.327	22.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation using solar photovoltaic technology	CCM 4.1	1.290	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from bioenergy	CCM 4.8	3.665	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		216.744	66.1%	66.1%	0.0%	0.0%	0.0%	0.0%	0.0%								79.7%		
OpEx of Taxonomy eligible activities (A.1 + A.2)		266.855	81.4%	81.4%	0.0%	0.0%	0.0%	0.0%	0.0%								83.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		60.939	18.6%																
Total		327.794	100%																

Proportion of OpEx/ Total OpEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	15.3%	81.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

2023 OpEx KPI



The calculations were performed in accordance with IFRS in line with the consolidated financial statement.

Social sustainability

Change of reporting standard

In alignment with the **ESRS (European Single Reporting Standard)**, our social reporting this year adheres precisely to the prescribed guidelines. Notably, we diligently disclose the necessary information outlined by the social section directive. Beyond mere compliance, our commitment extends to several key areas consolidated within the social domain. The main EU requirements include:

Gender diversity in senior management

CPIPG has set a clear goal to fill at least **33% of senior management positions with women**. This commitment reflects our dedication to fostering diversity and empowering talented women to lead.

Employee development and training

Recognising the pivotal role of continuous learning, CPIPG pledges to provide each employee with a minimum of 8 hours of training annually. Investing in our workforce ensures growth, enhances skills, and contributes to overall organisational excellence.

Moreover, due to the heightened information requirements stipulated by the directive, we are intensifying our focus on our own workforce. From this year onwards, we will focus even more intensively on enhancing the growth of our employees' capabilities and fostering a positive and efficient work environment.

Methodology for calculation

The majority of calculations are conducted based on the number of employees as of 31 December 2023. Any instances where an annual pool is used will be clearly indicated. **The calculation unit used is head count (HC).** In certain Member States, individuals can legally register as a third gender, often identified as 'other'. In our data collection process, we have included an 'other' category

to accommodate this option. However, this option is not included in the consolidated tables as all countries have reported data based on female to male ratios.

In some cases, certain segments have been excluded from disclosures due to data unavailability. Any such instances will be highlighted in each respective section.

Policies related to own workforce

The Group is committed to creating an inclusive environment that values diversity and promotes professionalism among all individuals, regardless of differences. The Group aims to create a world where everyone has equal opportunities and representation, regardless of background. **The Human Capital and Employment Relationships Policy highlights the importance of human capital and positive working relationships in the Group's success.** It sets out core principles for how candidates and Representatives are treated, universally applicable regardless of the nature of their relationship. **In addition, the Code of Business Ethics and Conduct demonstrates the company's dedication to maintaining a safe and respectful work environment.** It emphasises investing in employee education and ensuring fair compensation. The policy enforces a zero-tolerance approach to breaches, with consequences ranging from warnings to termination of employment. Furthermore, the company complies with workplace health and safety regulations and strives to support a healthy work-life balance for its employees. These integral internal guidelines are supported by the Diversity and Non-Discrimination Policy, the Work Rules, and the Risk Management document.

Characteristics of employees

As of the end of 2023, the Group employed 4,023 employees, with a distribution of 48% male and 52% female across primarily European markets.

Number of employees by gender

Male	1,928
Female	2,095
Total employees	4,023

The largest number of employees is in the Czech Republic, where CPIPG is headquartered, followed by Hungary and Austria, the respective headquarters of S IMMO and IMMOFINANZ. Poland also has a notable number of employees, with an additional presence in Germany and other countries. The majority of employees hold permanent contracts; however, a significant portion of staff is employed in hotels and ski resorts, sectors known for seasonal employment. This diversification within our workforce contributes to our organisational flexibility.

Number of employees by country

Czech Republic ¹	1,656
Slovakia ²	99
Austria ²	442
Germany ³	183
Hungary ²	579
Poland ²	274
Romania ³	42
Others ⁴	748

¹ Incorporates: core business, hotels, farms

² Incorporates: core business, hotels

³ Incorporates: core business

⁴ Incorporates regions: Croatia, Italy, Serbia, Luxemburg, Russia, Switzerland – core business, hotels, ski resort

Employees by contract type and gender*

	Male	Female	Total
Permanent	1,274	1,465	2,739
Temporary	376	351	727
Non-guaranteed hours	172	304	476
Full-time	1,546	1,595	3,141
Part-time	98	214	312
Total number of employees	1,657	1,826	3,483

* Exclusions apply: Marriot Hotels (Austria, Hungary)

In 2023, the overall employee turnover rate within our core business operations stood at 19.30%. The numerical data remains unimpacted by the fluctuating seasonality of our hotel and ski resort operations, as these factors have been deliberately omitted from consideration. Nonetheless, adjustments were made to account for the migration of

personnel from S IMMO and IMMOFINANZ to CPIPG subsidiaries in several European countries during the initial quarter of the calendar year. The resultant operational modifications have consequently influenced our annual turnover metrics.

Employee turnover by gender*

	Departures	Hires	Rate**
Male	116	136	17.11%
Female	174	206	21.15%
Total number	290	342	19.30%

* Exclusions apply: entire hotel portfolio, farms, ski resort

** Rate of fluctuation, the number of departures (HC) on annual average

Methodology for employee characteristics

Calculations are performed based on headcount as of 31 December 2023. The data is not extrapolated from the entire reporting period as seasonal workers within the Group's portfolio, such as those employed in hotels and ski resorts, may impact the results. Any changes in hiring and departures are accounted for across the entire reporting period. Note that data from Marriott Hotels in Hungary and Austria was not available for inclusion in the report.



“Women hold 37.9% of senior management positions.”

Agnesa Mračková, Junior Sustainability Manager

Characteristics of non-employees

The percentage of non-employees in our own workforce stood at 1.6% (55 individuals) by the conclusion of 2023. Among this group, 51% were categorized as self-employed people, while 49% were people provided by undertakings primarily engaged in “employment activities”. Self-employed people were notably present in the Czech Republic, Italy, and Hungary, whereas the second group was predominantly found in the Swiss ski resort sector.

Collective bargaining coverage and social dialogue

We recognise and respect all legitimate rights of employees, including participation in trade unions. **Although the Group operates in a preferably European market, both the representation in social dialogue and the conditions influenced by collective agreements vary.** The percentage of the total number of employees covered by collective agreements is 12%. In markets such as the Czech Republic, Austria, Switzerland and Hungary, employee representation surpasses the threshold of 10%. It is worth noting that the social dialogue and collective bargaining coverage data does not encompass information from Marriot hotels located in Hungary and Austria, as it is currently unavailable.

Collective bargaining coverage

The percentage of employees covered by collective bargaining agreements **12%**

Within the EEA, in the countries Czech Republic and Hungary, both coverage by collective agreements and social dialogue account for 0%. In Switzerland, collective agreement coverage is 29%, with the highest percentage of collective agreement coverage in Austria at 100%. Within Austria, corporate culture includes professional interaction with employee representatives without any favouritism or disadvantage. The company maintains an open relationship with the works council based on a foundation of trust and conducts a constructive and collaborative dialogue with this body to achieve a fair balance of interests.

Diversity metrics

The Group’s paramount goal is to promote and preserve a great place to build career, where the diversity comes together. We aspire to build a better world for all of us — inside and outside of the Group. A world with equal voice, equal opportunities and equal representation for all of us regardless of our background.

The company has established a goal to consistently raise the representation of women in leadership roles, with a commitment to surpassing a 33% threshold of women in leadership positions. **As of December 31, 2023, the percentage of employees in Top management was 10.5% of the total workforce, with women holding 37.9%** of all Top management positions.

Breakdown of employees in Top Management*

	Number	Rate
<i>breakdown by gender</i>		
Male	71	62.1%
Female	47	37.9%
<i>breakdown by age</i>		
Under 30 years old	0	0.0%
30-50 years old	86	72.9%
Over 50 years old	32	27.1%
Total	118	10.5%

* Exclusions apply: Marriot Hotels (Austria, Hungary)

In 2023, the workforce displayed a diverse age distribution, with 24.2% of employees under 30 years old, 56.6% between 30 and 50 years old, and 19.2% aged 50 or older. This variety in age groups allows for the exchange of knowledge and experience, contributing to a cohesive and dynamic work environment that will endure over time.

Adequate wages

All employees within the group receive adequate pay in all countries covered by our operations. The minimum wage rate is set in compliance with Directive (EU) 2022/2041 of the European Parliament and of the Council* on adequate minimum wages in the European Union, considering that

85% of the countries included in our coverage are members of the European Economic Area (EEA). Wage levels for individuals from non-EEA or non-European Union countries are determined based on applicable national laws and regulations.

* Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (OJ L 275, 25.10.2022, p. 33)

Remuneration metrics

We operate a market-oriented remuneration scheme that provides generous remuneration to our Representatives and drives results. To attract and also maintain best talent, the Group strives to provide employees with competitive wages and other employment-related benefits, while trying to ensure observance of the equal pay for equal work rule. Remuneration is determined based on position and professional background, including a base salary and potentially variable components based on job responsibilities.

The Group has standardised its employee categorisation across all subsidiaries to improve the accuracy of gender demographic reporting. The categories include:

- Top Management: Non-Board C-Level, Country Managers
- Middle Management: Department Heads
- Entry-Level Management: Team Leads, Staff Unit Leads
- Non-Management Employees: All other

Gender pay gap and remuneration ratio*

	Gender pay gap	Ratio
Top-Management level	18.8%	1.76
Middle Management level	10.1%	1.46
Entry-Level Management level	6.3%	1.78
Non-Management level	14.3%	2.19
Total	13.5%	2.09

* Exclusions apply: Marriot Hotels (Austria, Hungary)

In the 2023 reporting year, we conducted a comprehensive analysis of the gender pay gap across all segments of our organisation for the first time. This analysis was conducted

at the level of each employee group in accordance with ESRB guidelines, i.e. the difference between the average level of gross hourly pay of male and female employees to the average level of gross hourly pay of male employees. **The current discrepancy in pay between genders stands at 13.5%. Our analysis indicates that structural factors are primarily responsible for this pay gap.** Moving forward, we are committed to conducting an annual analysis of the gender pay gap and implementing strategies to reduce it throughout the organisation gradually.

Social protection

Regarding social protection, it is imperative to highlight that in all the countries wherein the Group conducts business, comprehensive coverage is extended to all employees in accordance with regulatory requirements of disclosure. This encompasses a range of social security measures facilitated by either governmental programs or corporate benefits tailored to meet various circumstances, including loss of income due to sickness, loss of income due to unemployment starting from when own worker is working for the undertaking, loss of income due to employment injury and acquired disability, loss of income due to parental leave as well as loss of income due to retirement.

Persons with disabilities

The inclusiveness of the working environment and the creation of equal opportunities in the workplace is also taken into account in the disclosure of the number of persons with disabilities. As of the end of 2023, the Group employed 1.4% of employees with disabilities, showing a significant increase of nearly 56% from the previous year. This upward trend indicates a commitment to promoting inclusivity and providing opportunities for individuals facing challenges. The European Parliament advocated for the establishment of an all-encompassing societal framework that safeguards the rights of individuals with disabilities while actively working towards the eradication of discrimination.

Gender breakdown of disabled employees

Male	41.5%
Female	58.5%

* Exclusions apply: Marriot Hotels (Austria, Hungary)

Training and skills development metrics

The Group prioritises the ongoing professional development of its employees and actively promotes this through training and education opportunities. Neglecting to provide adequate training and support can result in decreased employee satisfaction, productivity, and retention, as well as hinder their ability to meet evolving challenges within their roles. As part of the Group’s ESG strategy, a goal has been established to ensure that all employees participate in a minimum of eight hours of continuing education annually. In 2023, employees, on average, completed 10.18 hours of training and continuing education. There was a discrepancy in the average number of training hours between male and female employees, with males receiving an average of 8.62 hours and females receiving an average of 11.46 hours.

Training hours completed*

Male	8.62
Female	11.46
Average training hours per employee	10.18

* Exclusions apply: Marriot Hotels (Austria, Hungary), Hotels in Croatia

During the evaluation of training requirements, a combination of mandatory and optional training was taken into account. Optional training options may encompass language courses with an extended duration and eligibility for inclusion in employee benefits. Required Group-specific training is individually tailored by each company within the Group and generally covers the following topics:

- Occupational safety training for employees
- IT and data security
- GDPR – Personal data protection
- Code of conduct and group internal regulations
- Fire protection
- Group Sustainability

Optional training is tailored to employees’ job descriptions and the specific business segment within the Group.

The Group’s work culture focuses on developing

representatives both professionally and personally. Managers are encouraged to delegate responsibility and provide regular feedback, with development interviews conducted annually, with an overall level of 67% in 2023. Hotels, farms, and ski resorts impact calculated metrics but lower the percentage due to operational differences.

The percentage of employees that participated in career development reviews*

breakdown by gender	
Male	63%
Female	70%
breakdown by employee category	
Top Management	61%
Middle Management	74%
Entry-Level Management	70%
Non-Management Employees	66%
Total	67%

* Exclusions apply: Marriot Hotels (Austria, Hungary), Hotels in Croatia and Poland.

Health and safety metrics

CPIPG prioritises the safety and well-being of its employees by ensuring that all workplaces comply with European Union and national health and safety regulations. We strive to eliminate or minimize any potential risks to employee health. While there are no roles within the company that pose a high risk of specific diseases, we acknowledge that occupational safety issues may still exist within our supply chain. We hold our suppliers and subcontractors to the same high standards of health and safety in order to mitigate any related risks. Within our Group, 94% of our workforce is covered by the undertaking’s health and safety management system based on legal requirements, as well as 49% of non-employees are covered. In 2023, the Group reported a total of 35 recordable work-related accidents, which resulted in minor injuries or illnesses. Additionally, there were 26 recordable work-related accidents involving more serious injuries or cases of work-related ill health, as specified by legal regulations. Fortunately, no fatalities occurred as a result of work-related

incidents, including high-consequence injuries.

Health & safety metrics employees and non-employees*

Percentage of employees who are covered by the undertaking’s health and safety management system based on legal requirements and/or recognised standards or guidelines	Total
Employees	94%
Non-employees	49%
Number of recordable work-related accidents without any serious consequences	
Employees	29
Non-employees	6
Number of recordable work-related accidents	
Employees	26
Non-employees	0
Rate of recordable work-related accidents for own workforce	
Employees	0.7%
Non-employees	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	
Employees	731
Non-employees	0
Number of cases of recordable workrelated ill health, subject to legal restrictions on the collection of data	
Employees	1
Non-employees	0

* Exclusions apply: Marriot hotels (Austria, Hungary)

Work-life balance metrics

The organisation is dedicated to promoting a positive work-life balance as a fundamental aspect in enhancing employee motivation, dedication, and performance. Furthermore, a strong work-life balance plays a significant role in fostering equal opportunities within the company.

During the reporting period (as of period 1 January –31 December 2023), 11.7% of employees were eligible for family-

related leave. The entitlement rate for male employees was 7%, while female employees had a higher entitlement rate of 16%. Only a small percentage, specifically 5.3% of our employee population, utilised family-related leave. It is worth noting that male employees had a utilisation rate of only 0.4%, while female employees had a significantly higher rate of 9.8% in utilising family-related leave. It should be noted that eligibility for parental leave is subject to legal regulations that vary by country. Nevertheless, addressing the negative stigmas surrounding male participation in parental leave can contribute to diminishing discrepancies.

Incidents, complaints and severe human rights impacts

The Group upholds a strong commitment to promoting equality and inclusivity, prohibiting any form of discrimination based on ethnic origin or nationality, language, social background, age, gender, gender identity, sexual orientation, religion, political beliefs, disabilities, or any other status. Additionally, the Group strictly prohibits acts of sexual harassment, discrimination, hatred, or propaganda promoting violence. Furthermore, the Group actively safeguards the rights of ethnic, religious, and linguistic minority groups, while respecting the freedom of thought, conscience, and religion for all individuals. Accordingly, the Group is committed to enforcing this Diversity and Non-Discrimination Policy at all levels in order to create an environment of respect for and appreciation of individual differences that will be free from direct or indirect discrimination, harassment, retaliation and/or sexual assault. The Group operates in regions that are all ILO members and respects all ILO conventions (including ILO 111 Convention) and recommendations and the Group fully complies with them.

Across various categories, including discrimination based on gender, racial or national origin, sexual orientation, and sexual harassment, there were no reported incidents during the reporting period 2023. It is important to note that no formal complaints were registered in relation to the incidents mentioned. As a result, no monetary penalties or compensatory measures were required for any of the incidents.

Social impact

We, as a Group, in collaboration with our esteemed long-standing partners, we have extended our support to numerous commendable projects in the year 2023. Our endeavors in the realm of social impact encompass a diverse array of assistance avenues, facilitated through our partnerships, charitable contributions, and donations to a variety of NGOs, foundations, educational institutions, orphanages, and sports organizations. Investing in our core values, we have directed our support towards those in dire need of our aid. In light of the ongoing conflict in Ukraine, we remain steadfast in our commitment to backing initiatives aimed at aiding displaced individuals from the region.

We would like to emphasise a few examples:

Empowering career choices for children

In 2023, CPI Poland provided financial support in the amount of €18,537 to the Katalyst Education Foundation and actively promoted the Foundation’s activities within all of our office buildings in Poland. The Foundation is dedicated to assisting children, parents, and teachers in making informed career choices by offering resources such as job exploration and educational videos. The Katalyst Education Foundation also showcased our company logo on their website and collaborated with us to host two career-focused interviews featuring our employees, a workshop, and an online meeting. These events were tailored for the benefit of our tenants and employees, with the central theme being “Guiding Our Children Towards Successful Career Paths”.

S IMMO AG empowers hope and stability through charitable initiatives across Europe

S IMMO AG has once again demonstrated its commitment to supporting various charitable projects by Caritas across Austria, Hungary, Romania, and Bulgaria. These initiatives focus on providing young individuals with opportunities for a promising future and ensuring those in need have access to stable housing, all under the central theme of “giving shelter.” Specifically, our contributions have helped fund

the “Our House” community centre in Hungary, which aids economically disadvantaged children and youth from the Roma minority community, who often face challenges such as poverty and lack of employment opportunities. We have also provided support to a family children’s home in Stremt, Romania, as well as four homes of hope for young individuals in Alba Iulia, Romania, and a centre in the Bulgarian village of Pokrovan, which has been deeply impacted by high levels of emigration, resulting in many residents experiencing isolation and financial strain.

100 mattresses transform lives at “Sremčica”



CPI Serbia made a generous donation of €10,000 to the Institution for Youth with Special Needs “Sremčica” in the form of 100 mattresses from our tenant, JYSK. This donation greatly assisted the centre in its daily activities and contributed to the development of the youth in its care.

Bringing comfort to children and medical heroes

CPI Hotels has once again joined forces with the Kryštůfek Foundation. Kryštůfek is an endearing plush doll designed to alleviate anxiety and fears in children. Whether during transport by ambulance, helicopter or within the emergency room at hospitals, Kryštůfek provides comfort. Importantly,

this initiative also supports the well-being of rescuers, doctors, and medical staff. We take immense pride in our commitment to this project. Through our collaboration with the Kryštůfek Foundation, we aim to enhance the hospital experience for children and facilitate the crucial work of medical professionals.

CPI Czech Republic supports Dobrý Anděl Foundation

In CPI Czech Republic, we proudly endorse the Dobrý Anděl Foundation, which provides assistance to families facing challenging circumstances due to illness. Eligible recipients include dependent children or parents caring for at least one dependent child. The foundation’s primary objective is to offer consistent monthly financial support to families of patients. In total, the financial assistance provided has reached €39,614.

CPI Hungary joins forces for heartwarming Christmasshoe-Boxes campaign

In Hungary, there is a large-scale project organised by The Hungarian Baptist Aid known as the Christmas “Shoe-boxes” campaign, in which CPI Hungary participates annually. The aim of the programme is to provide Christmas surprises to as many children in need as possible during the Advent period. In a display of unity and compassion, the Pólus Shopping Centre, Courtyard by Marriott Budapest / Mamaison Andrassy Budapest, Campona, and CPI Hungary headquarters have come together to create a heartwarming total of 980 Christmas shoeboxes for children in need.

Granting Christmas wishes

For years, a heartwarming alliance has blossomed in the Czech Republic. The bond between our portfolio’s shopping centres and our media partners in the Christmas Wish Tree Project is a beacon of hope and love. In 2023, that bond grew stronger as we joined forces in 4 shopping centres (Citypark Jihlava, Futurum Hradec Králové, Futurum Kolín) to make a difference in the lives of countless children. Together, we supported over 37 orphanages and granted

Christmas wishes to more than 680 children. This project exemplifies the strength of teamwork and empathy. It serves as a reminder of the remarkable outcomes that can be achieved through collective effort and cooperation.



In 2023, we continued our commitment to assisting Ukrainian defectors. Our efforts included the following impactful projects:



CPI Poland opens “Free Ukraina Store” to aid Ukrainian relocates amid conflict

CPI Poland established a “Free Ukraina Store” at the Rembertów City Market shopping centre, where individuals from Ukraine could access essential items following their relocation to Poland amidst the ongoing conflict. We donated a substantial amount of supplies to this store, both as a company and through contributions from our employees.

CPI Hotels and “Chance 4 Children” aid Ukrainian refugees in Vladimir House

Additionally, CPI Hotels in the Czech Republic collaborated with the organisation “Chance 4 Children” to launch a project aimed at gathering warm clothing and school supplies for Ukrainian refugees residing in our accommodation facility, Vladimir House. This effort demonstrated our commitment to assisting those displaced by the conflict and providing them with much-needed support during this challenging time.

Igniting change

Boosting community cleanliness and sustainability



The CPI Hotels Hungary team became part of the TeSzedd waste collection and recycling initiative. Through active participation, they enhanced community cleanliness and sustainability while also forging stronger bonds within the team. Observing the impact of their collective effort served as a wellspring of inspiration. They hold pride in their contribution to this vital cause and eagerly anticipate ongoing involvement. Together, they strive to shape a brighter future for themselves and the planet.

CPI Hotels in Prague plant 300 trees in a day

Our colleagues from Prague hotels joined for a day immersed in nature, guided by experts who shared knowledge about the forest and engaged us in hands-on activities, such as measuring trees. Together, as a part of the volunteering, they successfully planted 300 coniferous trees, thanks to the support and coordination provided by the organization Nadace Dřevo pro život.

300 wholesome lunch portions delivered to those in need

In a delightful culinary collaboration, the Courtyard by Marriott Budapest and Mamaison Andrásy Budapest joined forces with Radisson Blu Béke, Budapest (Danubius

Hotels). Guided by the culinary maestros, Chefs Zoltán Tóth and Robert Meliš (from CPI Hotels), and with the invaluable assistance of our General Manager, Gerg Franciscy, the team at HotelHero Hungary orchestrated a symphony of generosity. Together, they prepared a feast – 300 portions of wholesome lunch. As the sun graced Klauzál Square on Sunday, the Heti Betevő crew stepped forward, their hearts brimming with compassion. They delivered these nourishing meals to those in need.



CPI Romania joins global movement for a cleaner world

CPI Romania has also organised and participated in various volunteer initiatives. For instance, The CPI Romania team actively participated in the ‘Let’s Do It, Romania!’ movement—a vital part of the global initiative known as ‘Let’s Do It World!’ This massive civic movement spans over 190 countries and unites millions of volunteers, all committed to creating a cleaner world.”

Myhive Offices and CPI Hungary unite for life-saving blood donations

This year, we were thrilled to host volunteer blood donation events at our Myhive offices in Austria and Romania, as well as at shopping centers in CPI Hungary. It was a wonderful opportunity for our communities to come together and make a difference by donating blood.

Unleashing the power of circular projects

CPI Hotels in Brno donate books to retired dogs’ home

Our colleagues at CPI Hotels in Brno have continued also this year a lovely tradition of collecting old books to donate to Smečka z Knihánkova, a special home for retired dogs. The owner of the home sells the books at a bazaar to raise funds for the dogs’ care. It is a heartwarming way to give back to our furry friends in need and to give a second life to books that are no longer needed.

CPI Hotels in Czech Republic transforms bed linens into cozy dog beds

When our CPI Hotels in Czech Republic customers’ bed linens reached the end of their journey, we faced a delightful challenge: how to give them a second life? The answer? Dog beds! We joined forces with the protected workshop DobroDílo s.r.o. and within a few days about 100 warm beds were sewn for our four-legged friends. The bedding was distributed to selected dog shelters across the Czech Republic, such as Depozitum Beruška. Besides, we offered and donated other usable bedspreads to various social facilities across the country. Thanks to the contacts from DobroDílo, we were able to distribute joy among the needy.



CPIPG’s approach to corporate governance

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

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

CPIPG has implemented industry best practices with respect to corporate governance policies and external reporting. In 2019, the Group approved the “Code of Business Ethics and Conduct of CPI Property Group” (the “**Code of Ethics**”) and also newly updated policies governing procurement, supplier and tenants’ conduct, anti-bribery and corruption, anti-money laundering, sanctions and export controls, whistleblowing, human capital and employment and corporate social responsibility (CSR). In 2022, the Group adopted a new group policy governing anti-trust compliance.

In 2023, the Group began a comprehensive periodical review of its policies to ensure a continuous update and improvement in the area of regulatory and corporate compliance. The Group is also revising its whistle-blowing directives at local levels in alignment with the delayed transpositions of the EU Whistleblower Directive into local laws, ensuring robust mechanisms for reporting and addressing concerns of the Group’s stakeholders. Additionally, the Group updated its Code of Conduct for Suppliers to reinforce the Group’s commitment to ascertain responsible business practices throughout its supply chain. Furthermore, the Group initiated a programme to implement the new EU NIS2 Directive requirements. These efforts underscore the Group’s dedication to fostering a culture of integrity, accountability, and compliance across all facets of its operations.

The X Principles

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

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

I. Corporate Governance Framework

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

II. The Board of Directors’ Remit

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

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

III. Composition of the Board of Directors and Committees

The Board is composed of highly experienced and qualified real estate and finance professionals with an excellent track record and thorough knowledge of the Group and its business. During 2020 the composition of the Board of Directors changed, and independence was further enhanced. In December 2020, two non-executive directors representing shareholders resigned and a new independent non-executive director was co-opted. Further, in December 2021, a new non-executive director representing shareholder Apollo was elected. As at 31 December 2023, the Board of Directors was composed of three executive directors, two non-executive directors, and three independent non-executive directors.

	Independence	Previous public C-suite experience	Previous public company board experience	Industry expertise	Financial expertise	Real estate operations experience	International experience
Edward Hughes	●			●	●	●	●
David Greenbaum		●	●	●	●	●	●
Jonathan Lewis	●			●			●
Philippe Magistretti				●	●	●	●
Tomáš Salajka		●	●	●	●	●	●
Omar Sattar	●		●	●	●	●	●
Oliver Schlink				●	●	●	
Tim Scoble		●	●	●	●	●	●
Total	38%	38%	50%	100%	88%	88%	88%

The Board has established the following committees: (i) Audit Committee, (ii) Remuneration Committee, (iii) Investment Committee, and (iv) Environmental, Social and Governance (“ESG”) Committee. The members of the Audit Committee and the Remuneration Committee are independent. The Investment Committee is composed of two executive members and two independent members. The ESG Committee is presided by an independent member, however given its specific role, the majority comprises of executive members.



Audit Committee

Chair: Edward Hughes
Members: 3

The current composition of the Committee is fully independent and ensures the proper mix of audit, accounting and real estate experience

Key Responsibilities

- Reviews the Company’s accounting policies and the communication of financial information
- Reviews and enhances the Group’s reporting procedures by business lines
- Reviews risks factors and risk control procedures



Remuneration, Nomination, and Related Party Transaction Committee

Chair: Edward Hughes
Members: 3

The current composition of the Committee is fully independent

Key Responsibilities

- Presents proposals to the Board concerning remuneration, nomination, and incentive programs
- Also reviews related party transactions prior to Board’s approval



Investment Committee

No Chair
Members: 4

This special Committee is composed of two executive members and two independent members

Key Responsibilities

- At the end of 2020, the Board created this committee to help operatively with investment decisions
- Advise the Board concerning investment, acquisitions / disposals and transactional matters



ESG Committee

Chair: Omar Sattar
Members: 5

The Committee is presided by an independent member, but the majority comprises of executive members

Key Responsibilities

- Responsible for the supervision, oversight and active promotion of ESG principles across the Group
- Also deals with green financing, and compliance matters for the Group

IV. Appointment of Members of the Board of Directors

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

V. Professional Ethics

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

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

VI. Executive Management

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

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

VII. Remuneration Policy

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

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

VIII. Financial Reporting, Internal Control and Risk Management

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

IX. Sustainability

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

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

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

X. Shareholders

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



Warsaw Spire, Poland

Board of Directors

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

Appointment of Directors

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

Powers of the Board of Directors

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

Deliberations

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

Delegation of Powers

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

Current Board of Directors

The current Board members were appointed during the Company's annual general meeting held on 31 May 2023. Their term expires at the annual general meeting of 2024 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2023.

As at 31 December 2023, the Board of Directors consists of the following members:

David Greenbaum (1977), executive member. CEO & Managing Director.

Edward Hughes (1966), independent, non-executive member. Chairman of the Board of Directors.

Jonathan Lewis (1955), independent, non-executive member.

Philippe Magistretti (1956), non-executive member.

Tomáš Salajka (1975), executive member. Director of Acquisitions, Asset Management & Sales, Managing Director.

Omar Sattar (1971), independent, non-executive member.

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

Tim Scoble (1957), non-executive member, representing shareholder Apollo.

Board of Directors meetings in 2023

In 2023, the Board of Directors held a total of 20 meetings, out of which four were quarterly meetings, and sixteen were ad-hoc board meetings, dealing with transactions and ongoing business matters of the Group. The average participation rate during the meetings of the Board of Directors was 99%, of which 94.3% represented personal attendance, 4.4% represented through proxies, and 1.3% was absent.

Independence

The Group is committed to continual enhancements to board transparency and independence. In 2019, the Board proposed to the Company's annual general meeting a second independent board member, Omar Sattar, a former managing director of Colliers International in the Czech Republic and a long-time CEE real estate specialist. Omar has been appointed to the Audit Committee and the Remuneration Committee and in 2020 he became the president of the ESG Committee. These committees are comprised of independent and non-executive members, whereas the majority is independent. In December 2020, the Board of Directors co-opted a third independent non-executive Board member, Jonathan Lewis. Jonathan became a member of the Remuneration Committee. Further, in December 2021, the Board of Directors welcomed a fourth non-executive Board member acting as Apollo's representative, Tim Scoble.

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

impair the independence of the director's judgment.

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

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

Audit Committee

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

As at 31 December 2023, the Audit Committee is comprised of the following members:

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

Following the appointment Omar Sattar in 2019 as the new independent, non-executive member of the Board of Directors, the Board agreed to appoint Omar to the Audit Committee. **This appointment further strengthened the composition of the Audit Committee and the number of independent members.** In the first quarter of 2020, the Board appointed Zdeněk Havelka to the Audit Committee. Zdeněk supervises the internal audit process across the Group, so his appointment directly includes internal audit matters within the scope of the Audit Committee. During the Audit Committee meeting held on 29 August 2023, Mr. Havelka resigned from his role with the Audit Committee in order to facilitate the full independence of the Audit Committee. The internal audit role supervision will be procured by direct reporting of the Group Internal Auditor towards the Audit Committee. The current composition of the Audit Committee is fully independent and ensures the proper mix of audit, accounting and real estate experience.

During 2023, the Audit Committee discussed primarily the ongoing review of the Group's financial statements: review of the Annual Management Report and consolidated financial statements for the year ended 31 December 2022 and the interim financial statements. Furthermore, the Audit Committee remained focused on the Group's financing and capital structure, with certain key financial and credit metrics being outside the financial policy. The Audit Committee also considered the impact of rising inflation and interest rates on the Group's operations and valuations.

Lastly, the Audit Committee dealt with external and internal audit matters. In 2023, the Audit Committee held six meetings with three absences.

Andrassy-Palace, Budapest, Hungary





“ESG matters are always at the forefront of the Group’s considerations.”

Omar Sattar, Chairman of the ESG Committee

ESG Committee

In early 2019, CPIPG’s Board of Directors created the CSR Committee (which has since been renamed to the ESG Committee) focusing on the supervision of sustainability strategy, social and environmental risks management, corporate social responsibility, green financing, and compliance matters for the Group.

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

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

- (a) active use and promotion of energy efficiency and energy savings in line with current strategies and objectives;
- (b) consideration of the life cycle implications at all stages of investments and planning;
- (c) optimisation of usage of natural and other resources in order to benefit from efficient and responsible use, minimize waste, prevent pollution and promote reusing and recycling of raw materials;

- (d) active promotion and encouragement of environmentally friendly conduct both internally and externally;
- (e) increase of the share of the renewable energy sources in all Group’s operations, such as equipping existing assets with solar panels;
- (f) high-standard performance, including green LEED/BREEAM certifications, as well as other relevant external certifications, where possible;
- (g) strengthened commitment to electro-mobility, development of biking infrastructure, ensuring proximity to public transport and access to amenities, and support of the concept of smart cities;
- (h) increase of the share of green buildings in the Group’s portfolio in line with the current strategy and seek to apply real estate life cycle assessment on new projects;
- (i) application of innovative approaches in the Group’s undertakings, including green roofs and net zero buildings; and setting verifiable and measurable goals in pursuit of improvement of the ESG performance.

In relation to the Group’s corporate social responsibility, the ESG Committee monitors and enhances:

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

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

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

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

As at 31 December 2023, the ESG Committee is comprised of the following members:

- **David Greenbaum**, executive member;
- **Petra Hajná**, Group Sustainability Officer;
- **Martin Matula**, General Counsel;
- **Tomáš Salajka**, executive member; and
- **Omar Sattar**, independent, non-executive member, Chairman of the ESG Committee.

In 2023, the ESG Committee held three meetings.

In March 2023, the ESG Committee approved the implementation of the Energy Management System (EnMS) according to ISO 50 001 in Slovakia, and including IMMOFINANZ’s and S IMMO’s properties in the Czech Republic in the existing EnMS.

In August 2023, the ESG Committee and Board of Directors approved the revised ESG strategies and goals that are aligned across the Group and its subsidiaries. Further in November 2023, the ESG committee approved the update of its environmental target in line with the 1.5°C commitment for Scope 1 & 2, and is awaiting validation on its revised target from SBTi during Q2/2024. Moreover, updated rules valid for the Group and its subsidiaries such as updated Code of Conduct for Suppliers, Environmental Impact Reporting Directive, and LCA Policy were approved by the ESG Committee during year 2023.

Remuneration, Nomination, and Related Party Transaction Committee

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

The Remuneration Committee also deals with related party transactions. Any related party transaction must be presented to the Remuneration Committee prior to the submission for approval by the Board of Directors. Where the related party transaction involves a director, that director must not take part in the deliberations and approval by the Board of Directors.

As at 31 December 2023, the Remuneration Committee is comprised of the following members:

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

All members of the Remuneration Committee are independent.

During 2023, the Remuneration Committee held three meetings.

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

Investment Committee

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

As at 31 December 2023, the Investment Committee is comprised of the following members:

- **Edward Hughes**, independent, non-executive member.
- **David Greenbaum**, executive member.
- **Tomáš Salajka**, executive member.
- **Omar Sattar**, independent, non-executive member.

During 2023, the Investment Committee held two meetings.

Shareholding of Board members and senior management in CPIPG

As at 31 December 2023, certain members of the Board of Directors and senior management held in aggregate 30,526,902 CPIPG shares.

Involvement of stakeholders

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

Towards Customers

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

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

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

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

Towards Business Partners

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

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

Towards Employees

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

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

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

Towards Shareholders and Investors

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

Towards Public Authorities and Regulators

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

Towards Communities and Society as a Whole

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

GSG-HOF Geneststraße, Berlin, Germany *photo: © Thomas Rosenthal*



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

The Group's Key Principles of Stakeholders' Involvement:

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

The Code of Ethics explains our core values

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

It is our policy to comply with the applicable laws of each country where we operate. Our Representatives* shall be aware of applicable laws that impact our business, comply therewith and refrain from any activity which is unethical, illegal or would endanger the safety of others. Our Representatives shall also ensure that their actions cannot be interpreted as being, in any way, in violation of applicable laws. The Group will not condone any activity of any Representative who achieves results through violation of applicable law or through non-ethical business dealings.

Conflicts of Interest

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

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

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

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

Whistle-blowing

We expect our Representatives, as well as shareholders, investors, customers and other business partners and stakeholders to speak out if they have any concerns about breaches of applicable laws, the Code of Ethics, the Group's internal rules or any other illegal or unethical matters.

The Group has set up an Ethics Line to ensure full compliance with the EU Whistleblower Directive (the "Ethics Line"). The Ethics Line is a confidential, 24-hours-a-day, 365-days-a-year service, which is operated by an independent

provider. The Ethics Line is available to all Representatives, as well as to the business partners, who wish to report any concern. Anyone using the Ethics Line can remain anonymous, except where specifically imposed by local law. No person making a report will be subject to discrimination or adverse treatment by virtue of making that report.

The Group aims to encourage all Representatives to speak out, if they have concerns on possible improprieties of any kind or risk of the improper conduct, including, but not limited to:

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

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

The Group is dedicated to continually enhance its whistle-blowing procedure, offering extensive protection to whistle-blowers and conduct thorough investigations into the reported concerns. Additionally, due to delayed transposition of the EU Whistleblower Directive into local legislations, the Group is systematically working on updating its whistle-blowing system across all jurisdictions to ensure its alignment with respective local laws. This secures not only compliance with local legislations but also reinforces the Group's commitment to promoting open communication and responsible conduct towards its stakeholders.

Prohibition of Corruption, Bribery and Fraud

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

- Offer, make, promise or authorise the transfer of anything of value to a public official (or his/her family member) to obtain or retain a business advantage or to influence any decision by such official in his/her official capacity, unless authorised by applicable laws;

- Offer, make, promise or authorise the transfer of anything of value to any private person or entity to improperly influence that person in the legitimate performance of his/her expected duties and obligations; and
- Accept or receive anything of value from any person, where such a thing is offered, promised or given with the intention of improperly influencing that Representative to obtain or retain business for the Group or secure an improper business advantage.

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

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

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

- It is provided with good intentions and for legitimate business purposes;
- It is consistent with good business practices and ethical standards;
- It is permitted by applicable laws and the Group's internal rules;
- It is permitted by the counterparty's own business policies;
- It is of value not exceeding normal business practices, not in the form of cash payment and cannot be interpreted as a bribe or reward;
- There is no expectation that such special treatment will follow;
- It does not create an appearance of impropriety;
- Potential publicising the information on providing such gift, service or special treatment of any kind would not be detrimental to the Group's reputation; and
- Providing such gift, service or special treatment of any kind was approved within the Group, if required.

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

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

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

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

Anti-Money Laundering and Counter-Terrorism Financing

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

Prohibition of Securities Fraud and Insider Trading

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

In particular, our Representatives may have access to material information that is not public and that would be likely to have a significant effect on the price of those instruments, if it were made public. As we comply with applicable laws on prohibition of securities fraud and insider trading, neither the Group, nor its Representatives may trade in the shares or other securities of any company in question, either directly or through another person, as long as such information has not been made public, and may not disclose such information, other than in the normal course of business.

In addition, within the Group any inside information shall only be disseminated to other Representatives on a need-to-know basis, such as a business purpose, and each Representative shall exercise care to keep such information secure from unnecessary or unintended disclosure, including disposal of documents containing such information.

International Sanctions and Export Controls

A number of countries have adopted laws regulating the import and export of goods, services, software and technology. Failure to comply with foreign

economic and trade sanctions, export controls, embargoes and international boycotts of any type may constitute a crime and the sanctions for non-compliance can include fines and imprisonment. An entity that does not comply may also be denied the right to participate in foreign trade with the state whose laws were breached.

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

Participation in Public Procurement and Public Tenders

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

Prohibition of Cartels and Anti-Competitive Practices

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

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

Protection of Intellectual Property

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

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

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

Group or the Representatives.

Additionally, software purchases on behalf of the Group are permitted only with the appropriate approval granted within the Group, and any software shall be installed only by employees designated by the Information Technology department of the Group or through processes and resources dedicated by the Information Technology department of the Group. In the majority of cases, computer software is licensed to the Group by the software developer, thus such software and related documentation is not owned by the Group. Unless authorised by the software developer, neither the Group, nor any Representative have the right to reproduce or copy the software or related documentation.

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

Protection of Confidential Information

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

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

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

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

Protection of Personal Data

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

We collect and retain personal data only to the minimum extent and for proper purposes as required by applicable laws and the Group's operational requirements. We also take all necessary or appropriate steps and measures to comply with applicable laws to safeguard and fairly process personal data, to maintain the confidentiality of personal data and prevent any accidental destruction, alteration, modification, loss, misuse, unlawful use or processing of, or unauthorised access to, personal data.

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

Use of Group's Assets

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

Use of Agents

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

Responsible procurement policy

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

The main principles in relation to procurement within the Group are the following:

Legality: The procurement and procurement processes shall be conducted in accordance with applicable laws and the Group's internal rules.

Non-Discrimination: The procurement and procurement processes shall be conducted in a non-discriminatory manner, and all current and potential suppliers shall be treated equally and without any special preference. The suppliers may be placed upon the black list for material reasons only.

Transparency: The procurement and procurement processes shall be conducted in a transparent manner. All relevant processes, qualifications, evaluations and communications shall be conducted in a way which does not raise doubts about proper selection of the most suitable supplier for the Group. The relevant documentation must be properly archived to allow subsequent reconstruction of each procurement process.

Cost-Efficiency: The purpose of the procurement shall be to optimise value-for-money, i.e., to determine which supplier can provide the Group with the life cycle best price, quality and added value.

Binding Nature: The procurement policy or the principles relating to the procurement and procurement processes, as the case may be, shall not be circumvented. The Representatives are prohibited to split or manipulate any relevant documents (including orders or invoices) or in any other way distort the processes prescribed herein in order to avoid application of procurement policy or the principles relating to the procurement and procurement processes, as the case may be.

Confidentiality: The Representatives are prohibited to provide any third party with information related to specific terms and conditions, especially prices, under which the Group procures or intends to procure goods or services from its suppliers or potential suppliers.

CPIPG expects suppliers and business partners to meet the same ethical, social and environmental standards as the Group. Relationships with business partners are governed by the Group's suppliers' and tenants' codes of conduct and the procurement policy. Compliance with these policies is monitored through on-site visits and periodic reviews of suppliers. The Group reserves the right to exclude suppliers from new projects if breaches of policy are identified. The Code of Conduct for Suppliers was updated in 2023, in particular to reinforce the Group's commitment to responsible business practices throughout its supply chain.

Ensuring business ethics

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

The Group's essential tenet is to comply with applicable laws, industry standards and best practices. Therefore, we obey applicable laws, both in letter and in spirit, and continually review and implement industry standards and best practices, including those relating to Corporate Governance and Compliance. This approach ensures that our internal procedures and rules comprise all pivotal pillars of Corporate Governance and Compliance, including environmental issues, conduct of employees, suppliers and tenants, sanctions and export controls, whistle-blowing, procurement, data and information protection, conflict of interests, as well as prevention of insider trading, bribery, corruption, fraud, money laundering, terrorist financing and anti-competitive practices. The Group also endorses principles of the UN Global Compact.

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

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

Political Involvement, Lobbying and Public Policy

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

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

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

Protecting Our Reputation

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

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

Rules for Gifts and Hospitality

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

Rules for Charity and Sponsorship

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

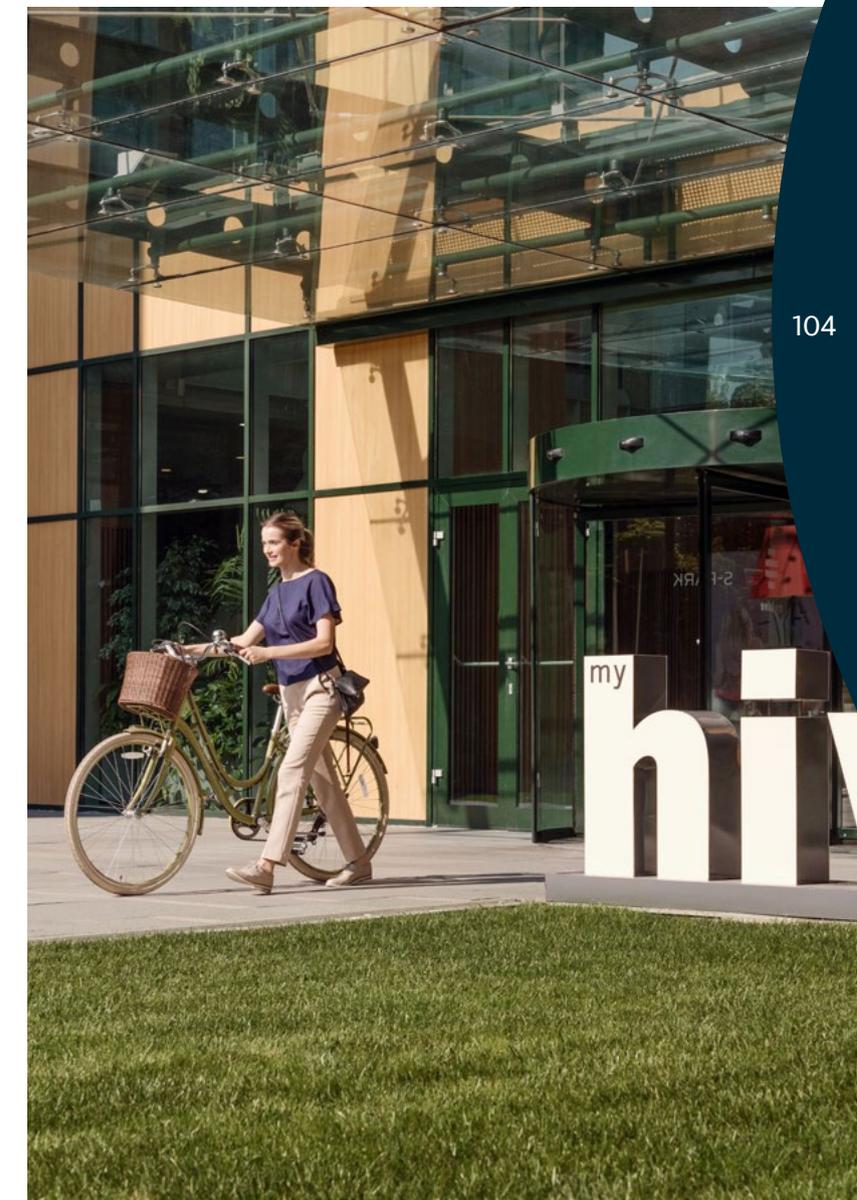
Diversity and Non-Discrimination

We are committed to creating an environment of respect for and appreciation of individual differences that is free from direct or indirect discrimination, harassment, retaliation and/or sexual assault. The Group rejects any form of discrimination and harassment based on sex, sexual orientation, race, gender or gender identity or expression, colour, creed, religion, age, national origin, ethnicity, disability, ancestry, veteran or military status, pregnancy, genetic information, marital status, citizenship status, philosophical, religious or political beliefs, wealth, social background, state of health, and

any other characteristic protected by law. Any such discrimination is not tolerated.

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

myhive S-Park, Bucharest, Romania





Financial Reporting, Internal Control and Risk Management

The Company has organised our internal control environment by identifying the main risks and opportunities to which we are exposed, determining the level of control over these risks, and strengthening the reliability of our financial reporting and communication processes. The update of the risk map is organised each year with the intention to highlight the new risks and strategies for their treatment. The Group's overall approach is risk averse.

There are inherent risks determined by the nature of our business, such as fluctuations in the value of assets, vacancies, volatility in market rents or risks associated with development activities. Key risks are assessed by ranking exposure on the basis of judgemental evaluation of inherent, residual and target impact (in value) and probability of occurrence (in %) as the basis for subsequent calculation of risk weight and are closely managed.

Analysis of sensitivity to these key risks is conducted at Group level. **The Group's management structure is designed to enable effective decision making.** The periodic reviews of key performance indicators are conducted: tenants' turnovers, vacancies, rent collection, arrears and doubtful debtors, and review of performance against budgets and schedules. Internal audits of control functions are regularly performed. Strict procedures are also observed for the periodic production of quarterly and annual figures on the basis of the adopted Group policies. There are clearly defined guidelines and approval limits for capital and operating expenditures and other key business transactions and decisions. The internal management reporting system is designed to identify fluctuations in the value of investments, income and expenses. Capital projects, major contracts and business property acquisitions are reviewed in detail and approved by the Board of Directors where appropriate.

Financial Risk

The Group maintains a prudent financial policy. Foreign exchange risks and interest rate risks arising from the Group's operations, financial assets and liabilities are carefully managed and mitigated through the use of a range of hedging instruments. Tenant credit risk is managed by utilising a range of measures including credit rating scorecards. **The Group has strong credit metrics supported by investment grade ratings, long-dated debt maturity profile, strong liquidity through cash and a large committed revolving credit facility** from ten banks expiring in 2026, and access to multiple sources of capital, including international bonds issued across multiple jurisdictions under the Company's EMTN programme, private placements, Schuldschein, secured loans from its relationship banks and equity investment from its majority shareholder. For financial risk, comprising of

credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk) please refer to Note 7 in Consolidated Financial Statements.

Information Technology Risks

The Group has developed a strong information technology team, with dedicated information security specialists. The threat of data breach and loss or cyberattacks are taken very seriously. IT systems used across the Group are designed and developed in order to provide maximum security. Information security risk is carefully monitored, and information security policies are reviewed and updated. Employees are regularly guided to be aware of potential IT and cyber security related risks. The Group makes use of electronic data processing within automated information systems. Offsite data back-up and recovery measures are in place.

The Group will also be affected by the new EU NIS2 Directive and in order to meet the requirements of this new regulation, the Group has initiated a programme of its implementation.

Legal Risk

The Group has established a legal team at the central and local level to ensure proper implementation of legal services and compliance with applicable laws and regulations. Internal legal teams support management in daily operations with respect to ongoing transactions and legal relationships with clients, customers, banks, suppliers, administrative and governmental bodies, as well as courts. The legal teams monitor legislative changes and regulatory changes to minimise associated legal risks.

Complex transactions, litigation as well as certain legal services are outsourced to reputable law firms to ensure obtaining of the highest standards of legal services and minimisation of legal risks.

Local legal departments provide regular litigation reports to the general counsel who reports directly to the CEO. Legal reports, including litigation updates, are provided to the Board on quarterly basis, with major legal issues being reported immediately.

Development, Construction and Refurbishment Projects

The Group employs construction and development experts and skilled project managers for its construction and refurbishment projects. The suppliers of architectural, permitting, construction and refurbishment works are always tendered from reputable companies with relevant experience and financial capacity.

Project timing, progress and budgets are carefully monitored,

mostly with the support of external project monitoring organisations. Health, safety and environmental risks are monitored before and during construction.

Transaction and Asset Management Risk

Acquisitions of new assets are carefully examined through a detailed financial, legal, and operational evaluation prior to Board approval. Reputable external advisors are engaged to assist with acquisition processes starting from evaluation, due diligence, transaction negotiation and implementation.

Asset management initiatives are carefully scrutinised before implementation, taking costs and benefits into account. An experienced asset management team evaluates market pricing of lease transactions and also assists with acquisition processes.

An experienced property management team monitors retail tenants' turnovers, vacancies, rent collection, arrears and doubtful debtors. Rent collection is closely monitored and enforced in cooperation with the legal team. The tenant base is well diversified and there is limited exposure to individual tenants.

Asset Protection/Insurance

The Group insures all income-producing properties with all-risk property insurance at reinstatement cost, business interruption (revenues for 24 months) and third-party liability insurance. Some properties are also insured against terrorist acts. Properties under development have construction all-risk insurance. **Insurance is contracted from reputable international insurers.** The Audit Committee and the Remuneration Committee have specific duties in terms of internal control.

Subsequent Events

Please refer to Note 11 of the Financial Statements.

Financial Risks Exposure

For detail description of the principal risks and uncertainties, please refer to Note 2 Basis of Preparation of the Consolidated Financial Statements.

Required information

In reference to the information required by paragraphs (a) to (k) of Article 11(1) of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the Board of Directors states as follows.

(a) *The structure of the capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents:*

The share capital of the Company is represented by 8,704,850,259 ordinary shares of one class, out of which 112,135,971 shares (approximately 1.29% of the total number of shares outstanding), registered under ISIN code LU0251710041, are admitted to trading on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. The remaining 8,592,714,288 Company shares (approximately 98.71% of the total number of shares outstanding) are currently not listed and are non-tradeable on a regulated market.

(b) *Any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC:*

There are no restrictions on the transfer of Company's shares or other securities issued by the Company. However, final terms of certain series of the notes issued under Company's Euro Medium Term Note (EMTN) Programme include a "Prohibition of Sales to EEA Retail Investors" legend. In such case these notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA, within the meaning of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

(c) *Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:*

Based on the latest shareholders' declarations received as at 31 December 2023, the following table sets out information regarding the ownership of the Company's shares:

Radovan Vítek (directly or indirectly)	7,696,259 609	88.41%
Clerius Properties (affiliate of Apollo Funds)	391,410, 351	4.50%
Others	464,852,831	5.34%
Treasury shares held by the Company's indirect subsidiary CPI FIM SA (directly or indirectly)	67,000,000	0.77%
Total	8,704,850,259	100%

(d) *The holders of any securities with special control rights and a description of those rights:*

None of the Company's shareholders has voting rights different from any other holders of the Company's shares. The Company respect the rights of its shareholders and ensure they receive equitable treatment. The Company has established a policy of active communication with the shareholders.

(e) *The system of control of any employee share scheme where the control rights are not exercised directly by the employees:*

The Company has no employee share scheme.

(f) *Any restrictions on voting rights, such as limitation on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities:*

There are no restrictions on voting rights of the securities issued by the Company, except for the own shares held by the Company, where the voting rights are suspended under law.

(g) *Any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC:*

The Company was notified about an agreement between Mr. Vítek and Apollo relating to the governance of the Company.

(h) *The rules governing the appointment and replacement of board members and the amendment of the articles of association:*

The Company is managed by a Board of Directors appointed as a collegiate body by the general meeting of shareholders. The Board of Directors shall be composed of the number of members determined by the general meeting of the shareholders and shall amount to at least three members. The Directors are elected by the general meeting of shareholders for a period of maximum six years. The directors are eligible for re-election and may be removed with or without cause at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the Board of Directors, the remaining members may co-opt a new member. The Directors may be either natural persons or legal entities. The articles of association may be modified by an extraordinary general meeting of the shareholders, deliberating with a quorum of at least half of the corporate capital and deciding by a vote of at least a two-thirds majority of the votes cast.

(i) *The powers of board members, and in particular the power to issue or buy back shares:*

The Board of Directors is empowered to perform any acts necessary or useful in achieving the Company's objectives. All matters not expressly reserved to the general meeting by law or by Company's articles of association are within the competence of the Board of Directors. In particular, the Board of Directors has the following tasks and competencies, without such list being exhaustive:

- Setting the objectives and management policies of the Company;
- Preparing the annual operating and financing plans;
- Managing the Company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the Company;
- Representing the Company in or out of court;
- Acquiring or selling real estate;
- Incorporating companies;
- Adopting resolutions regarding the issuance of bonds, or borrowings;
- Approving issuance of new shares pursuant to the authorised share capital.

As at 31 December 2023, the Company has also an authorised, but unissued and unsubscribed share capital set at €4,885,714,285.70 consisting of up to 38,857,142,857 new ordinary shares in addition to the shares currently outstanding.

As at 31 December 2023, the Company is authorised to redeem/repurchase up to 914,672,532 own shares under the buy-back programme approved in 2023. For more details on the authorised share capital and the buyback please refer to Note 6.13 of the Consolidated financial statements as of 31 December 2023.

Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements:

The base prospectus dated 26 May 2023, prepared in connection with the Company's Euro Medium Term Note Programme, as amended (the "Programme") contains a change of control put clause, i.e., redemption at the option of the noteholders upon a change of control, provided certain other criteria defined in the Programme occur. Change of control event pursuant to the Programme occurs in case any person or any persons acting in concert (other than Mr. Radovan Vítek, any member of his immediate family or any entity directly or indirectly controlled by him or them) shall acquire a controlling interest in (A) more than 50 per cent., of the issued or allotted ordinary share capital of the Issuer or (B) shares in the issued or allotted ordinary share capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, subject to further conditions. For exact terms please refer to Condition 7.6. of the base prospectus of the Programme. Changes of control provisions are stipulated in the Revolving Credit Facility and Schuldschein agreements entered into by the Company. Certain credit facility documentation with financing banks of the Group contains market standard change of control.

(j) *Any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.*

Not applicable as of 31 December 2023.



DECLARATION LETTER

FINANCIAL REPORT

AS AT 31 DECEMBER 2023

1.1. Person responsible for the Annual Financial Report

Mr. David Greenbaum, acting as Chief Executive Officer and Managing Director of the Company, with professional address at 40 rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg, d.greenbaum@cpig.com.

1.2. Declaration by the persons responsible for the Annual Financial Report

The undersigned hereby declares that, to the best of its knowledge:

- the consolidated financial statements of the Company as at 31 December 2023, prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of the Company and its subsidiaries included in the consolidation taken as a whole; and
- the Management report as at 31 December 2023, provides a fair view of the development and performance of the business and the position of the Company and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Approved by the Board of Directors and signed on its behalf by Mr. David Greenbaum.

Luxembourg, 28 March 2024

Mr. David Greenbaum

CEO & Managing Director

CPI PROPERTY GROUP

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023 AND FOR THE YEAR THEN ENDED

Consolidated statement of comprehensive income

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Year-ended	
		31 December 2023	31 December 2022
Gross rental income	5.1	934.1	748.5
Service charges and other income	5.2	426.7	315.1
Cost of service and other charges	5.2	(396.7)	(281.8)
Property operating expenses	5.3	(168.6)	(150.0)
Net rental income		795.5	631.8
Hotel revenue	5.4	248.0	165.1
Hotel operating expenses	5.4	(172.2)	(119.6)
Net hotel income		75.8	45.5
Other business revenue	5.5	85.0	53.2
Other business operating expenses	5.5	(82.1)	(54.8)
Net other business income		2.9	(1.6)
Total revenues		1,693.8	1,281.9
Total direct business operating expenses		(819.6)	(606.2)
Net business income		874.2	675.7
Net valuation loss	5.6	(1,144.8)	(88.8)
Net gain on disposal of investment property and subsidiaries	5.7	(34.4)	35.9
Amortization, depreciation and impairment	5.9	(27.9)	(99.5)
Administrative expenses	5.8	(138.0)	(128.7)
Other operating income	5.10	12.1	331.8
Other operating expenses		(28.1)	(24.9)
Operating result		(486.9)	701.5
Interest income		39.0	20.3
Interest expense	5.11	(348.0)	(210.2)
Other net financial result	5.12	(70.7)	151.3
Net finance costs		(379.7)	(38.6)
Share of profit/ (loss) of equity-accounted investees (net of tax)		(20.2)	19.1
Profit before income tax		(886.8)	682.0
Income tax expense	5.13	9.3	(124.8)
Net profit from continuing operations		(877.5)	557.2
Items that may or are reclassified subsequently to profit or loss			
Translation difference	6.13	(18.9)	64.5
Cash flow hedges		(88.9)	62.0
Income tax on other comprehensive income items		7.0	(15.4)
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment	6.3	66.2	11.4
Defined benefit plan actuarial loss		-	(0.1)
Income tax on other comprehensive income items		(14.0)	(1.9)
Other comprehensive income for the period, net of tax		(48.6)	120.5
Total comprehensive income for the year		(926.1)	677.7
Net profit attributable to:			
Owners of the parent		(899.9)	457.6
Non-controlling interests		(53.6)	23.6
Perpetual notes holders		76.0	76.0
Profit for the year		(877.5)	557.2
Total comprehensive income attributable to:			
Owners of the parent		(948.5)	578.1
Non-controlling interests		(53.6)	23.6
Perpetual notes holders		76.0	76.0
Total comprehensive income for the year		(926.1)	677.7
Earnings per share			
Basic earnings in EUR per share	6.13	(0.10)	0.05
Diluted earnings in EUR per share	6.13	(0.10)	0.05

Consolidated statement of financial position

The accompanying notes form an integral part of these consolidated financial statements.

	Note	31 December	31 December
		2023	2022
Non-current assets			
Intangible assets and goodwill	6.1	129.8	126.7
Investment property	6.2	17,262.7	18,486.2
Property, plant and equipment	6.3	866.5	1,100.0
<i>Hotels</i>	6.3	781.5	973.4
<i>Other property, plant and equipment</i>	6.3	85.0	126.6
Biological assets		8.9	4.4
Equity accounted investees	6.4	717.2	732.3
Other financial assets	6.5	264.1	423.5
Loans provided	6.6	179.1	240.6
Deferred tax assets	5.13	118.2	176.8
		19,546.5	21,290.5
Current assets			
Inventories	6.7	73.5	23.5
Biological assets		3.1	3.3
Income tax receivables		27.2	23.2
Trade receivables	6.8	227.7	197.8
Loans provided	6.6	22.0	66.6
Cash and cash equivalents	6.9	1,022.6	1,033.2
Other financial assets	6.10	135.3	124.2
Other non-financial assets	6.11	149.7	162.4
Assets linked to assets held for sale	6.12	722.7	596.5
		2,383.8	2,230.7
Total assets		21,930.3	23,521.2
Equity			
Equity attributable to owners of the parent	6.13	5,567.6	6,579.8
<i>Share capital</i>	6.13.1	855.3	863.8
<i>Share premium</i>	6.13.1	920.2	991.2
<i>Other reserves</i>	6.13.2	434.2	482.8
<i>Retained earnings</i>	6.13.4	3,357.9	4,242.0
Perpetual notes	6.13.5	1,585.2	1,584.4
Non-controlling interests	6.13.6	1,104.5	1,098.8
		8,257.3	9,263.0
Non-current liabilities			
Bonds issued	6.14	4,274.1	4,680.4
Financial debts	6.15	6,325.7	6,165.6
Deferred tax liability	5.13	1,547.7	1,727.9
Provisions	6.17	35.7	41.3
Other financial liabilities	6.18	188.0	166.9
		12,371.2	12,782.1
Current liabilities			
Bonds issued	6.14	209.2	405.8
Financial debts	6.15	412.2	360.4
Trade payables	6.19	218.3	232.3
Income tax liabilities		63.0	38.3
Other financial liabilities	6.20	235.9	236.0
Other non-financial liabilities		58.3	74.9
Liabilities linked to assets held for sale	6.12	104.9	128.4
		1,301.8	1,476.1
Total equity and liabilities		21,930.3	23,521.2

Consolidated statement of changes in equity

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Revaluation reserve	Retained earnings	Equity attributable to owners of the parent	Perpetual notes	Non-controlling interests	Total equity
As at 1 January 2023		863.8	991.2	120.4	5.8	36.2	320.4	4,242.0	6,579.8	1,584.4	1,098.8	9,263.0
Profit for the period		-	-	-	-	-	-	(899.9)	(899.9)	76.0	(53.6)	(877.5)
Total other comprehensive expense		-	-	(18.9)	-	(81.9)	52.2	-	(48.6)	-	-	(48.6)
Total comprehensive income for the year		-	-	(18.9)	-	(81.9)	52.2	(899.9)	(948.5)	76.0	(53.6)	(926.1)
Capital increases		-	-	-	-	-	-	24.9	24.9	-	-	24.9
Share buy-back	6.13	(8.5)	(71.0)	-	-	-	-	-	(79.5)	-	-	(79.5)
Additional purchase of NCI		-	-	-	-	-	-	-	-	-	(1.7)	(1.7)
Sale of NCI	6.13	-	-	-	-	-	-	(9.1)	(9.1)	-	61.0	51.9
Amount paid to perpetual notes holders	6.13	-	-	-	-	-	-	-	-	(75.2)	-	(75.2)
Total other movements	6.13	(8.5)	(71.0)	-	-	-	-	15.8	(63.7)	(75.2)	59.3	(79.6)
As at 31 December 2023		855.3	920.2	101.5	5.8	(45.7)	372.6	3,357.9	5,567.6	1,585.2	1,104.5	8,257.3

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Revaluation reserve	Retained earnings	Equity attributable to owners of the parent	Perpetual notes	Non-controlling interests	Total equity
As at 1 January 2022		883.6	1,161.7	55.9	5.8	(10.4)	310.9	3,584.3	5,991.8	1,611.6	91.2	7,694.6
Profit for the period		-	-	-	-	-	-	457.6	457.6	76.0	23.6	557.2
Total other comprehensive income		-	-	64.5	-	46.6	9.5	(0.1)	120.5	-	-	120.5
Total comprehensive income for the year		-	-	64.5	-	46.6	9.5	457.5	578.1	76.0	23.6	677.7
Share buy-back	6.13	(19.8)	(170.5)	-	-	-	-	-	(190.3)	-	-	(190.3)
Repayment of previously issued perpetual notes	6.13	-	-	-	-	-	-	-	-	(27.8)	-	(27.8)
Amount paid to perpetual note holders	6.13	-	-	-	-	-	-	-	-	(75.4)	-	(75.4)
Business combinations	6.13	-	-	-	-	-	-	-	-	-	2,587.1	2,587.1
Sale of NCI	6.13	-	-	-	-	-	-	-	-	-	87.7	87.8
Acquisition of NCI	6.13	-	-	-	-	-	-	200.2	200.2	-	(1,690.8)	(1,490.6)
As at 31 December 2022		863.8	991.2	120.4	5.8	36.2	320.4	4,242.0	6,579.8	1,584.4	1,098.8	9,263.0

Consolidated cash flow statement

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Year-ended	
		31 December 2023	31 December 2022
Profit before income tax		(886.8)	682.0
<i>Adjusted by:</i>			
Net valuation loss	5.6	1,144.8	88.8
Net gain on the disposal of investment property and subsidiaries	5.7	34.4	(35.9)
Depreciation and amortization	5.9	47.2	46.2
Impairment of assets	5.9	(27.7)	53.3
Bargain purchase	5.10	-	(318.4)
Net interest expense		309.0	189.9
Net gain on revaluation of financial derivatives	5.12	92.6	(163.1)
Share of profit of equity accounted investees		20.2	(19.1)
Unrealized exchange rate differences and other non-cash transactions		(28.3)	18.4
Profit before changes in working capital and provisions		705.4	542.1
Increase in inventories		(18.9)	(12.0)
(Increase)/decrease in trade and other receivables		63.4	(56.8)
Increase/(decrease) in trade and other payables		(17.2)	88.6
Change in provisions		(0.6)	14.8
Income tax paid		(62.6)	(45.1)
Net cash from operating activities		669.5	531.6
Acquisition of subsidiaries, net of cash acquired	3.2, 3.3	(1.2)	(62.8)
Acquisition of associates		-	(35.7)
Acquisition/ sale of non-controlling interest	6.13	(10.8)	(1,490.6)
Acquisition of other financial investments		(10.4)	-
Proceeds from sale of non-controlling interest	6.13	61.0	87.8
Proceeds from disposals of subsidiaries, net of cash disposed		313.9	387.8
Purchase and expenditures on investment property	6.2	(362.9)	(622.9)
Purchase and expenditures on property, plant and equipment	6.3	(47.2)	(66.5)
Purchase of intangible assets	6.1	(9.0)	(12.1)
Purchase of biological assets		(3.2)	(1.6)
Proceeds from sale of investment property		370.0	331.3
Proceeds from sale of property, plant and equipment		8.9	27.3
Proceeds from sale of biological assets		1.5	4.9
Proceeds from sale of other investments		-	6.0
Loans provided	6.6	(449.1)	(700.4)
Loans repaid	6.6	211.0	503.4
Interest received		3.0	16.4
Dividends received		-	36.9
Net cash used in investing activities		75.5	(1,590.8)
Share buyback	6.13	(79.5)	(190.3)
Payment to perpetual note holders including repayment of perpetual bonds	6.13	(75.2)	(103.2)
Proceeds from bonds issued	6.14	75.0	1,042.4
Repayment of bonds issued	6.14	(588.6)	(1,374.1)
Interest paid	6.14	(386.9)	(186.4)
Drawings of loans and borrowings	6.14	2,970.4	4,377.6
Repayments of loans and borrowings	6.14	(2,650.5)	(1,978.4)
Net drawings of lease liabilities	6.14	(5.8)	3.0
Net cash from/ (used in) financing activities		(741.1)	1,590.6
Net increase/ (decrease) in cash		3.9	531.4
Cash and cash equivalents at the beginning of the period	6.9	1,033.2	501.8
Less: Cash and cash equivalents reclassified from/ (to) assets held for sale		(14.5)	-
Cash and cash equivalents at the end of the period		1,022.6	1,033.2

Notes to the consolidated financial statements

1 General information

CPI PROPERTY GROUP S.A. (hereinafter also the "Company" or "CPIPG", and together with its subsidiaries as the "Group") is a real estate group founded in 2004 as ORCO Germany S.A. Since its foundation the Group has been operating in Germany and concentrated mainly on commercial property, project development and asset management, principally in Berlin. With its subsidiary Gewerbesiedlungs-Gesellschaft ("GSG"), the Group is the largest lessor of commercial property in the Berlin area. After the incorporation into Czech Property Investments a.s. in 2014, the Group expanded to a number of CEE countries, primarily the Czech Republic. In 2022, the Group completed two significant acquisitions of Austrian real estate group IMMOFINANZ AG ("IMMOFINANZ") and SIMMO AG ("SIMMO").

The Group is primarily focused on investment properties, as well as development and asset management for third parties.

CPI PROPERTY GROUP S.A. is the parent company of the Group. The Company is a Luxembourg Société Anonyme, whose shares registered under ISIN code LU0251710041 are listed on the regulated market of the Frankfurt Stock Exchange in the General Standard segment.

The registered office of the Company is located at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg.

Description of the ownership structure

As at 31 December 2023, Radovan Vitek is the primary shareholder of the Company holding indirectly 88.41% of the Company shares.

For the list of shareholders as at 31 December 2023, refer to note 6.13.

Board of Directors

As at 31 December 2023, the Board of Directors consists of the following directors:

Chairman:	Edward Hughes
Executive members:	David Greenbaum, Chief Executive Officer and Managing Director
	Tomáš Salajka, Managing Director
	Oliver Schlink
Non-executive members:	Edward Hughes
	Philippe Magistretti
	Jonathan Lewis
	Omar Sattar
	Tim Scoble

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation of consolidated financial statements

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements were authorized for issue by the Board of Directors on 28 March 2024. All the figures are presented in millions of Euros, except if explicitly indicated otherwise.

The consolidated financial statements have been prepared on a going concern basis.

(b) New and amended standards and interpretations

For the preparation of these consolidated financial statements, the following amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2023. The amendments and interpretations apply for the first time in 2023, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Disclosure of Accounting Policies - Amendments to IAS 1

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS

12 The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Implications of Pillar II Regulations

The Group qualifies for and will be subject to the OECD's global tax reform under Pillar II, which enforces a minimum global corporate tax rate of 15% starting from 2024. The Group anticipates the potential application of Pillar II in countries where it operates that currently have nominal corporate tax rates below this threshold, including, but not limited to, Cyprus, Guernsey, the United Arab Emirates, Hungary, and the British Virgin Islands. In the event that local jurisdictions do not adopt legislation to implement a local tax top-up, the Pillar II framework's Income Inclusion Rule (IIR) will apply. This mechanism may lead to an increase in the overall tax payable by the Group, due to the need to compensate for lower tax rates in these jurisdictions to meet the global minimum standard. These preliminary findings are shared to inform stakeholders about the expected adjustments to the Group's tax obligations and the Group's commitment to align with the new global tax standards.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods.

Standards issued but not yet effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group's financial statements.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated statement of financial position, which are measured as indicated below at each reporting date:

- Investment property – measured at fair value;
- Property, plant and equipment, asset type Hotels – measured at fair value;
- Biological assets – measured at fair value less cost to sell;
- Derivative financial instruments – measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro (EUR) has been rounded to the nearest million, except when otherwise indicated. The functional currencies of other entities within the Group are listed in note 2.2 (b).

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience, internal calculations and various other factors that the management believes to be reasonable under the circumstances. The actual result might differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 (a) – Contingent consideration;
- Note 2.2 (c) – Classification of investment property;
- Note 2.2 (n) – Service charges: Gross versus net revenue recognition.

Information about assumptions and estimation uncertainties that have the most significant risk of a material adjustment are included in the following notes:

- Note 2.2 (j) – Impairment test;
- Note 2.3 (b) – Determination of fair value;
- Note 5.13 – Income tax expenses;
- Note 7 – Financial risk management.

2.2 Significant accounting policies

Except for the changes described above in note 2.1. (b) new standards, the accounting policies used in preparing the consolidated financial statements are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

(a) Basis of consolidation

The Group uses the direct method of consolidation, under which the financial statements of consolidated subsidiaries are translated directly into the presentation currency of the Group, which is the Euro. Subsidiaries are fully consolidated from the date of the acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within the equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The interest of non-controlling shareholders at the date of the business combination is generally recorded at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, which are generally at fair value, unless Group management has any other indicators about the non-controlling interest fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Business combinations involving entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are not in scope of IFRS 3. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the financial statements of the acquiree or at deemed costs if the local standards are different from IFRS adopted by EU. Components of equity of the acquired entities are added to the corresponding equity components of the Group and any gain or loss arising is recognised in equity.

(iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a debt investment at fair value through OCI depending on the level of influence retained.

(iv) Equity accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Interests in associates and joint ventures are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence is obtained until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Property asset acquisition

A transaction that does not represent a business combination, because the acquired entity does not constitute a business in accordance with the IFRS 3, is accounted for as an asset acquisition.

(b) Foreign currency**(i) Functional currencies**

Functional currencies of the companies in the Group are the currencies of the primary economic environment in which the entities operate, and the majority of its transactions are carried out in this currency.

The Group's consolidated financial statements are presented in EUR. The table below presents functional currencies of all Group's subsidiaries having non-EUR functional currency. Each Group subsidiary determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency. For the purposes of inclusion in the consolidated financial statements, the statement of financial position of entities with non-EUR functional currencies are translated to EUR at the exchange rates prevailing at the balance sheet date and the income statements are translated at the average exchange rate for each month of the relevant year. The resulting net translation difference is recorded in OCI. When a foreign operation is disposed of, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as a part of gain or loss on the disposal.

Group entities in different countries that have non-EUR functional currency:

Country	Functional currency
Bulgaria	BGN
Croatia	HRK
Czech Republic*	CZK
Hungary*	HUF
Poland*	PLN
Romania*	RON
Russia	RUB
Serbia	RSD
Switzerland	CHF
Turkey	TRY
United Kingdom	GBP

* Except for subsidiary WXZ1 a.s. and IMMOFINANZ and SIMMO subsidiaries which have EUR as a functional currency.

* Except for IMMOFINANZ and SIMMO subsidiaries which have EUR as a functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates valid at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective, which are recognised in OCI.

The Group translates the foreign currency operations and transactions using the foreign exchange rates declared by relevant central banks.

(c) Investment property and investment property under development

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost of investment property includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of material and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

External independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, valued the portfolio of investment property at the year end of 2023 and 2022 respectively.

Property that is being constructed or developed for future use and is measured at fair value until construction or development is completed. Any gain or loss arising on the measurement is recognised in profit or loss.

The Group capitalises external borrowing costs on qualifying investment properties under development.

(d) Right of use assets (leased assets)

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Short-term leases and leases of low-value assets: The Group applies the short-term lease recognition exemption to its short-term leases. Short term leases have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(e) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are measured either at cost less accumulated depreciation (see below) and impairment losses (see note 2.2(j)), or at revaluated amounts.

(ia) Hotels and resorts

Hotels are stated at revalued amounts that are fair values based on appraisals prepared by external professional valuers each year or more frequently if market factors indicate a material change in fair value. Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

An increase in carrying value of an asset as a result of revaluation is recognised in OCI and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

A decrease in carrying value of an asset as a result of revaluation is recognised in profit or loss. However, the decrease shall be recognised in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in OCI reduces the amount accumulated in equity under the heading of revaluation surplus.

(ib) Other items of property, plant and equipment

Other items of property, plant and equipment (except hotels and resorts) are measured at the lower of cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, capitalised borrowing costs and an appropriate proportion of production overheads.

Where components of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property and remeasured to fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses the previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

(iii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Ongoing repairs and maintenance are expensed as incurred.

(iv) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are ready for use. The estimated useful lives for the current and comparative period are as follows:

Assets	2023	2022
Property	30 - 50 years	30 - 50 years
Equipment	5 - 10 years	5 - 10 years
Motor vehicles	5 years	5 years
Fittings	3 - 5 years	3 - 5 years
Computers	3 years	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Intangible assets**(i) Goodwill**

Business combinations are accounted for by applying the acquisition method. For the measurement of goodwill at initial recognition, see note 2.2(a).

Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested for impairment annually (see accounting policy 2.2(j)).

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortization (see below) and accumulated impairment losses (see accounting policy 2.2(j)).

(iii) Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iv) Trademarks

Acquired trademarks are shown at cost less accumulated impairment losses. When they have indefinite useful life, trademarks are tested for impairment annually or when there is an indication of impairment.

(v) Amortization

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Assets	2023	2022
Software	3 - 8 years	3 - 8 years
Other intangible assets	3 - 5 years	3 - 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Inventories

Inventories represent trading property and are measured at the lower of cost and net realisable value.

Cost includes expenditure that is directly attributable to the acquisition of the trading property. The cost of self-constructed trading property includes the cost of material and direct labour, any other costs directly attributable to bringing the trading property to a condition for their intended use and capitalised borrowing costs. Deemed costs of trading property reclassified from existing investment property is the fair value of such property.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

(h) Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss.

The Group recognises a biological asset or agriculture produce only when the entity controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably. Biological assets within the scope of IAS 41 are measured on initial recognition and at subsequent reporting dates at fair value less estimated costs to sell, unless fair value cannot be reliably measured, in which case they are valued at cost. The gain on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period, are included in profit or loss.

All costs related to biological assets that are measured at fair value, except for the acquisition costs, are recognised as expenses when incurred.

(i) Financial instruments**Initial recognition and measurement**

Financial assets are classified, at initial recognition: as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The Group measures financial assets at *amortised* cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is classified and measured at fair value through OCI if it meets both of the following conditions:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through OCI as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be classified and measured at amortised cost or at fair value through OCI, to be classified and measured at fair value through profit or loss if it eliminates or reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group's financial assets at amortised cost include trade receivables, and loans provided.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

- *Financial assets at fair value through OCI (debt instruments)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

- *Financial assets designated at fair value through OCI (equity instruments)*

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Investment in an equity instrument that does not have a quoted market price in an active market and for which other methods of reasonably estimating fair value are inappropriate are carried at cost.

- *Financial assets at fair value through profit or loss*

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans provided

Loans are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, provided loans are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy 2.2(j)).

Finance charges, including premiums receivable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The recoverable amount of the Group's provided loans is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate calculated at initial recognition of these financial assets).

The Group classifies any part of long-term loans, that is due within one year from the reporting date, as current.

Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy 2.2(j)).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term cash commitments. Bank accounts and call deposits that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

The Company treats cash deposited as a security in accordance with bank loan covenants as cash and cash equivalents for cash flow purposes.

The cash flow statement of the Group is prepared based on the indirect method from the consolidated statement of financial position and consolidated statement of profit and loss.

Cash accounts restricted from use are classified as other receivables. If use of these accounts is subject to the respective bank approval only, the accounts are classified as cash and cash equivalents.

(ii) Non-derivative financial liabilities

Non-financial liabilities comprise loans and borrowings, bonds issued, bank overdrafts, and trade and other payables.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including financial liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities as the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the contractual cash flows of the financial liability.

Financial debts and bonds are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial debts and bonds are measured at amortised cost using the effective interest method.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which it arises.

The Group classifies any part of long-term loans or bonds, that is due within one year from the date of the consolidated statement of financial position, as current liabilities.

Bond transaction costs

Bonds payable are initially recognized at the amount of the proceeds from issued bonds less any attributable transaction costs.

Bond transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Share capital**Ordinary shares**

Incremental costs directly attributable to the issue of new shares and shares options, other than upon a business combination, are recognised as a deduction from equity, net of any tax effects.

Treasury shares

Treasury shares represent shares of the Company which were acquired by the Group. The cost of treasury shares is deducted from equity. When treasury shares are sold or reissued, the amount received is recognised as an increase in equity.

(iv) Derivative financial instruments and hedge accounting

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred.

The Group holds derivative financial instruments to hedge its interest rate and foreign currency risk exposures.

Cash flow hedges

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reported profit or loss.

The effective portion of changes in the fair value of derivative hedging instruments designated as a cash flow hedge are recognised in OCI and in the cash flow hedge reserve. To the extent that the hedge is ineffective, changes in the fair value of the derivative are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, or if it expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the anticipated transaction takes place, upon which it is reclassified in the profit and loss.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

Other non-hedging derivatives

When a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(v) Perpetual bonds

The Group analyses the bonds issued if it holds unconditional rights to avoid delivering cash in respect of both, the principal and related interests. The bonds are classified as an equity instrument and classified separately as equity attributable to perpetual bond holders if the Group has an unconditional right to avoid delivering cash (or another financial instrument).

(j) Impairment

(i) Impairment of non-derivative financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the discounted cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience.

The Group considers a non-derivative financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding amounts in full. A non-derivative financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Determination of ECL for loans provided to the majority shareholder or entities controlled by majority shareholder considers the Group's credit rating.

(ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property (see accounting policy 2.2(c)), property plant and equipment (only partially, see accounting policy 2.2(e)), inventories (see accounting policy 2.2(g)), and deferred tax assets (see accounting policy 2.2(q)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. For the purpose of impairment testing, assets are grouped together into cash generating units (CGUs) - the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which the goodwill is monitored. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Impairment losses relating to goodwill cannot be reversed in future periods.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Post-employment obligations

(i) Defined benefit plan

The Group has entered into defined benefit plans defined as an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the net defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurements of the net defined liability which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any), are charged or credited to OCI in the period in which they arise. Net interest expense and other expenses related to the defined benefit plans are recognised in the statement of comprehensive income.

The valuation of the pension obligation is performed by an independent actuary.

(ii) Defined contribution plans

Contributions are made to the Government's health, retirement benefit and unemployment plan at statutory rates applicable during the period and are based on gross salary payments. The arrangements of the Government's health, retirement benefit and unemployment plans qualify as defined contribution plans. The Group has no further payment obligations once the contributions have been paid. The expense for the contributions is charged to profit and loss in the same period as the related salary expense.

(m) Assets held for sale and disposal groups

Non-current assets held for sale and disposal groups comprising assets and liabilities, are classified as held-for-sale when it is highly probable that they will be recovered primarily through sale rather than through continuing use. The following criteria must be met for an asset or disposal group to be classified as held for sale: the Group is committed to selling the asset or disposal group, the asset is available for immediate sale, an active plan of sale has commenced, the sale is expected to be completed within 12 months and the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value.

Such assets, or disposal groups, are measured at the lower of carrying amount and fair value less costs to sell.

(n) Revenue

(i) Rental revenue

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

The term of the lease is the non-cancellable period of the lease. Any further term for which the tenant has the option to continue the lease is not considered by the Group.

(ii) Service charges and other income

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in net rental income gross of the related costs. The Group determined that it does control the services before they are transferred to tenants and therefore that the Group acts rather as a principal in these arrangements.

Other income is recognised in profit or loss when tenant obtains control of the goods or services.

(iii) Hotel revenue

Represents revenues derived from hotel operations, including room rentals, food and beverage sales and other ancillary goods and services. Revenue is recognised immediately when the customer obtains control of the goods or services.

(iv) Development sales

A sale of self-constructed trading property is generally a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. Revenue is recognized immediately when the customer obtains control of the property.

(v) Other business revenue

Other business is represented by mountain resort and agriculture operations. Other business revenue is recognised in profit or loss when the customer obtains control of the goods or services.

(vi) Government grants

The Group recognises an unconditional government grant related to a biological asset in profit or loss as other business revenue when the grant becomes receivable. Other government grants are recognised where there is reasonable assurance that the grant will be received and all conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(vii) Sale of investment and trading property, investment in subsidiaries and equity-accounted investees

Revenue from the sale of investment and trading property, investments in subsidiaries and equity-accounted investees is recognised in profit or loss by the Group at point of time when the control over the property is transferred to a customer, usually on the date on which the application is submitted to the Land Registry for transfer of legal ownership title. The property must be completed, and the apartments are ready for sale, including the necessary regulatory permissions.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sale arrangement.

(o) Expenses

Operating expenses are expensed as incurred. Expenditures that relate to multiple accounting periods are deferred and recognised over those accounting periods irrespective of the timing of the consideration given or liability incurred.

(p) Interest income, interest expense and other net financial result

Interest income comprises interest income on funds invested, such as bank interest, interest on provided loans, interest on bonds purchased and interest on non-current receivables.

Interest expense comprises interest expense on loans and borrowings, on leases, on bonds issued and interest charges related to leases. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

Other net financial result comprises dividend income, gains on disposal of debt investments at fair value through OCI, gains on derivative instruments that are recognised in profit or loss and reclassifications of amounts (losses) previously recognised in OCI, bank charges, losses on disposal of debt investments at fair value through OCI, losses on derivative instruments that are recognised in profit or loss and reclassifications of amounts (gains) previously recognised in OCI and foreign currency gains and losses that are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements result in a net gain or net loss position.

Borrowing costs that are not directly attributable to the acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

(q) Income tax**(i) Current income tax**

Current income tax assets and liabilities recognised are the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

The estimated current income tax expense is calculated using the accounting profit for the period and an estimate of non-deductible expenses of each entity of the Group and the corresponding income tax rate applicable to the given country and accounting period.

Current and deferred income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss (asset acquisition);
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(s) Segment reporting

The Group has applied the criteria of IFRS 8, 'Operating Segments' to determine the number and type of operating segments. Operating segments were determined based on the nature of the business and how the business is managed by the Board of Directors, the Group's chief operating decision maker.

The Group reports five operating segments: Czech Republic, Berlin, Poland, Hotels and resorts and Complementary assets.

Segment results that are reported to the Board of Directors include items directly attributable to a segment or items that can be allocated on a reasonable basis. Unallocated items comprise primarily head office expenses, financing and income tax assets and liabilities.

The operating segments are determined based on the Group's management and internal reporting structure.

As required by IFRS 8, the Group provides information on the business activities in which, the Group engages including split of revenue and investment property per asset portfolio.

Inter-segment pricing is determined on an arm's length basis.

(t) Key management personnel

The Group discloses the total remuneration of key management personnel as required by IAS 24 – Related party disclosures. The Group includes within key management personnel all individuals (and their family members, if applicable) who have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel include all members of the Board of Directors and the senior executives of the Group.

2.3 Determination of fair value**(a) Investment property and Property, plant and equipment**

Investment properties are stated at fair value as at 31 December 2023 and 2022 based on external valuations prepared by professionally qualified valuers, except for an insignificant part of the portfolio valued by an internal expert (see note 6.2). The Group's property portfolio in the Czech Republic is valued mainly by Jones iO Partner (former Jones Lang LaSalle in Czechia, Slovakia, Romania & Hungary left and their successor was named iO Partners), Cushman & Wakefield and CBRE, while selected properties are valued also by RSM, Mazars and Statikum. The property portfolios in Poland and Romania are valued by CBRE. Assets in Slovakia and Hospitality in Poland & Hungary are valued by Cushman & Wakefield. Remaining assets in Hungary are valued by iO Partners. The valuation of the Berlin portfolio is undertaken by Savills. The Group also uses its valuation department for providing internal valuations of selected assets, including United Kingdom assets part of the Czech Republic residential portfolio, land bank assets, certain Czech Republic retail assets and parts of assets in France.

Immofinanz

Investment properties are stated at fair value as at 31 December 2023 based on external valuation prepared by CBRE for portfolio located in Austria, Germany, Poland, Romania, Serbia, Slovenia, Croatia, Italy and partly in Czechia. Slovakia is valued by Cushman & Wakefield and Hungarian portfolio by iO Partners (former JLL). Internally is valued landbank portfolio in Croatia.

SIMMO

Investment properties are stated at fair value as at 31 December 2023 based on external valuation prepared by CBRE for portfolio located in Austria, Germany and partly in Czechia. Slovakia is valued by Cushman & Wakefield and Hungarian portfolio partly by iO Partners (former JLL) and Colliers.

Independent valuations are reviewed by the Group's management and represent a basis for the management's estimate of the investment properties' fair value. Those estimates considered the results of current and prior external valuations, information from comparable selling and purchase transactions.

Valuations reflect, where appropriate, the type of tenants and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property.

The real estate market in Central and Eastern Europe is considered small and transactions with real estate portfolios of the size similar to that of the Group's portfolio are rather rare. Due to the need to use the market knowledge and professional judgements of the valuers to a greater extent, there is a higher degree of uncertainty than which would exist in more developed and active markets.

The following valuation methods of investment property were used:

For a breakdown of assumptions used by valuers refer to 7.5.

(i) Retail, Office, Industry and Logistics properties

Retail, office, industry and logistics properties have been valued using predominantly income capitalization and discounted cash flow (DCF) valuation methods.

DCF is a valuation of estimated income considering costs of ownership and operation of the property. The estimated cash flows are discounted using a discount rate reflecting the level of income risk and time value of money.

The income capitalization method is based on the capitalization of the net annual income the property generates or is potentially able to generate. On lease expiry, future income flows have been capitalized into perpetuity at the estimated rental value, taking into account expiry voids and rent free periods. The net income is the total rental income reduced by the costs which are not recovered from tenants. The capitalisation yield (equivalent yield) is determined by the market transactions achieved at the sale of the property or similar properties in the market between the willing buyer and the willing seller in the arm's length transaction. A yield reflects the risks inherent in the net cash flows applicable to the net annual rentals to arrive at the property valuation. The sales comparison valuation technique has been used for selected less significant retail assets in the Czech Republic.

(ii) Residential properties

Residential properties have been valued primarily using the direct comparison method based on data from comparable transactions. The data was obtained from Cadastral offices or purchase agreements, except for related party transactions.

(iii) Land and vacant buildings

Land and vacant buildings have been valued using the direct comparison method to arrive at the value of the property in its existing state. A comparison was performed with other similarly located and zoned plots of land or buildings that are currently on the market.

The sales price of the properties that are judged to be most comparable tend to indicate a range in which the value indication for the subject property will fall. The valuer estimated the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison.

(iv) Hotels

Hotels have been valued primarily using the DCF valuation method.

(v) Investment property under development

The valuer used the Residual Value Approach for the valuation of the investment property under development. In order to assess the market value of the sites, the valuer undertook a development appraisal to assess the potential value (Gross Development Value) of the fully completed and leased development as currently proposed, and deducted hard costs, soft costs, financing costs and a developer's expected required profit (which reflects the required level of return to a developer and the risk of undertaking the project).

In assessing the Gross Development Value, the valuer adopted a market approach by estimating the market rental values for the accommodation being developed, and the appropriate capitalisation rate which a potential investor would require, to arrive at the Market Value of the completed and leased building.

(vi) Agriculture properties

Agriculture properties have been valued using the direct comparison method of valuation.

(b) Biological assets

Biological assets are stated at fair value less cost to sell based on internal valuations performed by the Group.

Valuation of livestock is measured at fair value. The livestock has been divided into categories according to the species and age, e.g. vealer 0 - 6 month, heifer 6 - 24 month, chicken etc. Each category has been valued using the sales price per kilogram for specific category of livestock and the average weight (in kg) per head of cattle. The average weight represents Group management's best estimate.

The sales prices are derived from the average of actual sales price on different markets as the Group sells its products on several European markets.

3 The Group structure

CPIPG is the Group's ultimate parent company. As at 31 December 2023, the Group comprises its parent company and 676 subsidiaries (644 as at 31 December 2022) and 10 joint ventures. For list of subsidiaries refer to Appendix I.

3.1 Changes in the Group in 2023

In 2023, the Group acquired, founded or demerged (within the Group) the following subsidiaries:

Entity	Change	Share owned	Since
ADELAIDE TAVERN LIMITED	Acquisition	100.00%	1 February 2023
Nergal Immobilienverwertungs GmbH E58 & Co KG	Founded	75.87%	22 February 2023
Nergal Immobilienverwertungs GmbH F3 & Co KG	Founded	75.87%	22 February 2023
Nergal Immobilienverwertungs GmbH M3 & Co KG	Founded	75.87%	22 February 2023
MACKWORTH PROPERTIES LIMITED	Founded	100.00%	27 February 2023
Eclair Aviation s.r.o.	Acquisition	100.00%	30 January 2023
CPI FIM WHITE, a.s.	Acquisition	97.31%	21 March 2023
CPI FIM GOLD, a.s.	Acquisition	97.31%	21 March 2023
CPI Smart Power, a.s.	Acquisition	100.00%	21 March 2023
FVE roofs & grounds, s.r.o.	Founded	100.00%	21 March 2023
JAVO IMOBILIARE S.R.L	Acquisition	75.00%	8 May 2023
BD Malostranská, a.s.	Demerger	97.31%	1 July 2023
Pinsiroť, s.r.o.	Founded	100.00%	11 July 2023
Rizeros, a.s.	Founded	100.00%	11 July 2023
SC Czech AHG, s.r.o.	Acquisition	75.87%	11 October 2023
SC Czech AGL, s.r.o.	Acquisition	75.00%	11 October 2023
Sentreta, a.s.	Founded	100.00%	3 November 2023
Tretarta, a.s.	Founded	100.00%	3 November 2023
Fenekina, a.s.	Founded	100.00%	3 November 2023
CPI Solar TWO, a.s.	Founded	100.00%	3 November 2023
CPI Solar ONE, a.s.	Founded	100.00%	3 November 2023
Blazika, a.s.	Founded	100.00%	3 November 2023
Vulpixo, s.r.o.	Founded	100.00%	6 November 2023
Venonata, s.r.o.	Founded	100.00%	6 November 2023
Nidorino, s.r.o.	Founded	100.00%	6 November 2023
CPI Septima, s.r.o.	Founded	100.00%	6 November 2023
CPI Oktáva, s.r.o.	Founded	100.00%	6 November 2023
FVE Dělouš, s.r.o.	Acquisition	100.00%	21 November 2023
Stogetic, a.s.	Acquisition	80.00%	24 November 2023
Galopota, a.s.	Acquisition	80.00%	24 November 2023
Marcano, a.s.	Acquisition	80.00%	27 November 2023
Chuchle Arena Praha, s.r.o.	Acquisition	80.00%	27 November 2023
Turf Holding, a.s.	Acquisition	74.88%	27 November 2023
Turf Praha, a.s.	Acquisition	67.20%	27 November 2023
TMM s.r.o.	Acquisition	67.20%	27 November 2023
TOTO CZ a.s.	Acquisition	67.20%	27 November 2023
RISING FALCON HOLDING LIMITED	Acquisition	100.00%	29 December 2023

In 2023, the Group disposed or liquidated the following subsidiaries:

Entity	Change	Share	Since
SCP NEW BLUE BIRD	Liquidation	100.00%	14 February 2023
SIAG Berlin Wohnimmobilien GmbH	Disposal	75.87%	31 March 2023
Maalkaf BV	Liquidation	75.00%	1 April 2023
IMAK CEE N.V.	Liquidation	75.00%	1 April 2023
Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S.	Disposal	75.00%	27 April 2023
WASHINGTON PROJEKT EOOD	Disposal	75.87%	2 May 2023
Immobilien L Liegenschafts Vermietungs GmbH	Disposal	75.00%	24 May 2023
CPI REAL ESTATE ITALY S.R.L.	Disposal	100.00%	28 June 2023
SIMMO Berlin IV GmbH	Disposal	70.56%	30 June 2023
Orco Project sp. z o.o. w upadłości likwidacyjnej	Liquidation	97.31%	31 July 2023
Camposota, s.r.o.	Disposal	100.00%	26 September 2023
myhive offices sp. z o.o.	Liquidation	75.00%	30 September 2023
SCP Kandler	Liquidation	100.00%	18 October 2023
Kamosota, a.s.	Disposal	100.00%	26 October 2023
SCT s.r.o.	Disposal	75.00%	14 November 2023
Blazika, a.s.	Disposal	100.00%	30 November 2023
EUROCENTER d.o.o	Disposal	75.87%	30 November 2023
U svatého Michala, a.s.	Disposal	100.00%	1 December 2023
Ceratopsia, a.s.	Disposal	100.00%	13 December 2023
SIMMO Immobilien Investitions GmbH	Liquidation	75.87%	21 December 2023
Notosoaria, s.r.o.	Disposal	100.00%	28 December 2023

3.2 Property asset acquisitions in 2023

RISING FALCON HOLDING LIMITED

On 29 December 2023, the Group acquired 100% share in RISING FALCON HOLDING LIMITED holding luxury residential projects in Dubai, United Arab Emirates. The portfolio includes 20 apartment units or villas, of which 3 are completed, and 17 are in various stages of development. Total fair value of these residential projects was EUR 297.8 million as of the date of transaction. The Group holds the Company for capital appreciation of its projects.

Since the Group acquired all shares from its majority shareholder, the acquisition represents a common control transaction. The acquisition was recognized as a property asset acquisition as the company does not represent a business as defined by IFRS 3.

The RISING FALCON HOLDING LIMITED was acquired from the Group's majority shareholder for consideration of EUR 273.0 million. The consideration was offset against loans provided to Senales Invest, the entity owned by the Group's majority shareholder.

The Group applied acquisition method and recognised the transaction at the fair value of the acquired properties of EUR 297.9 million with the difference between the fair value of the consideration transferred and the fair value of the acquired assets as a contribution of EUR 24.9 million to retained earnings of the Group.

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 297.9 million, fully allocated to investment property by the Group. The net cash outflow connected with the acquisition amounted to EUR 0 million as the consideration of EUR 273.0 million was off-set with loans provided by the Group to Senales Invest, entity fully owned by the Group's main shareholders.

3.3 Business combination in 2023

Galopota, a.s. Group

On 24 November 2023, the Group acquired 80% stake in Galopota, a.s. group an owner of a sport complex in Prague, the Czech Republic. Galopota controls subsidiaries Marcano, a.s., Chuchle Arena Praha, s.r.o., Turf Holding, a.s., Turf Praha, a.s., TMM s.r.o. and TOTO CZ a.s. all located in the Czech Republic. Apart from sport complex building classified as investment property, the group also owns certain biological assets and property plant and equipment. Galopota group does not earn any significant revenue but is held for capital appreciation by the Group.

The Galopota group was acquired from the Group's majority shareholder for consideration of EUR 1.

The acquisition is treated as a business combination under IFRS 3 with acquisition date of 24 November 2023.

The fair value of the identifiable assets and liabilities as at the date of acquisition was as follows:

	Fair value
Investment property	14.5
Property, plant and equipment	2.9
Biological assets	5.4
Cash and cash equivalents	0.2
Other current assets	2.0
Financial debts	(24.5)
Current liabilities	(0.5)
Net identifiable assets acquired	-

The net cash inflow connected with the acquisition amounted to EUR 0.2 million.

3.4 Disposal of subsidiaries in 2023

The Group disposed the following subsidiaries (which were considered as a non-core assets):

- SIAG Berlin Wohnimmobilien GmbH was sold for EUR 225.6 million on 11 April 2023
- SIMMO Berlin IV GmbH was sold for EUR 13.5 million on 30 June 2023
- Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S. was sold for EUR 14.8 million on 30 August 2023
- WASHINGTON PROJEKT EOOD was sold for EUR 1.0 million on 30 August 2023
- CPI REAL ESTATE ITALY S.R.L. was sold for EUR 1.8 million on 26 July 2023
- Camposota, s.r.o. was sold for EUR 10.1 million on 30 October 2023
- Kamosota, a.s. was sold for EUR 3.9 million on 30 October 2023
- EUROCENTER d.o.o. was sold for EUR 21.9 million on 30 November 2023
- U svatého Michala, a.s. was sold for EUR 5.3 million on 13 December 2023
- Ceratopsia, a.s. was sold for EUR 6.0 million on 13 December 2023
- Notosoaria, s.r.o. was sold for EUR 13.3 million on 28 December 2023

3.5 Changes in the Group in 2022

In 2022, the Group acquired, founded or demerged (within the Group) the following subsidiaries:

Entity	Change	Share owned	Since
A G R O F A N D A spol. s r.o.	Acquisition	100.00%	2 February 2022
"Wienerberg City" Errichtungsges.m.b.H.*	Acquisition	76.88%	3 March 2022
AAX Immobilienholding GmbH*	Acquisition	76.88%	3 March 2022
Adama Adviso SRL*	Acquisition	76.88%	3 March 2022
Adama Holding Public Ltd.*	Acquisition	76.88%	3 March 2022
Adama Management SRL*	Acquisition	76.88%	3 March 2022
Adama Romania Ltd.*	Acquisition	76.88%	3 March 2022
AEDIFICIO Liegenschaftsvermietungs – und Beteiligungsgesellschaft m.b.H.*	Acquisition	76.88%	3 March 2022
Alpha real d.o.o.*	Acquisition	76.88%	3 March 2022
Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S.*	Acquisition	76.88%	3 March 2022
ARMONIA CENTER ARAD S.R.L.*	Acquisition	76.88%	3 March 2022
ARO Immobilien GmbH*	Acquisition	76.88%	3 March 2022
Atom Centrum, s.r.o.*	Acquisition	76.88%	3 March 2022
Atrium Park Kft.*	Acquisition	76.88%	3 March 2022
Baron Development SRL*	Acquisition	76.88%	3 March 2022
Bauteil M Errichtungsges.m.b.H.*	Acquisition	76.88%	3 March 2022
Bauteile A + B Errichtungsges.m.b.H.*	Acquisition	76.88%	3 March 2022
Bauteile C + D Errichtungsges.m.b.H.*	Acquisition	76.88%	3 March 2022
Berceni Estate Srl*	Acquisition	76.88%	3 March 2022
Bertie Investments Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Blitz 21-67 GmbH*	Acquisition	76.88%	3 March 2022
Bloczek Ltd.*	Acquisition	76.88%	3 March 2022
Business Park Beteiligungs GmbH*	Acquisition	76.88%	3 March 2022
Business Park West-Sofia EAD*	Acquisition	76.88%	3 March 2022
Capri Trade s.r.l.*	Acquisition	76.88%	3 March 2022
CENTER INVEST Kft.*	Acquisition	76.88%	3 March 2022
City Tower Vienna Errichtungs – und Vermietungs-GmbH*	Acquisition	76.88%	3 March 2022
Constantia Treuhand und Vermögensverwaltungs GmbH*	Acquisition	76.88%	3 March 2022
Contips Limited*	Acquisition	76.88%	3 March 2022
Cora GS s.r.l.*	Acquisition	76.88%	3 March 2022
CPB Enterprise GmbH*	Acquisition	76.88%	3 March 2022
Credo Immobilien Development GmbH*	Acquisition	76.88%	3 March 2022
CREDO Real Estate GmbH*	Acquisition	76.88%	3 March 2022
Dapply Trading Ltd.*	Acquisition	76.88%	3 March 2022
DUS Plaza GmbH*	Acquisition	76.88%	3 March 2022
Elmore Investments Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Elona Projekt d.o.o.*	Acquisition	76.88%	3 March 2022
Erlend Investments Sp. z o.o.*	Acquisition	76.88%	3 March 2022
EUREDESIMMOBILIEN GmbH*	Acquisition	76.88%	3 March 2022
Eye Shop Targu Jiu s.r.l.*	Acquisition	76.88%	3 March 2022
Fawna Limited*	Acquisition	76.88%	3 March 2022
FMZ Baia Mare Imobiliara s.r.l.*	Acquisition	76.88%	3 March 2022
FMZ Lublin Sp. z o.o.*	Acquisition	76.88%	3 March 2022
GAL Development SRL*	Acquisition	76.88%	3 March 2022
Galeria Zamek Sp. z o.o.*	Acquisition	76.88%	3 March 2022
GD-BREG d.o.o.*	Acquisition	76.88%	3 March 2022
Geiselbergstraße 30-32 Immobilienbewirtschaftungsgesellschaft m.b.H.*	Acquisition	76.88%	3 March 2022
GENA NEUN Beteiligungsverwaltung GmbH*	Acquisition	76.88%	3 March 2022
Gena Vier Immobilienholding GmbH*	Acquisition	76.88%	3 March 2022
GENA ZEHN Immobilienholding GmbH*	Acquisition	76.88%	3 March 2022
Gendana Ventures Ltd.*	Acquisition	76.88%	3 March 2022
Gila Investment SRL*	Acquisition	76.88%	3 March 2022
Global Trust s.r.l.*	Acquisition	76.88%	3 March 2022
GORDON INVEST Kft.*	Acquisition	76.88%	3 March 2022
Grand Centar d.o.o.*	Acquisition	76.88%	3 March 2022
Hadas Management SRL*	Acquisition	76.88%	3 March 2022
Harborside Imobiliara s.r.l.*	Acquisition	69.19%	3 March 2022
HDC Investitii SRL*	Acquisition	76.88%	3 March 2022
CHB Immobilienholding GmbH*	Acquisition	76.88%	3 March 2022
IE Equuleus NL B.V.*	Acquisition	76.88%	3 March 2022
I-E-H Immoeast Holding GmbH*	Acquisition	76.88%	3 March 2022
IMAK CEE N.V.*	Acquisition	76.88%	3 March 2022
IMBEA Immoeast Beteiligungsverwaltung GmbH*	Acquisition	76.88%	3 March 2022
IMF Float GmbH*	Acquisition	76.88%	3 March 2022
Immobilien L Liegenschafts Vermietungs GmbH*	Acquisition	76.88%	3 March 2022

Entity	Change	Share owned	Since
IMMOEAST Acquisition & Management GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST ALLEGRO Beteiligungs GmbH*	Acquisition	76.88%	3 March 2022
Immoeast Baneasa Airport Tower srl*	Acquisition	76.88%	3 March 2022
IMMOEAST Beteiligungs GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Despina I B.V.*	Acquisition	76.88%	3 March 2022
IMMOEAST Despina II B.V.*	Acquisition	76.88%	3 March 2022
IMMOEAST Immobilien GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Iride IV Project s.r.l.*	Acquisition	76.88%	3 March 2022
IMMOEAST Polonia Sp. z o.o. w likwidacji*	Acquisition	76.88%	3 March 2022
IMMOEAST PRESTO Beteiligungs GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt Almansor Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt Aries Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt DESPINA Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt Equuleus Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt Omega Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt Pantheus Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Projekt Septendecimus Holding GmbH*	Acquisition	76.88%	3 March 2022
IMMOEAST Silesia Holding Ltd.*	Acquisition	76.88%	3 March 2022
IMMOFINANZ AG*	Acquisition	76.88%	3 March 2022
IMMOFINANZ ArtemiSIMMObilien Vermietung GmbH*	Acquisition	76.88%	3 March 2022
Immofinanz Deutschland GmbH*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Enodia Realitäten Vermietungs GmbH*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Float GmbH & Co. KG*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Float Verwaltungs GmbH*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Friesenquartier GmbH*	Acquisition	71.27%	3 March 2022
IMMOFINANZ Friesenquartier II GmbH*	Acquisition	76.88%	3 March 2022
Immofinanz Gamma Liegenschafts – und Mobilienvermietungsgesellschaft m.b.H.*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Immobilien Vermietungs-Gesellschaft m.b.H.*	Acquisition	76.88%	3 March 2022
IMMOFINANZ LAMBDA Liegenschafts – und Mobilienvermietungsgesellschaft m.b.H.*	Acquisition	76.88%	3 March 2022
Immofinanz Medienhafen GmbH*	Acquisition	76.88%	3 March 2022
IMMOFINANZ MONTAIGNE Liegenschaftsvermietungs GmbH*	Acquisition	76.88%	3 March 2022
Immofinanz Polska Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Immofinanz Services and Management d.o.o.*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Services Czech Republic, s.r.o.*	Acquisition	76.88%	3 March 2022
Immofinanz Services d.o.o. Beograd-Novi Beograd*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Services Hungary Kft.*	Acquisition	76.88%	3 March 2022
Immofinanz Services Poland Sp. z o.o.*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Services Romania s.r.l.*	Acquisition	76.88%	3 March 2022
IMMOFINANZ Services Slovak Republic, s.r.o.*	Acquisition	76.88%	3 March 2022
ImmoPoland Sp. z o.o.*	Acquisition	76.88%	3 March 2022
IMMOWEST Beteiligungs GmbH*	Acquisition	76.88%	3 March 2022
IMMOWEST IMMOBILIEN ANLAGEN GMBH*	Acquisition	76.88%	3 March 2022
Irascib Holdings Ltd.*	Acquisition	76.88%	3 March 2022
IRIDE S.A.*	Acquisition	76.88%	3 March 2022
Lagerman Properties Limited*	Acquisition	76.88%	3 March 2022
Larius International SRL*	Acquisition	76.88%	3 March 2022
Lasianthus Ltd*	Acquisition	76.88%	3 March 2022
Maalkaf BV*	Acquisition	76.88%	3 March 2022
MBP I Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Merav Development SRL*	Acquisition	76.88%	3 March 2022
Merav Finance BV*	Acquisition	76.88%	3 March 2022
Metropol Consult SRL*	Acquisition	76.88%	3 March 2022
Monorom Construct SRL*	Acquisition	76.88%	3 March 2022
myhive offices Hungary Kft.*	Acquisition	76.88%	3 March 2022
myhive offices sp. z o.o.*	Acquisition	76.88%	3 March 2022
myhive offices SRL*	Acquisition	76.88%	3 March 2022
Nimbus Real Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Norden Maritime Services Limited*	Acquisition	76.88%	3 March 2022
Norden Maritime SRL*	Acquisition	76.88%	3 March 2022
NP Investments a.s.*	Acquisition	76.88%	3 March 2022
Nutu Limited*	Acquisition	76.88%	3 March 2022
OIY Czech, s.r.o.*	Acquisition	76.88%	3 March 2022
Palmovka Offices s.r.o.*	Acquisition	76.88%	3 March 2022
PBC Liegenschaftshandels-gesellschaft m.b.H.*	Acquisition	76.88%	3 March 2022
Perlagonia 1 Holding GmbH*	Acquisition	76.88%	3 March 2022
Polus a.s.*	Acquisition	76.88%	3 March 2022
Polus Transilvania Companie de Investitii S.A.*	Acquisition	76.88%	3 March 2022

Entity	Change	Share owned	Since
Prelude 2000 SRL*	Acquisition	76.88%	3 March 2022
Prinz-Eugen-Straße Liegenschaftsvermietungs GmbH*	Acquisition	76.88%	3 March 2022
Real Habitation s.r.l.*	Acquisition	76.88%	3 March 2022
Retail Park Four d.o.o. Beograd*	Acquisition	76.88%	3 March 2022
Ronit Development SRL*	Acquisition	76.88%	3 March 2022
Roua Vest SRL*	Acquisition	76.88%	3 March 2022
S.C. Baneasa 6981 s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. Brasov Imobiliara S.R.L.*	Acquisition	76.88%	3 March 2022
S.C. Flash Consult Invest s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. IE Baneasa Project s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. IMMOEAST Narbal Project s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. Meteo Business Park s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. Retail Development Invest 1 s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. Stupul de Albine s.r.l.*	Acquisition	76.88%	3 March 2022
S.C. Union Investitii S.r.l.*	Acquisition	76.88%	3 March 2022
Sapir Investitii SRL*	Acquisition	76.88%	3 March 2022
SBF Development Praha spol. s.r.o.*	Acquisition	76.88%	3 March 2022
SCT s.r.o.*	Acquisition	76.88%	3 March 2022
Shaked Development SRL*	Acquisition	76.88%	3 March 2022
SITUS Holding GmbH*	Acquisition	76.88%	3 March 2022
Snagov Lake Rezidential SRL*	Acquisition	76.88%	3 March 2022
S-Park Offices s.r.l.*	Acquisition	76.88%	3 March 2022
Stop Shop d.o.o.*	Acquisition	76.88%	3 March 2022
STOP SHOP Development d.o.o.*	Acquisition	76.88%	3 March 2022
Stop Shop Holding GmbH*	Acquisition	76.88%	3 March 2022
Stop Shop Italia S.R.L.*	Acquisition	76.88%	3 March 2022
Stop Shop Poland Sp.z.o.o.*	Acquisition	76.88%	3 March 2022
STOP SHOP RO RETAIL ONE SRL*	Acquisition	76.88%	3 March 2022
STOP SHOP SERBIA d.o.o.*	Acquisition	76.88%	3 March 2022
STOP.SHOP. CZ s.r.o.*	Acquisition	76.88%	3 March 2022
STOP.SHOP. Slovakia s.r.o.*	Acquisition	76.88%	3 March 2022
Tamar Imob Investitii SRL*	Acquisition	76.88%	3 March 2022
Terminat Enterprises Limited*	Acquisition	76.88%	3 March 2022
Topaz Development SRL*	Acquisition	76.88%	3 March 2022
Tripont Invest s.r.l.*	Acquisition	76.88%	3 March 2022
TUTUS PROJEKT d.o.o.*	Acquisition	76.88%	3 March 2022
VCG Immobilienbesitz GmbH*	Acquisition	76.88%	3 March 2022
Ventilatorul Real Estate SRL*	Acquisition	76.88%	3 March 2022
Vitrust Ltd.*	Acquisition	76.88%	3 March 2022
VIVO! Poland Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Warsaw Spire Tower Sp. z o.o.*	Acquisition	76.88%	3 March 2022
Terminal Nord S.r.l.*	Acquisition	76.88%	09-Mar-22
Hornopolická ekologická, s.r.o.	Founded	100.00%	17-Mar-22
Farma Dělouš, s.r.o.	Founded	100.00%	17-Mar-22
FVE CHZ s.r.o.	Acquisition	100.00%	11-May-22
Camposota, s.r.o.	Founded	100.00%	11-May-22
Ceratopsia, a.s.	Founded	100.00%	11-May-22
CPI Black, s.r.o.	Founded	100.00%	11-May-22
CPI Silver, a.s.	Founded	100.00%	11-May-22
Direopona, s.r.o.	Founded	100.00%	11-May-22
Haterodan, a.s.	Founded	100.00%	11-May-22
Karnosota, a.s.	Founded	100.00%	11-May-22
Megalotonia, s.r.o.	Founded	100.00%	11-May-22
Notosoaria, s.r.o.	Founded	100.00%	11-May-22
Vulcanion, a.s.	Founded	100.00%	11-May-22
OZ Trmice, a.s.	Acquisition	100.00%	25-May-22
CPI Group Services, a.s.	Founded	100.00%	07-Jun-22
Ea Einhundertvierundneunzigste WT Holding GmbH	Acquisition	100.00%	08-Jun-22
CPI Services d.o.o. Beograd	Founded	100.00%	14-Jun-22
CPI Services CRO d.o.o.	Founded	100.00%	15-Jun-22
A.D.I. Immobilien Beteiligungs GmbH**	Acquisition	92.26%	28-Jun-22
AKIM Beteiligungen GmbH**	Acquisition	92.26%	28-Jun-22
Bank-garázs Kft.**	Acquisition	92.26%	28-Jun-22
BUDA Kft.**	Acquisition	92.26%	28-Jun-22
BudaPart Auratus Kft.**	Acquisition	92.26%	28-Jun-22
CEE Beteiligungen GmbH**	Acquisition	92.26%	28-Jun-22
CEE CZ Immobilien GmbH**	Acquisition	92.26%	28-Jun-22
CEE Immobilien GmbH**	Acquisition	92.26%	28-Jun-22

Entity	Change	Share owned	Since
CEE Property-Invest Hungary 2003 Kft.**	Acquisition	92.26%	28-Jun-22
CEE PROPERTY-INVEST Immobilien GmbH**	Acquisition	92.26%	28-Jun-22
CEE Property-Invest Kft.**	Acquisition	92.26%	28-Jun-22
City Center Irodaház Kft.**	Acquisition	92.26%	28-Jun-22
DUAL CONSTRUCT INVEST SRL**	Acquisition	92.26%	28-Jun-22
Duna Szálloda Zrt.**	Acquisition	92.26%	28-Jun-22
E.I.A. einSIMMObilieninvestitions-gesellschaft m.b.H.**	Acquisition	92.26%	28-Jun-22
E.V.I. Immobilienbeteiligungs GmbH**	Acquisition	92.26%	28-Jun-22
ELTIMA PROPERTY COMPANY s. r. o.**	Acquisition	92.26%	28-Jun-22
EUROCENTER d. o. o.**	Acquisition	92.26%	28-Jun-22
EXPO BUSINESS PARK S.R.L.**	Acquisition	92.26%	28-Jun-22
GALVÁNIHO 2, s. r. o.**	Acquisition	92.26%	28-Jun-22
GALVÁNIHO 4, s. r. o.**	Acquisition	92.26%	28-Jun-22
Galvániho Business Centrum, s. r. o.**	Acquisition	92.26%	28-Jun-22
German Property Invest Immobilien GmbH**	Acquisition	92.26%	28-Jun-22
H.S.E. Immobilienbeteiligungs GmbH**	Acquisition	92.26%	28-Jun-22
Hotel DUNA Beteiligungs Gesellschaft m.b.H.**	Acquisition	92.26%	28-Jun-22
Ikaruspark GmbH**	Acquisition	92.26%	28-Jun-22
Lützow-Center GmbH**	Acquisition	92.26%	28-Jun-22
Maior Domus Hausverwaltungs GmbH**	Acquisition	92.26%	28-Jun-22
Markt Carree Halle Immobilien GmbH**	Acquisition	92.26%	28-Jun-22
Maros utca Kft.**	Acquisition	92.26%	28-Jun-22
Nagymező Kft.**	Acquisition	92.26%	28-Jun-22
Nergal Immobilienverwertungs GmbH**	Acquisition	92.26%	28-Jun-22
Neutorgasse 2-8 Projektverwertungs GmbH**	Acquisition	92.26%	28-Jun-22
Nusku Beteiligungsverwaltungs GmbH**	Acquisition	92.26%	28-Jun-22
PCC-Hotelerrichtungs – und Betriebsgesellschaft m.b.H.**	Acquisition	92.26%	28-Jun-22
PCC-Hotelerrichtungs – und Betriebsgesellschaft m.b.H. & Co. KG**	Acquisition	92.26%	28-Jun-22
REGA Property Invest s. r. o.**	Acquisition	92.26%	28-Jun-22
SIMMO AG**	Acquisition	92.26%	28-Jun-22
SIMMO APM Hungary Kft.**	Acquisition	92.26%	28-Jun-22
SIMMO APM ROMANIA S.R.L.**	Acquisition	92.26%	28-Jun-22
SIMMO Berlin Finance GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Berlin I GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Berlin II GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Berlin III GmbH**	Acquisition	85.80%	28-Jun-22
SIMMO Berlin IV GmbH**	Acquisition	85.80%	28-Jun-22
SIMMO Berlin V GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Berlin VI GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Beteiligungen GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Croatia d.o.o.**	Acquisition	92.26%	28-Jun-22
SIMMO Germany GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Geschäftsimmobilien GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Group Finance GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Immobilien Investitions GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Acht GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Eins GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Elf GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Fünf GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Invest GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Neun GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Sechs GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Sieben GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Vier GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Zehn GmbH**	Acquisition	92.26%	28-Jun-22
SIMMO Property Zwölf GmbH**	Acquisition	92.26%	28-Jun-22
Savska 32 d.o.o.**	Acquisition	92.26%	28-Jun-22
SIAG Berlin Wohnimmobilien GmbH**	Acquisition	92.26%	28-Jun-22
SIAG Deutschland Beteiligungs GmbH & Co. KG**	Acquisition	92.26%	28-Jun-22
SIAG Deutschland Beteiligungs-Verwaltungs GmbH**	Acquisition	92.26%	28-Jun-22
SIAG Fachmarktzentren, s. r. o.**	Acquisition	92.26%	28-Jun-22
SIAG Hotel Bratislava, s. r. o.**	Acquisition	92.26%	28-Jun-22
SIAG Leipzig Wohnimmobilien GmbH**	Acquisition	92.26%	28-Jun-22
SIAG Multipurpose Center, s.r.o.**	Acquisition	92.26%	28-Jun-22
SIAG Property I GmbH**	Acquisition	92.26%	28-Jun-22
SIAG Property II GmbH**	Acquisition	92.26%	28-Jun-22
SMART OFFICE DOROBANTI S.R.L.**	Acquisition	92.26%	28-Jun-22
SO Immobilienbeteiligungs GmbH**	Acquisition	92.26%	28-Jun-22

Entity	Change	Share owned	Since
SOCIETATE DEZVOLTARE COMERCIAL SUDULUI (SDCS) SRL**	Acquisition	92.26%	28-Jun-22
SPC DELTA PROPERTY DEVELOPMENT COMPANY SRL**	Acquisition	92.26%	28-Jun-22
SPC SIGMA PROPERTY DEVELOPMENT COMPANY SRL**	Acquisition	92.26%	28-Jun-22
THE MARK II OFFICES S.R.L.**	Acquisition	92.26%	28-Jun-22
Tőlz Immobilien GmbH**	Acquisition	92.26%	28-Jun-22
Váci 113 Offices A Kft.**	Acquisition	92.26%	28-Jun-22
Váci 113 Offices B Hungary Kft.**	Acquisition	92.26%	28-Jun-22
VICTORIEI BUSINESS PLAZZA SRL**	Acquisition	92.26%	28-Jun-22
WASHINGTON PROEKT EOOD**	Acquisition	92.26%	28-Jun-22
Zagrebtower d.o.o.**	Acquisition	92.26%	28-Jun-22
Rezidence Kunratice, s.r.o.	Demerger	97.31%	01-Jul-22
Spojené elektrárny, s.r.o.	Founded	100.00%	26-Aug-22
Seattle, s.r.o.	Acquisition	100.00%	27-Sep-22
Vision Fund	Acquisition	99.50%	27-Sep-22
CPI Park Plzeň, s.r.o.	Demerger	97.31%	01-Oct-22
CPI Park Jablonné v Podještědí, s.r.o.	Demerger	100.00%	01-Nov-22
Mimoňská farma, s.r.o.	Founded	100.00%	23-Nov-22
Farma Blíževedly, s.r.o.	Founded	100.00%	23-Nov-22
Pihelská farma, s.r.o.	Founded	100.00%	24-Nov-22
Lipovská ekologická, s.r.o.	Founded	100.00%	24-Nov-22
Ekofarma Šenov, s.r.o.	Founded	100.00%	24-Nov-22
Žiznickovská farma, s.r.o.	Founded	100.00%	25-Nov-22
Zdislavská zemědělská, s.r.o.	Founded	100.00%	25-Nov-22
Tiustecká zemědělská, s.r.o.	Founded	100.00%	25-Nov-22
Řasnická zemědělská, s.r.o.	Founded	100.00%	25-Nov-22
CPI Park Chabařovice, s.r.o.	Demerger	97.31%	01-Dec-22
CPI Podhorský Park, s.r.o.	Demerger	97.31%	01-Dec-22

* Acquired through acquisition of IMMOFINANZ.

** Acquired through acquisition of SIMMO.

In 2022, the Group disposed or liquidated the following subsidiaries:

Entity	Change	Share	Since
DORESTO LIMITED	Liquidation	100.00%	20 January 2022
SHAHEDA LIMITED	Liquidation	100.00%	20 January 2022
BREGOVA LIMITED	Liquidation	100.00%	20 January 2022
MESARGOSA LIMITED	Liquidation	100.00%	20 January 2022
Airport City Kft	Disposal	100.00%	27 January 2022
Airport City Phase B Kft	Disposal	100.00%	27 January 2022
IGY2 CB, a.s.	Disposal	100.00%	17 February 2022
CB Property Development, a.s.	Disposal	100.00%	17 February 2022
LERIEGOS Kft.	Disposal	100.00%	23 February 2022
BC 91 Real Estate Kft	Disposal	100.00%	23 February 2022
CPI Finance Ireland II Ltd.	Liquidation	100.00%	28 February 2022
CPI Kvarta, s.r.o.	Disposal	100.00%	2 March 2022
Brandýs Logistic, a.s.	Disposal	100.00%	9 March 2022
CPI Vestec, s.r.o.	Disposal	100.00%	9 March 2022
WFC Offices sp. z o.o.	Liquidation	100.00%	14 April 2022
Centrum Ogrody Sp. Z o.o.	Liquidation	100.00%	15 April 2022
CPI Poland Offices sp. z o.o.	Liquidation	100.00%	26 April 2022
PAC Italy 130 SPV S.r.l.	Disposal	97.31%	30 June 2022
Marissa Ypsilon, a.s.	Disposal	100.00%	29 July 2022
Gamma Building, s.r.o.	Disposal	76.88%	1 September 2022
ALIZÉ PROPERTY a.s.	Disposal	100.00%	27 October 2022
Haterodan, a.s.	Disposal	100.00%	21 November 2022

3.6 Property asset acquisitions in 2022

AGROFANDA spol. s r.o.

On 2 February 2022, the Group acquired A G R O F A N D A spol. s r. o., an owner of one farm in the Czech Republic. Total consideration of the acquisition was EUR 1.9 million, fully allocated to the investment property value.

The acquisition was recognized as a property asset acquisition as the company does not represent a business as defined by IFRS 3.

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 1.9 million. The net cash outflow connected with the acquisition amounted to EUR 1.9 million.

FVE CHZ s.r.o.

On 11 May 2022, the Group acquired 100% share in FVE CHZ s.r.o. holding land and photovoltaics related property in the Czech Republic. Total consideration of the acquisition was EUR 6.1 million.

The acquisition was recognized as a property asset acquisition as the company does not represent a business as defined by IFRS 3. The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	Fair value
Investment property	2.4
Property, plant and equipment	3.7
Identifiable acquired assets	6.1

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 6.1 million. The net cash outflow connected with the acquisition amounted to EUR 6.1 million.

OZ Trmice, a.s.

On 25 May 2022, the Group acquired OZ Trmice, a.s., an owner of one building in Trmice, the Czech Republic. Total consideration of the acquisition was EUR 5.4 million, fully allocated to the investment property value.

The acquisition was recognized as a property asset acquisition as the company does not represent a business as defined by IFRS 3.

Net identifiable assets of subsidiary acquired at the date of acquisition amounted to EUR 5.4 million. The net cash outflow connected with the acquisition amounted to EUR 5.4 million.

Terminal Nord S.r.l.

On 9 March 2022, the Group acquired Terminal Nord S.r.l., provider of newly acquired retail park in Italy. Total consideration of the acquisition was EUR 2.9 million, primarily allocated to current assets. The net cash outflow connected with the acquisition amounted to EUR 2.9 million.

Seattle, s.r.o. and Vision – Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso Riservato

On 27 September 2022, the Group acquired (through acquisition of company Seattle, s.r.o.) 99.5% stake in Italian investment fund Vision – Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso Riservato ("Vision fund"). The fund is operated by DeA Capial but controlled by the Group.

The identifiable acquired assets represented primarily investment properties in form of land banks in Italy.

The acquisition was recognized as a property asset acquisition as the company does not represent a business as defined by IFRS 3. The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	Fair value
Investment property	294.2
Other non-financial current assets	3.3
Other financial current assets	20.8
Cash and cash equivalents	3.1
Identifiable acquired assets	321.4
Trade payables	(0.9)
Identifiable acquired liabilities	(0.9)

Net identifiable assets of the subsidiary acquired at the date of acquisition amounted to EUR 320.5 million. The net cash outflow connected with the acquisition amounted to EUR 317.4 million.

3.7 Business combinations in 2022

3.7.1 IMMOFINANZ AG group

On 3 March 2022, the Group completed the acquisition of a controlling stake in IMMOFINANZ AG ("IMMOFINANZ"), a real estate group investing primarily in retail and office portfolios in Austria, Czech Republic, Poland, Hungary, Romania, Serbia, Germany and other countries. IMMOFINANZ is an Austrian-based direct or indirect parent company of 172 companies (refer to note 3.5).

The 54.88% stake was acquired in the following steps:

- Between 15 July and 1 December 2021, the Group acquired 12,549,547 shares representing 9.05% stake in IMMOFINANZ from the market for total of EUR 258.7 million.
- On 1 December 2021, the Group acquired company WXZ1 a.s. (from its beneficial owner Patrick Vitek, eldest, adult and not dependant son of the Groups main shareholder), a company holding 14,071,483 IMMOFINANZ shares representing 10.14% stake in IMMOFINANZ. The total consideration paid for shares was EUR 320.9 million.
- On 3 December 2021, the Group entered into a share purchase agreement with RPPK Immo GmbH conditional upon merger control clearance regarding the acquisition of additional 13,029,155 shares representing 9.39% stake in IMMOFINANZ. The agreed purchase per share was EUR 21.20. The transaction triggered an anticipatory mandatory takeover offer under the Austrian takeover act.
- On 12 January 2022, the Group published the offer document for holders of IMMOFINANZ shares and convertible bonds. The offer price was EUR 21.20 per share.
- On 26 January 2022, the Group and Petrus Advisers Investments Fund L.P. signed a share purchase agreement regarding the acquisition of 9,413,253 IMMOFINANZ shares representing 6.78% share in IMMOFINANZ. The purchase price per share was EUR 22.70 per share.
- On 31 January 2022, the Group and CEE Immobilien GmbH, a wholly owned subsidiary of Austrian real estate group SIMMO AG, signed a share purchase agreement concerning 17,543,937 shares representing 12.65% stake in IMMOFINANZ for total of EUR 403.5 million (EUR 23.0 per share). The agreement also covered the acquisition of additional shares tendered in the voluntary partial tender offer for shares of IMMOFINANZ by CEE Immobilien GmbH, resulting in further 2,144,280 shares representing 1.55%, for a total of EUR 49.3 million.
- The agreement with CEE Immobilien GmbH resulted in the increase of the offer price within the mandatory takeover and the purchase price for the shares contracted between 1 December 2021 and 31 December 2021 to EUR 23.00.
- During the acceptance period in the mandatory takeover, 7,125,335 IMMOFINANZ shares (representing 5.14% stake in IMMOFINANZ) were tendered for total of EUR 163.9 million (EUR 23.0 per share). In addition, the offer was accepted by holders of the 2024 convertible bonds, equivalent of 261,172 shares (representing 0.19% stake in IMMOFINANZ), amounting to EUR 6.0 million.

On 3 March 2022, based on settlement of the mandatory takeover offer and closing of the share purchase agreement with CEE Immobilien GmbH, RPPK Immo GmbH, and Petrus Advisers Investments Fund L.P. the Group gained control in IMMOFINANZ.

As at the acquisition date, the Group held in total 76,138,702 IMMOFINANZ shares representing 54.88 % share on the IMMOFINANZ's registered share capital and total outstanding voting rights.

The total consideration of the acquisition was EUR 1,718.5 million including related transaction costs.

The acquisition is treated as a business combination under IFRS 3. The Group designated the acquisition date at 31 March 2022. There were no material events or changes to assets and liabilities of IMMOFINANZ between 3 March 2022 and 31 March 2022, except for the following transactions for which the Group adjusted the below presented identifiable assets and liabilities as at the acquisition date:

- generating net profit between 3 March and 31 March 2022 of EUR 24.4 million,
- repayment and drawing of financial debts of EUR 71.0 million and EUR 129.0 million on 25 March 2022, and
- acquisition of new retail park in Italy for EUR 71.6 million on 9 March 2022.

The fair values of the identifiable assets and liabilities were determined as at the acquisition date:

- The fair value of investment property of EUR 5,220.6 million was based on valuation reports from independent external valuers as at
- 31 December 2021. The Group did not assume significant changes to the fair values of investment property between 31 December 2021 and the acquisition date. The Group hired the independent external valuers to determine the fair values of the complete IMMOFINANZ portfolio as at 30 June 2022 (for the valuation methods, the key observable and unobservable inputs, refer to note 7).
- The fair value of equity accounted investees of EUR 435.9 million was determined from the actual spot prices reflecting size premiums as at the acquisition date.
- The fair value of trade receivables of EUR 61.7 million and other financial assets of EUR 137.8 million was expected to be collected in full as at the acquisition date.
- The fair value of financial debts of EUR 1,851.2 million was determined using the actual not observable market data as at the acquisition date.
- The fair value of bonds issued of EUR 988.0 million was determined internally using their actual quoted prices as at the acquisition date.
- The deferred tax liability of EUR 342.5 million consists primarily of all differences between tax and carrying values of investment properties measured as at the acquisition date.

The fair value of the identifiable assets and liabilities as at the date of acquisition was as follows:

	Fair value
Intangible assets and goodwill	0.2
Investment property	5,220.6
Property, plant and equipment	5.9
Equity accounted investees	435.9
Other financial assets	97.5
Deferred tax asset	5.4
Total non-current assets	5,765.5
Inventories	1.2
Current income tax receivables	7.9
Trade receivables	61.7
Cash and cash equivalents	933.0
Other financial current assets	40.3
Other non-financial current assets	37.4
Assets held for sale	9.5
Total current assets	1,091.0
Financial debts	(988.5)
Deferred tax liabilities	(342.5)
Provisions	(16.9)
Other non-current liabilities	(25.6)
Total non-current liabilities	(1,373.5)
Bonds issued	(988.0)
Financial debts	(862.7)
Trade payables	(44.9)
Income tax liabilities	(14.9)
Other financial current liabilities	(39.5)
Other non-financial current liabilities	(37.8)
Total current liabilities	(1,987.8)
Net identifiable assets acquired	3,495.2

As a result of this business combination, the Group initially recognized a non-controlling interest of EUR 1,577.0 million.

Net identifiable assets of the group acquired at the date of the business combination amounted to EUR 3,495.2 million and EUR 1,918.2 million net of non-controlling interest.

In 2022, as a result of the business combination, the Group provisionally recognized bargain purchase of EUR 189.3 million (of which EUR 83.3 million represents remeasuring of pre-acquisition interest in IMMOFINANZ to the fair value as at the acquisition date). There were no changes to the acquisition accounting made in 2023.

The net cash outflow connected with the business combination amounted to EUR 785.5 million (total consideration of EUR 1,718.5 million net of cash acquired of EUR 933.0 million) of which EUR 252.6 million (EUR 1,185.6 million net of cash acquired of EUR 933.0 million) was paid in 2022. As at 31 December 2021, the investment in IMMOFINANZ of EUR 534.2 million was classified as equity accounting investee.

From the date of acquisition, IMMOFINANZ contributed EUR 358.3 million of total revenue and EUR 58.6 million to net profit of the Group in 2022.

If the acquisition occurred on 1 January 2022 with all other variables held constant, Group total revenues would have been EUR 1,346.7 million and net profit from continuing operations would have been EUR 617.9 million in 2022.

3.7.2 SIMMO AG group

On 28 June 2022, the Group completed the acquisition of a controlling stake in SIMMO AG ("SIMMO"), a real estate group investing primarily in various retail, office and residential portfolios in Austria, Germany, Hungary, Romania, Croatia and other countries. SIMMO is an Austrian-based direct or indirect parent company of 85 companies (refer to note 3.5).

The 44.41% stake was acquired in the following steps:

- 9,160,240 shares (representing stake of 12.98%) were acquired until 31 December 2021 for total of EUR 199.3 million.
- 2,658,428 shares (representing stake of 3.78%) were acquired in the period since 1 January 2022 and 2 February 2022. The total consideration of the shares was EUR 49.3 million.
- 19,499,437 shares (representing stake of 27.65%) were acquired through the acquisition of IMMOFINANZ AG which was completed on 3 March 2022. The fair value of the shares was EUR 429.2 million.

In its articles of association, SIMMO had a voting cap provision, limiting the voting rights to 15% for any shareholder, regardless of its shareholding.

On 14 April 2022, the Company announced its request to call a general meeting of SIMMO to resolve on the abolishment of the 15% voting cap and announcement of the intention to launch a cash offer to all SIMMO shareholders. The AGM of SIMMO held on 1 June 2022 voted in favour of the abolition of the voting cap. The change in respect of abolishment of the voting cap was approved and registered on 28 June 2022, which created the obligation for the Company to launch a mandatory tender offer to shareholders of SIMMO.

Since that date the Group can exercise the total of 44.41% voting rights and effectively controls SIMMO group. The management concluded that the Group controls SIMMO despite the Group holds less than 50% of the voting rights. The indicators of the sustainable ability of the Group to control SIMMO included the continuous increase of shareholding, historical attendance levels by selected SIMMO shareholders and composition of SIMMO shareholding structure which is widely dispersed.

Total consideration of the acquisition was EUR 677.8 million including related transaction costs. Of this amount, EUR 429.2 million represents investment by IMMOFINANZ before it was acquired by the Group on 3 March 2022.

The acquisition of the company is treated as a business combination under IFRS 3. The Group designated an acquisition date at 30 June 2022. There were no material events or changes to assets and liabilities of SIMMO between 28 June 2022 and 30 June 2022.

The fair values of the identifiable assets and liabilities were determined as at the acquisition date:

- The fair value of investment property and property, plant and equipment of EUR 2,853.5 million and EUR 251.4 million, respectively was based primarily on valuation reports from independent external valuers as at 31 December 2021 (for the valuation methods, the key observable and unobservable inputs, refer to note 7). The Group did not assume significant changes to the fair values of investment property and property, plant and equipment between 31 December 2021 and the acquisition date.
- The fair value of trade receivables of EUR 7.2 million and other financial receivables assets of EUR 65.0 million was expected to be collected in full as at the acquisition date.
- The fair value of financial debts of EUR 943.1 million was determined using the actual not observable market data as at the acquisition date.
- The fair value of bonds of issued of EUR 701.9 million was measured using the actual not observable market data as at the acquisition date.
- The deferred tax liability of EUR 291.8 million consists primarily of all differences between tax and carrying values of investment properties and property, plant and equipment measured as at the acquisition date.

The fair value of the identifiable assets and liabilities as at the date of acquisition was as follows:

	Fair value
Intangible assets and goodwill	0.3
Investment property	2,853.5
Property, plant and equipment	251.4
Equity accounted investees	26.9
Other financial assets	41.1
Deferred tax asset	4.8
Total non-current assets	3,178.0
Inventories	0.2
Current income tax receivables	6.6
Trade receivables	7.2
Cash and cash equivalents	578.5
Other financial current assets	23.9
Other non-financial current assets	16.5
Assets held for sale	7.5
Total current assets	640.4
Bonds issued	(497.8)
Financial debts	(873.0)
Deferred tax liabilities	(291.8)
Provisions	(1.1)
Other non-current liabilities	(10.4)
Total non-current liabilities	(1,674.1)
Bonds issued	(204.1)
Financial debts	(70.1)
Trade payables	(5.5)
Income tax liabilities	(4.2)
Other financial current liabilities	(39.6)
Other non-financial current liabilities	(3.8)
Total current liabilities	(327.3)
Net identifiable assets acquired	1,817.0

As a result of this business combination, the Group initially recognized a non-controlling interest of EUR 1,010.1 million.

Net identifiable assets of the group acquired at the date of the business combination amounted to EUR 1,817.0 million and EUR 806.9 million net of non-controlling interest.

In 2022, as a result of the business combination, the Group provisionally recognized bargain purchase of EUR 129.1 million (of which EUR 55.9 million represents remeasuring of pre-acquisition interest in SIMMO to fair value as at the acquisition date). There were no changes to the acquisition accounting made in 2023.

The Group's net cash inflow connected with the business combination amounted to EUR 329.9 million (EUR 248.6 million paid by the Group less cash acquired of EUR 578.5 million). In 2022, the net cash inflow was EUR 529.2 million (EUR 49.3 million paid by the Group less cash acquired of EUR 578.5 million).

The mandatory takeover offer for SIMMO shares was closed on 12 August 2022. As a result, the Group acquired additional 26,983,707 SIMMO shares representing 38.26% stake in SIMMO (refer to note 6.13). This represented a participation of 38.26% in SIMMO (not considering SIMMO treasury shares). During the additional acceptance period which ended on 18 November 2022, the Group acquired further 6,743,731 shares of (representing 9.56% stake in SIMMO).

From the date of acquisition, SIMMO contributed EUR 82.6 million of total revenue and EUR (32.6) million to net profit of the Group in 2022.

If the acquisition occurred on 1 January 2022 with all other variables held constant, Group total revenues would have been EUR 1,401.4 million and net profit from continuing operations would have been EUR 631.0 million in 2022.

3.8 Disposal of subsidiaries in 2022

The Group disposed the following subsidiaries (which were considered as a non-core assets):

- Airport City Kft was sold for EUR 30.8 million on 27 January 2022
- Airport City Phase B Kft was sold for EUR 7.9 million on 27 January 2022
- IGY2 CB, a.s. was sold for EUR 9.7 million on 17 February 2022
- CB Property Development, a.s. was sold for EUR 29.3 million on 17 February 2022
- LERIEGOS Kft. (including its subsidiary BC 91 Real Estate Kft) was sold for EUR 9.5 million on 23 February 2022
- CPI Kvarta, s.r.o. was sold for EUR 32.4 million on 2 March 2022
- Brandýs Logistic, a.s. was sold for EUR 58.7 million on 9 March 2022
- CPI Vestec, s.r.o. was sold for EUR 11.0 million on 9 March 2022
- PAC Italy 130 SPV S.r.l. was sold for EUR 2.2 million on 30 June 2022
- Marissa Ypsilon, a.s. was sold for EUR 22.8 million on 29 July 2022
- Gamma Building, s.r.o. was sold for EUR 35.9 million on 1 September 2022
- ALIZÉ PROPERTY a.s. was sold for EUR 16.5 million on 27 October 2022
- Haterodan, a.s. was sold for EUR 0.1 million on 21 November 2022

4 Segment reporting

The management of the Group reviews financial information that is principally the same as that based on the accounting policies described in note 2.2. The Board of Directors, which is the chief operating decision maker, also reviews the Segment adjusted EBITDA. Segment adjusted EBITDA is segment business income after administrative expenses. Segment adjusted EBITDA is one of the key metrics used to evaluate and manage operating segments as it is an important economic indicator showing operating efficiency. Segment adjusted EBITDA is not defined or recognised under IFRS and is considered as a non-IFRS financial measure used to evaluate current business performance.

For management purposes, the Group is structured into five operating segments corresponding primarily to geographic regions: Czech Republic, Berlin, Poland, Hotels and resorts (including those in the Czech Republic and Poland) and Complementary assets. In addition, the Group presents both 2022 business combinations separately in its segment reporting. As at 31 December 2023 and 2022, IMMOFINANZ and SIMMO are operated and managed as individual segments with separate internal reporting structure.

The Group engages in the following business activities:

- The Group owns retail, office and residential and landbank portfolio and operates agricultural farms in the Czech Republic;
- The Group is a leading office provider in Berlin, Germany and Warsaw, Poland;
- The Group operates primarily congress and convention hotels in the Czech Republic, in major CEE region cities, Rome, Croatian island Hvar and ski mountain resorts in Switzerland;
- Group's complementary assets portfolio primarily consists of the retail, office, residential and land bank portfolios in Italy, Hungary and United Kingdom;
- IMMOFINANZ operates primarily retail and office portfolio in Austria, the Czech Republic, Poland, Hungary, Romania, Germany and other countries;
- SIMMO owns primarily retail, office and
- portfolios (and several hotels) in Austria, Germany, Hungary, Romania, Croatia and other countries.

4.1 Income statement per operating segments

2023

	Czech Republic	Berlin	Poland	IMMOFINANZ	S IMMO	Hotels and resorts	Complementary assets	Corporate and not attributable	Total
Gross rental income	163.1	101.1	72.1	320.7	198.7	-	78.4	-	934.1
- Office portfolio	38.7	99.8	63.2	115.9	137.4	-	15.2	-	470.2
- Retail portfolio	85.1	-	8.9	199.0	34.3	-	52.4	-	379.7
- Residential portfolio	35.2	-	-	-	16.7	-	10.1	-	62.0
- Other	4.1	1.3	-	5.8	10.3	-	0.7	-	22.2
Service charge and other income	64.1	44.1	32.6	173.1	63.0	-	49.8	-	426.7
Cost of service and other charges	(69.4)	(28.0)	(35.5)	(141.7)	(75.5)	-	(46.6)	-	(396.7)
Property operating expenses	(4.5)	(23.0)	(9.6)	(78.9)	(22.3)	-	(30.3)	-	(168.6)
Net rental income	153.3	94.2	59.6	273.2	163.9	-	51.3	-	795.5
- Office portfolio	33.4	92.9	50.9	-	-	-	4.8	-	182.0
- Retail portfolio	84.4	-	8.8	-	-	-	41.9	-	135.1
- Residential portfolio	26.4	-	-	-	-	-	6.1	-	32.5
- IMMOFINANZ	-	-	-	273.2	-	-	-	-	273.2
- SIMMO	-	-	-	-	163.9	-	-	-	163.9
- Other	9.1	1.3	-	-	-	-	(1.5)	-	8.9
Hotel revenue	-	-	-	-	71.3	176.7	-	-	248.0
Hotel operating expenses	-	-	-	-	(52.9)	(119.3)	-	-	(172.2)
Net hotel income	-	-	-	-	18.4	57.4	-	-	75.8
Other business revenue	39.7	-	-	-	-	45.3	-	-	85.0
Other business operating expenses	(44.9)	-	-	-	-	(37.2)	-	-	(82.1)
Net other business income	(5.2)	-	-	-	-	8.1	-	-	2.9
Total revenues	266.9	145.2	104.7	493.8	333.0	222.0	128.2	-	1,693.8
Total direct business operating expenses	(118.8)	(51.0)	(45.1)	(220.6)	(150.7)	(156.5)	(76.9)	-	(819.6)
Net business income	148.1	94.2	59.6	273.2	182.3	65.5	51.3	-	874.2
Administrative expenses	(33.6)	(13.5)	(0.9)	(26.9)	(20.7)	(0.2)	(15.1)	(27.1)	(138.0)
Segment adjusted EBITDA	114.5	80.7	58.7	246.3	161.6	65.3	36.2	(27.1)	736.2
Valuation gain	173.1	-	3.7	52.0	-	-	11.6	-	240.4
Valuation loss	(50.1)	(516.1)	(93.4)	(376.0)	(174.1)	-	(175.5)	-	(1,385.2)
Net gain/(loss) on disposal of investment property and subsidiaries	(19.5)	4.4	(0.7)	(13.3)	(0.2)	-	(5.1)	-	(34.4)
Amortization, depreciation and impairments	(5.1)	(9.2)	(2.2)	(7.7)	(8.8)	17.1	(1.0)	(11.0)	(27.9)
Segment operating result	212.9	(440.2)	(33.9)	(98.7)	(21.5)	82.4	(133.8)	(38.1)	(470.9)
Other operating income	-	-	-	-	-	-	12.1	-	12.1
Other operating expenses	-	-	-	-	-	-	(28.1)	-	(28.1)
Operating result	-	-	-	-	-	-	-	-	(486.9)
Interest income	-	-	-	-	-	-	39.0	-	39.0
Interest expense	-	-	-	-	-	-	(348.0)	-	(348.0)
Other net financial result	-	-	-	-	-	-	(70.7)	-	(70.7)
Net finance costs	-	-	-	-	-	-	(379.7)	-	(379.7)
Share of loss of equity-accounted investees (net of tax)	-	-	-	-	-	-	(20.2)	-	(20.2)
Profit before income tax	-	-	-	-	-	-	-	-	(886.8)
Income tax expense	-	-	-	-	-	-	9.3	-	9.3
Net profit from continuing operations	-	-	-	-	-	-	-	-	(877.5)

2022

	Czech Republic	Berlin	Poland	IMMOFINANZ	S IMMO	Hotels and resorts	Complementary assets	Corporate and not attributable	Total
Gross rental income	164.6	96.7	69.1	243.9	82.6	-	91.6	-	748.5
- Office portfolio	44.6	95.4	58.5	91.4	40.5	-	25.7	-	356.1
- Retail portfolio	84.3	-	10.6	136.7	21.1	-	59.4	-	312.1
- Residential portfolio	29.3	-	-	-	18.6	-	5.3	-	53.2
- Other	6.4	1.3	-	15.8	2.4	-	1.2	-	27.1
Service charge and other income	64.2	46.6	26.1	114.4	25.6	-	38.2	-	315.1
Cost of service and other charges	(56.9)	(29.5)	(25.4)	(108.2)	(28.4)	-	(33.4)	-	(281.8)
Property operating expenses	(19.1)	(20.2)	(6.6)	(55.8)	(21.6)	-	(26.7)	-	(150.0)
Net rental income	152.8	93.6	63.2	194.3	58.2	-	69.7	-	631.8
- Office portfolio	39.7	92.2	52.8	-	-	-	21.8	-	206.5
- Retail portfolio	77.9	-	10.4	-	-	-	50.0	-	138.3
- Residential portfolio	19.5	-	-	-	-	-	1.2	-	20.7
- IMMOFINANZ	-	-	-	194.3	-	-	-	-	194.3
- SIMMO	-	-	-	-	58.2	-	-	-	58.2
- Other	15.7	1.4	-	-	-	-	(3.3)	-	13.8
Hotel revenue	-	-	-	-	32.7	132.4	-	-	165.1
Hotel operating expenses	-	-	-	-	(24.5)	(95.1)	-	-	(119.6)
Net hotel income	-	-	-	-	8.2	37.3	-	-	45.5
Other business revenue	17.2	-	-	-	-	36.0	-	-	53.2
Other business operating expenses	(13.2)	-	-	-	-	(41.6)	-	-	(54.8)
Net other business income	4.0	-	-	-	-	(5.6)	-	-	(1.6)
Total revenues	246.0	143.3	95.2	358.3	140.9	168.4	129.8	-	1,281.9
Total direct business operating expenses	(89.2)	(49.7)	(32.0)	(164.0)	(74.5)	(136.7)	(60.1)	-	(606.2)
Net business income	156.8	93.6	63.2	194.3	66.4	31.7	69.7	-	675.7
Administrative expenses	(26.5)	(11.3)	(5.9)	(49.9)	(8.3)	(0.0)	(9.9)	(16.9)	(128.7)
Segment adjusted EBITDA	130.3	82.3	57.3	144.4	58.1	31.7	59.8	(16.9)	547.0
Valuation gain	254.7	16.6	1.7	-	-	-	112.2	-	385.2
Valuation loss	(80.3)	(42.7)	(57.3)	(121.8)	(107.4)	-	(64.5)	-	(474.0)
Net gain/(loss) on disposal of investment property and subsidiaries	(7.1)	2.4	-	39.8	-	0.7	0.1	-	35.9
Amortization, depreciation and impairments	(2.6)	(4.0)	(3.9)	(21.3)	(17.6)	(40.8)	(7.0)	(2.3)	(99.5)
Segment operating result	295.0	54.6	(2.2)	41.1	(66.9)	(8.4)	100.6	(19.2)	394.6
Other operating income	-	-	-	-	-	-	-	-	331.8
Other operating expenses	-	-	-	-	-	-	-	-	(24.9)
Operating result	-	-	-	-	-	-	-	-	701.5
Interest income	-	-	-	-	-	-	-	20.3	20.3
Interest expense	-	-	-	-	-	-	-	(210.2)	(210.2)
Other net financial result	-	-	-	-	-	-	-	151.3	151.3
Net finance costs	-	-	-	-	-	-	-	(38.6)	(38.6)
Share of loss of equity-accounted investees (net of tax)	-	-	-	-	-	-	-	19.1	19.1
Profit before income tax	-	-	-	-	-	-	-	-	682.0
Income tax expense	-	-	-	-	-	-	-	(124.8)	(124.8)
Net profit from continuing operations	-	-	-	-	-	-	-	-	557.2

4.2 Non-current assets by operating segments and countries

The following table presents investment property by operating segments and countries:

	31 December 2023		31 December 2022	
	Amount	In %	Amount	In %
By operating segments				
Czech Republic	3,244.9	19%	4,112.3	22%
- Office portfolio	363.8	11%	820.5	20%
- Retail portfolio	653.4	20%	1,165.3	28%
- Residential portfolio	923.9	28%	867.2	21%
- Landbank and development	1,081.4	34%	1,078.5	27%
- Other	222.4	7%	180.8	4%
Berlin	2,538.0	15%	3,001.8	16%
- Office portfolio	2,450.2	97%	2,843.1	95%
- Landbank and development	85.5	3%	155.9	5%
- Other	2.3	0%	2.8	0%
Poland	1,115.2	6%	1,188.4	7%
- Office portfolio	1,003.6	90%	1,069.8	90%
- Retail portfolio	111.2	10%	118.2	10%
- Landbank and development	0.4	0%	0.4	0%
IMMOFINANZ	4,679.3	27%	5,238.6	28%
- Office portfolio	1,865.2	40%	2,725.6	52%
- Retail portfolio	2,669.5	57%	2,348.3	45%
- Land bank and development	144.6	3%	164.7	3%
- Other	-	0%	-	0%
SIMMO	3,269.9	19%	2,667.2	15%
- Office portfolio	2,262.4	69%	1,754.4	66%
- Retail portfolio	639.4	20%	387.1	14%
- Residential portfolio	203.4	6%	342.5	13%
- Land bank and development	88.0	3%	86.4	3%
- Hotels rented	36.9	1%	-	0%
- Hospitality	39.8	1%	96.8	4%
Complementary assets	2,415.4	14%	2,277.9	12%
- Office portfolio	238.7	10%	288.3	13%
- Retail portfolio	739.2	30%	735.5	32%
- Landbank and development	1,097.0	46%	788.2	35%
- Residential portfolio	297.1	12%	421.1	18%
- Hospitality	25.0	1%	25.9	1%
- Other	18.4	1%	18.9	1%
Total	17,262.7	100%	18,486.2	100%
By countries				
Czech Republic	4,803.9	28%	4,843.2	26%
Germany	3,533.1	20%	4,323.1	24%
Poland	2,110.6	12%	2,226.5	12%
Italy	1,485.8	9%	1,635.7	9%
Romania	1,255.0	7%	1,317.9	7%
Hungary	1,149.2	7%	1,160.0	6%
Austria	978.0	6%	1,341.5	7%
Other	1,947.1	11%	1,638.3	9%
Total	17,262.7	100%	18,486.2	100%

The following table presents property, plant and equipment by operating segments and countries:

	31 December 2023		31 December 2022	
	Amount	In %	Amount	In %
By operating segments				
Hotels and resorts	336.4	39%	582.6	53%
SIMMO	4.2	1%	236.8	22%
Czech Republic	173.8	20%	166.8	15%
Berlin	15.6	1%	16.4	1%
IMMOFINANZ	263.6	30%	7.1	1%
Complementary assets in Europe	72.9	9%	90.3	8%
Total	866.5	100%	1,100.0	100%
By countries				
Czech Republic	408.6	47.2%	423.7	38.0%
Austria	263.6	30.4%	116.0	10.6%
Italy	68.9	8.0%	85.6	7.8%
Hungary	64.2	7.4%	171.6	15.6%
Switzerland	0.9	0.1%	51.5	4.7%
Croatia	-	-	170.8	16.0%
Other	60.3	6.9%	80.8	7.3%
Total	866.5	100%	1,100.0	100%

The following table presents goodwill by operating segments and countries:

	31 December 2023	31 December 2022
	Amount	Amount
Hotels and resorts	52.1	54.0
Berlin	42.6	42.6
Complementary assets	1.9	1.9
Total	96.6	98.5

4.3 Revenues by countries

	2023		2022	
	Amount	In %	Amount	In %
Czech Republic	438.9	26%	355.2	28%
Germany	217.5	13%	198.6	15%
Hungary	205.6	12%	130.7	10%
Poland	208.4	12%	178.3	14%
Croatia	63.3	4%	50.0	4%
Switzerland	41.0	2%	35.9	3%
Austria	151.6	9%	75.1	6%
Romania	158.7	9%	98.9	8%
Italy	82.4	5%	76.4	6%
Other	126.4	8%	82.8	6%
Total	1,693.8	100%	1,281.9	100%

5 Consolidated statement of comprehensive income

5.1 Gross rental income

	2023	2022
Gross rental income	934.1	748.5

In 2023, the increase of gross rental income was driven by acquisition of IMMOFINANZ (EUR 77.4 million) and SIMMO (EUR 118.7 million) in 2022 and overall growth across portfolio.

5.2 Net service charge and other income

	2023	2022
Service revenue	3.8	8.0
Service charge income	358.4	281.3
Revenues from sales of utilities	64.5	25.8
Service charges and other income	426.7	315.1
Cost of service charges	(342.5)	(261.0)
Cost of utilities	(54.2)	(20.8)
Cost of service and other charges	(396.7)	(281.8)
Total net service charge income	30.0	33.3

In 2023, the increase of service charge and other income was driven by acquisition of IMMOFINANZ and SIMMO (EUR 27.9 million and EUR 38.2 million, respectively) and revenue from sales of utilities (EUR 38.7 million).

In 2023 and 2022, the revenue from sales of utilities relates primarily to the sale of water and electricity.

5.3 Property operating expenses

	2023	2022
Building maintenance	(62.2)	(54.2)
Real estate tax	(16.5)	(11.0)
Letting fee, other fees paid to real estate agents	(4.8)	(3.5)
Personnel expenses (5.3.1)	(16.5)	(19.9)
Facility management and other property related services	(68.6)	(61.4)
Total	(168.6)	(150.0)

The operating expenses arising from investment property that generate rental income in 2023 amounted to EUR 161.9 million (EUR 144.4 million in 2022). The operating expenses arising from investment property that did not generate rental income in 2023 amounted to EUR 6.7 million (EUR 5.6 million in 2022).

5.3.1 Personnel expenses

	2023	2022
Wages and salaries	(15.4)	(16.6)
Social and health security contributions	(1.0)	(3.2)
Other social expenses	(0.1)	(0.1)
Total personnel operating expenses (note 5.3)	(16.5)	(19.9)
Wages and salaries	(58.7)	(46.0)
Social and health security contributions	(10.3)	(9.6)
Other social expenses	(2.0)	(3.3)
Total personnel administrative expenses (note 5.10)	(71.0)	(58.9)
Wages and salaries	(55.7)	(36.8)
Social and health security contributions	(8.9)	(7.1)
Other social expenses	(0.5)	(0.4)
Total personnel expenses – hotel operations (note 5.5)	(65.1)	(44.3)
Wages and salaries	(21.4)	(19.3)
Social and health security contributions	(3.9)	(3.5)
Other social expenses	(0.7)	(1.5)
Total personnel expenses – other business operations (note 5.6)	(26.0)	(24.3)
Total	(178.6)	(147.4)

As at 31 December 2023 and 2022, the Group had 4,243 and 4,967 employees (including temporary contracts), respectively.

5.4 Net hotel income

	2023	2022
Hotel revenue	248.0	165.1
Personnel expenses (5.3.1)	(65.1)	(44.3)
Hotel other operating expenses	(107.1)	(75.3)
Total	75.8	45.5

Net hotel revenue and net hotel income increased due to higher performance of hotels in the Czech Republic by EUR 10.5 million and in Croatia by EUR 6.8 million and due to acquisition of SIMMO by EUR 10.3 million.

5.5 Net other business income

	2023	2022
Other business revenue	85.0	53.2
Personnel expenses (5.3.1)	(26.0)	(24.3)
Other business operating expenses	(56.1)	(30.5)
Total	2.9	(1.6)

In 2023 and 2022, the other business revenue includes state grants of EUR 7.5 million and EUR 7.9 million, respectively obtained by the Group's agriculture business in the Czech Republic.

5.6 Net valuation loss

	Czech Republic	Berlin	Poland	IMMOFINANZ	SIMMO	Complementary assets in Europe	Total
2023							
Valuation gain	173.1	-	3.7	52.0	-	11.6	240.4
Valuation loss	(50.1)	(516.1)	(93.4)	(376.0)	(174.1)	(175.5)	(1,385.2)
Total	123.0	(516.1)	(89.7)	(324.0)	(174.1)	(163.9)	(1,144.8)
2022							
Valuation gain	254.7	16.6	1.7	-	-	112.2	385.2
Valuation loss	(80.3)	(42.7)	(57.3)	(121.8)	(107.4)	(64.5)	(474.0)
Total	174.4	(26.1)	(55.6)	(121.8)	(107.4)	47.7	(88.8)

In 2023, the most significant valuation gains realized in the Czech Republic related to revaluation of the residential portfolio (EUR 74.2 million) and several landbanks (in total of EUR 48.6 million). In 2022, the most significant valuation gains related to revaluation of landbank portfolio (in total of EUR 108.4 million), residential portfolio (EUR 107.4 million).

In 2023, Berlin office portfolio recognized a valuation loss of EUR 516.1 million, IMMOFINANZ and SIMMO net valuation loss of EUR 376.0 million and EUR 174.1 million, respectively.

For the assumptions used by the professional valuers in the preparation of appraisals as at 31 December 2023, refer to note 7.5.3.

5.7 Net gain on the disposal of investment property and subsidiaries

The following table summarizes the effects of investment property disposals:

	2023	2022
Proceeds from the disposal of investment property	265.0	136.8
Carrying value of investment property disposed of and related cost	(281.9)	(132.7)
Net gain on the disposal of investment property	(16.9)	4.1
Proceeds from the disposal of subsidiaries	61.5	77.5
Carrying value of subsidiaries disposed of	(74.8)	(68.8)
Net gain on the disposal of subsidiaries	(13.3)	8.7
Proceeds from the disposal of investment property classified as held for sale	474.9	508.1
Carrying value investment property classified as held for sale	(479.1)	(485.0)
Net gain on the disposal of investment property classified as held for sale	(4.2)	23.1
Total	(34.4)	35.9

In 2023, proceeds from the disposal of investment property were primarily related to sale of office portfolio of SIMMO of EUR 199.1 million.

In 2023, proceeds from the disposal of subsidiaries related primarily to sales of Group's portfolio in the Czech Republic.

In 2023, proceeds from the disposal of investment property classified as held for sale were primarily related to sale of selected German SIMMO residential portfolio of EUR 434.9 million and one land bank in Italy of EUR 40.0 million.

In 2022, proceeds from the disposal of investment property were primarily related to sale of one Czech office building (EUR 67.9 million).

In 2022, the Group sold an office building (EUR 35.9 million) and a shopping centre (EUR 22.8 million) in the Czech Republic and a land bank plot in Slovakia (EUR 16.5 million).

In 2022, proceeds from the disposal of investment property and subsidiaries classified as held for sale were primarily related to sale of Czech subsidiaries with office, retail and land bank portfolios (for EUR 141.1 million), to sale of one land banks in the Czech Republic (EUR 63.0 million), portfolio of six office buildings in Berlin, Germany (EUR 122.6 million) and four Hungarian subsidiaries with land bank and office portfolios (EUR 48.2 million).

The following table summarizes disposal effects of subsidiaries sold:

	2023	2022
Intangible fixed assets	1.0	-
Investment property	110.8	177.2
Property, plant and equipment	0.3	-
Deferred tax assets	0.5	1.3
Trade receivables	3.4	4.4
Other non-financial current assets	2.1	0.5
Cash and cash equivalents	15.5	2.2
Total disposed assets	133.6	185.6
Non-current financial debts	(54.7)	(41.0)
Trade and other payables – non-current	(0.2)	(0.6)
Deferred tax liabilities	-	(17.7)
Current financial debts	(0.2)	(49.8)
Trade payables – current	(1.0)	(0.7)
Current advance payments	(0.1)	(2.1)
Other financial current liabilities	(2.5)	(4.5)
Other non-financial current liabilities	(0.1)	(0.4)
Total disposed liabilities	(58.8)	(116.8)
Carrying value of subsidiaries disposed of	74.8	68.8

For details on sale of subsidiaries in 2023 and 2022, refer to note 3.4 and 3.8, respectively.

5.8 Administrative expenses

	2023	2022
Personnel expenses (5.3.1)	(71.0)	(58.9)
Audit, tax and advisory services	(23.6)	(26.5)
Legal services	(12.2)	(12.8)
Marketing	(6.0)	(6.3)
Other administrative expenses	(25.2)	(24.2)
Total	(138.0)	(128.7)

In 2023, the administrative expenses increased primarily due to an increase of personnel expenses by EUR 12.1 million, primarily due to acquisition of IMMOFINANZ and SIMMO.

In 2023, the audit, tax and advisory expenses also include the cost of services provided by the Group's auditor in total of EUR 3.8 million (EUR 2.2 million in 2022), of which EUR 3.5 million (EUR 2.0 million in 2022) related to audit services and EUR 0.3 million (EUR 0.2 million in 2022) to other assurance and advisory services.

5.9 Amortization, depreciation and impairment

	2023	2022
Depreciation and amortization	(47.2)	(46.2)
Impairment/ reversal of impairment of assets	27.7	(44.9)
Write off loans provided and trade receivables	(8.4)	(8.4)
Total	(27.9)	(99.5)

Movement of impairment of assets

	2023	2022
Impairment/ reversal of impairment of property, plant and equipment	44.4	(24.3)
Impairment/ reversal of impairment of inventories	0.1	(2.1)
Impairment of trade receivables, loans provided and other	(16.8)	(18.5)
Impairment of assets	27.7	(44.9)

In 2022, the impairment of receivables represented doubtful debts of IMMOFINANZ amounting to EUR 15.0 million. Of the amount, EUR 12.9 million related to doubtful receivables for sale of Russian portfolio. The Group does not hold any other receivables or assets (except for the fully impaired hotel in Moscow) in Russian Federation.

5.10 Other operating income

	2023	2022
Bargain purchase – business combination with IMMOFINANZ	-	106.0
Bargain purchase – remeasuring of pre-acquisition 19.2% interest in IMMOFINANZ to fair value as at the acquisition date	-	83.3
Bargain purchase – business combination with SIMMO	-	73.2
Bargain purchase – remeasuring of pre-acquisition 13.0% interest in SIMMO to fair value as at the acquisition date	-	55.9
Other operating income	12.1	13.4
Total	12.1	331.8

In 2022, the Group realized other operating income of EUR 331.8 million. Of the amount, bargain purchase related to acquisition of IMMOFINANZ and SIMMO represented EUR 189.3 million and EUR 129.1 million, respectively (refer to note 3.7).

5.11 Interest expense

	2023	2022
Interest expense from bank and other loans	(241.7)	(110.0)
Interest expense on bonds issued	(104.8)	(92.0)
Interest expense related to leases	(1.5)	(1.7)
Interest expense on other non-current liabilities	-	(6.5)
Total	(348.0)	(210.2)

In 2023, an interest expense increased due to acquisition of IMMOFINANZ by EUR 7.1 million and SIMMO by EUR 27.8 million and overall increase of bank loans and bonds issued (refer to notes 6.14 and 6.15).

5.12 Other net financial result

	2023	2022
Change in fair value and realized result on derivative instruments not used for hedging	(92.6)	163.1
Bank charges	(6.4)	(8.3)
Net foreign exchange gain/ (loss) on investment property	(72.9)	23.8
Other net foreign exchange gain/ (loss)	36.3	1.9
Other net financial result	64.9	(29.2)
Total	(70.7)	151.3

Change in fair value and realized result on derivative instruments not used for hedging of EUR -92.6 million as at 31 December 2023 (EUR 163.1 million as at 31 December 2022) relates primarily to interest rate swap contracts for which hedge accounting is not applied and primarily relates to contracts of IMMOFINANZ of EUR -55.5 million (EUR 119.5 million as at 31 December 2022) and SIMMO of EUR -28.8 million (EUR 34.8 million as at 31 December 2022).

The net foreign exchange loss on investment property of EUR -72.9 million in 2023 (net foreign exchange gain on investment property of EUR 23.8 million in 2022) reflects foreign retranslation of investment property valued in EUR and recognized by the Group's subsidiaries which use non-EUR functional currencies.

The other net foreign exchange gain in 2023 of EUR 36.3 million (the other net foreign exchange gain of EUR 1.9 million in 2022) relates primarily to retranslation of intra-group loans denominated in non-EUR currencies and retranslation of intra-group loans denominated in EUR but received by entities using non-EUR functional currencies.

The other net financial result in 2023 represents primarily bonds transaction costs and a discount in the total amount of EUR 75.4 million related to repurchase and cancellation of certain bonds issued (refer to note 6.14).

5.13 Income tax expense

	2023	2022
Current year income tax expense	(98.7)	(54.9)
Adjustment for prior years	(2.3)	(0.2)
Total current year income tax expense	(101.0)	(55.1)
Temporary differences	110.3	(69.7)
Total deferred tax expense/ income	110.3	(69.7)
Total	9.3	(124.8)

In 2023 and 2022, the Group's effective tax rate in respect of continuing operations was 17.1% (not counting with one-off tax, primarily effects of changes in tax rates of EUR 59.6 million, sales taxes, tax effects of intra-group transactions in total of EUR 83.1 million) and 18.0%, respectively.

Reconciliation of the effective tax rate

	2023	2022
Profit for the period	(877.5)	557.2
Total income tax recognised in profit or loss	(9.3)	124.8
Profit before income tax	(886.8)	682.0
Domestic corporate income tax rate	24.94%	24.94%
Income tax expense using the domestic corporate income tax rate	221.2	(170.1)
Changes in income tax rate	(59.6)	(13.6)
Effect of tax rates in foreign jurisdictions	(26.5)	17.0
Non-deductible expense	(42.5)	(17.8)
Tax exempt income	2.1	65.8
Income tax adjustment for prior years	(2.3)	(0.2)
Other*	(83.1)	(5.9)
Total income tax recognised in profit or loss	9.3	(124.8)

* Sales tax and tax effects of intra-group transactions in total of EUR 83.1 million.

In 2023 and 2022, the tax-exempt income represents primarily net income from sales of subsidiaries and net unrealized foreign exchange gains recognized by the Luxembourg entities.

The main tax rules imposed on the Group companies

Luxembourg: The tax rate is 24.94% considering the combined corporate income tax rate, solidarity surtax of 7% on the corporate income tax rate and municipal business tax rate of 6.75%. Tax losses incurred until 2017 may be carried forward indefinitely, while losses incurred as from 2017 should be limited to 17 years.

Austria: At the level of the company, profits are taxed at the standard corporate income tax (CIT) rate of 24%, regardless of whether profits are retained or distributed. According to the Eco Social Tax Reform Act, the CIT rate will be reduced from 24% to 23% in calendar year 2024. Losses may be carried forward without a time limit. In each following profit year only 75% of the profit can be compensated. This means that 24% of the profit is subject to tax even in case of existing loss carried forward.

Czech Republic: The corporate income tax rate is 19%, from 2024 increasing to 21%. Tax losses can be carried forward for 5 years. Losses may not be carried forward on a substantial (approximately 25%) change in the ownership of a company unless certain conditions are met.

Germany: Business profits are basically subject to two taxes, corporate income tax and trade tax. Corporate income tax and solidarity surcharge add up to a total of 15.825% rate. Trade tax rate varies by location. For Berlin, where the business of the Group is concentrated, it is 14.35%. Therefore, the nominal overall tax burden on profits earned in Berlin is 30.175%. Companies which only manage and let properties and capital assets may apply for a trade tax exemption of their property profits which is applicable on large parts of the Group's profits from German assets. Tax losses may be carried forward indefinitely and may be fully utilized against profit up to EUR 1 million and only 60% on the exceeding profits. A change in the ownership of corporations of more than 50% within five years result in complete forfeiture of the tax losses carried forward.

Slovakia: The corporate income tax rate is 21%. Tax losses incurred not earlier than on January 1, 2020 can be carried forward and utilized for a period of 5 subsequent tax periods, but only up to 50% of the tax base. The tax losses declared for tax periods ended in 2016 – 2019 or their unutilized portion can be utilized equally for 4 subsequent tax periods.

Hungary: The corporate income tax rate is 9%. Tax losses generated before 2015 may be carried forward until 2030, while tax losses generated after 2015 may be carried forward for 5 years. The utilization of tax losses in each year is capped at 50% of the tax base. Energy sector tax is 41% on corporate income tax base. Local business tax is 2% on sales revenues less cost of goods sold, less material cost. Innovation tax is 0.3% on local business tax base.

France: Corporate income tax rate is 25% on taxable income. Tax losses may be carried forward indefinitely but may be utilized against profit up to EUR 1 million and 50% on the excess.

Poland: The corporate income tax rate is 19%. Tax losses 2017-2018 may be carried forward for 5 years but the loss utilization in each year is capped at the 50% of the tax loss. The losses incurred during 2019-2022 can be utilized: a) in the next five consecutive tax years, provided that the amount of the utilization in any of these years may not exceed 50% of the amount of this loss, or b) in one of the next five subsequent tax years by an amount not exceeding PLN 5,000,000, the undetermined amount is subject to settlement in the remaining years of this five-year period, provided that the amount of reduction in any of these years may not exceed 50% of the amount of this loss.

Romania: The corporate income tax rate is 16%. Tax losses may be carried forward for 7 years.

Italy: The corporate income tax ("IRES") rate is 24% plus the regional tax on productive activities ("IRAP") of 4.82% is applicable in Rome where the business of the Group is situated. (The standard IRAP rate is 3.9% but Italian regions may increase or decrease the standard rate by up to 0.92%.) For IRES purposes, tax losses may be carried forward indefinitely. However, tax losses may be offset only up to 80% of taxable income in each year (the "minimum tax" rule). Tax losses incurred during the first 3 years of new activity may be used to fully offset corporate taxable income. Utilization of the tax losses carried forward is limited upon business reorganizations and a change of control. For IRAP purposes, tax losses may not be carried forward.

Croatia: The corporate income tax rate is 18%. Tax rate for companies with annual revenues under HRK 7.5 million (approx. EUR 989,000) is 12%, resp. 10 % from 2021. Tax losses may be loan-carried forward for 5 years, certain limitations apply in the case of change of control.

United Kingdom: The corporate income tax rate is 19%, from 2024 increasing to 25%. Losses from property business (capital losses) can be carried forward without time limit. There are complex anti-avoidance rules that restrict the utilization of losses in case of a change in the ownership.

Switzerland: Corporate income tax is imposed on the federal, cantonal and communal levels. Swiss federal corporate income tax rate is 8.5%. Since income and capital taxes are deductible in determining taxable income, the effective tax rate is 7.5%. Taking into account both the federal and cantonal/communal income tax, the combined effective income tax rates range from 11.9% to 21% depending on the place of residence. In canton Valais, where the business operations of the Group are situated, the average combined effective corporate income tax rate is 11.89% until a taxable profit of CHF of 200 thousand and 19.04% above (since 1 January 2022 the tax above CHF 250 thousand will be 16.34%). Tax losses may be carried forward for 7 years.

Recognised deferred tax assets and liabilities

	Asset		Liability		Net	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Investment property	6.6	22.2	(1,566.0)	(1,699.8)	(1,559.4)	(1,677.6)
Property, plant and equipment	-	25.0	(47.8)	(56.9)	(47.8)	(31.9)
Derivative instruments	24.5	3.0	(53.8)	(68.5)	(29.3)	(65.5)
Tax losses carried-forward*	243.3	239.5	-	-	243.3	239.5
Other	-	21.4	(36.3)	(36.6)	(36.3)	(15.6)
Gross deferred tax asset/ (liability)	274.4	311.1	(1,703.9)	(1,862.2)	(1,429.5)	(1,551.1)
Deferred tax offset by subsidiaries	(156.2)	(134.3)	156.2	134.3	-	-
Total	118.2	176.8	(1,547.7)	(1,727.9)	(1,429.5)	(1,551.1)
Deferred tax linked to AHFS	8.4	0.0	(24.0)	(48.1)	(15.6)	(48.1)
Total including AHFS	126.6	176.8	(1,571.7)	(1,776.0)	(1,445.1)	(1,599.2)

* The Group recognizes the deferred tax asset from tax losses carried forward by CPI FIM Group in the amount of EUR 88.0 million as at 31 December 2023 (EUR 129.7 million as at 31 December 2022). The deferred tax asset is based on the future taxable profits that are expected to be generated. The expected profits reflect the Group's strategy in which CPI FIM renders financial services to the Group. The major part can be carried forward indefinitely. The Group's perspective of tax losses utilization is based on a 10-years budget of CPI FIM's taxable profits.

Unrecognized deferred tax assets and liabilities

	31 December 2023	31 December 2022
Investment property*	(111.2)	(122.9)
Tax losses carried-forward**	834.7	1,053.6

* Deferred tax liability arising from differences at initial recognition of asset acquisitions are not recognized in accordance with IAS 12.

** Unrecognized deferred tax asset from tax losses carried-forward due to uncertainty of its realization.

Expiry of unrecognised tax losses carried forward

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
As at 31 December 2023	41.5	80.3	124.3	3,253.2	3,499.3
As at 31 December 2022	44.8	168.6	149.6	4,400.4	4,763.4

Movement in deferred tax

	2023	2022
Net deferred tax liability as at 1 January	(1,551.1)	(918.3)
Recognized in profit or loss	110.3	(69.7)
Recognized in other comprehensive income	7.0	(17.3)
Effect of business combinations	-	(624.1)
Disposal of subsidiaries	-	16.7
Transfers	15.6	48.1
Translation differences and other	(11.3)	13.5
Net deferred tax liability as at 31 December	(1,429.5)	(1,551.1)
Deferred tax linked to AHFS as at 1 January	(48.1)	(26.3)
Transfers	(15.6)	(48.1)
Disposal of subsidiaries	32.5	26.3
Deferred tax linked to AHFS as at 31 December	(15.6)	(48.1)
Net deferred tax liability including AHFS as at 31 December	(1,445.1)	(1,599.2)

In 2023, EUR 89.6 million (EUR 54.9 million of deferred tax expense in 2022) of deferred tax income recognized in profit or loss related to revaluation of investment property and property, plant and equipment (including related net foreign exchange impact).

6 Consolidated statement of financial position

6.1 Intangible assets and goodwill

	Goodwill	Software	Other	Total
Cost				
As at 1 January 2023	121.1	27.8	13.9	162.3
Additions	-	8.0	1.2	9.2
Other disposals	-	(1.3)	(0.6)	(1.4)
Effect of movements in exchange rates	(2.3)	(0.4)	0.1	(2.6)
As at 31 December 2023	118.8	34.1	14.6	167.5
Amortization and impairment losses				
As at 1 January 2023	(22.6)	(10.1)	(3.4)	(36.1)
Amortisation for the period	-	(1.3)	(0.5)	(1.8)
Effect of movements in exchange rates	0.4	0.2	(0.4)	0.2
As at 31 December 2023	(22.2)	(11.2)	(4.3)	(37.7)
Carrying amounts				
As at 1 January 2023	98.5	17.7	10.5	126.7
As at 31 December 2023	96.6	22.9	10.3	129.8

	Goodwill	Software	Other	Total
Cost				
As at 1 January 2022	119.3	16.1	12.1	147.5
Acquisitions through the business combination	-	0.1	0.7	0.8
Additions	-	10.9	1.1	12.0
Transfers	-	0.1	(0.1)	-
Disposals	-	-	(0.1)	(0.1)
Effect of movements in exchange rates	1.8	0.6	0.2	2.6
As at 31 December 2022	121.1	27.8	13.9	162.8
Amortization and impairment losses				
As at 1 January 2022	(22.5)	(8.2)	(2.8)	(33.5)
Amortisation for the period	-	(1.6)	(0.5)	(2.1)
Disposals	-	-	-	-
Effect of movements in exchange rates	(0.1)	(0.3)	(0.1)	(0.5)
As at 31 December 2022	(22.6)	(10.1)	(3.4)	(36.1)
Carrying amounts				
As at 1 January 2022	96.8	7.9	9.3	114.0
As at 31 December 2022	98.5	17.7	10.5	126.7

As at 31 December 2023, goodwill consisted of:

- goodwill of EUR 42.6 million (EUR 42.6 million at 31 December 2022). The goodwill was recognised upon the combination of CPI and CPIPG in 2014 and reflects pre-acquisition GSG's goodwill related to deferred tax liabilities. The amount is allocated to the Berlin operating segment;
- goodwill of EUR 1.9 million (EUR 1.9 million at 31 December 2022). The goodwill was recognised upon the acquisition of former Ablon Group in 2013 and is allocated to the complementary assets in Europe operating segment;
- goodwill of EUR 47.6 million (EUR 49.5 million at December 2022). The goodwill was recognised upon the acquisition of CPI Hotels, the goodwill is allocated to the hotels and resorts in Europe operating segment;
- goodwill of EUR 2.2 million (EUR 2.2 million at December 2022, refer to note 3.7). The goodwill was recognised upon the acquisition of Régie du Rhône Crans-Montana SA in 2019; and
- goodwill of EUR 2.3 million (EUR 2.3 million at December 2022). The goodwill was recognised upon the acquisition of Zerodix Sárli in 2020 (refer to note 3.3).

None of the goodwill recognised is expected to be tax deductible.

Impairment of goodwill and trademark

The Group performed its annual impairment tests in December 2023. The recoverable amounts of related CGUs as at 31 December 2023, were primarily determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management for a five-year period.

Summary of impairment testing

The Group did not identify any impairment of GSG's goodwill and trademark as at 31 December 2023 as the CGU's recoverable amount is higher than its carrying value (calculated with the following assumptions):

- budgeted average annual EBITDA for next 5 years of EUR 109.4 million and EUR 95.7 million as at 31 December 2023 and 2022;
- pre-tax discount rate of 5.83% and 6.44% as at 31 December 2023 and 2022;
- terminal value growth rate of 2.60% and 2.60% as at 31 December 2023 and 2022.

The Group did not identify any impairment of CPI hotel's goodwill as at 31 December 2023 as the CGU's recoverable amount is higher than its carrying value. The recoverable amount was based on value in use. The fair values of individual hotels were assessed based on the reports by external valuers. The external valuations were determined using discounted cash flow projections based on the following significant unobservable inputs:

- budgeted average annual free cash flows (FCF) for next 5 years of EUR 5.2 million and EUR 4.9 million as at 31 December 2023 and 2022;
- pre-tax discount rate of 12.14% and 12.14% as at 31 December 2023 and 2022;
- terminal value growth rate of 2.90% and 2.90% as at 31 December 2023 and 2022.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use of CGUs is most sensitive to the following assumptions: budgeted EBITDA (FCF), discount rate and terminal value (perpetuity) growth rates.

Budgeted EBITDA (FCF): the projection is updated on a regular basis and is approved by the senior management for a five-year period.

Pre-tax discount rates: discount rates represent the current market assessment of the risks, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC consists of cost of debt and cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the Groups interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the post-tax discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Terminal value growth rates: perpetuity growth rates used to extrapolate cash flows beyond the forecast period. Growth rates are based on published industry research.

Sensitivity to changes in assumptions

- The estimated recoverable amount of GSG CGU exceeded its carrying amount by EUR 1,164.8 million (2022: EUR 179.4 million). Based on the impairment test performed in both 2023 and 2022, the management has identified that a reasonably possible change in the three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these assumptions would have to change individually for the recoverable amount to equal to the carrying amount:

	31 December 2023	31 December 2022
Pre-tax discount rate	1.68	0.26
Terminal value growth rate	(3.01)	(0.30)
Budgeted average annual EBITDA	EUR (60.4) million	EUR (7.3) million

The below table further shows the difference between the recoverable amount and the carrying amount of GSG CGU if there was a reasonably possible negative change of 5% to the three key assumptions:

	31 December 2023	31 December 2022
Pre-tax discount rate	280.1	39.2
Terminal value growth rate	117.1	97.9
Budgeted average annual EBITDA	197.0	14.9

- The estimated recoverable amount of CPI Hotels CGU exceeded its carrying amount by approximately EUR 15.9 million (2022: EUR 12.9 million). The following table shows the amount by which these assumptions would have to change individually for the recoverable amount to be equal to the carrying amount based on the assumptions used by the external valuer:

	31 December 2023	31 December 2022
Pre-tax discount rate	4.68	3.64
Terminal value growth rate	(4.13)	(3.24)
Budgeted average annual FCF	EUR (1.8) million	EUR (1.5) million

The below table further shows the difference between the recoverable amount and the carrying amount of CPI Hotels CGU if there was a reasonably possible negative change of 5% to the three key assumptions:

	31 December 2023	31 December 2022
Pre-tax discount rate	13.0	10.1
Terminal value growth rate	15.1	12.1
Budgeted average annual FCF	10.0	9.9

6.2 Investment property

	Note	Czech Republic	Berlin	Poland	IMMOFINANZ	SIMMO	Complementary assets	Total
As at 1 January 2023		4,112.3	3,001.8	1,188.4	5,238.6	2,667.2	2,277.9	18,486.2
Acquisition of subsidiaries	3	-	-	-	-	-	302.0	302.0
Business combination		14.6	-	-	-	-	-	14.6
Investment property acquisitions		4.7	-	15.0	16.3	-	14.3	50.3
Transfers from/(to) property, plant and equipment		(2.2)	(0.2)	-	-	-	(0.2)	(2.6)
Transfers to inventories		(28.9)	-	-	-	-	-	(28.9)
Transfers from /(to) assets held for sale		-	-	(26.6)	(162.0)	(68.0)	(12.6)	(269.2)
Reclassifications between segments		(880.5)	-	-	(127.4)	1,034.4	(26.5)	-
Development costs and other additions		80.1	55.9	29.1	89.1	20.9	37.5	312.6
Disposals		(106.1)	(3.4)	-	(69.0)	(201.9)	(13.4)	(393.8)
Valuation gain	5.6	123.0	(516.1)	(89.7)	(324.0)	(174.1)	(163.9)	(1,144.8)
Net foreign exchange gain/(loss)	5.12	29.9	-	(87.1)	-	-	(15.7)	(72.9)
Translation differences	6.13	(102.0)	-	86.0	17.7	(8.5)	16.0	9.2
As at 31 December 2023		3,244.9	2,538.0	1,115.1	4,679.3	3,270.0	2,415.4	17,262.7

	Note	Czech Republic	Berlin	Poland	IMMOFINANZ	SIMMO	Complementary assets	Total
As at 1 January 2022		3,982.7	2,962.2	1,222.0	-	-	2,108.9	10,275.8
Acquisition of subsidiaries	3	9.7	-	-	-	-	294.2	303.9
Investment property acquisitions		23.3	11.5	38.1	76.1	1.9	140.7	291.6
Business combinations		-	-	-	5,220.6	2,853.5	-	8,074.1
Transfers from/(to) property, plant and equipment		0.4	-	-	-	-	29.1	29.5
Transfers from inventory		(1.0)	-	-	-	-	-	(1.0)
Transfers from /(to) assets held for sale		1.9	-	-	(500.7)	-	16.2	(482.9)
Reclassifications between segments		(161.3)	-	(29.4)	93.8	456.7	(359.8)	-
Development costs and other additions		80.5	54.2	14.5	124.7	6.3	51.1	331.3
Disposals		(79.0)	-	-	(163.4)	(42.8)	(24.7)	(309.9)
Valuation gain	5.6	174.4	(26.1)	(55.6)	(121.8)	(107.4)	47.7	(88.8)
Net foreign exchange gain/(loss)	5.13	(43.8)	-	21.7	(1.9)	-	47.7	23.7
Translation differences	6.13	124.5	-	(22.9)	10.5	-	(73.2)	38.9
As at 31 December 2022		4,112.3	3,001.8	1,188.4	5,238.6	2,667.2	2,277.9	18,486.2

Acquisitions of subsidiaries

In 2023, the Group acquired residential projects in Dubai of EUR 297.8 million.

In 2022, the Group acquired subsidiaries with investment property of EUR 303.9 million. The most significant investment property acquired through the acquisitions of subsidiaries were land banks of Vision fund (refer to note 3.6).

Business combinations

In 2022, through business combinations with IMMOFINANZ and SIMMO, the Group acquired investment property of EUR 5,220.6 million and EUR 2,853.5 million, respectively.

Investment property acquisitions

In 2022, the Group acquired primarily several buildings and land plots in Italy (EUR 113.7 million) and one retail park in Italy (EUR 71.6 million which was acquired by IMMOFINANZ).

Development costs and other additions

In 2023, the development costs primarily related to the Group's portfolio in the Czech Republic (EUR 80.1 million), office portfolio in Berlin, Germany (EUR 55.9 million) and portfolio of IMMOFINANZ (EUR 89.1 million).

In 2022, the development costs primarily related to the Group's portfolio in the Czech Republic (EUR 80.5 million), office portfolio in Berlin, Germany (EUR 54.2 million) and portfolio of IMMOFINANZ (EUR 124.7 million).

Disposals

In 2023, the Group disposed primarily part of its German and Austrian office and residential portfolio of SIMMO of EUR 201.9 million, primarily offices and land banks in the Czech Republic of EUR 100.1 million and IMMOFINANZ of EUR 69.0 million.

In 2022, the Group disposed primarily one retail in the Czech Republic (EUR 67.4 million) and one Czech office building (by IMMOFINANZ in the amount of EUR 95.4 million).

Transfers to assets held for sale

In 2023, the Group transferred mainly certain office buildings of IMMOFINANZ amounting to EUR 171.3 million selected portfolio of SIMMO amounting to EUR 84.5 million (of which EUR 55.4 relates to hotels rented), three office buildings in Prague of EUR 56.6 million and its residential portfolio in UK of EUR 20.5 million as assets held for sale.

In 2022, the Group reclassified primarily certain residential buildings in Germany (by SIMMO in the amount of EUR 500.7 million).

Reconciliation between the values obtained from the external valuers and the reported values

	31 December 2023	31 December 2022
Market value as estimated by the external valuer	17,041.0	18,347.0
Add: expected sale price	97.2	-
Add: recent acquisitions and additions	18.0	52.0
Add: leased assets and other	106.5	87.2
Total	17,262.7	18,486.2

Translation differences

Translation differences related to investment property arise primarily in connection with translation of investment property values of subsidiaries with non-EUR functional currencies to EUR.

Leased investment properties

Investment properties in total amount of EUR 75.0 million as at 31 December 2023 (EUR 72.0 million as at 31 December 2022) are held under long-term lease arrangements, which expire between 2025 and 2102. For liabilities related to leased investment properties refer to note 6.15.

Pledged investment properties

For information related to pledged investment properties refer to note 6.15.

6.3 Property, plant and equipment

a) Hotels

In accordance with IAS 16, the Group uses revaluation model for the measurement of the property, plant and equipment under the hotels and resorts operating segment. The hotels and resorts are owned and operated by the Group

	2023	2022
Gross carrying amounts		
As at 1 January	1,175.2	892.6
Acquisitions through the business combination	-	242.9
Hotel acquisitions	-	20.2
Development costs and other additions	9.5	8.8
Disposals	(2.8)	(7.9)
Transfers from/to investment property	(2.4)	(18.7)
Transfers to AHFS	(261.6)	-
Transfers from/to other property, plant and equipment	2.8	10.1
Translation differences	(14.9)	17.9
Valuation gain/ (loss) through OCI	66.1	9.3
As at 31 December	971.9	1,175.2
Accumulated depreciation and impairment losses		
As at 1 January	(201.8)	(146.4)
Depreciation	(23.1)	(26.4)
Impairment loss/ (reversal of impairment loss)	1.2	(27.3)
Disposals	1.2	-
Transfers to AHFS	18.4	-
Translation differences	13.7	(1.7)
As at 31 December	(190.4)	(201.8)
Net carrying amounts		
As at 1 January	973.4	746.2
As at 31 December	781.5	973.4

Acquisitions through business combination

In 2022, the Group acquired three hotels (including their operations) in Budapest, Vienna and Bucharest in total amount of EUR 242.9 million (see note 3.7).

Hotel acquisition

In 2022, the Group acquired a hotel building in Sardinia, Italy for EUR 20.2 million.

Transfers from/to investment property

In 2022, the Group transferred one building in Italy (EUR 18.5 million) from property, plant and equipment to investment property due to change in its use.

Transfers to AHFS

In 2023, the group transferred Suncani Hvar hotel in Croatia of EUR 227.2 million and one hotel in Italy of EUR 16.0 million to assets held for sale.

Valuation gain through OCI

As at 31 December 2023 and 2022 respectively, the fair values of Hotels are based on valuations performed by independent valuer. The fair value of hotels was determined using the discounted cash flow method. This means that valuations are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific hotel. For the key assumptions made in relation of hotel property valuations refer to note 7.5.3.

If the Group measured hotels using the cost model, the carrying amounts would be EUR 797.6 million as at 31 December 2023 (EUR 793.2 million as at 31 December 2022), including those classified as assets held for sale.

Impairment loss/ (reversal of impairment loss)

As at 2022, the Group accounted for accumulated impairment of one hotel in Moscow, Russia of EUR 16.4 million.

b) Other property, plant and equipment

	Owner occupied buildings	Plant and equipment	PPE under leases	Property under construction	Other	Total
Cost						
As at 1 January 2023	139.9	127.6	14.1	1.6	19.7	302.9
Acquisitions through the business combination	-	-	-	-	2.9	2.9
Other acquisitions	-	0.6	-	-	2.2	2.8
Development costs and other additions	7.9	14.1	-	11.8	0.6	34.4
Disposals	-	(10.7)	-	(0.1)	(1.9)	(12.7)
Transfers from/to investment property	-	0.2	-	-	-	0.2
Transfers to AHFS	(126.7)	(83.5)	-	(2.2)	-	(212.4)
Transfers from/to hotels	-	(1.3)	-	(1.5)	-	(2.8)
Translation differences	1.3	1.0	-	(0.2)	-	2.1
Valuation gain/ (loss) through OCI	-	-	-	-	0.1	0.1
As at 31 December 2023	22.4	48.0	14.1	9.4	23.6	117.5
Accumulated depreciation and impairment losses						
As at 1 January 2023	(100.1)	(68.5)	(5.3)	-	(2.4)	(176.3)
Depreciation	(3.2)	(8.9)	(0.1)	-	(1.9)	(14.1)
Impairment loss/ (reversal of impairment loss)	24.9	(0.3)	-	-	-	24.6
Disposals	-	5.4	-	-	-	5.4
Transfers to AHFS	71.1	57.6	-	-	-	128.7
Translation differences	(1.3)	0.4	0.1	-	-	(0.8)
As at 31 December 2023	(8.6)	(14.3)	(5.3)	-	(4.3)	(32.5)
Carrying amounts						
As at 1 January 2023	39.8	59.1	8.8	1.6	17.3	126.6
At 31 December 2023	13.8	33.7	8.8	9.4	19.3	85.0

	Owner occupied buildings	Plant and equipment	PPE under leases	Property under construction	Other	Total
Cost						
As at 1 January 2022	131.2	109.5	13.8	5.0	5.8	265.3
Acquisitions through the business combination	-	5.3	-	0.1	9.0	14.4
Development costs and other additions	14.1	10.5	0.1	8.2	14.5	47.4
Disposals	(13.6)	(2.8)	-	(0.2)	-	(16.6)
Transfers from/to investment property	-	(0.7)	-	(1.1)	(9.0)	(10.8)
Transfers from/to hotels	-	1.0	-	(10.4)	(0.7)	(10.1)
Translation differences	6.1	4.8	0.2	-	0.1	11.2
Valuation gain/ (loss) through OCI	2.1	-	-	-	-	2.1
As at 31 December 2022	139.9	127.6	14.1	1.6	19.7	302.9
Accumulated depreciation and impairment losses						
As at 1 January 2022	(93.4)	(59.1)	(4.0)	-	(0.4)	(156.9)
Depreciation	(3.2)	(9.2)	(1.3)	-	(2.5)	(16.2)
Impairment loss/ (reversal of impairment loss)	1.0	2.3	-	-	-	3.3
Translation differences	(4.5)	(2.5)	-	-	0.5	(6.5)
As at 31 December 2022	(100.1)	(68.5)	(5.3)	-	(2.4)	(176.3)
Carrying amounts						
As at 1 January 2022	37.8	50.4	9.8	5.0	5.4	108.4
At 31 December 2022	39.8	59.1	8.8	1.6	17.3	126.6

Owner occupied buildings

As at 31 December 2023, the owner-occupied buildings are fully represented by Czech Republic agricultural farms of EUR 13.8 million (EUR 13.7 million as at 31 December 2022).

In 2023, mountain resort in Crans-Montana, Switzerland of EUR 55.6 million was transferred to assets held for sale.

Plant and equipment

As at 31 December 2023, plant and equipment is primarily represented by Czech Republic entities in the net amount of EUR 14.1 million and Berlin offices related plant and equipment in the net amount of EUR 13.4 million.

In 2023, plant and equipment of ski lifts at CMA mountain resort, Switzerland was transferred to assets held for sale in the amount of EUR 25.4 million.

As at 31 December 2022, plant and equipment primarily represents ski lifts at CMA mountain resort, Switzerland in the net amount of EUR 24.5 million and Berlin offices related plant and equipment of EUR 14.0 million.

Development costs and other additions

In 2023, the most significant additions related to development of the CMA mountain resort, Switzerland in the amount of EUR 5.9 million, Berlin offices of EUR 4.8 million and Czech Republic agricultural farms of EUR 2.6 million, photovoltaics in total amount of EUR 7.8 million and Croatia resort Suncani of EUR 2.8 million.

In 2022, the most significant additions to other property, plant and equipment were related to development of the CMA mountain resort, Switzerland in the amount of EUR 15.8 million.

Impairment on other property, plant and equipment

As at 31 December 2023, the Group classifies CMA mountain resort as asset held for sale and is valued at expected sales price. As at 31 December 2022, the Group accounted for accumulated impairment of CMA mountain resort of EUR 79.5 million.

For information about the carrying amount of property, plant and equipment pledged as collateral for liabilities, refer to note 6.15.

Reconciliation between the values obtained from the external valuers and the reported values

	31 December 2023	31 December 2022
Market value as estimated by the external valuer – hotels	767.0	968.0
Add: recent acquisitions and additions and other	14.5	126.6*
Hotels	781.5	1,100.0

* Related primarily to Mountain resort classified as asset held for sale as at 31 December 2023.

6.4 Equity accounted investees

Equity accounted investees as at 31 December 2023 and 2022:

	Note	31 December 2023	31 December 2022
Globalworth		652.9	676.9
Uniborc*		16.9	7.9
Other**		47.4	47.5
Total		717.2	732.3

* Uniborc S.A., a joint venture founded in 2013 with Unibail Rodamco Westfield, with aim to develop a shopping centre in the Bubny area of Prague, the Czech Republic. The Group's shareholding is 34%.

** German entities, in which the Group holds 50% stake: Ritterstraße 120 GmbH, Rathenower Straße 63-64 GmbH and Moritzstraße 23 GmbH and Czech entities, in which the Group holds 50% stake: HOLESOVICE SPIN OFF s.r.o., Nove Holesovice Development a.s. and Kunitz Capital, a.s.; 35% share in QBC Management und Beteiligungen GmbH 7 & Co KG, QBC Management und Beteiligungen GmbH, QBC Gamma SP Immobilienmanagement GmbH in Liqu and 26.3 stake in BGM – EB-Grundstücksbeteiligungen GmbH & Co KG and 51% stake in IPD – International Property Development, s.r.o.

6.4.1 Investment in Globalworth

As at 31 December 2023 and 2022, the Group together with Arountown SA owned 60.63% stake in Globalworth through a joint venture Tevat Limited.

Movement of the investment in Globalworth

	2023	2022
Opening balance	676.9	669.9
Dividends received	-	(18.6)
Acquisition of new shares	-	30.8
Share of profit/ (loss)	(24.0)	(5.2)
At 31 December	652.9	676.9

Condensed consolidated statement of financial position of Globalworth

	31 December 2023	31 December 2022
Investment property	2,843.1	2,945.5
Other non-current assets	122.0	94.4
Cash and cash equivalents	396.3	163.8
Other current assets	33.5	39.2
Investment property held for sale	50.3	126.0
Total assets	3,445.2	3,368.9
Non-current financial debts	1,574.8	1,433.6
Deferred tax liabilities	139.3	154.9
Other non-current liabilities	27.2	26.8
Current liabilities	95.6	82.3
Liabilities directly associated with the assets held for sale	5.7	13.9
Total liabilities	1,842.6	1,711.5
Net assets	1,602.6	1,657.4

Condensed consolidated statement of comprehensive income of Globalworth

	2023	2022
Net business income	147.0	139.7
Net valuation loss on investment property	(164.9)	(89.5)
Administrative and other expenses	(15.9)	(13.7)
Other operating costs	4.1	(1.1)
Net finance costs	(33.9)	(49.8)
Share of profit of equity-accounted investees	2.1	3.2
Profit/ (loss) before taxes	(61.5)	(11.2)
Income taxes	7.7	(4.9)
Profit/ (loss) for the period	(53.8)	(16.1)

Globalworth's EPRA NRV per share, indicating the fair value of the ordinary share, was EUR 6.94 and EUR 7.86 (using same number of shares) as at 31 December 2023 and 31 December 2022.

The Group did not identify any loss events which might indicate objective evidence of impairment and consequently, the Group did not perform the impairment test as at 31 December 2023.

6.5 Other non-current financial assets

	31 December 2023	31 December 2022
Derivative instruments (see note 6.16)	191.6	337.1
Other non-current financial assets	72.5	86.4
Total	264.1	423.5

6.6 Loans provided

Non-current

	31 December 2023		31 December 2022	
	Balance	Average interest rate	Balance	Average interest rate
Loans provided – related parties and joint ventures	150.1	5.00%	199.9	5.00%
Loans provided – third parties	29.7	3.25%	8.5	0.30%
Bills of exchange – third parties	-	-	32.3	5%
Impairment to non-current loans provided to related parties	(0.7)		(0.1)	
Total	179.1		240.6	

As at 31 December 2023 and 2022, the Group provided loans to entities controlled by the Group's main shareholder of EUR 150.1 million (provided to Senales Invest and Aspermont) and EUR 169.6 million, respectively. Refer to note 10 for more details.

The maturity of non-current loans provided was as follows:

31 December 2023	1-2 years	2-5 years	More than 5 years	Total
Loans provided to related parties and joint ventures	24.7	124.9	0.5	150.1
Loans provided – third parties	0.3	27.7	1.7	29.7
Total	25.0	152.6	2.2	179.8
31 December 2022	1-2 years	2-5 years	More than 5 years	Total
Loans provided to related parties and joint ventures	15.5	183.5	0.9	199.9
Loans provided – third parties	0.2	7.2	1.1	8.5
Total	15.7	190.7	2.0	208.4

Current

	31 December 2023		31 December 2022	
	Balance	Average interest rate	Balance	Average interest rate
Loans provided – related parties and joint ventures	19.6	3.58%	3.8	-
Loans provided – third parties	6.0	2.89%	1.3	-
Bills of exchange – third parties	-	-	63.6	4.85%
Impairment to current loans provided to third parties	(3.6)		(2.1)	
Total	22.0		66.6	

As at 31 December 2022, bills of exchange represent three bills of exchange issued by Czech bank J&T BANKA, a.s. of EUR 95.0 million, respectively.

6.7 Inventories

	31 December 2023	31 December 2022
Inventories	73.5	23.5

In 2023, upon change in its use, the Group changed classification of one development project for future sale amounting to EUR 48.7 million.

6.8 Current trade receivables

	31 December 2023	31 December 2022
Trade receivables due from related parties	2.5	1.0
Trade receivables due from third parties	254.2	225.5
Impairment to trade receivables due from third parties	(29.0)	(28.7)
Total	227.7	197.8

As at 31 December 2023 and 2022, the trade receivables from third parties represent primarily trade receivables against tenants and receivables from sale of utilities.

The movement of the impairment of trade receivables:

	2023	2022
As at 1 January	(28.7)	(16.0)
Impairment of trade receivables – creation	(0.3)	(12.8)
Impairment of trade receivables – release	-	0.1
As at 31 December	(29.0)	(28.7)

6.9 Cash and cash equivalents

	31 December 2023	31 December 2022
Bank balances	924.2	1,032.3*
Cash on hand	0.7	0.9
Other cash equivalents	97.7	-
Total	1,022.6	1,033.2

* Of the amount EUR 326.3 million was presented as other cash equivalents in the Group's consolidated financial statements as at 31 December 2022 and for the year then ended. As the balance represents cash on bank accounts, the Group adjusted the amount in the comparative information as at 31 December 2022.

As at 31 December 2023 and 2022, restricted cash in banks amounted to EUR 37.9 million and EUR 10.9 million, respectively. Use of these accounts is subject to the respective bank approval. These accounts are held for special purposes under the loan agreements.

As at 31 December 2023, the Group classified bills of exchange of EUR 97.7 million with function of a demand deposit as other cash equivalents.

6.10 Other financial current assets

	31 December 2023	31 December 2022
Financial derivatives (refer to note 6.15)	9.3	20.1
Other financial current assets	126.0	104.1
Total	135.3	124.2

Other financial current assets primarily include acquisitions related receivables (EUR 34.9 million) and receivables from disposals (EUR 23.5 million).

6.11 Other non-financial current assets

	31 December 2023	31 December 2022
Advances paid to third parties	44.9	30.6
Value added tax receivables	32.4	49.5
Other tax receivables (excl. CIT and VAT)	6.2	9.5
Agricultural grants	5.4	5.3
Prepaid expenses	60.8	67.5
Total	149.7	162.4

6.12 Assets and liabilities linked to assets held for sale

The following table summarizes the effect of the reclassifications made in relation to projects transferred to assets held for sale:

	31 December 2023	31 December 2022
Non-current assets		
Intangible assets and goodwill	0.9	-
Investment property	325.2	558.5
Property, plant and equipment	337.0	-
Derivative instruments	20.8	5.4
Trade receivables	0.1	0.1
Deferred tax assets	8.4	-
Current assets		
Inventories	1.8	-
Income tax receivables	0.1	0.6
Loans provided	0.1	-
Trade receivables	5.1	-
Other financial assets	4.8	-
Other non-financial assets	3.9	-
Cash and cash equivalents	14.5	31.9
Assets held for sale	722.7	596.5
Non-current liabilities		
Financial debts	(35.2)	(77.0)
Deferred tax liabilities	(24.0)	(48.0)
Other financial liabilities	(6.5)	-
Current liabilities		
Financial debts	(3.1)	(2.0)
Advance payments	(0.5)	-
Trade payables	(26.1)	(0.4)
Other financial liabilities	(7.2)	(0.5)
Other non-financial liabilities	(2.3)	(0.5)
Liabilities linked to assets held for sale	(104.9)	(128.4)

In November 2023, the Group signed two binding agreements for sale of:

- SUNCANI HVAR NEKRETNINE d.o.o. and SUNCANI HVAR d.d., the transaction is conditional on approval by the Croatian antitrust authority, and
- 84% share in Remontees Mecaniques Crans Montana Aminona (CMA) SA including several assets and properties related to the mountain resort, the transaction is conditional on several closing conditions.

As at 31 December 2023, primarily the following investment properties are classified as assets held for sale:

- Office buildings of IMMOFINANZ amounting to EUR 171.3 million; and
- Residential portfolio of SIMMO amounting to EUR 92.4 million; and
- Residential portfolio in UK of EUR 20.5 million; and
- Mountain resort in Switzerland amounting to EUR 157.4 million; and
- Landbank plot in Romania of EUR 5.1 million; and
- Office portfolio in Poland of EUR 25.9 million; and
- Hotels in Croatia amounted to EUR 225 million; and
- Hotel in Italy of EUR 21.6 million.

As at 31 December 2022, the following projects are classified as assets held for sale:

- One landbank plot in Italy of EUR 44.2 million; and
- German residential portfolio of S IMMO in total amount of 500.7 million; and
- One office building in Romania of IMMOFINANZ amounting to EUR 9.4 million.

6.13 Equity

6.13.1 Share capital and share premium

As at 31 December 2023, the aggregate share capital of the Company amounts to EUR 870.5 million (890.3 million as at 31 December 2022) and is represented by 8,704,850,259 ordinary fully paid shares with a nominal value of EUR 0.10 each. The Group holds 152,327,468 shares (265,065,039 shares as at 31 December 2022) which represent treasury shares. Excluding the treasury shares, the share capital amounts to EUR 855.3 million (EUR 863.8 million as at 31 December 2022).

On 6 December 2023, the Company completed a repurchase of 85,327,468 of its own shares under the share buyback programme for total of EUR 79.5 million (EUR 0.932 per share). 84.2 million shares were tendered by Clerius Properties. CPIPG's primary shareholder, Radovan Vitek, did not tender any shares.

On 22 November 2022, the Company completed a repurchase of 198,057,539 of its own shares under the share buyback programme for total of EUR 190.3 million (EUR 0.961 per share). 184.6 million shares were tendered indirectly by Group's primary shareholder.

The following table presents information regarding the ownership of the Company's shares as at 31 December 2023 and 2022:

Shareholder	As at 31 December 2023		As at 31 December 2022	
	Number of shares	Share held	Number of shares	Share held
Mr. Vitek and entities controlled by Mr. Vitek	7,696,259,609	88.41%	7,718,259,609	86.69%
Clerius Properties (affiliate of Apollo Funds)	391,410,351	4.50%	475,637,819	5.34%
Others	464,852,831	5.34%	443,952,831	4.99%
Total except treasury shares	8,552,522,791		8,637,850,259	
Treasury shares held by the Group	152,327,468	1.75%	265,065,039	2.98%
Total shares	8,704,850,259	100.0%	8,902,915,298	100.00%

The share premium comprises the amount received in excess of the nominal value of the shares issued:

	Number of shares	Share Capital	Share premium
As at 1 January 2022	8,902,915,298	863.6	1,161.7
Share buyback on 22 November 2022	-	(19.8)	(170.5)
As at 31 December 2022	8,902,915,298	863.8	991.2
Cancellation of shares on 31 May 2023	(198,065,039)	-	-
Share buyback on 6 December 2023	-	(8.5)	(71.0)
As at 31 December 2023	8,704,850,259	855.3	920.2

Authorised capital not issued

The extraordinary general meeting of the shareholders of the Company held on 1 March 2018 (the "2018 EGM") resolved to modify, renew and replace the existing authorised share capital of the Company and to set it to an amount of EUR 5,000 million for a period of 5 years from 1 March 2018, which would authorise the issuance of up to 40,000,000,000 new ordinary shares and up to 10,000,000,000 new non-voting shares of the Company.

The 2018 EGM approved the report issued by the Board of Directors relating to the possibility for the Board of Directors of the Company to cancel or limit preferential subscription rights of the shareholders of the Company upon increases of share capital in the framework of the authorised share capital of the Company.

As at 31 December 2023, the authorised share capital of the Company amounts to EUR 3,875 million which would authorise the issuance of up to 38,750,000,000 new ordinary shares.

Share buyback programme

The annual general meeting of the shareholders of the Company held on 31 May 2023 (the "2023 AGM") approved the terms and conditions of a buy-back programme of the Company. The buy-back programme enables the Company to repurchase its own shares and authorises the Company to redeem/repurchase its own shares under the terms and conditions set forth therein. In particular, the 2022 AGM authorised the Board of Directors of the Company to repurchase, in one or several steps, a maximum number of 1,000,000,000 shares in the Company from the existing and/or future shareholders of the Company, for a purchase price comprised in the range between one eurocent EUR 0.01 and EUR 5, for a period of five years from the date of the 2023 AGM. The 2022 AGM further resolved to grant power to the Board of Directors of the Company (i) to proceed with the payment of the relevant repurchase price out of the Company's available funds, (ii) to take all required actions to complete any repurchase of shares and (iii) to verify that the process of share repurchase is made in compliance with the legal provisions.

On 6 December 2023, the Company completed a repurchase of 85,327,468 of its own shares under the share buyback programme.

As at 31 December 2023, the Company is authorised to redeem/repurchase up to 914,672,532 own shares under the buyback programme approved by the 2023 AGM. For further terms and conditions of buyback please refer to the buyback programme of the Company.

6.13.2 Hedging reserve

The Group uses cross currency swaps to manage its exposure to movements of foreign currency rates on its bonds issued, respectively. The hedging reserve includes effective portion of the fair value changes of hedging instruments designated as a cash flow hedge (see note 6.16).

6.13.3 Other reserves

Other reserves consist of legal reserves, assets' revaluation reserve and translation reserve. Distribution by the way of dividends of the other reserves is restricted.

The legal reserves are created in accordance with the Luxembourg commercial law. The Company must appropriate to the legal reserve a minimum of 5% of the annual profit until such reserve equals 10% of the subscribed capital.

The following table shows the movement of the translation reserve in the period:

	Note	2023	2022
As at 1 January		120.4	55.9
Translation differences from retranslation of investment property	6.2	5.1	38.9
- Valued in EUR (and recognized by subsidiaries with non-EUR functional currency)	6.2	72.9	(23.7)
- Valued in non-EUR currencies (and recognized by subsidiaries with non-EUR functional currency)		(67.8)	62.6
Translation differences from retranslation of property, plant and equipment	6.3	8.7	20.9
Translation differences from to retranslation of intra-group loans and other items		(32.7)	4.7
As at 31 December		101.5	120.4

In 2022, the significant increase in translation reserve was driven by strengthening of CZK (used as the functional currency by the Czech subsidiaries) against EUR. This effect was partly eliminated by weakening of other local currencies (primarily HUF and PLN).

6.13.4 Retained earnings

Retained earnings are created from accumulated profits and losses and these reserves may be subject to the distribution of dividends.

6.13.5 Perpetual notes

The Company may, at its sole discretion, also elect to defer any payment of interest on the perpetual notes. As such, the notes contain features of both debt and equity. Based on the analysis of IAS 32, the Group concluded it holds unconditional rights to avoid delivering cash in respect of both, the principal and interest (until redemption option is called or payment of interest is declared, respectively). The perpetual notes therefore do not satisfy the financial liability definition and therefore are classified as equity instrument.

The notes are listed on the regulated market of Euronext Dublin and are accepted for clearance through Euroclear and Clearstream, Luxembourg. Both Moody's Investors Service Limited and S&P Global Ratings rate the perpetual notes Ba1 and BB+, respectively.

Movement of the perpetual notes:

	2023	2022
As at 1 January	1,584.4	1,611.6
Interest to perpetual notes holders	76.0	76.1
Repayment of previously issued perpetual notes	-	(27.8)
Payment of the interest to the perpetual note holders	(75.2)	(75.4)
As at 31 December	1,585.2	1,584.4

6.13.6 Non-controlling interests

Non-controlling interests

	31 December 2023	31 December 2022
IMMOFINANZ	819.8	801.9
SIMMO	190.3	200.6
Other non-controlling interests	94.4	96.3
Total	1,104.5	1,098.8

Movement of non-controlling interests

	Note	2023	2022
Opening balance as of 1 January		1,098.8	91.2
Acquisition of IMMOFINANZ	3.7.1	-	1,577.0
Acquisition of SIMMO	3.7.2	-	1,010.1
Purchase of IMMOFINANZ non-controlling interests		-	(799.9)
Purchase of SIMMO non-controlling interests		-	(890.9)
Other acquisitions		-	-
Purchases of non-controlling interests		(1.7)	-
Sale of other non-controlling interests in IMMOFINANZ		61.0	87.7
Total comprehensive income attributable to non-controlling interests		(53.6)	23.6
As at 31 December		1,104.5	1,098.8

IMMOFINANZ

The registered office of IMMOFINANZ AG is Wienerbergstrasse 9, Vienna, Austria.

Movement of IMMOFINANZ related non-controlling interest:

	2023	2022
Opening balance	801.9	-
Initially recognized in the period (refer to note 3.7.1)	-	1,577.0
NCI acquired in the period	-	(799.9)
NCI sold in the period	61.0	-
Profit for the period	(43.1)	24.8
As at 31 December	819.8	801.9
Group's interest	75.00%	76.86%

The mandatory takeover offer for IMMOFINANZ shares was closed on 30 May 2022. Until the end of the acceptance period, 30,440,879 (representing a participation of 22.00%) IMMOFINANZ shares. The consideration paid for the shares was EUR 704.7 million. Resulting bargain purchase of EUR 74.7 million (calculated as a difference between carrying value of the respective non-controlling interest of EUR 782.1 million and the consideration paid of EUR 704.7 million) was recognized against retained earnings.

Additionally, the Group acquired 0.5% of IMMOFINANZ shares for consideration of EUR 10.1 million. Resulting bargain purchase of EUR 7.7 million (calculated as a difference between carrying value of the respective non-controlling interest of EUR 17.8 million and the consideration paid of EUR 10.1 million) was recognized against retained earnings.

On 19 December 2023, the Group sold 2,575,000 IMMOFINANZ shares (representing 1.86% share) to Petrus Advisers Investments Fund L.P. for EUR 51.9 million with a call option to buy the shares back within 24 months. As at 31 December 2023, the fair value of the option was considered immaterial. The difference between the carrying value of non-controlling interest and the consideration for shares of EUR 9.1 million was recognized against retained earnings. As at 31 December 2023 holds 75.00% shares in IMMOFINANZ.

Condensed financial information of IMMOFINANZ as at 31 December:

	2023	2022
<i>Non-current assets</i>	4,809.2	5,463.5
<i>Current assets</i>	560.9	533.2
Total assets	5,370.1	5,996.7
Total equity	2,778.1	2,871.4
<i>Non-current liabilities</i>	2,400.3	2,547.8
<i>Current liabilities</i>	191.7	577.5
Total equity and liabilities	5,370.1	5,996.7
Profit for the period	(137.7)	(100.3)
Net increase/(decrease) in cash and cash equivalents	(122.4)	(581.3)

SIMMO

The registered office of SIMMO AG is Friedrichstraße 10, Vienna, Austria.

Movement of SIMMO related non-controlling interest

	2023	2022
Initially recognized in the period (refer to note 3.3)	200.6	1,010.1
NCI acquired in the period	-	(890.9)
NCI sold in the period	-	87.7
Profit for the period	(10.3)	(6.3)
As at 31 December	190.3	200.6
Group's interest	92.23%	92.23%

Condensed financial information of SIMMO as at 31 December:

	2023	2022
<i>Non-current assets</i>	3,526.1	2,903.9
<i>Current assets</i>	653.8	870.5
Total assets	4,179.9	3,774.4
Total equity	1,701.9	1,780.3
<i>Non-current liabilities</i>	2,016.5	1,679.4
<i>Current liabilities</i>	461.5	314.7
Total equity and liabilities	4,179.9	3,774.4
Profit for the period	(41.4)	18.9
Net increase in cash and cash equivalents	190.6	(128.9)

The mandatory takeover offer for SIMMO shares was closed on 12 August 2022. Until the end of the acceptance period, 26,983,707 SIMMO shares (representing a participation of 38.26%) SIMMO were tendered for total consideration of EUR 620.8 million. Resulting bargain purchase of EUR 81.1 million (calculated as a difference between carrying value of the respective non-controlling interest of EUR 701.9 million and the consideration paid of EUR 620.8 million) was recognized against retained earnings.

During the additional acceptance period which ended on 18 November 2022, the Group acquired further 6,743,731 shares of SIMMO (representing participation of 9.56% of the total outstanding voting rights) for total consideration of EUR 155.1 million. Resulting bargain purchase of EUR 33.9 million (calculated as a difference between carrying value of the respective non-controlling interest of EUR 189.0 million and the consideration paid of EUR 155.1 million) was recognized against retained earnings.

In 2022, the Group sold interest of 10.1% in SIMMO subsidiaries German Property Invest Immobilien GmbH and CEE Property-Invest Hungary 2003 Kft. for total of EUR 87.8 million.

As at 31 December 2023 and 2022, the Group holds 92.23% share in SIMMO.

Mandatory takeover bid for CPI FIM S.A. (former Orco Property Group) shares

On 8 June 2016 the Company's fully owned subsidiary Nukasso Holdings Limited directly and indirectly acquired approximately 97.31% of shares in CPI FIM. As a consequence, Nukasso Holdings Limited became obliged to launch a mandatory takeover bid to purchase any and all of the ordinary shares of CPI FIM (the "Mandatory Takeover Offer"). On 22 August 2016, the Czech Office for the Protection of Competition granted the merger clearance for the acquisition of CPI FIM by the Group, whereas its decision became final and binding on 23 August 2016.

On 8 December 2017 the CSSF published press releases in which it stated, inter alia, that it has decided not to approve the offer document in the Mandatory Takeover Offer as a consequence of the existence of an undisclosed concert action with respect to CPI FIM. On 15 March 2018 the CSSF published a press release informing that the decisions detailed in the above-mentioned CSSF press releases of 8 December 2017 have been challenged before the Luxembourg administrative courts.

As of the date of this report, the Company has not received any formal decision in relation to the Mandatory Takeover Offer.

Next RE

The registered office of Next RE is Via Zara 28, Roma, Italy.

Movement of Next RE related non-controlling interest

	2023	2022
Group's interest	79.8%	77.1%
Opening balance	21.4	21.1
NCI acquired in the period	(1.7)	-
NCI – profit for the period	(2.3)	0.3
NCI – accumulated	17.4	21.4

Condensed financial information of Next RE as at 31 December 2023 and 2022:

	2023	2022
<i>Non-current assets</i>	134.4	141.1
<i>Current assets</i>	6.5	18.1
Total assets	140.9	159.2
<i>Equity attributable to owners</i>	76.7	87.5
<i>Non-current liabilities</i>	62.4	67.2
<i>Current liabilities</i>	1.8	4.5
Total equity and liabilities	140.9	159.2
Profit for the period	(9.2)	1.5
Net increase/(decrease) in cash and cash equivalents	(9.3)	8.2

6.13.7 Earnings per share

	31 December 2023	31 December 2022
Shares held by shareholders at the beginning of the period	8,637,850,259	8,835,915,298
Weighted average movements	(5,925,519)	(27,131,170)
Shares buyback on 11 November 2022	-	(27,131,170)
Shares buyback on 6 December 2023	(5,925,519)	-
Weighted average outstanding shares for the purpose of calculating the basic EPS	8,631,924,740	8,808,784,128
Weighted average outstanding shares for the purpose of calculating the diluted EPS	8,631,924,740	8,808,784,128
Net profit/ (loss) attributable to owners of the parent	(899.9)	457.6
Net profit/ (loss) attributable to owners of the parent after assumed conversions/exercises	(899.9)	457.6
Total Basic earnings in EUR per share	(0.10)	0.05
Diluted earnings in EUR per share	(0.10)	0.05

Basic earnings per share are calculated by dividing the profit attributable to the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

6.14 Bonds issued

Dated	31 December 2023		31 December 2022		
	No. of bonds issued	Value	No. of bonds issued	Value	
ISIN XS1917855337	10 December 2018	30	19.1	30	21.2
ISIN XS1950499639	12 February 2019	-	-	450	54.1
ISIN XS2008905155	6 June 2019	283	32.8	283	34.0
ISIN XS2069407786	28 October 2019	6,176	611.2	7,500	741.1
ISIN XS2106589471	22 January 2020	3,298	375.9	4,000	446.1
ISIN XS2117757182	22 January 2020	250	28.9	250	30.0
ISIN XS2171875839	12 May 2020	6,271	621.7	7,500	741.2
ISIN XS2290544068	5 August 2020	7,650	752.0	7,650	750.3
ISIN XS2307032644	21 January 2021	30	19.1	30	21.3
ISIN HU0000359898	25 February 2021	600	78.4	600	75.0
ISIN XS2394029685	7 October 2021	26	16.5	26	18.5
ISIN XS2432162654	14 January 2022	6,805	665.1	6,805	666.2
L1300@AA8	5 May 2022	120,000,000	109.1	120,000,000	112.5
L1300@AB6	5 May 2022	100,000,000	91.0	100,000,000	93.8
L1300@AC4	5 May 2022	110,000,000	100.1	110,000,000	103.1
ISIN XS2243564478	15 October 2020	2,378	228.9	2,378	227.9
ISIN AT0000A1Z9D9	6 February 2018	-	-	200,000	99.8
ISIN AT0000A1DBM5	9 April 2015	31,780	15.9	31,780	15.7
ISIN AT0000A285H4	22 May 2019	300,000	150.0	300,000	149.8
ISIN AT0000A1DVK5	21 April 2015	68,398	34.1	68,398	34.0
ISIN AT0000A2AEA8	15 October 2019	200,000	99.9	200,000	99.8
ISIN AT0000A1Z9C1	6 February 2018	100,000	49.9	100,000	49.8
ISIN AT0000A2MKW4 (green bond)	4 February 2021	140,899	74.8	140,899	70.3
ISIN AT0000A2UVR4 (green bond)	11 January 2022	50,117	24.9	50,117	24.9
ISIN AT0000A35Y85	12 July 2023	150,000	74.8	-	-
Total non-current bonds issued			4,274.1		4,680.4
Accrued interest and accrued charges on bonds			-	57.2	-
ISIN CH0441186472	25 October 2018	-	-	30,140	152.9
ISIN XS1935128956	27 January 2019	-	-	1,871	197.5
ISIN XS1950499639	12 February 2019	450	52.1	-	-
ISIN AT0000A1Z9D9	6 February 2018	200,000	99.9	-	-
Total current bonds issued			209.2		405.8
Total bonds issued			4,483.3		5,086.2

Bonds issued as at 31 December 2023

- In May 2022, the Group issued Series A, Series B and Series C of an US Private Placement notes repayable on 5 May 2027, 5 May 2028 and 5 May 2029 in the amounts of USD 120.0 million (EUR 115.5 million), USD 100.0 million (EUR 96.3 million) and USD 110.0 million (EUR 105.9 million), respectively. The bonds bear interest at a rate of 6.02%, 6.06% and 6.15%, respectively and are hedged by cross currency swaps (refer to note 6.14).
- In January 2022, the Group issued a sustainability-linked bonds (ISIN XS2432162654) of EUR 700.0 million with annual coupon of 1.75% and maturity date of 14 January 2030. The sustainability-linked bonds are listed on the Main Market of the Irish Stock Exchange.
- The bonds AT0000A35Y85 issued by SIMMO on the regulated market of Vienna Stock Exchange in July 2023 are repayable on 12 July 2028. The bonds bear interest at a rate of 5.5% p.a.
- The bonds AT0000A1Z9D9 issued by SIMMO on the regulated market of Vienna Stock Exchange in February 2018 are repayable on 6 February 2024. The bonds bear interest at a rate of 1.75% p.a.
- The bonds AT0000A1DBM5 issued by SIMMO on the regulated market of Vienna Stock Exchange in April 2015 are repayable on 9 April 2025. The bonds bear interest at a rate of 3.25% p.a.
- The bonds AT0000A285H4 issued by SIMMO on the regulated market of Vienna Stock Exchange in May 2019 are repayable on 22 May 2026. The bonds bear interest at a rate of 1.875% p.a.
- The bonds AT0000A1DVK5 issued by SIMMO on the regulated market of Vienna Stock Exchange in April 2015 are repayable on 21 April 2027. The bonds bear interest at a rate of 3.25% p.a.
- The bonds AT0000A2MKW4 (green bond) issued by SIMMO on the regulated market of Vienna Stock Exchange in February 2021 are repayable on 4 February 2028. The bonds bear the interest at a rate of 1.75% p.a.
- The bonds AT0000A2AEA8 issued by SIMMO on the regulated market of Vienna Stock Exchange in October 2019 are repayable on 15 October 2029. The bonds bear interest at a rate of 2.00% p.a.
- The bonds AT0000A1Z9C1 issued by SIMMO on the regulated market of Vienna Stock Exchange in February 2018 are repayable on 6 February 2030. The bonds bear interest at a rate of 2.875% p.a.
- The bonds AT0000A2UVR4 issued by SIMMO on the regulated market of Vienna Stock Exchange in January 2022 are repayable on 11 January 2027. The bonds bear interest at a rate of 1.25% p.a.
- The bonds XS2243564478 issued by IMMOFINANZ on the regulated market of Luxembourg Stock Exchange in October 2020 are repayable on 15 October 2027. The bonds bear interest at a rate of 2.50% p.a.
- ISIN XS2290544068: On 27 January 2021, the Group issued 1.5% fixed rate senior unsecured bonds of EUR 600.0 million maturing 27 January 2031. The bonds are listed on the regulated market of Euronext Dublin. The second, third and fourth tranche of the bonds in the amount of EUR 50.0 million, EUR 100.0 million and EUR 100.0 million were issued on 1 February, 8 September and 30 December 2021 and with the same terms.

- ISIN XS2307032644: On 25 February 2021 the Group issued 0.71% fixed rate JPY 3 billion (EUR 23.1 million) senior unsecured bonds maturing 25 February 2025. The proceeds are converted to EUR through a cross-currency swap. The bonds are listed on the regulated market of Euronext Dublin.
- ISIN XS2394029685: On 7 October 2021 the Group issued 0.35% fixed rate JPY 2.6 billion (EUR 20.0 million) senior unsecured bonds maturing 7 April 2025. The proceeds are converted to EUR through a cross-currency swap. The bonds are listed on the regulated market of Euronext Dublin.
- ISIN HU0000359898: On 5 August 2020, the Group issued HUF 30.0 billion (EUR 86.0 million) of green bonds with a 10-year maturity and coupon of 2.25%. The bonds are traded on the Budapest Stock Exchange. The bonds are fully hedged to EUR.
- ISIN XS2171875839: On 12 May 2020, the Company issued green bonds of EUR 750.0 million maturing 12 May 2026. The bonds are listed on the regulated market of Euronext Dublin and bear the fixed interest at rate 2.75 %.
- ISIN XS2117757182: On 13 February 2020, the Group issued HKD 250.0 million bonds (EUR 29.0 million) maturing on 13 February 2030. The bonds are listed on the regulated market of Euronext Dublin and fully hedged to EUR at a fixed rate of less than 3.01% p.a.
- ISIN XS2106589471: On 22 January 2020, the Group issued green bonds of GBP 350.0 million (EUR 411 million) maturing on 22 January 2028. The bonds are listed on the regulated market of Euronext Dublin and fully hedged to EUR at a fixed rate of 2.75% p.a.
- ISIN XS2069407786: On 28 October 2019, the Company issued green bonds of EUR 750 million. The bonds mature on 23 April 2027 and bear fixed interest at rate of 1.625% p.a. The bonds are listed on the regulated market of Euronext Dublin.
- ISIN XS2008905155: On 6 June 2019, the Company issued bonds of HKD 283 million. The bonds mature on 6 June 2026 and bear a fixed interest at a rate of 4.45 % p.a. The bonds are listed on the regulated market of Euronext Dublin. The bonds were fully hedged to EUR.
- ISIN XS1950499639: On 12 February 2019, the Company issued bonds of HKD 450 million. The bonds mature on 12 February 2024 and bear fixed interest at a rate of 4.51% p.a. The bonds are listed on the regulated market of Euronext Dublin. The bonds are fully hedged to EUR.
- ISIN XS1917855337: On 10 December 2018, the Company issued bonds on the Tokyo Pro-Bonds market, with total nominal value of JPY 3 billion (EUR 23.8 million) which bear a fixed interest at a rate of 1.995% and mature on 8 December 2028. The bonds are fully hedged to EUR. In January 2021, the Group repaid a portion of these bonds.

CPI PROPERTY GROUP bonds repurchased and cancelled in 2023

- In April 2023, the Group repurchased part of its bonds (issued by CPI PROPERTY GROUP S.A.) of EUR 132.4 million (ISIN XS2069407786), EUR 89.9 million (ISIN XS2106589471) and EUR 122.9 million (ISIN XS2171875839) maturing in 2031.
- Net gain from repurchase of the bonds in April 2023 was EUR 79.8 million (including release of related transaction costs and a discount in the total amount of EUR 6.2 million) was recognized as part of the other financial result in the six-month period ended 30 June 2023.

Further, the Group repaid its bonds (issued by IMMOFINANZ AG) of EUR 197.5 million (ISIN XS1935128956).

CPI PROPERTY GROUP S.A. bonds repurchased and cancelled in 2022

- In January 2022, the Group used a portion of the proceeds from newly issued bonds to repay a portion of EUR 239.4 million of the senior bonds (ISIN XS1693959931) due in 2024 and to repay senior bonds (ISIN XS1955030280) of EUR 333.0 million due in 2023.
- In June 2022, the Group repurchased part of its bonds maturing in 2031 in the amount of EUR 85.0 million (ISIN XS2290544068).
- In June 2022, the Group repurchased part of its bonds maturing in 2030 in the amount of EUR 19.5 million (ISIN XS2432162654).
- In 2022, The Group recognized transaction costs and a discount related to cancellation of previously issued bonds in the total amount of EUR 11.7 million as part of the other financial result in 2022.

Covenants

Bonds issued by CPIPG are subject to covenants.

- Net interest coverage ratio (calculated as adjusted EBITDA over net interest expense) should be at least 1.9. As at 31 December 2023 and 2022, the Group's net interest coverage ratio was 2.5 and 3.2, respectively. Adjusted EBITDA is calculated as net business income less administrative expenses, adjusted for Group's share on Globalworth, IMMOFINANZ and SIMMO EBITDA.
- Consolidated leverage ratio (calculated as financial debts and bonds issued over total assets adjusted for intangible assets) should not exceed 0.6. As at 31 December 2023 and 2022, the Group's consolidated leverage ratio was 0.5 and 0.5, respectively.
- Secured consolidated leverage ratio (calculated as secured financial debts and bonds issued over total assets adjusted for intangible assets) should not exceed 0.45. As at 31 December 2023 and 2022, the Group's consolidated leverage ratio was 0.2 and 0.2, respectively.

The covenants were met as at 31 December 2023 and 2022.

Structure of bond financing

As at 31 December 2023 and 2022, the total value of unsecured bonds is EUR 4,483.2 million and EUR 5,086.2 million, respectively. Unsecured bonds are bonds that are not collateralized by any assets.

6.15 Financial debts

	31 December 2023	31 December 2022
Loans from related parties	-	0.4
Loans from third parties	-	5.4
Bank loans	6,233.1	6,066.8
Lease liabilities	92.6	93.0
Total non-current financial debts	6,325.7	6,165.6
Loans from related parties	0.2	-
Loans from third parties	0.7	3.4
Bank loans	405.8	350.2
Lease liabilities	5.5	6.8
Total current financial debts	412.2	360.4
Total	6,737.9	6,526.0

As at 31 December 2023, the Group has undrawn credit facilities in total of EUR 335.0 million (EUR 910.0 million as at 31 December 2022).

In June 2023, the Group's subsidiaries signed bank new loans in Poland and the Czech Republic in total amount of EUR 286.0 million and EUR 113.6 million, repayable in 2028, 2027 and 2030, respectively. CPIPG has drawn a new loans of EUR 602.7 million and EUR 100.5 million repayable in 2026 and 2028, respectively.

In 2022, the Group drawn two new bridge loan facilities of EUR 832.1 million and EUR 825.6 million maturing in January and April 2025 (considering the unconditional right to effectively defer settlement of the bridge facilities which are currently maturing in July and October 2024), Schuldschein loans in total of EUR 184.0 million maturing in 2026 and 2028 and three additional bank loans of EUR 100.0 million and EUR 273.6 million and EUR 511.8 million maturing in 2026, 2029 and 2029, respectively.

As at 31 December 2023 and 2022, the total value of secured financial debts amounts to EUR 5,232.5 million and EUR 4,551.6 million, respectively.

As at 31 December 2023 and 2022, the total value of unsecured financial debts amounts to EUR 1,505.4 million (including loans classified as liabilities linked to assets held for sale) and EUR 2,052.4 million, respectively.

Pledges

With respect of bank loans, the Group has pledged the following assets as collateral:

- Investment property with total value of EUR 10,559.1 million as at 31 December 2023 (EUR 9,783.3 million as at 31 December 2022).
- Property, plant and equipment with total value of EUR 296.6 million as at 31 December 2023 (EUR 343.4 million as at 31 December 2022).
- Assets held for sale with total value of EUR 334.3 million as at 31 December 2023 (EUR 438.1 million as at 31 December 2022).
- Trade receivables and other financial assets with total carrying amount of EUR 99.7 million as at 31 December 2023 (EUR 157.3 million as at 31 December 2022).
- Inventories of EUR 48.7 million as at 31 December 2023.
- Other financial assets of EUR 59.5 million as at 31 December 2023 (EUR 51.4 million).
- Bank accounts in total amount of EUR 41.7 million as at 31 December 2023 (EUR 10.9 million as at 31 December 2022).
- Shares of subsidiaries: Nymburk Property Development, a.s., CENTER INVEST Kft., Alpha real d.o.o., Grand Centar d.o.o., OZ Trmice, CPI - Bor, Polygon BC, CPI Théta, MACKWORTH PROPERTIES LIMITED, WFC Investments sp. z o.o., Equator IV Offices sp. z o.o., Eurocentrum Offices sp. z o.o., Castor Investments sp. z o.o. s.k.a., Castor Investments sp. z o.o., Gateway Office Park Kft, BC 99 Office Park Kft, Arena Corner Kft, Andrassy Real Kft, ZET.office, a.s., CD Property s.r.o., CPI Shopping MB, a.s., CPI Národní, s.r.o., Carpenter Invest, a.s., Conradian, a.s., Vigano, a.s., Immofinanz Polska Sp. z o.o., Stop Shop Poland Sp.z.o.o., Polus a.s., STOP.SHOP. Slovakia s.r.o., GSG Gewerbehöfe Berlin 1. GmbH & Co. KG, Gebauer Höfe Liegenschaften GmbH, GSG Asset GmbH & Co. Verwaltungs KG, GSG Gewerbehöfe Berlin 2. GmbH & Co. KG, GSG Gewerbehöfe Berlin 3. GmbH & Co. KG, GSG Gewerbehöfe Berlin 4. GmbH & Co. KG, GSG Gewerbehöfe Berlin 5. GmbH & Co. KG, GSG Solar Berlin GmbH, GSG Gewerbehöfe Berlin 6. GmbH & Co. KG, Armo Verwaltungs GmbH, Remontées Mécaniques Crans Montana Aminona (CMA) SA, CMA Immobilien SA, Janovická farma, a.s., Mařenická farma, a.s., Valdovská zemědělská, a.s., Prostějov Investments, a.s., GSG Berlin Invest GmbH, Zákupská farma, s.r.o., Ekofarma Postřelná, s.r.o., Farma Liščí, s.r.o., Statek Mikulášovice, s.r.o., Šenovská zemědělská, s.r.o., Statek Petrovice, s.r.o., Jizerská farma, s.r.o., Farma zelená sedma, s.r.o., Statek Kravaře, a.s., Farma Dělouš, s.r.o., Farma Krásný Les, a.s., Valkeřícká ekologická, a.s., Farma Radeč, a.s., Hornopolická ekologická, s.r.o., Kunratická farma, s.r.o., Tarnów Property Development sp. z o.o., Zgorzelec Property Development sp. z o.o., Radom Property Development sp. z o.o., Zamosc Property Development sp. z o.o., Zamosc Sadowa Property Development sp. z o.o., Remberťow Property Development sp. z o.o., CPI Office Business Center, s.r.o., Na Poříčí, a.s., CPI Shopping Teplice, Marissa Tau, a.s., Baudry Beta, Farhan, a.s., Victoriei Business Piazza s.r.l., SPC Sigma Property Development Company S.R.L., SPC Delta Property Development Company S.R.L., SIAG Leipzig Wohnimmobilien GmbH, SIAG Fachmarktzentren s.r.o., SDCS s.r.l., REGA Property Invest s.r.o., Nagymező utcai Projektfejlesztési Kft, IPD - International Property Development s.r.o., EXPO BUSINESS PARK S.R.L., Eurocenter d.o.o., Eltima Property Company s.r.o., DUAL Construct Invest srl, City Center Irodahaz Kft., BudaPart Auratus Kft., Bank Garazs Kft, CPI Office Prague s.r.o., IMMOFINANZ ArtemiSIMMOBILIEN Vermietung GmbH, City Market Dunakeszi Kft., City Market Soroksár Kft., City Tower Vienna Errichtungs- und Vermietungs-GmbH, IMMOFINANZ Enodia Realitäten Vermietungs GmbH, Gena Vier Immobilienholding GmbH, ARO Immobilien GmbH, Stop Shop d.o.o., IMMOFINANZ Float GmbH & Co. KG, Immofinanz Medienhafen GmbH, FMZ Lublin Sp. z o.o., ImmoPoland Sp. z o.o., Galeria Zamek Sp. z o.o., Erlend Investments Sp. z o.o., Elmore Investments Sp. z o.o., Bertie Investments Sp. z o.o., VIVO! Poland Sp. z o.o., Farma Javorská, a.s., Farma Valteřice, a.s., Spojené farmy a.s., Děčínská zemědělská a.s., Farny Frýdlant a.s., Farma Ploučnice a.s., Pastviny a.s., Angusland s.r.o., Verneřický Angus a.s., Českolipská zemědělská a.s., Biopark s.r.o., Agrome s.r.o., Biochov s.r.o., Biopotraviny s.r.o., Farma Svitavka s.r.o., JAGRA spol. s r.o., Limagro s.r.o., PV - Cvikov s.r.o., Zelená farma s.r.o., Zelená louka s.r.o., Zelená pastva s.r.o., ZEMSPOL s.r.o., Českolipská farma s.r.o., Farma Poustevna, s.r.o., Atom Centrum, s.r.o., Palmovka Offices s.r.o., OIY Czech, s.r.o., Warsaw Spire Tower Sp. z o.o., Nimbus Real Sp. z o.o., Projekt Zlatý Anděl, s.r.o., Futurum HK Shopping, s.r.o., NP Investments a.s., SBF Development Praha spol.s.r.o., STOP.SHOP. CZ s.r.o., Cadca Property Development, s.r.o., Komárno Property Development, a.s., Michalovce Property Development, a.s., Považská Bystrica Property Development, a.s., Prievidza Property Development, a.s., Trebišov Property Development, s.r.o., Levice Property Development, a.s., CPI Retails THREE, a.s., CPI Retails ROSA, s.r.o., CPI East, s.r.o., IMMOFINANZ Services Czech Republic, s.r.o., SC Czech AHG s.r.o., "Wienerberg City" Errichtungsges.m.b.H., Bauteile C+D Errichtungsges.m.b.H., Bauteile A+B Errichtungsges.m.b.H., Atrium Park Kft, CPI Retail Portfolio II, a.s., CPI Retail Portfolio IV, s.r.o., OC Spektrum, s.r.o., CPI Retails ONE, a.s., CPI Retails TWO, a.s.,

Covenants

Bank loans are subject to covenants. The covenants were met as at 31 December 2023 and 2022.

Maturity of loans from third parties

31 December 2023	Less than one year	1 to 5 years	More than 5 years	Total
Loans from third parties	0.5	-	-	0.5
Bank loans	405.8	4,497.8	1,735.3	6,638.9
Total	406.3	4,497.8	1,735.3	6,639.4
31 December 2022	Less than one year	1 to 5 years	More than 5 years	Total
Loans from third parties	2.4	1.1	5.3	8.8
Bank loans	349.4	4,290.7	1,776.9	6,417.0
Total	351.8	4,291.8	1,782.2	6,425.8

Lease liabilities

Net present value of future minimum lease payments	Less than one year	1 to 5 years	More than 5 years	Total
31 December 2023	15.1	20.6	62.6	98.3
31 December 2022	6.8	21.0	72.0	99.8

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings	Lease liabilities	Bonds issued	Total
As at 1 January 2023	6,426.2	99.8	5,086.2	11,612.2
Proceeds from bonds issued	-	-	75.0	75.0
Repayment of bonds issued	-	-	(588.6)	(588.6)
Interest paid	(276.2)	(0.1)	(110.6)	(386.9)
Drawings of loans and borrowings	2,970.4	-	-	2,970.4
Repayments of loans and borrowings	(2,650.5)	-	-	(2,650.5)
New finance lease liabilities	-	5.4	-	5.4
Drawings-net of lease liabilities	-	(11.2)	-	(11.2)
Total changes from financing cash flows	43.7	(5.9)	(624.2)	(586.4)
Changes arising from obtaining or losing control of subsidiaries	2.7	-	-	2.7
The effect of changes in foreign exchange rates and other non-cash adjustment	(25.1)	2.3	2.5	(20.3)
Other changes	(10.7)	-	(86.0)	(96.7)
Interest expense	241.0	2.1	104.8	347.9
Reclassified to liabilities held for sale	(38.2)	-	-	(38.2)
As at 31 December 2023	6,639.6	98.3	4,483.3	11,221.2

	Loans and borrowings	Lease liabilities	Bonds issued	Total
As at 1 January 2022	1,358.9	38.9	3,734.9	5,132.7
Proceeds from bonds issued	-	-	1,042.4	1,042.4
Repayment of bonds issued	-	-	(1,374.1)	(1,374.1)
Interest paid	(81.7)	(0.1)	(104.6)	(186.4)
Drawings of loans and borrowings	4,377.7	-	-	4,377.7
Repayments of loans and borrowings	(1,978.4)	-	-	(1,978.4)
New finance lease liabilities	-	0.4	-	0.4
Repayment-net of lease liabilities	-	2.6	-	2.6
Total changes from financing cash flows	2,317.6	2.9	(436.3)	1,884.2
Changes arising from obtaining or losing control of subsidiaries	2,737.8	57.9	1,689.8	4,485.5
The effect of changes in foreign exchange rates and other non-cash adjustment	(20.6)	-	5.8	(14.8)
Interest expense	111.5	0.1	92.0	203.6
Reclassified to liabilities held for sale	(79.0)	-	-	(79.0)
As at 31 December 2022	6,426.2	99.8	5,086.2	11,612.2

6.16 Derivative instruments

The Group uses interest rate swaps and cross currency swaps to manage its exposure to currency and interest rate movements on its bank loans and bonds issued, respectively.

The fair value of the open derivative instruments

	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps used for hedging	113.3	(3.7)	178.4	(10.4)
Cross currency swap contracts used for hedging	13.8	(56.5)	35.8	(50.3)
Other interest rate derivative contracts	73.8	(28.8)	143.0	(1.6)
Total derivative instruments	200.9	(89.0)	357.2	(62.3)
Current	9.3	(2.9)	20.1	(1.8)
Non-current	191.6	(86.1)	337.1	(60.5)
Total derivative instruments	200.9	(89.0)	357.2	(62.3)

Cross currency swaps designated as hedging instruments

As at 31 December 2023, the cross currency swap contracts with nominal amount of EUR 1,108.9 million (EUR 1,206.9 million as at 31 December 2022) of which EUR 113.9 million relates to HKD denominated bonds, EUR 460.2 million relates to GBP denominated bonds, EUR 78.3 million relates to HUF denominated bonds, EUR 102.8 million relates to SGD denominated bonds, EUR 55.0 million relates to JPY denominated bonds and EUR 298.7 million relates to USD denominated bonds.

The bonds and cross currency swaps have the same critical terms. The Group applies hedge accounting, the derivative instruments are considered as highly effective.

For analysis of liabilities from derivatives with respect of its maturity refer to note 7.2.

Interest rate swaps used for hedging

As at 31 December 2023 and 2022, the Group had the interest rate swap contracts used for hedging with the total nominal value of EUR 2,974.2 million and EUR 2,355.0 million, respectively. The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank loans.

Other interest rate swap contracts

As at 31 December 2023 and 2022, contracts with nominal amount EUR 1,735.8 million and EUR 2,033.6 million. The Group does not designate these derivative instruments as hedging instruments.

6.17 Provisions

	2023	2022
Balance at 1 January	41.3	8.4
Effect of business combinations	-	18.5
Provisions created	9.2	14.6
Provisions utilized	(14.8)	(0.2)
31 December	35.7	41.3

In 2023, the Group released provision of EUR 14.1 million in connection with Vitericon legal case. The Group paid amount of EUR 17 million in connection with these proceedings. For more details, refer to note 8 for details.

In 2022, the Group created a provision for legal case Vitericon (refer to note 8 for more details) in the amount of EUR 14.1 million. Of total EUR 18.5 million of provisions from business combination with IMMOFINANZ, majority related to restitution proceedings in Romania.

Defined benefit pension plan

The Group operates a defined benefit plan in Switzerland, where all companies must offer a sponsored pension plan. The plan will provide a contribution-based cash balance retirement and risk benefits to employees to meet its obligations under Switzerland's mandatory a company provided 2nd pillar pension system. All plans must provide a minimum level of retirement benefit expressed by a cash balance formula with age-related contribution rates with a minimum insured salary defined by law, and a required interest-crediting rate which is set by the government. It also includes a predetermined conversion rate on the portion of the minimum level of benefits of 6.8%. Because of these guarantees the Swiss pension plans are a hybrid plan and are considered under IAS19 as defined benefit pension plans. The defined benefit pension plans amounted to EUR 4.5 million and EUR 4.5 million as at 31 December 2023 and 2022, respectively.

6.18 Other financial non-current liabilities

Non-current trade and other payables	31 December 2023	31 December 2022
Tenant deposits	75.5	75.5
Advances received	4.4	10.1
Payables from retentions	5.7	5.1
Trade and other payables due to third parties	16.3	15.7
Derivative instruments (see note 6.15)	86.1	60.5
Total	188.0	166.9

As at 31 December 2023 and 2022, the deposits from tenants represent Group's payables from received rental related deposits. Their classification corresponds with terms of related rental contracts.

6.19 Current trade payables

There are no significant overdue balances as at 31 December 2023 and 2022, respectively.

6.20 Other financial current liabilities

	31 December 2023	31 December 2022
Advances received from third parties	46.3	48.0
Tenant deposits	36.5	29.5
Derivative instruments	2.9	1.8
Deferred income and accrued liabilities	53.3	63.2
Other payables due to related parties	-	0.8
Other payables due to third parties	96.9	92.7
Total	235.9	236.0

Advances received from tenants as at 31 December 2023 and 2022 represent payments received from tenants for utilities that will be settled against trade receivables when final amount of utilities consumption is known and the final respective invoicing is performed.

6.21 Maturity of borrowings

The table below shows the carrying amount of the debts allocated by date of repayment. Most floating interest debt instruments have a fixing period of 3 months. The Group's borrowings are denominated in EUR, CZK, CHF, PLN, HRK, HKD, HUF, GBP, USD and JPY.

At 31 December 2023	Less than one year	1 to 5 years	More than 5 years	Total
Bonds	202.7	2,502.7	1,777.9	4,483.3
Financial debts	421.6	4,518.4	1,797.9	6,737.9
Bank loans	405.8	4,497.8	1,735.3	6,638.9
Bank loans fixed rate	145.3	41.3	460.5	647.1
Bank loans floating rate	260.5	4,456.5	1,274.8	5,991.8
Loans from related parties	0.2	-	-	0.2
Loans from third parties	0.5	-	-	0.5
Other borrowings	15.1	20.6	62.6	98.3
Total	624.3	7,021.1	3,575.8	11,221.2

At 31 December 2022	Less than one year	1 to 5 years	More than 5 years	Total
Bonds	405.8	2,278.3	2,402.1	5,086.2
Financial debts	360.4	4,313.4	1,852.2	6,526.0
Bank loans	350.2	4,289.9	1,776.9	6,417.0
Bank loans fixed rate	20.3	562.8	32.5	615.6
Bank loans floating rate	329.9	3,727.1	1,744.4	5,801.4
Loans from related parties	0.1	0.3	-	0.4
Loans from third parties	3.3	2.8	2.7	8.8
Other borrowings	6.8	20.4	72.6	99.8
Total	766.3	6,591.7	4,254.3	11,612.2

6.22 Leases where the Group acts as a lessor

The commercial property leases typically have lease terms of between 5 and 10 years and include clauses to enable periodic upward revision of the rental charge according to market conditions. Some contracts contain options to terminate before the end of the lease term.

The following table shows the future rental income from lease agreements where the terms are non-cancellable.

	31 December 2023	31 December 2022
Less than one year	948.5	928.3
Between one and five years	1,745.2	1,669.5
More than five years	614.3	476.6
Total	3,308.1	3,074.4

7 Financial risk management

Exposure to various risks arises in the normal course of the Group's business. Financial risk comprises:

- credit risk (refer to note 7.1);
- liquidity risk (refer to note 7.2);
- market risk including currency risk, interest rate risk and price risk (refer to note 7.3).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risks and the Group's management of capital.

The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. Supervision of the Group's risks are performed through discussions held by executive management in appropriate frameworks together with reporting and discussions with the Board of Directors

7.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk mainly from its rental activities (primarily for trade receivables) and from its financing activities, including provided loans, deposits with banks and financial institutions and other financial instruments.

Credit risks are addressed by top management through efficient operation of the sales, collection, legal and related departments to prevent excessive increase of bad debts. As at 31 December 2023 and 2022, there were no significant concentrations of credit risk to any single customer or group of customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group limits the risk of rent receivables becoming doubtful by requesting its tenants to pay deposits before moving in. If the future rent is not collected, related receivable is settled against the deposit. The tenants are subject to credit verification procedure before the rent contract is approved. Receivables are monitored on an ongoing basis in order to manage the Group's exposure to bad debts. The Group maintains the creditor management database, creates the segmented reports and performs tenant's ratings to identify the risk factors and apply suitable measures to eliminate corresponding risks immediately.

Customer credit risk is managed reflecting the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard at the time of entering into a rental agreement. Outstanding customer receivables are regularly monitored.

The Ageing structure of financial assets as at 31 December 2023 and 2022 is as follows:

At 31 December 2023	Total neither past due nor impaired	Total past due but not impaired	Impaired	Total
Loans provided	190.1	11.0	(0.1)	201.1
Derivatives	200.9	-	-	200.9
Trade and other receivables	235.0	30.3	(40.1)	265.3
<i>Trade receivables presented as other financial assets – non current</i>	<i>37.2</i>	<i>0.4</i>	<i>-</i>	<i>37.6</i>
<i>Trade and other receivables – current</i>	<i>197.8</i>	<i>29.9</i>	<i>(40.1)</i>	<i>227.7</i>
Other financial current assets	111.6	14.3	(0.9)	125.9
Cash and cash equivalents	1,022.6	-	-	1,022.6
Total	1,760.2	55.6	(41.1)	1,815.8

At 31 December 2022	Total neither past due nor impaired	Total past due but not impaired	Impaired	Total
Loans provided	307.2	-	(0.1)	307.2
Derivatives	357.2	-	-	357.2
Trade and other receivables	220.2	41.2	(29.1)	261.4
<i>Trade receivables presented as other financial assets – non current</i>	<i>63.1</i>	<i>0.5</i>	<i>-</i>	<i>63.6</i>
<i>Trade and other receivables – current</i>	<i>157.1</i>	<i>40.7</i>	<i>(29.1)</i>	<i>197.8</i>
Other financial current assets	76.1	27.4	(0.3)	103.5
Cash and cash equivalents	1,033.2	-	-	1,033.2
Total	1,993.9	68.6	(29.5)	2,062.5

The ageing analysis of overdue trade and other receivables was as follows (net of impairment):

	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due more than 360 days	Total
Trade and other receivables as at 31 December 2023	9.5	5.8	4.6	5.1	5.3	30.3
Trade and other receivables as at 31 December 2022	16.9	6.4	6.8	5.6	5.5	41.2

The Group does not assume any credit risk related to its financial derivative contracts.

Cash and cash equivalents

Cash and cash equivalents classified per Moody's ratings of respective counterparties:

	31 December 2023	31 December 2022
A1	565.6	262.1
A2	43.8	572.0
A3	231.9	10.9
Aa2	0.7	1.0
Aa3	2.9	18.2
B1	-	2.0
Ba1	1.8	1.3
Baa1	22.9	112.9
Baa2	101.1	39.3
Baa3	0.1	-
Not rated*	51.8	13.5
Total	1,022.6	1,033.2

* As 31 December 2023, EUR 50.1 million relates to BKS Bank Slovensko.

7.2 Liquidity risk

The main objective of liquidity risk management is to reduce the risk that the Group does not have available resources to meet its financial obligations, working capital and committed capital expenditure requirements.

The Group maintains liquidity management to ensure that funds are available to meet all cash flow needs. Concentration of risk is limited thanks to diversified maturity of the Group's liabilities and diversified portfolio of the Group's financing.

The Group manages liquidity risk by constantly monitoring forecasts and actual cash flows and by various long-term financing. The Group's liquidity position is monitored on a weekly basis by division managers and is reviewed quarterly by the Board of Directors. A summary table with maturity of liabilities is used by key management personnel to manage liquidity risks.

The Group may also be exposed to contingent liquidity risk under its term loan facilities, where term loan facilities include covenants which if breached give the lenders a right to call in the loan before its maturity. The Group monitors loan covenants on a regular basis.

The following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments including accrued interest. The table reflects the earliest settlement of Group's liabilities based on contractual maturity and includes non-derivative as well as derivative financial liabilities.

At 31 December 2023	Carrying value	< 12 months	1-5 years	> 5 year	Total
Bonds issued	4,483.3	371.8	2,897.7	1,718.3	4,987.8
Financial debts	6,737.9	375.4	5,011.9	1,824.3	7,211.6
- Loans from related parties	0.2	0.2	-	-	0.2
- Loans from third parties	0.7	0.7	-	-	0.7
- Bank loans	6,638.9	367.3	4,982.2	1,748.0	7,097.5
- Lease liabilities	98.1	7.2	29.7	66.3	103.2
Derivative instruments	89.0	3.5	35.4	50.1	89.0
Other non-current liabilities	137.6	-	79.5	68.1	147.6
Other current liabilities	572.6	572.6	-	-	572.6
Liabilities from assets held for sale	104.9	104.9	-	-	104.9
Total	12,125.3	1,428.2	8,024.5	3,650.8	13,103.5

At 31 December 2022	Carrying value	< 12 months	1-5 years	> 5 year	Total
Bonds issued	5,086.2	443.9	2,655.0	2,492.1	5,591.0
Financial debts	6,526.0	568.1	5,034.3	1,987.1	7,589.5
- Loans from related parties	0.4	0.1	0.3	-	0.4
- Loans from third parties	8.8	3.3	3.0	2.9	9.2
- Bank loans	6,417.0	556.9	5,007.6	1,899.7	7,464.2
- Lease liabilities	99.8	7.8	23.4	84.5	115.7
Derivative instruments	62.3	1.8	5.0	55.5	62.3
Other non-current liabilities	106.4	-	80.4	26.0	106.4
Other current liabilities	466.5	466.5	-	-	466.5
Liabilities from assets held for sale	128.4	128.4	-	-	128.4
Total	12,375.8	1,608.7	7,774.7	4,560.7	13,944.1

Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the consolidated statement of financial position as the impact of discounting is not significant.

7.3 Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's income or the value of its holdings of financial instruments or could cause future cash flows related to financial instruments to fluctuate. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group's market risks mainly arise from open positions in a) foreign currencies and b) loans provided and financial debts, to the extent that these are exposed to general and specific market movements.

The Group uses derivative financial instruments in a limited manner in order to reduce its exposure to the market risk.

Market risk exposures are measured using sensitivity analysis. Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant.

7.3.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk primarily in respect of cash and cash equivalents, loans provided, financial debts and bonds issued.

The table below shows the material balances held in foreign currencies that are deemed subject to currency risk and presents sensitivities of profit or loss to reasonably possible changes in foreign currency rates with all other variables held constant. A 10% change in the foreign currency rate of foreign currencies against EUR would have the below effect to profit providing all other variables remaining constant:

	Original currency	31 December 2023	Functional currency depreciated by 10%	Functional currency appreciated by 10%	31 December 2022	Functional currency depreciated by 10%	Functional currency appreciated by 10%
Cash and cash equivalents		1,022.6			1,033.2		
	EUR	849.2	84.9	(84.9)	959.7	-	-
	CZK	66.9	6.7	(6.7)	26.7	2.7	(2.7)
	GBP	6.5	0.7	(0.7)	9.0	0.9	(0.9)
	RSD	10.3	1.0	(1.0)	0.5	0.1	(0.1)
	HUF	22.2	2.2	(2.2)	7.1	0.7	(0.7)
	CHF	13.1	1.3	(1.3)	23.1	2.3	(2.3)
	PLN	30.6	0.6	6.0	6.0	0.6	(0.6)
	RON	23.3	3.1	(3.1)	1.1	0.1	(0.1)
	SGD	0.1	-	-	-	-	-
	USD	0.3	-	-	-	-	-
	RUB	0.1	-	-	-	-	-
Loans provided		201.1			307.2		
	CZK	27.4	-	-	0.8	-	-
	EUR	170.0	17.0	(17.0)	297.1	29.7	(29.7)
	CHF	3.7	0.4	(0.4)	9.3	0.9	(0.9)
	PLN	-	-	-	-	-	-
Financial debts		(6,737.9)			(6,526.0)		
	EUR	(6,643.2)	-	-	(6,498.8)	-	-
	CZK	(5.8)	(0.6)	0.6	(2.0)	(0.2)	0.2
	CHF	(18.9)	(1.9)	1.9	(25.2)	(2.5)	2.5
	PLN	(29.0)	(2.9)	2.9	-	-	-
	GBP	(40.8)	(4.1)	4.1	-	-	-
Bonds issued		(4,483.3)			(5,086.2)		
	EUR	(3,558.2)	-	-	(3,872.9)	-	-
	JPY	(133.4)	(13.3)	13.3	(61.3)	(6.1)	6.1
	GBP	(377.6)	(37.8)	37.8	(456.4)	(45.6)	45.6
	HUF	(0.0)	-	-	(76.3)	(7.6)	7.6
	USD	(300.2)	(30.0)	30.0	(313.9)	(31.4)	31.4
	CHF	(0.0)	-	-	(153.5)	(15.4)	15.4
	HKD	(113.9)	(11.4)	11.4	(151.8)	(15.2)	15.2
Net exposure		230.7	23.1	(23.1)	321.8	32.2	(32.2)
	CHF	(2.1)	(0.2)	0.2	(146.3)	(14.6)	14.6
	PLN	1.6	0.2	(0.2)	6.0	0.6	(0.6)
	HKD	(113.9)	(11.4)	11.4	(151.8)	(15.2)	15.2
	USD	(299.9)	(30.0)	30.0	(313.9)	(31.4)	31.4
	JPY	(133.4)	(13.3)	13.3	(61.3)	(6.1)	6.1
	HRK	0.0	0.0	0.0	0.5	0.1	(0.1)
	RON	23.3	2.3	(2.3)	1.1	0.1	(0.1)
	HUF	22.2	2.2	(2.2)	(69.2)	(6.9)	6.9
	GBP	(411.9)	(41.2)	41.2	(447.4)	(44.7)	44.7

The Group uses cross currency swaps to manage its exposure to movements of foreign currency rates on its bonds issued.

7.3.2 Interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is described in 6.6 and 6.14, respectively. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk is monitored by the Group's management on a monthly basis. The interest rate risk policy is approved quarterly by the Board of Directors. Management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources.

Loans provided by the Group require instalments to be paid by the borrower according to a payment schedule, based on a fixed interest rate. The interest rates charged by the Group are usually based on the Group's borrowing interest rates. As the loans provided are based on fixed rates, and no financial debt is measured at fair value through profit and loss the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. These obligations primarily include bank loans, lease liabilities and bonds issued.

Bank loans have flexible interest rates based on Euribor or Libor rates for the reference period from 1 to 6 months increased by a fixed margin. Bonds issued comprise fixed rate instruments.

Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

Sensitivity analysis – exposure to interest rate risk for variable rate instruments

A change of interest rates by 100 basis points at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A 100 basis points change in the interest rate would have the below effect to profit or equity of the Group providing all other variables remaining constant:

31 December 2023	Effective interest rate	Liability with variable interest rate	Interest calculated
Loans & lease liabilities	3.98%	6,002.2	238.6
31 December 2022			
Loans & lease liabilities	3.57%	5,788.0	206.9

31 December 2023	Increase of 100 bp in interest rate	Interest calculated	Profit (loss) effect	Decrease of 100 bp in interest rate	Interest calculated	Profit (loss) effect
Loans & lease liabilities	4.98%	298.9	(60.0)	2.98%	178.9	60.0
31 December 2022						
Loans & lease liabilities	4.57%	264.8	(57.9)	2.57%	149.0	57.9

Effective interest rate and repricing analysis

The following tables indicate effective interest rates of financial debts and periods of their repricing.

31 December 2023	Effective interest rate	Total	3 month or less	3-6 months	Fixed interest rate
Bonds issued*	2.25%	4,483.2	-	-	4,483.2
Financial debts		6,564.3	5,586.4	426.3	551.6
- loans from related parties	8.80%	0.2	-	-	0.2
- loans from third parties**	1.08%	0.7	-	-	0.7
- bank loans	3.73%	6,465.3	5,586.4	426.3	452.6
- lease liabilities	0.05%	98.1	-	-	98.1
Total		11,047.5	5,586.4	426.3	5,034.8

31 December 2022	Effective interest rate	Total	3 month or less	3-6 months	Fixed interest rate
Bonds issued*	2.35%	5,086.2	-	-	5,086.2
Financial debts		6,526.0	3,763.0	285.9	2,477.1
- loans from related parties	8.80%	0.4	0.4	-	-
- loans from third parties**	1.25%	8.8	-	-	8.8
- bank loans	3.23%	6,417.0	3,757.7	285.9	2,373.4
- lease liabilities	0.94%	99.8	4.9	-	94.9
Total		11,612.2	3,763.0	285.9	7,563.3

*Including unpaid interest of EUR 42.4 million.

7.3.3 Price risk

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rental risk. For sensitivity analysis on changes in assumptions of investment property valuation refer to note 7.5.

7.4 Capital management

The Group's objectives of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group as property investor is mainly influenced by the fact that it leverages its project financing by using bank debt and by bond issues. There is limited seasonality effect on the Group. It is rather volatility of financial markets what might positively or negatively influence the Group.

The Group monitors capital on the basis of the gearing ratio and loan to value.

Gearing ratio

This ratio is calculated as total debt divided by total equity. Debt is defined as all non-current and current liabilities. Equity includes all capital and reserves as shown in the consolidated statement of financial position.

	31 December 2023	31 December 2022
Debt	13,673.2	14,243.2
Equity	8,257.3	9,263.0
Gearing ratio in %	166%	154%

Loan to value ratio

This ratio is calculated as total net debt divided by total value of property portfolio. Net debt is defined as all interest-bearing liabilities (bonds and financial debts) decreased by balance of cash and cash equivalents. Property portfolio consists of investment property, hotels, inventory, equity accounted investees and part of other PPE, part of AHFS and part of other financial assets.

	31 December 2023	31 December 2022
Bonds issued	4,483.3	5,086.2
Financial debts*	6,760.0	6,601.9
Cash and cash equivalents**	1,036.5	1,065.1
Net debt	10,220.5	10,623.0
Property portfolio	19,531.2	20,854.7
Loan to value ratio in %	52.3%	50.9%

* Including financial debts reported as liabilities linked to assets held for sale.

** Including cash and cash equivalents reported as assets linked to assets held for sale.

7.5 Fair value measurement

7.5.1 Fair value of financial instruments

Fair value measurements of financial instruments reported at fair value are classified by level of the following measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements in 2023.

Accounting classification and fair values

The following tables show the carrying amounts at fair value of financial assets and liabilities, including their level in the fair value hierarchy. It does not include fair value information for lease liabilities and financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	31 December 2023		31 December 2022	
	Carrying amount	Fair Value	Carrying amount	Fair value
Financial assets measured at fair value				
Derivative instruments	200.9	200.9	357.2	357.2
Financial assets not measured at fair value				
Loans provided	201.1	217.9	307.2	326.4
Financial liabilities measured at fair value				
Derivative instruments	89.0	89.0	62.3	62.3
Financial liabilities not measured at fair value				
Bonds	4,483.3	3,253.4	5,086.2	3,759.7
Financial debt – bank loans (floating rate)	6,057.7	6,057.7	5,887.6	5,872.6
Financial debt – bank loans (fixed rate)	581.0	577.6	529.4	514.3
Financial debt – loans received	0.5	0.5	9.2	7.7

The Group classifies bonds and long-term equity investments as Level 1, derivative instruments as Level 2 and other positions as Level 3 in the fair value hierarchy.

Valuation technique used for measurement of fair value of derivatives

Liabilities from derivative are measured by discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

7.5.2 Fair value measurement of investment property, hotels and biological assets

The Group's investment properties, hotels and biological assets were valued at 31 December 2023 and 2022 in accordance with the Group's accounting policies. The Group utilizes independent professionally qualified valuers, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all these properties, their current use equates to the highest and best use. The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial closing.

7.5.3 Main observable and unobservable inputs

The table below presents the valuation method, the key observable and unobservable inputs for each class of property owned by the Group, used by the valuers as at the end of 31 December 2023 and 2022 respectively. The fair value hierarchy of the valuations is Level 3.

Investment property

Retail	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic retail warehouse	59	58	Investment method	ERV per sqm	€73-€149 (€125)	€67-€132 (€113)
				NRI per sqm	€65-€188 (€137)	€59-€175 (€127)
				Equivalent yield	6.5%-8% (6.9%)	6.3%-7.6% (6.6%)
				Vacancy rate	0%	0%
Czech Republic retail warehouse*	113	168	DCF	ERV per sqm	€78-€177 (€110)	€71-€180 (€117)
				NRI per sqm	€53-€198 (€113)	€52-€183 (€122)
				Discount Rate	6.2%-7.8% (7.1%)	6.0%-7.9% (7.0%)
				Exit Yield	5.9%-7.4% (7.0%)	5.7%-7.5% (6.8%)
Czech Republic, Prague shopping centres and galleries**	170	272	DCF	Vacancy rate	0%-3.6% (0.18%)	0%-100.0% (2.5%)
				ERV per sqm	€275-€693 (€551)	€274-€679 (€556)
				NRI per sqm	€326-€711 (€580)	€297-€659 (€562)
				Discount Rate	5%-6.8% (5.6%)	4.5%-6.9% (5.1%)
Czech Republic shopping centres and galleries***	260	584	DCF	Exit Yield	4.8%-6.5% (5.4%)	4.3%-6.3% (4.8%)
				Vacancy rate	1.1%-4.7% (3.5%)	0.8%-4.2% (2.8%)
				ERV per sqm	€150-€228 (€172)	€141-€220 (€188)
				NRI per sqm	€143-€243 (€176)	€129-€233 (€189)
Czech Republic other retail properties****	41	53	Investment method	Discount Rate	7%-7.9% (7.5%)	6.3%-7.6% (6.9%)
				Exit Yield	6.6%-7.3% (7%)	5.8%-6.8% (6.3%)
				Vacancy rate	0.1%-5.9% (3.3%)	0.1%-7.0% (2.4%)
				ERV per sqm	€22-€196 (€116)	€22-€225 (€133)
Czech Republic other retail properties*****	9	31	DCF	NRI per sqm	€0-€197 (€113)	€0-€212 (€119)
				Equivalent yield	6.5%-9.5% (7.8%)	4.1%-9.5% (6.9%)
				Vacancy rate	0%-100% (9.2%)	0%-100% (8.7%)
				ERV per sqm	€138-€3,174 (€456)	€48-€228 (€116)
Poland shopping centres and galleries*****	111	-	Investment method	NRI per sqm	€72-€761 (€186)	€42-€261 (€120)
				Discount Rate	6%-8% (7.5%)	5.5%-8.3% (7.7%)
				Exit Yield	6%-7.5% (7.2%)	5.5%-7.5% (7.1%)
				Vacancy rate	0%-0% (0%)	0%-64.6% (12.4%)
Poland shopping centres and galleries*****	-	118	DCF	ERV per sqm	€186-€186 (€186)	-
				NRI per sqm	€185-€986 (€302)	-
				Equivalent yield	8%-8.5% (8.1%)	-
				Vacancy rate	0%-1.3% (1.1%)	-
Italy shopping centres and galleries	419	419	DCF	ERV per sqm	€350-€1,100 (€439)	€350-€1,050 (€442)
				NRI per sqm	€205-€896 (€358)	€182-€750 (€352)
				Discount Rate	5.8%-10.4% (7.2%)	5.2%-10.4% (6.7%)
				Exit Yield	4%-8.3% (5.8%)	3.5%-8.3% (5.3%)
Italy retail warehouse	91	90	DCF	Vacancy rate	0%-21.7% (1.6%)	0%-3.0% (0.6%)
				ERV per sqm	€100-€225 (€169)	€100-€225 (€168)
				NRI per sqm	€48-€201 (€156)	€44-€186 (€142)
				Discount Rate	9.3%-10.3% (9.5%)	8.3%-9.4% (8.7%)
Complementary Assets shopping centres and galleries	207	204	Investment method	Exit Yield	6.5%-7.5% (6.9%)	6.5%-7.5% (6.9%)
				Vacancy rate	0%-19.1% (0.8%)	0%-19.1% (2.2%)
				ERV per sqm	€164-€309 (€204)	€160-€298 (€201)
				NRI per sqm	€122-€278 (€173)	€108-€244 (€163)
Complementary Assets retail warehouse**	23	21	Investment method	Equivalent yield	7.5%-9.8% (8.5%)	7.4%-9.2% (8.4%)
				Vacancy rate	4.1%-25.4% (7.4%)	3.3%-24.3% (7.3%)
				ERV per sqm	€98-€108 (€103)	€98-€108 (€103)
				NRI per sqm	€19-€125 (€74)	€10-€118 (€65)
Total	1,503	2,018				

* Internal transfers to IMMOFINANZ and SIMMO of EUR 78 million and last year acquisition of EUR 26 million.
 ** Internal transfer to IMMOFINANZ of EUR 87 million.
 *** Internal transfer to IMMOFINANZ and SIMMO of EUR 329 million.
 **** Sale of one property of EUR 10 million.
 ***** Internal transfer to IMMOFINANZ of EUR 23 million.
 ***** Change in valuation method from Investment method to DCF.

Office	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic*	-	136	Investment method	ERV per sqm	-	€158-€188 (€179)
				NRI per sqm	-	€127-€167 (€155)
				Equivalent yield	-	4.7%-6.8% (5.2%)
				Vacancy rate	-	0%-23.6% (10.2%)
Czech Republic**	364	685	DCF	ERV per sqm	€97-€347 (€228)	€88-€326 (€207)
				NRI per sqm	€51-€343 (€192)	€77-€315 (€183)
				Discount rate	5.4%-8.8% (6.5%)	5.0%-9.1% (6.5%)
				Exit Yield	5.2%-8.4% (6.1%)	4.8%-8.4% (6.0%)
				Vacancy rate	0%-64.3% (14.0%)	0%-21.7% (7.5%)
Berlin	2,450	2,843	DCF	ERV per sqm	€94-€356 (€217)	€75-€336 (€208)
				Discount rate	3.8%-6.5% (5.1%)	3.0%-5.3% (4.5%)
				Exit Yield	4.3%-6.3% (5.2%)	3.0%-5.5% (4.3%)
				Vacancy rate	0%-48.3% (14.6%)	0%-49.7% (11.1%)
Poland***	980	-	Investment method	ERV per sqm	€177-€313 (€244)	-
				NRI per sqm	€130-€325 (€236)	-
				Equivalent yield	5.8%-8.6% (7.1%)	-
				Vacancy rate	0%-32.8% (7.4%)	-
Poland****	-	1,055	DCF	ERV per sqm	-	€171-€313 (€242)
				NRI per sqm	-	€115-€276 (€193)
				Discount rate	-	5.3%-8.3% (6.6%)
				Exit Yield	-	5.4%-8.3% (6.5%)
				Vacancy rate	-	0%-40.7% (7.2%)
Italy	203	225	DCF	ERV per sqm	€100-€440 (€210)	€100-€440 (€217)
				NRI per sqm	€-19-€364 (€119)	€-19-€175 (€105)
				Discount rate	5.9%-10.2% (8.4%)	5.3%-9.5% (7.6%)
				Exit Yield	4%-7.3% (5.9%)	3.8%-7.3% (5.8%)
				Vacancy rate	0%-100% (21.4%)	0%-100% (18.9%)
Complementary Assets*****	36	3	Investment method	ERV per sqm	€124-€177 (€173)	€114-€114 (€114)
				NRI per sqm	€66-€247 (€234)	€69-€69 (€69)
				Equivalent yield	8.8%-10.8% (8.9%)	10.0%-10.0% (10.0%)
				Vacancy rate	4.4%-31.6% (6.3%)	17.9%-17.9% (17.9%)
Complementary Assets*****	-	59	DCF	ERV per sqm	-	€177-€242 (€206)
				NRI per sqm	-	€134-€162 (€147)
				Discount rate	-	6.3%-6.5% (6.4%)
				Exit Yield	-	6.3%-6.5% (6.4%)
				Vacancy rate	-	14.0%-20.8% (17.1%)
Total	4,033	5,006				

* Internal transfer to SIMMO of EUR 136 million.
 ** Internal transfer to SIMMO of EUR 233 million.
 *** Transfer to assets held for sale of EUR 27 million and change of valuation method from DCF to Investment method.
 **** Change in valuation method from DCF to Investment method.
 ***** Internal resale to Immofinanz of EUR 26 million and change of valuation method from DCF to Investment method.

Residential	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic	815	756	Comparable	Fair value per sqm	€475-€2,291 (€1,183)	€443-€2,008 (€1,139)
Czech Republic, Prague	109	111	Comparable	Fair value per sqm	€3,406-€7,918 (€3,671)	€3,321-€8,589 (€3,732)
Complementary Assets*	241	326	Comparable	Fair value per sqm	€3,804-€42,930 (€21,153)	€3,804-€32,903 (€19,246)
Complementary Assets**	-	23	DCF	ERV per sqm	-	€938
				NRI per sqm	-	€379
				Discount rate	-	6.0%
				Exit Yield	-	4.0%
				Vacancy rate	-	0%
Italy	40	40	Comparable	Fair value per sqm	€13,938-€18,826 (€15,487)	€13,938-€18,826 (€15,487)
Italy	16	26	DCF	ERV per sqm	€332-€332 (€332)	€332-€332 (€332)
				NRI per sqm	€307-€307 (€307)	€270-€270 (€270)
				Discount rate	7.6%	7.1%
				Exit Yield	5.3%	5.0%
				Vacancy rate	0%	0%
Total	1,221	1,282				

* Reclassification from residential to development of EUR 115 million.
 ** Change in valuation method from DCF to Comparable method.

Industry and Logistics	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic	58	32	DCF	ERV per sqm	€82	€58
				NRI per sqm	€82	€72
				Discount rate	5.8%	5.5%
				Exit yield	5.6%	5.3%
				Vacancy rate	14.4%	15.4%
Germany	2	3	DCF	ERV per sqm	€26	€26
				NRI per sqm	€20	€20
				Discount rate	3.8%	2.5%
				Exit yield	4.8%	5.0%
				Vacancy rate	0%	0%
Total	60	35				

Complementary assets other	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Italy - development	-	3	Development Appraisal	Development value per sqm	-	€23,876
Complementary Assets Portfolio – Development*	413	-	App.-Comparable	Development margin	-	10.0%
				Fair value per sqm	€7,742-€29,139 (€12,261)	-
Hungary - Development	2	3	Development Appraisal	Gross development value	€4,568	€4,557
				Development margin	7.0%	7.0%
UK - office development	64	63	Development Appraisal	Gross development value per sqm	€26,176	€27,790
				Development margin	15%	17.5%
Landbank	19	26	Comparable	Fair value per sqm	€2-€1,101 (€90)	€2-€6,814 (€126)
Total	498	95				

* 2023 acquisition of EUR 297.8 million and reclassification from residential of EUR 150 million.

Agriculture Land	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic	139	127	Comparable	Fair value per sqm	€0.6-€1,257 (€1,065)	€0.4-€0.9 (€1)

Other complementary assets	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Switzerland - other	12	13	Comparable	Fair value per sqm	€17,157	€18,235

Class of property – CPI Energo (IP)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
CPI Energo	9	6	DCF	Discount rate	19.5%	24.4%
				CAP rate	12.7%	14.2%

Class of property – Hotels Rented (IP)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Complementary Assets Portfolio – Hotels & Resorts	25	26	DCF	Rate per key	€257,216	€267,526
				Exit yield	6.8%	6.8%
				Discount rate	10.8%	10.5%

Landbank and Development	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic – landbank*	465	428	Comparable	Fair value per sqm	€1-€2,925 (€24)	€1-€2,692 (€22)
Prague – landbank	591	612	Comparable	Fair value per sqm	€6-€3,988 (€435)	€6-€4,284 (€451)
Czech Republic – landbank	9	9	Residual	Gross development value per sqm	€3,042-€3,042 (€3,042)	€3,111-€3,111 (€3,111)
				Development margin	25.0%	25.0%
				Gross development value per sqm	€4,588	€4,704
Czech Republic – development	4	3	Development Appraisal	Fair value per sqm	€2,013	€2,084
Czech Republic – development	12	13	Development Appraisal - Comparable	Fair value per sqm	€2,013	€2,084
Berlin – landbank**	54	12	Comparable	Fair value per sqm	€150-€4,200 (€530)	€150
				Total EMRV per sqm	€396	€330-€360 (€340)
Berlin – landbank***	32	144	Residual	Gross development value per sqm	€8,213	€8,577-€9,834 (€9,198)
				Development margin	9%	8.0%-14.0% (10.5%)
				Fair value per sqm	€3-€23 (€5)	€3-€8 (€5)
Italy – landbank	7	6	Comparable	Fair value per sqm	€801-€5,246 (€2,965)	€1,282-€5,517 (€2,825)
Italy – landbank	573	670	Residual	Development value per sqm	€801-€5,246 (€2,965)	€1,282-€5,517 (€2,825)
				Development margin	10.0%-19.4% (13.4%)	10.0%-20.2% (14.2%)
Total	1,747	1,897				

* Sale amounting to EUR 10 million and EUR 49 million transferred to inventory.

** Change in valuation method from residual to comparable of EUR 41 million.

*** Change in valuation method from residual to comparable of EUR 41 million and reclassification to office portfolio EUR 80 million.

Investment property IMMOFINANZ

Retail (IMMOFINANZ)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic – Retail Warehouse*	431	329	Income capitalisation	ERV per sqm	€42-€163 (€129)	€66-€158 (€123)
				NRI per sqm	€30-€161 (€124)	€56-€155 (€120)
				Equivalent yield	5.7%-8.4% (6.5%)	5.7%-7.8% (6.4%)
				Vacancy rate	0.0%-64.6% (1.7%)	0%-28.3% (1%)
Czech Republic – Shopping Centres and Galleries**	182	23	Income capitalisation	ERV per sqm	€236-€262 (€258)	€223
				NRI per sqm	€231-€258 (€254)	€209
				Equivalent yield	6.5%-6.7% (6.6%)	6.5%
				Vacancy rate	0%-0.3% (0.3%)	0%
Czech Republic – Prague Shopping Centres and Galleries	47	45	Income capitalisation	ERV per sqm	€146-€146 (€146)	€134
				NRI per sqm	€144-€144 (€144)	€132
				Equivalent yield	7.2%-7.2% (7.0%)	7%
				Vacancy rate	5.4%-5.4% (5.4%)	0.1%
Czech Republic - other retail properties	4	-	DCF	ERV per sqm	€118-€118 (€118)	-
				NRI per sqm	€94-€94 (€94)	-
				Equivalent yield	7.3%-7.3% (7.3%)	-
				Vacancy rate	20.6%-20.6% (20.6%)	-
Poland – Shopping Centres and Galleries	193	188	Income capitalisation	ERV per sqm	€146-€178 (€164)	€129-€165 (€146)
				NRI per sqm	€136-€165 (€152)	€121-€155 (€137)
				Equivalent yield	8.1%-9.5% (8.8%)	7.4%-8.7% (8%)
				Vacancy rate	0.0%-4% (1.8%)	0%-4.6% (2.2%)
Poland – Retail Warehouse	131	118	Income capitalisation	ERV per sqm	€64-€133 (€106)	€61-€133 (€106)
				NRI per sqm	€61-€128 (€102)	€58-€128 (€102)
				Equivalent yield	7.5%-8.2% (7.8%)	7.4%
				Vacancy rate	0.0%-8% (1.5%)	12.7%
Poland - Retail Warehouse Development	-	9	Income capitalisation	ERV per sqm	-	€112
				NRI per sqm	-	€108
				Equivalent yield	-	7.4%
				Vacancy rate	0%	12.7%
Italy – Retail Warehouse	101	106	Income capitalisation	ERV per sqm	€114-€178 (€157)	€112-€17,493.9 (€154)
				NRI per sqm	€105-€167 (€147)	€103-€16,444.2 (€144)
				Equivalent yield	7.8%-8.3% (8%)	5%-14.1% (7.9%)
				Vacancy rate	0.0%-4% (2.6%)	0%-20.3% (0.9%)
Complementary Assets – Retail Warehouse***	1,116	1,028	Income capitalisation	ERV per sqm	€74-€202 (€129)	€73-€190 (€120)
				NRI per sqm	€41-€178 (€125)	€60-€186 (€115)
				Equivalent yield	5.6%-13.5% (8.1%)	5%-14.1% (7.9%)
				Vacancy rate	0.0%-51.1% (1.8%)	0%-20.3% (0.9%)
Complementary Assets Portfolio - Retail Warehouse Development****	-	12	Income capitalisation	ERV per sqm	-	€123
				NRI per sqm	-	€120
				Equivalent yield	-	8.3%
				Vacancy rate	0%	0%
Complementary Assets – Shopping Centres and Galleries	429	456	Income capitalisation	ERV per sqm	€170-€282 (€245)	€144-€244 (€223)
				NRI per sqm	€158-€273 (€227)	€100-€237 (€210)
				Equivalent yield	7.7%-10.1% (9.2%)	7.5%-11.8% (8.6%)
				Vacancy rate	0.2%-12.7% (3.6%)	0%-6% (1.6%)
Complementary Assets So Called Special Properties	6	7	Income capitalisation	ERV per sqm	€91-€91 (€91)	€89
				NRI per sqm	€60-€60 (€60)	€60
				Equivalent yield	9.4%-9.4% (9.4%)	8.1%
				Vacancy rate	0%	0%
Total (IMMOFINANZ)	2,640	2,321				

* Internal transfer of EUR 102 million.

** Internal transfer of EUR 159 million.

*** Acquisition of EUR 15 million, change in segment classification of EUR 36 million.

**** Change in segment of EUR 12 – to retail warehouse.

Office (IMMOFINANZ)	Fair Value 2023		Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic	270	277	Income capitalisation	ERV per sqm	€184-€284 (€224)	€178-€271 (€217)
				NRI per sqm	€177-€280 (€220)	€172-€267 (€213)
				Equivalent yield	5.2%-7.4% (5.9%)	4.7%-7.3% (5.6%)
				Vacancy rate	0.0%-31.9% (6.1%)	0.0%-24.2% (8.2%)
Germany*	468	569	Income capitalisation	ERV per sqm	€255-€332 (€296)	€247-€313 (€281)
				NRI per sqm	€243-€317 (€282)	€235-€299 (€268)
				Equivalent yield	4.7%-5.2% (4.9%)	3.6%-4.2% (3.8%)
				Vacancy rate	0.0%-3.1% (1.3%)	0.0%-3.2% (1.3%)
Poland	612	695	Income capitalisation	ERV per sqm	€148-€305 (€263)	€137-€289 (€281)
				NRI per sqm	€147-€302 (€260)	€135-€285 (€239)
				Equivalent yield	6%-10.8% (7.2%)	5.4%-12.1% (7%)
				Vacancy rate	0%-31% (4.1%)	0.0%-25.7% (2.5%)
Complementary Assets	400	1,005	Income capitalisation	ERV per sqm	€55-€200 (€156)	€54-€232 (€171)
				NRI per sqm	€52-€194 (€147)	€51-€213 (€160)
				Equivalent yield	5.1%-12.5% (8.4%)	3.4%-11.3% (6.2%)
				Vacancy rate	0.0%-97.3% (12%)	0.0%-46.7% (7.4%)
Complementary Assets – Office Development	25	26	Development Appraisal	Total EMRV	€274	€259
				Gross development value	€3,543	€3,580
				Development margin	5.0%	5.0%
Complementary Assets – Office Development*	39	130	Income capitalisation	ERV per sqm	€189	€117-€190 (€177)
				NRI per sqm	€184	€109-€184 (€168)
				Equivalent yield	8.7%	5.5%-21.8% (8.2%)
				Vacancy rate	5.7%	18.2%-100% (61.8%)
Total (IMMOFINANZ)	1,814	2,702				

* Internal transfer EUR 337 million to SIMMO. Reclassification to assets held for sale of EUR 168 million.

* Internal transfer EUR 74 million to SIMMO. Reclassification to assets held for sale of EUR 15 million.

Landbank and Development (IMMOFINANZ)	Fair Value 2023		Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Complementary Assets – Landbank	41	105	Comparable	Fair value per sqm	€6-€1,673 (€193)	€11-€1,673 (€127)
				Total EMRV	€114-€144 (€132)	€108-€138 (€124)
Complementary Assets – Landbank	17	23	Development Appraisal	Gross development value	€1,367-€1,918 (€1,580)	€1,370-€1,953 (€1,537)
				Development margin	5.0%-7% (6%)	5.0%-7% (6%)
				Total EMRV	€115-€147 (€133)	€108-€132 (€121)
Complementary Assets – Retail Development	17	36	Development Appraisal	Gross development value	€1,312-€1,756 (€1,580)	€1,348-€1,726 (€1,537)
				Development margin	5%-5.5% (5.1%)	2%-6% (4.2%)
				Total EMRV	€115-€147 (€133)	€108-€132 (€121)
Total (IMMOFINANZ)	75	164				

* Building of EUR 39 million valued in expected sales price.

* Change in segment of EUR 20 million – to retail warehouse.

Investment property SIMMO

Retail (SIMMO)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Germany – Retail Warehouse*	2	19	DCF	ERV per sqm	€64-€68 (€67)	€52-€121 (€90)
				NRI per sqm	€-52-€54 (€53)	€-14-€104 (€70)
				Discount rate	6.2%-8.2% (7.4%)	-
				Exit yield	4.4%-6.7% (5.8%)	4%-6.1% (5%)
				Vacancy rate	8.8%-100% (42.5%)	0%-70.6% (4.5%)
Germany – Shopping Centres and Galleries	23	30	DCF	ERV per sqm	€98-€118 (€107)	€97-€118 (€107)
				NRI per sqm	€85-€112 (€97)	€66-€137 (€101)
				Discount rate	5.3%-7% (7.7%)	6.8%-7.9% (7.3%)
				Exit yield	5%-6.7% (6.8%)	4.9%-6.9% (5.9%)
				Vacancy rate	2.5%-5.4% (4.6%)	0.8%-27.7% (14.4%)
Czech Republic - Shopping Centres and Galleries**	263	-	DCF	ERV per sqm	€201-€595 (€332)	-
				NRI per sqm	€207-€569 (€326)	-
				Discount rate	5.3%-7% (6.4%)	-
				Exit yield	5%-6.7% (6.1%)	-
				Vacancy rate	2.5%-5.4% (3.6%)	-
Complementary Asset Portfolio – Retail Warehouse	29	32	Income capitalisation	ERV per sqm	€93-€95 (€94)	€82-€126 (€98)
				NRI per sqm	€103-109 (€106)	€77-€88 (€83)
				Exit yield	8.5%-8.5% (8.5%)	2.8%-6.3% (5.4%)
				Vacancy rate	0.0%-3.5% (1.6%)	-
				ERV per sqm	€156-€250 (€234)	€150-€209 (€189)
Complementary Asset Portfolio – Shopping Centres and Galleries***	301	92	Income capitalisation	NRI per sqm	€146-€238 (€222)	€186-€236 (€219)
				Exit yield	5.1%-9% (7.9%)	3.7%-3.9% (3.8%)
				Vacancy rate	0.4%-25.9% (5.4%)	2.7%-9.2% (4.8%)
				ERV per sqm	-	€234
				NRI per sqm	-	€173
Complementary Assets Portfolio - Shopping Centres and Galleries***	-	190	DCF	Discount rate	-	8.5%
				Exit yield	-	7.5%
				Vacancy rate	-	0.3%
				ERV per sqm	-	€132
				NRI per sqm	-	-€32
Complementary Assets Portfolio - So-called Special properties	-	2	DCF	Discount rate	-	8.5%
				Exit yield	-	7.5%
				Vacancy rate	-	-
				ERV per sqm	-	€132
				NRI per sqm	-	-€32
Complementary Assets So Called Special Properties	21	22	Income capitalisation	ERV per sqm	€120-€128 (€127)	€78-€128 (€123)
				NRI per sqm	€108-€123 (€122)	€91-€154 (€148)
				Exit yield	5.8%-8.5% (6%)	4.3%-4.4% (4.3%)
				Vacancy rate	-	-
				ERV per sqm	-	€132
Total (SIMMO)	639	387				

* Disposal of EUR 6 million and EUR 10 million reclassified to assets held for sale.

** Internal transfer from CPIPG in the amount of EUR 263 million.

*** Change in valuation method of EUR 190 million from DCF to capitalization.

Office (SIMMO)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Germany*	229	347	DCF	ERV per sqm	€78-€18,294 (€543)	€52-€209 (€145)
				NRI per sqm	€67-€16,821 (€499)	€61-€184 (€116)
				Discount rate	6%-7.8% (6.9%)	5.7%-8.1% (6.6%)
				Exit yield	4.4%-7.3% (5.9%)	4.1%-7.1% (5.5%)
				Vacancy rate	0.3%-100% (14.1%)	2.9%-36.5% (14.1%)
Czech Republic**	362	-	DCF	ERV per sqm	€156-€254 (€197)	-
				NRI per sqm	€117-€241 (€166)	-
				Discount rate	5.5%-7.6% (6.2%)	-
				Exit yield	5.3%-7.3% (5.9%)	-
				Vacancy rate	0%-16.3% (5.5%)	-
Complementary Assets***	1,667	689	Income capitalisation	ERV per sqm	€80-€306 (€184)	€114-€286 (€179)
				NRI per sqm	€37-€288 (€156)	€68-€314 (€175)
				Exit yield	0%-0% (0%)	5.8%-7.8% (5.6%)
				Vacancy rate	0.0%-100% (13.3%)	0%-58.7% (11.5%)
				ERV per sqm	-	€108-€221 (€186)
Complementary Assets****	-	714	DCF	NRI per sqm	-	€41-€207 (€158)
				Discount rate	-	6%-10.3% (7.5%)
				Exit yield	-	5.8%-7.8% (6.4%)
				Vacancy rate	-	0%-35.4% (7.4%)
				ERV per sqm	-	€108-€221 (€186)
Total (SIMMO)	2,258	1,750				

* Disposal of EUR 66 million and EUR 9 million reclassified to assets held for sale.

** Internal transfer from CPIPG in the amount of EUR 362 million.

*** Internal transfer of EUR 345 million from IMMOFINANZ and EUR 28 million from CPIPG. Disposals of EUR 44 million. Change in valuation method of EUR 714 million from DCF to Income capitalization.

**** Change in valuation method of EUR 714 million from DCF to Income capitalization.

Hotels Rented (SIMMO)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic	-	57	DCF	Rate per key	-	€318,056-€348,485 (€335,673)
				Exit yield	-	6.2%-6.3% (6.3%)
				Discount rate	-	8.2%-8.3% (8.3%)
				ERV per sqm	€96,875-€101,071 (€98,152)	€106,250-€107,857 (€106,739)
Germany	9	10	DCF	Exit yield	8.8%-9.3% (9.1%)	8.5%-9% (8.8%)
				Discount rate	9.3%-9.8% (9.6%)	8.9%-9.5% (9.3%)
				Rate per key	€183,582	€146,535
Complementary Assets **	37	30	Income Capitalisation	Exit yield	6%	4.5%
				Rate per key	€152,475-€152,475 (€152,475)	-
Complementary Assets ***	31	-	DCF	Exit yield	6.5%-6.5% (6.5%)	-
				Discount rate	6.8%-6.8% (6.8%)	-
Total (SIMMO)	77	97				

* Transfer to assets held for sale of EUR 57 million.

** Change in valuation method of EUR 30 million from income capitalization to DCF. Internal transfer from IMMOFINANZ of EUR 37 million.

*** Change in valuation method of EUR 30 million from income capitalization to DCF.

Residential (SIMMO)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2022	Range (weighted avg) 2022
Germany*	195	280	DCF	ERV per sqm	€74-€150 (€111)	€69-€141 (€103)
				NRI per sqm	€56-€133 (€9)	€-6-€118 (€70)
				Discount rate	4.6%-7% (5.5%)	4.2%-5.8% (4.9%)
				Exit yield	2.8%-5.3% (4%)	2.2%-4.8% (3.4%)
				Vacancy rate	0%-57% (9.5%)	-0.2%-59.5% (9.5%)
Complementary Assets	8	63	Income Capitalisation	ERV per sqm	€121	€129-€142 (€140)
				NRI per sqm	€120	€5-€128 (€119)
				Exit yield	7%	1.9%-4.6% (2.2%)
				Vacancy rate	0.3%	0.1%-3.6% (3.2%)
				ERV per sqm	-	€132
Total (SIMMO)	203	343				

* Disposal of EUR 37 million.

** Disposal of EUR 54 million.

Landbank and Development (SIMMO)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2022	Range (weighted avg) 2022
Czech Republic - Landbank	0.1	0	Comparable	Fair value per sqm	€8	-
Germany – Landbank	69	67	Comparable	Fair value per sqm	€1-€415 (€29)	€1-€415 (€28)
Complementary Assets – Landbank	15	13	Comparable	Fair value per sqm	€0-€1,797 (€450)	€22-€1,055 (€398)
Complementary Assets – Office Development	4	6	Development Appraisal	Total EMRV	€0	€172-€230 (€192)
				Gross development value	€3,064	€2,781-€3,574 (€3,060)
				Development margin	17.5%	10%
Total (SIMMO)	88	86				

	Fair value 2023	Fair value 2022
Investment property	9,247	10,505
Investment property IMMOFINANZ	4,529	5,186
Investment property SIMMO	3,265	2,663
Investment property total	17,041	18,354

Property, plant and equipment

Hotels	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic	356	389	DCF	Rate per key	€16,178-€410,590 (€87,739)	€14,900-€442,834 (€92,499)
				Exit yield	5%-9% (7.4%)	4.7%-8.5% (7.2%)
				Discount rate	6.5%-12.5% (9.7%)	5.7%-11.5% (8.6%)
Czech Republic	5	-	Comparable	Rate per key	€71,718	-
				Fair value per sqm	€13,319	-
Complementary Assets	152	169	DCF	Rate per key	€50,403-€346,429 (€115,231)	€54,301-€360,714 (€122,913)
				Exit yield	5.8%-8.3% (29.1%)	5.0%-9.3% (6.6%)
				Discount rate	7.5%-10.8% (39.7%)	5.0%-11.0% (7.6%)
Croatia*	-	170	DCF	Rate per key	-	€6,135-€353,226 (€121,525)
				Exit yield	-	6.8%-10.3% (9.1%)
				Discount rate	-	8.5%-12.0% (10.8%)
Hungary	7	9	Development Appraisal	Gross development value	€4,085	€4,022
				Development margin	0%	7%
Total	520	737				

* Transferred to assets held for sale.

Mountain resorts	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Hotel development	-	30	Development	Gross development value per sqm	-	€5,764
				Development margin	-	20%
				Discount rate	-	6.2%
Mountain Resort	-	20	DCF	Terminal growth	-	1.6%
Total	-	50				

* Transferred to assets held for sale.

Hotels & Resorts (SIMMO)	Fair Value 2023	Fair Value 2022	Valuation technique	Significant unobservable inputs	Range (weighted avg) 2023	Range (weighted avg) 2022
Czech Republic - Hotels & Resorts	25	-	DCF	Rate per key	€0-€0 (€155,901)	-
				Exit yield	7%	-
				Discount rate	9%	-
Complementary Assets - Hotels & Resorts	207	231	DCF	Rate per key	€152,475-€307,418 (€298,844)	€87,549-€313,110 (€242,993)
				Exit yield	5.7%-7.3% (6.5%)	5.3%-7% (6.2%)
				Discount rate	7.7%-9.8% (8.1%)	7.2%-9% (8.1%)
Complementary Assets portfolio - Hotels & Resorts	22	-	Income capitalisation	Rate per key	€84,436	-
				Exit yield	8.5%	-
Total (SIMMO)	254	231				

	Fair value 2023	Fair value 2022
Property, plant and equipment*	520	787
Property, plant and equipment SIMMO	254	231
Property, plant and equipment total	767	1,018

The tables above are net of properties classified as assets held for sale, recent acquisitions (see note 3.3) and selected leased properties.

The amounts of classes of property as at 31 December 2023 in the table above is not fully comparable to the amounts as at 31 December 2022, primarily due to changes of valuation methods and changes in classification of assets due to their change of use.

Discounted cash flow method (DCF) – application guidance provided by IVSC

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Market comparable method – application guidance provided by IVSC

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied is the price per square metre (sqm).

Income capitalisation method – application guidance provided by IVSC

Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return). The difference between gross and net rental income includes expense categories such as vacancy, non recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. When using the income capitalisation method, the mentioned expenses have to be included on the basis of a time weighted average, such as the average lease up costs. Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised.

Sensitivity analysis on changes in assumptions of property valuation

The Group has performed a sensitivity analysis on changes in assumptions of property valuation.

The significant unobservable inputs used in fair value measurement categorised as level 3 of the fair value hierarchy of the Group's portfolio are:

- Equivalent yield or discount rate
- Estimated rental value (ERV), rental or terminal growth
- Development margin for development

Change of the valuation rates would result in the following fair values – analysis of the portfolio of assets valued by discounted cash flow and income capitalization method:

As at 31 December 2023

Berlin office				Czech Republic – Retail – Income capitalisation				Czech Republic – Retail – DCF				
ERV	Yield (5.00%)	Discount rate (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)	
		-	0.25%		-	0.25%		-	0.25%		-	0.25%
-	-	2,364	2,315	2,268	99	96	92	545	525	506	574	552
-	-	2,490	2,450	2,390	-	103	99	96	-	574	552	532
5.00%	5.00%	2,618	2,563	2,511	5.00%	107	103	100	5.00%	603	580	559

Poland – Retail – DCF				Italy – Retail – DCF				Complementary – Retail – Income capitalisation				
ERV	Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)	
		-	0.25%		-	0.25%		-	0.25%		-	0.25%
-	-	109	106	102	517	506	495	226	220	213	237	230
-	-	115	111	108	-	521	509	499	-	237	230	223
5.00%	5.00%	121	117	114	5.00%	525	513	503	5.00%	248	240	234

Czech Republic – Office – Income capitalisation				Czech Republic – Office – DCF				Poland – Office – DCF				
ERV	Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)	
		-	0.25%		-	0.25%		-	0.25%		-	0.25%
-	-	-	-	-	358	346	334	973	936	901	1,020	980
-	-	-	-	-	-	377	364	351	-	1,020	980	944
5.00%	5.00%	-	-	-	5.00%	396	382	369	5.00%	1,066	1,025	987

Italy – Office – DCF				Complementary – Office – Income capitalisation				Complementary – Office – DCF				
ERV	Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)	
		-	0.25%		-	0.25%		-	0.25%		-	0.25%
-	-	202	197	192	37	36	36	-	-	-	-	-
-	-	208	203	198	-	37	36	36	-	-	-	-
5.00%	5.00%	214	208	204	5.00%	37	36	36	5.00%	-	-	-

Czech Republic – Industry – DCF				Germany – Industry – DCF				Complementary – Residential – DCF				
ERV	Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)		Yield (5.00%)	Yield (0.25%)	
		-	0.25%		-	0.25%		-	0.25%		-	0.25%
-	-	58	55	53	2	2	2	-	-	-	-	-
-	-	61	58	55	-	2	2	2	-	-	-	-
5.00%	5.00%	64	61	58	5.00%	2	2	2	5.00%	-	-	-

Italy – Residential – DCF

ERV		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		15	15	14
-		16	16	16
5.00%		18	17	17

Czech Republic – Hotels – DCF

Growth		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		342	333	325
-		365	356	347
5.00%		388	378	369

Complementary – Hotels – DCF

Growth		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		148	146	143
-		155	152	150
5.00%		162	159	156

Complementary – Hotels rented – DCF

Terminal Growth		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		26	25	24
-		26	25	24
5.00%		26	25	24

Croatia – Hotels – DCF

Growth		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		-	-	-
-		-	-	-
5.00%		-	-	-

Development, land banks and industry & logistic

Residual Value in €m	Development						
	Czech Republic	Italy	Complementary	Hotels & Resorts	Italy	Landbank Czech Republic	Germany
Developer's Profit (5.00%)	4	-	65	11	666	24	35
Developer's Profit (2.50%)	4	-	65	10	617	23	34
Developer's Profit as set	4	-	64	9	573	21	32
Developer's Profit 2.50%	4	-	64	8	533	20	31
Developer's Profit 5.00%	4	-	64	8	497	18	30

IMMOFINANZ

Czech Republic – Retail – Income capitalisation

ERV		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		654	629	607
-		690	664	640
5.00%		725	698	672

Poland – Retail – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		317	307	299
-		335	325	316
5.00%		352	342	332

Poland – Retail dev. – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		-	-	-
-		-	-	-
5.00%		-	-	-

Italy – Retail – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		98	95	92
-		104	101	98
5.00%		109	106	103

Complementary – Retail – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		1,524	1,475	1,431
-		1,601	1,551	1,504
5.00%		1,678	1,626	1,576

Complementary – Retail dev. – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		-	-	-
-		-	-	-
5.00%		-	-	-

Czech Republic – Office – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		268	256	245
-		282	270	258
5.00%		297	284	272

Germany – Office – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		465	443	423
-		491	468	446
5.00%		517	492	470

Poland – Office – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		604	579	555
-		639	612	588
5.00%		674	646	620

Complementary – Office – Income capitalisation

ERV		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		392	378	365
-		415	400	386
5.00%		437	421	407

Complementary – Office dev. – Income capitalisation

ERV		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		38	37	35
-		41	39	38
5.00%		43	42	40

Office development, land banks and retail

Residual Value in €m	Complementary – Land residual	Complementary – Office development	Complementary – Retail development
Developer's Profit (5.00%)	17	25	17
Developer's Profit (2.50%)	17	25	17
Developer's Profit as set	17	25	17
Developer's Profit 2.50%	17	25	17
Developer's Profit 5.00%	17	25	17

SIMMO

Germany – Retail – DCF

ERV		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		24	23	22
-		26	25	23
5.00%		27	26	25

Complementary – Retail – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		345	334	323
-		364	351	340
5.00%		382	369	357

Complementary – Retail – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		-	-	-
-		-	-	-
5.00%		-	-	-

Czech Republic - Retail - DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		260	250	241
-		274	263	253
5.00%		288	276	266

Germany – Office – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		229	218	208
-		240	229	219
5.00%		251	240	229

Complementary – Office – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		-	-	-
-		-	-	-
5.00%		-	-	-

Complementary – Office – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		1,650	1,585	1,525
-		1,734	1,667	1,604
5.00%		1,819	1,749	1,684

Complementary – Office – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		-	-	-
-		-	-	-
5.00%		-	-	-

Czech Republic - Office - DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		357	344	331
-		376	362	348
5.00%		395	380	365

Czech Republic - Hotels & Resorts - DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		25	24	23
-		26	25	24
5.00%		27	26	26

Complementary – Hotels & Resorts – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		205	199	193
-		213	207	201
5.00%		221	215	208

Germany – Hotels rented – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		9	9	8
-		9	9	9
5.00%		10	9	9

Complementary - Hotels rented - DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		31	30	29
-		32	31	30
5.00%		33	31	30

Complementary - Hotels & Resorts – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		21	21	20
-		22	22	21
5.00%		24	23	22

Germany – Residential – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		200	187	175
-		210	195	183
5.00%		218	203	191

Complementary – Residential – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		8	7	7
-		8	8	8
5.00%		9	9	8

Office Development

Residual Value in €m	Complementary – Office Development
Developer's Profit (5.00%)	4
Developer's Profit (2.50%)	4
Developer's Profit as set	4
Developer's Profit 2.50%	3
Developer's Profit 5.00%	3

As at 31 December 2022

Berlin office

ERV		Discount rate		
		(0.25%)	-	0.25%
(5.00%)		2,755	2,698	2,642
-		2,904	2,843	2,785
5.00%		3,053	2,989	2,928

Czech Republic – Retail – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		110	106	103
-		115	110	107
5.00%		119	115	111

Czech Republic – Retail – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		1,044	1,02	964
-		1,099	1,055	1,014
5.00%		1,154	1,107	1,065

Poland – Retail – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		116	113	109
-		122	118	115
5.00%		128	124	121

Italy – Retail – DCF

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		518	505	493
-		522	509	497
5.00%		527	514	501

Complementary – Retail – Income capitalisation

ERV		Yield		
		(0.25%)	-	0.25%
(5.00%)		222	216	209
-		233	225	219
5.00%		243	235	228

Czech Republic – Office – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	138	131	124
-	143	136	129
5.00%	148	141	134

Czech Republic – Office – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	677	651	626
-	712	685	659
5.00%	748	719	692

Poland – Office – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	1,042	999	958
-	1,101	1,055	1,013
5.00%	1,161	1,112	1,068

Italy – Office – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	223	218	213
-	231	225	220
5.00%	238	232	227

Complementary – Office – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	3	3	3
-	3	3	3
5.00%	3	3	3

Complementary – Office – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	58	55	53
-	62	59	56
5.00%	65	62	59

Czech Republic – Industry – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	32	31	29
-	34	32	31
5.00%	36	34	32

Germany – Industry – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	3	3	3
-	3	3	3
5.00%	3	3	3

Complementary – Residential – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	24	22	21
-	25	23	22
5.00%	25	24	23

Italy – Residential – DCF

ERV	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	25	24	24
-	27	26	25
5.00%	28	28	27

Czech Republic – Hotels – DCF

Growth	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	372	361	351
-	400	389	378
5.00%	429	4,177	405

Complementary – Hotels – DCF

Growth	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	163	159	156
-	172	169	165
5.00%	182	178	175

Complementary – Hotels rented – DCF

Terminal Growth	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	27	26	25
-	27	26	25
5.00%	27	26	25

Croatia – Hotels – DCF

Growth	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	163	160	157
-	173	170	167
5.00%	183	180	177

Development, land banks and industry & logistic

Residual Value in €m	Development				Landbank		
	Czech Republic	Italy	Complementary	Hotels & Resorts	Italy	Czech Republic	Germany
Developer's Profit (5.00%)	3	3	64	14	783	17	175
Developer's Profit (2.50%)	3	3	64	14	723	16	159
Developer's Profit as set	3	3	63	13	670	15	144
Developer's Profit 2.50%	3	3	63	12	621	14	128
Developer's Profit 5.00%	3	3	62	12	577	13	113

IMMOFINANZ

Czech Republic – Retail – Income capitalisation

ERV	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	392	376	362
-	413	397	381
5.00%	434	417	401

Poland – Retail – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	300	290	280
-	317	306	296
5.00%	334	323	312

Poland – Retail dev. – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	9	9	9
-	10	9	9
5.00%	10	10	10

Italy – Retail – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	104	100	97
-	110	106	103
5.00%	116	112	108

Complementary – Retail – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	1,460	1,411	1,364
-	1,543	1,490	1,441
5.00%	1,625	1,570	1,519

Complementary – Retail dev. – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	12	12	11
-	13	12	12
5.00%	13	13	12

Czech Republic – Office – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	276	263	250
-	291	277	264
5.00%	307	292	278

Germany – Office – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	576	537	502
-	610	569	532
5.00%	644	600	562

Poland – Office – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	687	657	629
-	727	695	665
5.00%	767	733	702

Complementary – Office – Income capitalisation

ERV	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	1,003	948	899
-	1,063	1,005	953
5.00%	1,123	1,062	1,007

Complementary – Office dev – Income capitalisation

ERV	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	128	119	111
-	139	130	121
5.00%	150	140	131

Office development, land banks and retail

Residual Value in €m	Complementary – Land residual	Complementary – Office development	Complementary – Retail development
	Developer's Profit (5.00%)	29	32
Developer's Profit (2.50%)	26	29	39
Developer's Profit as set	23	26	36
Developer's Profit 2.50%	20	23	33
Developer's Profit 5.00%	17	21	30

SIMMO

Germany – Retail – DCF

ERV	Discount rate		
	(0.25%)	-	0.25%
(5.00%)	49	46	44
-	52	49	46
5.00%	55	52	49

Complementary – Retail – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	144	139	133
-	152	146	140
5.00%	160	153	147

Complementary – Retail – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	187	181	175
-	199	192	186
5.00%	211	203	197

Germany – Office – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	348	331	315
-	365	347	330
5.00%	382	363	345

Complementary – Office – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	684	656	629
-	718	689	661
5.00%	753	722	693

Complementary – Office – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	709	679	652
-	744	714	685
5.00%	782	749	719

Czech Republic – Hotels rented – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	57	56	55
-	58	57	56
5.00%	60	59	58

Germany – Hotels rented – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	10	9	9
-	10	10	10
5.00%	11	10	10

Complementary – Hotels rented – Income capital

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	29	28	27
-	31	30	28
5.00%	33	31	30

Germany – Residential – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	291	268	249
-	304	280	260
5.00%	316	291	269

Complementary – Residential – Income capitalisation

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	64	59	56
-	67	63	58
5.00%	70	66	61

Complementary – Hotels & Resorts – DCF

ERV	Yield		
	(0.25%)	-	0.25%
(5.00%)	228	219	210
-	241	231	221
5.00%	253	243	233

Office Development

Residual Value in €m	Complementary – Office Development
	Developer's Profit (5.00%)
Developer's Profit (2.50%)	8
Developer's Profit as set	6
Developer's Profit 2.50%	5
Developer's Profit 5.00%	3

The fair value used in the sensitivity analysis above includes properties, which were valued by income based or residual valuation method (with exception for development in Berlin and Berlin leasehold industry and logistics where no development margin was applied in the valuation). Properties valued by comparable method are not subject of sensitivity analyses.

8 Contingencies and Litigations

Kingstown dispute in Luxembourg

On 20 January 2015, the Company was served with a summons containing petition of the three companies namely Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II, LP of Delaware and Ktown LP of Delaware (together referred to as „Kingstown“), claiming to be the shareholders of CPI FIM SA, filed with the Tribunal d'Arrondissement de et a Luxembourg (the "Luxembourg Court"). The petition seeks condemnation of the Company together with CPI FIM SA and certain members of CPI FIM SA's board of directors as jointly and severally liable to pay damages in the amount of EUR 14.5 million and compensation for moral damage in the amount of EUR 5 million. According to Kingstown's allegation the claimed damage has arisen as a consequence of inter alia alleged violation of CPI FIM SA's minority shareholders rights.

To the best of Company's knowledge, Kingstown was not at the relevant time a shareholder of the Company. Therefore, and without any assumption regarding the possible violation, the Company believes that it cannot be held liable for the violation of the rights of the shareholders of another entity.

The Management of the Company has been taking all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders. Accordingly, the parties sued by Kingstown raised the exceptio judicatum solvi plea, which consists in requiring the entity who initiated the proceedings and who does not reside in the European Union or in a State which is not a Member State of the Council of Europe to pay a legal deposit to cover the legal costs and compensation procedure. On 19 February 2016 the Luxembourg Court rendered a judgement, whereby each claimant has to place a legal deposit in the total amount of EUR 90 thousand with the "Caisse de Consignation" in Luxembourg in order to continue the proceedings. Kingstown paid the deposit in January 2017, and the litigation, currently being in a procedural stage, is pending. In October 2018, Kingstown's legal advisers filed additional submission to increase the amount of alleged damages claimed to EUR 157.0 million. The Company continues to believe the claim is without merit.

On 21 June 2019 the Company received a first instance judgment, which declared that a claim originally filed by Kingstown in 2015 was null and void against CPIPG. The Court dismissed the claim against CPIPG because the claim was not clearly pleaded ("libellé obscur"). Specifically, Kingstown did not substantiate or explain the basis of their claim against CPIPG and failed to demonstrate how CPIPG committed any fault.

In December 2020, the Luxembourg Court declared that the inadmissibility of the claim against the Company and certain other defendants has not resulted in the inadmissibility of the litigation against the Company's subsidiary CPI FIM SA and the remaining defendants. Some defendants have decided to appeal against this judgment of which declared the claim admissible against CPI FIM SA. On 28 March 2023 the court of appeal has rejected the appeal and therefore the will be ongoing on other issues of inadmissibility and the merits before the first instance Luxembourg Court during 2024.

Kingstown disputes in the United States

On 10 April 2019, a group of Kingstown companies, Investhold LTD and Verali Limited (together, the "Kingstown Plaintiffs") filed a claim in the United States District Court of the Southern District of New York (the "SDNY Court") against, among others, CPIPG and Mr. Radovan Vitek (together, the "CPIPG Defendants"). The claims brought by the Kingstown Plaintiffs against CPIPG include alleged violations of RICO.

CPIPG believes that the claims are without merit and were designed to create negative press attention for CPIPG and to force an undue settlement. The Group's business has been totally unaffected by the New York lawsuit and by similar attempts by the Kingstown Plaintiffs to harm the reputation of CPIPG and Mr. Vitek. CPIPG reported superb preliminary operating results for 2019 and is pleased to have successfully issued nearly EUR 2 billion of bonds on the international capital markets since the New York lawsuit was filed.

On 10 September 2019, the CPIPG Defendants filed a motion to dismiss the case in the SDNY Court. On 22 November 2019, the Kingstown Plaintiffs filed an amended complaint in the SDNY Court. The amended complaint adds new non-US defendants and simply continues the false campaign against CPIPG and Mr. Vitek. The amended complaint does nothing to cure the serious jurisdictional deficiencies and pleading defects present in the original complaint.

On 14 February 2020, the CPIPG Defendants filed a motion to dismiss the amended complaint. The arguments presented in the motion resemble those presented by the CPIPG Defendants in September 2019 and are further refined given the new allegations:

- i. The Kingstown Plaintiffs have failed to justify the application of RICO outside the United States;
- ii. The SDNY Court lacks jurisdiction over the CPIPG Defendants;
- iii. The Kingstown Plaintiffs' alleged RICO claims are time-barred under RICO's four-year statute of limitations;
- iv. The SDNY Court is an improper forum to hear the case given that, among other things, Kingstown initiated nearly identical proceedings in Luxembourg in January 2015 which are still pending against some of the CPIPG Defendants;
- v. The Kingstown Plaintiffs have nonetheless failed to adequately state any claim against the CPIPG Defendants.

On 4 September 2020, the SDNY Court granted the CPIPG Defendants' motions to dismiss. The SDNY Court ruled that the case should defer to the existing proceedings in Luxembourg, which is the locus where most of the relevant evidence in the case is located. The SDNY Court also determined that Luxembourg would be a more convenient forum for litigation, and that Luxembourg's legal system was sufficiently adequate to allow for the resolution of Kingstown Plaintiffs' claims.

The Kingstown Plaintiffs appealed the dismissal decision to the Second Circuit Court of Appeals on 5 October 2020, which they were entitled to do as of right under U.S. law. The Kingstown Plaintiffs' appeal is limited to identifying certain purported errors that the District Court made in reaching its decision and cannot introduce new facts or arguments that were not raised before the District Court during the motion to dismiss briefing.

The hearing on the appeal took place on 10 December 2021. On 1 September 2022, the Court of Appeals issued a summary order affirming the judgement of the SDNY Court. The Court of Appeals considered the Claimants' arguments and found them without merit. The RICO case is thus over and the Court of Appeals confirmed CPIPG Defendants' position.

On 3 June 2020, Kingstown filed yet another complaint against CPIPG and Mr. Radovan Vitek in New York. This time, Kingstown filed in New York State court, alleging that they were somehow defamed through April 2019 press releases and other statements in relation to Kingstown's first- filed U.S. lawsuit, which is currently pending in the SDNY Court.

On 18 September 2020 CPIPG moved to dismiss the complaint, arguing that they were not subject to personal jurisdiction in New York, and that the alleged defamatory statements were not actionable under New York law. On 6 April 2021, the defamation claim filed in June 2020 by Kingstown was dismissed in its entirety. Kingstown appealed the dismissal, but on 5 May 2022 the Supreme Court of the State of New York, Appellate Division, affirmed the decision of the lower court, dismissing Kingstown's defamation case. The court stated that "plaintiffs failed to establish personal jurisdiction over defendants and failed to demonstrate an articulable nexus between defendants' New York activities and the cause of action for defamation."

The Group did not account for any provision in respect of the Kingstown disputes.

Disputes related to warrants issued by CPI FIM SA

The Company's subsidiary CPI FIM SA was sued by holders of the warrants holders of 2014 Warrants registered under ISIN code XS0290764728 (the "2014 Warrants"). The first group of the holders of the Warrants sued CPI FIM for approximately EUR 1.2 million in relation to the Change of Control Notice published by CPI FIM SA, notifying the holders of the 2014 Warrants that the Change of Control, as defined in the Securities Note and the Summary for the 2014 Warrants, occurred on 8 June 2016. The second holder of the 2014 Warrants sued CPI FIM SA for approximately EUR 1 million in relation to the alleged change of control which allegedly occurred in 2013. These litigations are pending. CPI FIM SA is defending itself against these lawsuits.

It is reminded that in accordance with the judgement of the Paris Commercial Court pronounced on 26 October 2015 concerning the termination of the CPI FIM SA's Safeguard Plan, liabilities that were admitted to the Safeguard, but are conditional or uncalled (such as uncalled bank guarantees, conditional claims of the holders of 2014 Warrants registered under ISIN code XS0290764728, provided that they were admitted to the Safeguard plan), will be paid according to their contractual terms. Pre-Safeguard liabilities that were not admitted to the CPI FIM SA's Safeguard will be unenforceable. As such, only claims of holders of the 2014 Warrants, whose potential claims were admitted to the CPI FIM SA's Safeguard Plan, could be considered in respect of the present Change of Control. Claims of holders of the 2014 Warrants that were not admitted to the CPI FIM SA's Safeguard will be unenforceable against CPI FIM SA. To the best of Company's knowledge, none of the holders of the 2014 Warrants who sued CPI FIM SA filed their claims 2014 Warrants related claims in the CPI FIM SA's Safeguard Plan.

On 9 March 2023 the Luxembourg Court issued a judgment, rejecting the claims of the holders of the 2014 Warrants. The Luxembourg Court confirmed that any claim in relation to the change of control provision had to be made, in accordance with the provisions of the Paris Commercial Code, within 2 months as from the date of publication of the judgement opening the Safeguard Procedure in the French Official Gazette. Since the claimants did not comply with this obligation, their claim for payment under the change of control provision is not well-founded and has to be rejected. The claimants did not appeal, and the case is closed now.

Vitericon

On 15 March 2019, the Company received a summons from the Berlin Court. The Company was sued by an insolvency administrator of the Company's former subsidiary Vitericon. The insolvency administrator was claiming invalidity of an intragroup debt settlement from 2013 and demanded a payment of EUR 10.4 million from the Company. The first instance court fully rejected the claim of the insolvency administrator, but in February 2023 the second instance court decided in his favor. Accordingly, the Company paid the full amount, including interest, totaling approximately to EUR 17 million. The legal dispute has ended by the payment of the final judgment.

Next RE (formerly Nova RE)

On 30 October 2020, Sorgente Group Italia S.r.l. ("SGI") notified to Next RE a writ of summons (the "Proceeding"), whereby SGI challenged and asked the Court of Rome to declare, among others, the invalidity of the resolution approving the capital increase, adopted by Next RE's board of directors on 29 October 2020 (the "Capital Increase Resolution") for alleged infringement of certain rules regulating the share capital. In light of the impossibility to obtain the declaration of invalidity of the Capital Increase Resolution, it is likely that SGI might "convert" its original claims of invalidity of the Capital Increase Resolution into a claim for damages against Nova Re. At the first hearing held on 9 March 2021 the judge granted the parties terms for the filing defense briefs and the Proceeding has been postponed to the hearing of 12 October 2021 to assess the admissibility and relevance of the requests formulated by the parties with the defensive briefs. The judge postponed the previously scheduled September 2022 hearing until January 2024. Upon order of the Court of Rome dated September 23, 2023, the hearing for the specification of the conclusions has been (further) postponed from 9 January 2024 to 13 January 2025.

CPI Tor di Valle and the Municipality of Rome

On 8 July 2021, CPI TOR DI VALLE S.p.A., an indirectly held and fully consolidated subsidiary of the Company ("CPI Tor di Valle"), purchased an urban area (the "Area") from Eurnova S.p.A. (Eurnova) to be developed as the new stadium of the Italian football club, AS Roma in Rome, Italy as well as a business park, in accordance with the Council of the Municipality of Rome town planning public procedures. Following the statement of AS Roma that it was no longer interested in the stadium on the Area, on 21 July 2021, the Council of the Municipality of Rome revoked the status of public interest to the stadium project on the Area (the "Revocation Resolution") and terminated the town planning public procedure and therefore prevented the development project from progressing.

On 27 October 2021, CPI Tor di Valle filed a claim against the Municipality of Rome before the competent administrative court. In such claim, CPI Tor di Valle asked the court to: (i) declare the annulment of the Revocation Resolution; and (ii) determine the right of CPI Tor di Valle to be compensated for damages in connection with the Revocation Resolution (in terms of emerging damages and loss of profit in a range between EUR 235 million and EUR 260 million). According to CPI Tor di Valle's external legal advisors, CPI Tor di Valle's claim is founded since the Revocation Resolution breached the legitimate expectations of CPI Tor di Valle. On 20 December 2021, the Municipality of Rome challenged the claim filed by CPI Tor di Valle and in addition filed a counterclaim for damages against Eurnova, AS Roma and CPI Tor di Valle, jointly and severally, or, subordinately on a pro rata basis, and claimed that the amount of damages suffered by it were EUR 311 million (such damages claims included damage to image, damage for waste of administrative activity and damages arising from failure of carrying out public works connected with the development project).

According to CPI Tor di Valle's external legal advisors, the legal claim filed by the Municipality of Rome against CPI Tor di Valle: (i) did not identify any conduct legally attributable to CPI Tor di Valle, in connection with the claimed damages by the Municipality of Rome; (ii) did not consider that possible damaging events (if any) occurred before the acquisition of the Area from CPI Tor di Valle; and (iii) did not consider that CPI Tor di Valle never assumed the formal status of proponent (and therefore did not manage the town planning public procedure). Therefore, according to CPI Tor di Valle's external legal advisors, the action filed by the Municipality of Rome is groundless against CPI Tor di Valle. The first public hearing was held on 26 December 2023, the court, considering the large amount of documents filed by the parties, postponed it until 26 April 2024. The legal team assisting CPI Tor di Valle believes it is likely that this hearing could also be adjourned.

Cyprus Litigation

In January 2023 CPIPG received information about the filing of a lawsuit before the District Court of Nicosia, Republic of Cyprus, by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them (Investhold Limited and Verali Limited). The claim includes a temporary injunction which purports to prevent CPIPG from disposing assets which would have the effect of CPIPG's assets falling below the value of EUR 535 million, which is the alleged value of the claim.

CPIPG understands that the lawsuit simply recycles old allegations and claims pursued in previous lawsuits, which have been consistently and categorically denied. Furthermore, CPIPG does not believe that Cyprus has jurisdiction on this claim or that it is an appropriate forum. The alleged claim is for EUR 535 million, a figure without any factual basis. CPIPG is taking all appropriate action to defend our company and our stakeholders. CPIPG filed its opposition statements and the hearing on the interim injunction took place on 1 February 2024. The sides put forward their arguments orally and also submitted with the District Court of Nicosia their written submissions. Having heard all the sides, the Court reserved its judgement on the interim injunction, which is expected in the coming months.

Investhold Limited and Verali Limited are offshore vehicles of Mr. Čmejla, a Czech citizen, and Mr. Diviš, a Swiss citizen of Czech origin. In connection with the privatization of Mostecká uhelná (a Czech coal mining company) Mr. Čmejla and Mr. Diviš were convicted of fraud and money laundering in Switzerland. In 2019, the above offshore vehicles and their principals, together with Kingstown, filed a lawsuit against CPIPG and Mr. Radovan Vitek and other parties (alleging violations of the RICO act) in the United States described earlier.

With the United States RICO case dismissed both at first instance and on appeal, it appears that the claimants are pursuing yet another vexatious and unjustified claim without merit whatsoever.

9 Capital commitments

The Group has capital commitments in the total amount of EUR 366.4 million in respect of capital expenditures contracted as at 31 December 2023 (EUR 180.9 million as at 31 December 2022).

10 Related party transactions

The Group has a related party relationship with its members of the Board of Directors (current and former) and executive management (key management personnel), shareholder and companies in which these parties held controlling or significant influence or are joint ventures.

In 2023 and 2022, the remuneration of the key management personnel and members of Board of Directors was EUR 4.1 million and EUR 3.6 million, respectively.

Balances and transactions with the key management personnel and members of Board of Directors and the Group:

	31 December 2023	31 December 2022
Loans provided	0.1	-
Trade receivables	0.1	0.1
Perpetual notes	0.2	0.2
Transactions		
Other costs	(2.2)	(1.2)

Balances and transactions with the majority shareholder of the Group:

	31 December 2023	31 December 2022
Trade receivables	2.4	0.8
Other receivables	0.1	0.1
Transactions		
Other revenues	4.8	2.9
Other costs	(0.1)	-

Balances and transactions with other related parties:

Entities over which the majority shareholder has control	31 December 2023	31 December 2022
Loans provided	152.8	173.1
Trade receivables	-	0.1
Other receivables	0.1	0.6
Other payables	0.6	-
Transactions		
Other revenues	0.1	0.5
Interest income	18.6	8.9
Other costs	-	(0.1)
Close family members/entities controlled by close family members of the majority	31 December 2023	31 December 2022
Other payables	0.8	0.8
Transactions		
Other revenues	-	0.4
Entities controlled by members of Board of Directors	31 December 2023	31 December 2022
Loans provided	0.7	0.8
Other receivables	1.4	1.4
Loans received	0.2	0.4
Trade payables	0.2	0.2
Transactions		
Other revenues	0.3	0.2
Interest expense	-	(0.1)
Joint ventures	31 December 2023	31 December 2022
Loans provided	16.1	29.8
Interest income	1.7	1.8

Transactions with related parties

On 24 November 2023, the Group acquired 80% stake in Galopota group from the Group's majority shareholder. For more details, refer to note 3.3.

On 29 December 2023, the Group acquired RISING FALCON HOLDING LIMITED group from the Group's majority shareholder. For more details, refer to note 3.2.

As at 31 December 2023 and 2022, the outstanding balance of a loan provided by the Group to Senales Invest Sàrl (Luxembourg based entity), a company closely related to the majority shareholder, which outstanding balance of loans provided amounts to EUR 143.2 million and EUR 169.6 million. The loan bears a fixed interest at a rate of 5% p.a and is repayable in 2027.

The related party transactions are priced on arm's length basis.

11 Events after the reporting period

In February 2024, the Group closed the sale of Metrogate House, a student accommodation property located in London and completed the disposal of Concept Tower, an office building located in Warsaw.

On 12 March 2024, the Group announced the sale of a 50% stake in a subsidiary owning a portfolio of eight hotel properties in the Czech Republic, along with the signing of a joint venture agreement with Best Hotel Properties.

IMMOFINANZ closed the sale of the Grand Center Zagreb office building on 8 February and sold two office properties on Dresdnerstrasse in Vienna on 15 March. On 21 March, S IMMO AG signed the contract for the sale of the Zagrebtower. The total carrying value of these sales was EUR 106.5 million.

Appendix I – List of group entities

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
"Diana Development" Sp. Z o.o.	Poland	100.00%	100.00%
"Equator Real" sp. z o.o.	Poland	100.00%	100.00%
"Wienerberg City" Errichtungsges.m.b.H.	Austria	75.87%	76.88%
1 BISHOPS AVENUE LIMITED	United Kingdom	100.00%	100.00%
7 St James's Square Limited	United Kingdom	100.00%	100.00%
A.D.I. Immobilien Beteiligungs GmbH	Austria	75.87%	92.26%
AAX Immobilienholding GmbH	Austria	75.00%	76.88%
Adama Adviso SRL	Romania	75.00%	76.88%
Adama Holding Public Ltd	Cyprus	75.00%	76.88%
Adama Management SRL	Romania	75.00%	76.88%
Adama Romania Ltd.	Cyprus	75.00%	76.88%
ADELAIDE TAVERN LIMITED	United Kingdom	100.00%	-
AEDIFICIO Liegenschaftsvermietungs- und Beteiligungsgesellschaft m.b.H.	Austria	75.00%	76.88%
Agromě s.r.o.	Czech Republic	100.00%	100.00%
AKIM Beteiligungen GmbH	Austria	75.78%	92.26%
ALAMONDO LIMITED	Cyprus	100.00%	100.00%
Alpha real d.o.o.	Slovenia	75.00%	76.88%
Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S.	Turkey	-	76.88%
Andrássy Hotel Zrt.	Hungary	100.00%	100.00%
Andrássy Real Kft.	Hungary	75.87%	100.00%
Angusland s.r.o.	Czech Republic	100.00%	100.00%
Apulia Investments 1 S.r.l.	Italy	100.00%	100.00%
Apulia Investments 2 S.r.l.	Italy	100.00%	100.00%
Apulia Investments 3 S.r.l.	Italy	100.00%	100.00%
Apulia Investments 4 S.r.l.	Italy	100.00%	100.00%
Arena Corner Kft.	Hungary	75.87%	92.26%
Armo Verwaltungsgesellschaft mbH	Germany	94.66%	94.66%
ARMONIA CENTER ARAD S.R.L.	Romania	75.00%	76.88%
ARO Immobilien GmbH	Austria	75.00%	76.88%
Atom Centrum, s.r.o.	Czech Republic	75.00%	76.88%
Atrium Complex Sp. z o.o.	Poland	100.00%	100.00%
Atrium Park Kft.	Hungary	75.87%	92.26%
Balvinder, a.s.	Czech Republic	100.00%	100.00%
Bank-garázs Kft.	Hungary	75.87%	92.26%
Baron Development SRL	Romania	75.00%	76.88%
BARON PUGLIA S.a.r.l.	Italy	100.00%	100.00%
Baudry Beta, a.s.	Czech Republic	100.00%	100.00%
Bauteile M Errichtungsges.m.b.H.	Austria	75.00%	76.88%
Bauteile A + B Errichtungsges.m.b.H.	Austria	75.87%	76.88%
Bauteile C + D Errichtungsges.m.b.H.	Austria	75.87%	76.88%
BAYTON Alfa, a.s.	Czech Republic	100.00%	100.00%
BAYTON Gama, a.s.	Czech Republic	91.17%	91.17%
BC 99 Office Park Kft.	Hungary	75.87%	92.26%
BD Malostranská, a.s.	Czech Republic	97.31%	-
Berceni Estate Srl	Romania	75.00%	76.88%
Bertie Investments Sp. z o.o.	Poland	75.00%	76.88%
Best Properties South, a.s.	Czech Republic	100.00%	100.00%
Biochov, s.r.o.	Czech Republic	100.00%	100.00%
Biopark, s.r.o.	Czech Republic	100.00%	100.00%
Biopotraviny, s.r.o.	Czech Republic	100.00%	100.00%
Blitz 21-67 GmbH	Germany	-	76.88%
Bloczek Ltd	Cyprus	75.00%	76.88%
BPT Development, a.s.	Czech Republic	100.00%	100.00%
BRNO INN, a.s.	Czech Republic	100.00%	100.00%
Brno Property Development, a.s.	Czech Republic	91.17%	91.17%
Brno Property Invest XV., a.s.	Czech Republic	97.31%	97.31%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
Bfezinéves, a.s.	Czech Republic	100.00%	100.00%
Bubny Development, s.r.o.	Czech Republic	99.26%	99.26%
BUDA Kft.	Hungary	75.87%	92.26%
BudaPart Auratus Kft.	Hungary	75.87%	92.26%
Business Park Beteiligungs GmbH	Austria	75.00%	76.88%
Business Park West-Sofia EAD	Bulgaria	75.00%	76.88%
BWGH Offices sp. z o.o.	Poland	100.00%	100.00%
BWK Offices sp. z o.o.	Poland	100.00%	100.00%
BWV Offices sp. z o.o.	Poland	100.00%	100.00%
Byty Lehovec, s.r.o.	Czech Republic	100.00%	100.00%
Byty Podkova, a.s.	Czech Republic	97.31%	97.31%
C.E.CO.S. COMPLETAMENTO EDILIZIO CORSO SICILIA - SOCIETA' PER AZIONI	Italy	100.00%	100.00%
CAMPONA Shopping Center Kft.	Hungary	100.00%	100.00%
Camposota, s.r.o.	Czech Republic	100.00%	100.00%
Camuzzi, a.s.	Czech Republic	97.31%	97.31%
Capital Dev S.p.A.	Italy	100.00%	100.00%
Capri Trade s.r.l.	Romania	75.00%	76.88%
Carpenter Invest, a.s.	Czech Republic	100.00%	100.00%
Castor Investments sp. z o.o.	Poland	97.31%	97.31%
Castor Investments Sp. z o.o. S.K.A.	Poland	97.31%	97.31%
CD Property, s.r.o.	Czech Republic	75.87%	97.31%
CEE Beteiligungen GmbH	Austria	75.87%	92.26%
CEE CZ Immobilien GmbH	Austria	75.87%	92.26%
CEE Immobilien GmbH	Austria	75.87%	92.26%
CEE Property-Invest Hungary 2003 Kft.	Hungary	68.20%	82.94%
CEE PROPERTY-INVEST Immobilien GmbH	Austria	75.87%	92.26%
CEE Property-Invest Kft.	Hungary	75.87%	92.26%
CENTER INVEST Kft.	Hungary	75.00%	76.88%
CENTRAL TOWER 81 Sp. z o.o.	Poland	100.00%	100.00%
Ceratopsia, a.s.	Czech Republic	-	100.00%
Chuchle Arena Praha, s.r.o.	Czech Republic	80.00%	-
City Center Irodaház Kft.	Hungary	75.87%	92.26%
City Gardens Sp. z o.o.	Poland	100.00%	100.00%
City Market Dunakeszi Kft. (Buy-Way Dunakeszi Kft.)	Hungary	75.00%	76.88%
City Market Soroksár Kft. (Buy-Way Soroksár Kft.)	Hungary	75.00%	76.88%
City Tower Vienna Errichtungs- und Vermietungs-GmbH	Austria	75.00%	76.88%
CM Hôtels SA	Switzerland	100.00%	100.00%
CMA Immobilien SA	Switzerland	99.70%	99.70%
CODIAZELLA LTD	Cyprus	100.00%	100.00%
Conradian, a.s.	Czech Republic	100.00%	100.00%
Constantia Treuhand und Vermögensverwaltungs GmbH	Austria	75.00%	76.88%
Contips Limited	Cyprus	75.00%	76.88%
Cora GS s.r.l.	Romania	75.00%	76.88%
CPB Enterprise GmbH	Austria	75.00%	76.88%
CPI - Bor, a.s.	Czech Republic	100.00%	100.00%
CPI - Horoměřice, a.s.	Czech Republic	91.17%	91.17%
CPI - Kránsné Březno, a.s.	Czech Republic	97.31%	97.31%
CPI - Land Development, a.s.	Czech Republic	97.31%	97.31%
CPI - Orlová, a.s.	Czech Republic	91.17%	91.17%
CPI - Real Estate, a.s.	Czech Republic	100.00%	100.00%
CPI - Zbraslav, a.s.	Czech Republic	100.00%	100.00%
CPI ACAYA S.r.l.	Italy	97.31%	97.31%
CPI Alberghi HI Roma S.r.l.	Italy	100.00%	100.00%
CPI Beet, a.s.	Czech Republic	100.00%	100.00%
CPI Black, s.r.o.	Czech Republic	100.00%	100.00%
CPI Bologna S.p.A.	Italy	100.00%	100.00%
CPI BYTY, a.s.	Czech Republic	100.00%	100.00%
CPI CYPRUS LIMITED	Cyprus	100.00%	100.00%
CPI Development Services, s.r.o. (Brno Development Services, s.r.o.)	Czech Republic	100.00%	100.00%
CPI East, s.r.o.	Czech Republic	75.00%	100.00%
CPI Energo, a.s.	Czech Republic	100.00%	100.00%
CPI Facility Management Kft.	Hungary	100.00%	100.00%
CPI Facility Slovakia, a.s.	Slovakia	100.00%	100.00%
CPI FIM GOLD, a.s.	Czech Republic	97.31%	-
CPI FIM S.A.	Luxembourg	97.31%	97.31%
CPI FIM WHITE, a.s.	Czech Republic	97.31%	-
CPI FINANCE (BVI) LIMITED	British Virgin Islands	100.00%	100.00%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
CPI Finance CEE, a.s.	Czech Republic	100.00%	100.00%
CPI Flats, a.s.	Czech Republic	100.00%	100.00%
CPI France, aSASU	France	100.00%	100.00%
CPI Green, a.s.	Czech Republic	100.00%	100.00%
CPI Group Services, a.s.	Czech Republic	100.00%	100.00%
CPI Group, a.s.	Czech Republic	100.00%	100.00%
CPI HIBISCUS, S.R.L.	Italy	100.00%	97.31%
CPI Hotels Catering, s.r.o.	Czech Republic	100.00%	100.00%
CPI Hotels Europeum Kft.	Hungary	100.00%	100.00%
CPI Hotels Hungary Kft.	Hungary	100.00%	100.00%
CPI Hotels Italy S.r.l.	Italy	100.00%	100.00%
CPI HOTELS POLAND Sp. z o.o.	Poland	100.00%	100.00%
CPI Hotels Properties, a.s.	Czech Republic	100.00%	100.00%
CPI Hotels Slovakia, s.r.o.	Slovakia	100.00%	100.00%
CPI Hotels, a.s.	Czech Republic	100.00%	100.00%
CPI Hungary Investments Kft.	Hungary	100.00%	100.00%
CPI Hungary Kft.	Hungary	100.00%	100.00%
CPI IMMO, S.a.r.l.	France	100.00%	100.00%
CPI Italy 130 SPV S.r.l.	Italy	97.31%	97.31%
CPI Italy S.r.l.	Italy	100.00%	100.00%
CPI Kappa, s.r.o.	Czech Republic	100.00%	100.00%
CPI Kvinta, s.r.o.	Czech Republic	100.00%	100.00%
CPI Lambrate S.r.l.	Italy	100.00%	100.00%
CPI Management, s.r.o.	Czech Republic	100.00%	100.00%
CPI Medici S.r.l.	Italy	100.00%	100.00%
CPI Národní, s.r.o.	Czech Republic	100.00%	100.00%
CPI Next Level Ventures GmbH	Germany	100.00%	100.00%
CPI North, s.r.o.	Czech Republic	100.00%	100.00%
CPI Office Business Center, s.r.o.	Czech Republic	75.87%	100.00%
CPI Office Prague, s.r.o.	Czech Republic	75.87%	100.00%
CPI Park Chabáfovice, s.r.o.	Czech Republic	97.31%	97.31%
CPI Park Jablonné v Podještědí, s.r.o.	Czech Republic	100.00%	100.00%
CPI Park Plzeň, s.r.o.	Czech Republic	97.31%	97.31%
CPI Park Zďárek, a.s.	Czech Republic	97.25%	97.25%
CPI Parking S.r.l.	Italy	100.00%	100.00%
CPI PG Management, S.á r.l.	Luxembourg	100.00%	100.00%
CPI Pigna S.r.l.	Italy	97.31%	97.31%
CPI Podhorský Park, s.r.o.	Czech Republic	97.31%	97.31%
CPI Poland Property Management sp. z o.o.	Poland	100.00%	100.00%
CPI Poland Sp. Z o.o.	Poland	100.00%	100.00%
CPI Property, s.r.o. (Direopona, s.r.o.)	Czech Republic	100.00%	100.00%
CPI Property Development Sp. z o.o.	Poland	100.00%	100.00%
CPI Real Estate Italy S.r.l.	Italy	-	100.00%
CPI Realty, a.s.	Czech Republic	100.00%	100.00%
CPI Retail One Kft.	Hungary	100.00%	100.00%
CPI Retail Portfolio Holding Kft.	Hungary	100.00%	100.00%
CPI Retail Portfolio I, a.s.	Czech Republic	75.00%	100.00%
CPI Retail Portfolio II, a.s.	Czech Republic	75.00%	76.88%
CPI Retail Portfolio IV, s.r.o.	Czech Republic	75.00%	76.88%
CPI Retail Portfolio VIII, s.r.o.	Czech Republic	75.00%	100.00%
CPI Retails ONE, a.s.	Czech Republic	75.00%	76.88%
CPI Retails ROSA s.r.o.	Slovakia	75.00%	76.88%
CPI Retails THREE, a.s.	Slovakia	75.00%	76.88%
CPI Retails TWO, a.s.	Czech Republic	75.00%	76.88%
CPI REV Italy II S.r.l.	Italy	97.31%	97.31%
CPI Romania S.R.L.	Romania	100.00%	100.00%
CPI Sekunda, s.r.o.	Czech Republic	100.00%	100.00%
CPI Septima, s.r.o.	Czech Republic	100.00%	-
CPI Services CRO d.o.o.	Croatia	100.00%	100.00%
CPI Services d.o.o. Beograd	Serbia	100.00%	100.00%
CPI Services, a.s.	Czech Republic	100.00%	100.00%
CPI Shopping MB, a.s.	Czech Republic	75.87%	100.00%
CPI Shopping Treplice, a.s.	Czech Republic	100.00%	100.00%
CPI Sicilia S.r.l.	Italy	100.00%	100.00%
CPI Silver, a.s.	Czech Republic	100.00%	100.00%
CPI Smart Power, a.s.	Czech Republic	100.00%	-
CPI Solar TWO, a.s.	Czech Republic	100.00%	-
CPI Solar ONE, a.s.	Czech Republic	100.00%	-

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
CPI South, s.r.o.	Czech Republic	97.58%	97.58%
CPI Tercie, s.r.o.	Czech Republic	100.00%	100.00%
CPI Théta, a.s.	Czech Republic	100.00%	100.00%
CPI Tor di Valle S.r.l.	Italy	100.00%	100.00%
CPI TORRENOVA S.P.A.	Italy	100.00%	100.00%
CPI Žabotova, a.s.	Slovakia	100.00%	100.00%
Credo Immobilien Development GmbH	Austria	75.00%	76.88%
CREDO Real Estate GmbH	Austria	75.00%	76.88%
CT Development Sp. z o.o.	Poland	100.00%	100.00%
Czech Property Investments, a.s.	Czech Republic	100.00%	100.00%
Čadca Property Development, s.r.o.	Slovakia	75.00%	76.88%
Českolipská farma, s.r.o.	Czech Republic	100.00%	100.00%
Českolipská zemědělská, a.s.	Czech Republic	100.00%	100.00%
Dapply Trading Ltd.	Cyprus	75.00%	76.88%
Darília, a.s.	Czech Republic	99.26%	99.26%
DeA Generation Fund S.c.r.l.	Italy	100.00%	100.00%
Děčínská zemědělská, a.s.	Czech Republic	100.00%	100.00%
Development Doupovská, s.r.o.	Czech Republic	72.98%	72.98%
Diana Property Sp. z o.o.	Poland	97.31%	97.31%
DUAL CONSTRUCT INVEST SRL	Romania	75.87%	92.26%
DUCA PUGLIA S.R.L.	Italy	100.00%	100.00%
Duna Szálloda Zrt.	Hungary	75.87%	92.26%
DUS Plaza GmbH	Germany	75.00%	76.88%
E.I.A. einSIMMObilieninvestitionsgesellschaft m.b.H.	Austria	75.87%	92.26%
E.V.I. Immobilienbeteiligung GmbH	Austria	68.21%	82.94%
Ea Einhundertvierundneunzigste WT Holding GmbH	Austria	100.00%	100.00%
Eclair Aviation, s.r.o.	Czech Republic	100.00%	-
Ekofarma Postfelná, s.r.o.	Czech Republic	100.00%	100.00%
Ekofarma Šenov, s.r.o.	Czech Republic	100.00%	100.00%
Elmore Investments Sp. z o.o.	Poland	75.00%	76.88%
Elona Projekt d.o.o.	Croatia	75.00%	76.88%
ELTIMA PROPERTY COMPANY s. r. o.	Czech Republic	75.87%	92.26%
EMH South, s.r.o.	Czech Republic	100.00%	100.00%
Endurance Hospitality Asset S.á r.l.	Luxembourg	100.00%	100.00%
Endurance Hospitality Finance S.á r.l.	Luxembourg	100.00%	100.00%
Equator II Development sp. z o.o.	Poland	100.00%	100.00%
Equator IV Offices sp. z o.o.	Poland	97.31%	97.31%
Erlend Investments Sp. z o.o.	Poland	75.00%	76.88%
ES Bucharest Development S.R.L.	Romania	100.00%	100.00%
ES Bucharest Properties S.R.L.	Romania	100.00%	100.00%
ES Hospitality S.R.L.	Romania	100.00%	100.00%
Essence Garden Kft.	Hungary	75.87%	92.26%
Estate Grand, s.r.o.	Czech Republic	97.31%	97.31%
EUREDESIMMObilien GmbH	Austria	75.00%	76.88%
EUROCENTER d. o. o.	Croatia	-	92.26%
Eurocentrum Offices Sp. z o.o.	Poland	97.31%	97.31%
Eurocraft Cantieri Navali S.r.l.	Italy	49.00%	49.00%
Europeum Kft.	Hungary	100.00%	100.00%
EXPO BUSINESS PARK S.R.L.	Romania	75.87%	92.26%
Eye Shop Targu Jiu s.r.l.	Romania	75.00%	76.88%
Farhan, a.s.	Czech Republic	100.00%	100.00%
Farma Blíževedly, s.r.o.	Czech Republic	100.00%	100.00%
Farma Dělouš, s.r.o.	Czech Republic	100.00%	100.00%
Farma Javorská, a.s.	Czech Republic	100.00%	100.00%
Farma Krásný Les, a.s.	Czech Republic	100.00%	100.00%
Farma Liščí, s.r.o.	Czech Republic	100.00%	100.00%
Farma Ploučnice, a.s.	Czech Republic	100.00%	100.00%
Farma Poustevna, s.r.o.	Czech Republic	100.00%	100.00%
Farma Radeč, a.s.	Czech Republic	100.00%	100.00%
Farma Svítavka, s.r.o.	Czech Republic	100.00%	100.00%
Farma Valteřice, a.s.	Czech Republic	100.00%	100.00%
Farma zelená sedma, s.r.o.	Czech Republic	100.00%	100.00%
Farmy Frýdlant, a.s.	Czech Republic	100.00%	100.00%
Fawna Limited	Cyprus	75.00%	76.88%
Felicia Shopping Center Srl	Romania	100.00%	100.00%
Fenekina, a.s.	Czech Republic	100.00%	-
FL Property Development, a.s.	Czech Republic	91.17%	91.17%
FMZ Baia Mare Imobiliara s.r.l.	Romania	75.00%	76.88%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
FMZ Lublin Sp. z o.o.	Poland	75.00%	76.88%
Freccia Alata 2 S.r.l.	Italy	100.00%	100.00%
Futurum HK Shopping, s.r.o.	Czech Republic	75.87%	100.00%
FVE Dělouš, s.r.o.	Czech Republic	100.00%	-
FVE roofs & grounds, s.r.o.	Czech Republic	100.00%	-
GADWALL, Sp. z o.o.	Poland	100.00%	100.00%
GAL Development SRL	Romania	75.00%	76.88%
Galeria Zamek Sp. z o.o.	Poland	75.00%	76.88%
Galopota, a.s.	Czech Republic	80.00%	-
GALVÁNIHO 2, s. r. o.	Slovakia	75.87%	82.94%
GALVÁNIHO 4, s. r. o.	Slovakia	75.87%	82.94%
Galvániho Business Centrum, s. r. o.	Slovakia	75.87%	82.94%
GATEWAY Office Park Kft.	Hungary	75.87%	82.94%
GCA Property Development sp. z o.o.	Poland	100.00%	100.00%
GD-BREG d.o.o.	Croatia	-	76.88%
Gebauer Höfe Liegenschaften GmbH	Germany	94.74%	94.74%
Geiselbergstraße 30-32 Immobilienbewirtschaftungsgesellschaft m.b.	Austria	75.00%	76.88%
GENA NEUN Beteiligungsverwaltung GmbH	Austria	75.00%	76.88%
Gena Vier Immobilienholding GmbH	Austria	75.00%	76.88%
GENA ZEHN Immobilienholding GmbH	Austria	75.00%	76.88%
Gendana Ventures Ltd.	Cyprus	75.00%	76.88%
German Property Invest Immobilien GmbH	Austria	68.21%	82.94%
Gila Investment SRL	Romania	75.00%	76.88%
Global Trust s.r.l.	Romania	75.00%	76.88%
GORDON INVEST Kft.	Hungary	75.00%	76.88%
Grand Centar d.o.o.	Croatia	75.00%	76.88%
GSG 1. Beteiligungs GmbH	Germany	99.75%	99.75%
GSG ARMO Holding GmbH	Germany	99.75%	99.75%
GSG Asset GmbH & Co. Verwaltungs KG	Germany	99.75%	99.75%
GSG Asset Management GmbH	Germany	99.75%	99.75%
GSG BER Waßmannsdorf Eins GmbH	Germany	89.90%	89.90%
GSG BER Waßmannsdorf Zwei GmbH	Germany	89.90%	89.90%
GSG Berlin GmbH (Gewerbesiedlungs-Gesellschaft GmbH)	Germany	99.75%	99.75%
GSG Berlin Invest GmbH	Germany	94.66%	94.66%
GSG Energiemanagement GmbH	Germany	100.00%	100.00%
GSG Europa Beteiligungs GmbH	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 3. GmbH & Co. KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 4. GmbH & Co. KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 5. GmbH & Co. KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 6. GmbH & Co. KG	Germany	99.75%	99.75%
GSG Mobilien GmbH	Germany	99.75%	99.75%
GSG Solar Berlin GmbH	Germany	99.75%	99.75%
GSG Wupperstraße GmbH	Germany	99.75%	99.75%
H.S.E. Immobilienbeteiligungs GmbH	Austria	75.87%	92.26%
Hadas Management SRL	Romania	75.00%	76.88%
Harborside Immobiliara s.r.l.	Romania	75.00%	76.88%
HD Investment, s.r.o.	Czech Republic	100.00%	100.00%
HDC IMOB Investitii SRL	Romania	75.00%	76.88%
Hightech Park Kft.	Hungary	100.00%	100.00%
Hofnetz und IT Services GmbH	Germany	99.75%	99.75%
Hornopolická ekologická, s.r.o.	Czech Republic	100.00%	100.00%
Hospitality Invest Sàrl	Luxembourg	100.00%	100.00%
Hotel DUNA Beteiligungs Gesellschaft m.b.H.	Austria	75.87%	92.26%
Hotel Lucemburská, s.r.o.	Czech Republic	100.00%	100.00%
Hotel Pokrovka, org. unit	Russia	100.00%	100.00%
HOTEL U PARKU, s.r.o.	Czech Republic	91.17%	91.17%
Hraničář, a.s.	Czech Republic	100.00%	100.00%
CHB Immobilienholding GmbH	Austria	75.00%	76.88%
IE Equuleus NL B.V.	Netherlands	75.00%	76.88%
I-E-H Immoeast Holding GmbH	Austria	75.00%	76.88%
Ikaruspark GmbH	Germany	68,21%	82.94%
IMAK CEE N.V.	Netherlands	-	76.88%
IMBEA Immoeast Beteiligungsverwaltung GmbH	Austria	75.00%	76.88%
IMF Float GmbH	Germany	75.00%	76.88%
IMMOEAST Acquisition & Management GmbH	Austria	75.00%	76.88%
IMMOEAST ALLEGRO Beteiligungs GmbH	Austria	75.00%	76.88%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
Immoeast Baneasa Airport Tower srl	Romania	75.00%	76.88%
IMMOEAST Beteiligungs GmbH	Austria	75.00%	76.88%
IMMOEAST Despina I B.V.	Netherlands	75.00%	76.88%
IMMOEAST Immobilien GmbH	Austria	75.00%	76.88%
IMMOEAST Iride IV Project s.r.l.	Romania	75.00%	76.88%
IMMOEAST PRESTO Beteiligungs GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt Almansor Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt Aries Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt DESPINA Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt Equuleus Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt Omega Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt Pantheus Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Projekt Septendecimus Holding GmbH	Austria	75.00%	76.88%
IMMOEAST Silesia Holding Ltd.	Cyprus	75.00%	76.88%
IMMOFINANZ AG	Austria	57.66%	59.11%
IMMOFINANZ ArtemiSIMMObilien Vermietung GmbH	Austria	75.00%	76.88%
Immofinanz Deutschland GmbH	Germany	75.00%	76.88%
IMMOFINANZ Enodia Realitäten Vermietungs GmbH	Austria	75.00%	76.88%
IMMOFINANZ Float GmbH & Co. KG	Germany	75.00%	76.88%
IMMOFINANZ Float Verwaltungs GmbH	Germany	75.00%	76.88%
IMMOFINANZ Friesenquartier GmbH	Germany	69,52%	71.27%
IMMOFINANZ Friesenquartier II GmbH	Germany	75.00%	76.88%
Immofinanz Gamma Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	Austria	75.00%	76.88%
IMMOFINANZ Immobilien Vermietungs-Gesellschaft m.b.H.	Austria	75.00%	76.88%
IMMOFINANZ LAMBDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	Austria	-	76.88%
Immofinanz Medienhafen GmbH	Germany	75.00%	76.88%
IMMOFINANZ MONTAIGNE Liegenschaftsvermietungs GmbH	Austria	75.00%	76.88%
Immofinanz Polska Sp. z o.o.	Poland	75.00%	76.88%
Immofinanz Services and Management d.o.o.	Croatia	75.00%	76.88%
IMMOFINANZ Services Czech Republic, s.r.o.	Czech Republic	75.00%	76.88%
Immofinanz Services d.o.o. Beograd-Novi Beograd	Serbia	75.00%	76.88%
IMMOFINANZ Services Hungary Kft.	Hungary	75.00%	76.88%
Immofinanz Services Poland Sp. z o.o.	Poland	75.00%	76.88%
IMMOFINANZ Services Romania s.r.l.	Romania	75.00%	76.88%
IMMOFINANZ Services Slovak Republic, s.r.o.	Slovakia	75.00%	76.88%
ImmoPoland Sp. z o.o.	Poland	75.00%	76.88%
IMMOWEST Beteiligungs GmbH	Austria	75.00%	76.88%
IMMOWEST IMMOBILIEN ANLAGEN GMBH	Austria	75.00%	76.88%
Industrial Park Střibro, s.r.o.	Czech Republic	97.31%	97.31%
IPD – International Property Development, s. r. o.	Slovakia	51.00%	47.05%
Irascib Holdings Ltd.	Cyprus	75.00%	76.88%
IRIDE S.A.	Romania	75.00%	76.88%
IS Nyír Kft.	Hungary	100.00%	100.00%
IS Zala Kft.	Hungary	100.00%	100.00%
Isalotta GP GmbH & Co. Verwaltungs KG	Germany	94.99%	94.99%
Istituto Immobiliare Di Catania S.P.A.	Italy	93.00%	93.00%
ISTITUTO PER L'EDILIZIA POP. DI SAN BERILLO S.R.L.	Italy	92.99%	92.99%
JAGRA spol., s.r.o.	Czech Republic	100.00%	100.00%
Janáčkovo náměstí 15, s.r.o.	Czech Republic	100.00%	100.00%
Janovická farma, a.s.	Czech Republic	100.00%	100.00%
JAVO IMOBILIARE S.R.L.	Romania	75.00%	-
Jetřichovice Property, a.s.	Czech Republic	91.17%	91.17%
Jihovýchodní Město, a.s.	Czech Republic	97.31%	97.31%
Jizerská farma, s.r.o.	Czech Republic	100.00%	100.00%
Kamosota, a.s.	Czech Republic	-	100.00%
Kerina, a.s.	Czech Republic	100.00%	100.00%
KOENIG Shopping, s.r.o.	Czech Republic	100.00%	100.00%
Komárno Property Development, a.s.	Slovakia	75.00%	76.88%
Kosmonosy Investments, s.r.o.	Czech Republic	100.00%	100.00%
Kunratická farma, s.r.o.	Czech Republic	100.00%	100.00%
Labská Property, s.r.o.	Czech Republic	100.00%	100.00%
Lagerman Properties Limited	Cyprus	75.00%	76.88%
Land Properties, a.s.	Czech Republic	97.31%	97.31%
Larius International SRL	Romania	75.00%	76.88%
LD Praha, a.s.	Czech Republic	100.00%	100.00%
Le Regina Warsaw Sp. z o.o.	Poland	100.00%	100.00%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
LERIEGOS LIMITED	Cyprus	100.00%	100.00%
LES MAS DU FIGUIER	France	97.31%	97.31%
LES TROIS DILAIS	France	99.90%	99.90%
Levice Property Development, a.s.	Slovakia	75.00%	76.88%
Limagro, s.r.o.	Czech Republic	100.00%	100.00%
Lipovská ekologická, s.r.o.	Czech Republic	100.00%	100.00%
Lockhart, a.s.	Czech Republic	100.00%	100.00%
Lucemburská 46, a.s.	Czech Republic	75.87%	100.00%
Lützw-Center GmbH	Germany	62.89%	82.94%
Maalkaf BV	Netherlands	-	76.88%
Mackworth Properties Limited	United Kingdom	100.00%	-
Maior Domus Hausverwaltungs GmbH	Germany	68.21%	82.94%
Marchesina S.a.r.l.	Italy	100.00%	100.00%
Marissa Omikrón, a.s.	Czech Republic	75.00%	100.00%
Marissa Tau, a.s.	Czech Republic	100.00%	100.00%
Marissa Théta, a.s.	Czech Republic	100.00%	100.00%
Marissa West, a.s.	Czech Republic	100.00%	100.00%
Marcano, a.s.	Czech Republic	80.00%	-
Marki Real Estate Sp. z o.o.	Poland	97.31%	97.31%
Markt Carree Halle Immobilien GmbH	Germany	68.20%	82.94%
Maros utca Kft.	Hungary	75.87%	92.26%
MARRETIM s.r.o.	Czech Republic	100.00%	100.00%
Mařenická farma, a.s.	Czech Republic	100.00%	100.00%
MBP I Sp. z o.o.	Poland	75.87%	76.88%
Megalotonia, s.r.o.	Czech Republic	100.00%	100.00%
Merav Development SRL	Romania	75.00%	76.88%
Merav Finance BV	Netherlands	75.00%	76.88%
Mercuda, a.s.	Czech Republic	100.00%	100.00%
Metropol Consult SRL	Romania	75.87%	76.88%
MH Bucharest Properties S.R.L.	Romania	88.00%	88.00%
Michalovce Property Development, a.s.	Slovakia	75.00%	76.88%
Millennium S.r.l.	Italy	100.00%	100.00%
Mimoňská farma, s.r.o.	Czech Republic	100.00%	100.00%
MMR Russia S.à r.l	Luxembourg	100.00%	100.00%
Moniuszki Office Sp. z o.o.	Poland	100.00%	100.00%
Monorom Construct SRL	Romania	75.00%	76.88%
MQM Czech, a.s.	Czech Republic	99.26%	99.26%
MUXUM, a.s.	Czech Republic	100.00%	100.00%
myhive offices Hungary Kft.	Hungary	75.00%	76.88%
myhive offices sp. z o.o.	Poland	-	76.88%
myhive offices SRL	Romania	75.00%	76.88%
Na Poříčí, a.s.	Czech Republic	100.00%	100.00%
Nagymező Kft.	Hungary	75.87%	92.26%
Nergal Immobilienverwertungs GmbH	Austria	68.21%	82.94%
Nergal Immobilienverwertungs GmbH E58 & Co KG	Austria	68.21%	-
Nergal Immobilienverwertungs GmbH F3 & Co KG	Austria	68.21%	-
Nergal Immobilienverwertungs GmbH M3 & Co KG	Austria	68.21%	-
Neutorgasse 2-8 Projektverwertungs GmbH	Austria	75.87%	92.26%
New Age Kft.	Hungary	100.00%	100.00%
NEXT RE SIQ S.p.A.	Italy	87.06%	87.06%
Nidorino, s.r.o.	Czech Republic	100.00%	-
Nimbus Real Sp. z o.o.	Poland	75.87%	76.88%
Norden Maritime Services Limited	Cyprus	75.87%	76.88%
Norden Maritime SRL	Romania	75.00%	76.88%
Notosoaria, s.r.o.	Czech Republic	-	100.00%
NOVÁ ZBROJOVKA, s.r.o.	Czech Republic	97.31%	97.31%
NP Investments a.s.	Czech Republic	75.00%	76.88%
NUKASSO HOLDINGS LIMITED	Cyprus	100.00%	100.00%
Nupaky, a.s.	Czech Republic	97.31%	97.31%
Nusku Beteiligungsverwaltungs GmbH	Austria	75.87%	92.26%
Nymburk Property Development, a.s.	Czech Republic	100.00%	100.00%
OC Spektrum, s.r.o.	Czech Republic	75.00%	76.88%
OIY Czech, s.r.o.	Czech Republic	75.00%	76.88%
CPI Oktáva, s.r.o.	Czech Republic	100.00%	-
Olomouc Building, a.s.	Czech Republic	100.00%	100.00%
One Crans-Montana SA	Switzerland	99.70%	99.70%
Orco Pokrovka Management o.o.o.	Russia	100.00%	100.00%
Orchard Hotel, a.s.	Czech Republic	100.00%	100.00%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
Outlet Arena Moravia, s.r.o.	Czech Republic	100.00%	100.00%
Oxford Tower sp. z o.o.	Poland	100.00%	100.00%
OZ Trmice, a.s.	Czech Republic	100.00%	100.00%
Ozrics, Kft.	Hungary	100.00%	100.00%
Palmovka Offices s.r.o.	Czech Republic	75.00%	76.88%
Parco delle Acacie Due S.p.A	Italy	100.00%	100.00%
Parco delle Case Bianche SRL	Italy	100.00%	100.00%
Parsec 6 S.p.A.	Italy	100.00%	100.00%
Pastviny, a.s.	Czech Republic	100.00%	100.00%
PBC Liegenschaftshandelsgesellschaft m.b.H.	Austria	-	76.88%
PCC-Hotelerrichtungs-und Betriebsgesellschaft m.b.H.	Austria	75.87%	92.26%
PCC-Hotelerrichtungs-und Betriebsgesellschaft m.b.H. & Co. KG	Austria	68.16%	82.89%
Peabody Lamaro Roma S.r.l.	Italy	100.00%	100.00%
Perlagonia 1 Holding GmbH	Austria	75.00%	76.88%
Pietroni, s.r.o.	Czech Republic	97.31%	97.31%
Pihelská farma, s.r.o.	Czech Republic	100.00%	100.00%
Pinsrot, s.r.o.	Czech Republic	100.00%	-
Platnéřská 10, s.r.o.	Czech Republic	100.00%	100.00%
Polus a.s.	Slovakia	75.00%	76.88%
Pólus Shopping Center Zrt.	Hungary	100.00%	100.00%
Polus Társasház Üzemeltető Kft.	Hungary	100.00%	100.00%
Polus Transilvania Comanie de Investitii S.A.	Romania	75.00%	76.88%
Polygon BC, a.s.	Czech Republic	99.26%	99.26%
Považská Bystrica Property Development, a.s.	Slovakia	75.00%	76.88%
Prelude 2000 SRL	Romania	75.00%	76.88%
Prievdza Property Development, a.s.	Slovakia	75.00%	76.88%
Prinz-Eugen-Straße Liegenschaftsvermietungs GmbH	Austria	75.00%	76.88%
Pro Tower Development S.R.L.	Romania	100.00%	100.00%
PROJECT FIRST, a.s.	Czech Republic	-	91.17%
Projekt Nisa, s.r.o.	Czech Republic	100.00%	100.00%
Projekt Zlatý Anděl, s.r.o.	Czech Republic	-	100.00%
Prosta 69 Sp. z o.o.	Poland	100.00%	100.00%
Prostějov Investments, a.s.	Czech Republic	100.00%	100.00%
PTR PRIME TOURIST RE SORTS (CYPRUS) LIMITED	Cyprus	100.00%	100.00%
PV - Cvikov, s.r.o.	Czech Republic	100.00%	100.00%
QBC Gamma SP Immanagement GmbH in Liqu.	Austria	-	82.94%
QBC Management und Beteiligungen GmbH	Austria	26.55%	82.73%
QBC Management und Beteiligungen GmbH & Co KG	Austria	26.55%	82.94%
Radom Property Development sp. z o.o.	Poland	75.00%	76.88%
Ranchmatt SA	Switzerland	100.00%	100.00%
Real Estate Energy Kft.	Hungary	100.00%	100.00%
Real Habitation s.r.l.	Romania	75.00%	76.88%
REGA Property Invest s. r. o.	Czech Republic	75.87%	78.71%
Rembertów Property Development sp. z o.o.	Poland	75.00%	76.88%
Remontées Mécaniques Crans Montana Aminona (CMA) SA	Switzerland	83.42%	83.42%
Residence Belgická, s.r.o.	Czech Republic	100.00%	100.00%
Residence Izabella, Zrt.	Hungary	100.00%	100.00%
Retail Park Four d.o.o. Beograd	Serbia	75.00%	76.88%
Rezidence Jančova, s.r.o.	Czech Republic	100.00%	100.00%
Rezidence Kunratic, s.r.o.	Czech Republic	97.31%	97.31%
Rezidence Malkovského, s.r.o.	Czech Republic	100.00%	100.00%
Rezidence Pragovka, s.r.o.	Czech Republic	97.31%	97.31%
RISING FALCON HOLDING LIMITED	Arab Emirates	100.00%	-
Rizeros, a.s.	Czech Republic	100.00%	-
Ronit Development SRL	Romania	75.00%	76.88%
Roua Vest SRL	Romania	75.00%	76.88%
RSL Real Estate Development S.R.L.	Romania	100.00%	100.00%
Řasnická zemědělská, s.r.o.	Czech Republic	100.00%	100.00%
S IMMO AG	Austria	69.99%	92.26%
S IMMO APM Hungary Kft.	Hungary	75.87%	92.26%
S IMMO APM ROMANIA S.R.L.	Romania	75.87%	92.26%
S IMMO Berlin Finance GmbH	Germany	68.21%	82.94%
S IMMO Berlin I GmbH	Germany	68.21%	82.94%
S IMMO Berlin II GmbH	Germany	68.21%	82.94%
S IMMO Berlin III GmbH	Germany	63.43%	77.14%
S IMMO Berlin IV GmbH	Germany	-	77.14%
S IMMO Berlin V GmbH	Germany	68.21%	82.94%
S IMMO Berlin VI GmbH	Germany	68.21%	82.94%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
S IMMO Beteiligungen GmbH	Austria	75.87%	92.26%
S IMMO Croatia d.o.o.	Croatia	75.87%	92.26%
S IMMO Germany GmbH	Germany	68.21%	82.94%
S IMMO Geschäftsimmobilien GmbH	Germany	68.21%	82.94%
S IMMO Group Finance GmbH	Austria	75.87%	92.26%
S IMMO Immobilien Investitions GmbH	Austria	68.21%	82.94%
S IMMO Property Acht GmbH	Austria	68.21%	82.94%
S IMMO Property Eins GmbH	Austria	68.21%	82.94%
S IMMO Property Elf GmbH	Austria	68.21%	82.94%
S IMMO Property Fünf GmbH	Austria	68.21%	82.94%
S IMMO Property Invest GmbH	Austria	75.87%	92.26%
S IMMO Property Neun GmbH	Austria	68.21%	82.94%
S IMMO Property Sechs GmbH	Austria	68.21%	82.94%
S IMMO Property Sieben GmbH	Austria	68.21%	82.94%
S IMMO Property Vier GmbH	Austria	68.21%	82.94%
S IMMO Property Zehn GmbH	Austria	68.21%	82.94%
S IMMO Property Zwölf GmbH	Austria	68.21%	82.94%
S. Maria Della Guardia S.R.L.	Italy	47.43%	47.43%
S.C. Baneasa 6981 s.r.l.	Romania	75.00%	76.88%
S.C. Brasov Imobiliara S.R.L.	Romania	75.00%	76.88%
S.C. Flash Consult Invest s.r.l.	Romania	75.00%	76.88%
S.C. IE Baneasa Project s.r.l.	Romania	75.00%	76.88%
S.C. IMMOEAST Narbal Project s.r.l.	Romania	75.00%	76.88%
S.C. Meteo Business Park s.r.l.	Romania	75.00%	76.88%
S.C. Retail Development Invest 1 s.r.l.	Romania	75.00%	76.88%
S.C. Stupul de Albine s.r.l.	Romania	75.00%	76.88%
S.C. Union Investitii S.r.l.	Romania	75.00%	76.88%
Samar S.p.A.	Italy	100.00%	100.00%
Sapir Investitii SRL	Romania	75.87%	76.88%
SASHKA LIMITED	Cyprus	100.00%	100.00%
SAVILE ROW 1 LIMITED	United Kingdom	100.00%	100.00%
Savska 32 d.o.o.	Croatia	75.87%	92.26%
SBF Development Praha spol.s r.o.	Czech Republic	75.00%	76.88%
SC Czech AHG, s.r.o.	Czech Republic	75.87%	-
SC Czech AGL, s.r.o.	Czech Republic	75.00%	-
SCI MAS CANTAGRELI	France	100.00%	100.00%
SCP AILEY	Monaco	100.00%	100.00%
SCP CISKEY	Monaco	100.00%	100.00%
SCP KANDLER	Monaco	-	100.00%
SCP MADRID	Monaco	100.00%	100.00%
SCP NEW BLUE BIRD	Monaco	-	100.00%
SCP PIERRE CHARRON	Monaco	100.00%	100.00%
SCP Reflets	Monaco	100.00%	100.00%
SCP VILLA DE TAHITI	Monaco	100.00%	100.00%
SCT s.r.o.	Slovakia	-	76.88%
Seattle, s.r.o.	Czech Republic	100.00%	100.00%
Sentreta, a.s.	Czech Republic	100.00%	-
Shaked Development SRL	Romania	75.00%	76.88%
SIAG Berlin Wohnimmobilien GmbH	Austria	-	82.73%
SIAG Deutschland Beteiligungs GmbH & Co. KG	Germany	68.21%	78.72%
SIAG Deutschland Beteiligungs-Verwaltungs GmbH	Germany	68.21%	82.94%
SIAG Fachmarktzentren, s. r. o.	Slovakia	75.87%	92.26%
SIAG Hotel Bratislava, s. r. o.	Slovakia	75.87%	92.26%
SIAG Leipzig Wohnimmobilien GmbH	Germany	68.04%	82.73%
SIAG Multipurpose Center, s.r.o.	Slovakia	75.87%	92.26%
SIAG Property I GmbH	Germany	68.21%	82.94%
SIAG Property II GmbH	Germany	68.21%	82.94%
SITUS Holding GmbH	Austria	75.00%	76.88%
SMART OFFICE DOROBANTI S.R.L.	Romania	75.87%	92.26%
Snagov Lake Residential SRL	Romania	75.00%	76.88%
SO Immobilienbeteiligungs GmbH	Austria	75.87%	92.26%
SOCIETATE DEZVOLTARE COMERCIAL SUDULUI (SDCS) SRL	Romania	75.87%	92.26%
S-Park Offices s.r.l.	Romania	75.00%	76.88%
SPC DELTA PROPERTY DEVELOPMENT COMPANY SRL	Romania	75.87%	92.26%
SPC SIGMA PROPERTY DEVELOPMENT COMPANY SRL	Romania	75.87%	92.26%
Spojené elektrárny, s.r.o.	Czech Republic	100.00%	100.00%
Spojené farmy, a.s.	Czech Republic	100.00%	100.00%
ST Project Limited	Guernsey	100.00%	100.00%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
Statek Blatiny, s.r.o.	Czech Republic	100.00%	100.00%
Statek Kravaře, a.s.	Czech Republic	100.00%	100.00%
Statek Mikulášovice, s.r.o.	Czech Republic	100.00%	100.00%
Statek Petrovice, s.r.o.	Czech Republic	100.00%	100.00%
Statenice Property Development, a.s.	Czech Republic	100.00%	100.00%
Stogetic, a.s.	Czech Republic	80.00%	-
Stop Shop d.o.o.	Croatia	75.00%	76.88%
STOP SHOP Development d.o.o.	Croatia	75.00%	76.88%
Stop Shop Holding GmbH	Austria	75.00%	76.88%
Stop Shop Italia S.R.L.	Italy	75.00%	76.88%
Stop Shop Poland Sp.z o.o.	Poland	75.00%	76.88%
STOP SHOP RO RETAIL ONE SRL	Romania	75.00%	76.88%
STOP SHOP SERBIA d.o.o.	Serbia	75.00%	76.88%
STOP.SHOP. CZ s.r.o.	Czech Republic	75.00%	76.88%
STOP.SHOP. Slovakia s.r.o.	Slovakia	75.00%	76.88%
Strakonice Property Development, a.s.	Czech Republic	97.31%	97.31%
STRM Alfa, a.s.	Czech Republic	99.26%	99.26%
STRM Beta, a.s.	Czech Republic	97.31%	97.31%
STRM Gama, a.s.	Czech Republic	97.31%	97.31%
Sunčani Hvar d.d.	Croatia	100.00%	100.00%
Sunčani Hvar Real Estate d.d.o.	Croatia	100.00%	100.00%
Šenovská zemědělská, s.r.o.	Czech Republic	100.00%	100.00%
Tachov Investments, s.r.o.	Czech Republic	100.00%	100.00%
Talent Ágazati Képzőközpont Nonprofit Kft.	Hungary	15.17%	18.45%
Tamar Imob Investitii SRL	Romania	75.00%	76.88%
Tarnów Property Development sp. z o.o.	Poland	75.00%	76.88%
Telč Property Development, a.s.	Czech Republic	91.17%	91.17%
Tepelné hospodářství Litvínov, s.r.o.	Czech Republic	100.00%	100.00%
Termaton Enterprises Limited	Cyprus	75.00%	76.88%
Terminal Nord S.r.l.	Italy	-	76.88%
Tlustecká zemědělská, s.r.o.	Czech Republic	100.00%	100.00%
TMM s.r.o.	Czech Republic	67.20%	-
Tölz Immobilien GmbH	Germany	68.03%	82.73%
Topaz Development SRL	Romania	75.00%	76.88%
TOTO CZ a.s.	Czech Republic	67.20%	-
Tower-Service sp.z o.o.	Poland	50.30%	50.30%
Třebíšov Property Development, s. r. o.	Slovakia	75.00%	76.88%
Tretarta, a.s.	Czech Republic	100.00%	-
Tripont Invest s.r.l.	Romania	75.00%	76.88%
Třinec Property Development, a.s.	Czech Republic	-	100.00%
Turf Holding, a.s.	Czech Republic	74.88%	-
Turf Praha, a.s.	Czech Republic	67.20%	-
TUTUS PROJEKT d.o.o.	Croatia	-	76.88%
Tyršova 6, a.s.	Czech Republic	100.00%	100.00%
U Svatého Michala, a.s.	Czech Republic	-	100.00%
Uchaux Limited	United Kingdom	100.00%	100.00%
V Team Prague, s.r.o.	Czech Republic	100.00%	100.00%
Váci 113 Offices B Hungary Kft.	Hungary	75.87%	92.26%
Valdovská zemědělská, a.s.	Czech Republic	100.00%	100.00%
Valkeřícká ekologická, a.s.	Czech Republic	100.00%	100.00%
VCG Immobilienbesitz GmbH	Austria	75.00%	76.88%
Venonata, s.r.o.	Czech Republic	100.00%	-
Ventilatorul Real Estate SRL	Romania	75.00%	76.88%
Verneřický Angus, a.s.	Czech Republic	100.00%	100.00%
Vicovaro R.E. S.r.l.	Italy	100.00%	100.00%
VICTORIEI BUSINESS PLAZZA SRL	Romania	75.87%	92.26%
Vigano, a.s.	Czech Republic	100.00%	100.00%
Vision Fund	Italy	99.50%	99.50%
Vitrustr Ltd.	Cyprus	75.00%	76.88%
VIVO! Poland Sp. z o.o.	Poland	75.00%	76.88%
VOLANTI LIMITED	Cyprus	100.00%	100.00%
Vulcanion, a.s.	Czech Republic	100.00%	100.00%
Vulpixo, s.r.o.	Czech Republic	100.00%	-
Vysočany Office, a.s.	Czech Republic	99.26%	99.26%
Warsaw Spire Tower Sp. z o.o.	Poland	75.00%	76.88%
WASHINGTON PROJEKT EOOD	Bulgaria	-	92.26%
WFC Investments sp. z o.o.	Poland	97.31%	97.31%
WXZ1 a.s.	Czech Republic	100.00%	100.00%

Fully consolidated subsidiaries	Country	31 December 2023	31 December 2022
Zagrebtower d.o.o.	Croatia	75.87%	92.26%
Zákupská farma, s.r.o.	Czech Republic	100.00%	100.00%
Zamość Property Development sp. z o.o.	Poland	75.00%	76.88%
Zamość Sadowa Property Development sp. z o.o.	Poland	75.00%	76.88%
Zdislavská zemědělská, s.r.o.	Czech Republic	100.00%	100.00%
Zelená farma, s.r.o.	Czech Republic	100.00%	100.00%
Zelená louka, s.r.o.	Czech Republic	100.00%	100.00%
Zelená pastva, s.r.o.	Czech Republic	100.00%	100.00%
ZEMSPOL, s.r.o.	Czech Republic	100.00%	100.00%
Zerodix Sàrl	Switzerland	99.70%	99.70%
ZET.office, a.s.	Czech Republic	-	100.00%
Zgorzelec Property Development sp. z o.o.	Poland	75.00%	76.88%
ZLATICO LIMITED	Cyprus	100.00%	100.00%
Žíznikovská farma, s.r.o.	Czech Republic	100.00%	100.00%



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Independent auditor's report

To the Shareholders of
CPI Property Group S.A.
40, rue de la Vallée
L-2661 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of CPI Property Group S.A. (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Valuation of investment property and property, plant and equipment

Description

The Group owns a portfolio of investment properties comprising residential, office and retail type of properties located mainly in Europe. Investment property represents the single largest class of assets on the consolidated statement of financial position, representing 78.7% of the total assets of the Group as at 31 December 2023. In addition, the Group operates hotels classified within property, plant and equipment representing 3.6% of the total assets of the Group as at 31 December 2023. Investment properties are valued at fair value and hotels, representing major part of the property, plant and equipment are stated at revalued amounts, in accordance with the Group accounting policies.

Valuation of the investment property and property, plant and equipment is a significant judgemental area and is underpinned by a number of factual inputs and assumptions. The valuation is inherently subjective due to, among other factors, the individual nature of each property, the location and the expected cash flows generated by future rentals for investment property or expected EBITDA (earnings before interest, tax, depreciation and amortisation) generated by hotel operations for property, plant and equipment. The Board of Directors engaged independent external valuers to value 99% of the Group's investment property and property, plant and equipment (hereafter the "Valuers").

In determining a property's valuation, the Valuers take into account property specific characteristics and information such as the correct tenancy agreements and rental income. They apply assumptions for yields and estimated market rent, which are influenced by prevailing market yields and comparable market transactions, to come up with their assessment of the fair value.

Due to the above mentioned matters, we consider valuation of investment property and property, plant and equipment as a key audit matter.

Auditors' response

Our audit procedures over the valuation of investment property and property, plant and equipment included, but were not limited to, the following:

- We evaluated the competence, capabilities and objectivity of the valuers and read the terms of engagement of the valuers to determine whether there were any matters that might have affected their objectivity or limit the scope of their work.
- For a sample of the valuations across all asset classes of investment properties, geographical locations and external valuers, we traced the inputs used in the valuation process including rents and occupancy rates.
- For a sample of hotel properties, we traced the key inputs used in the valuation models including capex investments and EBITDA.
- In particular, we assessed whether the applied valuation methods are appropriate for the purpose of the valuation of the underlying investment property and property, plant and equipment.
- For a sample of properties we performed site visits to ensure existence and physical condition of properties.
- We also involved our own real estate valuation specialists to assist us in evaluating the reasonableness of the assumptions used in valuation models including yields, estimated market rent, discount rates and price per room per night for the sample of investment properties and hotels.
- We evaluated any caveats or limitations, if any, included in the Valuers' reports.

- We assessed the adequacy of the disclosures in the consolidated financial statements.

b) Contingencies and litigations

Description

In December 2022, a case was filed against the Company and some of its direct and indirect subsidiaries by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them, in District Court of Nicosia, Republic of Cyprus (referred to as “Cyprus case”). The details and current status of this and other cases are disclosed in note 8 of the consolidated financial statements.

This area is significant to our audit, since the accounting and disclosure for contingent liabilities is complex and judgmental (due to the complexity of predicting the outcome of the matter and assessing the potential impact on the consolidated financial statements if the outcome is unfavourable), and the amounts involved are, or can be, material to the consolidated financial statements as a whole.

This matter was considered a key matter in our audit, since the aforementioned prediction and estimates are complex and require significant judgements by management of the Group.

Auditors' response

Our audit procedures over the contingencies and litigations included, but were not limited to, the following:

- We obtained an understanding of and assessed the Group's internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.
- We sent confirmation letters to, and obtained responses from the lawyers and legal advisors used by the Group as part of our audit procedures, and in our analysis we paid particular attention to the matters relating to the most significant court proceedings in progress.
- We obtained the summary of the significant legal cases from the in-house Group's legal counsel and compared the assessment of the Group's legal counsel with the information provided by the external Group's legal advisors. We made inquiries to the Group legal counsel to understand the actions taken to manage these legal cases and also discussed such actions with management.
- We held discussions with Group's external lawyers and legal advisors, where necessary, in order to confirm our understanding of the obtained responses to our confirmation requests sent.
- We reviewed the minutes of the meetings of Board of Directors, Audit Committee and General Shareholders' Meetings.
- We involved our internal legal specialists for the purpose of analysing the responses from external legal advisors and assessing reasonableness of the conclusions reached by the Board of Directors on Cyprus case considering the various factors on which these conclusions were based.
- We assessed the completeness and adequacy of disclosures required in respect of the Contingencies and litigations in the notes to the consolidated financial statements pursuant to the relevant accounting and financial reporting standards.

c) Related party transactions, balances and disclosures

Description

As disclosed in Notes 10, 3.2, 3.3 and 3.7.1, the Group undertakes number of related party transactions including transactions with the entities owned by the majority shareholder of the Company. These transactions are mainly represented by the granting of loans to and the acquisition or transfer of assets from entities controlled by the majority shareholder outside the Group's structure. There is a risk that these transactions are not at arm's length basis, not properly identified as related party by the management or not appropriately disclosed in the financial statements of the Group as per the requirements of IAS 24 "Related Parties". The majority of these transfer or acquisition of assets are supported by external valuation reports to ensure those transfer or acquisition of assets occur at arm's length basis.

Due to the above-mentioned reasons, we consider related party transactions, balances, and disclosures as a key audit matter.

Auditors' response

- We obtained an understanding of the Group's policies and procedures in respect of capturing related party transactions, how management ensures all transactions are carried at arm's length and how the management of the Group avoids conflict of interest before entering into transactions with related parties.
- We obtained list of related parties from the management to ensure all material transactions with related parties have been captured.
- We read the loan and other related agreements between the Company and the entities owned by the majority shareholder to understand the contractual terms, parties involved and discussed with the management the purpose of these loans provided.
- We obtained and reviewed recoverability assessment prepared by the management in relation to loans provided.
- For assets acquired or transferred during the year from the entities owned by the majority shareholder of the Company we have ensured that the value of the acquisition or transfer of assets are supported by external valuation reports which were reviewed by us on a sample basis.
- We ensured that loans provided and assets acquired or transferred from the entities owned by the majority shareholder of the Company were approved by the Board of Directors of the Company.
- We agreed the amounts of transactions and balances with related parties disclosed in the financial statement to underlying documentation.
- We evaluated the completeness of the disclosures based on the requirements of IAS 24 "Related Parties".

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report and the corporate governance statement but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended (“ESEF Regulation”).

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 3 October 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the consolidated management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2023 identified as CPI_PROPERTY_GROUP_20240328.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Jesus Orozco

Luxembourg, 28 March 2024

CPI Property Group

Société Anonyme

R.C.S. Luxembourg B 102.254

ANNUAL ACCOUNTS AND REPORT
OF THE REVISEUR D'ENTREPRISES AGREE

31 DECEMBER 2023

40, rue de la Vallée
L-2661 Luxembourg
Share capital: EUR 870,485,026
R.C.S. Luxembourg B 102.254

TABLE OF CONTENTS

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

ANNUAL ACCOUNTS

Notes to the annual accounts

Independent auditor's report

To the Shareholders of
CPI Property Group S.A.
40, rue de la Vallée
L-2661 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CPI Property Group S.A. (the "Company"), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Contingencies and litigations

Description

In December 2022, a case was filed against the Company and some of its direct and indirect subsidiaries by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them, in District Court of Nicosia, Republic of Cyprus (referred to as “Cyprus case”). The details and current status of this and other cases are disclosed in note 24 of the financial statements.

This area is significant to our audit, since the accounting and disclosure for contingent liabilities is complex and judgmental (due to the complexity of predicting the outcome of the matter and assessing the potential impact on the financial statements if the outcome is unfavourable), and the amounts involved are, or can be, material to the financial statements as a whole.

This matter was considered a key matter in our audit, since the aforementioned prediction and estimates are complex and require significant judgements by management of the Company.

Auditors' response

Our audit procedures over the contingencies and litigations included, but were not limited to, the following:

- We obtained an understanding of and assessed the Company's internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.
- We sent confirmation letters to, and obtained responses from, the lawyers and legal advisors used by the Company as part of our audit procedures. In our analysis we paid particular attention to the matters relating to the most significant court proceedings in progress.
- We have obtained the summary of the significant legal cases from the in-house Company's legal counsel and compared the assessment of the Company's legal counsel with the information provided by the external Company's legal advisors. We made inquiries to the Company legal counsel to understand the actions taken to manage these legal cases and also discussed such actions with management.
- We held discussions with Company's external lawyers and legal advisors, where necessary, in order to confirm our understanding of the obtained responses to our confirmation requests sent.
- We have reviewed the minutes of the meetings Board of Directors, Audit Committee and General Shareholders' Meetings.
- We involved our internal legal specialists for the purpose of analysing the responses from external legal advisors and assessing reasonableness of the conclusions reached by the Board of Directors on Cyprus case considering the various factors on which these conclusions were based.
- We assessed the completeness and adequacy of disclosures required in respect of the Contingencies and litigations in the notes to the financial statements pursuant to the relevant accounting and financial reporting standards.

b) Valuation of financial assets (shares in affiliated undertakings and loans to affiliated undertakings)

Description

Financial assets represent 94% of the total assets of the Company as at 31 December 2023.

The assessment of the valuation of financial assets requires significant judgement applied by the management in assessing the recovery value of the financial assets and the permanent nature of a potential impairment.

This matter was considered to be a key matter in our audit, since the aforementioned estimates are complex and require significant judgements by management of the Company.

Auditors response

Our audit procedures over the valuation of financial assets included, but were not limited to, the following:

- Ensured existence, initial cost of investment and ownership of the investments through inspection of acquisition agreements and commercial registers of the underlying investees.
- Understood the process of financial assets valuation and management's impairment assessment and evaluated the appropriateness of the application of the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.
- Tested the arithmetical accuracy of the management's impairment test based on comparison with the net equity of the underlying investees and assessed the conclusions reached by the management in respect of recognized impairment and/or reversal of historical impairment.
- Tested the accuracy and completeness of the provided loan database, on a representative sample basis, by tracing the loan terms to the underlying loan agreements, the repayments of principal and interest to the bank statements and the outstanding loan and accrued interest balances to the counterparties.
- Performed recalculation of the interest on loans to affiliated undertaking based on known data.
- Reviewed and ensured the completeness of the financial statements' disclosures.

c) Related parties transactions, balances and disclosures

Description

As disclosed in Notes 3.1, 4.2, 10.1, 10.2, 13, 14, and 26, the Company undertakes number of related party transactions including transactions with the entities owned by the majority shareholder of the Company. These transactions are mainly represented by the granting of loans to and the acquisition or transfer of assets from entities controlled by the majority shareholder outside the Group's structure. There is a risk that these transactions are not at arm's length basis, not properly identified as related party by the management or not appropriately disclosed in the financial statements of the Company. The majority of these transfer or acquisition of assets are supported by external valuation reports to ensure those transfer or acquisition of assets occur at arm's length basis.



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working world**

Auditors response

- We obtained an understanding of the Company's policies and procedures in respect of capturing related party transactions, how management ensures all transactions are carried at arm's length and how the management of the Company avoids conflict of interest before entering into transactions with related parties.
- We obtained list of related parties from the management to ensure all material transactions with related parties have been captured.
- We read the loan and other related agreements between the Company and the entities owned by the majority shareholder to understand the contractual terms, parties involved and discussed with the management the purpose of these loans provided.
- We obtained and reviewed recoverability assessment prepared by the management in relation to loans provided.
- For assets acquired or transferred during the year from the entities owned by the majority shareholder of the Company we have ensured that the value of the acquisition or transfer of assets are supported by external valuation reports which were reviewed by us on a sample basis.
- We ensured that loans provided and assets acquired or transferred from the entities owned by the majority shareholder of the Company were approved by the Board of Directors of the Company.
- We agreed the amounts of transactions and balances with related parties disclosed in the financial statement to underlying documentation.
- We evaluated the appropriateness of the disclosures in the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report and the corporate governance statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").



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In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 3 October 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to:

- Financial statements prepared in valid xHTML format;

In our opinion, the financial statements of the Company as at 31 December 2023, identified as CIPG_31_12_2023_AFR, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.



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We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Jesus Orozco', is written over a diagonal blue line that extends from the bottom left towards the top right.

Jesus Orozco

Luxembourg, 28 March 2024

A member firm of Ernst & Young Global Limited

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RCSL Nr. : B102254

Matricule : 2004 2214 745

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2023 **to** ⁰² 31/12/2023 (in ⁰³ EUR)

CPI PROPERTY GROUP

40, rue de la Vallée
L-2661 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____ Note 3	109 10.868.626.167,00	110 11.341.456.547,00
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B102254

Matricule : 2004 2214 745

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135 Note 3	135 10.868.626.167,00	136 11.341.456.547,00
1. Shares in affiliated undertakings	1137 Note 3.1	137 6.145.305.993,00	138 6.181.801.319,00
2. Loans to affiliated undertakings	1139 Note 3.2	139 4.355.073.878,00	140 4.766.334.720,00
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145 Note 3.3	145 232.033.080,00	146 214.661.037,00
6. Other loans	1147 Note 3.4	147 136.213.216,00	148 178.659.471,00
D. Current assets	1151 Note 4	151 604.307.130,00	152 623.195.341,00
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163 498.535.843,00	164 336.166.171,00
1. Trade debtors	1165	165 209.314,00	166 73.149,00
a) becoming due and payable within one year	1167	167 209.314,00	168 73.149,00
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 479.080.098,00	172 332.647.026,00
a) becoming due and payable within one year	1173 Note 4.1	173 473.561.238,00	174 328.547.446,00
b) becoming due and payable after more than one year	1175 Note 4.2	175 5.518.860,00	176 4.099.580,00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 19.246.431,00	184 3.445.996,00
a) becoming due and payable within one year	1185 Note 4.3	185 19.246.431,00	186 3.445.996,00
b) becoming due and payable after more than one year	1187	187	188

RCSL Nr. : B102254

Matricule : 2004 2214 745

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>79.525.200,00</u>	190 <u>190.340.582,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 <u>Note 5</u>	209 <u>79.525.200,00</u>	210 <u>190.340.582,00</u>
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>26.246.087,00</u>	198 <u>96.688.588,00</u>
E. Prepayments	1199 <u>Note 6</u>	199 <u>77.658.230,00</u>	200 <u>113.649.945,00</u>
TOTAL (ASSETS)		201 <u>11.550.591.527,00</u>	202 <u>12.078.301.833,00</u>

RCSL Nr. : B102254

Matricule : 2004 2214 745

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>Note 7</u>	301 <u>1.254.366.841,00</u>	302 <u>1.633.040.068,00</u>
I. Subscribed capital	1303 _____	303 <u>870.485.026,00</u>	304 <u>890.291.530,00</u>
II. Share premium account	1305 _____	305 <u>606.991.345,00</u>	306 <u>777.525.423,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>59.440.571,00</u>	310 <u>59.440.571,00</u>
1. Legal reserve	1311 _____	311 <u>59.440.571,00</u>	312 <u>59.440.571,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>-94.217.456,00</u>	320 <u>51.541.628,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-188.332.645,00</u>	322 <u>-145.759.084,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions			
	1331 _____	331 _____	332 <u>14.119.305,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 <u>14.119.305,00</u>
C. Creditors			
	1435 _____	435 <u>10.288.430.196,00</u>	436 <u>10.421.647.354,00</u>
1. Debenture loans	1437 _____	437 <u>5.268.615.852,00</u>	438 <u>5.773.639.149,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 <u>Note 8</u>	445 <u>5.268.615.852,00</u>	446 <u>5.773.639.149,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>121.170.733,00</u>	448 <u>229.816.154,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>5.147.445.119,00</u>	450 <u>5.543.822.995,00</u>
2. Amounts owed to credit institutions	1355 <u>Note 9</u>	355 <u>1.448.427.651,00</u>	356 <u>1.952.636.207,00</u>
a) becoming due and payable within one year	1357 _____	357 <u>7.427.651,00</u>	358 <u>4.236.207,00</u>
b) becoming due and payable after more than one year	1359 _____	359 <u>1.441.000.000,00</u>	360 <u>1.948.400.000,00</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B102254

Matricule : 2004 2214 745

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>1.611.176,00</u>	368 <u>2.248.929,00</u>
a) becoming due and payable within one year	1369 _____	369 <u>1.611.176,00</u>	370 <u>2.248.929,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____ <u>Note 10</u>	379 <u>3.567.936.316,00</u>	380 <u>2.692.336.819,00</u>
a) becoming due and payable within one year	1381 _____ <u>Note 10.1</u>	381 <u>924.286.024,00</u>	382 <u>131.079.367,00</u>
b) becoming due and payable after more than one year	1383 _____ <u>Note 10.2</u>	383 <u>2.643.650.292,00</u>	384 <u>2.561.257.452,00</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____ <u>Note 11</u>	451 <u>1.839.201,00</u>	452 <u>786.250,00</u>
a) Tax authorities	1393 _____	393 <u>269.556,00</u>	394 <u>1.162,00</u>
b) Social security authorities	1395 _____	395 <u>32.201,00</u>	396 <u>10.992,00</u>
c) Other creditors	1397 _____	397 <u>1.537.444,00</u>	398 <u>774.096,00</u>
i) becoming due and payable within one year	1399 _____	399 <u>1.537.444,00</u>	400 <u>774.096,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____ <u>Note 12</u>	403 <u>7.794.490,00</u>	404 <u>9.495.106,00</u>
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405 _____	<u>11.550.591.527,00</u>	<u>12.078.301.833,00</u>

Annual Accounts Helpdesk :

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RCSL Nr. : B102254

Matricule : 2004 2214 745

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2023 **to** ⁰² 31/12/2023 (in ⁰³ EUR)

CPI PROPERTY GROUP

40, rue de la Vallée
L-2661 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____ Note 13	713 _____ 333.237,00	714 _____ 858.093,00
5. Raw materials and consumables and other external expenses	1671 _____	671 _____ -5.357.875,00	672 _____ -6.112.891,00
a) Raw materials and consumables	1601 _____	601 _____	602 _____ -397,00
b) Other external expenses	1603 _____ Note 14	603 _____ -5.357.875,00	604 _____ -6.112.494,00
6. Staff costs	1605 _____ Note 15	605 _____ -956.167,00	606 _____ -530.930,00
a) Wages and salaries	1607 _____	607 _____ -830.042,00	608 _____ -460.844,00
b) Social security costs	1609 _____	609 _____ -126.125,00	610 _____ -70.086,00
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____ -126.125,00	656 _____ -70.086,00
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____ Note 16	657 _____ -3.227.135,00	658 _____ 592.761,00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____ -3.227.135,00	662 _____ 592.761,00
8. Other operating expenses	1621 _____ Note 17	621 _____ -641.584,00	622 _____ -703.671,00

RCSL Nr. : B102254

Matricule : 2004 2214 745

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	18.308.991,00	102.537.810,00
a) derived from affiliated undertakings	1717 <u>Note 18</u>	18.308.991,00	102.537.810,00
b) other income from participating interests	1719		
10. Income from other investments and loans forming part of the fixed assets	1721 <u>Note 19</u>	158.237.187,00	142.232.203,00
a) derived from affiliated undertakings	1723 <u>Note 19.1</u>	138.387.681,00	131.160.836,00
b) other income not included under a)	1725 <u>Note 19.2</u>	19.849.506,00	11.071.367,00
11. Other interest receivable and similar income	1727 <u>Note 20</u>	85.424.617,00	58.948.023,00
a) derived from affiliated undertakings	1729 <u>Note 20.1</u>	11.712.241,00	4.385.456,00
b) other interest and similar income	1731 <u>Note 20.2</u>	73.712.376,00	54.562.567,00
12. Share of profit or loss of undertakings accounted for under the equity method	1663		
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 <u>Note 21</u>	-23.026.443,00	-26.132.412,00
14. Interest payable and similar expenses	1627 <u>Note 22</u>	-416.368.323,00	-413.638.763,00
a) concerning affiliated undertakings	1629 <u>Note 22.1</u>	-131.167.606,00	-126.478.285,00
b) other interest and similar expenses	1631 <u>Note 22.2</u>	-285.200.717,00	-287.160.478,00
15. Tax on profit or loss	1635	-37,00	-2.112.628,00
16. Profit or loss after taxation	1667	-187.273.532,00	-144.062.405,00
17. Other taxes not shown under items 1 to 16	1637 <u>Note 23</u>	-1.059.113,00	-1.696.679,00
18. Profit or loss for the financial year	1669	-188.332.645,00	-145.759.084,00

NOTE 1 - GENERAL INFORMATION

CPI Property Group Société Anonyme (the "Company" or "CPI PG"), formerly named ORCO GERMANY S.A., was incorporated on 22 July 2004 and is organized under the laws of Luxembourg as a Société Anonyme for an unlimited period.

The object of the Company is the investment in real estate, thus as the purchase, the sale, the construction, the exploitation, the administration and the letting of real estate as well as the property development, for its own account or through the intermediary of its affiliated companies. The Company has also for object the taking of participating interests, in whatsoever form, either Luxembourg or foreign, companies, and the management, control and development of such participating interests. The Company may in particular acquire all types of transferable securities, either by way of contribution, subscription, option, purchase or otherwise, as well as realize them by sale, transfer, exchange or otherwise. The Company may borrow and grant any assistance, loan, advance or guarantee to companies in which it has participation or in which it has a direct or indirect interest. The Company may carry out any commercial, industrial or financial operations, as well as any transactions on real estate or on movable property, which it may deem useful to the accomplishment of its purposes.

The registered office of the Company is established at 40, rue de la Vallée, L-2661 Luxembourg, R.C.S. Luxembourg B 102 254.

The financial year is from 1 January 2023 to 31 December 2023.

CPI PG is a real estate company which is listed on the Regulated Market of the Frankfurt Stock Exchange in the General Standard segment.

As at 31 December 2023, CPI PG is indirectly controlled by Mr. Radovan Vitek, ultimate beneficial owner, at 88.41 % (2022: 86.69 %) through his investment vehicles (Voting rights 2023: 89.99 %; 2022: 89.35 %).

The consolidated financial statements and separate annual accounts of the Company can be obtained at its registered office, 40, rue de la Vallée, L-2661 Luxembourg and at the following website: www.cpjpg.com.

NOTE 2 - ACCOUNTING PRINCIPLES, RULES AND METHODS

Basis of preparation and going concern

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the law of 10 August 1915, as subsequently amended ("the Commercial Company Law"), determined and applied by the Board of Directors.

The Board of Directors has concluded that it is appropriate to prepare the separate annual accounts as at 31 December 2023 on a going concern basis. The financial statements were authorized by the Board of Directors on 28 March 2024.

The Company maintains its accounting records in Euro (EUR). The financial statements are presented in EUR. All figures in tables are presented rounded to the nearest thousand, except when otherwise indicated.

Significant accounting policies

Financial assets

Financial assets include shares in affiliated undertakings, loans to affiliated undertakings, investments held as fixed assets and other loans.

Shares in affiliated undertakings are valued individually at the lower of their acquisition cost less permanent impairment or recoverable value. Amounts owed by affiliated undertakings and other loans, shown under "Financial assets" are recorded at their nominal value. A value adjustment is recorded when the recovery value is lower than the nominal value.

Where there is a durable diminution in value in the opinion of the Board of Directors, value adjustments are made in respect of financial assets so that they are valued at the lower figure to be attributed to them at the balance sheet date. The value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Other investments held as fixed assets are carried at purchase price including the expenses incidental thereto. A value adjustments is recorded when the recoverable value is lower than the nominal value. Other investments listed on active stock exchange, if these are not classified as shares in affiliated undertakings or participating interest, are subsequently measured at fair value based on the quoted stock exchange market prices.

Debtors

Trade debtors, amounts owed by affiliated undertakings and other debtors are valued at their nominal value. They are subject to value adjustments where their recovery value is partially or fully compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Prepayments

Prepayments include expenditure incurred during the financial year but relating to a subsequent financial year. Financing fees linked to the issuance of non-convertible loans are also recorded under the caption "Prepayments" and are amortised through profit and loss account over the term of the non-convertible loans under the caption "other interest and similar expenses".

Value adjustments

Value adjustments are deducted directly from the related asset.

Conversion of foreign currencies

During the financial year, the acquisitions and sales of financial assets as well as income and charges in currencies other than EUR are converted into EUR at the exchange rate prevailing at the transaction dates.

At the balance sheet date, the acquisition price of the financial assets – shares in affiliated expressed in currency other than the EUR remains converted at the historical exchange rate. All other assets and liabilities expressed in a currency other than EUR are valued at the closing rate or historical rate under the prudence concept. The unrealised and realised losses, as well as the realised gains are recorded in the profit and loss account.

Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which at the balance sheet date are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise

Non-convertible loans/Notes

Non-convertible loans/Notes are recorded at their nominal value. Where the amount repayable is greater than the amount received, the difference is shown as an asset under the caption "Prepayments" and is written off over the period of the related non-convertible loans on a linear basis under the caption "Other interest and similar expenses".

When the amount repayable is lower than the amount received, the difference is shown as a liability under the caption "Deferred income" and is written off over the period of the non-convertible loans on a linear basis under the caption "Other interest and similar expenses" as decrease of costs relating to and the respective non-convertible loans.

Cross-currency swaps – non-convertible loans/Notes conversion

Cross-currency swap interest is recorded at its nominal value. The interest is reported in balance sheet together with converted Notes issuance. The interest is reported separately in profit and loss account.

The Company records the fixed amounts on off-balance accounts. The same approach is used for fair value of a cross-currency swap.

Cross-currency swaps – other conversion

Cross-currency swap interest is recorded at its nominal value. The interest is reported in balance sheet as other debtors, respectively other creditors. The interest is reported separately in profit and loss account.

The Company records the fixed amounts on off-balance accounts. The same approach is used for fair value of a cross-currency swap.

Financial instrument is not designated in a qualifying hedge accounting

When a derivative financial instrument is not designated in a qualifying hedge relationship, the derivative is recognized in its acquisition value. A value adjustment is recorded when the fair value of the derivative is lower than the acquisition value.

Creditors

Creditors are valued at their nominal value.

Deferred income

Deferred income includes income incurred during the financial year but relating to a subsequent financial year. Financing income linked to the issuance of non-convertible loans is also recorded under the caption "Deferred income".

Other operating income

Other operating income includes income from invoicing of operating costs and providing management services.

NOTE 3 - FINANCIAL ASSETS

2023	Shares in affiliated undertakings	Loans to affiliated undertakings
<u>Gross book value</u>		
Balance at 1 January 2023	6,330,677	4,904,321
Additions for the year	296,016	180,284
Disposals for the year	(298,527)	(604,159)
Balance at 31 December 2023	6,328,166	4,480,446
<u>Accumulated value adjustments</u>		
Balance at 1 January 2023	(148,876)	(137,986)
Allocations for the year	(55,910)	(8,857)
Reversals for the year	21,926	21,471
Balance at 31 December 2023	(182,860)	(125,372)
Net book value as at 1 January 2023	6,181,801	4,766,335
Net book value as at 31 December 2023	6,145,306	4,355,074

3.1 - Shares in affiliated undertakingsIMMOFINANZ AG shares

As at 31 December 2022, the Company owned directly 92,508,098 shares (representing 66.71% stake) in the amount of EUR 2,110,479 thousand. The Company owned indirectly (through WXZ1 a.s.) other 14,071,483 shares, representing 11.41% stake, in total 106,579,581 shares, representing 76.86%.

In December 2023, the Company purchased 14,071,483 shares of IMMOFINANZ AG from WXZ1 a.s. and sold 2,575,000 shares to Petrus Advisers Investment Fund L.P. ("PAIF"). Concurrently, PAIF has granted the Company call options which are exercisable for up to 2 years. The Company calculated fair value of this call option and concluded it as non-material.

As at 31 December 2023, the Company owned 104,004,581 shares of IMMOFINANZ AG (representing 75.00% stake).

Binding agreement for the sale of shares

In November 2023, the Company signed two binding agreements for the sale of shares.

Firstly, a binding agreement for the sale of 100% of the shares of SUNČANI HVAR NEKRETNINE d.o.o. and SUNČANI HVAR d.d. The transaction is conditional only on approval by the Croatian antitrust agency.

Secondly, a binding agreement for the sale of approximately 84% of the shares of Remontées Mécaniques Crans Montana Aminona (CMA) SA, as well as several assets and properties relating to the on-mountain activities. The transaction is conditional upon several closing conditions.

Impairment analysis

In the context of the impairment analysis, the Company compared carrying amounts with net equity of respective affiliated undertakings and applied value adjustments. Results of value adjustments are reported in Note 21.

Affiliated undertakings in which the Company holds participation in their share capital are detailed in the following table on the next page.

Name of the undertaking	Country	Ccy	% held	Cost	Cost change	Cost	Accumulated Impairment	Reversal of impairment / (Impairment)	Accumulated Impairment	Carrying Value	Carrying Value	Net equity (3)	Result of 2023
				31.12.22	in 2023	31.12.2023	31.12.22	in 2023	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023
1 Bishops Avenue Limited	Great Britain	GBP	100.00%	--	--	--	--	--	--	--	--	28,768	(2,460)
7 ST JAMES'S SQUARE LIMITED	Great Britain	GBP	100.00%	--	--	--	--	--	--	--	--	43,084	(5,605)
APULIA INVESTMENTS 1 S.R.L.	Italy	EUR	100.00%	21	126	147	(21)	(126)	(147)	--	--	(99)	(2)
APULIA INVESTMENTS 2 S.R.L.	Italy	EUR	100.00%	61	--	61	(61)	--	(61)	--	--	(26)	(3)
APULIA INVESTMENTS 3 S.R.L.	Italy	EUR	100.00%	21	--	21	(7)	(3)	(10)	14	11	11	(3)
APULIA INVESTMENTS 4 S.R.L.	Italy	EUR	100.00%	21	--	21	(7)	(3)	(10)	14	11	11	(3)
Baron Puglia S.r.l.	Italy	EUR	100.00%	1,561	800	2,361	(602)	602	--	959	2,361	5,654	(760)
CM Hotels SA	Switzerland	CHF	100.00%	92	--	92	(92)	--	(92)	--	--	(2,871)	(91)
CPI Alberghi HI Roma S.r.l.	Italy	EUR	100.00%	29,957	(1,000)	28,957	--	--	--	29,957	28,957	36,158	1,096
CPI Bologna S.P.A.	Italy	EUR	100.00%	50	500	550	--	(309)	(309)	50	241	241	(137)
CPI FIM SA	Luxembourg	EUR	97.31%	358,186	--	358,186	--	--	--	358,186	358,186	1,267,316	115,268
CPI Finance CEE, a.s.	Czech Republic	CZK	100.00%	75	--	75	--	(1)	(1)	75	74	74	1
CPI Hibiscus S.r.l.	Italy	EUR	100.00%	3,010	1,600	4,610	--	--	--	3,010	4,610	12,759	(16,606)
CPI Italy - S.r.l.	Italy	EUR	100.00%	10	--	10	--	--	--	10	10	496	227
CPI Lambrate S.r.l.	Italy	EUR	100.00%	3,010	4,031	7,041	--	(6,123)	(6,123)	3,010	918	918	(14,923)
CPI Medici S.r.l.	Italy	EUR	100.00%	1,510	1,000	2,510	--	--	--	1,510	2,510	13,983	(7,020)
CPI Next Level Ventures GmbH	Germany	EUR	100.00%	12,906	--	12,906	(12,906)	--	(12,906)	--	--	(54,489)	(1,335)
CPI North, s.r.o.	Czech Republic	CZK	100.00%	4	--	4	--	--	--	4	4	967	88
CPI PARKING S.r.l.	Italy	EUR	100.00%	1,510	1,600	3,110	(1,218)	(1,892)	(3,110)	292	--	(1,101)	(2,992)
CPI Sicilia -S.r.l.	Italy	EUR	100.00%	10	37	47	--	(47)	(47)	10	--	(1)	(13)
Czech Property Investments, a.s.	Czech Republic	CZK	100.00%	1,749,269	(7,861)	1,741,407	--	--	--	1,749,269	1,741,407	2,703,739	(67,979)
Duca Puglia S.r.l.	Italy	EUR	100.00%	821	--	821	(821)	--	(821)	--	--	(1,633)	(309)
ENDURANCE HOSPITALITY FINANCE S.à r.l. (1)	Luxembourg	EUR	100.00%	--	--	--	--	--	--	--	--	78,313	713
Freccia Alata 2 S.r.l.	Italy	EUR	100.00%	5,334	(16)	5,318	(5,334)	16	(5,318)	--	--	(6,908)	(1,609)

Name of the undertaking	Country	Ccy	% held	Cost	Cost change	Cost	Accumulated Impairment	Reversal of impairment / (Impairment)	Accumulated Impairment	Carrying Value	Carrying Value	Net equity (3)	Result of 2023
				31.12.22	in 2023	31.12.2023	31.12.22	in 2023	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023
Gewerbesiedlungs-Gesellschaft mbH	Germany	EUR	94.99%	74,768	--	74,768	--	--	--	74,768	74,768	311,042	338,091
GSG Holding 2 GmbH	Germany	EUR	100.00%	198	--	198	(176)	(2)	(178)	22	20	20	(2)
IMMOFINANZ AG	Austria	EUR	75.00%	2,110,479	230,203	2,340,682	--	--	--	2,110,479	2,340,682	4,803,806	(601,332)
Isalotta GP GmbH & Co. Verwaltungs KG	Germany	EUR	94.99%	3,765	--	3,765	--	--	--	3,765	3,765	3,175	3,181
IVRAVODA LIMITED	Cyprus	EUR	100.00%	640	--	640	(640)	--	(640)	--	--	--	--
Mackworth Properties Limited (1,6)	Great Britain	GBP	100.00%	--	--	--	--	--	--	--	--	(7,690)	(8,617)
Mercuda, a.s.	Czech Republic	CZK	100.00%	37,186	--	37,186	--	--	--	37,186	37,186	(24,194)	(2,038)
Millennium S.r.l.	Italy	EUR	100.00%	59	800	859	--	--	--	59	859	2,067	(1,585)
Moritzstr. 23 GmbH (4)	Germany	EUR	50.00%	357	--	357	(350)	(7)	(357)	7	--	(1)	(4)
Next RE Siiq S.p.A	Italy	EUR	79.79%	44,940	(1,187)	43,754	--	--	--	44,940	43,754	61,843	(20,326)
PARCO DELLE CASE BIANCHE, S.R.L.	Italy	EUR	100.00%	10,050	3,300	13,350	(8,078)	(5,272)	(13,350)	1,972	--	(4,804)	(10,076)
Peabody Lamaro Roma S.r.l.	Italy	EUR	100.00%	1,806	--	1,806	--	--	--	1,806	1,806	7,218	(1,235)
Pinsirot, s.r.o. (1)	Czech Republic	CZK	100.00%	--	5	5	--	(2)	(2)	--	3	3	(2)
PTR PRIME TOURIST RESORTS (CYPRUS) LIMITED	Cyprus	EUR	100.00%	1	--	1	(1)	--	(1)	--	--	--	--
Rathenower Str. 63-64 GmbH (4)	Germany	EUR	50.00%	1,310	--	1,310	(1,310)	--	(1,310)	--	--	(270)	(1,082)
Remontées Mécaniques Crans Montana Aminona (CMA) SA	Switzerland	CHF	99.70%	97,889	--	97,889	(75,268)	21,308	(53,960)	22,621	43,929	43,929	45,486
Ritterstr. 120 GmbH (4)	Germany	EUR	50.00%	1,621	--	1,621	(1,621)	--	(1,621)	--	--	(31)	(122)
Rizeros, a.s. (1)	Czech Republic	CZK	100.00%	--	84	84	--	(5)	(5)	--	79	79	(2)
S IMMO AG	Austria	EUR	38.37%	649,684	--	649,684	--	--	--	649,684	649,684	1,238,780	(96,166)
Savile Row 1 Limited (6)	Great Britain	GBP	100.00%	--	--	--	--	--	--	--	--	(13,602)	(7,707)
SCI MAS CANTAGRELI	France	EUR	100.00%	1	--	1	(1)	--	(1)	--	--	(5,257)	(29)
SCP AILEY (5)	Monaco	EUR	99.90%	1	--	1	(1)	--	(1)	--	--	(993)	(444)
SCP CISKEY (5)	Monaco	EUR	99.90%	116	--	116	(116)	--	(116)	--	--	(20,791)	(3,572)
SCP KANDLER (5)	Monaco	EUR	99.90%	14	--	14	(14)	--	(14)	--	--	(2,335)	(172)
SCP MADRID (5)	Monaco	EUR	99.90%	1	--	1	--	--	--	1	1	210	(364)

Name of the undertaking	Country	Ccy	% held	Cost	Cost change	Cost	Accumulated Impairment	Reversal of impairment / (Impairment)	Accumulated Impairment	Carrying Value	Carrying Value	Net equity (3)	Result of 2023
				31.12.22	in 2023	31.12.2023	31.12.22	in 2023	31.12.2023	31.12.2022	31.12.2023		
SCP PIERRE CHARRON (5)	Monaco	EUR	99.90%	19	--	19	--	--	--	19	19	2,452	356
SCP Reflets (5)	Monaco	EUR	99.90%	20	--	20	(20)	--	(20)	--	--	--	(1,683)
SCP VILLA DE TAHITI (5)	Monaco	EUR	99.90%	3,348	--	3,348	--	--	--	3,348	3,348	3,850	(2,520)
Sunčani Hvar d.d.	Croatia	HRK	100.00%	2,156	--	2,156	--	--	--	2,156	2,156	16,601	5,939
Sunčani Hvar Nekretnine d.o.o.	Croatia	HRK	100.00%	97,031	--	97,031	--	--	--	97,031	97,031	171,596	2,407
TEVAT LIMITED	Cyprus	EUR	100.00%	672,303	--	672,303	--	--	--	672,303	672,303	821,870	(76)
Uchaux Limited	Great Britain	GBP	100.00%	4	--	4	--	--	--	4	4	1,427	(618)
Vitericon Projektentwicklung GmbH	Germany	EUR	100.00%	40,210	--	40,210	(40,210)	--	(40,210)	--	--	--	--
WXZ1 a.s.	Czech Republic	CZK	100.00%	313,260	(236,533)	76,727	--	(42,118)	(42,118)	313,260	34,609	34,609	33,561
ZLATICO LIMITED (5,6)	Cyprus	EUR	0.10%	--	--	--	--	--	--	--	--	1,810	(28)
Difference due to rounding to thousand EUR				1	--	1	(1)	--	(1)	--	--	--	--
Total				6,330,677	(2,511)	6,328,166	(148,876)	(33,984)	(182,860)	6,181,801	6,145,306		

(1) Acquisition occurred during the financial year

(2) CPI PG owned indirectly 76.86%

(3) Net equity calculation is based on unaudited Financial Statements in accordance with IFRS as adopted by EU

(4) Net equity calculation is based on local Financial Statements

(5) CPI PG owned indirectly 100.00%

(6) Acquisition cost is less than 500 EUR and is fully impaired.

3.2 - Loans to affiliated undertakings

	2023	2022
Amount due	4,480,446	4,904,321
Value adjustments	(125,372)	(137,986)
Net value	4,355,074	4,766,335

The Company provided loans to affiliated undertakings with interest rate range of 0.65%-9.92% p.a. and maturity dates until January 2031. Further, the Company provides non-interest bearing loans to its affiliated undertakings WXZ1, CPI Bologna, APULIA INVESTMENTS 1 and five British affiliated undertakings with maturity dates until 20 March 2073 (see Note 3.1).

Results of value adjustments are reported in Note 21.

3.3 - Securities held as fixed assets

As of 31 December 2023, the Company holds the following securities classified as fixed assets:

2023	Securities lower of cost or market value	Securities Fair value based	Total
<u>Acquisition cost</u>			
Balance at 1 January 2023	209,962	6,431	216,393
Additions for the year	23,743	--	23,743
Disposals for the year	(7,008)	--	(7,008)
Balance at 31 December 2023	226,697	6,431	233,128
<u>Accumulated value adjustments</u>			
Balance at 1 January 2023	--	(1,732)	(1,732)
Additions for the year	--	(2)	(2)
Disposal for the year	--	639	639
Balance at 31 December 2023	--	(1,095)	(1,095)
Net book/Fair value as at 1 January 2023	209,962	4,699	214,661
Net book/Fair value as at 31 December 2023	226,697	5,336	232,033

Securities – lower of cost or recoverable value

Generation Fund Managed By DeA Capital Sgr S.p.A.

As at 31 December 2023, the Company owned 1,601 units (2022: 1,499 units) of Generation Fund managed By DeA Capital Sgr S.p.A. ("Generation Fund"), the Company's investment vehicle, in the value of EUR 182,285 thousand (2022: EUR 177,260 thousand), that represents 99.69% of all units (2022: 93.34%).

Securities – Fair value based

The Company values listed shares at fair value. The shares are quoted on an active stock exchange and consequently the stock price on these markets is considered as fair value. Results of fair value adjustments are reported in Note 21.

3.4 - Other loans

	2023				2022			
	Principal	Guarantee	Other	Total	Principal	Gurarante	Other	Total
Amount due	124,898	11,315	--	136,213	169,589	9,070	--	178,659
Value adjustments	--	--	--	--	--	--	--	--
Net value	124,898	11,315	--	136,213	169,589	9,070	--	178,659

The Company provided loan to Senales Invest S.à r.l., a company owned by primary shareholder of the Company, with interest rate of 5.00% p.a. and maturity date of 31 May 2027.

NOTE 4 - CURRENT ASSETS**4.1 - Amounts owed by affiliated undertakings becoming due and payable within one year**

The Company assigned part of the loan provided to related party to Endurance Hospitality Finance. The remuneration for this assignment agreement is reported in the amount of EUR 273,000 thousand as Other with maturity date 31 December 2024.

	2023				2022			
	Principal	Interest	Other	Total	Principal	Interest	Other	Total
Amount due	108,196	97,160	275,283	480,639	241,268	86,962	1,846	330,076
Value adjustments	(3,764)	(3,056)	(258)	(7,078)	--	(1,272)	(257)	(1,529)
Net value	104,432	94,104	275,025	473,561	241,268	85,690	1,589	328,547

4.2 - Amounts owed by affiliated undertakings becoming due and payable after more than one year

	2023				2022			
	Principal	Interest	Other	Total	Principal	Interest	Other	Total
Amount due	--	5,519	--	5,519	--	4,100	--	4,100
Value adjustments	--	--	--	--	--	--	--	--
Net value	--	5,519	--	5,519	--	4,100	--	4,100

4.3 - Other debtors becoming due and payable within one year

	2023				2022			
	Interest	Other	Tax authorities	Total	Interest	Other	Tax authorities	Total
Amount due	19,018	400	188	19,606	3,350	388	96	3,834
Value adjustments	--	(360)	--	(360)	--	(388)	--	(388)
Net value	19,018	40	188	19,246	3,350	--	96	3,446

The Company borrowed more than 30 billion Hungarian Forints (see Note 10.2) from CPI Hungary Investments in 2020 and converted this amount into Euro through a cross-currency interest rate swap (see Note 8.20). The Company recognizes interest receivable from this cross-currency interest rate swap in the amount of EUR 699 thousand (2022: EUR 661 thousand), see Note 11.

NOTE 5 - OWN SHARES

As of 1 January 2023, the Company owned 198,065,039 shares of the Company. The Company purchased its own shares in November 2022 under the share buy-back programme.

On 31 May 2023, the extraordinary general meeting of the shareholders resolved to cancel 198,065,039 shares of the Company.

On 20 November 2023, the Board of Directors of the Company decided to proceed to a buy-back of certain shares of the Company under the share buy-back programme. On 30 November 2023, the Company announced the result of the share buy-back programme. On 6 December 2023, the Company completed the acquisition of 85,327,468 shares for an aggregate price of EUR 79,525,200.18 (or EUR 0.932 per share). The Company intends to cancel the acquires own shares through a share capital reduction at the next general meeting.

Of the total, 84,227,468 shares were tendered by Clerius Properties (Apollo). The rest of the shares were tendered by management. The Company primary shareholder, Radovan Vitek, did not tender any shares.

NOTE 6 - PREPAYMENTS

Prepayments are mainly composed of transaction cost and discounts relating to the issuance of non-convertible loans ("Notes" - see Note 8). The corresponding issuance cost is amortized over the life of the related Notes.

The Company repurchased, tendered and subsequently cancelled some of its Notes issued (see Note 8). Transaction costs and discounts related to Notes, which were cancelled in 2023, were expensed in 2023.

	2023				2022			
	Within one year	Within 5 years	After more than 5 years	Total	Within one year	Within 5 years	After more than 5 years	Total
Notes issuing costs	17,811	44,278	6,758	68,847	19,278	60,346	12,398	92,022
Credit institution loans costs	3,021	5,195	--	8,216	3,224	18,005	11	21,240
Other	595	--	--	595	388	--	--	388
Total prepayments	21,427	49,473	6,758	77,658	22,890	78,351	12,409	113,650

NOTE 7 - CAPITAL AND RESERVES**7.1 - Subscribed capital and share premium account**

As of 31 December 2023, the share capital amounts to EUR 870,485,026 (2022: EUR 890,291,530) and is represented by 8,704,850,259 ordinary shares (2022: 8,902,915,298) with par value of EUR 0.10 each fully paid in.

On 31 May 2023, the extraordinary general meeting of shareholders resolved to cancel 198,065,039 shares of the Company (see Note 5).

7.2 - Share buy-back programme

The 2022 AGM authorised the Board of Directors of the Company to repurchase, in one or several steps, a maximum number of 1,000,000,000 shares in the Company from the existing and/or future shareholders of the Company, for a purchase price comprised in the range between one eurocent EUR 0.01 and EUR 5, for a period of five years from the date of the 2023 AGM. The 2022 AGM further resolved to grant power to the Board of Directors of the Company (i) to proceed with the payment of the relevant repurchase price out of the Company's available funds, (ii) to take all required actions to complete any repurchase of shares and (iii) to verify that the process of share repurchase is made in compliance with the legal provisions.

The annual general meeting of the shareholders of the Company held on 31 May 2023 (the "2023 AGM") approved the terms and conditions of a buy-back programme of the Company. The buy-back programme enables the Company to repurchase its own shares and authorises the Company to redeem/repurchase its own shares under the terms and conditions set forth therein.

On 6 December 2023, the Company completed a repurchase of 85,327,468 of its own shares under the share buyback programme.

As at 31 December 2023, the Company is authorised to redeem/repurchase up to 914,672,532 own shares under the buyback programme approved by the 2023 AGM. For further terms and conditions of buyback please refer to the buyback programme of the Company, that is available on the Company's websites www.cpipg.com.

7.3 - Authorized capital not issued

The extraordinary general meeting of the shareholders of the Company held on 1 March 2018 (the "2018 EGM") resolved to modify, renew and replace the existing authorised share capital of the Company and to set it to an amount of EUR 5,000 million for a period of 5 years from 1 March 2018, which would authorise the issuance of up to 40,000,000,000 new ordinary shares and up to 10,000,000,000 new non-voting shares of the Company.

The 2018 EGM approved the report issued by the Board of Directors relating to the possibility for the Board of Directors of the Company to cancel or limit preferential subscription rights of the shareholders of the Company upon increases of share capital in the framework of the authorised share capital of the Company.

As at 31 December 2023, the authorised share capital of the Company amounts to EUR 3,875 million which would authorise the issuance of up to 38,750,000,000 new ordinary shares.

7.4 - Legal reserve

In accordance with the Commercial Company Law, the Company must appropriate to the legal reserve a minimum of 5% of the annual net profit until such reserve equals 10% of the subscribed capital. Distribution by way of dividends of the legal reserve is prohibited.

7.5 - Movements in capital and reserves

	Subscribed capital	Share premium account	Legal reserve	Profit brought forward	Profit / (loss) for the financial year	TOTAL
As at 31 December 2022	890,292	777,525	59,441	51,542	(145,759)	1,633,041
Allocation of previous year's loss AGM 31 May 2023	--	--	--	(145,759)	145,759	--
cancellation treasury shares	(19,807)	(170,534)	--	--	--	(190,341)
Loss for the financial year	--	--	--	--	(188,333)	(188,333)
As at 31 December 2023	870,485	606,991	59,441	(94,217)	(188,333)	1,254,367

NOTE 8 - NON-CONVERTIBLE LOANS/NOTES

The Company issued several series of non-convertible loans ("Notes") under its Euro Medium Term Note Programme since September 2017. The Company issued first-time placement of private senior unsecured notes with US institutional investors in three tranches in April 2022.

Non-convertible loans consist of notes issued by the Company as follows:

ISIN	Nominal amount	Ccy	Issued/purchase price per note	Maturity date	Nominal interest rate	Listing
CH0441186472*	150,700,000	CHF	100.000	25 October 2023	1.630%	SIX Swiss Exchange
XS1917855337	3,000,000,000	JPY	100.000	8 December 2028	2.000%	Tokyo Pro-Bonds market
XS1950499639	450,000,000	HKD	100.000	12 February 2024	4.510%	Euronext Dublin
XS1982704824	550,000,000	EUR	98.676	Undated(1)	4.880%	Euronext Dublin
XS2008905155	283,000,000	HKD	100.000	6 June 2026	4.450%	Euronext Dublin
XS2069407786	617,588,000	EUR	98.122	23 April 2027	1.630%	Euronext Dublin
XS2106589471	329,816,000	GBP	98.065-98.675	22 January 2028	2.750%	Euronext Dublin
XS2106857746	150,000,000	SGD	100.000	Undated(2)	4.875%	Euronext Dublin
XS2117757182	250,000,000	HKD	100,000	13 February 2030	3.014%	Euronext Dublin
XS2171875839	627,061,000	EUR	97.663	12 May 2026	2.750%	Euronext Dublin
XS2231191748	525,000,000	EUR	97.410-97.600	Undated(3)	4.875%	Euronext Dublin
XS2290544068	765,000,000	EUR	95.326-98.467	27 January 2031	1.500%	Euronext Dublin
XS2290533020	475,000,000	EUR	97.250-98.356	Undated(4)	3.750%	Euronext Dublin
XS2307032644	3,000,000,000	JPY	100.000	25 February 2025	0.710%	Tokyo Pro-Bonds market
XS2394029685	2,600,000,000	JPY	100.000	7 April 2025	0.350%	Tokyo Pro-Bonds market
XS2432162654	680,500,000	EUR	98.046	14 January 2030	1.750%	Euronext Dublin
L1300@AA8	120,000,000	USD	100.000	5 May 2027	6.020%	Private placement
L1300@AB6	100,000,000	USD	100.000	5 May 2028	6.060%	Private placement
L1300@AC4	110,000,000	USD	100.000	5 May 2029	6.150%	Private placement

(1) subordinated, no fixed maturity date and are callable by the Company from 18 July 2025

(2) subordinated, no fixed maturity date and are callable by the Company at the beginning of 2025

(3) subordinated, no fixed maturity date and are callable by the Company in November 2023

(4) subordinated, no fixed maturity date and are callable by the Company from 27 July 2028

(*) fully repaid in 2023

	2023				2022			
	Within one year	Within 5 years	After more than 5 years	Total	Within one year	Within 5 years	After more than 5 years	Total
Nominal value	52,135	3,568,235	1,579,210	5,199,580	153,041	2,924,900	2,618,923	5,696,864
issued value	52,135	3,596,015	1,579,210	5,227,360	153,041	2,924,900	2,646,703	5,724,645
own notes	--	(27,780)	--	(27,780)	--	--	(27,780)	(27,780)
Interest	69,036	--	--	69,036	76,775	--	--	76,775
Total non-convertible loans (Nominal value)	121,171	3,568,235	1,579,210	5,268,616	229,816	2,924,900	2,618,923	5,773,639
Prepayment	(17,811)	(44,278)	(6,758)	(68,847)	(19,278)	(60,346)	(12,398)	(92,022)
Deferred income	1,700	6,094	--	7,794	1,701	6,802	992	9,495
Total	105,060	3,530,051	1,572,452	5,207,563	212,239	2,871,356	2,607,517	5,691,112

8.1 - ISIN CH0441186472

On 25 October 2018, the Company issued CHF 165 million of 5-year senior notes. Out of total proceeds of the issuance the Company converted CHF 100 million the proceeds into Euro through a cross-currency interest rate swap (see Note 8.20).

On 20 May 2020, the Company repurchased CHF 14,300,000 and next day were cancelled. Outstanding amount after this repurchase was EUR 150,700,000.

The Company fully repaid this issuance on repayment date.

8.2 - ISIN XS1917855337

On 10 December 2018 the Company issued JPY 3 billion of 10-year senior notes. The Company converted the issuance into Euro through a cross-currency interest rate swap and switched fixed interest rate to variable interest rate (see Note 8.20).

8.3 - ISIN XS1950499639

On 12 February 2019 the Company issued HKD 450 million of 5-year senior notes. The Company converted the proceeds into Euros through a cross-currency swap (see Note 8.20).

8.4 - ISIN XS1982704824

On 16 April 2019 the Company issued EUR 550 million of resettable undated subordinate notes at an issue price 98.676%. The corresponding discount has been recorded under the caption "Prepayments" (see Note 6). The notes have no fixed maturity date and are callable by the Company from 18 July 2025.

8.5 - ISIN XS2008905155

On 6 June 2019 the Company issued HKD 283 million of senior notes due 6 June 2026. The Company converted the proceeds into Euros through a cross-currency swap (see Note 8.20).

8.6 - ISIN XS2069407786

On 28 October 2019 the Company issued EUR 750 million of senior notes, "green bonds", due 23 April 2027 at an issue price 98.122%. The corresponding discount has been recorded under the caption "Prepayments" (see Note 6).

In April 2023, the Company purchased part of issuance in nominal value of EUR 132,442,000 through an unmodified Dutch auction procedure, range of purchase price from 70.90% to 71.90%. Purchased notes were cancelled. Result of purchase and cancellation is reported in Note 22.2.

As at 31 December 2023, total amount of issuance was EUR 617.558 million.

8.7 - ISIN XS2106589471

On 22 January 2020 the Company issued GBP 350 million of 8-year senior green notes at as an issue price 98.675%.

On 24 January 2022 the Company issued second tranche in the amount of GBP 50 million of senior green notes at as issue price 98.065%.

The corresponding discounts have been recorded under the caption "Prepayments" (see Note 6). The Company converted the proceeds into Euros through a cross-currency swap (see Note 8.20).

In April 2023, the Company purchased part of issuance in nominal value of GBP 70,184,000 through an unmodified Dutch auction procedure, range of purchase price from 69.50% to 70.50%. Purchased notes were cancelled. Result of purchase and cancellation is reported in Note 22.2.

As at 31 December 2023, total amount of issuance was GBP 329.816 million.

8.8 - ISIN XS2106857746

On 23 January 2020 the Company issued SGD 150 million of perpetual subordinated notes. The corresponding discount has been recorded under the caption "Prepayments" (see Note 6). The Notes have no fixed maturity date and are callable by the Company at the beginning of 2025. The Company converted the proceeds into Euros through a cross-currency swap (see Note 8.20).

8.9 - ISIN XS2117757182

On 13 February 2020 the Company issued HKD 250 million of 10-year senior notes. The Company converted the proceeds into Euros through a cross-currency swap (see Note 8.20).

8.10 - ISIN XS2171875839

On 12 May 2020 the Company issued EUR 750 million of senior unsecured green bonds due 12 May 2026 at as an issue price 97.663%. The corresponding discount has been recorded under the caption "Prepayments" (see Note 6).

In April 2023, the Company purchased part of issuance in nominal value of EUR 122,939,000 through an unmodified Dutch auction procedure, range of purchase price from 80.50% to 82.50%. Purchased notes were cancelled. Result of purchase and cancellation is reported in Note 22.2.

As at 31 December 2023, total amount of issuance was EUR 627.061 million.

8.11 - ISIN XS2231191748

On 16 September 2020 the Company issued EUR 500 million of undated subordinate Notes at an issue price 97.410 %. The corresponding discount has been recorded under the caption "Prepayments" (see Note 6). The Notes have no fixed maturity date and are callable by the Company in November 2026.

The next day, 17 September 2020, the Company issued other 25 million of undated subordinated Notes at an issue price 97.600%. The Notes have no fixed maturity date and are callable by the Company in November 2026.

8.12 - ISIN XS2290544068

On 27 January 2021, the Company issued EUR 600 million of senior unsecured notes due 27 January 2031 at as an issue price 98.374%. On 2 February 2021, the Company issued second tranche in the amount of EUR 50 million, with issue price 98.467%.

On 8 September 2021, the Company issued third tranche in the amount of EUR 100 million, with issue price 97.50%. The latest issuance occurred on 30 December 2021 in the amount of EUR 100 million, with issue price 95.326%.

The corresponding discounts have been recorded under the caption "Prepayments" (see Note 6).

From May 2022 to July 2022 the Company purchased and cancelled notes in the amount of EUR 85 million at the purchase price 75.25%.

As at 31 December 2023, total amount of issuance was EUR 765 million.

8.13 - ISIN XS2290533020

On 27 January 2021, the Company issued EUR 400 million of undated subordinated Notes callable in 2028 at as an issue price 98.356%.

The second tranche of EUR 75 million was issued on 8 September 2021, at an issue price of 97.250%.

The corresponding discounts have been recorded under the caption "Prepayments" (see Note 6).

In October 2022 the Company purchased EUR 27.78 million of undated subordinated Notes at the purchase price 64.800 %. The difference between nominal value and purchase price has been recorded under the caption "Deferred income" (see Note 12). Purchase notes has not been cancelled.

As at 31 December 2023, outstanding amount of issuance was EUR 447.22 million.

8.14 - ISIN XS237032644

On 25 February 2021, the Company issued JPY 3 billion of senior notes. The Company converted the issuance into Euro through a cross-currency interest rate swap and switched fixed interest rate to variable interest rate (see Note 8.20).

8.15 - ISIN XS2394029685

On 25 February 2021, the Company issued JPY 2,600 million of senior notes. The Company converted the issuance into Euro through a cross-currency interest rate swap and switched fixed interest rate to variable interest rate (see Note 8.20).

8.16 - ISIN XS2432162654

On 14 January 2022, the Company issued EUR 700 million of senior notes, at an issue price of 98.046%. The corresponding discount has been recorded under caption "Prepayment" (see Note 6).

From May 2022 to June 2022 the Company purchased and cancelled EUR 19.5 million of senior notes at the purchase price 78.250%.

As at 31 December 2023, outstanding amount of issuance was EUR 680,500 million.

8.17 - Private placement L1300@AA8

On 5 May 2022, the Company issued USD 120 million 4-year private placement notes to US institutional investors. The Company converted issuance into Euro through a cross-currency interest rate swap (see Note 8.20).

On 29 December 2023, the Company fixed floating EUR rate through interest rate swap.

8.18 - Private placement L1300@AB6

On 5 May 2022, the Company issued USD 100 million 5-year private placement notes to US institutional investors. The Company converted issuance into Euro through a cross-currency interest rate swap (see Note 8.20).

On 29 December 2023, the Company fixed floating EUR rate through interest rate swap.

8.19 - Private placement L1300@AC4

On 5 May 2022, the Company issued USD 110 million 6-year private placement notes to US institutional investors. The Company converted issuance into Euro through a cross-currency interest rate swap (see Note 8.20).

8.20 - Cross-currency interest rate swaps

The proceeds from the issuance of notes in CHF, JPY, HKD, USD, GBP and SGD the Company converted into Euro through cross-currency interest rate swaps. The Company uses the cross-currency interest rate swaps to manage its foreign currency and interest rate exposures.

The Company concluded cross-currency interest rate swap with Raiffeisen Bank International AG to convert proceeds from issuance HUF 30 billion of senior unsecured green notes with a 10-year maturity. CPI PG borrowed these proceeds from its subsidiary CPI Hungary Investments Kft. (see Note 10.2).

The fair value of the cross-currency interest rate swaps is as follows:

2023	Within one year			Within 5 years			After more than 5 years		
	Notional amount		FV	Notional amount		FV	Notional amount		FV
	million	thousand EUR		million	thousand EUR		million	thousand EUR	
GBP	--	--	--	400	460,273	(9,459)	--	--	--
HUF*	--	--	--	--	--	--	30,000	78,370	(15,063)
HKD	450	52,135	3,312	283	32,787	1,318	250	28,964	614
JPY	--	--	--	8,600	55,012	(8,986)	--	--	--
USD	--	--	--	220	199,095	(13,469)	110	99,548	(7,563)
SGD	--	--	--	150	102,803	5,976	--	--	--
Total		52,135	3,312		849,970	(24,620)		206,882	(22,012)

2022	Within one year			Within 5 years			After more than 5 years		
	Notional amount		FV	Notional amount		FV	Notional amount		FV
	million	thousand EUR		million	thousand EUR		million	thousand EUR	
GBP	--	--	--	--	--	--	200	225,497	(8,492)
HUF*	--	--	--	--	--	--	30,000	74,837	(29,308)
HKD	--	--	--	733	88,140	(8,277)	250	30,061	1,862
CHF	86	87,032	12,732	--	--	--	--	--	--
JPY	--	--	--	5,600	39,812	(886)	3,000	21,328	87
USD	--	--	--	120	112,507	(4,153)	210	196,887	(9,460)
SGD	--	--	--	150	104,895	8,425	--	--	--
Total		87,032	12,732		345,354	11,663		548,610	(45,311)

(*) cross currency interest rate swap linked to received loan from CPI Hungary Investments Kft.

8.21 - Costs linked Non-convertible loans/Notes

In 2023, non-convertible loans generated expenses in the amount of EUR 139,678 thousand (2022: EUR 226,283 thousand), see Note 22.2.

8.22 - Covenants on Notes

The issued Notes are subject to covenants (detail of covenants is available in the Company prospectus on the Company's website). As at 31 December 2023 and 2022, all covenants were met.

NOTE 9 - AMOUNTS OWED TO CREDIT INSTITUTIONS

Credit facilities are summarized in the following table:

Total	2023			Total	2022			Total
	Within one year	Within 5 years	After more than 5 years		Within one year	Within 5 years	After more than 5 years	
Principal	20	1,441,000	--	1,441,020	--	1,871,400	77,000	1,948,400
Interest	7,408	--	--	7,408	4,236	--	--	4,236
Total amounts owed to credit institution	7,428	1,441,000	--	1,448,428	4,236	1,871,400	77,000	1,952,636
Prepayment	(3,018)	(5,195)	--	(8,213)	(3,224)	(18,005)	(11)	(21,240)
Deferred income	--	--	--	--	--	--	--	--
Total	4,410	1,435,805	--	1,440,215	1,012	1,853,395	76,989	1,931,396

9.1 - Schuldschein instruments

In 2019 the Company started with Promissory Loans, traditional German loan-style instruments called Schuldschein, with UniCredit Bank AG and Raiffeisen Bank International AG. In April/May 2022 the Company placed other promissory notes in the amount of EUR 183 million to increase open balance to EUR 193 million. Schuldschein instruments are due from 2026 to 2028.

On 28 December 2023, the Company fixed floating rate through interest rate swap.

9.2 - EUR 700 million revolving credit facility

In November 2020 the Company signed unsecured EUR 700 million revolving credit facility with ten international banks with floating interest rate linked to EURIBOR. The facility matures in January 2026. Open amount as at 31 December 2023 was EUR 490 million.

9.3 - EUR 2,500 million bridge facility agreement

On 30 November 2021, the Company signed a new EUR 2,500 million unsecured bridge facility agreement with ten international banks to finance anticipatory mandatory takeover offer for IMMOFINANZ AG shares. The Company drew EUR 1,845 million in two tranches. The Company repaid EUR 1,014 million during 2022. In 2023 the Company fully repaid this bridge loan.

9.4 - EUR 1,250 million bridge facility agreement

On 25 February 2022, the Company signed a new EUR 1,250 million unsecured bridge facility agreement with ten international banks to finance anticipatory mandatory takeover offer for S IMMO AG shares. The Company drew EUR 825 million in three tranches. Original maturity in April 2023 was prolonged to October 2023. The Company had unconditional right to effectively defer settlement of this facility to April 2024 and in combination with new term facility agreement to April 2025 (see Note 9.6). In November 2023, the Company partly repaid loan and outstanding amount in the amount of EUR 635 MEUR was replaced by new 3-year bridge loan (see Note 9.8).

9.5 - EUR 100 million term facility agreement SMBC

On 27 June 2022, the Company entered in unsecured term facility agreement with SMBC BANK EU AG. The Company drew the loan at the end of June with maturity in January 2026 and floating interest rate. The Company partly repaid half of the loan in July 2023.

9.6 - EUR 1,852 million term facility agreement

On 31 August 2022, the Company signed unsecured term facility agreement with total commitment EUR 1,852 million to refinance bridge loans. Available commitment of the term facility agreement was decreased to EUR 1,655 million as a result of repayment of bridge loan EUR 1,250 million in September and December and real drawdown of bridge loan EUR 1,250 million. The Company has unconditional right to effectively defer settlement of this facility to January and April. Interest rate combines EURIBOR and margin. In August 2023, the Company terminated this contract and replaced it by new new 3-year bridge loan (see Note 9.8).

9.7 - EUR 100 million term facility agreement MUFG

On 3 March 2023, the Company entered in unsecured term facility agreement with MUFG Bank (Europe) N.V. Germany Branch. The Company drew the loan on 09 March 2023 with maturity in March 2028 and floating interest rate. On 24 March 2023, the Company fixed floating interest rate through interest rate swap.

9.8 - EUR 635 million bridge facility agreement

On 30 August 2023, the Company entered into bridge loan from Banco Santander, Societe Generale, Komerční banka, Raiffeisenbank, SMBC, Barclays and Erste Bank with floating interest rate. The actual maturity date is 31 October 2024, but the Company has unconditional right to effectively defer settlement of this facility to October 2026.

The Company fully drew facility on 30 November 2023 to replace open balance of EUR 1,250 million bridge facility.

9.9 - Costs linked to Amounts owed to credit institutions

In 2023, the credit facilities, unsecured term loans and Schuldschein generated expenses in the amount of EUR 139,462 thousand (2022: EUR 27,305 thousand), see Note 22.2.

9.10 - Covenants on bank loans

Bank loans are subject to covenants. The covenants were met as at 31 December 2023 and 2022. The bank loans covenants are fully aligned with the Company's EMTN programme.

NOTE 10 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

10.1 - Amounts owed to affiliated undertakings, becoming due and payable within one year

	2023	2022
Principal	765,240	56
Interest	101,832	118,084
Other	57,214	12,939
Total	924,286	131,079

The Company concluded Cash pooling framework agreement with CPI FIM SA (Sub-pool leader) in February 2020. The principal in the amount of EUR 4,068 thousand (2022: EUR 987 thousand) and EUR 19 interest (2022: EUR 3) are reported as Other.

10.2 - Amounts owed to affiliated undertakings, becoming due and payable after more than one year

	2023	2022
Principal	2,637,998	2,559,714
Interest	5,652	1,543
Total	2,643,650	2,561,257

The Company received loans with interest range 2.30% - 6.99% p.a. (2022: 1.5% - 6%) with maturity until at 6 August 2030.

NOTE 11 - OTHER CREDITORS BECOMING PAYABLE WITHIN ONE YEAR

	2023	2022
Interest	424	425
Others	1,415	349
Total	1,839	774

From its subsidiary CPI Hungary Investments, the Company borrowed 30 billion Hungarian Forint (see Note 10.2) in 2020 and converted this amount into Euro through a cross-currency interest rate swap (see Note 8.20). The Company recognizes interest payable from this cross-currency interest rate swap in the amount of EUR 424 thousand (2022: EUR 425 thousand), see Note 4.3.

NOTE 12 - DEFERRED INCOME

Deferred income consists of premium that arose from the issuance of notes under EMTN programme (see Note 8.13).

				2023				2022
	Within one year	Within 5 years	After more than 5 years	Total	Within one year	Within 5 years	After more than 5 years	Total
Deferred income on Notes	1,700	6,094	--	7,794	1,701	6,802	992	9,495
Total	1,700	6,094	--	7,794	1,701	6,802	992	9,495

NOTE 13 - OTHER OPERATING INCOME

The other operating income includes remuneration for providing comprehensive and professional services in expert and in an efficient manner.

	2023	2022
Services provided to affiliated	333	858
Others	--	--
Total	333	858

NOTE 14 - OTHER EXTERNAL EXPENSES

Other external expenses are composed as follows:

	2023	2022
Rental, maintenance and repairs	12	12
Financial services	527	1,394
Bank fees	40	108
Professional fees:	4,328	4,208
<i>legal fee</i>	1,446	500
<i>audit fee</i>	457	300
<i>advisory fee</i>	146	96
<i>other fee</i>	152	180
<i>management fee from affiliated</i>	2,127	507
<i>share capital increase fee</i>	--	2,625
Advertising, publications, public relations	158	176
Insurance fee	146	71
Travelling costs	70	83
Other various fees	77	60
Total	5,358	6,112

NOTE 15 - STAFF COSTS

The Company had six employees in 2023 (2022: five).

	2023	2022
Wages and salaries	830	461
Social security cost	126	70
Total	956	531

NOTE 16 - VALUE ADJUSTMENTS IN RESPECT OF CURRENT ASSETS

	2023	2022
Affiliated undertakings	(3,227)	593
Others	--	--
Total	(3,227)	593

The positive value represents partial release of value adjustments.

NOTE 17 - OTHER OPERATING EXPENSES

	2023	2022
Directors - attendance fees	126	126
Audit Committee - attendance fees	8	6
Vitericon litigation	481	--
Others	27	572
Total	642	704

NOTE 18 - INCOME FROM PARTICIPATING INTERESTS DERIVED FROM AFFILIATED UNDERTAKINGS

	2023	2022
Dividend	17,797	91,331
Gain from sale of affiliated undertakings – Next Re SIIQ	512	--
Gain from sale of affiliated undertakings – Airport City Phase B Kft. to third party	--	7,097
Indemnity compensation provided by Radovan Vitek	--	4,110
Total	18,309	102,538

NOTE 19 - INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS

In 2023, the loans provided generated interest income of EUR 138,388 thousand (2022: EUR 131,161 thousand).

In 2023, the Company received dividends from other shares in the amount EUR 1,407 thousand (2022: EUR 8,383 thousand), interest in the amount of EUR 18,442 thousand (2022: EUR 2,688 thousand).

NOTE 20 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**20.1 - Derived from affiliated undertakings**

	2023	2022
Interest	41	21
Foreign currency exchange gains	11,671	4,364
Other	--	--
Total	11,712	4,385

20.2 - Other interest and similar income

Other interest and similar income include primarily interest from cross-currency interest rate swaps.

	2023	2022
Interest	52,983	41,159
Foreign currency exchange gains	4,743	6,924
Other	15,986	6,480
<i>cross-currency swap settlement</i>	15,938	5,839
<i>other</i>	48	641
Total	73,712	54,563

NOTE 21 - VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS

Value adjustments of financial assets are composed as follows:

	2023	2022
Shares	(33,984)	(4,359)
Investments held as fixed assets	638	(1,732)
Fair value adjustments	638	(1,732)
Loans	10,320	(20,041)
Affiliated undertakings	10,320	(20,041)
Total	(23,026)	(26,132)

Positive value represents partial release of value adjustments.

NOTE 22 - INTEREST PAYABLE AND SIMILAR EXPENSES**22.1 - Concerning affiliated undertakings**

	2023	2022
Interest	123,725	75,985
Foreign currency exchange losses (reversal of FX losses of previous year)	394	13,046
Other	7,049	37,447
<i>loss on sale of affiliated undertakings – S IMMO AG to IMMOFINANZ AG</i>	--	37,390
<i>loss on sale of affiliated undertakings – IMMOFINANZ AG</i>	832	--
<i>loss on liquidation of affiliated undertakings</i>	6,171	--
<i>other</i>	46	57
Total	131,168	126,478

22.2 - Other interest and similar expenses

Other interest and similar expenses include primarily interest from notes and cross-currency interest rate swaps.

	2023	2022
Interest	301,553	207,672
<i>linked to Notes</i>	202,677	189,131
<i>linked to credit institutions</i>	98,876	18,538
<i>other</i>	--	3
Foreign currency exchange losses	1,344	18,240
Other	(17,696)	61,248
<i>costs linked to Notes – regular</i>	16,814	25,469
<i>costs linked to Notes – repayment</i>	(79,813)	11,680
<i>costs linked to credit institutions</i>	40,586	8,767
<i>financial provision – Vitericon litigation</i>	3,027	14,119
<i>Other</i>	1,690	1,183
Total	285,201	287,160

NOTE 23 - TAX ON PROFIT OR LOSS

The Company is subject to Luxembourg income and net wealth taxes. As at 31 December 2023, the Company reported payables against the Luxembourg Tax Administration in the amount of EUR 270 thousand (2022: EUR 1 thousand).

	2023	2022
Tax on profit or loss – withholding tax	--	2,113
Other taxes	1,059	1,697
<i>net wealth tax</i>	1,059	3
<i>foreign taxes</i>	--	1,694
Total	1,059	3,810

NOTE 24 - OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES**Subordination of loan**

The Company issued a subordination of loan and a comfort letter without any limit to the following affiliated companies:

- CPI Next Level Ventures GmbH (formerly Orco Immobilien GmbH)
- GSG Berlin Invest GmbH
- Gebauer Höfe Liegenschaften GmbH

Comfort letter

In 2012, the Company issued the following comfort letters to GSG Asset KG for their contracting partner Techem Energy Contracting GmbH still valid in 2023:

- Wattstrasse, limited to EUR 38,001
- Geneststrasse, limited to EUR 40,000
- Zossener Strasse, limited to EUR 38,300
- Adalbertstrasse, limited to EUR 15,404
- Waldemarstrasse, limited to EUR 35,596
- Gneisenaustrasse, limited to EUR 34,400

Other Guarantee, warrantiesCPI Hotels Italy

The Company concluded an agreement with HSBC France, acting through its branch HSBC France – pobočka Praha (“HSBC”), in relation to a bank guarantee for its affiliated entity CPI Hotels Italy S.r.l. Under this agreement, HSBC will provide a guarantee to IHG Hotels Limited up to amount of EUR 50,000 until December 31, 2031.

Credit Facility Agreements

As at balance sheet date, the Company has contracted below the credit facility agreements with its undertakings affiliated:

Undertakings	2023 Drawdown Limit (MEUR)	2022 Drawdown Limit (MEUR)
1 Bishops Avenue Limited	16	17
7 St James's Square Limited	89	69
APULIA INVESTMENTS 1 S.R.L.	2	--
APULIA INVESTMENTS 2 S.R.L.	2	2
Baron Puglia S.r.l.	35	35
CM Hotels SA	3	--
CMA Immobilier SA	75	--
CPI Alberghi HI Roma S.r.l.	5	5
CPI Bologna S.P.A.	21	--
CPI FIM SA	4,667	9,214
CPI Hibiscus S.r.l. (formerly CPI Air Italy S.r.l.)	55	55
CPI Italy - S.r.l.	6	4
CPI Medici S.r.l.	7	--

Undertakings	2023	2022
	Drawdown Limit (MEUR)	Drawdown Limit (MEUR)
CPI Next Level Ventures GmbH (formerly Orco Immobilien GmbH)	85	57
CPI PARKING S.r.l.	6	6
CPIPG Management S.à r.l.	--	230
Duca Puglia S.r.l.	8	8
Freccia Alata 2 S.r.l.	26	4
GSG Energiemanagement GmbH	5	5
IMMOFINANZ AG	--	337
Mackworth Properties Limited	2	--
Millennium S.r.l. Unipersonale	2	2
Moritzstr. 23 GmbH	5	4
Next RE Siiq S.p.A	58	58
Parco Delle Case Bianche, S.R.L	30	30
Peabody Lamaro Roma S.r.l.	2	2
Rathenower Str. 63-64 GmbH	6	3
Ritterstr. 120 GmbH	10	7
Savile Row 1 Limited	8	8
SCI MAS Cantagrelì	20	20
SCP AILEY	20	20
SCP CISKEY	57	57
SCP KANDLER	20	20
SCP MADRID	20	20
SCP NEW BLUE BIRD	--	20
SCP PIERRE CHARRON	20	20
SCP VILLADETAHITI	20	20
Spojené farmy, a.s.	4	4
TEVAT LIMITED	2	1
Uchaux Limited	2	2
WXZ1 a.s.	2	2

As at balance sheet date, the Company has contracted below the credit facility agreements with related party:

Related party	2023	2022
	Drawdown Limit (MEUR)	Drawdown Limit (MEUR)
Senales Invest S.à r.l.	450	450

Kingstown dispute in Luxembourg

On 20 January 2015, the Company was served with a summons containing petition of the three companies namely Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II, LP of Delaware and Ktown LP of Delaware (together referred to as „Kingstown“), claiming to be the shareholders of CPI FIM SA, filed with the Tribunal d'Arrondissement de et a Luxembourg (the “Luxembourg Court”). The petition seeks condemnation of the Company together with CPI FIM SA and certain members of CPI FIM SA's board of directors as jointly and severally liable to pay damages in the amount of EUR 14.5 million and compensation for moral damage in the amount of EUR 5 million. According to Kingstown's allegation the claimed damage has arisen as a consequence of inter alia alleged violation of CPI FIM SA's minority shareholders rights.

To the best of Company's knowledge, Kingstown was not at the relevant time a shareholder of the Company. Therefore, and without any assumption regarding the possible violation, the Company believes that it cannot be held liable for the violation of the rights of the shareholders of another entity.

The Management of the Company has been taking all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders. Accordingly, the parties sued by Kingstown raised the exceptio judicatum solvi plea, which consists in requiring the entity who initiated the proceedings and who does not reside in the European Union or in a State which is not a Member State of the Council of Europe to pay a legal deposit to cover the legal costs and compensation procedure. On 19 February 2016 the Luxembourg Court rendered a judgement, whereby each claimant has to place a legal deposit in the total amount of EUR 90 thousand with the “Caisse de Consignation” in Luxembourg in order to continue the proceedings. Kingstown paid the deposit in January 2017, and the litigation, currently being in a procedural stage, is pending. In October 2018, Kingstown's legal advisers filed additional submission to increase the amount of alleged damages claimed to EUR 157.0 million. The Company continues to believe the claim is without merit.

On 21 June 2019 the Company received a first instance judgment, which declared that a claim originally filed by Kingstown in 2015 was null and void against CPIP. The Court dismissed the claim against CPIP because the claim was not clearly pleaded (“libellé obscur”). Specifically, Kingstown did not substantiate or explain the basis of their claim against CPIP and failed to demonstrate how CPIP committed any fault.

In December 2020, the Luxembourg Court declared that the inadmissibility of the claim against the Company and certain other defendants has not resulted in the inadmissibility of the litigation against the Company’s subsidiary CPI FIM SA and the remaining defendants. Some defendants have decided to appeal against this judgment of which declared the claim admissible against CPI FIM SA. On 28 March 2023 the court of appeal has rejected the appeal and therefore the will be ongoing on other issues of inadmissibility and the merits before the first instance Luxembourg Court during 2024.

Kingstown dispute in the United States

On 10 April 2019, a group of Kingstown companies, Investhold LTD and Verali Limited (together, the “Kingstown Plaintiffs”) filed a claim in the United States District Court of the Southern District of New York (the “SDNY Court”) against, among others, CPIP and Mr. Radovan Vitek (together, the “CPIP Defendants”). The claims brought by the Kingstown Plaintiffs against CPIP include alleged violations of RICO.

CPIP believes that the claims are without merit and were designed to create negative press attention for CPIP and to force an undue settlement. The Group’s business has been totally unaffected by the New York lawsuit and by similar attempts by the Kingstown Plaintiffs to harm the reputation of CPIP and Mr. Vitek. CPIP reported superb preliminary operating results for 2019 and is pleased to have successfully issued nearly EUR 2 billion of bonds on the international capital markets since the New York lawsuit was filed.

On 10 September 2019, the CPIP Defendants filed a motion to dismiss the case in the SDNY Court. On 22 November 2019, the Kingstown Plaintiffs filed an amended complaint in the SDNY Court. The amended complaint adds new non-US defendants and simply continues the false campaign against CPIP and Mr. Vitek. The amended complaint does nothing to cure the serious jurisdictional deficiencies and pleading defects present in the original complaint.

On 14 February 2020, the CPIP Defendants filed a motion to dismiss the amended complaint. The arguments presented in the motion resemble those presented by the CPIP Defendants in September 2019 and are further refined given the new allegations:

- i. The Kingstown Plaintiffs have failed to justify the application of RICO outside the United States;
- ii. The SDNY Court lacks jurisdiction over the CPIP Defendants;
- iii. The Kingstown Plaintiffs’ alleged RICO claims are time-barred under RICO’s four-year statute of limitations;
- iv. The SDNY Court is an improper forum to hear the case given that, among other things, Kingstown initiated nearly identical proceedings in Luxembourg in January 2015 which are still pending against some of the CPIP Defendants;
- v. The Kingstown Plaintiffs have nonetheless failed to adequately state any claim against the CPIP Defendants.

On 4 September 2020, the SDNY Court granted the CPIP Defendants’ motions to dismiss. The SDNY Court ruled that the case should defer to the existing proceedings in Luxembourg, which is the locus where most of the relevant evidence in the case is located. The SDNY Court also determined that Luxembourg would be a more convenient forum for litigation, and that Luxembourg’s legal system was sufficiently adequate to allow for the resolution of Kingstown Plaintiffs’ claims.

The Kingstown Plaintiffs appealed the dismissal decision to the Second Circuit Court of Appeals on 5 October 2020, which they were entitled to do as of right under U.S. law. The Kingstown Plaintiffs’ appeal is limited to identifying certain purported errors that the District Court made in reaching its decision and cannot introduce new facts or arguments that were not raised before the District Court during the motion to dismiss briefing.

The hearing on the appeal took place on 10 December 2021. On 1 September 2022, the Court of Appeals issued a summary order affirming the judgement of the SDNY Court. The Court of Appeals considered the Claimants’ arguments and found them without merit. The RICO case is thus over and the Court of Appeals confirmed CPIP Defendants’ position.

On 3 June 2020, Kingstown filed yet another complaint against CPIP and Mr. Radovan Vitek in New York. This time, Kingstown filed in New York State court, alleging that they were somehow defamed through April 2019 press releases and other statements in relation to Kingstown’s first- filed U.S. lawsuit, which is currently pending in the SDNY Court.

On 18 September 2020 CPIPG moved to dismiss the complaint, arguing that they were not subject to personal jurisdiction in New York, and that the alleged defamatory statements were not actionable under New York law. On 6 April 2021, the defamation claim filed in June 2020 by Kingstown was dismissed in its entirety. Kingstown appealed the dismissal, but on 5 May 2022 the Supreme Court of the State of New York, Appellate Division, affirmed the decision of the lower court, dismissing Kingstown's defamation case. The court stated that "plaintiffs failed to establish personal jurisdiction over defendants and failed to demonstrate an articulable nexus between defendants' New York activities and the cause of action for defamation."

The Group did not account for any provision in respect of the Kingstown disputes.

Vitericon

On 15 March 2019, the Company received a summons from the Berlin Court. The Company was sued by an insolvency administrator of the Company's former subsidiary Vitericon. The insolvency administrator was claiming invalidity of an intragroup debt settlement from 2013 and demanded a payment of EUR 10.4 million from the Company. The first instance court fully rejected the claim of the insolvency administrator, but in February 2023 the second instance court decided in his favor. Accordingly, the Company paid the full amount, including interest, totaling approximately to EUR 17 million. The legal dispute has ended by the payment of the final judgment.

Cyprus litigation

In January 2023 the Company received information about the filing of a lawsuit before the District Court of Nicosia, Republic of Cyprus, by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them (Investhold Limited and Verali Limited). The claim includes a temporary injunction which purports to prevent the Company from disposing assets which would have the effect of the Company's assets falling below the value of EUR 535 million, which is the alleged value of the claim.

The Company understands that the lawsuit simply recycles old allegations and claims pursued in previous lawsuits, which have been consistently and categorically denied. Furthermore, the Company does not believe that Cyprus has jurisdiction on this claim or that it is an appropriate forum. The alleged claim is for EUR 535 million, a figure without any factual basis. The Company is taking all appropriate action to defend our company and our stakeholders. The Company filed its opposition statements and the hearing on the interim injunction took place on 1 February 2024. The sides put forward their arguments orally and also submitted with the District Court of Nicosia their written submissions. Having heard all the sides, the Court reserved its judgement on the interim injunction, which is expected in the coming months.

Investhold Limited and Verali Limited are offshore vehicles of Mr. Čmejla, a Czech citizen, and Mr. Diviš, a Swiss citizen of Czech origin. In connection with the privatization of Mostecká uhelná (a Czech coal mining company) Mr. Čmejla and Mr. Diviš were convicted of fraud and money laundering in Switzerland. In 2019, the above offshore vehicles and their principals, together with Kingstown, filed a lawsuit against the Company and Mr. Radovan Vitek and other parties (alleging violations of the RICO act) in the United States described earlier.

With the United States RICO case dismissed both at first instance and on appeal, it appears that the claimants are pursuing yet another vexatious and unjustified claim without merit whatsoever.

NOTE 25 - REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors attendance compensation for the year 2023 amounts to EUR 126,000 (2022: EUR 126,000 - see Note 17). The Annual General Meeting held on May 28, 2014 resolved to approve, with the effect as of 1 January 2014, the payment of attendance fees to all independent, non-executive Directors of the Company in the amount of EUR 3,000 per calendar month as a base fee and empowered the Board of Directors to decide at its sole discretion about the payment of additional fees up to EUR 3,000 per calendar month to independent, non-executive Directors of the Company.

NOTE 26 - RELATED PARTY TRANSACTIONS

Entity owned by the Company (directly and indirectly)

The list contains only affiliated, with whom the Company considers transaction in 2023 and 2022. The full list of subsidiaries is presented in the CPI PG's annual report, available at www.cpipg.com.

1 Bishops Avenue Limited	CPI - Bor, a.s.	CPI Hotels, a.s.
7 ST JAMES'S SQUARE LIMITED	CPI - Land Development, a.s.	CPI Hungary Investments Kft.
APULIA INVESTMENTS 1 S.R.L.	CPI Alberghi HI Roma S.r.l.	CPI Italy - S.r.l.
APULIA INVESTMENTS 2 S.R.L.	CPI Bologna S.P.A.	CPI Lambrate S.r.l.
Baron Puglia S.r.l.	CPI Facility Slovakia, a.s.	CPI Medici S.r.l.
CM Hotels SA	CPI FIM SA	CPI Next Level Ventures GmbH
CMA Immobilier SA	CPI Finance (BVI) Limited	CPI Park Žďárek, a.s.
CODIAZELLA LTD	CPI Hibiscus S.r.l.	CPI PARKING S.r.l.
	CPI Hotels Italy S.r.l.	CPI REAL ESTATE ITALY S.P.A.
	CPI Hotels Poland sp. z o.o.	CPI Services, a.s.
	CPI Hotels Slovakia, s. r. o.	

CPI Sicilia -S.r.l.	GSG Gewerbehöfe Berlin 3.	Savile Row 1 Limited
CPI Torrenova S.p.A.	GmbH & Co. KG	SCI MAS CANTAGRELI
CPIPG Management S.à r.l.	GSG Gewerbehöfe Berlin 4.	SCP AILEY
Czech Property Investments, a.s.	GmbH & Co. KG	SCP CISKEY
Duca Puglia S.r.l.	GSG Gewerbehöfe Berlin 5.	SCP KANDLER
ENDURANCE HOSPITALITY FINANCE S.à r.l.	GmbH & Co. KG	SCP MADRID
Estate Grand, s.r.o.	IMMOFINANZ AG	SCP NEW BLUE BIRD
Freccia Alata 2 S.r.l.	Land Properties, a.s.	SCP PIERRE CHARRON
GAMALA LIMITED	Mackworth Properties Limited	SCP VILLA DE TAHITI
Globalworth Real Estate Investments Limited	Mercuda, a.s.	Spojené farmy a.s.
GSG Berlin GmbH (formerly Gewerbesiedlungs- Gessellschaft mbH)	Millennium S.r.l.	Statenice Property Development, a.s.
GSG Energiemanagement GmbH	Moritzstr. 23 GmbH	Sunčani Hvar d.d.
GSG Gewerbehöfe Berlin 1. GmbH & Co. KG	Next RE Siiq S.p.A	SUNČANI HVAR REAL ESTATE Ltd.
GSG Gewerbehöfe Berlin 2. GmbH & Co. KG	Parco delle Case Bianche, S.r.l.	TEVAT LIMITED
	Peabody Lamaro Roma S.r.l.	Uchaux Limited
	Pinsirot, s.r.o.	WXZ1 a.s.
	Rathenower Str. 63-64 GmbH	Zerodix Sàrl
	Remontées Mécaniques Crans	
	Montana Aminona (CMA) SA	
	Ritterstr. 120 GmbH	
	Rizeros, a.s.	
	S IMMO AG	

Transactions with these partners are part of Note from 3.1 to 4.2, 10.1, 10.2, 13, 14, from 16 to 20.1, 21 and 22.1.

As related party is considered Mr. Radovan Vitek and entity owned by or linked to Mr. Radovan Vitek. These entities are reported as Other in 2023 and 2022

- Mr. Radovan Vitek
- GAMALA LIMITED
- Larnoya Invest S.à r.l.
- Senales Invest S.à r.l.
-

Transactions with these partners are part of Note 3.4, 4.3, 19.2 and 20.2.

NOTE 27 - POST BALANCE SHEET EVENTS

There have been other material post balance sheet events that would require disclosure or adjustment to these annual accounts.