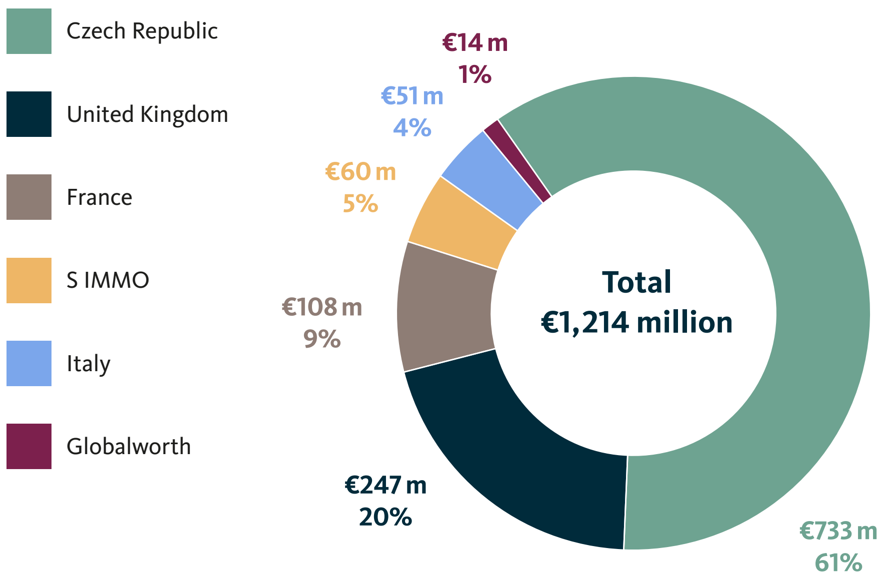
Residential

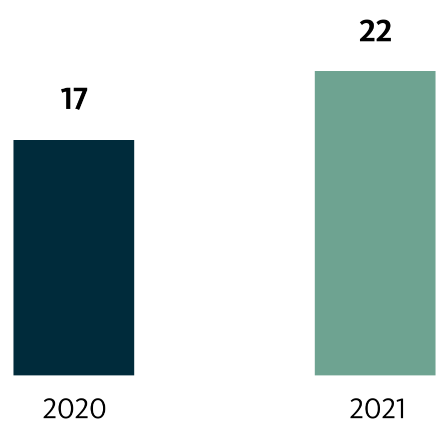
CPIPG has extensive residential experience in the Czech Republic and makes selective investments in the UK and other locations.

Residential property portfolio by country



Group residential net rental income

(€ million)



Czech Republic

The majority of the portfolio relates to CPI BYTY in the Czech Republic, where the Group is the second-largest residential property owner in the country. CPI BYTY's portfolio is very resilient and well-diversified between Prague and other regions of the Czech Republic.

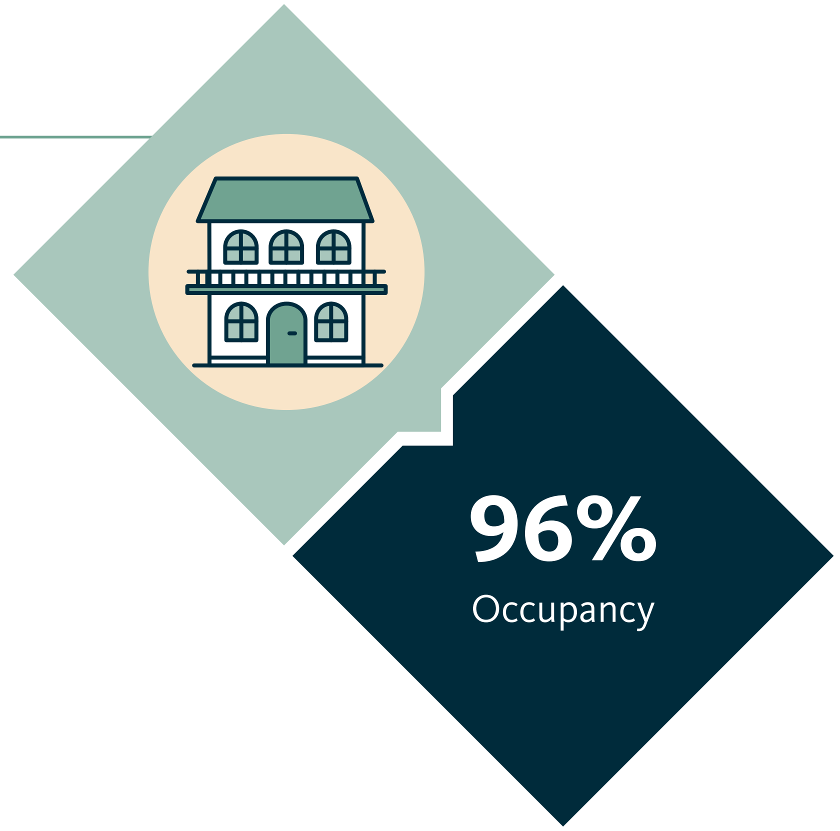
Despite only representing around 5.6% of our property portfolio, the Czech residential portfolio's value to the Group during the pandemic has been much greater, with **nearly 100% collection rates**. Residential demand remains strong across the Czech Republic, leading to generally higher rents and valuations.

The portfolio's value **increased by €218 million to €733 million** during the year on the back of improving occupancy rates and unbroken investor demand for the defensive asset class.

Net rental income grew significantly in 2021 compared to the prior year, **increasing by 30% to €20 million, driven by consistent increases in occupancy and like-for-like rents,** combined with a significant reduction of property operating expenses. This performance represents a continuation of the trajectory that the portfolio has been on in recent years, with occupancy having consistently increased year-on-year across the portfolio, together with growth in like-for-like rents from historically below-market levels, and steadily falling refurbishment costs, following significant improvements made to the portfolio in recent years.

Occupancy improved by 2.8% to 95.7% over the year. Improvements in occupancy continue to be driven by significant investments made to improve the overall quality of the assets before being re-let. Ostrava region saw the biggest occupancy improvement with 5.5 p.p. with Ústí and Liberec region recording improvements on already high levels. Prague region saw slight declines due to renovation of units before renting to new tenants.

In 2021, 244 units were refurbished on top of returned units. 189 units in the Třinec region were disposed of having an insignificant impact on future GRI.



Average market rents in our regions are still significantly higher than the rents we charge in our portfolio. The trajectory of rental income improvement in recent years has primarily been due to the continued uptick in occupancy. Still, **there continues to be significant potential for improvement in like-for-like rents in the future.**

Receivables remain low across all regions, despite the impact of COVID-19, with collection rates in recent months close to 100%. Historically, tenant default rates have remained well below 1%, demonstrating the portfolio's resilience.

UK

The value of the UK residential portfolio stood at €247 million in 2021. CPIPG established a small presence in the 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. In late 2020, the Group added additional apartments situated in St. John's Wood and South Kensington, taking advantage of the market mispricing from Brexit and the coronavirus pandemic. The last tenants left the property in St. John's Wood which is being prepared for redevelopment to capture the upside potential inherent in its highly regarded residential area.

CPI BYTY's leading regional platforms

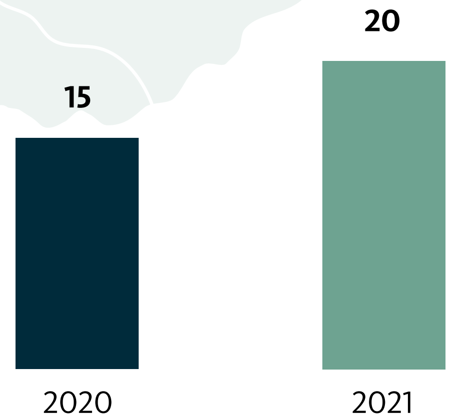
- Long term rental strategy with **significant upside potential**
- **High diversification** of rental income
- Located in popular districts, **close to city centres**
- Strong track record of **increasing occupancy**

11,680 units in **14** cities

700,896 m² area of flats

= cca 500 units

Czech residential net rental income (€ million)



Český Těšín, Ostrava

Neštěmice, Ústí nad Labem

Letňany, Prague

Czech residential summary in figures

Region	Czech residential 2021				Czech residential 2020			
	PP value (€ million)	Occupancy* (%)	No. of units	No. of rented units	PP value (€ million)	Occupancy* (%)	No. of units	No. of rented units
Prague	100	96.5%	463	447	77	97.6%	461	450
Ostrava region	244	94.2%	4,133	3,894	180	88.7%	4,322	3,834
Ústí region	248	95.2%	4,989	4,752	157	93.4%	4,988	4,660
Liberec region	133	99.5%	2,018	2,007	95	99.0%	2,018	1,997
Central Bohemia	9	98.7%	77	76	6	100%	77	77
Total	**733**	**95.7%**	**11,680**	**11,176**	**515**	**92.9%**	**11,866**	**11,018**

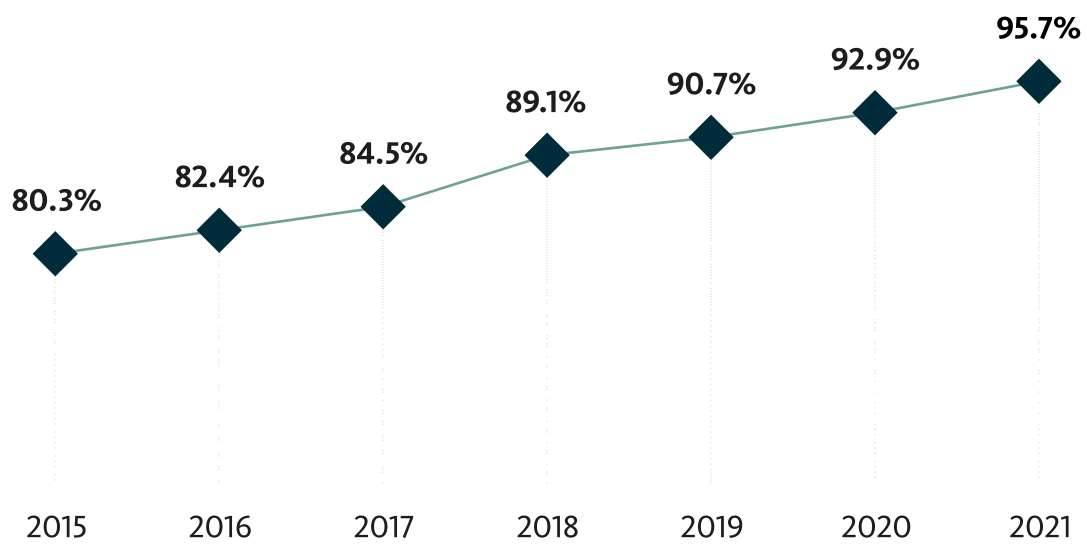
* *Occupancy based on rented units.*

Demand for our product remains high due to the good quality at reasonable prices.

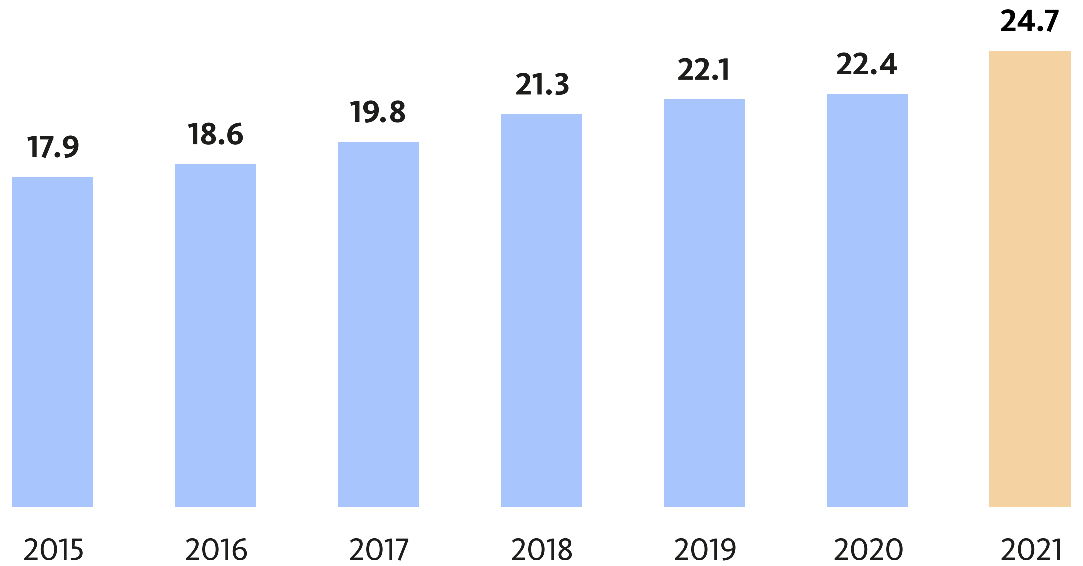
Petr Mácha, Director of CPI BYTY, Czech Republic

CPI BYTY, Třinec, Czech Republic

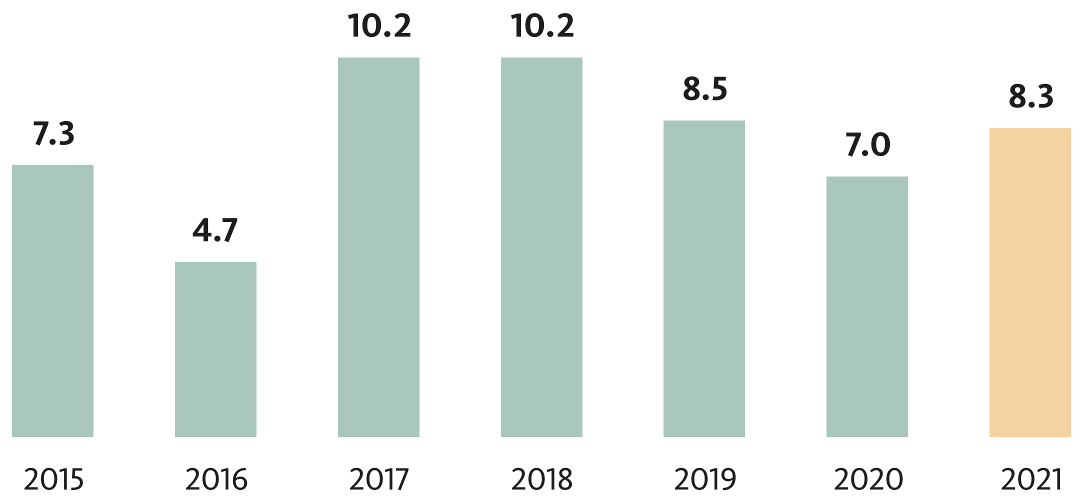
CPI BYTY portfolio occupancy (based on rented units)



Increases in gross rental income (€ million)



Declining refurbishment and maintenance costs since 2018
(€ million)



CPI BYTY Apartments, Prague, Czech Republic

Czech 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 solid 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, with realized sales prices increasing 120% during that period while the rent index in regional Czech cities increased by 55.7%. Growth remained strong, with the average selling price of Czech apartments rising by 5.2% to CZK 84,300 per/m² in Q3 2021. Significant price jumps were recorded in regional cities of Liberec (29.6%) and Ústí nad Labem (20.9%), while Prague remains the most expensive region with an average price of CZK 109,800 per/m².

The Czech residential rental market is underpinned by the lack of affordable housing in the country. In 2021, the Czech Republic was the country with the second least affordable housing among 22 countries participating in a survey conducted by Deloitte, with an average of 12.2 gross annual salaries required to purchase a standardised dwelling of 70 m² size.

In terms of rents per month, among major cities in central European countries, Prague (€11.5/m²) is only second behind Warsaw (€15.1/m²/month) in terms of the price level with Bratislava (€10.7/m²) being in the third place. This year, Budapest with €9.76/m² is cheaper in terms of rental housing than both regional cities of Gdańsk in Poland (€9.80/m²) and Brno in the Czech Republic (€9.79/m²). Since 2020, rent growth in Prague has not accelerated at the same pace as property prices – the significant growth in average rental prices in Prague over the last 3-4 years was also fuelled by short-stay rentals offerings in central parts of the city, which slowed significantly when the tourism industry was hit by COVID-19.

Low-interest rates and continued uncertainty have prompted many to turn to real estate as an alternate form of investment. An easing of strict regulations around mortgage loans by the Czech National Bank (CNB) and the abolition of a long-debated real estate acquisition tax also contributed to the recent increase in demand for real estate. In November, the CNB opted to reintroduce limits on mortgage lending that will come into effect from April 2022.

Investment demand remained high in 2021, as various deals closed, and prime yields stood at around 3%, the lowest of all asset classes, according to Colliers. Most deals completed are related to forward pledges to acquire future developments prior to commencement or completion. In terms of notable deals, Swedish company Heimstaden Bostad acquired the “Unicity Living” project in Pilsen from a developer in Q1, followed by the acquisition of the Pergamenka development project in Prague – Holešovice in Q2. In the second half of the year, only two portfolio transactions were recorded with the sale of Trigema apartments in Skvrňany to Mint Investment and the sale of 254 units in Ostrova to Boswell.

Sources: CBRE, Deloitte, JLL, Colliers

UK market overview

Prime central London residential property values returned to growth in 2021, rising 3.2% on average, but remain almost 19% below their 2014 peak. Price increases considerably varied by location and size, with larger space offerings benefiting from the pandemic fuelled upsize desires. The absence of overseas buyers held back the recovery of parts of the prime London market, particularly in the highest value central areas. Houses have remained the top performers as buyers look to upsize, with the flat market beginning to recover. Modest price growth was recorded in prime central London, with 1.1% and 1.0% in outer prime London.

In Q4 2021, rental growth across London prime properties was at 3.3% – the strongest in over ten years. Overall rents increased by 6.6% during 2021 as more tenants returned to the city centre, lifting rental values for prime houses above pre-pandemic levels, while flats remain slightly below (–1.3%). The lack of stock continues to drive rents up while demand in urban locations increases again.

Since the initial coronavirus outbreak, South West London proved to be the most stable market achieving constant rental growth. Increasing international and corporate tenant demand supported the recovery led by top performing Clerkenwell and Shoreditch with annual increases above 10%.

Source: Savills

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, located in the heart of European capitals. Focused on premium quality accommodation and service.

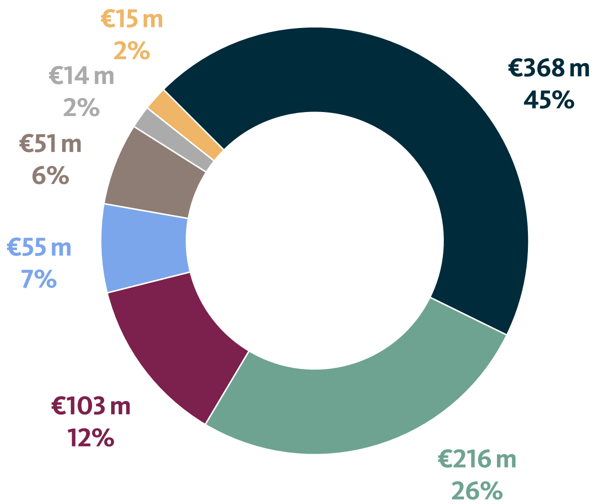
Residential Hotels: hotels primarily located in Prague catering for long-stay accommodation, popular with business travellers and tourists.

Mountain Resorts: the Group is the majority owner of Crans-Montana Aminona SA ("CMA"), which operates and maintains the ski lifts, pistes, shops and restaurants in the Swiss ski resort of Crans-Montana.

Spa Hotels: the six year-old brand, Spa & Kur Hotels offers wellness and spa treatment located in the world-famous spa city Františkovy Lázně, in the Czech Republic.

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

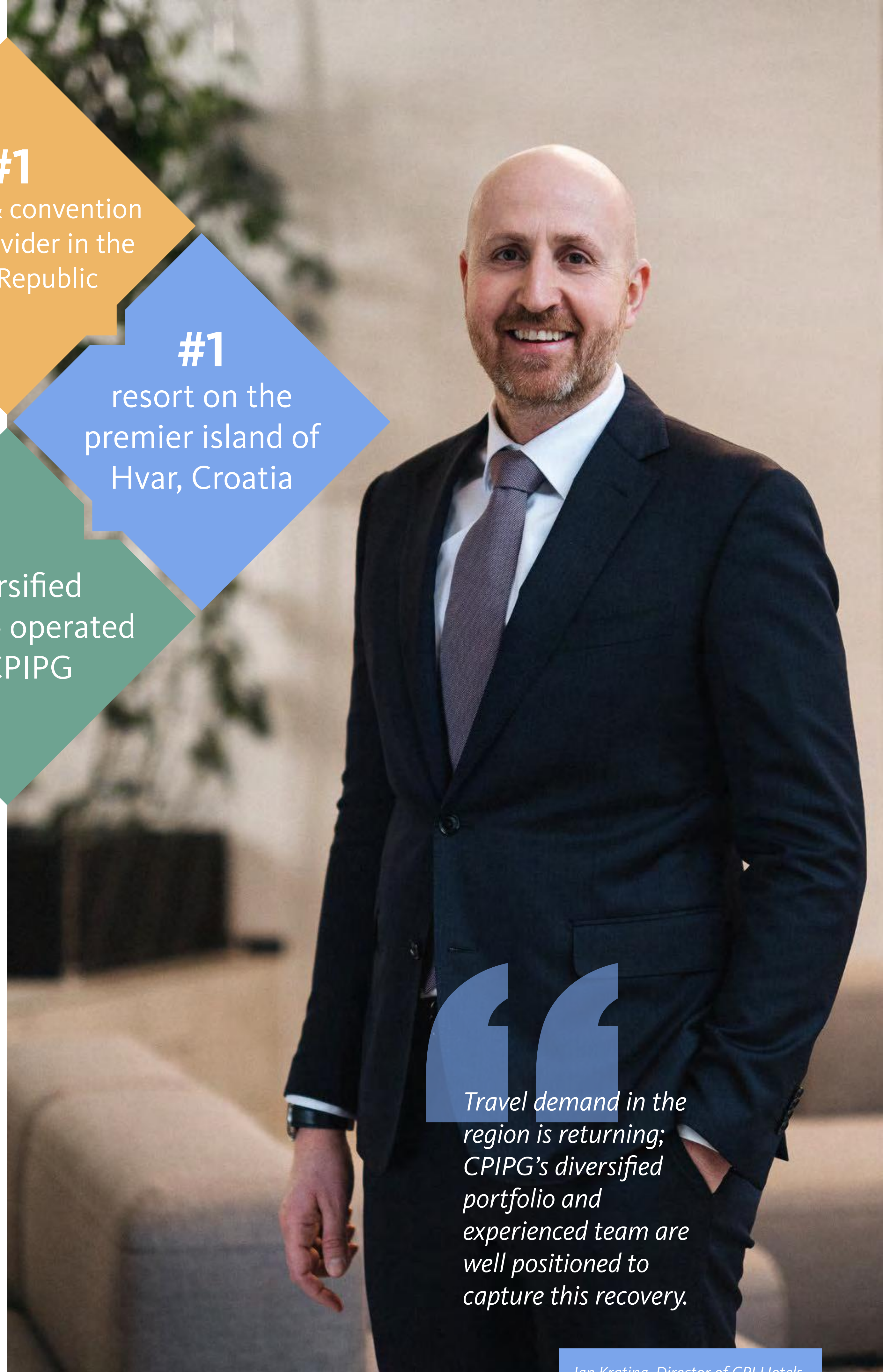
- Conference & Convention Centres
- Resort Hotels
- Boutique Hotels & Residences
- Residential Hotels
- Mountain Resorts
- Spa Hotels
- S IMMO Hotels



#1
congress & convention hotels provider in the Czech Republic

#1
resort on the premier island of Hvar, Croatia

Diversified portfolio operated by CPIPG

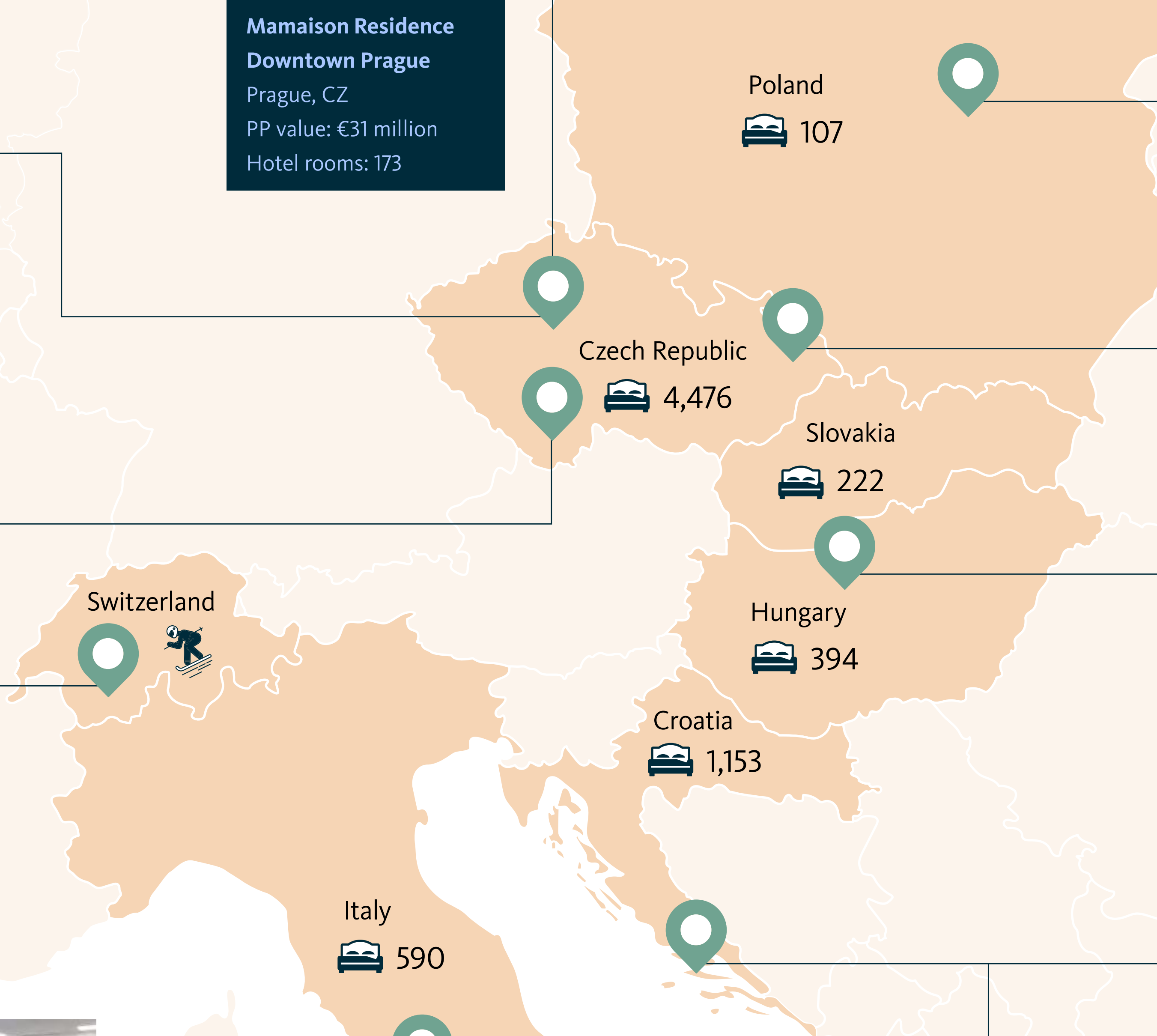


Travel demand in the region is returning; CPIPG's diversified portfolio and experienced team are well positioned to capture this recovery.

Jan Kratina, Director of CPI Hotels

Key Hotel & Resort properties

Number of hotel rooms in each country



Mamaison Residence Downtown Prague
Prague, CZ
PP value: €31 million
Hotel rooms: 173

Mamaison Hotel Le Regina
Warsaw, PL
PP value: €15 million
Hotel rooms: 61

Clarion Congress Hotel Prague
Prague, CZ
PP value: €87 million
Hotel rooms: 559

Clarion Congress Hotel Ostrava
Ostrava, CZ
PP value: €20 million
Hotel rooms: 169

Clarion Congress Hotel České Budějovice
České Budějovice, CZ
PP value: €24 million
Hotel rooms: 205

Europeum Marriott Courtyard
Budapest, HU
PP value: €37 million
Hotel rooms: 234

Crans-Montana Ski Resort
Crans-Montana, CH
PP value: €51 million

Holiday Inn Rome Eur Parco Dei Medici
Rome, IT
PP value: €36 million
Hotel rooms: 317

Amfora Grand Beach Resort
Hvar, HR
PP value: €84 million
Hotel rooms: 330

Palace Elisabeth Hotel
Hvar, HR
PP value: €14 million
Hotel rooms: 45

Pharos Hotel
Hvar, HR
PP value: €23 million
Hotel rooms: 201

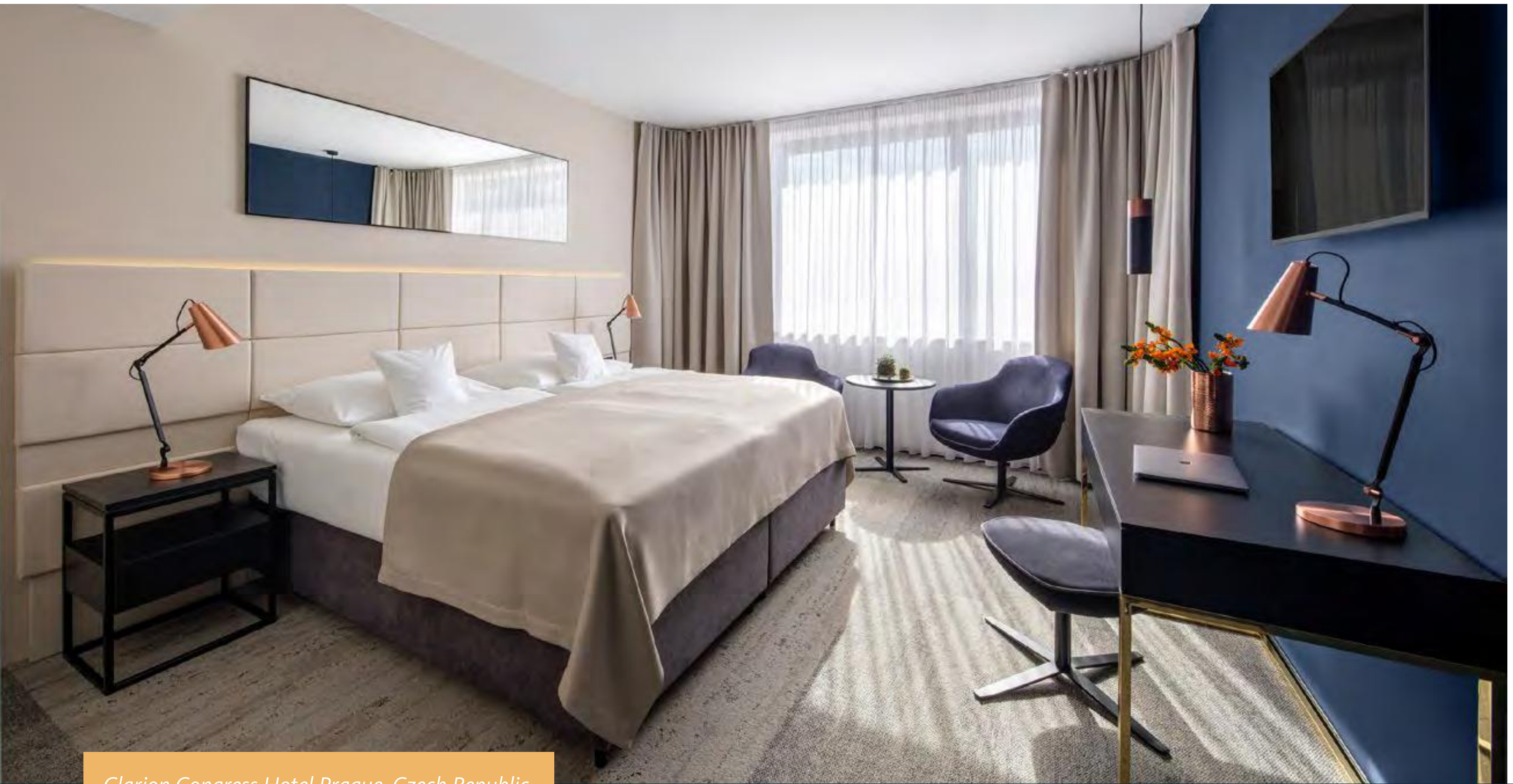
Hotels & Resorts segment summary

The Group has a diversified portfolio of owned and operated hotels, with about half relating to conference and convention centres in the Czech Republic, and a quarter relating to resort hotels in Hvar. The remaining quarter is split primarily between boutique hotels, the Crans-Montana mountain resort and residential and spa hotels.

Hotels & Resorts segment summary in figures

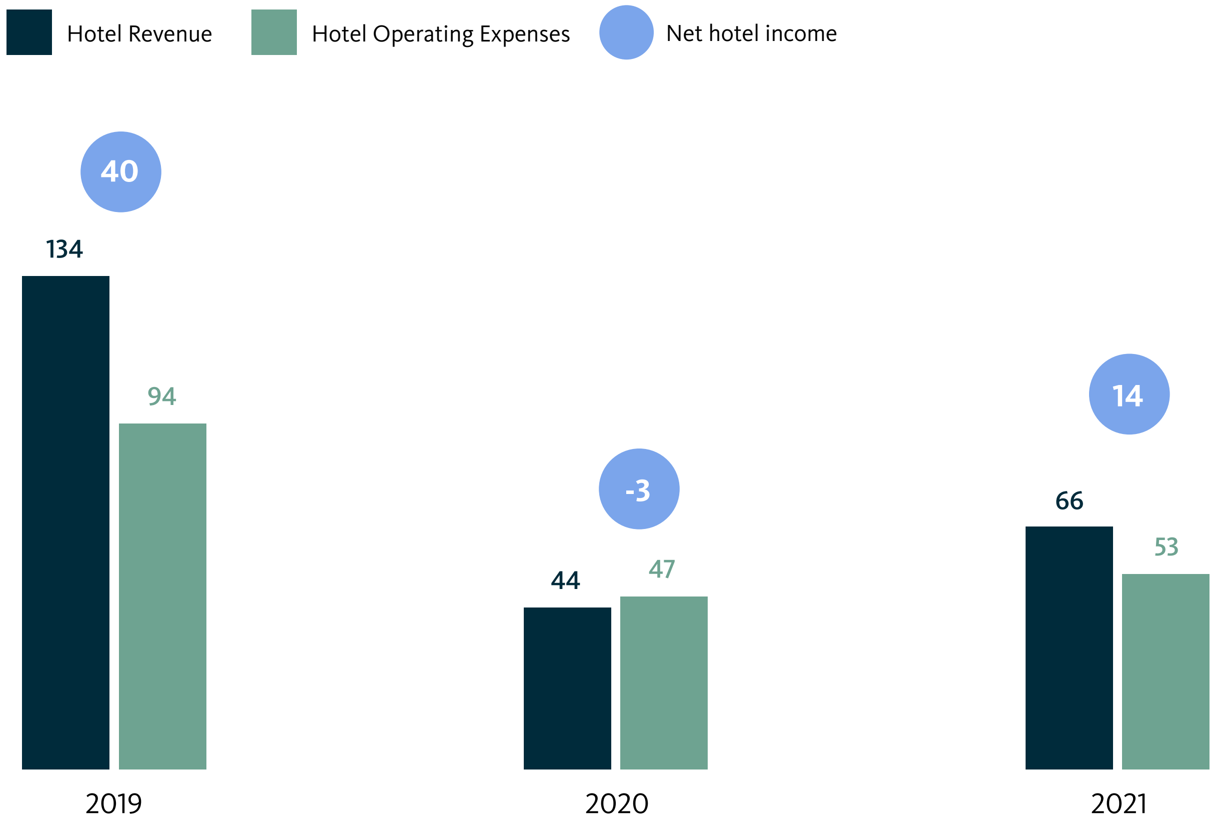
	Hotels & Resorts 2021					Hotels & Resorts 2020				
	PP value (€ million)	Hotel rooms	No. of properties	RevPAR YoY change (%)	ADR YoY change (%)	PP value (€ million)	Hotel rooms	No. of properties	RevPAR YoY change (%)	ADR YoY change (%)
Czech Republic	380	4,476	23	13	7	370	4,476	23	(76)	(20)
Croatia	168	1,153	7	83	35	164	1,153	7	(48)	(18)
Italy	91	590	5	(43)	(23)	46	493	4	(85)	(1)
Hungary	67	394	4	44	(13)	63	394	4	(73)	(1)
Switzerland	51	–	1	–	–	67	–	1	–	–
Poland	25	107	2	40	8	24	107	2	(79)	(23)
Russia	17	83	1	19	(19)	14	83	1	(44)	(6)
S IMMO	15	–	–	–	–	–	–	–	–	–
Slovakia	10	222	1	(29)	(8)	–	47	–	(56)	(9)
Total	**823**	**7,025**	**44**	**42**	**19**	**749**	**6,753**	**42**	**(74)**	**(16)**

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



Clarion Congress Hotel Prague, Czech Republic

Net hotel income versus hotel operating expenses (€ million)



Our hotel brands and partnerships

sunčani hvar hotels
mamaison Hotels & Residences
buddha-bar hotel PRAGUE
SPA & KUR HOTELS
COURTYARD BY MARRIOTT
Holiday Inn
FORTUNA HOTELS
PRIVATE LABEL HOTELS
Clarion Hotel CHOICE
Quality CHOICE
Comfort CHOICE

Comfort Hotel Prague City East, Czech Republic

Hotel performance

The hospitality industry had a challenging first half of 2021 due to restrictions on accommodation providers, which only began to gradually relax in May 2021. CPIPG, through our subsidiary operator, CPI Hotels, decided to open hotels selectively in response to the government measures and demand and employ a **flexible business model by consolidating operations and reducing costs.**

The average occupancy of the portfolio for the full year in 2021 was 24%*, an **improvement of 5 p.p.** compared to 2020. The low occupancy in H1 2021 of 11%* was offset by a better second half that recorded a 37%* occupancy. This was partly driven by travel restrictions, as well as closures of some properties both due to lack of demand and ongoing refurbishment projects. Furthermore, in **Hvar, the hotels recorded a strong recovery in 2021** with the return of UK and US travellers, as well as regional European guests. The summer months of July and August achieved **high occupancy rates of 71% and 97%, respectively.**

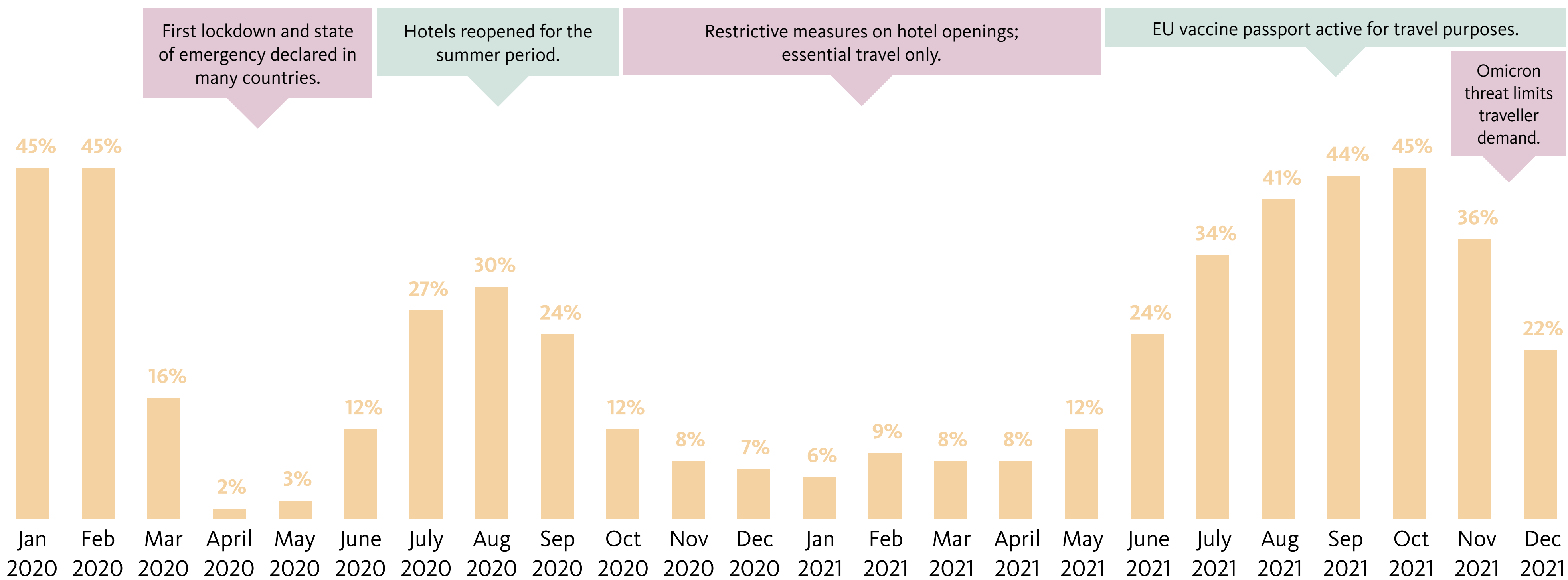
As Europe relaxed travel restrictions with the introduction of the vaccine passport on 1 July, we observed a **pick-up in traveller demand and group and event bookings.** While our leisure destinations and spa resort hotels have seen a speedier recovery in 2021, our Prague city and congress hotels have also begun to welcome back corporate travellers and MICE businesses.

Hotel revenue for the full year 2021 totalled **€66.4 million,** representing a growth of **+52% YoY.** With our centralised sales teams and solid regional relationships, **CPIPG's hotels were well-positioned to capture resurgent demand and reopen properties to accommodate special events.**

CPI Hotels manages and operates all the hotels owned by the Group, which allows us the **flexibility and control** over the properties cost base in response to lower revenues. At the onset of the COVID-19 lockdown, management was swift in implementing cost-saving measures, including **clustering functions, reducing headcount, and cross-utilising staff** across the properties. Management was able to optimise the operating model according to the changing business environment and **reduce expenses in line with the reduction in revenues.** Hotels were also able to benefit from various government subsidies and schemes.

For the full year 2021, **net hotel income reverted to a positive figure of €14 million** (versus -€3 m in 2020). While the net hotel income is still shy of pre-COVID-19 levels, the Group is expecting improvements in 2022 as demand recovers, reopening of all our properties, and completion of refurbishment projects to capture upside potential.

*Hotel portfolio average occupancy percentage**



* *Excluding Hvar resorts that are seasonally operated.*

Grand Hotel Zlatý Lev, Liberec, Czech Republic

Market overview

Due to COVID-19 restrictions in the first half of 2021, hotel performance in the Czech Republic and other parts of Europe was severely impacted. Occupancy and ADR in Prague for H1 2021 was only 6% and €55, respectively. Measures were gradually relaxed from May 2021 as case numbers declined and vaccinations progressed significantly.

The second half of 2021 was more positive, with Prague outperforming many other international cities, recording a full-year occupancy and ADR of 21% and €70, a growth of **+34% versus 2020**. The recovery in the latter part of the year shows Prague's market resilience and attractiveness to tourism, being limited by external travel restrictions and travellers' concerns on changing measures. Domestic tourism has been the main driving force of the recovery, especially mountain and resort destinations.

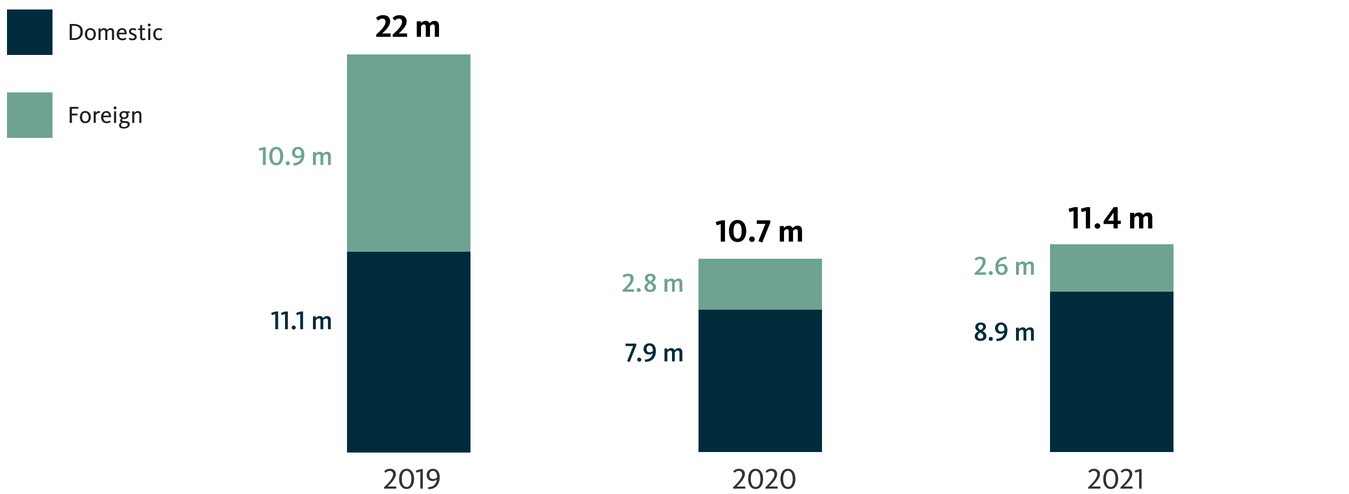
In the Czech Republic, 11.4 million guests stayed in collective accommodation establishments in 2021, an increase of 5.2% from the 10.8 million guests in the same period for 2020. Domestic guests accounted for 77% of guests. Historically, the Czech Republic saw a 50:50 split between domestic and foreign guests. Since the pandemic, the proportion has shifted towards a 75:25 split. Foreign guests reached 2.6 million, slightly lower than the total recorded in 2020 of 2.8 million. The top three source markets in 2021 were from Germany, Slovakia and Poland.

While the Prague hotel market did not rebound dramatically in 2021, it remains a highly attractive market for many operators. According to Cushman & Wakefield, **Prague is the most attractive market for hotel operators in the CEE region.** Despite the short-term pandemic volatility, these operators believe in the market's long-term performance potential. Other cities in the CEE region at the forefront of operators' interest include Warsaw, Budapest and Bucharest.

Travel is returning in the region, and the outlook is promising with the Czech Republic taking up the EU Presidency and hosting many international events in 2022. Market recovery should also benefit from some delayed development pipeline.

Sources: STR, Cushman & Wakefield, Czech Statistical Office

Total guests in collective accommodation in the Czech Republic



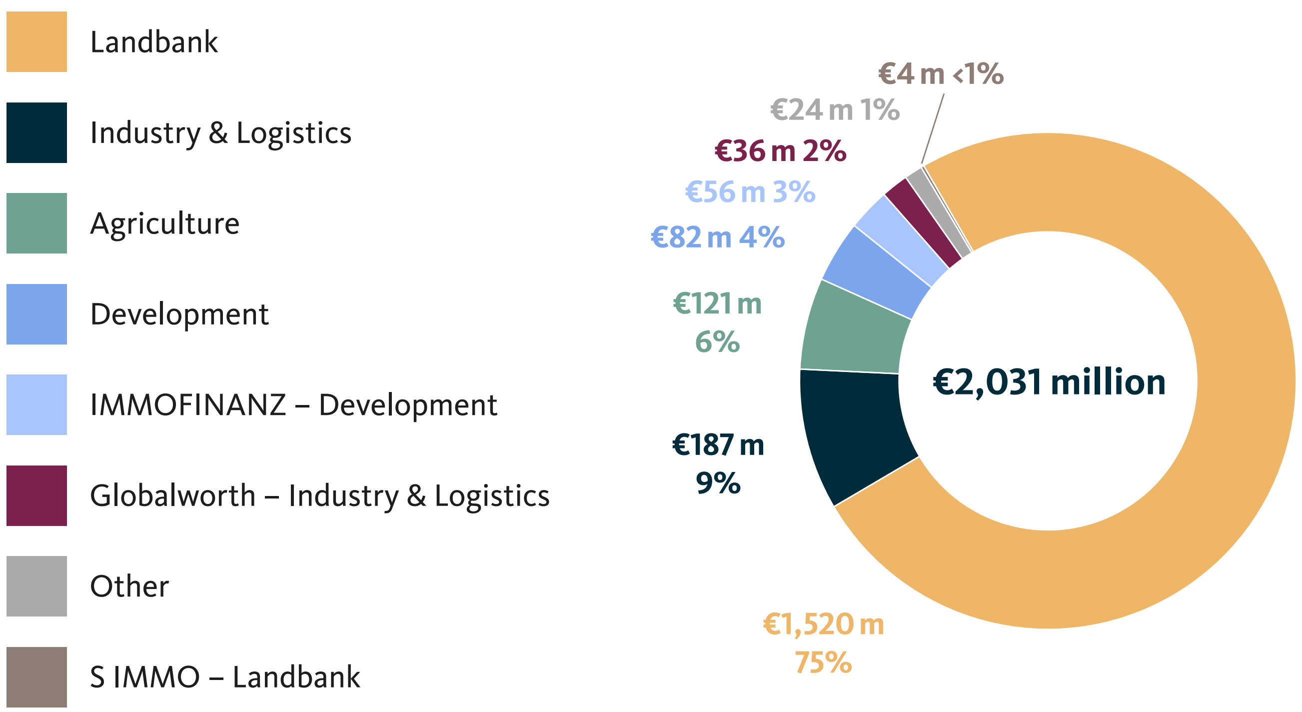
Complementary Assets

The Group's Complementary Assets segment consists primarily of landbank in the Czech Republic, Berlin and Italy, as well as selective development projects and smaller portfolios that complement to 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, more recently, 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.

Complementary assets property portfolio



Complementary segment summary in figures

	Complementary Assets 2021							Complementary Assets 2020						
	PP value (€ million)	Occupancy (%)	GLA (m²)	Potential GLA (m²)	Potential GSA (m²)	Land area (m²)	No. of properties	PP value (€ million)	Occupancy (%)	GLA (m²)	Potential GLA (m²)	Potential GSA (m²)	Land area (m²)	No. of properties
Landbank	1,520	–	–	–	–	24,917,000	–	813	–	–	–	–	21,425,000	–
Industry & Logistics	187	97.3%	189,000	–	–	–	21	117	93.7%	198,000	–	–	–	20
Agriculture	121	–	–	–	–	230,347,000*	–	111	–	–	–	–	232,469,000*	–
Development	82	–	–	6,000	16,000	–	8	44	–	–	–	18,000	–	7
IMMOFINANZ – Development	56	–	–	–	–	–	–	–	–	–	–	–	–	–
Globalworth – Industry & Logistics	36	–	–	–	–	–	–	31	–	–	–	–	–	–
Other	24	–	–	–	–	–	2	4	–	–	–	–	–	–
S IMMO – Landbank	4	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	**2,031**	**97.3%**	**189,000**	**6,000**	**16,000**	**255,264,000**	**31**	**1,121**	**93.7%**	**198,000**	**–**	**18,000**	**253,894,000**	**27**

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

Landbank in the Czech Republic

In the Czech Republic, **landbank holdings amount to more than €973 million.**

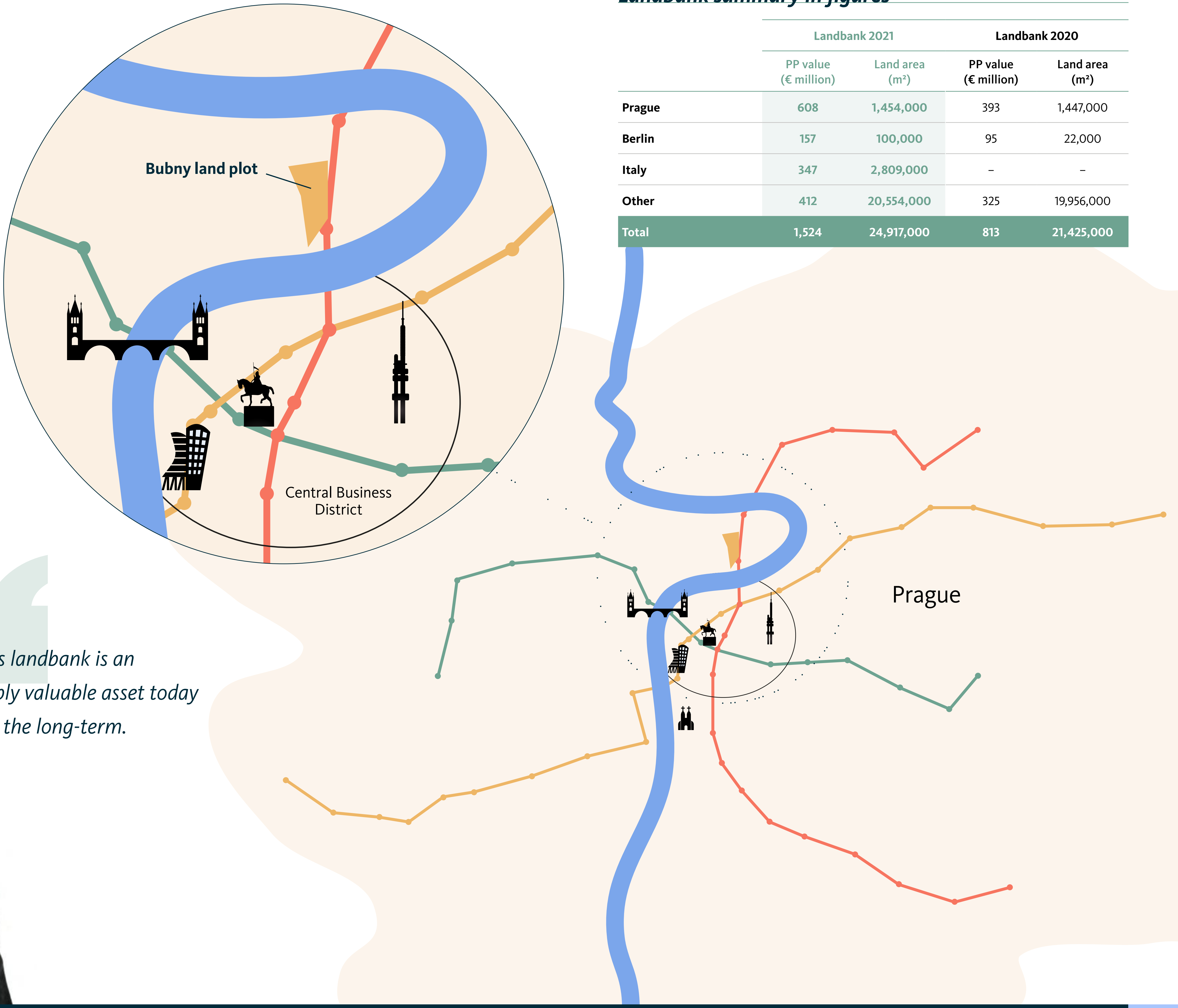
The majority of the Czech landbank (more than €600 million) is situated in Prague, mainly relating to Bubny, a 201,000m² area strategically located close to the CBD and where **we completed the redevelopment of flagship office Bubenská 1 in late 2020.**

The majority of the remainder of the Czech Republic's landbank relates to Nová Zbrojovka, Brno – where the Group is completing the **regeneration and redevelopment of one of the largest brownfields in Brno** and in 2020, the Group completed the development of our first office property in the new neighbourhood, ZET.office.

Given the scarce availability of land in Prague and across the country and constraints in obtaining building permits, **the value of strategic land plots has been increasing.**

Landbank summary in figures

	Landbank 2021		Landbank 2020	
	PP value (€ million)	Land area (m²)	PP value (€ million)	Land area (m²)
Prague	608	1,454,000	393	1,447,000
Berlin	157	100,000	95	22,000
Italy	347	2,809,000	–	–
Other	412	20,554,000	325	19,956,000
Total	**1,524**	**24,917,000**	**813**	**21,425,000**



CPIPG's landbank is an incredibly valuable asset today and for the long-term.

Zdeněk Havelka, Executive Director

Landbank & development in Berlin

In Berlin, the Group owns landbank currently valued at €157 million, located in attractive areas. This provides opportunities for low-risk extensions and developments.

CPIPG's subsidiary GSG has completed several office developments in Berlin in recent years. **These developments have proven highly successful in occupancy, rent and value growth.** Building on this success, selective development of our strategic landbank provides another source of future growth.

In our new developments, **we are able to attract blue-chip tenants with prime-level rents.** The modern extension development project, TorHaus², was completed and handed over to a single tenant in late 2021, ahead of schedule and will achieve a BREEAM (Very Good) rating. **GSG always applies for BREEAM certification for significant new-build developments,** which helps support the Group's ESG objectives.

GSG Berlin also has several attractive future developments in its pipeline, mainly relating to extensions in and around the portfolio's existing properties, such as Zossener Straße.

The value of the landbank in Berlin increased in 2021 due to the acquisition of an 81,500 m² plot in Schönefeld directly adjacent to the new airport in Berlin, together with 50% stakes in three future office and residential developments in central Berlin locations.

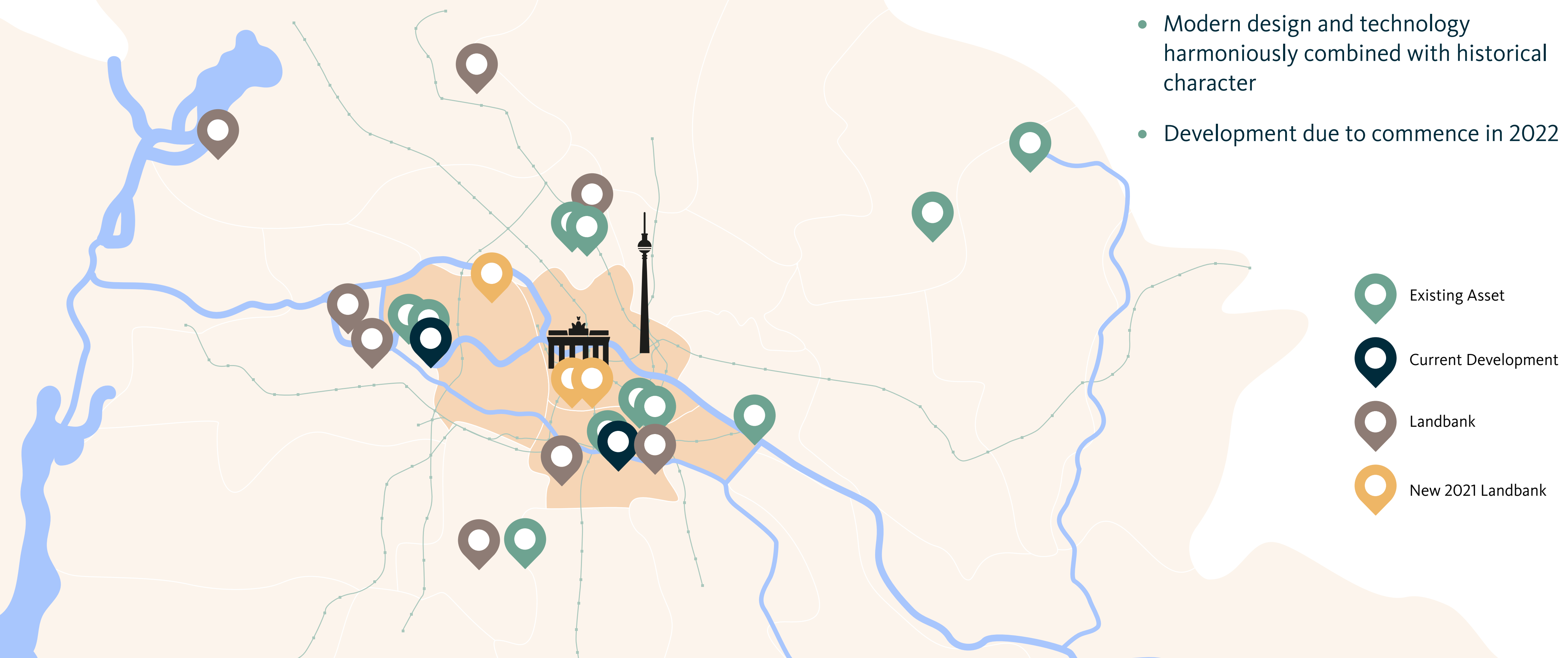
image: GSG Berlin © Visualisierung

Zossener Straße (in development pipeline)

- The creation of 6,500 m² of new construction space and the modernisation of a further 4,500 m² of existing space in modular and flexible design
- An excellent central location in the centre of Kreuzberg
- Modern design and technology harmoniously combined with historical character
- Development due to commence in 2022

Schönefeld (in development pipeline)

- A large land plot with a gross area of 81,500 m² directly adjacent to the new Berlin airport in Schönefeld
- Potential to build up to 150,000 m² of gross floor area
- Currently in the process of obtaining various permits
- Target development start in 2025



Landbank & development in Italy

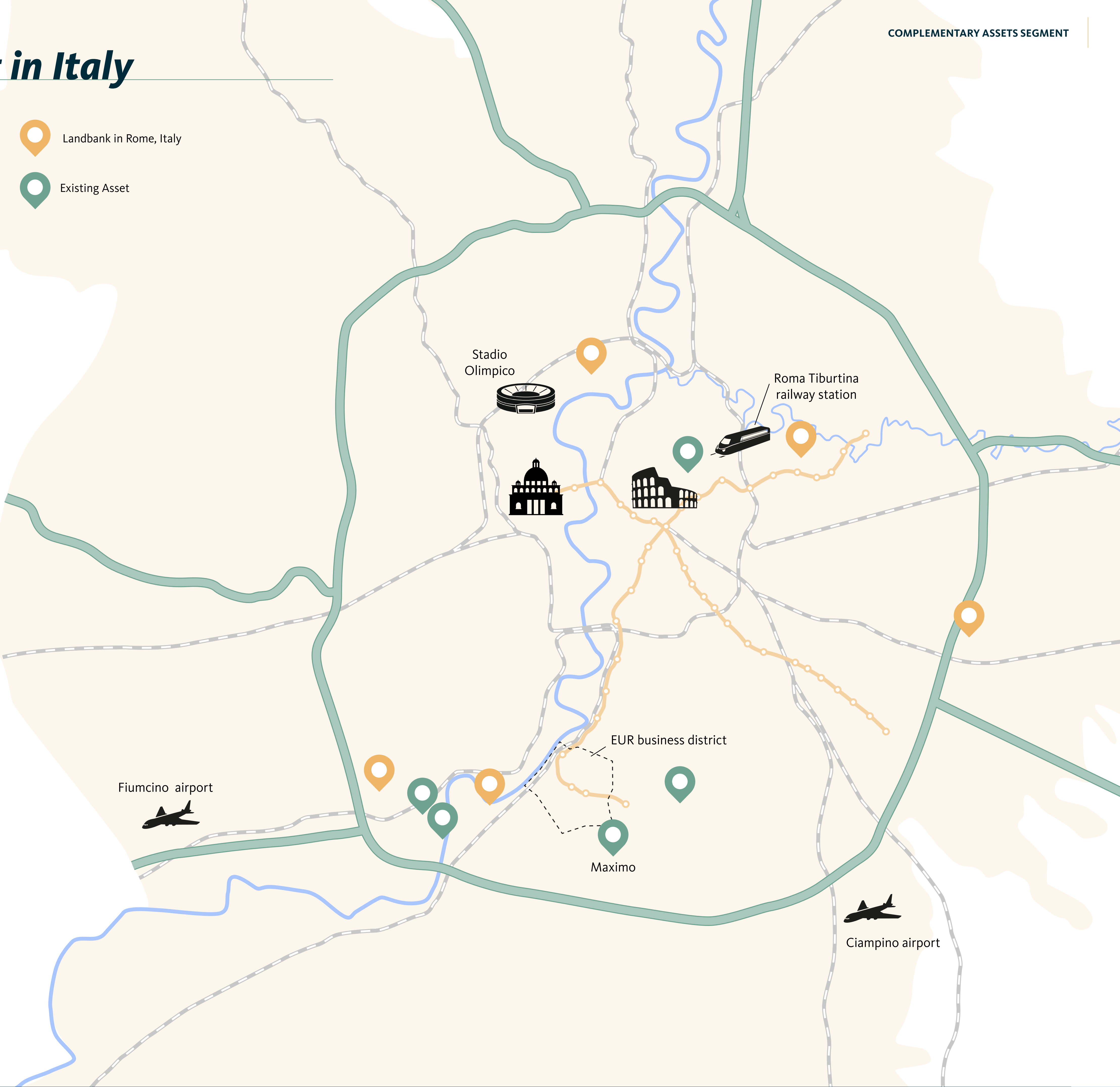
In Italy, the Group holds landbank currently valued at €347 million. The majority of landbank in Italy is primarily located in the periphery of Rome and strategically focused on holistic mixed-use (residential and commercial) development with ample green public community spaces envisaged.

These strategic land plots offer significant opportunistic potential upside, having been purchased at exceptional discounts to fair value through acquisitions of non-performing loans. The Group aims to take advantage of the decades-long undersupply of much needed modern, energy-efficient buildings in Rome.

CPIPG may consider strategic partnerships in certain projects to ensure the best outcome for each development.

There is a lack of new high-quality and sustainable residential rental supply available in Rome. CPIPG sees a great value opportunity to fill this demand gap.

Giuseppe Colombo, Country Director, CPI Italy



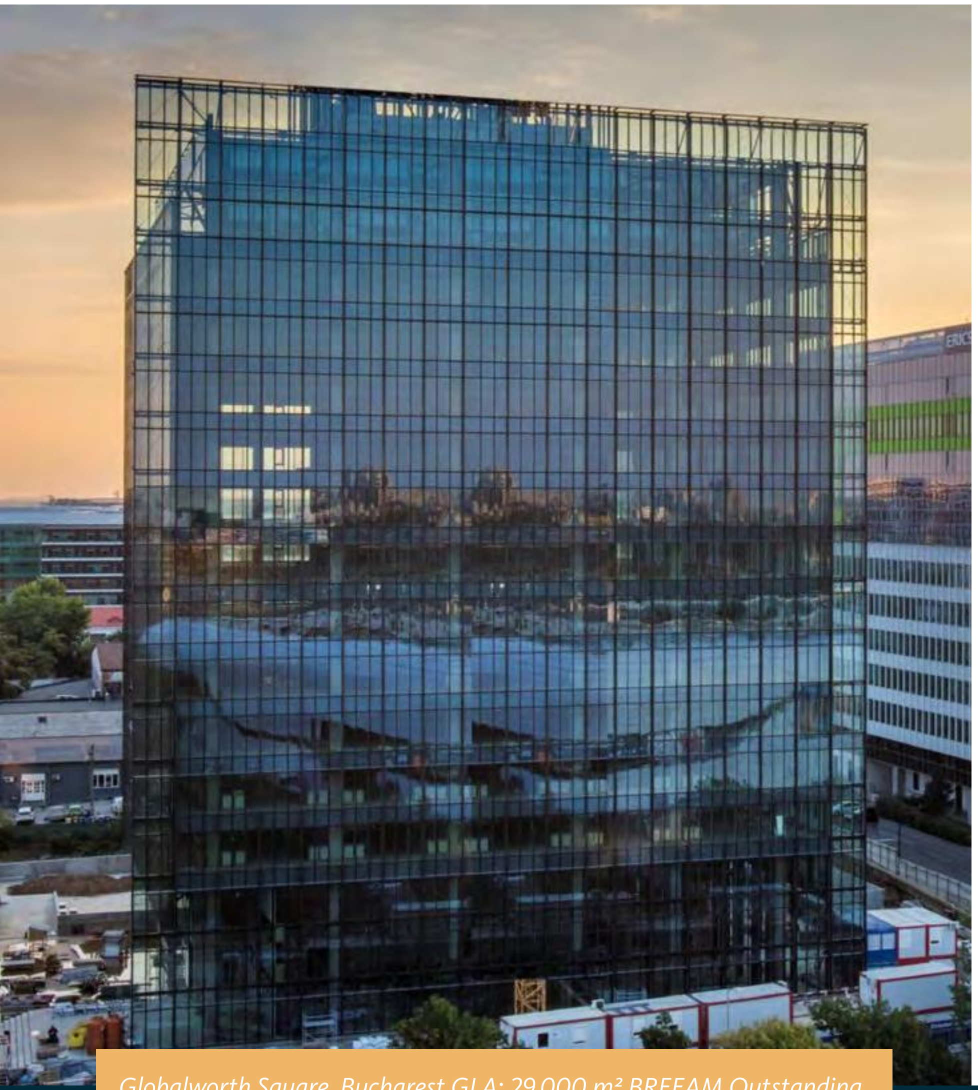
Globalworth

Globalworth owns an income-generating property portfolio valued at €3.2 billion consisting of high-quality properties in Poland and Romania.

In early 2020, CPIPG became the largest shareholder in Globalworth with a stake of 29.5%. The Group also acquired special founders rights and appointed one member to Globalworth's board of directors.

In 2021, CPIPG formed a consortium with Aroundtown SA and successfully acquired majority control of Globalworth with a stake of 61% now owned by our jointly owned subsidiary, Zakiono Enterprises Limited.

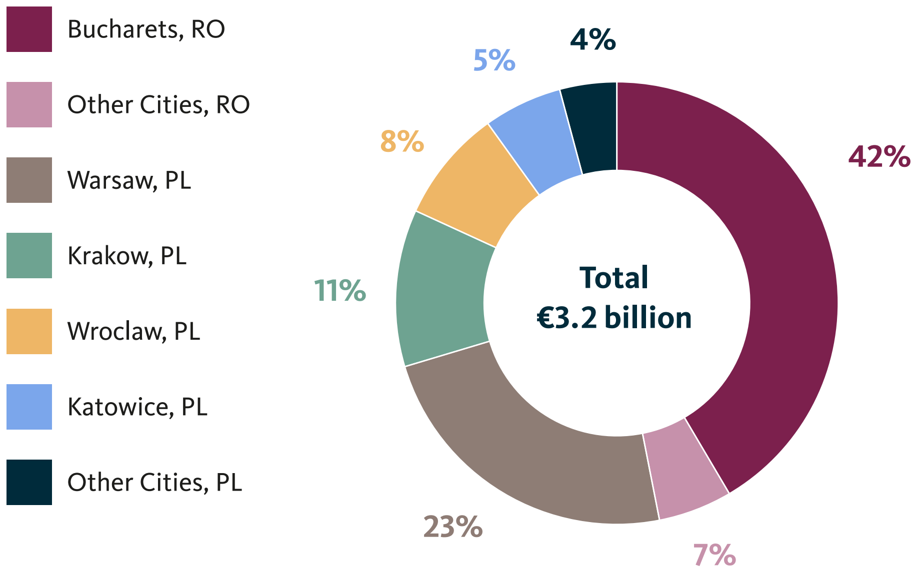
In December 2021, CPIPG and Aroundtown exercised our rights as majority shareholders and implemented changes to the Board of Directors.



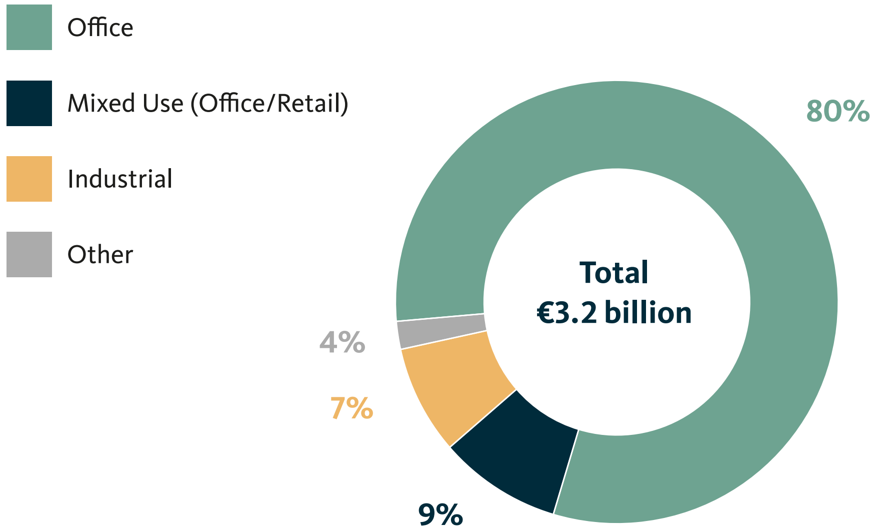
Globalworth Square, Bucharest GLA: 29,000 m² BREEAM Outstanding

- Joint-majority shareholder with Aroundtown SA
- A leading platform in the CEE region
- Top-quality, modern and green office assets
- €183.7 million contracted rent as of 2021

Globalworth assets by location (as at 31 December 2021)



Globalworth assets by type (as at 31 December 2021)



globalworth

Globalworth at a glance (as at 31 December 2021)

Portfolio value	€3.2 billion
EPRA NRV	€1.9 billion
Net LTV	40.1%
Standing properties	66
Annualised contracted rent	€183.7 million
Occupancy rate	88.5%
GLA	1,300k m²
Credit ratings (Moody's / S&P / Fitch)	Baa3/BBB-/BBB-

Spektrum Tower, Warsaw GLA: 32,100 m²

IMMOFINANZ

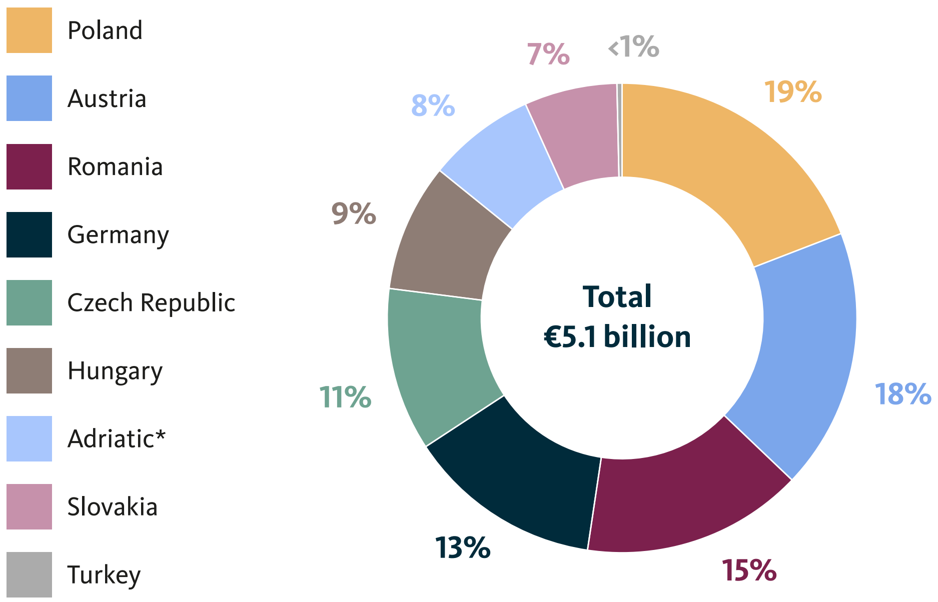
IMMOFINANZ at a glance (as at 30 June 2021)

Portfolio value	€5.1 billion
EPRA NRV	€3.9 billion
Net LTV	38.1%
Standing properties	209
Annualised contracted rent	€290.9 million
Occupancy rate	94.1%
GLA	1,985k m²
Credit ratings (S&P)	BBB-

myhive Warsaw Spire GLA: 71,600 m²

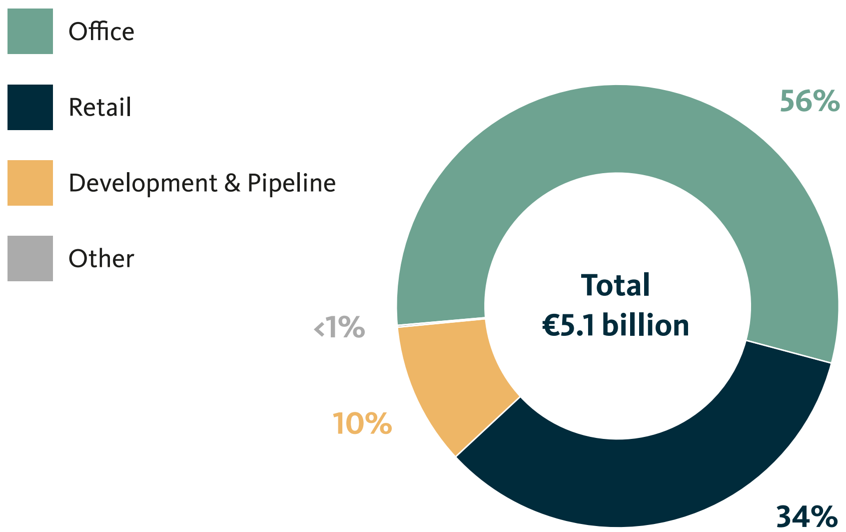
- Today, CPIPG is the majority shareholder with **54.9% stake**
- Strategically complementary portfolio in the CEE region
- High-quality office and crisis-resistant retail assets
- 94% occupancy as of H1 2021

IMMOFINANZ assets by location (as at 30 June 2021)



** includes Slovenia, Serbia and Croatia*

IMMOFINANZ assets by type (as at 30 June 2021)



IMMOFINANZ

Founded and headquartered in Vienna, IMMOFINANZ is a leading real estate player with a portfolio of office and retail properties in selected CEE countries totalling €5.1 billion.

In December 2021, CPIPG acquired stakes in IMMOFINANZ and subsequently launched a takeover offer for all outstanding shares in IMMOFINANZ. Today, CPIPG owns a majority and controlling shareholding stake of 54.9% in IMMOFINANZ.

IMMOFINANZ's high-quality assets are a perfect geographical and segment fit for CPIPG. The combined portfolios would catapult CPIPG to be an undisputed leader in the CEE region and top 10 European real estate player.

CPIPG believes that the acquisition of IMMOFINANZ further enhances our business profile through greater scale, diversification and earnings resilience. Furthermore, we see potential upside from synergies extracted through knowledge sharing, efficiencies and cost reductions.

> *The strategic acquisition of IMMOFINANZ places CPIPG as an undisputed champion in CEE real estate, complements our existing portfolio perfectly. We also see opportunities to unlock potential upside in the future.*
>
> *Martin Němeček, CEO*

S IMMO

S IMMO AG is a Vienna Stock Exchange-listed real estate investment company focusing on Austria, Germany, and the CEE region. S IMMO's €2.7 billion property portfolio comprises of c.70% commercial office, retail, and hotel assets, and 30% residential properties.

As of 31 December 2021, CPIPG held a 12.4% stake in S IMMO. For historical reasons, there was a complex cross-holding with IMMOFINANZ holding a 26.5% stake in S IMMO and S IMMO owning 14.2% in IMMOFINANZ. S IMMO subsequently sold their stake in IMMOFINANZ to CPIPG in March 2022, eliminating the cross-shareholding between the two companies.

Today, CPIPG directly holds 16.1% of S IMMO shares, and indirectly through our controlling ownership of IMMOFINANZ, CPIPG's total shareholding amounts to 42.6%.

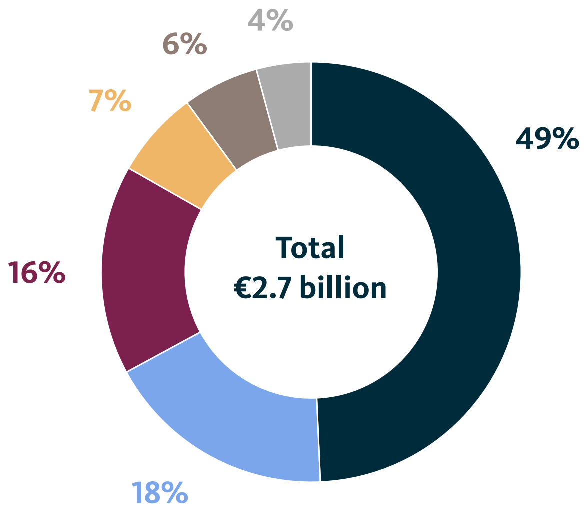
Akademiehof, Vienna, GLA: 5,310 m²

photo: © Detlef Overmann

- **A direct and indirect shareholding stake totalling 42.6%**
- Investments focused in the core cities of Germany, Austria and the CEE region
- Well-diversified portfolio in commercial and residential segments
- 93% occupancy as of Q3 2021

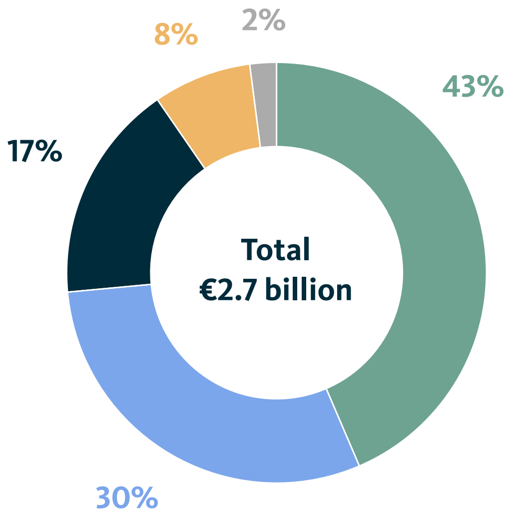
S IMMO assets by location (as at 30 September 2021)

Germany
Austria
Romania
Slovakia
Hungary
Other



S IMMO assets by type (as at 30 September 2021)

Office
Residential
Retail
Hotels & Resorts
Complementary Assets



S IMMO at a glance (as at 30 September 2021)

Portfolio value	€2.7 billion
EPRA NRV	€2.2 billion
Net LTV	39.4%
Standing properties	367
Annualised gross rent	€129.7 million
Occupancy rate	93.0%
GLA	1,307k m²
Credit ratings	–

Einsteinova Business Center, Bratislava GLA: 23,500 m²

photo: © Matej Fabianek

EPRA performance

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	2021	2020
Earnings per IFRS income statement	**1,292**	**244**
Adjustments to calculate EPRA Earnings, exclude:		
Changes in value of investment properties, development properties held for investment and other interests	1,276	173
Profits or losses on disposal of investment properties, development properties held for investment and other interests	35	1
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	3	6
Tax on profits or losses on disposals	0	0
Negative goodwill / goodwill impairment	(0)	18
Changes in fair value of financial instruments and associated close-out costs	6	1
Acquisition costs on share deals and non-controlling joint venture interests	0	0
Deferred tax in respect of EPRA adjustments	(257)	(33)
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	15	(11)
Non-controlling interests in respect of the above	0	0
EPRA Earnings	**215**	**89**
Weighted average number of shares	8,135,733,237	8,332,414,083
EPRA Earnings per Share (EPS) (in €)	**0.026**	**0.011**
Company specific adjustments:		
Impairments	(16)	(51)
Amortisation, depreciation	(37)	(38)
Net foreign exchange gain – unrealised	98	230
Net foreign exchange loss – unrealised	(83)	(188)
Deferred tax in respect of Company specific adjustments	13	(34)
Company specific Adjusted Earnings	**239**	**170**
Company specific Adjusted EPS	**0.029**	**0.020**

EPRA NAV Metrics

The EPRA NAV set of metrics make 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	
	2021	2020	2021	2020	2021	2020
IFRS Equity attributable to owners	**5,992**	**4,321**	**5,992**	**4,321**	**5,992**	**4,321**
Include/Exclude:						
Hybrid instruments	0	0	0	0	0	0
Diluted NAV	**5,992**	**4,321**	**5,992**	**4,321**	**5,992**	**4,321**
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	2	0	2	0	2
Diluted NAV at Fair Value	**5,992**	**4,323**	**5,992**	**4,323**	**5,992**	**4,323**
Exclude:						
Deferred tax in relation to fair value gains of IP	(1,090)	(837)	(1,064)*	(837)*		
Fair value of financial instruments	0	0	0	0		
Goodwill as a result of deferred tax	43	43	43	43	43	43
Goodwill as per the IFRS balance sheet			54	51	54	51
Intangibles as per the IFRS balance sheet			17	13		
Include:						
Fair value of fixed interest rate debt					(23)	(29)
Revaluation of intangibles to fair value	0	0				
Real estate transfer tax	0	0	0	0		
NAV	**7,039**	**5,118**	**6,942**	**5,053**	**5,872**	**4,200**
Fully diluted number of shares	8,835,915,298	8,332,414,083	8,835,915,298	8,332,414,083	8,835,915,298	8,332,414,083
NAV per share (in €)	**0.797**	**0.614**	**0.786**	**0.606**	**0.665**	**0.504**

* *(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)	2021	2020
Estimated rental value of vacant space	32	29
Estimated rental value of the whole portfolio	506	469
EPRA Vacancy Rate	**6.2%**	**6.3%**

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)	2021	2020
Investment property – wholly owned*	10,745	8,793
Investment property – share of JVs/Funds	0	0
Trading property (including share of JVs)	0	0
Less: developments	**1,604**	**914**
Completed property portfolio	9,140	7,878
Allowance for estimated purchasers' costs	0	0
Gross up completed property portfolio valuation	**9,140**	**7,878**
Annualised cash passing rental income	411	384
Property outgoings	39	29
Annualised net rents	**372**	**355**
Add: notional rent expiration of rent free periods or other lease incentives	**27**	**19**
Topped-up net annualised rent	**399**	**374**
EPRA NIY	**4.07%**	**4.51%**
EPRA "topped-up" NIY	**4.37%**	**4.75%**

* *Includes property portfolio value of income producing Assets held for sale.*

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)	2021	2020
Include:		
Administrative/operating expense line per IFRS income statement	120	98
Net service charge costs/fees	(23)	(32)
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	0
Service charge costs recovered through rents but not separately invoiced	0	0
EPRA Costs (including direct vacancy costs)	**95**	**66**
Direct vacancy costs	4	3
EPRA Costs (excluding direct vacancy costs)	**91**	**62**
Gross Rental Income less ground rents – per IFRS	**399**	**356**
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	**399**	**356**
EPRA Cost Ratio (including direct vacancy costs)*	**0.24**	**0.18**
EPRA Cost Ratio (excluding direct vacancy costs)*	**0.23**	**0.18**

* *Our EPRA cost ratio is higher than some peers because of CPIPG's consistent reinvestment in our properties to improve rents, occupancy and valuations.*

Valuation summary

CPIPG adopts a rigorous approach to the valuation of our properties.

Jiří Hrabec, Valuation Manager

ZET.office, Brno, Czech Republic

Property valuation

The consolidated financial statements for the year ended 31 December 2021 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; for semi-annual periods, CPIPG revalues properties where performance has been exceptional (positively or negatively). 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 2021 is based on reports issued by:

- **Jones Lang Lasalle**
- **Savills**
- **Knight Frank**
- **CBRE**
- **Colliers**
- **Cushman & Wakefield**
- **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 timeframe. 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.

The following table summarises the number and value of the Group's real estate assets appraised by individual firms, as well as 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
Jones Lang Lasalle	26%	Retail	77	1,520	11.6%
		Complementary Assets	4	994	7.6%
		Office	20	844	6.4%
		Hotels & Resorts	4	118	0.9%
Savills	23%	Office	40	2,806	21.4%
		Complementary Assets	4	163	1.2%
		Residential	12	108	0.8%
Knight Frank	9%	Office	14	1,062	8.1%
		Retail	8	159	1.2%
CBRE	9%	Residential	11,676	723	5.5%
		Office	10	272	2.1%
		Retail	16	145	1.1%
		Complementary Assets	1	77	0.6%
Colliers	7%	Complementary Assets	3	347	2.6%
		Retail	2	331	2.5%
		Office	8	142	1.1%
		Hotels & Resorts	4	84	0.6%
		Residential	19	51	0.4%
Cushman & Wakefield	7%	Hotels & Resorts	26	480	3.7%
		Residential	44	247	1.9%
		Retail	47	105	0.8%
		Complementary Assets	2	34	0.3%
RSM	1%	Hotels & Resorts	7	75	0.6%
		Complementary Assets	0	4	0.0%
Other	2%	Retail	5	93	0.7%
		Office	3	51	0.4%
		Hotels & Resorts	2	41	0.3%
		Complementary Assets	0	13	0.1%
		Residential	4	10	0.1%
Acquisition	11%	Globalworth	0	670	5.1%
		IMMOFINANZ	0	535	4.1%
		S IMMO	0	199	1.5%
		Complementary Assets	0	25	0.2%
		Hotels & Resorts	1	10	0.1%
AHFS	5%	Complementary Assets	17	278	2.1%
		Office	8	204	1.6%
		Retail	2	99	0.8%
Total				**13,119**	**100.0%**

** Number of units provided for residential properties.*

Portfolio net yields

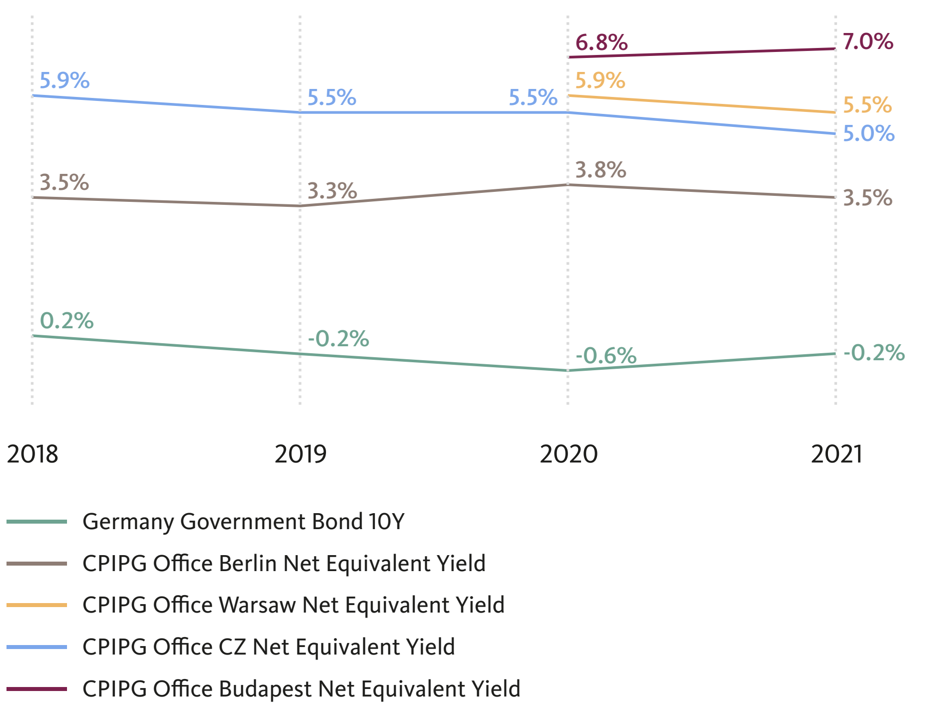
	EPRA Net Initial Yield	EPRA Topped-up Net Initial Yield	Net Equivalent Yield	Prime Yield 2021	Prime Yield 2020
Office	**3.8%**	**4.2%**	**4.3%**		
Berlin	3.3%	3.4%	3.5%	2.5%	2.7%
Czech Republic	4.3%	4.9%	5.0%	4.1%	4.1%
Poland	4.4%	5.5%	5.5%	4.5%	4.5%
Hungary	4.6%	5.4%	7.0%	5.5%	5.3%
Retail	**5.9%**	**6.1%**	**6.0%**		
Czech Republic	5.5%	5.7%	5.7%	4.8%	4.8%
Other	6.5%	6.7%	6.7%	6.2%	5.7%
Residential	**2.6%**	**2.6%**	**2.8%**		
Czech Republic	2.6%	2.6%	2.8%	–	–
Total	**4.1%**	**4.4%**	**4.7%**		

The table shows a comparison of 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 ERV (Estimated rental value) of vacant areas stated by appraisers for each property.

The relatively lower EPRA "Topped-up" Yields in comparison to Net Equivalent Yields are mainly due to excluding income on vacant spaces. Apart from retail segment where Net Equivalent Yield is partially impacted by one-time rent discounts.

On a Group basis, the EPRA Net Initial Yield of our portfolio slightly decreased from 4.5% at the end 2020 to 4.1% at the end of 2021.

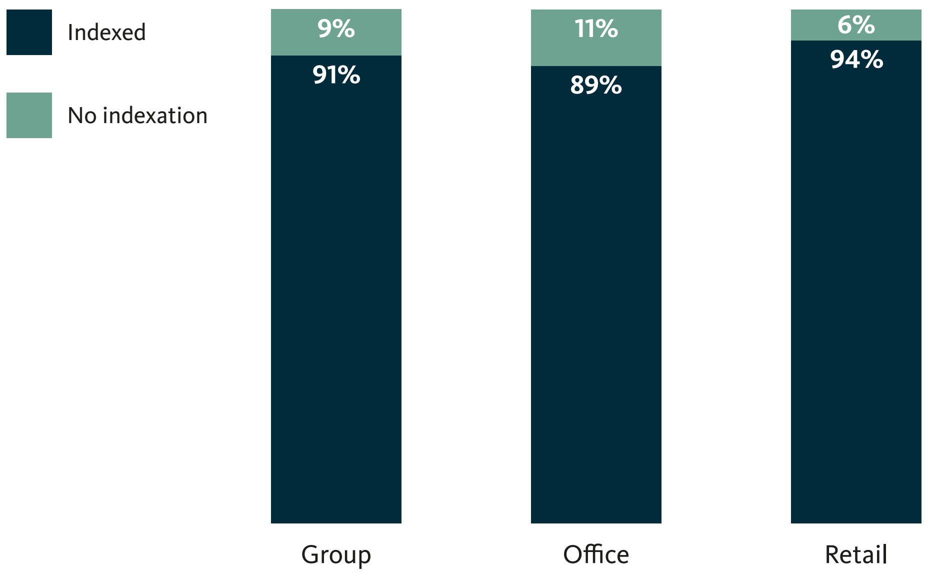
Office net equivalent yields versus 10-year German bond yields



Source: Trade Economics

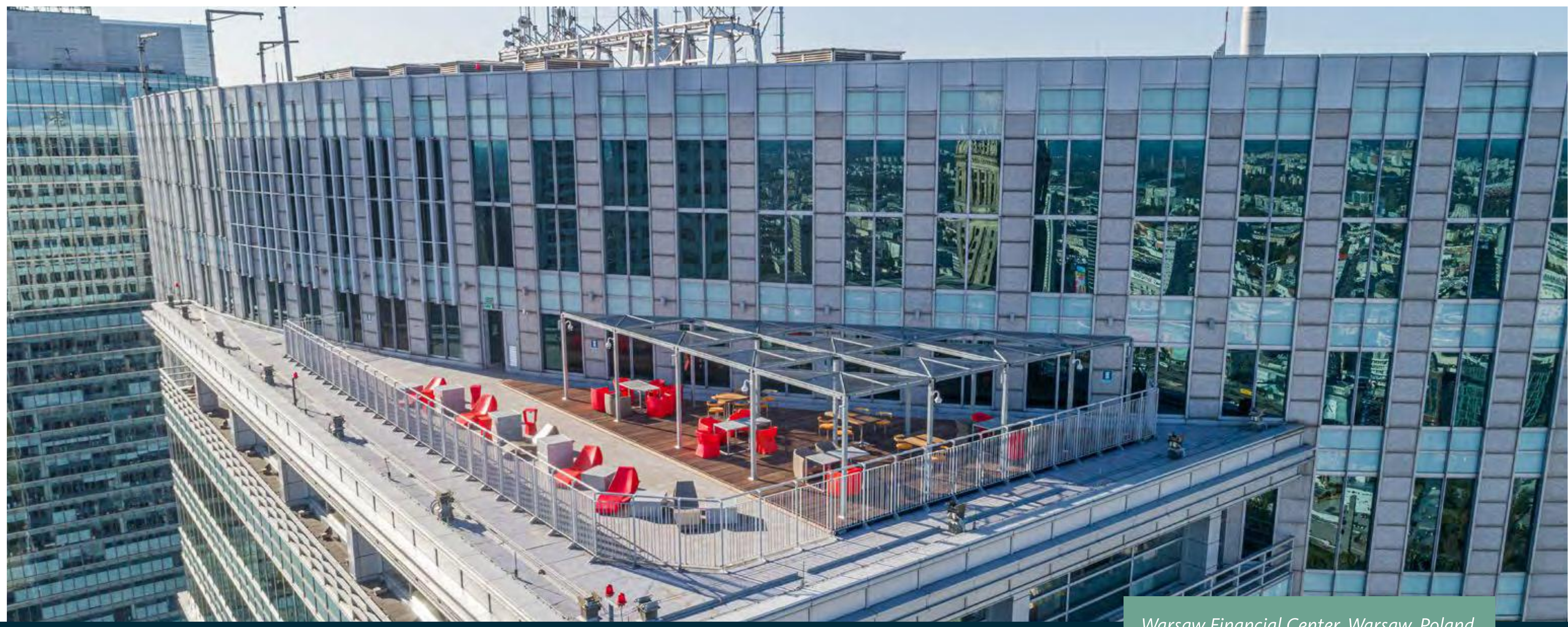
Most of our leases are EUR-denominated. Spreads to Net Equivalent Yields remained stable in Berlin, while our portfolio in the Czech Republic and Warsaw experienced slight compression. Our Budapest office yields saw a slight widening. Spreads range from approximately +3.7% in Berlin up to +7.2% in Hungary providing a solid cushion in case of sustained higher rates. In addition, our rental revenues are linked to inflation, which should offset some impact from potential increases in yields.

A significant portion of the Group's leases are indexed to inflation



More than 90% of our lease contracts are subject to indexation. The Group's largest segments, office and retail, have very high shares of indexed rents with 94% and 89%, respectively. The individual lease contracts specify the exact reference index, which can vary per contract. For example, for an agreement in EUR, the harmonised index of consumer prices for the European Union (HCIP) could be used as a reference. The rent indexation is done retrospectively, and therefore the effects of rent indexation during 2021 were based on 2020 inflation levels. The invoiced rent is usually adjusted at the beginning of each new year.

Therefore, the Group would expect higher inflation rates to support headline rents in the future, providing a natural hedge against inflation through automatic rent adjustments.



Warsaw Financial Center, Warsaw, Poland

Finance review

CPIPG has a reputation for full transparency and best-in-class reporting, which we believe is unique for a family owned company.

Pavel Měchura, Group Finance Director

The Group maintained strong financial metrics as strategic growth continued

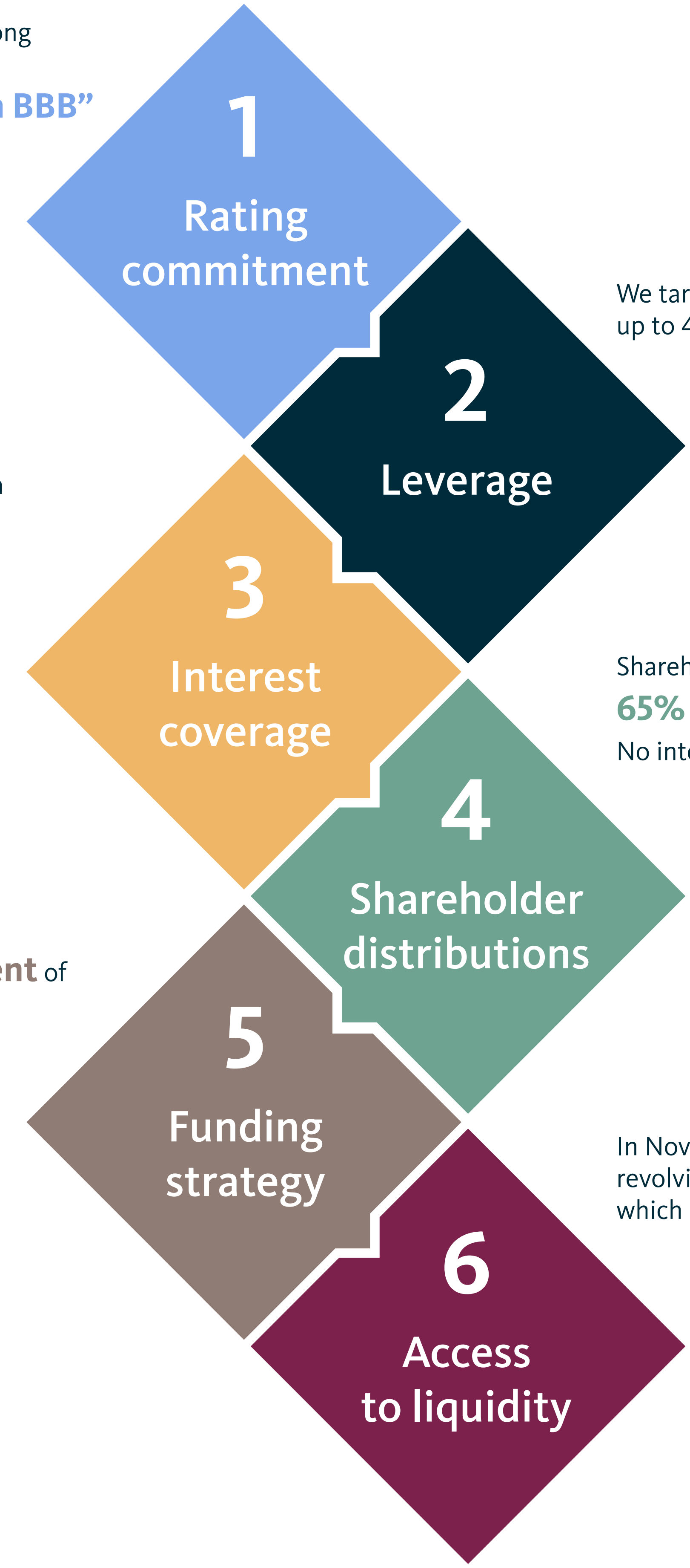
During 2021, CPIPG continued the proactive management of our debt maturity profile through the issuance of **€1.4 billion of senior unsecured and hybrid bonds** (including the Group's first 10-year bond). Proceeds were partially used to repay more than €800 million of senior unsecured and hybrid bonds, most of them well in advance of the scheduled maturity or call date. Since 2020, the Group's objective has been to issue longer-dated unsecured bonds in order to improve our debt maturity profile **which was significantly lengthened during 2020, 2021 and 2022.**

CPIPG has demonstrated prudent management of Net LTV. At the end of H1 2021, Net LTV temporarily peaked at 41.9% from 40.7% at the end of 2020, due to the impact of acquisitions. By the end of 2021, **Net LTV was reduced to 35.7%,** following fresh equity raising, disposals and positive revaluations in the second half of 2021.

At the end of 2021, the Group had **€1.2 billion of available liquidity** between cash and undrawn revolving credit facilities. CPIPG is also committed to maintaining a high level of unencumbered assets at all times, which provides a significant source of additional liquidity and financial flexibility.

CPIPG focuses on strategies to reduce risk and is committed to our financial policy. This has been demonstrated again through our acquisitions of shares in IMMOFINANZ and S IMMO, which were primarily funded with the proceeds of equity and disposals.

CPIPG's financial policy



Absolute commitment to strong investment-grade ratings

Focused on achieving **"high BBB"** ratings in coming years

We target a **Net LTV of 40% or below,** up to 45% temporarily for strategic acquisitions

CPIPG intends to maintain an **ICR of 4× or above**

Shareholder distributions targeted at **65% of FFO I annually**

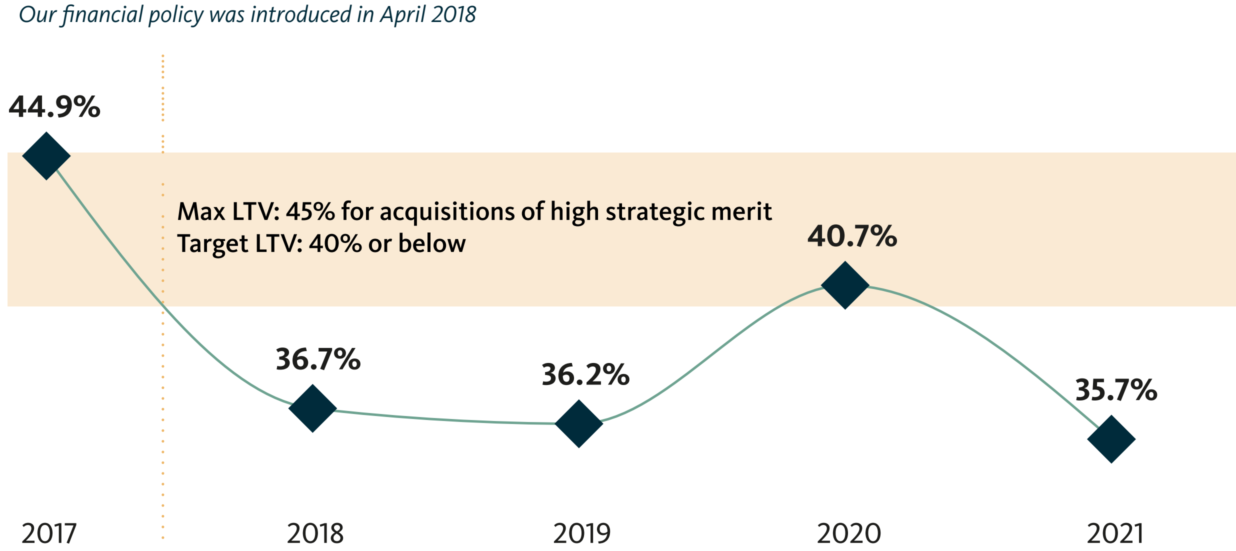
No intention to institute dividend distributions

Maintain a high level of unencumbered assets

Proactive management of our maturity profile

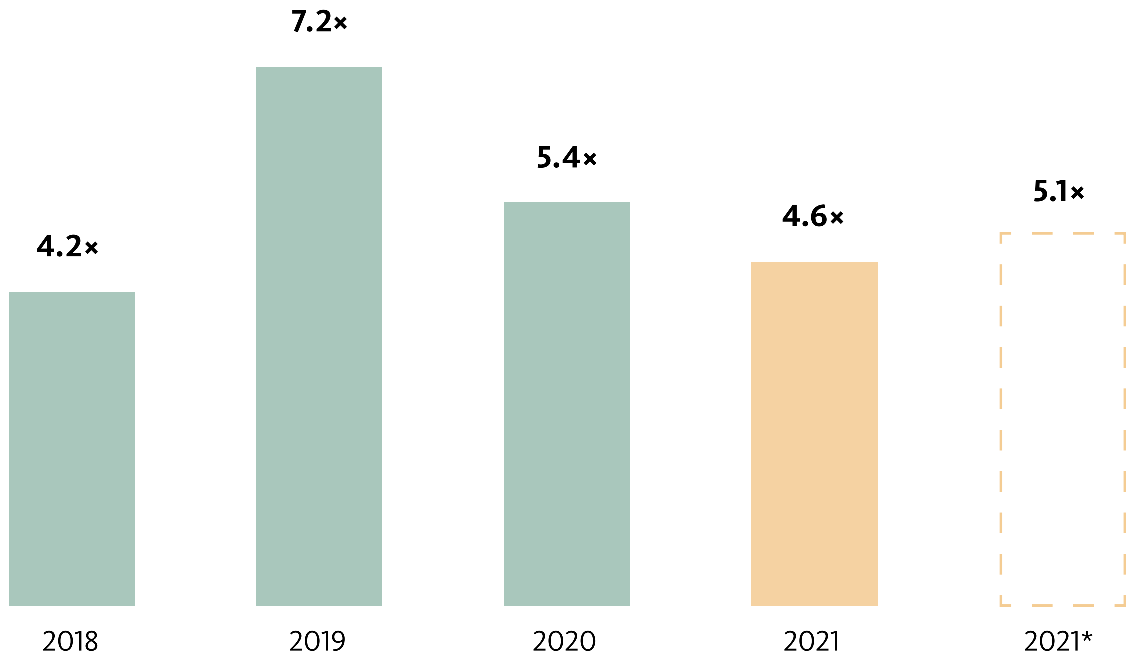
In November 2020, we signed a new revolving credit facility of **€700 million,** which expires in 2026

Net LTV



Net ICR

Net ICR remained strong and well within the Group's financial policy at 4.6× in 2021. **If hotels had performed normally and no COVID-19 rent discounts were provided, Net ICR would have been 5.1× in 2021.**



** Assuming hotels had performed normally and no discounts were provided.*

Senior unsecured and hybrid activity

In 2021, CPIPG issued €1.369 million equivalent of senior unsecured and subordinated hybrid bonds as follows:

- In January 2021, the Group issued €650 million of 10-year senior unsecured bonds, with a coupon of 1.5%. **This was the first 10-year bond issued in benchmark size by the Group;**
- Also, in January, the Group issued €400 million of hybrid bonds callable in 2028, with a coupon of 3.75%;
- In February, the Group issued a private placement in Japanese Yen of 3 billion (approximately €24 million);
- In September, the Group issued a tap of €100 million of 10-year senior unsecured bonds and a tap of €75 million of hybrid bonds callable in 2028;
- In October, the Group issued 2.6 billion Japanese Yen (approximately €20 million) of 3.5-year senior unsecured bonds;
- In December, the Group issued another tap of €100 million of 10-year senior unsecured bonds.

The Group used proceeds raised from these issuances mainly to repay more than €800 million of senior unsecured and undated subordinated bonds, most of them well in advance of the maturity or call date:

- Tender offer in January 2021 for the remaining €368.3 million nominal amount outstanding of the Group's 2.125% senior unsecured bonds maturing in October 2024, following which €128.9 million was repaid and €239.4 million remained outstanding;
- Tender offer in January 2021 for the remaining €221.8 million nominal amount outstanding of the Group's 4.375% hybrid bonds callable in 2023, following which €213.2 million was repaid. The remaining €8.6 million was fully redeemed on 1 March 2021;
- The remaining €335.1 million nominal amount outstanding of the Group's 1.45 per cent. senior unsecured bonds due in April 2022;
- Repayment of €71.5 million of Schuldschein loans maturing in 2023;
- Repayment of 8 billion Japanese Yen (approximately €62 million) of bonds at maturity in December.

Following these transactions, **less than 30% of the Group's total financing is due or callable within the next three years.**

After the end of the year, in January 2022, the Group issued **an inaugural €700 million of 8-year sustainability-linked senior unsecured bonds.** The issue includes a step-up margin of 0.25% from 2028 if CPIPG does not meet the sustainability performance target, i.e. a reduction of greenhouse gas emission intensity by 22% by year-end 2027.

Proceeds from the issuance were used primarily to fund the full repayment (via a make-whole call) of two bonds: €239.4 million nominal amount outstanding of the Group's 2.125% senior unsecured bonds maturing in October 2024 and $376.9 million (approximately €333 million) nominal amount outstanding of the Group's 4.75% senior unsecured bonds maturing in March 2023.

Also, in January 2022, CPIPG issued a tap of £50 million of green bonds maturing in 2028.

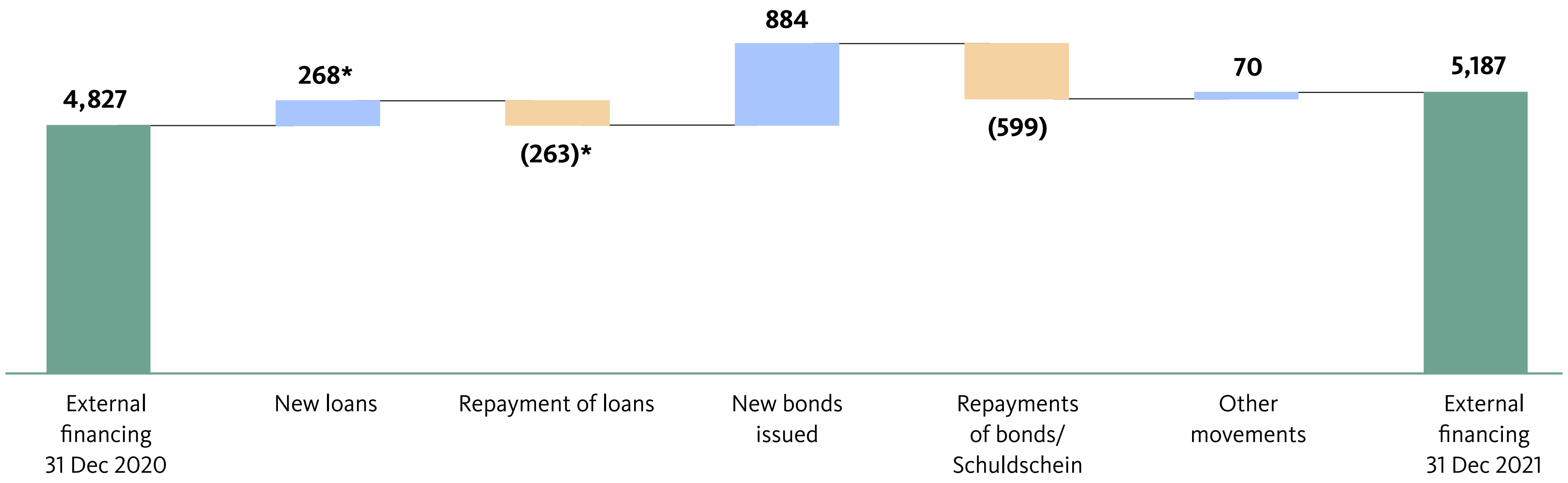
A leader in green financing

CPIPG has established itself as a leader in green bond financing, having issued four green bonds in three currencies: Euros, Sterling and Hungarian forint. In January 2022, the Group also issued an inaugural 8-year sustainability-linked bond of €700 million.

Selective secured bank financing

In 2021, the Group has used the advantage of having access to a diverse range of financing sources and completed a secured loan in the Czech Republic for €207 million at an attractive rate.

Changes in external financing during 2021 (€ million)



** Excluding €350 million drawn and repaid during 2021 under the revolving credit facility in connection with the Globalworth mandatory tender offer.*

Issue Date	Currency	Outstanding amount (million)	€ equivalent (million)	Coupon (%)	Maturity Date	Format	% swapped to €
Jan 2022	EUR	700	700	1.750	Jan 2030	EMTN (sustainability-linked)	–
Oct 2021	JPY	2,600	20	0.350	Apr 2025	EMTN	100%
Feb 2021	JPY	3,000	24	0.710	Feb 2025	EMTN	100%
Jan 2021/Sep 2021	EUR	475	475	3.750	Perpetual	EMTN (hybrid)	–
Jan 2021/Feb 2021/Sep 2021/Dec 2021	EUR	850	850	1.500	Jan 2031	EMTN	–
Sep 2020	EUR	525	525	4.875	Perpetual	EMTN (hybrid)	–
Aug 2020	HUF	30,000	86	2.250	Aug 2030	Local bond (green)	100%
May 2020	EUR	750	750	2.750	May 2026	EMTN (green)	–
Feb 2020	HKD	250	29	3.014	Feb 2030	EMTN	100%
Jan 2020	SGD	150	99	5.800	Perpetual	EMTN (hybrid)	100%
Jan 2020/Jan 2022	GBP	400	471	2.750	Jan 2028	EMTN (green)	100%
Oct 2019	EUR	750	750	1.625	Apr 2027	EMTN (green)	–
Jun 2019	HKD	283	32	4.450	Jun 2026	EMTN	100%
Apr 2019	EUR	550	550	4.875	Perpetual	EMTN (hybrid)	–
Mar 2019	EUR	10	10	2.696	Mar 2027	SSD	–
Mar 2019/Jul 2019	USD	377*	333	4.750	Mar 2023	EMTN	100%
Feb 2019	HKD	450	50	4.510	Feb 2024	EMTN	100%
Dec 2018	JPY	3,000	23	1.995	Dec 2028	EMTN	100%
Oct 2018	CHF	151	146	1.630	Oct 2023	EMTN	57%
Oct 2017/Dec 2017	EUR	239*	239	2.125	Oct 2024	EMTN	–

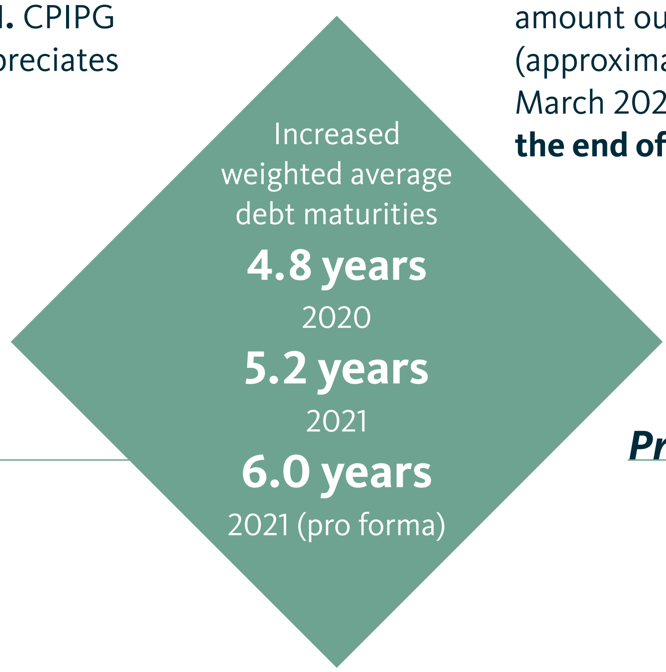
** Bonds fully repaid in January 2022*

Note: EMTN denotes issuance under our EMTN programme; all bonds are senior unsecured unless otherwise noted. SSD denotes Schuldschein. Terms on the Schuldschein (covenants, etc.) are completely aligned/match our EMTN programme.

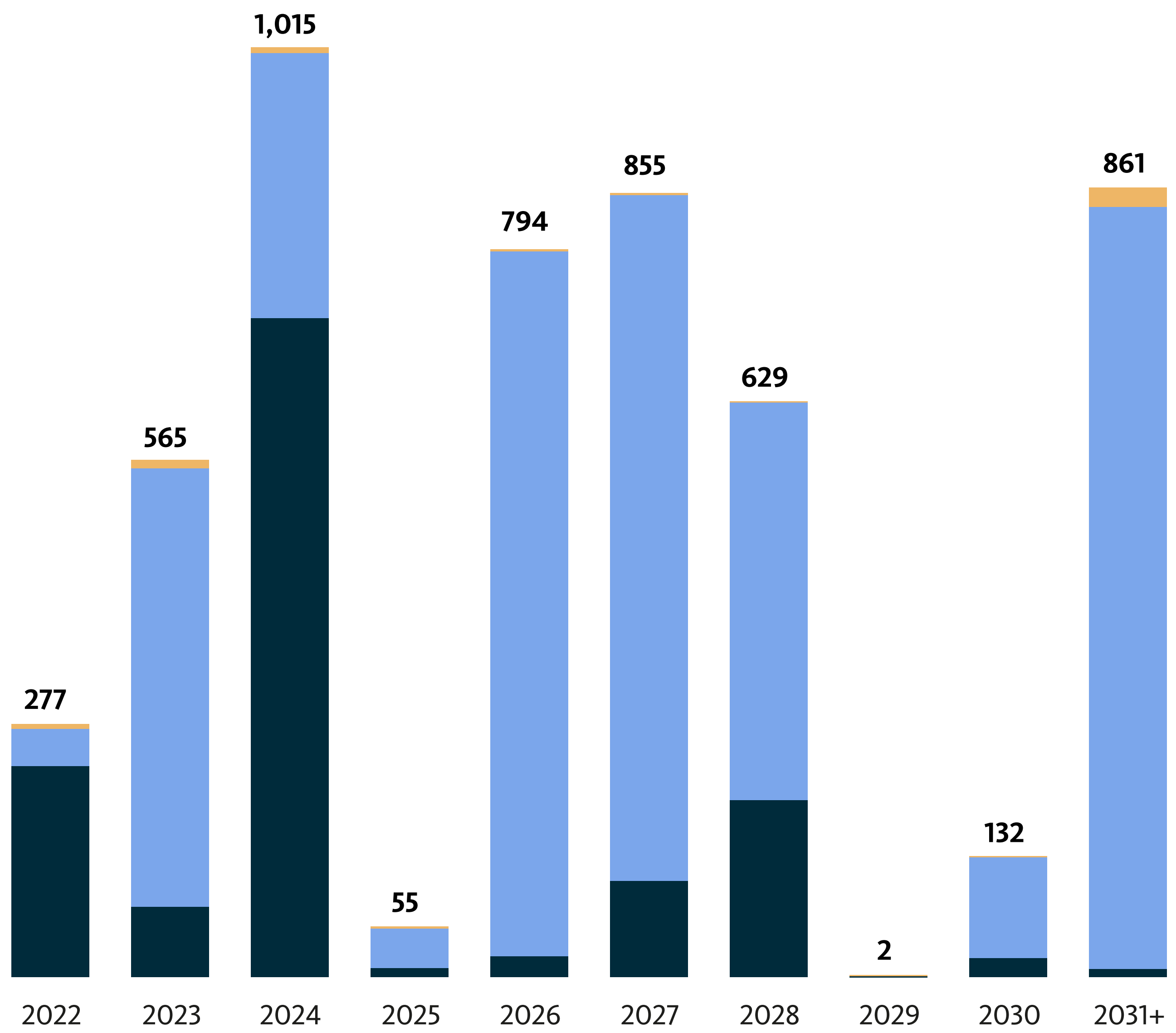
CPIPG is proactive about managing our modest debt maturities

In the last two years, the Group's objective has been to issue longer-dated unsecured bonds in order to improve our debt maturity profile. As a result of these steps, **weighted average debt maturity increased from 4.8 years in 2020 to 5.2 years at the end of 2021.** CPIPG intends to remain proactive in managing upcoming maturities in advance and appreciates the ongoing support of our bond investors.

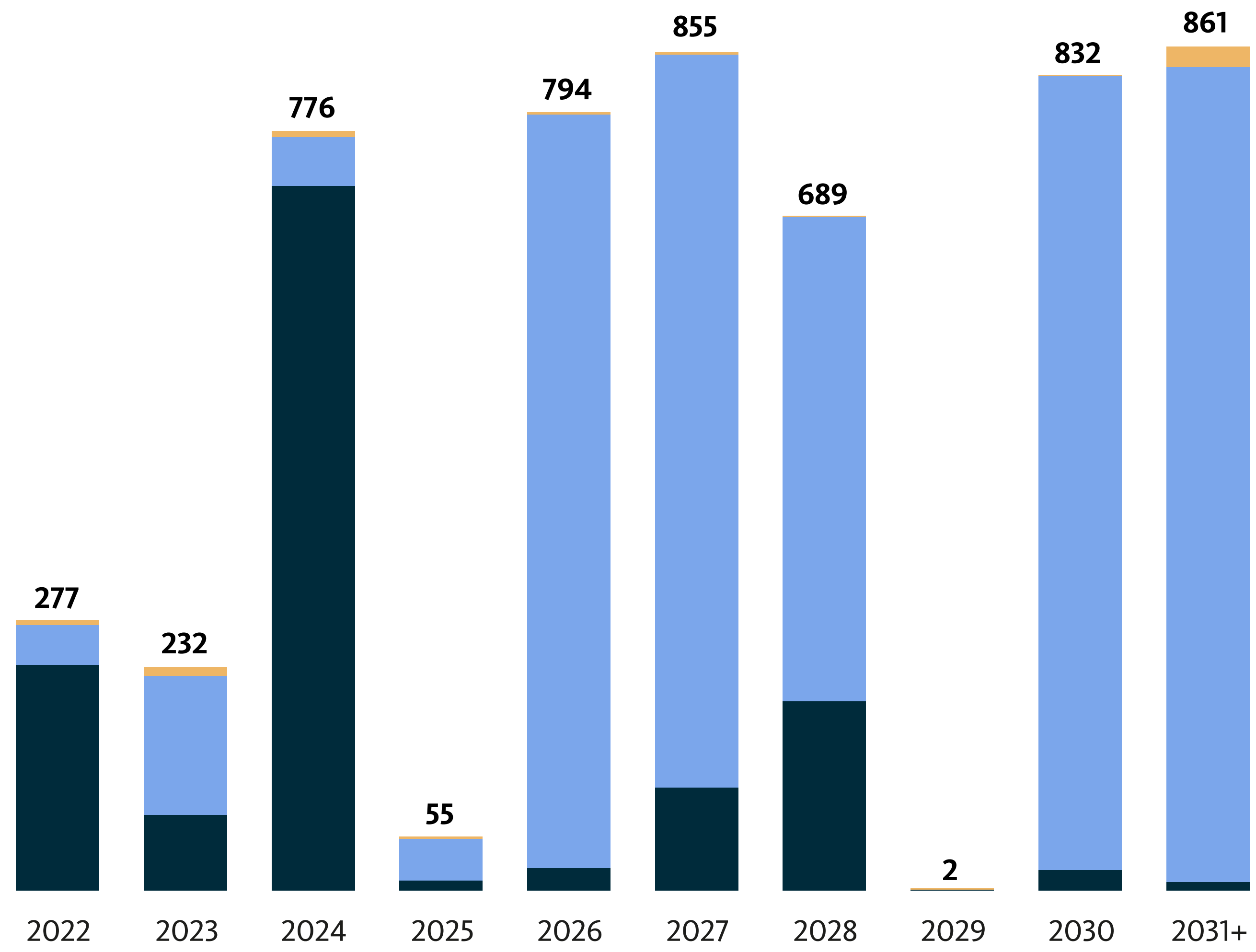
In January 2022, the Group also issued an inaugural €700 million of 8-year sustainability-linked senior unsecured bonds. Proceeds were used to fully repay €239.4 million nominal amount outstanding of unsecured bonds maturing in October 2024 and $376.9 million (approximately €333 million) nominal amount outstanding of unsecured bonds maturing in March 2023. Following these transactions, pro forma **weighted average debt maturity at the end of 2021 grew by another 8 months to 6.0 years.**



Debt maturity profile as of 31 December 2021 (€ million)

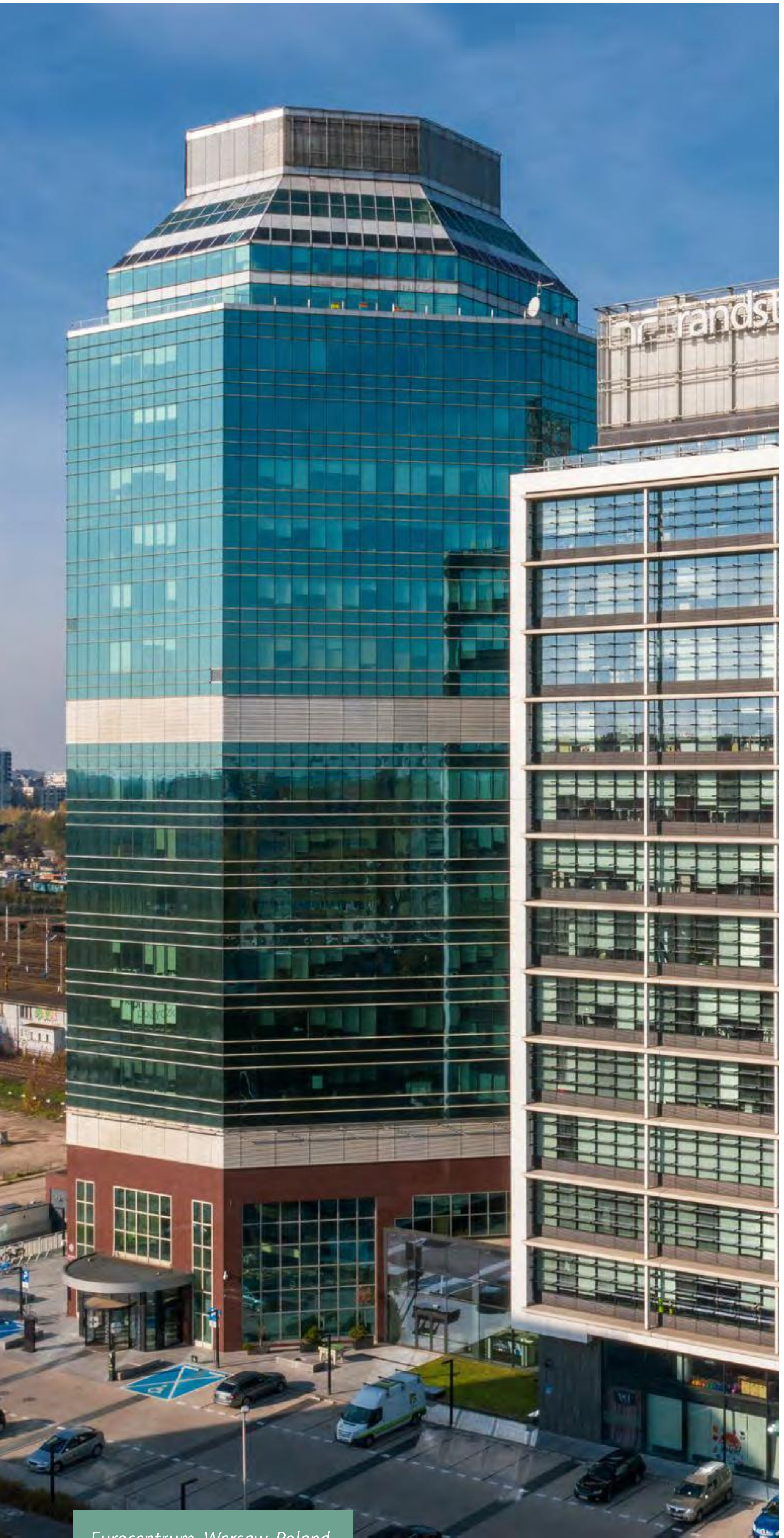


Pro forma debt maturity profile as of 31 December 2021 (€ million)



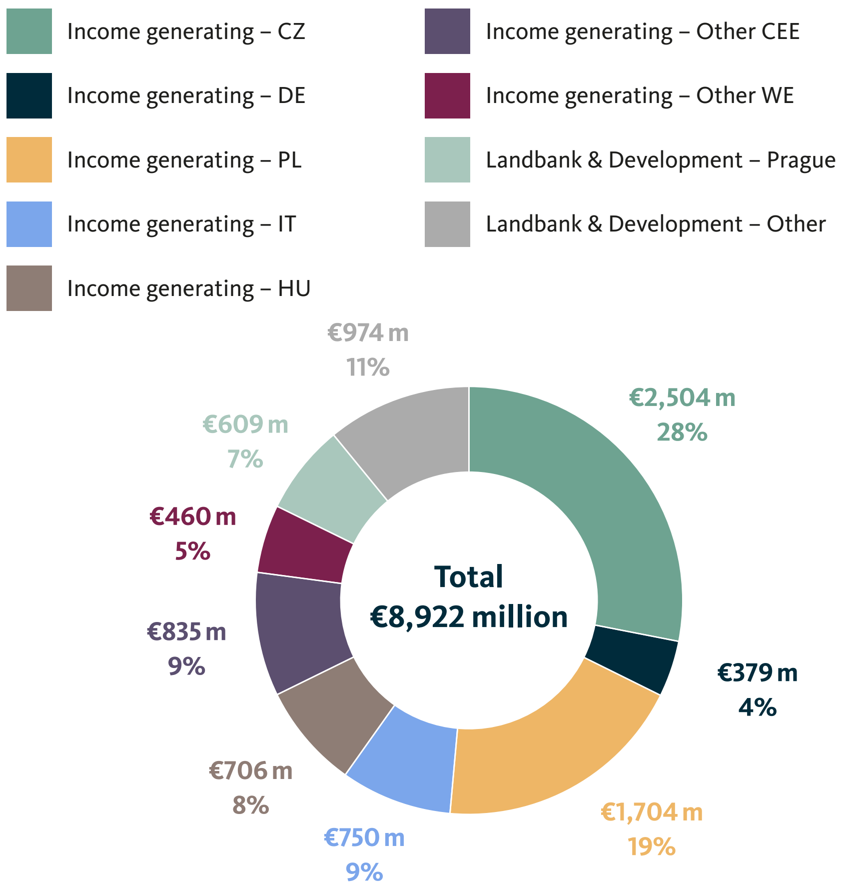
Bank loans | Bonds/Schuldschein* | Other**

* *Bonds/Schuldchein 2022 include only accrued interest payable in 2022.*
** *Other debt comprises non-bank loans from third parties and financial leases.*



Eurocentrum, Warsaw, Poland

Composition of unencumbered asset portfolio

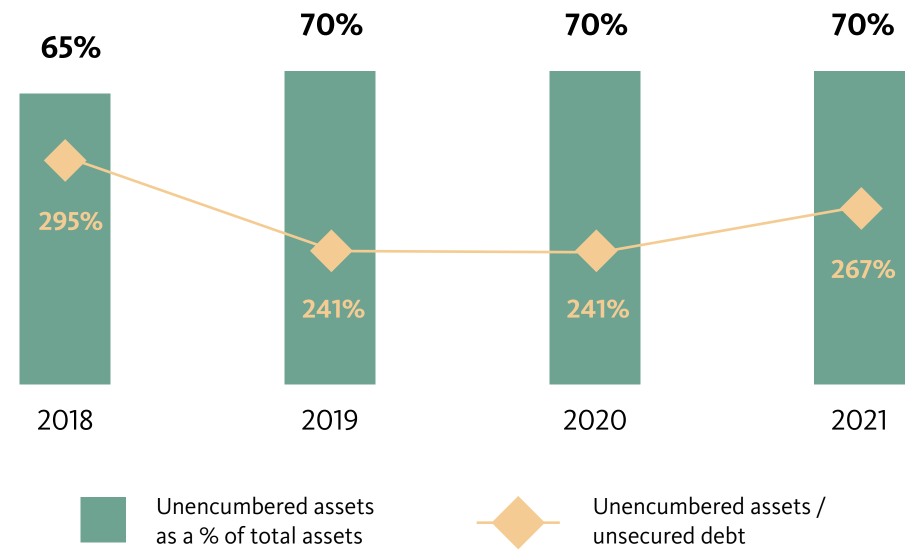


CPIPG has strong internal controls in place and the inhouse expertise to ensure a robust reporting process.

Miroslav Bednář, Head of IFRS & Consolidation

High level of unencumbered assets

The Group's **unencumbered assets to total assets ratio** remained stable at 70%. Unencumbered assets primarily consist of office properties in Poland and the Czech Republic, Czech retail along with high-quality landbank and residential assets, selected assets in Germany and other geographies of the Group.



The ratio of unencumbered assets to unsecured debt remained well above 200%. In line with our financial policy, the Group intends to maintain a high level of unencumbered assets at all times, which provides a significant source of additional liquidity and flexibility.

Strong liquidity (€ million)

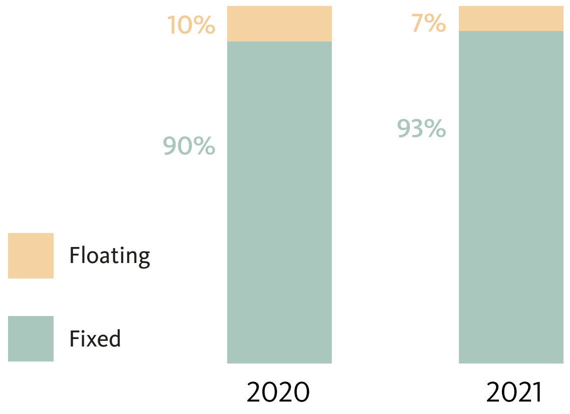
Cash as at 31 Dec 2021	505
(+) RCF – undrawn amount	700
(+) Other undrawn lines	7
Total liquidity as at 31 Dec 2021	1,212

At the end of 2021, the Group had **€1.2 billion of available liquidity** between cash and undrawn revolving credit facilities. The Group's liquidity position is supported by a €700 million committed revolving credit facility that expires in 2026, with ten international banks. Revolving credit facilities offer CPIPG significant flexibility to access cash quickly and at a low cost.

The revolving credit facility has remained fully undrawn for most of 2021. It was temporarily drawn in H1 because UK Takeover rules required funds to be placed in escrow while the Globalworth takeover offer was pending, amounting to the maximum cash outlay CPIPG would have needed to pay in the event all shareholders tendered their shares in the offer. In August 2021, CPIPG repaid the drawings under the RCF once the offer closed and surplus funds in escrow were returned to the Group.

Fixed versus floating rate debt

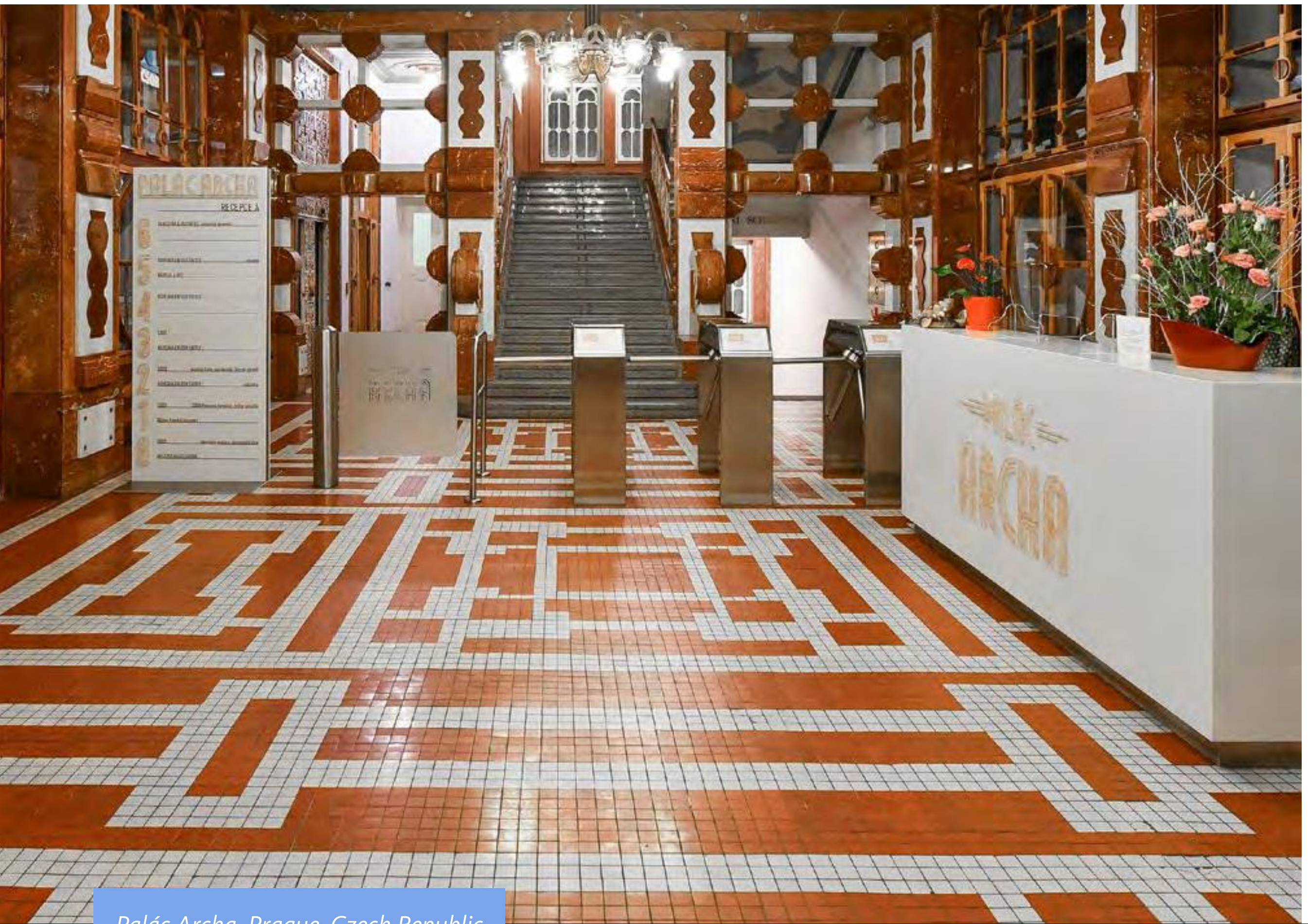
CPIPG targets a minimum of 80% fixed-rate debt. As the fixed-rate debt comprised approximately 93% of the Group's debt at the end of 2021, we have a high degree of protection against interest rate volatility. If interest rates on all of our variable-rate debt increased by 3 p.p., the cost of the Group's external debt will rise only by 0.2 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 2021	if market interest rate +1 p.p.	if market interest rate +2 p.p.	if market interest rate +3 p.p.
Bonds/Schuldschein	72%	1.9%	1.9%	1.9%	1.9%
Bank loan	27%	1.3%	1.4%	1.7%	1.9%
Leasing	1%	0.3%	0.4%	0.5%	0.7%
Non bank loan	0%	1.3%	1.3%	1.3%	1.4%
Total	**100%**	**1.7%**	**1.8%**	**1.8%**	**1.9%**

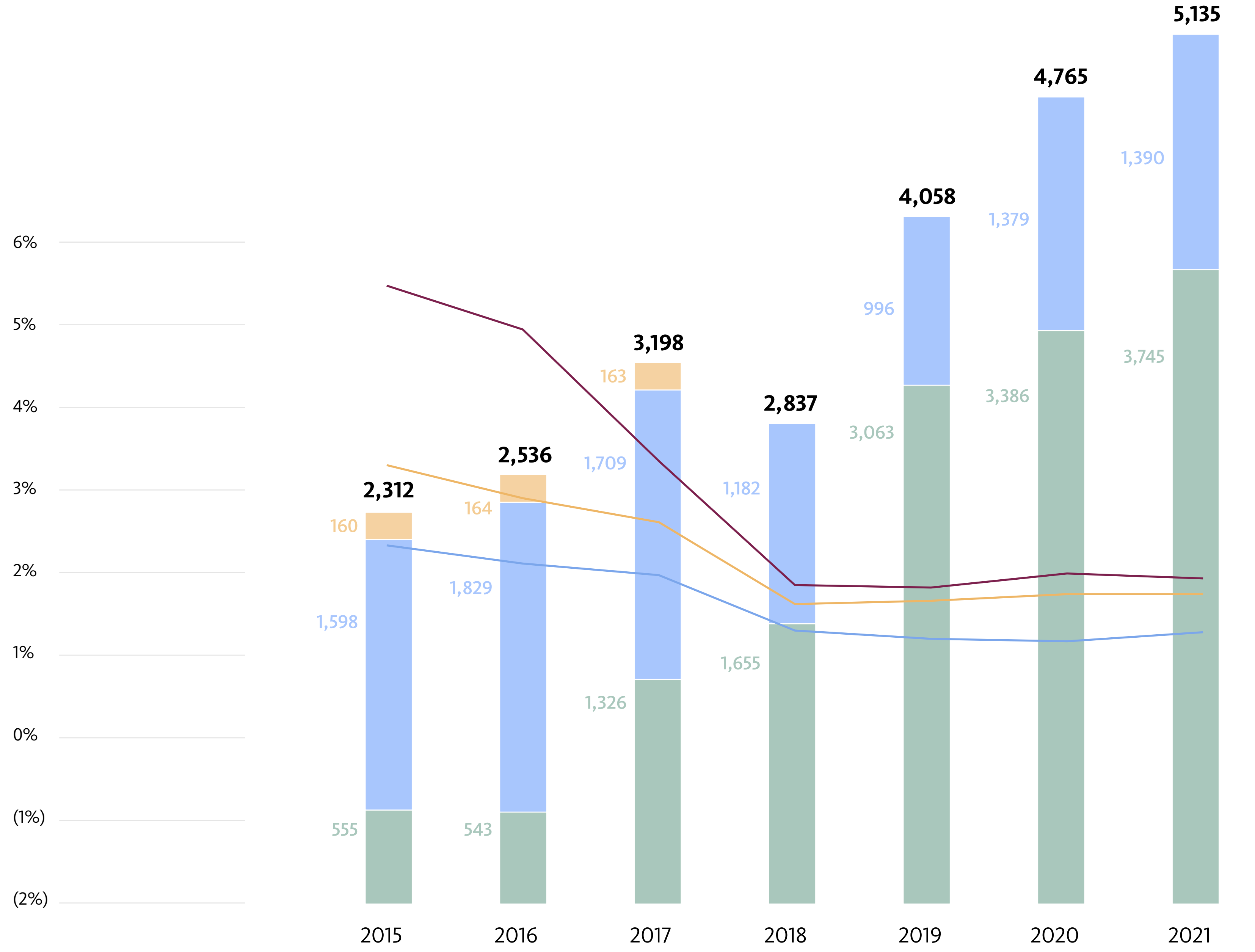
* *Includes impact of contracted interest rate swaps.*



Palác Archa, Prague, Czech Republic

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

At the end of 2021, the Group's average cost of debt stood at 1.73% and remained stable compared to 2020. A slight decrease in the average bond interest rate following the issuance of the 1.5% coupon 10-year Euro bond in January 2021, was offset by a moderate increase in the average bank loan interest rate.



	2015	2016	2017	2018	2019	2020	2021
Project bonds	160	164	163	0	0	0	0
Bank loans	1,598	1,829	1,709	1,182	996	1,379	1,390
Corporate bonds/Schuldschein	555	543	1,326	1,655	3,063	3,386	3,745
Avg. bank loan interest rate	2.32%	2.10%	1.96%	1.29%	1.19%	1.16%	1.27%
Avg. bond/Schuldschein interest rate	5.46%	4.93%	3.34%	1.84%	1.81%	1.98%	1.92%
Total average interest rate	**3.29%**	**2.89%**	**2.60%**	**1.61%**	**1.65%**	**1.73%**	**1.73%**

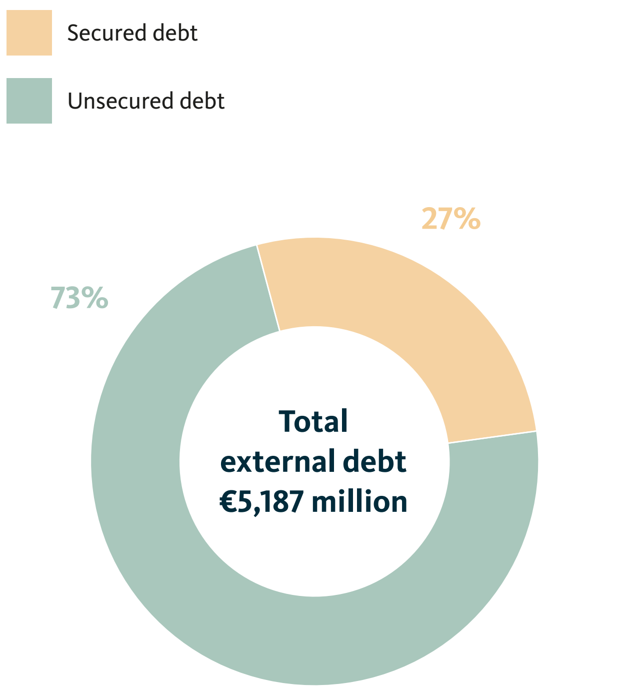
Senior unsecured debt remains a majority of funding

CPIPG has a simple, flexible capital structure focused primarily on senior unsecured financing. Nevertheless, we also believe retaining access to secured bank financing is an essential element of liquidity, financial flexibility and low-cost funding for the Group.

The proportion of secured debt to total debt decreased slightly at the end of 2021 to 27%, primarily due to the new issues of senior unsecured bonds and the repayment of secured loans in the Czech Republic, partially offset by a new utilisation of a secured loan in the Czech Republic.

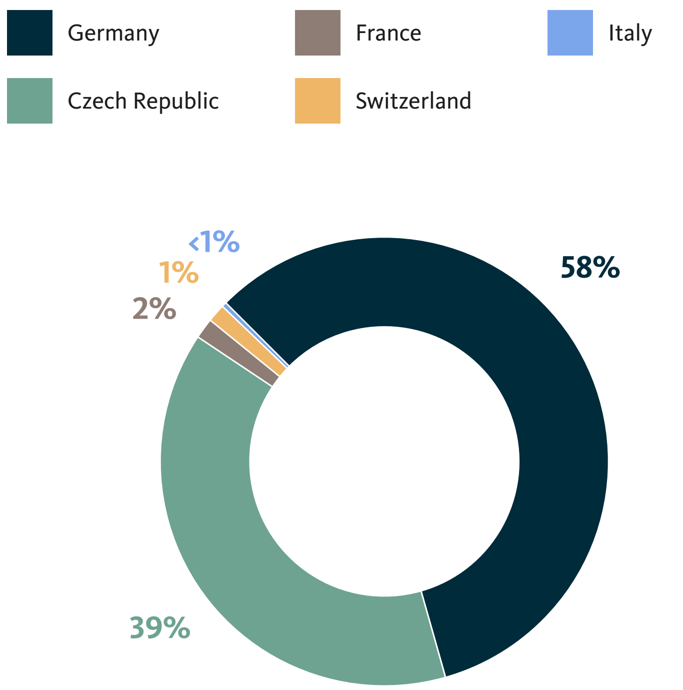
The majority of the Group's secured loans (58%) relate to Berlin, mainly due in 2024. The Group has secured loans from 15 banks that are active in the CEE region, Germany and Italy, of that 95% is drawn from five banks.

Split of secured versus unsecured debt

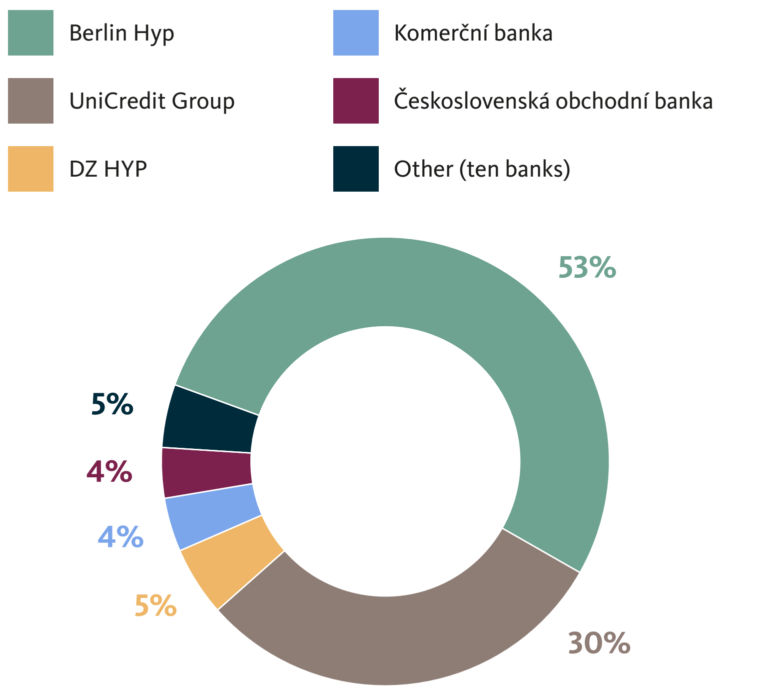


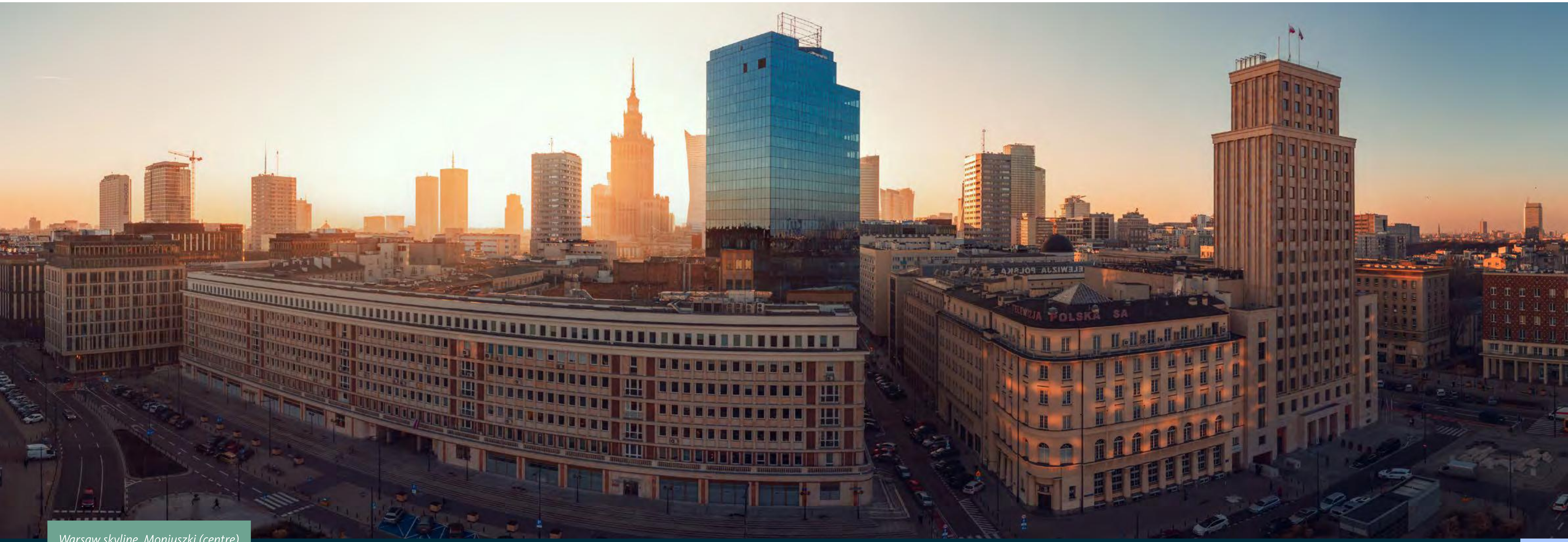
Breakdown of secured bank debt by principal

Secured bank debt by geography



Secured bank debt by bank



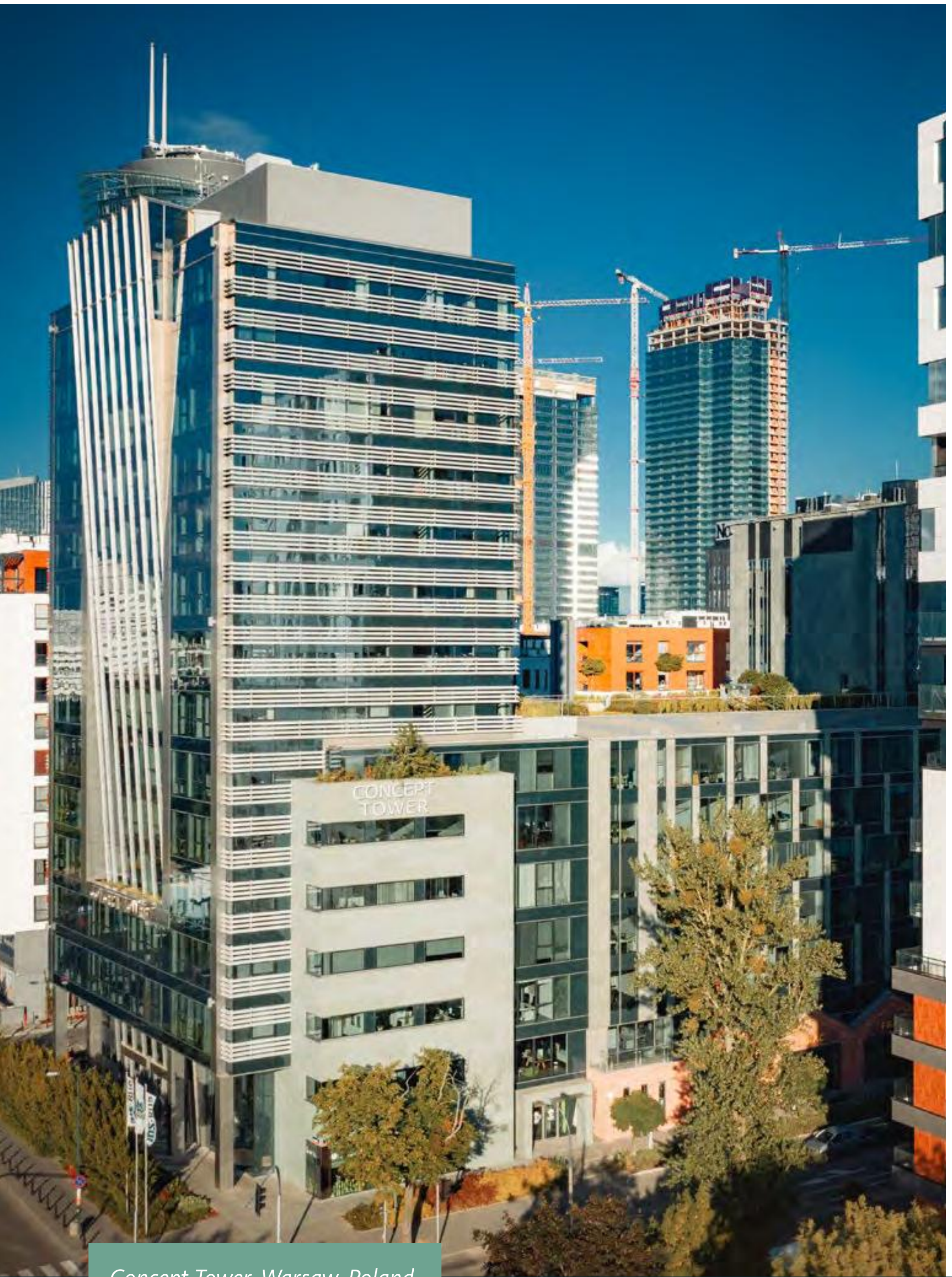


Warsaw skyline, Moniuszki (centre)

Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies, primarily the Czech Koruna (CZK). The impact of foreign exchange is mostly unrealised (non-cash) and arises whenever there is a mismatch between the currency in which a property is valued and the functional currency of the entity into which the property is consolidated. 23% of the property portfolio is valued in CZK and is 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 2021, CPIPG recorded an unrealised FX impact of €162 million on CZK denominated assets due to the 5.3% appreciation of CZK relative to EUR.

In addition to the non-cash effects, the Group is exposed to foreign currencies (primarily CZK) through rental income and expenses. In 2021, 21% of the Group's gross rental income was received in CZK. However, 34% of the Group's property operating expenses and 34% of administrative expenses were also denominated in CZK. As a result, the remaining net exposure to CZK is limited.

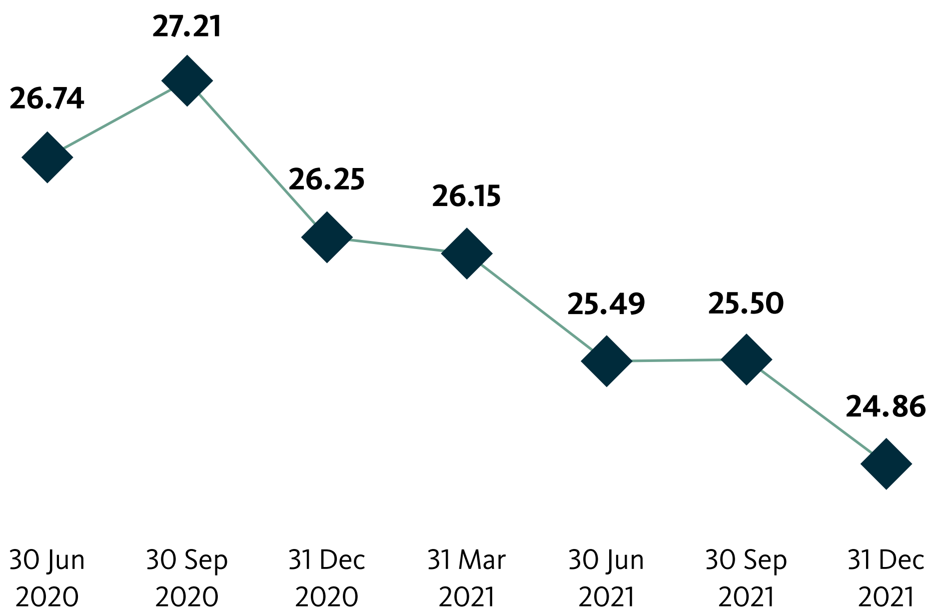


Concept Tower, Warsaw, Poland

FX sensitivity (CZK depreciation against EUR)

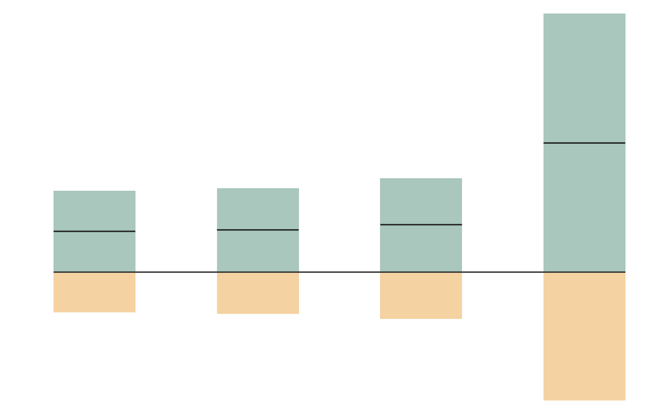
	5%	10%	15%	20%	25%
Net LTV	+0.4 p.p.	+0.8 p.p.	+1.1 p.p.	+1.5 p.p.	+1.8 p.p.
Net ICR	(0.04×)	(0.08×)	(0.11×)	(0.14×)	(0.17×)
EBITDA	(€2.7 m)	(€5.1 m)	(€7.4 m)	(€9.4 m)	(€11.3 m)

Development of CZK vs EUR since 30.6.2020



Note: The Group's exposure to other currencies is limited since 98% of the Group's annualised headline rent at the end of 2021 was denominated in EUR or CZK.

FFO retained



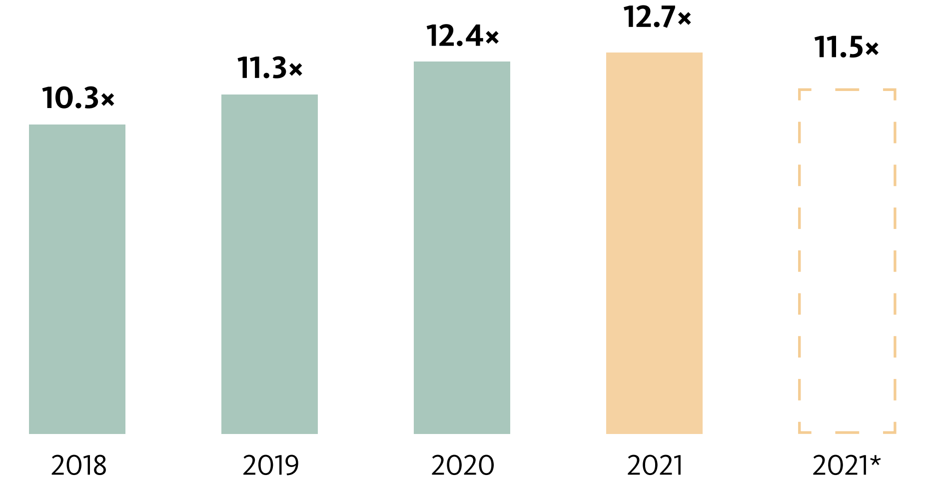
	2019	2020	2021	Total
FFO	220	227	254	700
Share Repurchases	(109)	(113)*	(127)*	(348)
FFO Retained	**51%**	**50%**	**50%**	**50%**

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

EBITDA and Net debt/EBITDA measurements

The level of Net debt/EBITDA increased slightly from 12.4× in 2020 to 12.7× in 2021. The increase was largely due to an increase in net debt relating to acquisitions. EBITDA increased by 9% compared to 2020 – despite hotels and a large portion of retail being closed until April, EBITDA benefitted from continued like-for-like rental growth combined with higher occupancy and a significant contribution from recent acquisitions and completed developments. If hotels had performed normally and no discounts were provided, Net debt/EBITDA would have been 11.5×.

The Group anticipates that Net debt/EBITDA will improve from strategic deleveraging measures in the near term and also as the effects of the COVID-19 pandemic subside. Although the Group does not have an explicit Net debt/EBITDA financial policy target, we prioritise it as a financial KPI given the increasing focus on it by our rating agencies.



** Assuming hotels had performed normally and no discounts were provided.*

FFO distribution policy

In February 2021, the Group repurchased 641,658,176 shares, at a price of €0.616 per share, for an aggregate amount of €395.3 million. The total distribution was sized to be less than 50% of the Group's FFO for 2020 and 2021. The Group's primary shareholder, Radovan Vítek, and the Company's subsidiary CPI FIM SA represented approximately 94% of combined shares tendered in the offer, tendering 350,500,000 and 252,302,248 shares respectively. The rest of the tenders were from third parties.

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

In November 2021, CPIPG adopted a new distribution policy, **increasing our FFO I distribution target from 50% to 65% beginning in 2022.** Distributions will continue to be determined by the Board of Directors in light of CPIPG's financial profile and credit ratings.

Results & net assets

Net rental income grew by 7% to €363 million, versus €338 million in 2020.

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

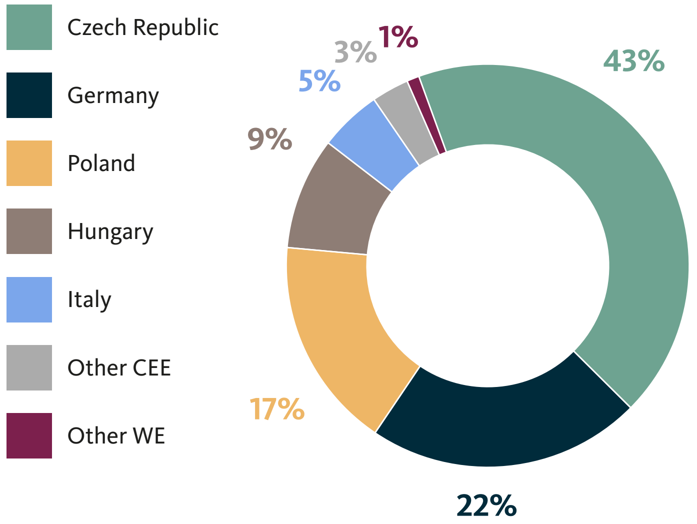
Net hotel income was €14 million, versus -€3 million in 2020, reflecting the gradual recovery of the hospitality sector in the second half of 2021.

Income statement (part 1)

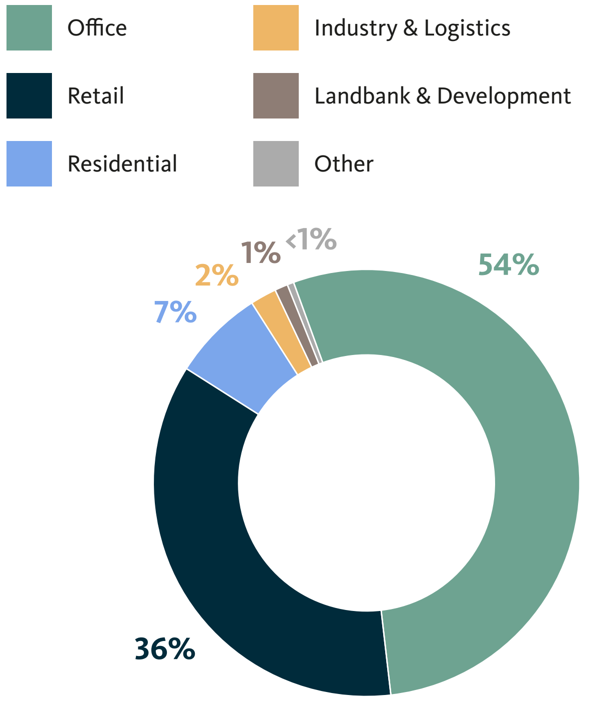
€ million	2021	2020
Gross rental income	402	356
Service charge and other income	139	140
Cost of service and other charges	(116)	(107)
Property operating expenses	(62)	(51)
Net rental income	**363**	**338**
Development sales	13	34
Development operating expenses	(9)	(30)
Net development income	**3**	**4**
Hotel revenue	66	44
Hotel operating expenses	(53)	(47)
Net hotel income	**14**	**(3)**
Other business revenue	44	49
Other business operating expenses	(38)	(43)
Net other business income	**5**	**5**
Total revenues	**664**	**623**
Total direct business operating expenses	**(278)**	**(278)**
Net business income	**385**	**344**
Administrative expenses	(58)	(47)
Consolidated adjusted EBITDA (excl. other effects)	**327**	**297**

In 2021, the Group generated gross rental income of €402 million, representing a YoY increase of 13% compared to €356 million in 2020, reflecting the contribution from properties acquired in 2020 and 2021, (re)developments completed in the same period, slightly higher occupancy, and the resilient performance of the Group's rental properties.

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 3.3% increase in gross rental income on a like-for-like basis (excluding impact of COVID-19 rent discounts). Including one-time discounts, like-for-like rents grew even by 3.9%.

The greatest increase (9.1%) was realised in the Berlin offices where our rents are still catching up to market levels.

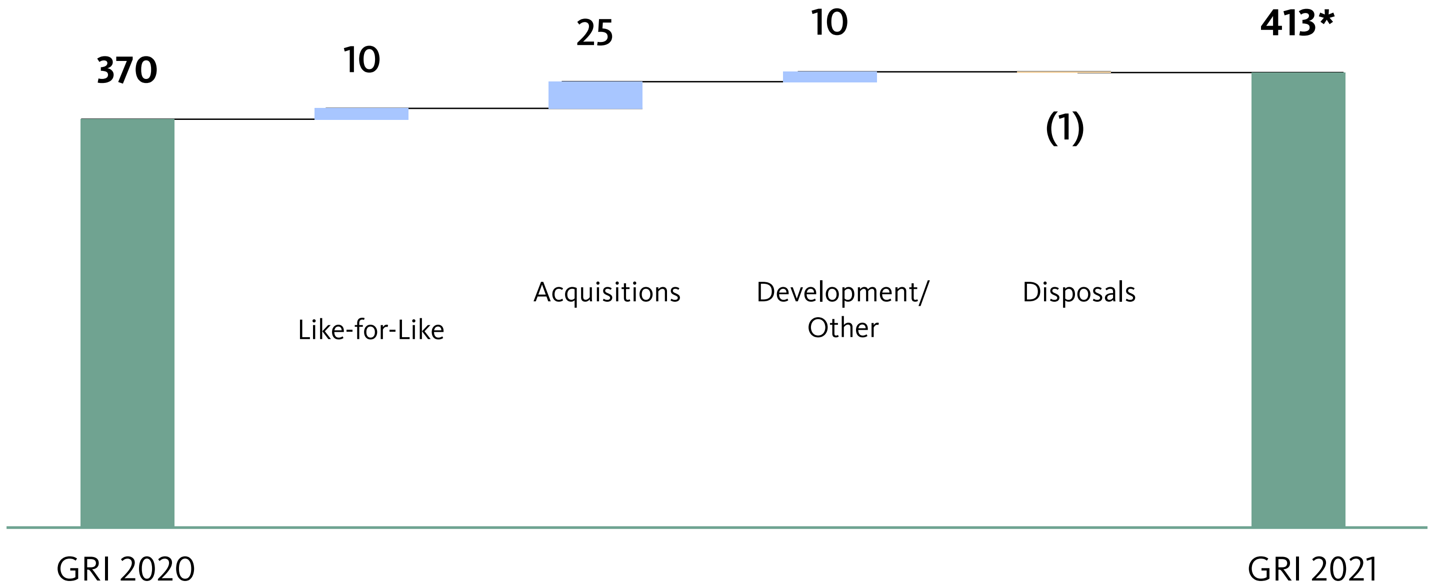
The like-for-like growth was mainly driven by an increase of rents supported by slightly higher occupancy on a like-for-like basis.

Like-for-like gross rental income	2021 € m	2020 € m	Increase/ (decrease)
Czech Republic	142.7	139.1	2.6%
Germany	81.4	74.6	9.1%
Hungary	37.5	37.7	(0.5%)
Poland	51.0	51.0	0.1%
Slovakia	8.0	8.1	(0.7%)
Other	4.0	3.8	5.7%
Total like-for-like gross rental income (excl. impact of COVID-19 rent discounts)	324.6	314.2	3.3%
Not like-for-like gross rental income			
Acquisitions/Transfers	44.1	19.3	
Disposals	28.4	29.7	
Development	15.8	6.4	
Other	0.4	0.2	
Total gross rental income	413.3	369.8	11.8%

In-place-rent Like-for-Like **3.2%**

Total Like-for-Like 3.3%

Occupancy Like-for-Like **0.1%**



Includes one-time rent discounts.

Income statement (part 2)

€ million	2021	2020
Consolidated adjusted EBITDA (excl. other effects)	**327**	**297**
Net valuation gain	1,276	173
Net gain or loss on the disposal of investment property and subsidiaries	35	1
Amortisation, depreciation and impairments	(52)	(88)
Other operating income	7	23
Other operating expenses	(6)	(3)
Operating result	**1,586**	**404**
Interest income	18	18
Interest expense	(97)	(81)
Other net financial result	39	10
Net finance income / (costs)	**(40)**	**(53)**
Share of profit of equity-accounted investees (net of tax)	15	(11)
Profit / (Loss) before income tax	**1,561**	**340**
Income tax expense	(269)	(96)
Net profit / (Loss) from continuing operations	1,292	244

The decrease of impairment costs compared to 2020 reflects positive revaluations of the hotel portfolio, partially offset by the increase of impairment costs of the Crans-Montana mountain resort.

Net valuation gain of €1.3 billion primarily relates to the revaluation of Berlin and Warsaw office, landbank and residential portfolio in the Czech Republic, and to recent acquisitions in Italy which were purchased at large discounts to fair value and subsequently revalued.

Interest expense was €97 million in 2021 compared to €81 million in 2020.

This increase reflects the Group's active presence on the international capital markets in 2020 and 2021.

Interest expense (€ million)	2021	2020
Interest expense from bank and other loans	(20.2)	(19.3)
Interest expense on bonds issued	(76.5)	(60.6)
Interest expense related to leases	(0.6)	(1.0)
Total interest expense	**(97.3)**	**(80.9)**

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

The following tables show the split of net valuation gain in 2021 by country and segment.

Valuation gain by country (€ million)

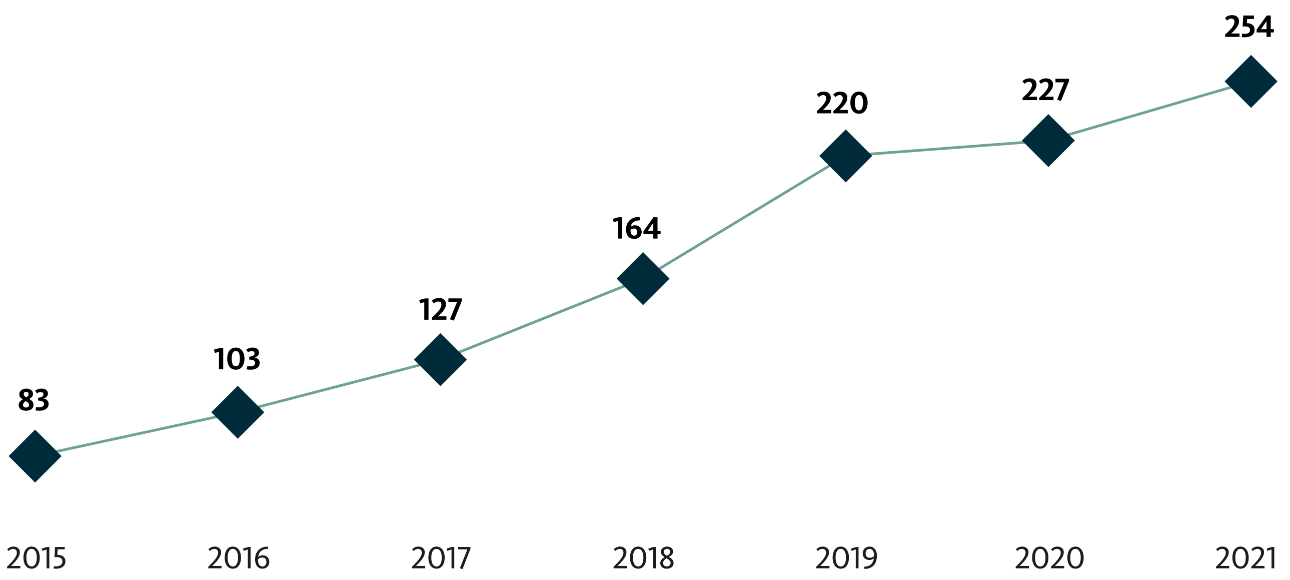
Czech Republic	509
Germany	444
Italy	251
Other	73
Total	**1,276**

Valuation gain by segment (€ million)

Office	531
Landbank	347
Residential	204
Other	193
Total	**1,276**

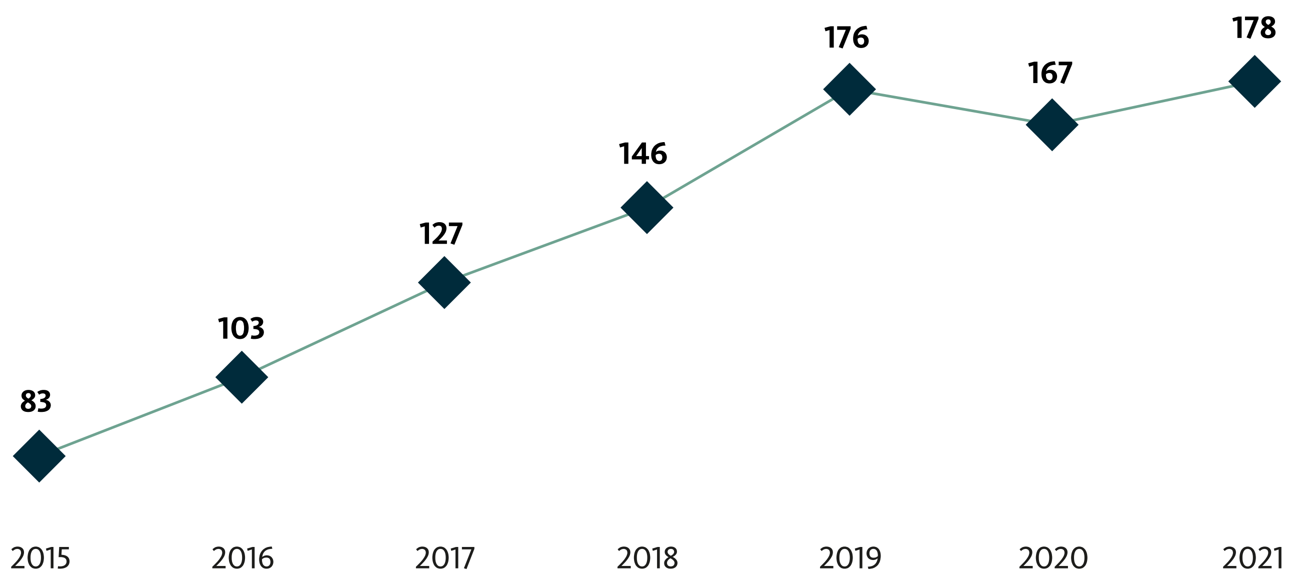
Funds from Operations – FFO (€ million)

Funds from operations (FFO) increased to €254 million in 2021, up 12% relative to 2020.



Funds from Operations – FFO II (€ million)

FFO II, which includes the effect of coupon payments on hybrid bonds, increased by 7% to €178 million in 2021 relative to 2020.



Balance sheet

€ million	31 Dec 2021	31 Dec 2020
Non-current assets		
Intangible assets and goodwill	**114**	107
Investment property	**10,276**	8,793
Property, plant and equipment	**855**	779
Equity accounted investees	**1,216**	658
Other financial assets	**229**	34
Deferred tax asset	**164**	156
Other non-current assets	**109**	296
Total non-current assets	**12,963**	10,824
Current assets		
Inventories	**12**	39
Trade receivables	**106**	85
Cash and cash equivalents	**502**	632
Assets held for sale	**588**	38
Other current assets	**199**	183
Total current assets	**1,406**	978
Total assets	**14,369**	**11,801**
Equity		
Equity attributable to owners of the company	**5,992**	4,321
Perpetual notes	**1,612**	1,370
Non controlling interests	**91**	96
Total equity	**7,695**	5,787
Current liabilities		
Bonds issued	**3,694**	3,195
Financial debts	**1,164**	1,270
Deferred tax liabilities	**1,082**	842
Other non-current liabilities	**96**	117
Total non-current liabilities	**6,037**	5,424
Current liabilities		
Bonds issued	**41**	109
Financial debts	**233**	253
Trade payables	**116**	71
Other current liabilities	**247**	159
Total current liabilities	**638**	591
Total equity and liabilities	**14,369**	**11,801**

Property Portfolio (IP, PPE, EAI, OFA, INV, AHFS)
Change in PP by €2,804 million primarily due to:

- Acquisitions of €1,491 million, primarily relating to the properties in Italy for €617 million, a 21.6% stake in IMMOFINANZ for €535 million, a 12.4% stake in S IMMO for €199 million, and a property in London for €62 million;
- Increase in fair value of €1,434 million;
- CAPEX and development of €214 million;
- Disposals of €342 million, including mainly the sale of two shopping centres in the Czech Republic, the Česká Pojišťovna office in Prague, and a small property in Germany.

Total Assets
Total assets increased by €2,568 million (22%) to €14,369 million as of 31 December 2021, primarily driven by higher property portfolio value and reduced by a decrease in loans provided (€248 million).

Equity

- + €1,203 million profit for the period attributable to the owners of the Group;
- + €541 million shares issued;
- + €465 million hybrid bonds issued;
- + €138 million translation reserve;
- – €237 million hybrid bonds repaid;
- – €240 million share repurchase.

Financial Debts
Financial debts increased due to:

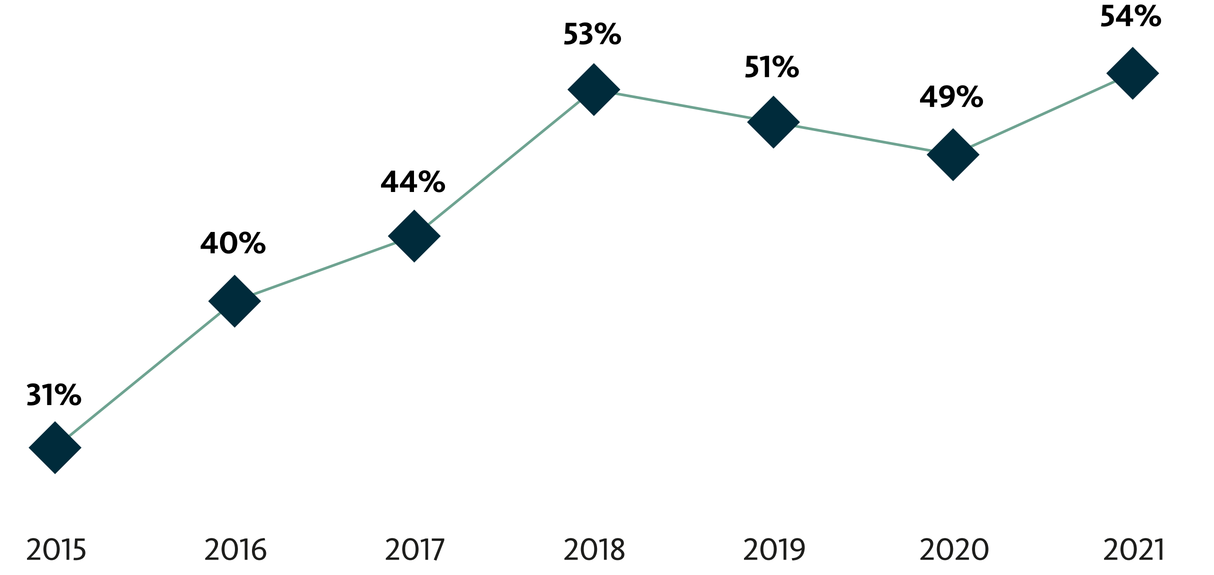
- + €618 million of new bank loans;
- – €613 million of bank loans repaid;
- – €71 million of Schuldschein repaid.

Bonds Issued
Bonds issued increased due to:

- + €841 million of EUR bonds issued;
- + €43 million of JPY bonds issued;
- – €527 million of EUR bonds repaid.

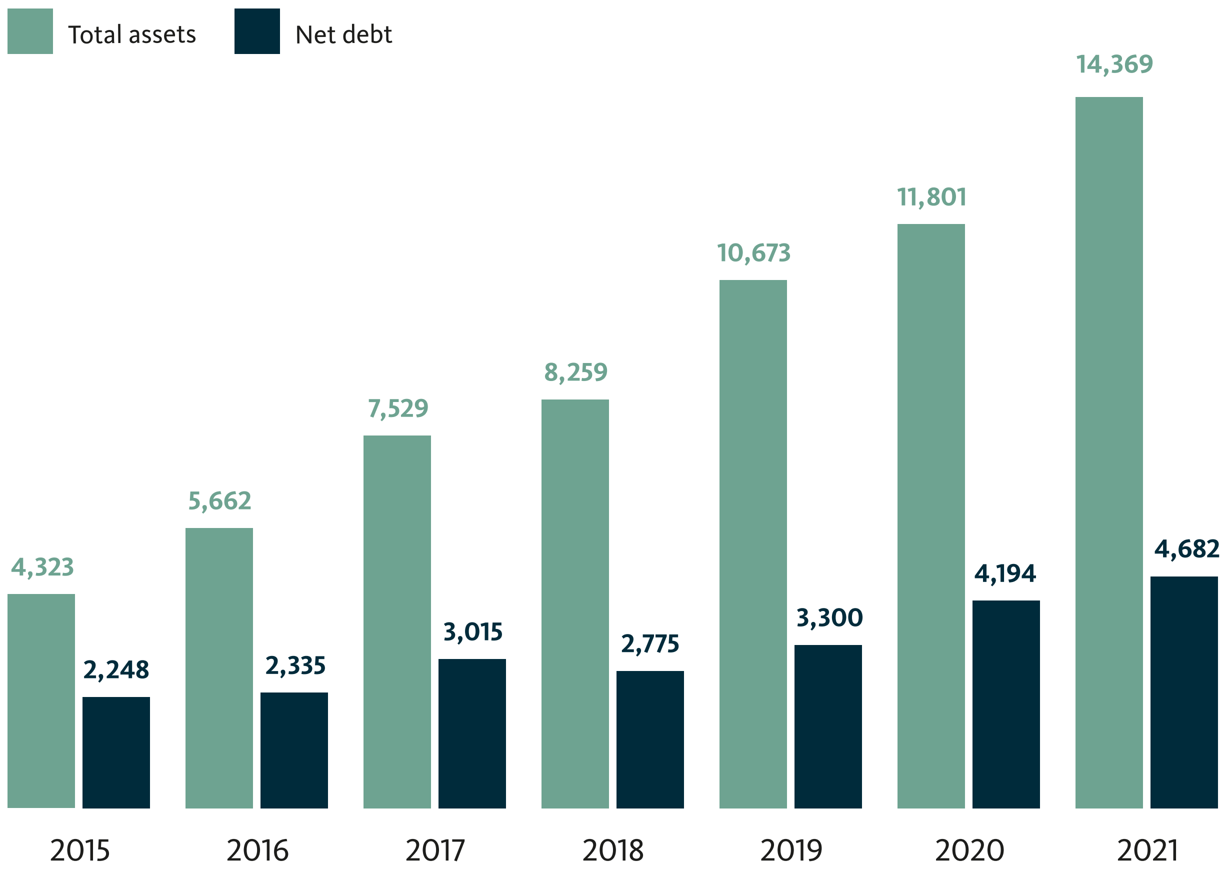
Equity ratio

The Group's equity ratio increased at the end of 2021 compared to the end of 2020, especially due to the significant increase of profit attributable to the owners of the Group and an issuance of hybrid bonds, partially offset by share repurchase of €240 million conducted in Q1 2021 as an equivalent to 50% of FFO for 2020 and 2021.

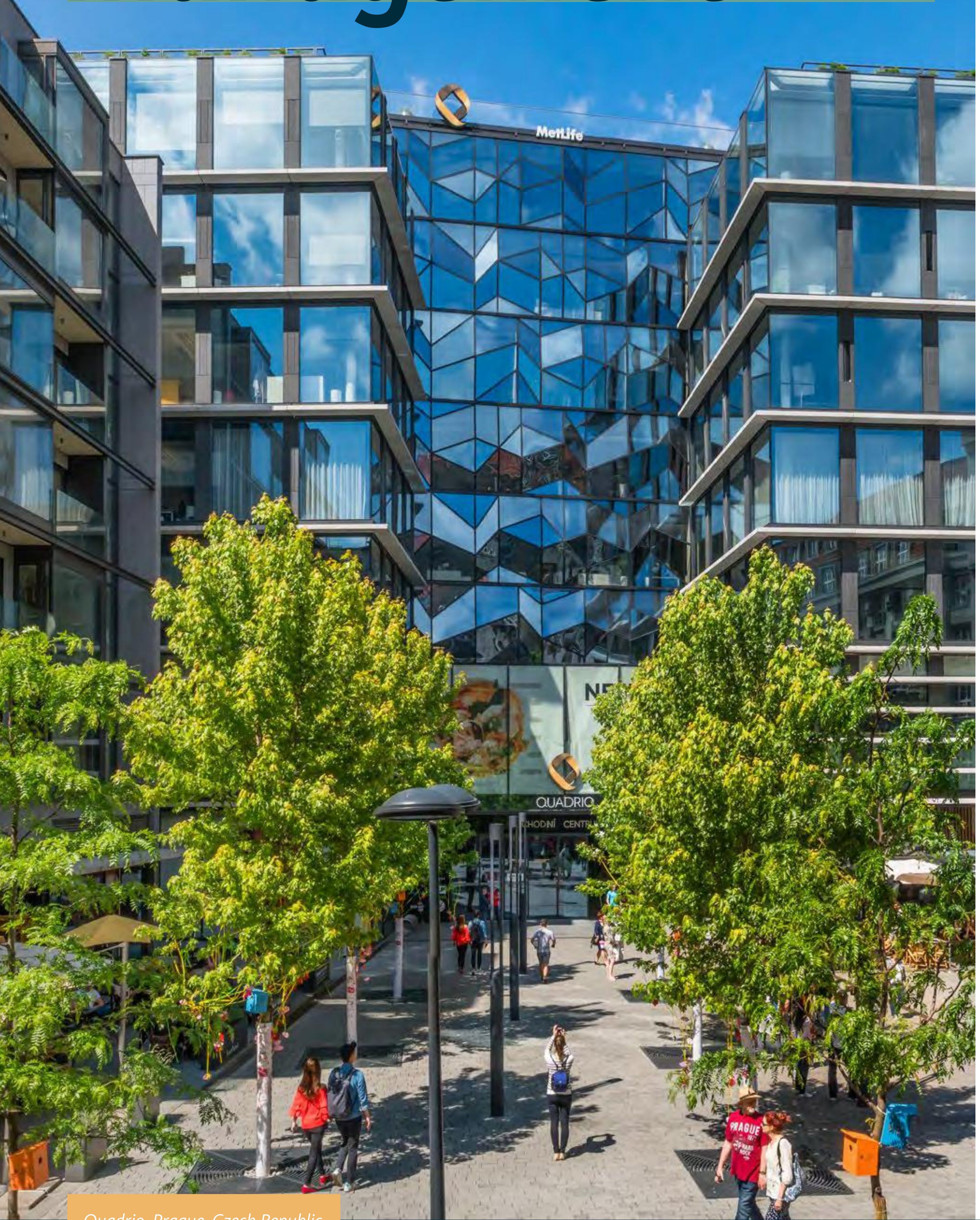


Total assets and Net debt

During 2021, the Group continued increasing total assets through acquisitions and positive revaluations, while also increasing total debt via new bank loans and senior unsecured bonds issues with proceeds partially used for repurchase of senior unsecured bonds due in 2022, 2023 and 2024.



Group management



Quadrio, Prague, Czech Republic

Martin Němeček

Chief Executive Officer

Martin Němeček was appointed CEO of CPI Property Group in March 2014. Martin joined CPIPG in 2011 and is now responsible for the Group's corporate strategy, international transactions, business development, and legal matters. He led the integration of CPI and GSG into CPIPG in 2014, managed foreign expansion of the Group, including takeover of publicly listed companies (incl. ABLON, ORCO, NOVA RE, GLOBALWORTH and IMMOFINANZ). During his career, he has completed acquisitions with a total value exceeding €15 billion. Martin was a board member of several listed companies. Martin has well over 20 years of real estate experience and previously spent ten years at Linklaters and Dentons law firms.

Zdeněk Havelka

Executive Director

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

Tomáš Salajka

Director of Acquisitions, Asset Management & Sales

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

David Greenbaum

Chief Financial Officer

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

Pavel Měchura

Group Finance Director

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

Jan Kratina

Director of CPI Hotels

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

Board of Directors

Edward Hughes

Chairman, independent, non-executive member

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

Jonathan Lewis

Independent, non-executive member

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

Philippe Magistretti

Non-executive member

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

Omar Sattar

Independent, non-executive member

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

Martin Němeček

Executive member

Martin has been a member of the Board of Directors since 10 March 2014. Martin is a seasoned real estate professional with over 20 years of experience in both legal and executive functions. Martin joined CPIPG in 2011 and now is responsible for the Group's corporate strategy, international transactions, business development, and legal matters. He led the integration of CPIPG and GSG into CPIPG in 2014, managed foreign expansion of the Group, including takeover of publicly listed companies (incl. ABLON, ORCO, NOVA RE, GLOBALWORTH and IMMOFINANZ). During his career, he has completed acquisitions with a total value exceeding €15 billion. Martin was a board member of several listed companies. Martin was instrumental in CPIPG becoming the real estate leader of international debt capital markets and ESG, with three investment grade ratings (Moody's, S&P and JCR) and several pioneer issuances, including the first regional green bonds and sustainability-linked bonds. From 2001 to 2011, Martin worked as a real estate lawyer for Salans (today Dentons), Linklaters and Kinstellar law firms. Martin graduated from the Faculty of Law of Charles University in Prague and the University of Economics, Prague.

Tomáš Salajka

Executive member

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

photo: GSG Berlin © Marc-Steffen Unger

Oliver Schlink

Executive member

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

Tim Scoble

Non-executive member

Tim was appointed as a member of the Board of Directors since 16 December 2021. Tim has been an advisor to Apollo Management International LLP since August 2013. He has been the commercial lead on multiple acquisitions and participated as a director on a number of boards, both in executive and non-executive roles. In the last 10 years, Tim has held a number of other advisory roles, including Lapithus Sarl, IBRC, Q Hotels and acting as a non-executive director to Rank Plc for 7 years until the end of 2015. Prior to this, he was the CEO of GuocoLeisure Ltd, a listed leisure and property company on the Singapore exchange for 4 years and preceding this the CEO of its UK operating business. He has worked in the leisure and hospitality business for over 25 years, both in Europe, North America, and Asia. Tim is a member of the Institute of Chartered Accountants in England and Wales.

Governance & sustainability

CPIPG is proud to be a family owned company with high ESG standards.

Martin Matula, General Counsel

Governance principles

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

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

Sustainability principles

CPIPG's key sustainability principles are:

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

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

CPIPG's approach to corporate governance

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

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

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

The X Principles

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

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

I. Corporate Governance Framework

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

II. The Board of Directors' Remit

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

The Board takes into account the Group's corporate social responsibility and the interests of all stakeholders in its deliberations. The Board of Directors' conduct, operation and relations with management are evaluated twice a year. The 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 2021, the Board of Directors was composed of three executive directors, two non-executive directors, and three independent non-executive directors.

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

IV. Appointment of Members of the Board of Directors

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

V. Professional Ethics

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

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

VI. Executive Management

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

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

VII. Remuneration Policy

The Directors and the members of the Company's Executive Board are remunerated in a manner that is compatible with the long-term interests of the Company. To attract and also maintain 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 "Employees and stakeholder involvement" section of this report.

VIII. Financial Reporting, Internal Control and Risk Management

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

IX. Corporate Social Responsibility (CSR)

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

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

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

X. Shareholders

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

Involvement of stakeholders

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

The Group's Key Principles of Stakeholders' Involvement:

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

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

Eurocentrum, Warsaw, Poland

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 of needs and expectations of our customers. Therefore, we conduct our business with due care and focus on protection and support of our customers' interests. We avoid any steps and actions which could damage our trustworthiness in our customers' eyes or distort their perception of our services.

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

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

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

Towards Business Partners

We endeavour to build a partnership with our business partners (including suppliers and lenders) in a manner consistent with our values, including ethical, social and environmental aspects. We place the same ethical, social and environmental requirements on our business partners as on ourselves and our Representatives.
We establish and develop honest relationships with our business partners based on mutual trust and respect for contractual obligations. We prefer long-term relationships with our business partners and enter into relationships only with those adhering to applicable laws and using financial resources not resulting from illegal activities. In contractual negotiations and invoicing, we act in a fair and transparent manner. We respect the rights of our business partners to protect their trade secrets and other confidential information.

Towards Employees

We recognise and respect all legitimate rights of employees, including participation in trade unions. We create safe working conditions and an environment of trust and mutual respect, enabling each employee to develop his/her knowledge and skills. We strictly adhere to applicable laws on a healthy and injury-free workplace. We invest in continual education of our employees and participate in their professional development. We provide adequate remuneration for the work completed and, in addition, reward exceptional performance. We neither support nor tolerate any kind of discrimination or harassment; we support diversity and create conditions for work engagement of disabled individuals. We respect the personal lives of our employees by facilitating work-life balance. We conduct background checks of candidates as to previous breaches of applicable laws or ethical rules.
On the other hand, our employees are expected to advance the Group's legitimate business interests. They shall not enter into competition with the Group, provide unjustified advantages to any third party to the detriment of the Group or take advantage of business opportunities available to the Group for themselves or for their family members.

Towards Shareholders and Investors

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

Towards Public Authorities and Regulators

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

Towards Communities and Society as a Whole

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

Omar Sattar, Chairman of the CSR Committee

Eurocentrum, Warsaw, Poland

CSR governance and management

CSR Committee

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

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

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

(a) active use and promotion of energy efficiency and energy savings in line with current strategies and objectives;

(b) consideration of the life cycle implications at all stages of investments and planning;

(c) optimisation of usage of natural and other resources in order to benefit from efficient and responsible use, minimize waste, prevent pollution and promote reusing and recycling of raw materials;

(d) active promotion and encouragement of environmentally friendly conduct both internally and externally;

(e) increase of the share of the renewable energy sources in all Group's operations, such as equipping existing assets with solar panels;

(f) high-standard performance, including green LEED/BREEAM certifications, as well as other relevant external certifications, where possible;

(g) strengthened commitment to electro mobility, development of biking infrastructure, ensuring proximity to public transport and access to amenities, and support of the concept of smart cities;

(h) increase of the share of green buildings in the Group's portfolio in line with the current strategy and seeking to apply real estate life cycle assessment on new projects;

(i) application of innovative approaches in the Group's undertakings, including green roofs and net zero buildings; and

(j) setting verifiable and measurable goals in pursuit of improvement of the ESG performance.

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

(a) transparency and accountability within the Group and vis-à-vis its stakeholders. The CSR Committee promotes active interaction with relevant stakeholders, development of communication channels across the Group;

(b) promotion of accessibility, inclusivity and smart livelihoods through Group's assets;

(c) achievement of Group's sustainability, social and business objectives through proper supply chain monitoring, sensible and sustainable procurement, as well as engagement in relevant social development matters;

(d) promotion of personal and professional development of Group's employees.

(e) promotion of diversity and equal opportunity in the workspace in line with the Group's policies and applicable legal standards.

(f) proper disclosures in relation to corporate social responsibility efforts on regular basis.

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

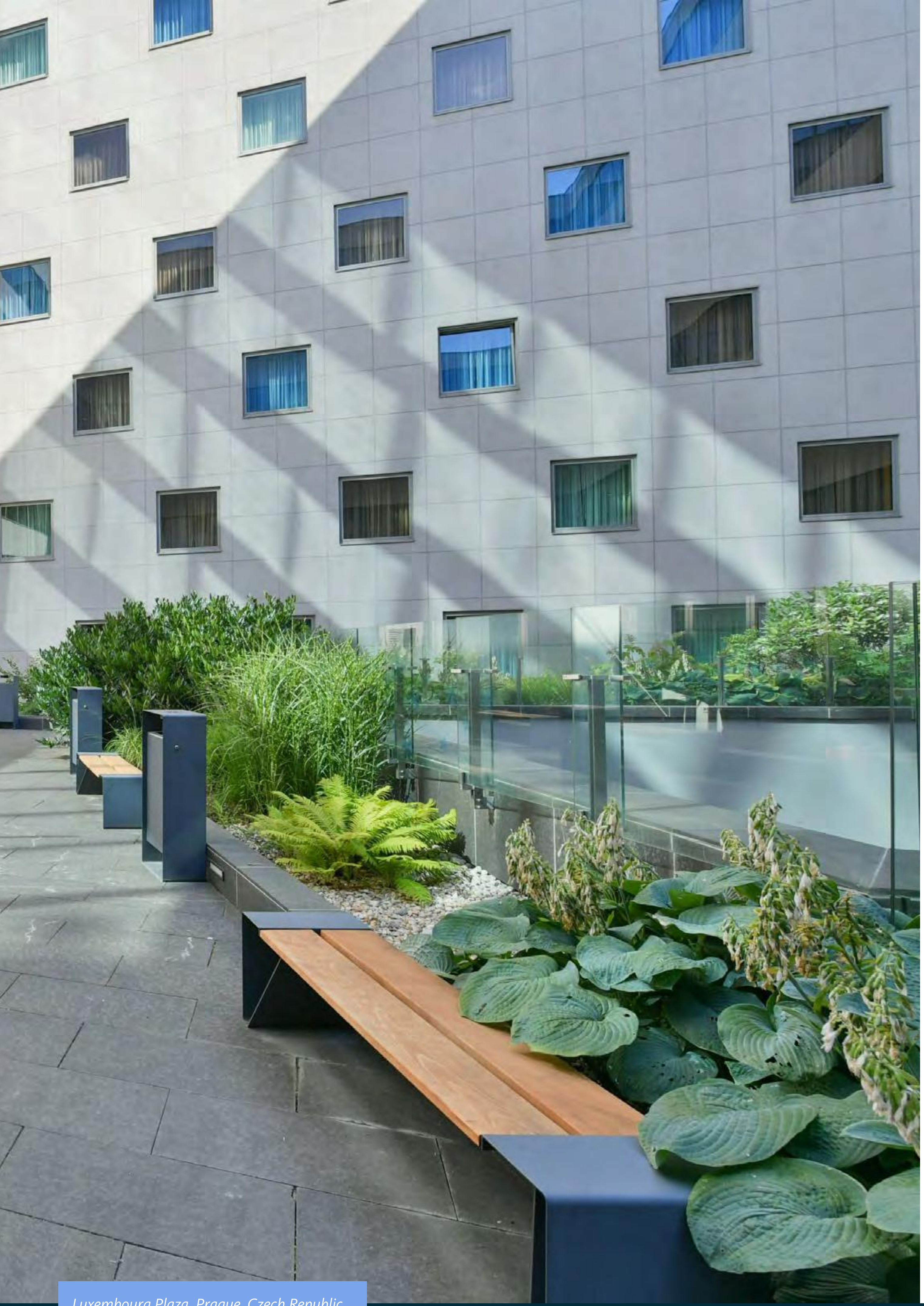
The CSR Committee shall be composed of highly experienced and qualified professionals with an excellent track record, thorough knowledge of the Group and its business, and experience in CSR-related matters. The CSR Committee shall be composed of a balanced mix of executive and independent directors as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

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

As at 31 December 2021, the CSR Committee is comprised of the following members:

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

In 2021, the CSR Committee held three meetings. Within the mandate given by the Board of Directors, the CSR Committee approved that 5% of any discretionary annual bonus compensation of the Group top management will be linked to the CSR Committee's judgement of whether management is meeting the Group's environmental targets.



Luxembourg Plaza, Prague, Czech Republic

Responsible procurement policy

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

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

- **Legality:** The procurement and procurement processes shall be conducted in accordance with applicable laws and the Group's internal rules.
- **Non-Discrimination:** The procurement and procurement processes shall be conducted in a non-discriminatory manner, and all current and potential suppliers shall be treated equally and without any special preference. The suppliers may be placed upon the black list for material reasons only.
- **Transparency:** The procurement and procurement processes shall be conducted in a transparent manner. All relevant processes, qualifications, evaluations and communications shall be conducted in a way which does not raise doubts about proper selection of the most suitable supplier for the Group. The relevant documentation must be properly archived to allow subsequent reconstruction of each procurement process.
- **Cost-Efficiency:** The purpose of the procurement shall be to optimise value-for-money, i.e., to determine which supplier can provide the Group with the best price, quality and added value.
- **Binding Nature:** The procurement policy or the principles relating to the procurement and procurement processes, as the case may be, shall not be circumvented. The Representatives are prohibited to split or manipulate any relevant documents (including orders or invoices) or in any other way distort the processes prescribed herein in order to avoid application of procurement policy or the principles relating to the procurement and procurement processes, as the case may be.
- **Confidentiality:** The Representatives are prohibited to provide any third party with information related to specific terms and conditions, especially prices, under which the Group procures or intends to procure goods or services from its suppliers or potential suppliers.

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

Ensuring business ethics

At CPIPG, ethical practice is a core component of our corporate philosophy and we are committed to transparency in our management structure, corporate reporting and internal procedures and rules. We believe that this supports a corporate culture 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.

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

- **Compliance with applicable laws, industry standards and best practices** – In all countries where we operate, our primary concern is to comply with applicable laws, industry standards and best practices. Therefore, we prevent conflict of interest, money laundering and terrorist financing and neither support, nor tolerate any insider trading, sanctions circumventing, bribery, corruption or fraud, anti-competitive conduct, discrimination or harassment. We protect the environment and support sound social values and good relationships with our employees, shareholders, investors, customers, business partners and stakeholders.

- **Fairness, Integrity and Professionalism** – We promote the highest standards of integrity by always conducting our affairs in an honest and ethical manner. Each of us makes a commitment not to allow any kind of situation to undermine our standards for fairness and integrity in dealing with employees, shareholders, investors, customers and other business partners, public authorities, communities and other stakeholders. We always keep the highest standards of professional correctness and courtesy in any interaction and communication with our employees, shareholders, investors, customers and other business partners, public authorities, communities and other stakeholders.

- **Experience, Quality and Entrepreneurship** – We have excellent know-how in our field of expertise, understand our business thoroughly and intend to deliver solely top-quality performance to our customers. We actively support a culture of empowerment and accountability, in which our employees can thrive personally and professionally, enhancing creativity in every discipline of the Group.

- **Pro-Active Approach and Teamwork** – Each of us is committed to take a pro-active approach in relation to our shareholders, investors, customers and other business partners, public authorities and communities, as well as our fellow employees. We try to satisfy wishes and needs of other people, and to recognize and understand their problems. The Group is proud to comprise a Europe-wide team of people who are aligned, motivated and rewarded for contributing to the team and to the long-term value of the Group.

- **Stability** – We are a strong, successful and stable Group, standing as a symbol of reliability to our employees, shareholders, investors, customers and other business partners and stakeholders.

- **Safety** – We are committed to a healthy and injury-free workplace and to the safety of our employees, contractors, visitors and communities in which we operate. Safety is fundamental to our overall operational and managerial excellence.

- **Community** – As our corporate culture is centred around respect and professionalism, we believe in giving back to our communities. We contribute to the sustainable economic, social and environmental development of our communities.

It is our policy to comply with applicable laws of each country where we operate. Our Representatives* shall be aware of applicable laws that impact our business, comply therewith and refrain from any activity which is unethical, illegal or would endanger the safety of others. Our Representatives shall also ensure that their actions cannot be interpreted as being, in any way, in violation of applicable laws. The Group will not condone any activity of any Representative who achieves results through violation of applicable law or through non-ethical business dealings.

Conflicts of Interest

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

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

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

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

Whistle-blowing

We expect our Representatives, as well as shareholders, investors, customers and other business partners and stakeholders to speak out if they have any concerns about breaches of applicable laws, the Code of Ethics, the Group's internal rules or any other illegal or unethical matters.

The Group has set up an Ethics Line to ensure full compliance with the new 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 will remain anonymous, except where specifically prohibited 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.

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.

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

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

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

Anti-Money Laundering and Counter-Terrorism Financing

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

Prohibition of Securities Fraud and Insider Trading

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

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

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

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 (ii) 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.

Political Involvement, Lobbying and Public Policy

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

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

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

In H1 2021 CPIPG approved the Political Involvement Policy and the Diversity and Non-Discrimination Policy, further improving the governance of the Group.

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.

The strategic growth progress of the Group is complemented by constantly improving standards in ESG values.

Mindee Lee, Senior Manager – Corporate Strategy and Board Secretary

Quadrio lobby, Prague, Czech Republic

Board of Directors

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

Appointment of Directors

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

Powers of the Board of Directors

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

Deliberations

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

Delegation of Powers

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

Current Board of Directors

The current Board members were appointed during the Company's annual general meeting held on 28 May 2021. Tim Scoble was appointed during the Company's Extraordinary General Meeting held on 16 December 2021. Their term expires at the annual general meeting of 2022 concerning the approval of the annual accounts of the Company for the financial year ending 31 December 2021.

As at 31 December 2021, the Board of Directors consists of the following members:

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

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

Philippe Magistretti (1956), non-executive member.

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

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

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

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

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

Board of Directors meetings in 2021

In 2021, the Board of Directors held a total of sixteen meetings, out of which four were quarterly meetings, and twelve were ad hoc board meetings, dealing with transactions and ongoing business matters of the Group. The average participation rate during the meetings of the Board of Directors was 97%, of which 87% represents personal attendance and 11% representation by another director pursuant to a proxy. During 2021, three absences occurred.

Independence

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

GSG Solar PV, Berlin, Germany

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 2021, the Audit Committee is comprised of the following members:

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

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

During 2021, the Audit Committee focused mainly on the ongoing review of the Group's financial statements: review of the Annual Management Report and consolidated financial statements for the years ended 31 December 2020. The Audit Committee also dealt with the impact of COVID-19 on property portfolio valuations and revenue recognition.

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

Lastly, the Audit Committee dealt with external and internal audit matters. In 2021, the Audit Committee held six meetings with six absences.

Remuneration, Nomination, and Related Party Transaction Committee

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

The Remuneration Committee also deals with the related party transactions. Any related party transaction must be presented to the Remuneration Committee prior to the submission for 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 2021, 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 Comittee are independent.

During 2021, the Remuneration Committee held two 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 2021, the Investment Committee is comprised of the following members:

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

During 2021, the Investment Committee held three meetings.

Shareholding of Board members and senior management in CPIPG

As at 31 December 2021, certain members of the Board of Directors and senior management held in aggregate 33,721,902 CPIPG shares.

Jiří Jelinek, Head of Group Inernal Audit

Olympia Plzeň, bird nesting site, Czech Republic

Financial Reporting, Internal Control and Risk Management

The Company has organised our internal control environment by identifying the main risks 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 Group's overall approach to risk is conservative. 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 probability and magnitude 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 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.

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 minimization 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 8,902,915,298 ordinary shares of one class, out of which 112,135,971 shares (approximately 1.26% of the total number of shares), 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 8,790,779,327 Company shares (approximately 98.74% of the total number of shares) are currently not listed and are non-tradeable on a regulated market. The Extraordinary General Meeting of the shareholders of the Company held on 16 December 2021 decided to cancel the possibility to create and issue up to ten billion (10,000,000,000) non-voting shares, having a par value of ten eurocents (€0.10) each, and also the possibility to create and issue up to ten billion (10,000,000,000) beneficiary shares without any voting rights and being under registered form only.

(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 2021, the following table sets out information regarding the ownership of the Company's shares:

Radovan Vítek (directly or indirectly)	7,902,846,980	88.77%
Clerius Properties (affiliate of Apollo Funds)	487,012,987	5.47%
Others	446,055,331	5.01%
Treasury shares held by the Company's indirect subsidiary CPI FIM SA (directly or indirectly)	67,000,000	0.75%
Total	**8,902,915,298**	**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 authorized share capital.

As at 31 December 2021, the authorized share capital of the Company amounts to €3,885,714,258.70, which would authorize the Board of Directors to issue up to 38,857,142,857 new ordinary shares and up to 10,000,000,000 new non-voting shares in addition to the shares currently outstanding. As at 31 December 2021, the Company is authorized to redeem/repurchase up to 1,000,000,000 own shares under the buy-back programme approved in 2021. For more details on the authorized share capital and the buy back please refer to Note 6.13 of the Consolidated financial statements as of 31 December 2021.

(j) *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 12 May 2021, 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 contain market standard change of control..

(k) *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 2021.

Employees & stakeholder involvement

Employee development

Regular employee training and development is critical to ensure that our employees can continue to perform their roles optimally. The Group employs various tools to develop and motivate our employees, such as individual and team training sessions, mentoring sessions, and apprenticeship programmes.

Annual training per employee

In 2021, the Group undertook **annual average training of 7.8 hours per employee.** This compares with 7.9 hours in 2020; however, this is explained mostly by the fact that average training has historically been higher per employee in the Group's hotels division, which was closed for a significant portion of the year.

Asset and Property Management (employee engagement activity)

Training programmes

The Group provides a wide range of in-house training and mentoring opportunities for our workforce across the Group.

Regular functional training is provided to all employees relating to operational, legal, regulatory, accounting, health & safety, IT or other matters in order to ensure that staff can continue to perform their roles effectively. In addition, extra-curricular training is provided to provide the ability of our employees to enhance their skills and provide them with development opportunities, such as regular language courses.

CPIPG also strives to cater to the **continuous professional development** of all of its employees. For example, the Group became an "ACCA Approved Employer" in 2019 in recognition of the continuing professional development opportunities provided to ACCA members working at the company.

The Group provides **internship and apprenticeship programmes** across multiple platforms of the Group's portfolio, such as in Berlin, where trainees can receive

Autumn gathering with retail tenants and business partners, CZ

hands-on experience across various parts of the business. Apprenticeship and internship programmes also help to provide equal opportunities to talented candidates who may not have come through the usual academic route.

Knowledge sharing programmes

CPIPG also believes that sharing knowledge and expertise can significantly enhance recruitment, employee satisfaction, and retention. Therefore, we are embracing more mentoring programmes and creating knowledge sharing platforms every year. For example, CPI Hungary founded the CPI Academy launched in 2020, which is a series of internal training for colleagues and a platform for exchanging valuable knowledge and experience within the company.

Petra Hajná and Ondřej Laně delivering ESG employee training

Team building

Many employees faced challenges with adapting to remote or hybrid working environments. At CPIPG, we understand the importance of building up and maintaining team members' social interaction and morale. Throughout the year, many events at a local offce or team level were organised to facilitate social gatherings and to strengthen relationships among team members. For example, CPI Poland held a two-day integration trip where teams presented their strengths, enjoyed relaxing yoga sessions, and showed off their cooking skills in friendly competitions.

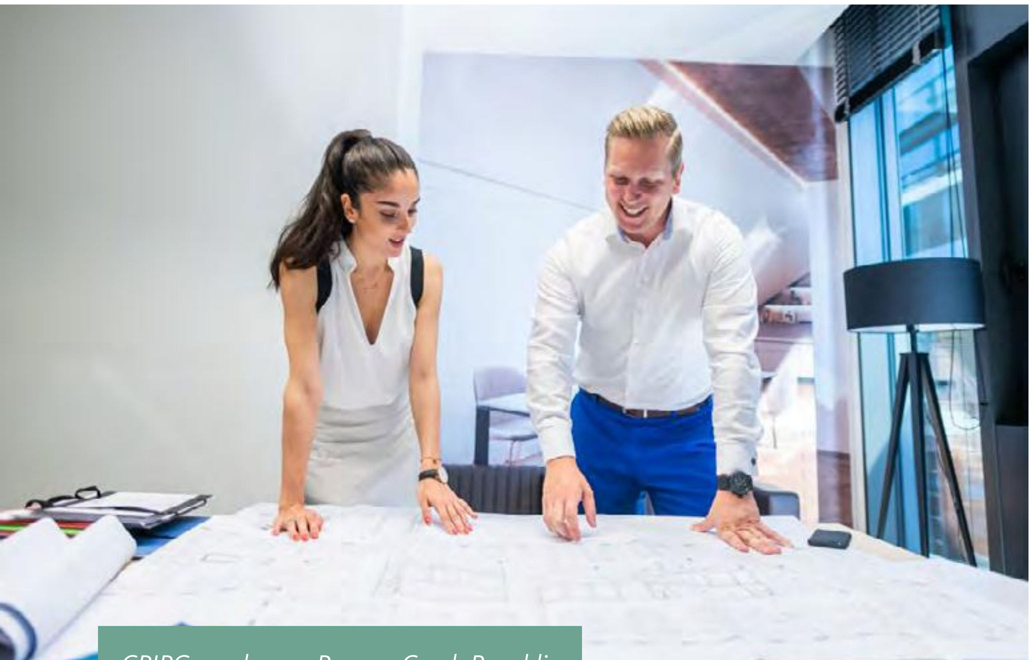
Employee engagement

The Group conducts firm-wide employee satisfaction surveys **every two years**. The Group aims to ensure that on a frequent basis, senior management is appraised of the views and feelings of the workforce – in order to understand what the Group is doing well, where we can improve and how to implement positive change into our strategy, operations, policies and practices.

Following the inaugural survey conducted in 2019, in March 2021, the Group conducted a new employee survey covering all permanent employees in the Czech Republic, Germany, Hungary, Slovakia, Poland and Croatia. **The response rate was 93%**, and the results were overwhelmingly positive. A snapshot of the results can be found below:

Percentage of employees that agree	
Employees are proud to work for the CPIPG	97%
Employees would recommend CPIPG as a good place to work	94%
CPIPG values employee diversity and equality in all forms	93%
CPIPG takes a proactive approach to sustainability and CSR activities	97%
Managers are positive role models for employees	94%
CPIPG always acts legally and honestly	97%
The company provides a safe and healthy working environment	96%
The company provides a good work and life balance for its employees	90%

Over the course of the year, the Group took various actions in response to the feedback received from the employee survey. This included implementing new and improved IT systems and infrastructure, clearer and more frequent communication from managers, and upgraded office facilities for the comfort of our employees. In February 2022, the Group further conducted a series of employee focus groups to better understand the needs of our employees.



CPIPG employees, Prague, Czech Republic

Employee well-being

Working environment

The Group appreciates the value of the well-being of our employees and for them to have an optimal work-life balance – this has obvious benefits for our employees and CPIPG, generally improving employee satisfaction and productivity.

The Group has always adopted a flexible policy towards remote working and flexible work schedules, which meant that the switch to predominant home-working arrangements for parts of the year due to the COVID-19 pandemic were seamless, primarily due to the fact that the necessary infrastructure and IT arrangements were already in place.

The Group also offers various work/life balance programmes designed to enhance the well-being of our employees, such as:

- **Workplace health management;** many of our employees have access to gyms and exercise and yoga classes while in the office. Offices are also designed to allow employees to have recreational facilities such as ping-pong tables, bookshelves and relaxing areas. Weekly massages help to relieve tension and reduce stress and thus replenish employee energy reserves.
- **Sports and social events;** every year we participate in various company sports events. In 2021, with our partnership with the Czech Olympic Committee, we held a sports day where more than 250 employees were able to try out and compete in a range of Olympic sports under the guidance of expert coaches.
- **Employee Suggestions Systems;** promoting the submission of ideas and suggestions of employees, improving operational conditions within the workplace.

Olympic sports day event

Employee remuneration and social benefits

To attract and maintain the best talent, the Group strives to provide employees with competitive wages and other employment-related benefits while ensuring equal pay for equal work. Employee benefits within the Group vary from region to region. They include but are not limited to: pension and life insurance schemes, mortgage loan support and coordination, discounts across the Group's hotel network, subsidised shopping, restaurant and sports e-cards, utility support plans, mobile phone family programmes, language education courses, bike leasing initiatives, car parking and discounts on public transportation.

For example, in GSG Berlin, we co-operate with a wide selection of partners to generate added value for our tenants from discounts and special conditions on selected products and leisure activities. For the benefit of our tenants, we are continuously expanding the range of services.

Health and safety protection for employees

The Group is committed to the well-being and safety of each and every one of its employees. Raising awareness and training our teams in health and safety issues and occupational risks is a high priority for the Group. We ensure all of our employees receive mandatory annual health and safety training, with additional training provided for specific roles where required.

In 2021, the Group recorded **13 workplace accidents and zero deaths.** The overall **average injury rate was just 0.01%, and the lost day rate was only 0.18%.**

The Group's Absentee rate was 3.9%, though this is inflated due to the hotels division and the impact of the COVID-19 pandemic in 2021 on sickness and absence. In additoin the rate excluding the hotels and ski buiness would have been just 2.1%

We continue to ensure that all our workplaces are compliant with all European Union and national health and safety legislation and standards. We structure employee tasks so that any potential risk to their health is eliminated or reduced. In general, there are no positions in the Group with a high risk to specific diseases.

Employee health & safety	Injury rate	**0.01%**
	Lost Day rate	**0.18%**
	Absentee rate	**2.1%**
	Work-related fatalities	**0**
Asset health & safety assessments	Percentage of assets undergoing health & safety assessments	**100%**
Asset health & safety compliance	Incidents of non-compliance concerning the health and safety impacts of products and services	**0**

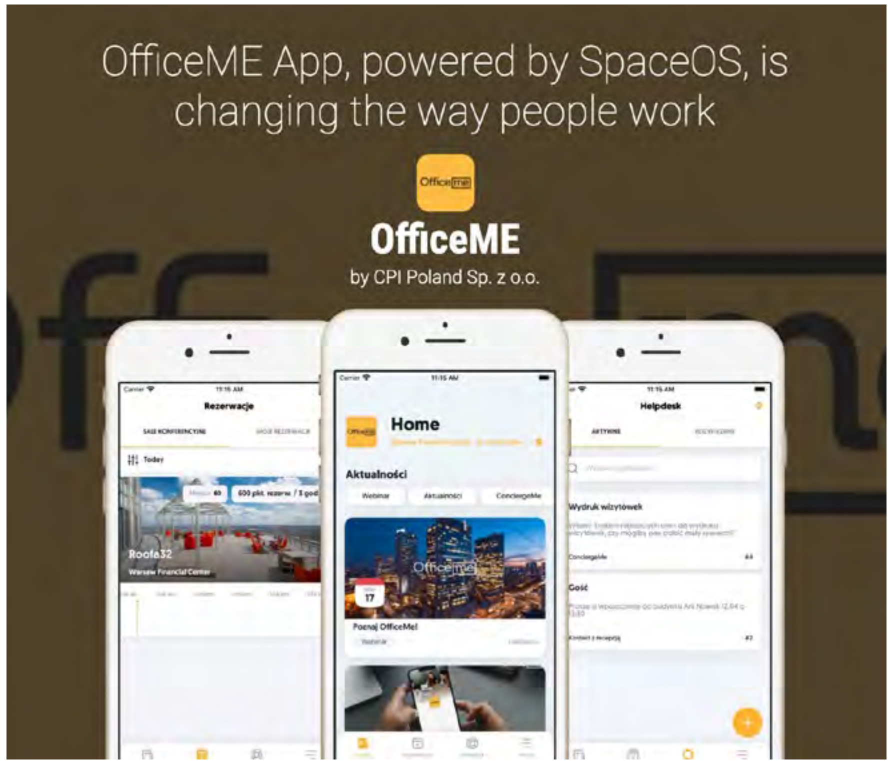
The Group is committed to protect the health and safety of contractors and fully complies with local regulations and best practices (deliveries that fall under No. 591/2006, No. 309/2006 or other local relevant legislation requirements). The Group screens contractors for their safety performance and risk assessment, prepares operating guidelines and/or design documentation that complements contractors' safety management plans and which takes part of the contractual agreement. During the delivery process the Group monitors contractor safety performance and records its safety management. The Group requires all suppliers to align with CPIPG's Code of conduct for suppliers.

Caring for tenants and local communities

Tenant well-being

The Group is committed to the health and well-being of the employees of tenants within our commercial properties and has implemented a number of initiatives across various countries to support this, such as:

- **Human Innovation Program** – CPI Hungary continues to develop its HIP (Human Innovation Program) that is focused on creating a human-centered working environment and maximizing well-being at the workplace. The concept is aimed at tenants in the company's office buildings to make services that facilitate everyday office life to the tenants, such as community activities, exercise sessions, fitness and beauty services, periodic farmers' markets and food trucks events in the office complexes.
- **"Safe in the Office" programme** – CPI Poland also developed and implemented a programme in 2020 aimed to ensure the highest safety standards for tenants returning to offices in terms of hygiene measures, social distancing, cleaning and decontamination of common areas, ventilation and air conditioning systems.
- **Warsaw introduces OfficeME** – Our office buildings in Warsaw introduced a new programme called OfficeME. Its purpose is to strengthen relationships with tenants and improve their comfort in the office. The programme aims to implement practical solutions and amenities that enhance the safety and quality of work in the buildings while also making everyday life easier and more enjoyable.



- **Healthy Home Project** – CPIPG has worked with The Czech Green Building Council on a project aimed to rehabilitate Czech homes by providing solutions to improve the living environment of tenants within all properties in our residential portfolio in the Czech Republic.

Local community engagement and development initiatives

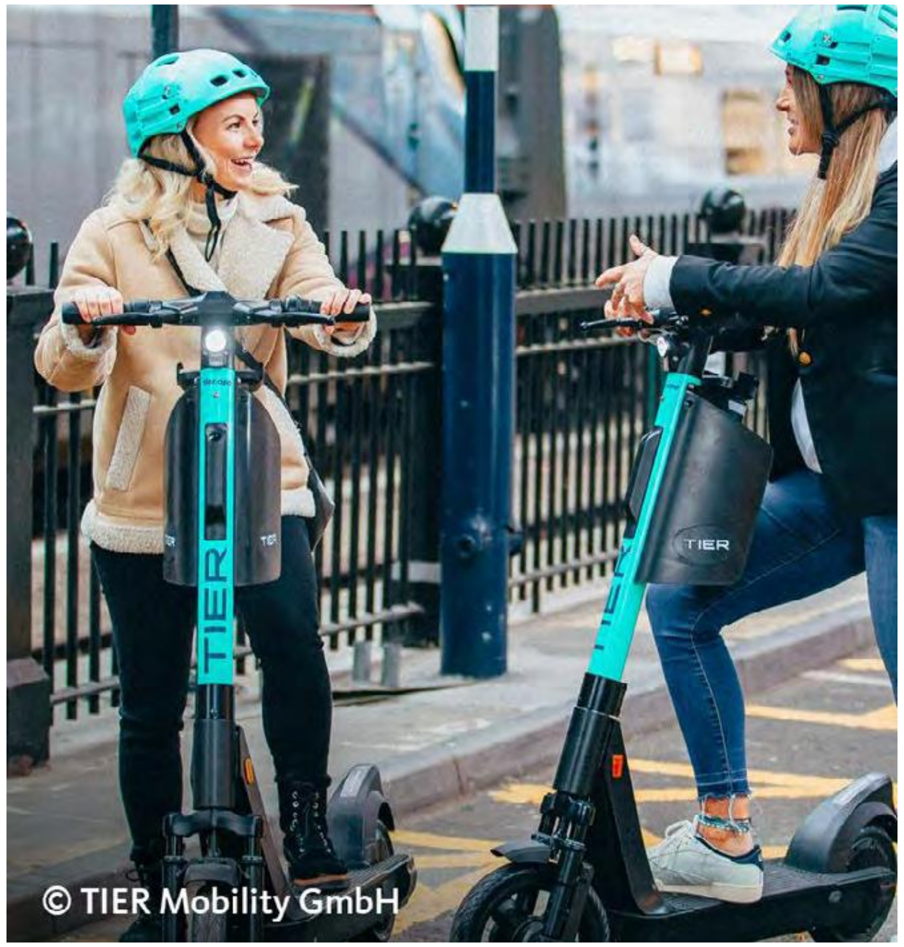
The Group is committed to contributing to the engagement and development of local communities where we operate. Our activities in this regard span a wide range of initiatives across the entire Group. In 2021, CPIPG was involved in the following initiatives:

- **Nová Zbrojovka redevelopment** – the public were invited to explore the project sites as part of the Open House Brno festival, which welcomed and hosted over a 1,000 visitors.

- **Chance 4 Children (C4C)** – we provide hotel work experience and job opportunities for socially disadvantaged children over 16 years of age.
- **European Youth Parliament (EYP) partnership** – CPIPG supports EYP in the Czech Republic, a peer-to-peer educational programme that brings together young people with a mission to inspire and empower young Europeans to be open-minded, tolerant and active citizens. This programme will provide internship and development opportunities for students during the school year.
- **Workshops for Children** – Working with the non-profit organization Nadání a dovednosti o.p.s., CPI Hotels hosted workshops for children which included recreational activities in the Comfort Hotel Prague City East game room as well as utilisation of the conference facilities where children learned CV creation, financial literacy skills as well as how to safely and effectively manage social media profiles.

- **Rooftop bee-keeping initiatives** – we offer rooftop habitat management for globally significant honey bees throughout the Group's office, retail and hotel portfolios.

- **Tree planting programmes** – we engage in tree-planting programmes across the portfolio. Our latest project in Berlin, in partnership with Treedom, supports small farmers in Cameroon through the planting of 200 cocoa trees.
- **Car-free support programme** – At GSG Berlin, we offer employees cost-effective "jobtickets" for public transportation, e-scooter hires from TIER Mobility, as well as company e-bikes for all necessary work trips.



© TIER Mobility GmbH

- **SafeStay programme at CPIPG's hotel properties** – with the reopening of our hotel properties, CPI Hotels launched the SafeStay programme ensuring high sanitary standards and hygiene rules to provide worry-free and safe accommodations to welcome back business and leisure travellers.

Commitment to diversity and equality

Diversity

CPIPG greatly values diversity in the workplace. The Group's Human Capital and Employment policy outlines the obligations of our employees in this regard. We are committed to creating and preserving an environment that embraces and encourages diversity and promotes appropriate conduct among all persons regardless of their differences and respect for individual values. Although we do not set specific diversity targets, we seek to ensure that our policies and corporate culture create an inclusive work environment that encourages our employees.

All companies of the Group are required to subject their human resources and employment related policies to continuous assessment in order to examine how they affect protected groups and to identify whether their policies achieve equality of opportunity for all these groups. Employees are encouraged to speak to their managers or contact CPIPG's whistleblowing hotline if any concerns are observed.

As part of continuous efforts to improve diversity, CPIPG's Board of Directors approved the Diversity and Non-Discrimination Policy, a policy further encouraging environment of respect for and appreciation of individual differences that is free from direct or indirect discrimination, harassment, retaliation and/or sexual assault, and the close monitoring and enforcement of these actions by the management.

Diversity initiatives

The Group promotes a range of initiatives to address diversity issues. Examples include:

- **Gender diversity** – Barbara Topolska, Country Manager of CPI Poland, is one of the Group's senior leaders. Barbara hosted a series of mentoring sessions for female employees in order to help encourage the development of women in the Group's workforce.
- **Accessibility – CPI Hungary was the first recipient in the country of the Access4You certification,** which aims to ensure the right to equal access to our own buildings for everyone, regardless of disability. Properties comprising 295,000 m² of GLA in Hungary have so far received the certification. In addition, **GSG Berlin works alongside the VIA Blumenfisch organisation, providing jobs to people with physical disabilities or psychological issues.**

Access4You, Hungary

At the end of 2021, the Group comprised of 3,485 full-time permanent and temporary employees across the Czech Republic, Luxembourg, Germany, Hungary, Poland, Switzerland, Slovakia, Croatia, Romania and Italy, of which 52% are female, and 48% are male. In terms of new hires in 2021, 49.4% were women. The gender split between employees in senior management roles within the Group (defined as employees with responsibility for planning, directing or controlling activities in each of the Group's countries of operation) is split 41.9% female and 58.1% male, respectively. These figures represent the extent and success of the Group's efforts in continuing to promote gender diversity across all its regions.

Employee gender diversity	Female senior management members	41.9%
	Females as a percentage of all employees	52%
	Females as a percentage of new hires	49.4%

Employee hiring and turnover

The Group's turnover rates are significantly affected by its large hotel employee base and also due to the significant changes and volatility in the size and make-up of the workforce in the hotels business in 2021 as a result of the COVID-19 pandemic. Excluding our hotel staff in order to provide a more representative measure, the Group's turnover rate was 16.5% in 2021.

Employee turnover and retention	Total number of new hires	251
	New hires rate	21.9%
	Total number of leavers	189
	Leavers rate	16.5%

New Hires	No. of Hires	% of hires FY21
Female	124	49.4%
Male	127	50.6%

In 2021, 32.2% of total employees were under 30 years old, 47.3% were between 30-50 years, and 20.5% were 50 or over. This reflects a substantial age diversity throughout the company, expressing the Group's ability to bridge the workforce over a large scale of age groups, ensuring the transfer of knowledge and experience set to continue for future generations.

Employee age bracket	%
Under 30 years	32.2%
30-50 years	47.3%
50 years and over	20.5%

The Group cares for special needs and the inclusion of disabled persons. In 2021, the Group employed a total of 52 disabled people, representing 1.5% of total employees. Our Berlin subsidiary employs six disabled people representing 6% of its workforce.

Disabled employees	52	1.5%

Discrimination

The Group rejects all forms of discrimination. Unlawful discrimination, harassment, and victimisation based on protected characteristics are forbidden, irrespective of whether actual, perceptive or associative. Protected characteristics include origin, nationality, religion, race, language, gender, age, health condition, sexual orientation, political views, membership in political parties and associations or in trade unions or any other characteristics of the candidate or employee not related to their working skills.

Compliance with ILO Conventions

The Group operates in regions that are all ILO members and respects all ILO conventions and recommendations. As a result, ILO's regulations are implemented within all local labour laws where we operate. Through the policies and official acts of the Group, we respect, promote and realise all ILO principles, specifically freedom of association, the elimination of all forms of forced labour and the elimination of discrimination in employment and occupation, health and safety, segregation, equal treatment and human rights.

Freedom of Association

In accordance with the European Convention on Human Rights, the Group guarantees all employees freedom of association. We preserve and promote good relations with all labour organisations, trade unions, works councils, some of which represent our employees across our regions.

Collective Bargaining Agreements

We comply fully with applicable human rights legislation in the countries we operate. We respect the right of all workers to form and join a trade union without fear of intimidation or reprisal. Furthermore, all our employees are free to collectively bargain, if they so desire.

Currently, we have collective bargaining agreements in certain regions where we operate, such as Croatia and Italy. The collective bargaining agreement defines the rights and obligations of the signatories. It regulates the rights and obligations of the employees and the employer, salaries and other material rights of the worker and all other matters related to employment. The collective bargaining agreement also explicitly defines the prohibition of discrimination, health protection, privacy, and dignity of employees.

Charitable contributions

The Group actively contributes to local charities, hospices and children's welfare centres. We support sports and cultural activities alongside welfare and education programmes to help children with disabilities all over the Czech Republic and Central and Eastern European region.

Some of the key examples of are:

Dobrý Anděl children's foundation – Every year, the Group supports the Dobrý Anděl children's foundation helping socially disadvantaged children with terminal illnesses. This year, the Group raised CZK 500,000 towards the foundation.

Hospice Foundation support – The Group signed an annual support contract with regional children hospice foundations to care for disadvantaged children.

Dialog Jesenius Foundation support – The Group donated CZK 1.2 million to this foundation that aims to spread awareness among the general public about the primary oncological diseases, prevention and treatment options.

Charity collections and charity days – The Group organises frequent ad hoc charity collections throughout the year for employees and tenants to participate. For example, CPI Hungary cooperated with the Maltese Charity Service to collect clothing for homeless people, while CPI Poland employees collected food and donations for dog shelters in their "Give a Hand to a Paw" charity drive.

Christmas gifts delivered to Children's homes in the Czech Republic

Christmas charitable giving – In the Czech Republic, CPIPG employees and employees of our tenants donated gifts to 106 children from children's homes and 36 children from 19 disadvantaged families. Meanwhile, in Poland, our employees volunteered to deliver assistance to the poorest families in need as part of the "Szlachetna Paczka" ("Noble Package"). In Hungary, our employees proudly participated in giving through the National Shoebox Action charity boxes placed in our office buildings and shopping centres and supported the work of St. Martin's Children's Ambulance Service once again.

CPI Poland Szlachetna Paczka "Noble Package" donation

St. Martin's Children's Ambulance Service donation

Donation to children's home – As a long-term partner of Nadáni a dovednosti, CPI Hotels, through the employees at Clarion Congress Hotel Prague, donated 950 sheets to children's homes.

Natural disaster relief support – In June 2021, an unexpected tornado hit the South Moravia region causing destruction and displaced many families. In cooperation with Czech Tourism, CPI Hotels provided accommodation and facilities at our Comfort Hotel Prague City East for a camp for children from areas that were affected by the tornado.

Children's Camp at Comfort Hotel Prague City East

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:

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

In 2021, the Group reported reductions in GHG intensity -12.5%, and water intensity -13.2% compared to 2021 target. The share of electricity from renewable sources increased significantly to almost 17% in 2021.

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.

CO_2

-12.5%
GHG Intensity*

-13.2%
Water Intensity*

+111.0%
LfL Electricity from renewable sources (YoY)

Green Certified Buildings
33.0%
of portfolio by value (YoY)
+7.2 p.p.

We have recently aligned our targets and strategy to Paris Agreement goals

CPIPG tightened its environmental targets for the future – in March 2021, the Group announced its commitment to reduce GHG intensity by 30% by 2030 (across all emissions scopes 1-3) from 2019 baseline and transition all electricity purchased by the Group to 100% renewable sources by 2024.

The Group's revised GHG emissions intensity reduction target has been developed as science-based, aligned with Paris Agreement climate goals to limit the global temperature increase versus pre-industrial levels to well below 2 degrees centigrade. This was submitted for validation by the Science Based Targets initiative ("SBTi") in 2021.

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).

As a Group, we realise that climate risk can not be reduced to zero. Therefore, with regards to our scope of business, it is important for us to pay attention to resilience and adaptation to climate change.

Resilience is the ability to recover quickly from difficulties and refers to the ability of a building or environment to become self-sufficient, for example through solar panels. For example, we will install solar panels on part of our portfolio – shopping centres, where large roof areas are suitable. Thinking about resilience is now the right way to deal with resources.

As well as resilience, adaptation to climate change is also important. Adaptation refers to adjustment to actual or expected climate stimuli and their effects or impacts. Adaptation includes a number of design measures and construction activities that improve the condition of existing buildings and extend the effective life of buildings. In our portfolio, we see existing buildings as a great opportunity in terms of adaptation. The existing buildings can be adapted to meet the challenges of sustainable development, so we have these solutions as a part of our Green Capex investments.

CPIPG's due diligence process for CAPEX investments, acquisitions and new development projects considers these risks in terms of potential financial, operational, legal, technical, regulatory, environmental, or health and safety impact.

* *Refers to 2021 Group's performance versus 2021 Group's target.*

Environmental highlights

The Group's Sustainalytics rating and CDP score improved in 2021

The Group achieved a CDP score of "B-" for 2021 (vs "C" in 2020). The score is classified as Management, meaning the **Group is taking coordinated action on climate issues.** The B- score aligns with the Global average and the Land & property ownership & development sector average. The Group belongs amongst 47% of companies that reached the "Management" level in this Activity Group.

Sustainalytics strong ESG ratings 12.8 / 100 achieved in December 2021 (improved from 15.2 / 100 from September 2020) place the Group among **top 5% 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".

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

In 2021 the Group became a member of two key industry bodies in Poland, the Proptech Foundation and the Polish Green Building Council ("PLGBC"). The Council, similar to the Czech Green Building Council ("CZGBC") and Hungarian Czech Green Building Council ("HUGBC"), brings together companies from various sectors of the economy to support new construction and renovation of sustainable properties in the country. The PLGBC is a member of the European Regional Network of the World Green Building Councils and can influence EU legislation such as EU Taxonomy in its initial phase. It also closely cooperates with global and local certification bodies such as BREEAM and LEED.

Gyula Győri, Director of Facility Management, CPI Hungary

Petra Hajná, CPIPG's Sustainability Officer, is directly involved in several working groups of the Czech Green Building Council ("CZGBC"). In November 2021, Petra was re-elected for CZGBC's Board of Directors. She was also appointed as a member of the Sustainability Committee of the Czech Olympic Committee, and she is a member of the supervisory board of Rethink Architecture.

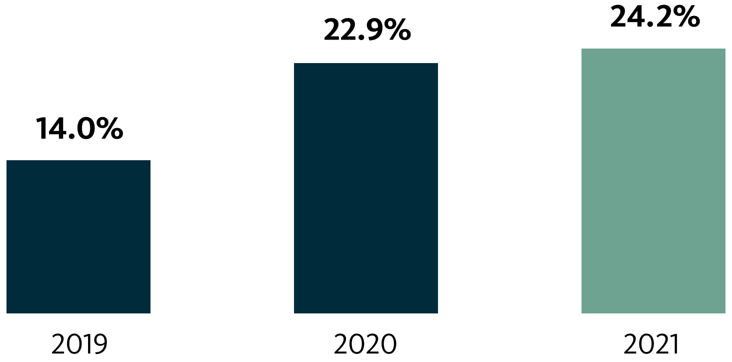
Our Hungarian colleagues continued partnership with HUGBC, participating in ESG trainings, panel discussions and involvement in several professional working groups. Balance Hall was part of the HUGBC Green Walk in 2021, where participants toured projects guided by the building's architects and facility managers.

The proportion of green-certified buildings increased in 2021

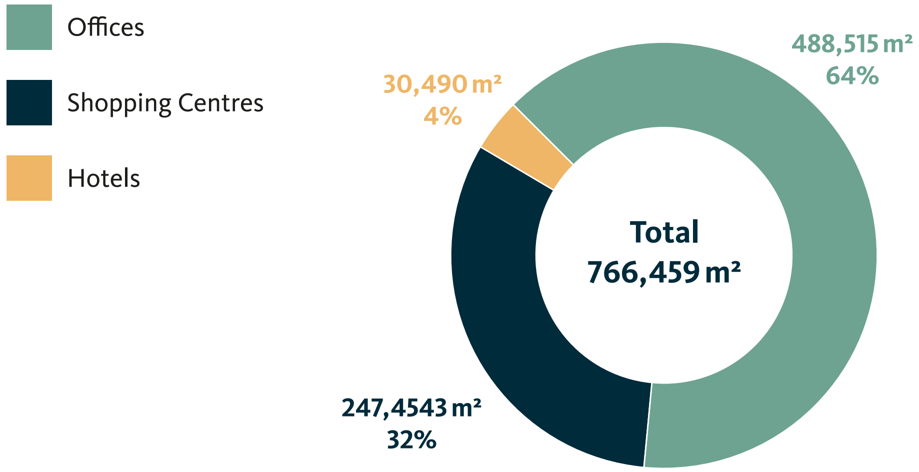
At the end of 2021, the share of certified buildings in our portfolio had increased to **33.0% of total value and 24.2% of total GLA, which represents a significant improvement of 7.2 p.p. and 1.3 p.p. respectively over 2020 figures.**

The increase relates primarily to acqusitions in Italy such as Maximo Shopping center with BREEAM "Very Good" certification and to equity investment to IMMOFINANZ with 31.5% of certified area in 2020. In addition, the recently developed ZET.office in Brno achieved a BREEAM "Excellent" certification in 2021 becoming the first BREEAM In-Use version 6 certified project in the Czech Republic.

Total GLA certified continues to increase



CPIPG's certified buildings GLA split by segment

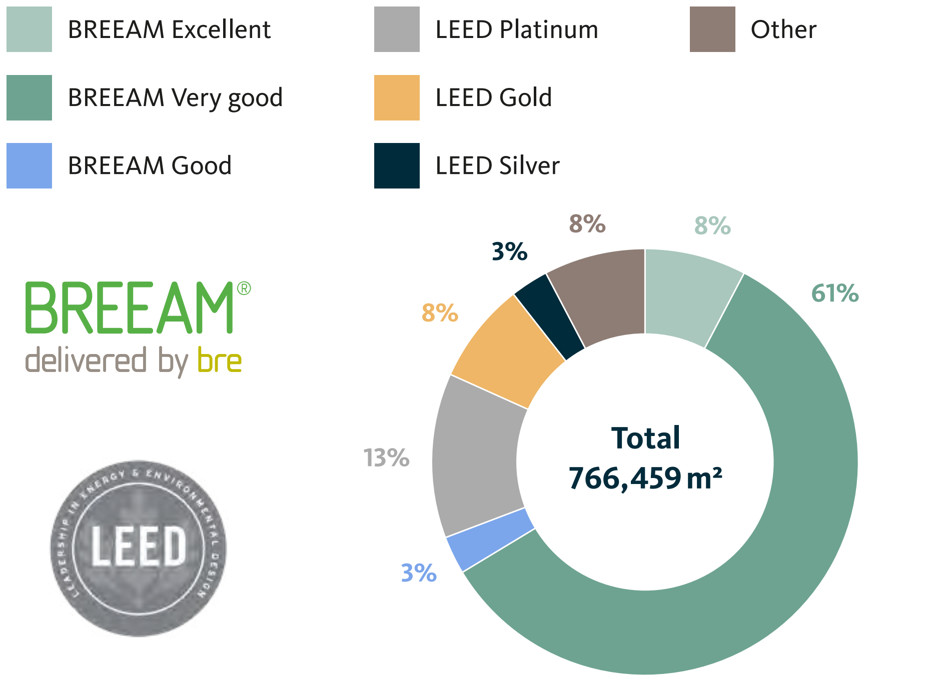


Almost 90% of CPIPG's green buildings have very strong certifications

At the end of 2021, CPIPG's portfolio without equity share included 34 certified assets, increasing by 123,415 m² and €411.5million in value since 2020. At the end of 2021, **89.6% of CPIPG's green-certified buildings per GLA were BREEAM "Very Good" and above and LEED "Gold" and above.**

BREEAM or LEED certification is considered for every new development and significant refurbishments as well as for buildings in operation wherever possible.

CPIPG's certification type per GLA



Environmental engagement with tenants

The Group recognises the importance of engaging with occupants, educating and cooperating with them on reducing environmental impacts.

Green Lease principles are incorporated into standard lease forms and are considered for future renewals and new tenants. **Several Green Leases have been already executed, such as Capgemini for the MAYHOUSE project in Prague.**

The Green Memorandum is also considered for existing tenants. In 2020, the anchor retail tenants were identified to start cooperation with, including Tesco, Ahold, Norma, BILLA, Penny Market, OBI, Bauhaus and Kaufland, representing approximately 10% of CPIPG's portfolio in terms of gross leasable area of built portfolio (m²). Several tenants (Ahold, Norma, Penny Market, BILLA, Tesco, Kaufland – 250,000 m²) have already signed the Green Memorandum as of December 2021.

CPIPG drives green mobility

CPIPG has set a target to replace the corporate vehicle fleet in the Czech Republic with plug-in hybrids by 2024. In addition, CPI Hungary was pleased to announce that 26 new charging points have been installed in the office buildings and shopping centres.

Environmental reporting approach & methodology

CPIPG works closely with technical 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, 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.

Rigorous environmental reporting, with an emphasis on continuous improvement

CPIPG has continued to enhance the tools used to monitor the Group's environmental performance through greater robustness, scope (activity and geography), efficiency and automation, such as Environmental Power BI solution. The data collection process has become more efficient, as well as the 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.

Since 2020, we expanded the scope of the Group's collection, monitoring and reporting of GHG emissions. All relevant categories of scope 3 are now measured and disclosed, recently included categories are: Purchased goods and services (3.1); Capital goods (3.2); Business trips (3.6), Employee commuting (3.7), and Investments (3.15).

Innovative tools ensure the robustness of our data collection and reporting

CPIPG has developed and enhanced a robust online Environmental Impact Reporting Tool ("ERT") CPIPG's objective is to continually improve the detail, accuracy and quality of our environmental performance reporting, as well as to improve the tools used to collect data at our properties. Considering the diversity of our portfolio, an effective system for data collection and evaluation is essential. The ERT allows disclosure across the Group and all its segments and is tailored to report in line with GHG Protocol/ISO 14064-1: 2018, with the help of an independent third-party, the CI2 company.

Gökhan Olkun, Energy & Sustainability Manager, GSG Berlin

photo: GSG Berlin © Marc-Steffen Unger

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 2021 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.**

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.

Changes in reporting scope

In 2021, the scope of the portfolio subject to collection, monitoring and reporting of environmental data was expanded as follows:

- The Group's operations in France is included.
- Total GHG emissions include the Group's proportional share of equity investment in Globalworth (30.3% stake) and IMMOFINANZ (21.6% stake).

Changes in the reporting scope frequently occur as a result of acquisitions or disposals, development of new assets or completions of major refurbishments etc. In order to accurately reflect these situations:

- 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 that are owned and/or operated for less than a full year are excluded from the calculations of like-for-like reporting, while are included in total intensities.
- Major refurbishment is defined as any alteration that affects more than 50% of the total building floor area or causes relocation of more than 50% of regular building occupants. Absolute consumptions are included for 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;
- 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 and ISO-compliant disclosures;
- Our calculation includes the Group's share of Globalworth's emissions representing 30.3% of 2021 GHG scope 1 and scope 2 emissions and of IMMOFINANZ's emissions representing 21.6% of 2020 GHG scope 1 and scope 2 emissions.

Reported area

Definitions of area in the Group's reporting differs 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 agricultural land area;
- Intensities per area are not reported for Ski resorts.

Environmental reporting definitions

- Absolute values – includes assets that were 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 2022. Certain information pertaining to 2021 was not available within this period. This information is taken from the Group's 2020 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 2020 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.
- All EPRA KPIs for 2020 were recalculated according to updated GHG emission factors. If marked based emission factors were not known, residual mix were used.

A recalculation process was carried out at the end of 2021 concerning the results of year 2019 to be comparable with year 2020. Recalculation must be done when the difference in 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

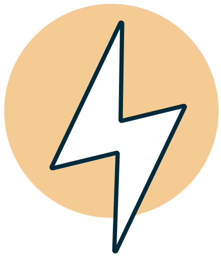
EPRA Sustainability Performance Measures – Environment impact per segment					Office			Shopping centres			Other retail			Residential			Hotels			Industry & logistics			Total		
					Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like	
Impact area	EPRA Code	Units	Indicator		2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Building operation	192,162	172,227	(2.9)	145,749	110,369	(3.8)	57,293	53,861	(5.7)	34,027	33,681	(0.3)	27,258	25,582	(2.0)	30,719	29,652	24.8	487,208	425,372	(1.7)
				Proportion of electricity from renewable sources (%)	25.3%	23.0%	452.4%	0.0	0.0		14.4%	15.3%		0.0%	0.0%		0.1%	0.0%		88.9%	92.1%	1.6%	16.9%	17.3%	111.1%
	DH&C-Abs, DH&C-LfL		District heating and cooling	Building operation	114,665	102,761	3.8	15,100	15,100	(10.5)	12,190	11,813	10.9	90,950	90,950	2.4	20,378	20,164	14.2	0	0		253,283	240,788	3.3
				Proportion of district heating and cooling from renewable sources (%)	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.5%	0.5%	4.0%	0.0%	0.0%		0.0%	0.0%		0.2%	0.2%	3.0%
	Fuels-Abs, Fuels-LfL		Fuels	Building operation	62,945	60,128	20.6	25,758	25,746	3.1	19,061	17,205		28,140	28,140	0.1	14,330	12,720	21.7	3,982	3,564	(41.4)	154,216	147,502	8.6
				Proportion of fuels from renewable sources (%)	0.0%	0.0%		0.0%	0.0%		0.4%	0.6%		33.9%	33.9%	(0.1%)	0.0%	0.0%		0.0%	0.0%		6.2%	6.5%	(7.9%)
	Energy-Int	kWh/(m² pa)	Intensity	Whole building (combined Landlord and indirect operation)	199	200	2.8	311	311	(3.2)	228	227	1.3	204	205	1.4	153	151	7.8	271	299	11.4	212	213	1.6
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO_2 eq pa	Direct	Fuels, Refrigerants	14,447	13,594	19.4	4,232	3,736	(7.1)	842	815	15.7	15	15	10.9	2,614	2,318	18.6	311	311	13.4	22,461	20,790	13.2
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	DH&C & Elec, Gen., Trans. & Distri., Water & Waste, Refrigerants (replacement)	114,510	103,626	(24.0)	94,983	76,409	(6.4)	40,138	37,187	(5.5)	70,253	70,167	4.9	24,551	23,318	(9.4)	3,763	3,016	(9.7)	348,200	313,724	(11.2)
	GHG-Int	t CO_2 eq/(m² pa)	Intensity	Whole building (combined Landlord and indirect operation)	0.069	0.070	(20.6)	0.165	0.165	(6.2)	0.094	0.093	(4.5)	0.094	0.094	4.9	0.066	0.066	(7.4)	0.031	0.030	(7.8)	0.087	0.088	(9.9)
Water	Water-Abs, Water-LfL	m³ pa		Building operation	538,635	470,895	(14.9)	451,792	365,927	3.9	120,573	110,875	0.5	813,177	793,570	5.9	392,375	298,032	2.5	49,641	48,032	28.0	2,366,194	2,087,331	(0.3)
				Proportion of water obtained from other sources (%)	0.5%	0.5%	252.3%	13.6%	0.0%		89.4%	90.7%	3.4%	0.0%	0.0%		3.7%	4.9%	(18.3%)	8.6%	8.9%	12.2	3.5%	1.0%	0.7%
	Water-Int	m³/(m² pa)	Intensity	Whole building	0.285	0.281	(14.9)	0.753	0.753	4.1	1.206	1.223	29.6	1.084	1.063	5.9	0.787	0.768	2.5	0.389	0.432	28.2	0.543	0.547	(0.2)
Waste	Waste-Abs, Waste-LfL	tons pa		Building operation	9,505	9,111	23.1	6,435	5,960	6.2	6,595	6,113	(7.0)	14,240	14,193	32.1	2,161	2,023	(38.6)	2,677	2,664	(0.0)	41,614	40,065	10.4
				Proportion of waste diverted from landfill (%)	67.2%	66.8%	(8.0%)	59.1%	56.0%	(9.1%)	53.7%	53.8%	(2.3%)	5.4%	5.3%	(24.2%)	31.4%	30.6%	36.1%	89.5%	89.9%	0.0%	41.8%	40.7%	(8.9%)
Certifications	Cert-Tot			Number of sustainably certified assets	25	19		7	6		0	0		0	0		2	2		0	0		34	27	
				Percentage of the portfolio's total floor area and levels of certification attained	26%	24%	32%	45%	38%	10%	0%	0%		0%	0%		7%	8%		0%	0%		18%	16%	24%

EPRA key environmental performance indicators by geography

EPRA Sustainability Performance Measures – Environment impact per segment					Czech Republic			Germany			Poland			Hungary			Romania			Slovakia			Others*			Total		
					Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like		Absolute	Like-for-Like	
Impact area	EPRA Code	Units	Indicator		2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY	2021	2021	% YoY
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Building operation	231,096	223,420	(2.4)	76,715	73,462	1.0	66,945	57,347	(3.4)	48,444	48,251	(2.3)	2,791	2,791	(10.7)	12,244	12,244	0.8	48,972	7,858	11.6	487,208	425,372	(1.7)
				Proportion of electricity from renewable sources (%)	16.2%	16.8%	20.0%	4.4%	4.6%	0.3%	60.7%	56.7%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		1.8%	0.0%		16.9%	17.3%	111.1%
	DH&C-Abs, DH&C-LfL		District heating and cooling	Building operation	147,630	146,129	3.9	57,239	55,880	4.5	46,943	37,308	(0.7)	0	0		0	0		803	803	(6.1)	668	668	40.0	253,283	240,788	3.3
				Proportion of district heating and cooling from renewable sources (%)	0.3%	0.3%	2.4%	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.2%	0.2%	3.0%
	Fuels-Abs, Fuels-LfL		Fuels	Building operation	95,907	92,610	3.8	28,914	27,687	30.4	339	334	5.1	20,583	19,458	8.7	1,126	1,126	(32.5)	4,890	4,890	1.7	2,457	1,398	104.2	154,216	147,502	8.6
				Proportion of fuels from renewable sources (%)	9.9%	10.3%	(3.6%)	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		6.2%	6.5%	(7.9%)
	Energy-Int	kWh/(m² pa)	Intensity	Whole building (combined Landlord and indirect operation)	227	231	0.8	167	166	6.8	291	287	(2.4)	198	196	0.6	348	348	(18.3)	227	227	1.8	99	97	20.9	212	213	1.6
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO_2 eq pa	Direct	Fuels, Refrigerants	10,141	9,824	6.2	5,777	5,532	29.1	1,429	1,074	53.0	3,603	3,376	4.0	225	225	(32.5)	367	367	12.5	919	392	76.3	22,461	20,790	13.2
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	DH&C & Elec, Gen., Trans. & Distri., Water & Waste, Refrigerants (replacement)	196,312	190,289	(5.0)	46,151	44,590	(2.4)	46,209	41,024	(40.7)	24,642	24,525	4.4	1,207	1,207	(11.4)	4,878	4,878	1.9	28,801	7,210	(16.1)	348,200	313,724	(11.2)
	GHG-Int	t CO_2 eq/(m² pa)	Intensity		0.098	0.100	(4.4)	0.053	0.053	0.7	0.121	0.127	(39.8)	0.081	0.081	4.4	0.127	0.127	(15.6)	0.066	0.066	3.7	0.064	0.074	(13.8)	0.087	0.088	(9.9)
Water	Water-Abs, Water-LfL	m³ pa		Building operation	1,422,862	1,400,365	(1.9)	213,037	206,338	(5.2)	154,443	132,318	(9.6)	183,420	179,920	5.4	38,722	38,722	25.1	16,539	16,539	5.5	337,171	113,130	33.4	2,366,194	2,087,331	(0.3)
				Proportion of water obtained from other sources (%)	1.0%	1.0%	(14.7%)	0.0%	0.0%		0.0%	0.0%		3.7%	3.7%	68.0%	0.0%	0.0%		0.0%	0.0%		18.2%	0.0%		3.5%	1.0%	0.7%
	Water-Int	m³/(m² pa)	Intensity	Whole building	0.682	0.700	(1.8)	0.219	0.218	(4.9)	0.393	0.399	(9.6)	0.523	0.521	5.5	3.444	3.444	25.1	0.209	0.209	6.6	1.092	1.108	33.4	0.543	0.547	(0.2)
Waste	Waste-Abs, Waste-LfL	tons pa		Building operation	25,726	25,056	10.2	7,021	7,007	47.6	1,836	1,686	39.1	1,905	1,865	(3.7)	172	172		1,489	1,489	2.7	3,464	2,790	(30.9)	41,614	40,065	10.4
				Proportion of waste diverted from landfill (%)	31.8%	31.0%	(20.9%)	69.4%	69.3%	(11.7%)	39.0%	36.2%	(27.6%)	56.3%	55.3%	1.3%	100.0%	100.0%		74.3%	74.3%	9.0%	37.4%	27.1%	45.5%	41.8%	40.7%	(8.9%)
Certifications	Cert-Tot			Number of sustainably certified assets	11	10		0	0		12	9		7	7		0	0		0	0		4	1		34	27	
				Percentage of the portfolio's total floor area and levels of certification attained (%)	11%	11%	(6%)	0%	0%		78%	81%	(3%)	34%	35%	77%	0%	0%		0%	0%		39%	18%		18%	16%	24%

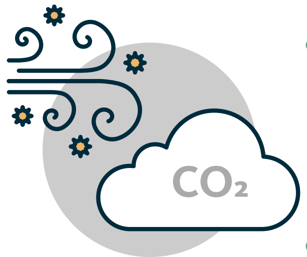
* *Includes regions: Croatia, Italy, the United Kingdom, France and Russia*

LfL energy intensity +1.6%



- Although LfL energy intensity increased compared to 2020, there is a total decrease in LfL electricity consumption.
- Reductions in energy intensity were recorded mainly in Romania and Poland, and in Shopping centers.

LfL GHG emissions intensity -9.9%

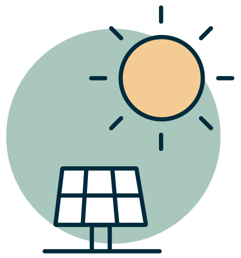


- Reductions in GHG intensity were recorded in all countries except for Hungary, Slovakia and Germany and in all segments besides Residential.
- Strong reductions were recorded, especially in Poland and Romania and in Office segment.

LfL water consumption intensity -0.2%

- Reductions in water intensity were recorded in Czech Republic, Germany and Poland.
- Water intensity decreased in Office segment.

LfL electricity from renewable sources +111%



- Several assets commenced purchases of electricity from renewable sources in 2021, resulting in a significant increase compared to 2020.
- The Group aims to increase this proportion more significantly in future, while targeting transition to **100% purchases of electricity from renewable sources by 2024.**

Both 2020 and 2021 environmental performances across the Group were heavily impacted due to the COVID-19 pandemic, given the limited operation of parts of the portfolio during certain periods of closure. Consumptions decreased significantly in 2020 in most of the buildings in the portfolio (in particular Hotels & Resorts) while environmental performance of year 2021 was gradually coming back to normal.

EPRA key environmental performance indicators for Farms and Ski resorts

EPRA Sustainability Performance Measures – Environment impact					Farms			Ski resorts		
					Absolute	Like-for-Like		Absolute	Like-for-Like	
Impact area	EPRA Code	Units	Indicator		2021	2021	% YoY	2021	2021	% YoY
Energy	Elec-Abs, Elec-LfL	MWh pa	Electricity	Farm or Resort operation	2,330	2,330	3.5	3,884	3,884	72.5
				Proportion of electricity from renewable sources (%)	40.9%	0%	(2.9%)	47.2%	47.2%	36.5%
	Fuels-Abs, Fuels-LfL		Fuels	Farm or Resort operation	14,700	14,700	7.1	6,017	6,017	5.0
				Proportion of fuels from renewable sources (%)	0.5%	0.5%	(7.6%)	3.7%	3.7%	(39.1%)
	Energy-Int	kWh/(ha pa)	Intensity	Whole building (combined Landlord and indirect operation)	898	898	8.1	N/A	N/A	N/A
Greenhouse gas emissions	GHG-Dir-Abs, GHG-Dir-LfL	t CO_2 eq pa	Direct	Fuels, Refrigerants, Agricultural production	33,813	33,813	(6.0)	1,378	1,378	7.5
	GHG-Indir-Abs, GHG-Indir-LfL		Indirect	DH&C & Elec, Gen., Trans. & Distri., Water & Waste, Refrigerants (replacement)	3,024	3,024	3.1	915	915	30.1
	GHG-Int	t CO_2 eq p/(ha pa)	Intensity		1.942	1.942	(4.0)	N/A	N/A	N/A
Water	Water-Abs, Water-LfL	m³ pa		Landlord operation	89,139	89,139	(2.1)	389,463	389,463	40.0
				Indirect operation	0	0		0	0	
				Farm or Resort operation	89,139	89,139	(2.1)	389,463	389,463	40.0
				Proportion of water obtained from other sources (%)	62.5%	62.5%	(0.3%)	98.7%	98.7%	(0.1%)
	Water-Int	m³/(ha pa)	Intensity		4.700	4.700	(0.8)	N/A	N/A	N/A
Waste	Waste-Abs, Waste-LfL	tons pa		Farm or Resort operation	51,767	51,767	6.4	174	174	38.8
				Proportion of waste diverted from landfill (%)	99.6%	99.6%	0.1%	98.4%	98.4%	0.8%
Certifications	Cert-Tot			Number of sustainably certified farms	46	46	0	N/A	N/A	N/A
				Percentage of the portfolio's total agricultural land of certification attained (%)	91%	91%	0%	N/A	N/A	N/A

Aberdeen Angus & Limousine cattle, Spojené farmy, North Bohemia

Petra Hajná, Sustainability Officer

GHG impact (division of GHG according to ISO 14064 - 1:2018)

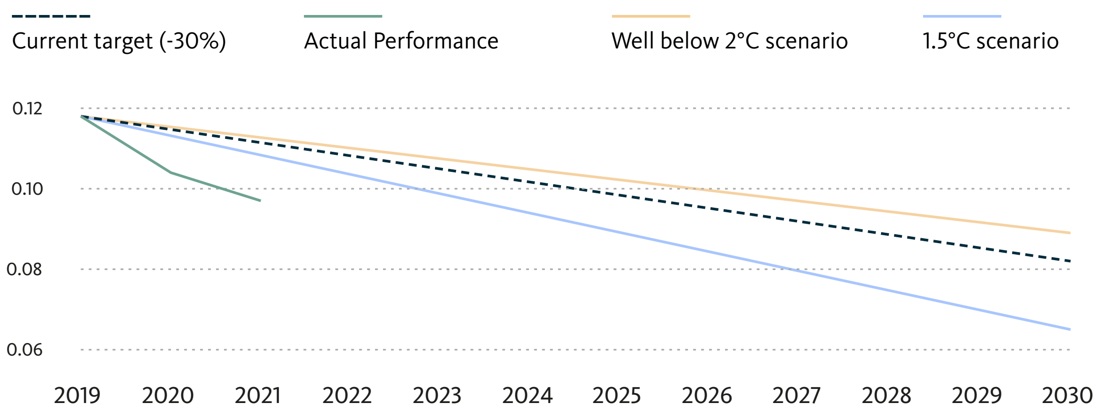
	Category	t CO_2 eq pa MB Emissions	t CO_2 eq pa LB Emissions	% of total (MB)
1	Direct GHG emissions and removals	23,761	23,761	5.1
2	Indirect GHG emissions from imported energy	120,857	116,103	25.7
3	Indirect GHG emissions from transportation	2,107	2,107	0.4
4	Indirect GHG emissions from products and services used by CPIPG	42,174	42,211	9.0
5	Indirect GHG emissions associated with the use of products from CPIPG	90,096	88,558	19.2
6	Indirect greenhouse gas emissions from other sources	191,338	183,970	40.7
Total		470,334	456,712	

GHG impact (division of GHG according to GHG Protocol)

Scope	Property portfolio (including bioenergy)	Farms	Ski resorts	Total	
	t CO_2 eq pa				
1	23,761	2,551	1,378	27,691	5.9%
2	101,151	643	62	101,856	21.7%
3	306,874	33,061	853	340,788	72.5%
Total	443,802	36,225	2,293	470,334	100%

Note: GHG calculated with market-based emission factors

GHG intensity target through 2030 (t CO_2e/m² p.a.)



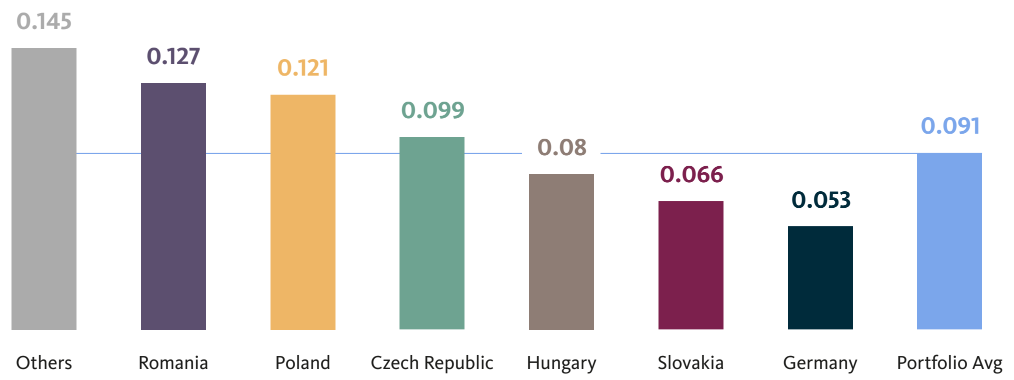
Year	2019	2020	2021	2030
	1	2	3	12
Target (t CO_2 eq/m²)	0.118	0.114	0.111	0.082
Actual performance (t CO_2 eq /m² pa)	0.118	0.104	0.097	
Performance vs. target (%)	0.0%	(8.8%)	(12.5%)	

The intensity target relates to the Group's property portfolio excluding Farms and Ski resorts. It also reflects the expanded scope of emissions categories included in our reporting for 2020 and 2021 (categories 3.1, 3.2, 3.6, and 3.7). 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 divided by referenced GLA of property portfolio including biogas power plant. Year 2019 was recalculated at the end of 2021 due to yoy change of GLA.

In 2021, total GHG intensity across the property portfolio outperformed the required 2021 target by 12.5%.

- *Ski resorts and Farms are reported simultaneously with other parts of the operation of buildings in Category 6*
- *Category 6 includes the majority of GHGs (40.7%), of which Farms and Ski resorts constitute only 20.5% in MB/21.3% in LB.*
- *57.702 t CO_2 eq relating to the Group's equity stake in Globalworth and IMMOFINANZ is reported under Category 5*
- *The table contains market- and local-based emissions. Market-based emissions factors aren't reported for all assets. Market-based emissions factors for 2021 were not available at the time of data collection, hence data as per 2020 disclosures were applied as proxies. Dual reporting of GHG emissions from the electricity consumption is obligatory in the framework of the GHG Protocol/ ISO 14 064-1: 2018 – location-based and market-based methods. CPIPG is reporting both values separately. Location-based emission factors are sourced from the European Environmental Agency (EEA) database for a given country of operation. Marked-based factors are sourced from electricity and district heating suppliers. In case these were not available, residual mix emission factors were used as proxies.*

2021 GHG emissions intensity across the portfolio (t CO_2e/m² p.a.)



Others includes regions: Croatia, Italy, the United Kingdom, France and Russia.

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. CI2 is a non-profit organisation focused on sustainable development, education, publishing, science and research. Its aim is to promote sustainable development in cooperation. CI2 is a regional partner for CDP reporting.

ČVUT UCEEB

CI2 acts as a third party and monitors, reviews and independently validates the Group's GHG disclosures and methodology used. **Through the review process CI2 advised on compatibility with the GHG Protocol and ISO 14064-1: 2018 and compatibility with CDP reporting standards.**

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.

SLEDUJEME CO_2

Energy

The Group has identified measures to mitigate energy consumption

In terms of life cycle periods the buildings consume energy mainly during their operation. This energy consumption is identified as the main contributor to GHG production across the Group. The Group develops and introduces specific measures to improve energy efficiency (and thus reduce GHG emissions) throughout the portfolio, including:

- Switching electricity from fossil fuel to renewable sources;
- Operating efficiency improvements;
- Tenant involvement and cooperation;
- Energy efficient CAPEX;
- New developments complying with EU Taxonomy and Net zero energy buildings regulations.

Energy-efficient improvements in our properties enhance day-to-day energy performance, extend the longevity of building systems and reduce future CAPEX requirements. The cost to achieve efficiencies is usually fully offset and in many cases outweighed by energy savings.

Potential reduction in energy consumption through close cooperation and alignment of strategic objectives with tenants is an additional measure to optimise energy efficiency. Tenant involvement is encouraged through engagement programmes, green leases and green memorandums.

Regular reviews of efficiency utilising reporting systems and energy audits

The Group regularly reviews the operation of buildings to identify efficiency opportunities. Regular checks on consumption patterns take place throughout the majority of the portfolio, utilising the recently implemented energy management system in line with ISO 50001: 2019. The Group also regularly conducts energy audits across the portfolio. These audits are opportunity to indicate the potential for improvement. For example – based on audits in 2021 was decided to develop as a pilot project for Czech portfolio the standardisation of energy meters (they will be passported and included in the online tool used for facility management), which allows the Group to more precisely evaluate the predicted and planned energy savings.

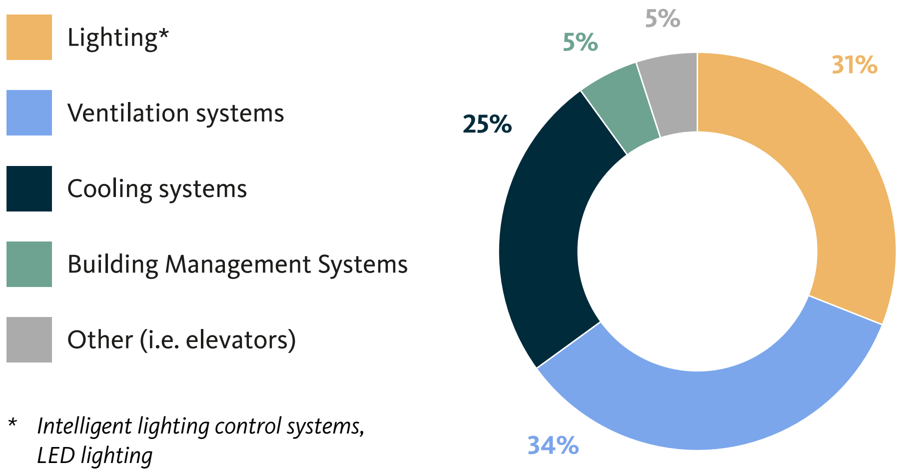
Green CAPEX investments improve energy and water efficiency of properties

Gradual modernisation of aging core building systems through CAPEX is critical to ensure optimal energy and cost efficiency. Not only for that reason The Group develops Green CAPEX tool for the regularly monitoring of predicted energy consumption savings next years and evaluation of the already implemented measures throughout the portfolio in Czech Republic. This tool helps to indicate the predicted amount of energy savings according to implemented type of measures in different technologies.

Green CAPEX 2022

Region	Investment Grand Total (€ m)	Investment Green (€ m)	Green CAPEX (%)
Czech Republic	78.9	9.0	11.4%
Germany	40.5	1.1	2.7
Hungary	20.9	2.3	11.0
Poland	25.0	1.2	4.7

Predicted energy savings in the Czech portfolio based on technology investments in 2022



* *Intelligent lighting control systems, LED lighting*

Life Cycle Cost Analysis ("LCCA") is part of the decision-making process for all CAPEX projects and new developments

LCCA is implemented for all CAPEX projects and new developments in order to identify solutions that meet environmental and economic targets. The Group conducts LCCA 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.

Energy mix – renewable energy

CPIPG considers options for reducing the environmental impact of the energy it consumes, by purchasing low-carbon or renewable energy from suppliers and generating low-carbon or renewable energy onsite. The energy mix is a key focus in regions which have carbon-intensive national energy infrastructure.

The Group produced 10.14 MWh of renewable energy and saved 4,894 t CO_2 equivalent of carbon emissions in 2021. Renewable electricity purchases are underway

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), spanning across 29 assets and 65 separate buildings. Annual production of renewable energy amounted to 4,957 MWh, representing a savings of 2,017 t CO_2 eq in 2021. Spojené farmy acquired a renewable energy plant on biogas with power output of 600 kWp and annual production of 5,183 MWh which represents a savings of 2,877 t CO_2 eq in 2021. Surplus green electricity of 4,229 MWh was sold to the grid and heat is utilised on the farm.

Some of CPIPG's assets already commenced green electricity purchases through green electricity contracts in 2021, utilising Guarantees of Origin. In light of the Group's commitment to transition to 100% renewable energy purchases in future, the Group expects to increase the volume of contracts across the portfolio in 2022.

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. A majority of assets (91% of all built assets in operation) are located in urban areas within a reasonable distance to public transportation which applies for over 98% of offices, shopping centres and hotels.

Cycling is supported at the Group's properties with bike racks fitted as standard. Sport facilities providing necessary background (showers, lockers and restrooms) are available at most office buildings in order to encourage bicycle commuting among our tenants and employees.

E-vehicle charging points increased by 35% in 2021

At the end of 2021, the electric vehicle charging infrastructure in the portfolio comprised of 221 charging points mostly in the office and shopping centers segment, with plans for further extension in the future. All the charging points are properly measured to allows in the future the evaluation of the electricity consumption. Our aim is to supply the electricity for the charging process completely by green electricity with zero emissions.

Electromobility infrastructure across the CPIPG portfolio

Building type	% of buildings equipped with charging points	Number of charging points	Installed charging capacity (kW)
Office	31.9%	162	4,421.6
Shopping centres	45.8%	37	1,203
Retail	1.4%	6	844
Hotels	14.8%	16	200
Total	**17.1%**	**221**	**6,668.6**